City of Muscatine,

Iowa

The Future of Mississippi Drive….

Annual Budget

Fiscal Year 2015/2016

ANNUAL BUDGET
CITY OF MUSCATINE, IOWA

FOR THE FISCAL YEAR
JULY 1, 2015 - JUNE 30, 2016

CITY OFFICIALS

DeWayne Hopkins
Mayor

City Council

Philip Fitzgerald
Tom Spread
Jeanette Phillips
Osama Shihadeh
Michael Rehwaldt
Bob Bynum
Scott Natvig

BUDGET PREPARED BY:

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

COVER:

Engineering design will begin in 2015/2016 for reconstruction of Mississippi Drive from the Norbert Beckey Bridge to Grandview Avenue. The cover photo shows a preliminary concept vision for the Mississippi Drive project.

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, 2014

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, 2014. This was the 30th consecutive year the City received this award.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

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

City of Muscatine

Information Directory

City of Muscatine Website

muscatineiowa.gov

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Brett Talkington, Police Chief	btalkington@muscatineiowa.gov	563-263-9922
Randy E. Hill, Public Works Director	rhill@muscatineiowa.gov	563-263-8933
Jon Koch, Director of Water Pollution Control	jkoch@muscatineiowa.gov	563-263-2752

Introduction to the City of Muscatine

Pearl of the Mississippi

www. muscatineiowa.gov

Early History

Benjamin Nye is credited with having made the first settlement within the present county of Muscatine. This was in the spring of 1834. Mr. Nye laid out a town at the mouth of Pine Creek, situated about 12 miles northeast of Muscatine and named it **Montpelier**. Mr. Nye built a store and three separate mills with his last one, Pine Creek Grist Mill, still standing today in Wildcat Den State Park. Pine Creek offered perfect water power and for many years the early residents of the county brought their grain to his mill but the town itself was a failure.

Colonel George Davenport, who lived at the time in Rock Island, brought a stock of goods and established a trading post in what is now **Muscatine**, erecting a small log cabin and leaving the post in charge of an agent.

The year 1835 saw a number of new settlers in this area. **James W. Casey** started a trading post below that of Colonel Davenport, known as *"Casey's Wood Yard"* of Newburg. **Colonel John Vanater** who had been here several years before, returned and bought Colonel Davenport's post. The town of Bloomington was laid out in 1836 by Colonel Vanater who named the town for his hometown Bloomington, Indiana. This was the first survey by an act of the Wisconsin Territorial Legislature. Approved in January 8, 1837, Bloomington was made the county seat.

Bloomington was incorporated as a town of the second class on January 23, 1839 and on May 6th, its first president, **Joseph Williams** was elected. The population of Bloomington in January 1839 was 71 and there were 33 buildings in the town. In November, there were 84 houses in the city.

How Muscatine got its name

Historians differ in their ideas of how Muscatine got its name. Some claim it was taken from the Mascoutin Indians who lived in this area in the 18th century. The name *"Mascoutin"* means *"Fiery Nation"*. Other historians claim the name came from the Indian name for what is now known as Muscatine Island. Because of the great difficulty in getting mail, (it was often sent to Bloomington, Illinois or Bloomington, Indiana and sometimes Burlington, Iowa), in 1850 the new name of **Muscatine** was adopted for both the town and county.

The name Muscatine is unique in that it is not used by any other city in the United States or the world.

Railroad Development

The period from 1854 to 1875 was marked by the coming of the railroads and the rapid settlement and development of the State of Iowa. The Chicago, Rock Island and Pacific Railroads were the first railroads to be built in Iowa reaching Rock Island, Illinois, in August 1854 and connecting with Iowa by ferry crossing the Mississippi River. On November 20, 1855, the Mississippi and Missouri Railroad, which later became part of the Rock Island System, operated the first passenger train between Davenport and Muscatine. This was also the first passenger train operated in the State of Iowa.

Early Muscatine Industry

Lumbering, saw and planing mills, sash and door factories and other forms of woodworking were a major industry in Muscatine. When the nearby forests were cut off, lumber operators moved up the Mississippi River and brought the logs downstream by water. With the coming of the railroad, lumber was shipped in, but through all these changes various types of woodworking continued to be Muscatine's major industry. Muscatine businessmen acquired forest lands and continued to operate saw mills in various parts of the county.

Pearl Button Industry

John Fred Boepple, a German immigrant with a flair for making buttons, came to Muscatine in 1887. By mistake, Boepple found that fresh water mussel shells, instead of animal horns, made a stronger button that more closely resembled the fashionable buttons made of expensive import marine shells. Nicholas Barry and his sons invented a machine

which turned out better buttons with less labor. Muscatine soon became the world's largest pearl button manufacturer, its factories employing half of the Muscatine workforce during the turn of the century, earning it the name of ***"Pearl Button Capital of the World."*** In 1905 over 1.5 billion pearl buttons were made in Muscatine. Today nearly all buttons are made from plastic.

Other Industrial Development

In 1892, after a nationwide investigation, **H.J. Heinz Company** decided to locate one of their principal canning plants in Muscatine, being the first expansion outside of Pittsburgh. Numerous additions have been made to this plant making it now the largest Heinz plant outside of Pittsburgh and the largest canning plant between the Mississippi River and the Rocky Mountains.

The fertile soils of Muscatine make the area well known for producing some the highest quality agricultural products in the world with the famous Muscatine Melon being perhaps the most recognized.

Muscatine is home to the world headquarters of HNI (HON Corporation) that began here as a small businesses. Other companies have major facilities in Muscatine and a number of small and medium sized companies have become known nationally and internationally for their products.

Incorporation and Government

Muscatine acquired its present name in 1850. On February 21, 1851 Muscatine was incorporated by a special act of the Iowa State Legislature and is one of four lowa 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

MUSCATINE

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City Administrator
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Muscatine, IA 52761-3840
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TO: Mayor DeWayne Hopkins and Members of City Council

SUBJECT: Budget Message - FY 2015/2016

DATE: March 15, 2015

The budget for fiscal year 2015/2016 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 30th consecutive Distinguished Budget Presentation Award for the fiscal year 2014/2015 City Budget. The budget for fiscal year 2015/2016 will also be submitted for consideration for this award.

GOALS AND OBJECTIVES

The budget for 2015/2016 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 23, 2014 to discuss and establish goals and objectives for 2015/2016. At that meeting the City Council also reaffirmed the Core Values, Vision Statement, and Mission Statement for the City. The Core Values, Vision Statement, Mission Statement, and strategic goals for 2015 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.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016 AND FUTURE YEARS

Long-Term Goals

- Implement the Blue Zones Blueprint
- Partner with local organizations and governments to combine services or cooperate where feasible and appropriate
- Position the City to address potential shortfalls in revenue due to state and federal mandates and work to leverage local funding with grants
- Work to retain Tax Increment Financing (TIF) as a municipal economic development tool

Council and Management Agenda 2015-16

Economic Development

- Create a clearinghouse for economic development incentives
    - Promote small business forgivable loan program
    - Coordinate with Greater Muscatine Chamber of Commerce and Industry (GMCCI) and local industry
    - Market incentives (TIF, Tax Abatement, IEDA programs, Revolving Loan Funds, etc.)
    - Community Development Block Grant (CDBG) and updated Downtown Loan Program
- Coordinate with GMCCI and local industry and focus on "supply or value chain" business attraction/retention
- Coordinate with GMCCI to grow local second stage entrepreneurs (1-20 employees)
- Market economic development incentives
- Create a strategic plan and drive economic development to key corridors
    - Highway 38/61 area
    - Mississippi Drive/Grandview
    - Carver Corner
    - Downtown

Housing

- Develop a Workforce Housing Action Plan
- Development of downtown housing
    - Long and short term housing
    - Identify partners (local industry, banks, and realtors), components, and mechanisms

- Evaluate and promote opportunities and incentives for infill (Residential Tax Abatement, Tax Increment Financing, IEDA, etc.).
- Develop an Affordable/Quality Housing Action Plan
    - Starter homes, family apartments, or rental opportunities
    - Address displaced renters from downtown
    - Education – finances related to purchasing a home, costs of home ownership, affordability, commuting
    - Financial aid and down payment assistance
    - Implement changes to rental housing codes

Programs and Services

- Complete the rewrite of the 1974 Zoning Ordinance (Winter 2015, Adoption 2015) and publish the new City Code (2015)
- Adopt and implement a sidewalk policy

Marketing

- Develop a marketing and branding initiative for the City of Muscatine in cooperation with the Greater Muscatine Chamber of Commerce and Industry (GMCCI), Convention and Visitors Bureau (CVB), and Community Improvement Action Team (CIAT)
- Enhance the City's updated website and expand the use of social media tools for public communication
- Explore methods to improve public communication and marketing

Continuous Service Improvement.

- Ingrain the concept of Continuous Service Improvement (CSI) in staff
- The CSI committee will work with departments to identify and conduct at least one event quarterly (total of 4 in the next year)
- Identify metrics and provide an annual progress report
- Bring technology to the field (drive efficiency)

Capital Projects

- Mississippi Drive (2016) and Grandview Avenue (2018)
    - Joint RFQ and preliminary design (Winter 2014/2015)
    - Property acquisition (2015)
- Pearl III (CIAT, IISC (Iowa Initiative for Sustainable Communities), and place-making projects) – develop and maintain local amenities for residents and that attract/retain a quality workforce
    - Partner with CIAT
    - Identify priorities and develop funding plan (Target Community Attraction and Tourism (CAT) grant application – annually in Mid-January)
- Mulberry Avenue planning and design (2016)
- CSO (Combined Sewer Separation) (Multiple phases through 2028)
- Airport Rehab of Primary Runway (2015)
- City Hall (Envelope) and Art Center HVAC (Envelope and HVAC)
- Implement Capital Improvement Plan (CIP) with focus on existing infrastructure
- Trail committee – refocus, prioritize, and identify funding (trails, sidewalks, biking)

The 2015/2016 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, and Finance 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 2015/2016 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 55.7335%, 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 impacted the City's taxable property valuations for fiscal year 2014/2015 and 2015/2016 and will continue to impact taxable valuations in future years. Based on growth assumptions, Public Financial Management Inc. (PFM), the City's financial consultant, has projected the 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 2015 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 2015/2016 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 2015/2016 budget. The total property tax rate for the 2015/2016 budget is $15.67209 per $1,000 of taxable valuation, which is the same total rate as the three previous years. While the employee benefits tax levy increased for the upcoming year, the City was able to reduce the tort liability, transit, and debt service tax levies in an amount which offset the employee benefits increase. 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 2015/2016.

While the tax rate will not change for 2015/2016, residential property owners will still be impacted since the rollback factor applied to residential property increased by 2.44% for the upcoming year. The owner of a home with a value of $100,000 will see an increase of $20 in their city property taxes for 2015/2016. Conversely, with the additional 5% rollback (from 95% to 90%) on industrial and commercial property in 2015/2016, the owner of a commercial business valued at $100,000 will see a decrease of $79 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 Contributions and Rates

The required city contribution rate to the statewide Municipal Fire and Police Retirement Systems of Iowa (MFPRSI) was 26.12% in 2012/2013, 30.12% in 2013/2014, 30.41% in 2014/2015, and will decrease to 27.77% in 2015/2016. Pension contributions for those years were $1,116,080, $1,327,925, $1,390,319, and $1,352,752, respectively. While there is a $37,567 decrease in contributions for 2015/2016, the decrease is much less than the increases in recent years. It should be noted that police and fire pension costs increased from $654,034 in 2009/2010 when the contribution rate was 17.00% to $1,352,752 for 2015/2016 with the 27.77% contribution rate. This is a $698,718 increase and an increase of 106.8% over this 7-year period. While modest annual decreases in future year pension rates are forecasted, these rates continue to have a significant impact on the City's budget.

Police and fire pension contributions are funded annually from the Employee Benefits tax levy. For 2014/2015 the tax levy rate needed to fund Police and Fire pension costs increased to $1.75054/$1,000 of valuation from $1.70009/$1,000 for 2013/2014, a 2.94% increase. For 2015/2016 the property tax rate for police and fire pension contribution decreased to $1.73191, a 1.06% decrease.

In additional to police and fire pension contributions, the Employee Benefits tax levy also funds costs of FICA, IPERS, health insurance and other benefit costs for General Fund employees. 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 were funded from the General Fund balance instead of the Employee Benefits levy which again allowed for the total tax levy rate to remain unchanged. In 2015/2016 $192,959 of other employee benefit costs are being funded from the General Fund balance which again assisted in maintaining the same total tax rate. While in recent years the City has been able to maintain the same total tax rate by varying individual tax levy rates and using the General Fund balance, if the Police and Fire pension contributions increase 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 2015/2016 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, 2014/2015, or 2015/2016.

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 natural 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 $110,000 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, 2014/2015, and 2015/2016 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 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 annually.

Other significant changes implemented in recent years include: (1) The change from the previous insurance carrier to the Iowa Community Assurance Pool (ICAP) on July 1, 2014 resulted in a savings of $128,600 in General Fund insurance costs in the revised estimate compared to the original 2014/2015 budget (the City-wide savings was $173,900), (2) Two voluntary annexations in 2012-2013 added 528 acres, 933 residents, $88,000 in annual property taxes, and $47,000 in annual Road Use Taxes, (3) The Transfer of Jurisdiction of a portion of Business Route 61 from the State to the City in 2014 provided $13 million of funding that can be used to reconstruct and improve this corridor, (4) Implementation of the City's new financial software system on December 1, 2013 has assisted in streamlining accounting processes throughout city departments, and (5) Transitioning away from City participation in the Carver Swim Center will generate an annual saving of $28,100 beginning in 2015/2016 when the 3-year phase-out period is completed.

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 eighteen in 2014; (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 2015/2016 and future years. One of the City's goals for the upcoming year is to continue to develop a formal Continuous Service Improvement program which will assist departments in identifying and implementing efficiencies and cost savings in 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 $57,540,386 in 2015/2016 for all of the TIF areas. This value would generate $466,077 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 $901,778 – essentially lost revenue that could be used to fund and maintain city operations and services. If that $57.54 million was allocated toward regular valuations for all taxing entities, the county would generate over $523,000 in taxes and the school over $887,000 (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. It should also be noted that but for TIF, many of the projects may not have happened and there would have been no increase in regular taxes to the various governmental entities.

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 2015/2016 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 $605,000 of incremental taxes was not claimed by the city for 2015/2016. 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 through 2015/2016 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, $113,089 in 2013/2014, $116,500 in 2014/2015, and $116,500 in 2015/2016 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 and $38,000 in 2015/2016 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, 2014/2015, and 2015/2016 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 has allowed 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 as well as the original industrial contracts were extended through June 30, 2015 and have been further extended through June 30, 2020.

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, decreased by $435,957 to $1,082,335 in fiscal year 2012/2013, and further decreased by $573.309 to $509,026 in fiscal

year 2013/2014. Based on estimated landfill revenues and expenditures, the deficit in the Landfill fund is projected to decrease by $325,154 during the 2014/2015 fiscal year and by an additional $467,339 to a positive balance of $283,467 by the end of the 2015/2016 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 2015/2016

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 2013/2014 the City successfully negotiated 5-year contracts with each of the City's three bargaining units for fiscal years 2014/2015 through 2018/2019. The contracts for the police and fire bargaining units provided for wage increases of 2.25% in 2014/2015, 2.50% in 2015/2016, 2.75% in 2016/2017, 2.90% in 2017/2018, and 3.00% in 2018/2019. Wage increases for individual positions in the Blue/White Collar bargaining unit varied, but the overall financial impact to the City for this group was comparable to the increases for the police and fire bargaining units. Non-union employees are budgeted to receive the same across-the-board increase for 2015/2016 as the union groups (2.5%).

Municipalities are not immune to the same inflationary pressures that affect our residents and business community. Rising costs of fuel (typically), utilities, asphalt, other materials, and construction costs all affect the City. With the increased cost of providing basic services, there continues to be challenges for the city's financial resources to meet these increasing obligations. Additional costs for operating supplies and services continue to divert dollars that could be used for additional or enhanced services. The Municipal Cost Index (MCI) provides an indication of changes in the costs of materials purchased by municipal governments. The MCI increased 1.52% between December 2013 and December 2014. Over the past 10 years the MCI increased a total of 31.15% or an average of 3.12% per year. The property tax rate for 2015/2016 is 1.03% higher than the rate 10 years ago and the 2015/2016 property tax revenues are 26.09% higher than 10 years ago (which is significantly less than the MCI 10 year increase of 31.15%).

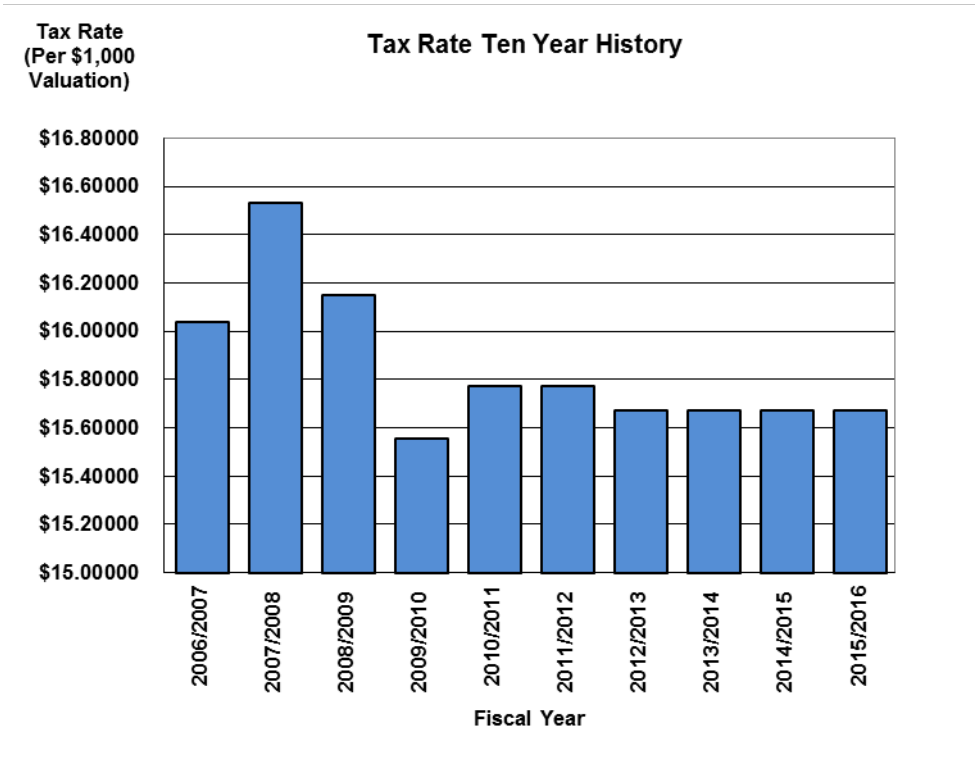
The 2015/2016 budget also includes an assigned funding allocation of $12,300 to allow for merit increases for fulltime non-union employees. This is the first year of this program which will allow for employees in this group to progress above the mid-point of their pay ranges based on merit performance in their positions. The budget amount is based on an estimated 30% of the employees in this group being eligible for merit pay of 1% of their annual salary.

The new union contracts also provide for increases in health insurance deductibles and out-of-pocket maximums and employee contributions for health insurance. The bargaining units agreed to increase the health insurance deductibles and out-of-pocket maximums from the current $500/$1,000 single and family deductibles and $1,000/$2,000 single and family out-of-pocket maximums to $600/$1,200 deductibles and $1,200/$2,400 out-of-pocket maximums effective January 1, 2016. The three bargaining

units 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. 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 2015/2016, property taxes will represent 32.3% of total city operating revenues. This is a slight increase from the 32.0% in fiscal year 2014/2015. The total tax levy rate for fiscal year 2015/2016 of $15.67209 per $1,000 of valuation is the same as the total tax rate for 2014/2015, 2013/2014 and 2012/2013. The following chart shows the property tax rates for the last nine (9) years and the budgeted rate for 2015/2016:



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 decreased and debt service requirements decreased. 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, 2014/2015, and 2015/2016 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 2015/2016 tax rate:

1. 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.

2. The Transit Levy is $.30282 per $1,000 of valuation, which is a 17.6% decrease in the levy rate ($.065/$1,000 decrease). This is primarily due to reduced fuel costs and reduced maintenance costs with the purchase of four new transit vehicles in 2013/2014. An increase in transit fares is included in the 2015/2016 budget, with fares for regular routes to increase from $.75 to $1.00 and fares for shuttle service increasing from $1.00 per ride to $2.00. Fares have not been increased since July 1, 2003.

3. The Tort Liability levy will be $.28889, which is a decrease of 26.9% in this levy (a $.106/$1,000 decrease). The Tort Liability tax levy reduction was possible due to changing to the Iowa Community Assurance Pool (ICAP) for the City's major insurance policies.

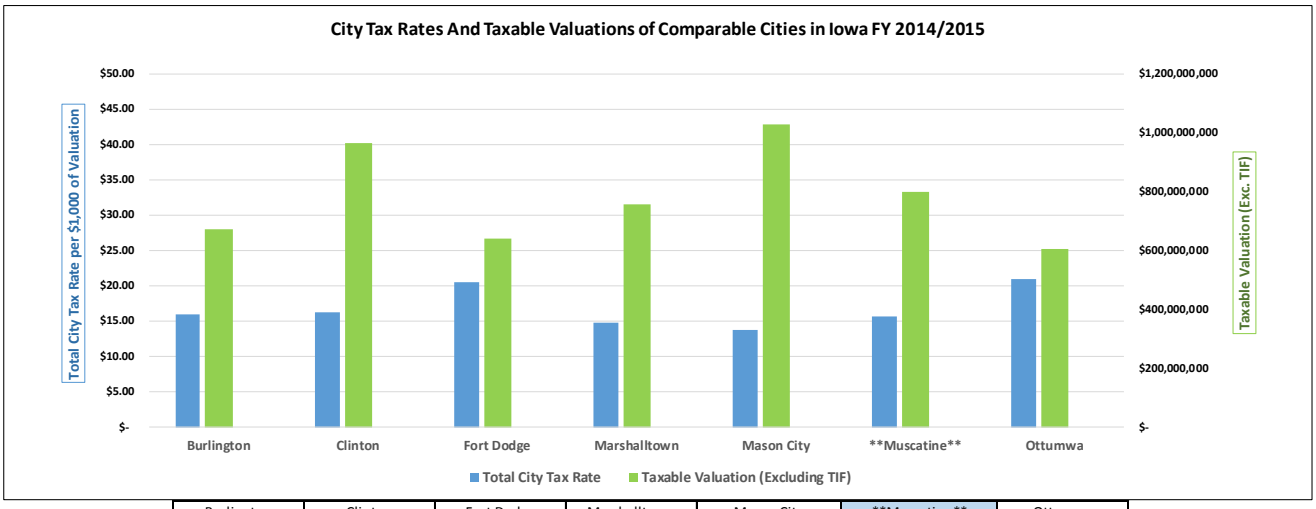
4. The Special Revenue Employee Benefits Levy is budgeted to increase 6.9% to $4.11611 (an increase of $.265/$1,000). This would have been much higher if $192,959 in employee benefits had been funded from the tax levy instead of the General Fund balance. There was also a $40,385 beginning balance in the Employee Benefits fund, which assisted in reducing the amount funded from the General Fund and/or the tax rate.

5. The Debt Service Levy will decrease by 3.2% to $2.79677 (a decrease of $.094/$1,000). This decrease was possible due to the favorable interest rates on the June 2014 bond issue.

6. The city will continue the Levee Improvement tax levy of $.06750 per $1,000 of valuation in 2015/2016, which will be used towards the city's share of the Mad Creek Levee project costs incurred in prior years and costs of levee certifications.

As noted previously, the City eliminated the Emergency tax levy for the 2011/2012 year and this levy has again not been used for 2015/2016. 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 2015/2016.

The following chart shows City tax rates for the group of seven cities in Iowa "comparable" to the City of Muscatine. The comparable cities shown are the group of similar size, stand-alone, full-service cities in the state. This chart shows the city tax rate and taxable valuations for the current 2014/2015 fiscal year. The information is not yet available for other cities for 2015/2016. City tax levies for this group range from $13.85102 per $1,000 of valuation for Mason City to $20.89648 for Ottumwa. The City of Muscatine's rate of $15.67209 is the third lowest in this group. Taxable valuations range from $641,447,072 for Fort Dodge to $1,028,477,982 for Mason City. The City of Muscatine's taxable valuation of $798,149,186 is third highest in this group. Each city sets their own tax rate based on their taxable valuation and the services provided to their residents.



	Burlington	Clinton	Fort Dodge	Marshalltown	Mason City	**Muscatine**	Ottumwa
Total City Tax Rate	$15.93632	$16.3203	$20.4723	$14.76355	$13.85102	$15.67209	$20.89648
Taxable Valuation (Exc. TIF)	$673,146,179	$963,557,888	$641,447,072	$756,390,717	$1,028,477,982	$798,149,186	$606,360,046
Population (2010)	25,577	26,869	25,105	27,569	28,052	22,886*	25,035

*23,819 with annexations

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 (TIF) districts as well as urban revitalization districts and enterprise zones. These financial incentive tools are available through City Council action to provide similar yet different types of financial incentives to encourage expansion of existing and attraction of new business opportunities within the city. In May of 2011 the City Council approved a resolution establishing a new enterprise zone and abatement schedule for a designated area of the City in order to offer tax abatement as an incentive to stimulate job creation and retention, enhance property tax values, and promote industrial revitalization within this area. As noted in the previous section, in May of 2011 the City Council approved a resolution which consolidated and expanded the city's urban renewal policies, projects, and initiatives under a single urban renewal plan and expanded the city's urban renewal area to include the current city boundaries. This action allows the city to pursue using TIF funding for economic development or blight alleviation throughout the city. In 2013 the City adopted policies and incentives to encourage in-fill opportunities and to address blight within the city limits. These polices 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 2014 the City also started a Small Business Forgivable Loan program. The City is allocating $100,000 in TIF funds in both 2014/2015 and 2015/2016 for this program. This program is targeted for small businesses and the maximum forgivable loan is $25,000.

In addition, the City Council continues to provide financial support to the Muscatine Chamber of Commerce & Industry. For fiscal year 2015/2016 the City Council has included $35,000 in the budget to provide this assistance. An additional $3,000 was allocated to the Chamber 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 2015/2016 is $781,075,199, which is $13,145,864 (1.66%) lower than the fiscal year 2014/2015 valuation of $794,221,063. Growth in Tax Increment Financing (TIF) districts is not included in these taxable valuation amounts. The overall decrease is due to the second year of the rollback of commercial, industrial, and railroad property from 95% to 90%. For 2015/2016 there was a decrease of 6.03% in commercial and a decrease of 8.62% 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 additional 5% rollback. The taxable valuation for residential property, however, increased by 2.39% for 2015/2016. While *actual* residential property values increased by .10% in 2015/2016 due to growth and re-valuation of existing property, *taxable* values increased by 2.39%. 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 2015/2016, however, the rollback factor for residential property increased from 54.4002% to 55.7335% (an increase of 2.44%). With the total City tax rate of $15.67209 for 2015/2016, the City will collect $12,404,951 in property taxes in fiscal year 2015/2016 compared to fiscal year 2014/2015 taxes of $12,541,759, a decrease of $136,808 (1.09%).

As noted above, property tax reform legislation approved in 2013 rolled back commercial and industrial property from 100% to 95% in 2014/2015 and further rolled 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 2015/2016 the State reimbursement to the General Fund is estimated at $333,080 based on the regular $8.10 General Fund levy. Additional State reimbursement funds of $12,452 for the Transit levy, $11,880 for the Tort Liability levy, $169,259 for the Employee Benefits levy, $115,006 for the Debt Service levy, and $2,776 for the Levee levy total to an estimated total reimbursement of $644,453 for 2015/2016. The reimbursement for 2014/2015 totaled $284,514. If the total reimbursements of $644,453 for 2015/2016 and $284,514 for 2014/2015 are added to the property tax levy amounts of $12,404,951 and $12,541,759, respectively, property tax and state reimbursements total to $13,049,404 for 2015/2016 compared to $12,826,273 for 2014/2015. This is a $223,131(1.74%) overall increase in these revenue sources.

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.

The largest source of funding from the State of Iowa is Road Use Tax funds collected by the State and distributed to local governments for street maintenance and street improvements. At the time the budget was prepared it was anticipated that the city would receive $2,358,100 in Road Use Taxes in 2015/2016. In February of 2015, however, the State legislature approved a $.10 per gallon increase in fuel taxes effective March 1, 2015 which is expected to increase the City's allocation of Road Use Taxes by an estimated $400,000 for the upcoming year. This increase will allow the City to accelerate the street improvements planned for upcoming years. 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. In 2015/2016 an estimated $255,000 in State funding will also be received for the Transit operation, $120,400 for Airport improvement projects, and $381,100 in State funding is budgeted to be received for the Musser Park to Weggens Road Trail project.

The fiscal year 2015/2016 budget includes an estimated $8,352,440 in federal funding for both operating and capital project costs. This includes the following: $1,976,840 in funding for the Section 8 Housing rental assistance program; $345,600 for operating and capital funding for the city's Public Housing Program; $9,800 for the Home Ownership Education Program; $747,900 in federal funding for street-related projects; $3,795,600 in FAA funds for airport projects; $371,700 for the CDBG Downtown Revitalization project; $516,000 in federal funding for the Transit operation; $458,400 in federal funding for the Musser Park to Weggens Road Trail project; and $130,600 in Police department grants.

CHARGES FOR SERVICES

For fiscal year 2015/2016 budgeted charges for services total $13,475,750 and comprise 30.3% of total operating revenues of the city compared to 31.4% for 2014/2015. These charges primarily involve programs and activities in the city's Enterprise Funds. Fee increases are budgeted for sanitary sewer services, collection and drainage, transit, and the boat harbor for fiscal year 2015/2016.

Sewer revenues including the separate collection and drainage charges are estimated at $5,630,300 for 2015/2016. 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.

Transit fares are budgeted to increase effective July 1, 2015 with the fare for fixed routes and night service increasing from $.75 to $1.00 and the paratransit fare increasing from $1.00 to $2.00. Transit charges are estimated at $215,000 for 2015/2016. The last fare increase was in 2003/2004, over ten years ago.

Boat harbor slip rental rates are based on boat length. These rates are budgeted to increase by 2.5% for the 2015 boating season. The last fee increase was effective for the 2010 boating season.

Golf course fees and sales are estimated at $801,100 for 2015/2016. No fee increase is budgeted for 2015. Golf fees were last increased for the 2014 golf season by $1.00 per round for adult and senior greens fees. Adult and senior season pass fees also increased by $30.00 and $25.00, respectively. The greens fee and season pass rates for juniors remained 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 2015 season is the ninth 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 is being used to finance the remaining portion of the project costs. Annual payments estimated at $45,000 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 $1,915,450 for 2015/2016 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 2015/2016 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 qualified for a discounted industrial rate of $50/ton of which $30 of this rate was paid to the Landfill. Additional negotiated industrial contracts were approved in 2010 which assisted in generating new waste for this facility. Revenue from the new negotiated contracts, however, was directed toward the Landfill fund deficit. These negotiated industrial contracts as well as the original industrial contracts were all extended through June 30, 2015. During 2014/2015 the industries agreed to extend both the regular and negotiated industrial contracts through June 30, 2020. Under the new contracts the original industrial waste contracts were reduced by $5/ton from $50/ton to $45/ton, with $25 of the $45 rate paid to the Landfill. The negotiated contracts were each reduced by $2.50/ton.

Budgeted landfill charges for services total $1,225,800 for 2015/2016. The landfill rates are incorporated in the transfer station rates with $40.00 of the $60.00 per ton transfer station rate ($25.00 of the $45.00 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 and have been extended through June 30, 2020 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 $2,160,300 for 2015/2016. 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 $1,280,000 for the 2014/2015 revised estimate and $1,290,000 for the 2015/2016 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 $565, the rate for ALS 1 calls is $672, the rate for ALS 2 calls is $972 and the rate for SCT (Skilled Care Transports) is $1,149. The Fire department reviews rates on an annual basis based on surveys of other area providers.
Parking fees are budgeted at $103,000 for 2015/2016. 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 2015/2016.

PROGRAMS AND SERVICES

The 2015/2016 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 total 223.35 for 2015/2016. This is a net increase of .77 in full-time equivalent positions compared to the original budget for 2014/2015. Changes in authorized positions for 2012/2013 through 2015/2016 are as follows:

2015/2016 (Including Changes in the 2014/2015 Revised Estimate

- In the 2014/2015 revised estimate there was a reduction of one police officer position due to grant funding being discontinued for the officer 100% funded from U.S. Department of Homeland Security grant for the Joint Terrorism Task Force.
- In the 2014/2015 revised estimate there was a reduction of .25 in staffing in the Housing department with a staff reorganization.
- A new Communications Manager position was added in the 2015/2016 budget. This position will manage the city website, branding and marketing efforts, news releases, and social media. While accounted for in the General Fund, the cost of this position will be evenly allocated to six funding sources.
- An additional 29 hour/week Community Services Officer position was added to the Community Development department. The primary responsibility of this position will be to oversee the new rental housing registration and inspection program. Fees for rental housing registrations are expected to fund the cost of this position.
- The Art Center Aide position is budgeted to increase from 20 hours/week to 29 hours/week for 2015/2016.
- There were changes in part-time staffing in the Library (.18 FTE reduction) and grant-funded Art Center part-time staffing (.22 increase).

2014/2015

- There was 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 was not filled due to this upcoming change.
- There were reductions in part-time staffing in the Library of .13 FTE and Refuse Collection of .10 FTE.

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.

The projected level of expenditures for the General Fund of $18,279,626 for 2015/2016 is 2.6% ($467,645) above the 2014/2015 budget of $17,811,981. This increase includes a one-time additional allocation to the Equipment Replacement Fund of $148,500 for a new ambulance. Without this one-time allocation, the increase in budgeted expenditures would be $319,145 (1.8%) compared to the current year. The overall increase in expenditures consists of (1) an increase of $369,400 (4.0%) in salaries and wages, (2) a decrease of $23,300 (.6%) in employee benefit costs, (3) a decrease of $34,300 (3.5%) in commodity costs, (4) an increase of $22,300 (.9%) in contractual services costs, (5) an increase of $43,500 (8.8%) in capital outlay costs, and (6) an increase of $90,045 (13.8%) in transfers and "assigned" funding.

The City first used the "assigned" funding classification in the 2012/2013 General Fund budget. The funding assignments for that year included allocations for a new fire engine, new financial software, and the first annual allocation of $40,000 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. The fire engine and the financial software were purchased in 2013/2014. The second and third annual allocations of $40,000 for the COPS grant-funded police officer positions were budgeted in 2013/2014 and 2014/2015.

The 3rd and final year of the COPS grant funding will end in April of 2015. The prior year assigned funding will be used in 2015/2016 to meet the 4th year requirement of the grant agreement. The School is expected to fund the 4th year requirement for 75% of the cost of one officer since this position is being used as a 2nd School Resources Officer in the middle schools. The 2015/2016 budget includes City funding for the City's portion of the cost for these officers for the remainder of the 2015/2016 fiscal year after the 4th year requirement is met in April of 2016. The 2015/2016 budget includes an assigned funding allocation of $12,300 to allow for merit increases for non-union employees.

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 the required 4th year of funding for those officers.

The 2015/2016 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 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 2015/2016, 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 15 from 170 in 2001/2002 to 155 in 2015/2016. 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 fourteen years. Although savings were achieved through these actions, it did alter the levels of service that the city now offers to the public.

The 2015/2016 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 (SRO) 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 middle school SRO position will continue in 2015/2016 with 75% funding from the school district. The two police officer positions assigned to the Drug Task Force will continue in 2015/2016. These positions are partially funded from federal grants.

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 firefighting 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 2015/2016. Major Public Works projects scheduled for engineering design in 2015/2016 include Mulberry Avenue improvements from Houser Street to the Bypass and reconstruction of the Mississippi Drive Corridor from the Mississippi River Bridge to Grandview Avenue.

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 included 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 an additional automated truck will be purchased at the time the next refuse collection vehicle is 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.

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. The Community Development department completed the new Five Year Capital Improvements Plan in 2013/2014 and this plan was adopted by City Council in April of 2014. The first update to this plan is underway in 2014/2015. 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 requires the city to complete specific major sewer separation projects by 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 was completed in December of 2014. Bids for the third phase of the project were received in March of 2015. This contract provides for three phases of improvements to be completed in calendar years 2015, 2016, and 2017.

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 2014/2015 and 2015/2016 include rehabilitation of runway 6-24, construction of a T-hangar connector road, and an update to the Airport zoning ordinance. The runway rehabilitation project is estimated at $3.8 million and FAA grants will fund 90% of the cost of the project. The T-hangar connector road and airport zoning ordinance projects will receive 85% funding from State grants. The airport will continue to serve the community for both recreational and business-related activities in 2015/2016.

For fiscal year 2015/2016 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 2015/2016 the City Council chose to continue financial contributions for the

Greater Muscatine Chamber of Commerce and Industry (GMCCI), Convention and Visitors Bureau (CVB), the Muscatine Humane Society, and Senior Resources. The subsidies to GMCCI, Senior Resources and the Muscatine Humane Society were maintained at the same levels as 2014/2015. The subsidy for the CVB is budgeted at $103,800 for 2015/2016; the actual subsidy however, will be 25% of actual hotel/motel tax receipts for 2014/2015 per the City's agreement with the CVB. The 2015/2016 budget includes a new subsidy to the Muscatine Center for Social Action's (MCSA's) Homeless Prevention Program. This is a one year funding commitment from the City for this program.

Operating expenditures budgeted for all city operations for 2015/2016 total $40,761,383, which is an increas**e** of $1,893,593 (4.9%) from the fiscal year 2014/2015 level of $38,867,790. Operating revenues for the city total $44,409,167 compared to $42,558,453 for 2014/2015, an increase of $1,850,624 (4.4%). Capital project expenditures are estimated at $8,473,900 in the 2014/2015 revised estimate and $13,404,600 for 2015/2016.

FUND BALANCE AND BUDGET POLICY ISSUES

The 2015/2016 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 2015/2016 balanced budgets were presented to and approved by Council for all funds with the exception of the Golf Course and Marina Enterprise funds and the Equipment Services Internal Service fund. The deficits in these three funds are due to inventories in those operations. In prior years there was also a deficit in the Landfill fund due to costs for development of new landfill cells at this facility. This deficit is budgeted to be eliminated in 2015/2016 as projected in the Long-term Deficit Reduction Plan for the Landfill. This Plan provided that the deficit would be eliminated and a positive balance be available in the Landfill Fund prior to the time when a new landfill cell would need to be constructed. It is estimated that the next cell will need to be constructed in the 2016/2017 fiscal year.

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, 17.9% at the end of 2012/2013, and 19.2% at the end of 2013/2014. 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 2014/2015 budget was developed was 16.8%. The 2014/2015 revised estimate ending fund balance is 19.8%. The ending balance for the 2015/2016 budget is 18.5%, which meets the new minimum General Fund balance policy. The 2015/2016 budget includes using $148,500 of the General Fund balance for a one-time capital allocation for a new ambulance. Without this one-time use of fund balance, the fund balance at the end of 2015/2016 would have remained at 19.8% of General Fund expenditures.

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 factor in maintaining the city's bond rating. The rating received at the time of the city's 2014 bond issuance was Aa2 under Moody's current rating scale. This was the same rating as assigned for the 2012 bond issue. The Moody's rating will again be reviewed in April 2016 prior to the June 2016 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 April of 2014 the City Council approved the resolution to adopt the current Five Year Capital Improvement Plan for fiscal years 2013/2014 through 2017/2018. Elected officials, citizens, and city staff participated in the development of this 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 can be accessed from the city's website. The Plan's capital project summary schedules, however, listing all Plan projects as well as summary schedules by fiscal year and by department have 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 2014/2015 revised estimate and 2015/2016 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 schedules from the Five Year Capital Improvements Plan, the Capital Projects section of this budget document includes descriptions of all projects under construction in 2014/2015 and those to be initiated in 2015/2016. 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 2015/2016 and upcoming years will continue to be upgrading of the city's streets and sewer systems, downtown improvements, airport improvements, building and facility improvements, and 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 used 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 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 and this amount has been included in the budget for 2015/2016.

In addition to the Pavement Management Program, construction is nearing completion on two major street reconstruction projects. Construction began in the fall of 2013 for the Colorado Street reconstruction project with this project scheduled to be completed in the summer of 2015. Construction began in the spring of 2014 and will continue through the summer of 2015 for the heavily-traveled portion of Cedar Street from Parham to Houser Street. Federal grants will fund a portion of the cost of these projects with bond proceeds, road use taxes, and the pavement management portion of Local Option Sales Taxes funding the local share of project costs.

Engineering design is scheduled to begin in 2015 for Mulberry Avenue improvements from Houser Street to the Bypass and for the Mississippi Drive Corridor from the Mississippi River Bridge to Grandview Avenue. The Mulberry Avenue project is scheduled for construction in 2016 and will be funded from a federal grant and bond proceeds. The Corridor project will be funded from the $13 million in Transfer of Jurisdiction funds received from the State when responsibility for this corridor was transferred from the State to the City.

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 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 thirteen 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 was completed in the fall of 2014. Bids for Phase III of this project were received in March of 2015. This contract provides for three phases of improvements to be completed in calendar years 2015, 2016, and 2017.

Construction on the $18.5 million comprehensive Water Pollution Control Plant (WPCP) 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 nearing completion and the contract is expected to be closed out before the end of the 2014/2015 fiscal year. Engineering design is in progress for a High Strength Waste Receiving Station at the WPCP. Construction of this project is scheduled for 2015/2016 and the project will be funded from the Plant Replacement Reserve.

Several significant building and facility improvements are included in the 2015/2016 budget. These include Art Center HVAC improvements, Art Center windows and building envelope improvements, roof replacements and tuck-pointing improvements for several public buildings, playground surface replacement at Musser Park, and rip rap improvements on both the riverfront and at Kent Stein Park by

the Muscatine Slough. Bond proceeds will be used to fund a substantial portion of the cost of these projects with contributions expected to fund a portion of the Art Center improvements.

Other capital projects included in the 2015/2016 budget include the Downtown CDBG Revitalization project, the Musser to Weggens Road Trail, the Airport Runway 6-24 Rehabilitation project, construction of a T-hangar connector road at the Airport, and the annual new sidewalk program. 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. With the estimated landfill revenues and expenditures for 2015/2016, the deficit in the Landfill fund is projected to be eliminated during 2015/2016 and positive fund balance of $283,467 is budgeted for the end of the 2015/2016 year. The goal was to have the deficit eliminated and have a positive fund balance by the time the next cell needs to be constructed. It is currently estimated that construction on the next cell will need to begin in the 2016/2017 fiscal year.

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 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 $3,075,000 in property tax funded debt in June of 2016 with this bond issue funding the local share of the Mulberry Avenue improvement project, the local share of the Airport improvement projects, and the various building and facility improvements discussed above. 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 2015/2016 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 2015/2016 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,

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 2015/2016 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, and the Perpetual Care Interest 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, and fire 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 2014/2015 and upcoming 2015/2016 fiscal years.

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

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

	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 23, 2014 to discuss their overall goals and objectives for the operation of the City. These goals and objectives were formally adopted on November 6, 2014. 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 12th. 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 29, 2015. 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 2015/2016. 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 12, 2015 and authorized the City Clerk by resolution to certify the budget to the County Auditor by March 15, which is the State filing deadline. After certification, the budget was reviewed by staff and detailed information changed in light of City Council discussions. The budget was subsequently printed and made available for distribution. The budget document then becomes a guide for the City Council and departments during the year for achieving the goals and objectives, and providing programs and services as described in the budget.

BUDGET AMENDMENT PROCESS

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

1. To permit the appropriation and expenditure of unexpended, unencumbered cash balances on hand at the end of the preceding fiscal year which had not been anticipated in the budget.

2. To permit the appropriation and expenditures of amounts anticipated to be available from sources other than property taxation, and which had not been anticipated in the budget.

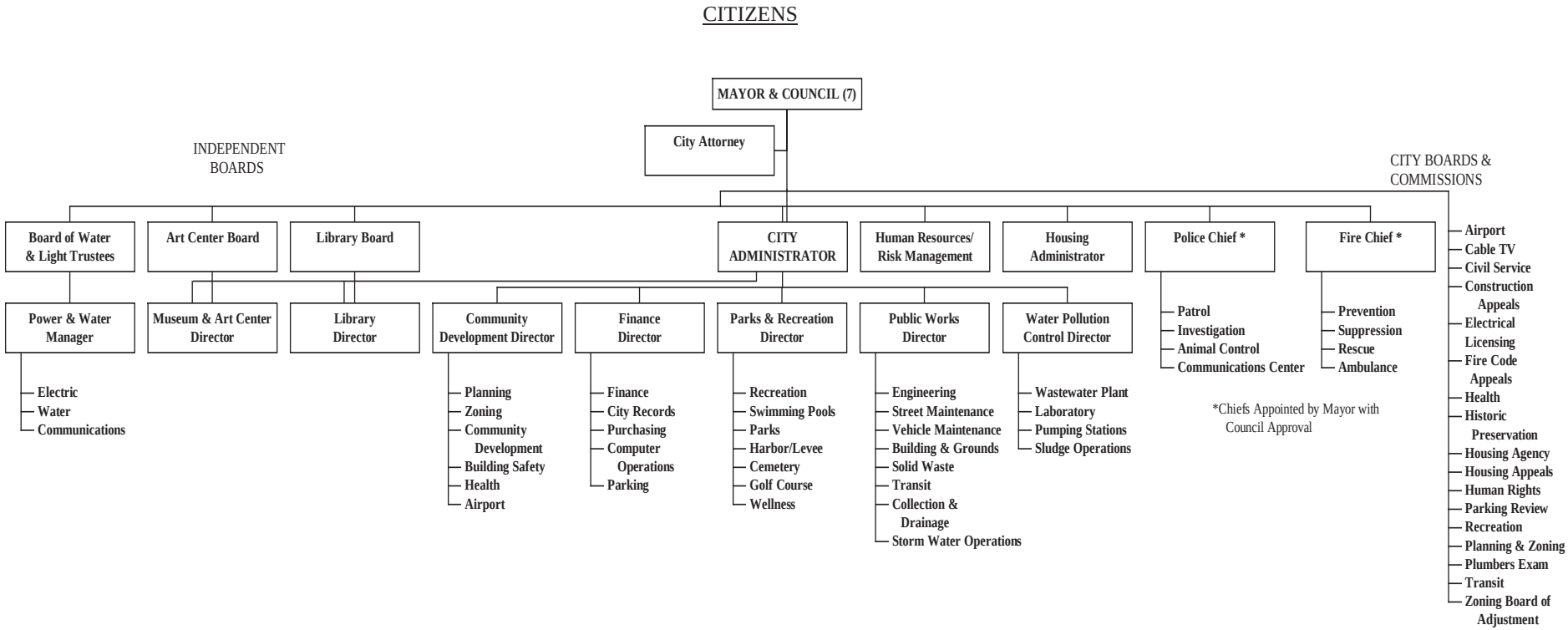
3. To permit transfers from the Debt Service Fund, the Capital Improvements Reserves Fund, the Emergency Fund, or other funds established by state law to any other city fund unless specifically prohibited by state law.

4. To permit transfers between programs within the General Fund. The budget amendment must be prepared and adopted in the same manner as the original budget, ..."

Consequently, according to state requirements, a public hearing is required for each amendment of the current year's budget. The information supplied to the City Council and general public includes the public hearing notice and a detailed listing of proposed amendments by department. Each proposed amendment is described as to its purpose or need. A budget amendment is to be completed by May 31st of each year in order to allow time for a potential hearing to be held. The decisions from protest hearings need to be rendered before June 30, the end of the fiscal year. Any amendment of the budget after May 31st, which would be appealed, and likewise without adequate time for a hearing and decision before June 30, is considered void.

CITY OF MUSCATINE, IOWA

ORGANIZATIONAL STRUCTURE



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

CITY OF MUSCATINE

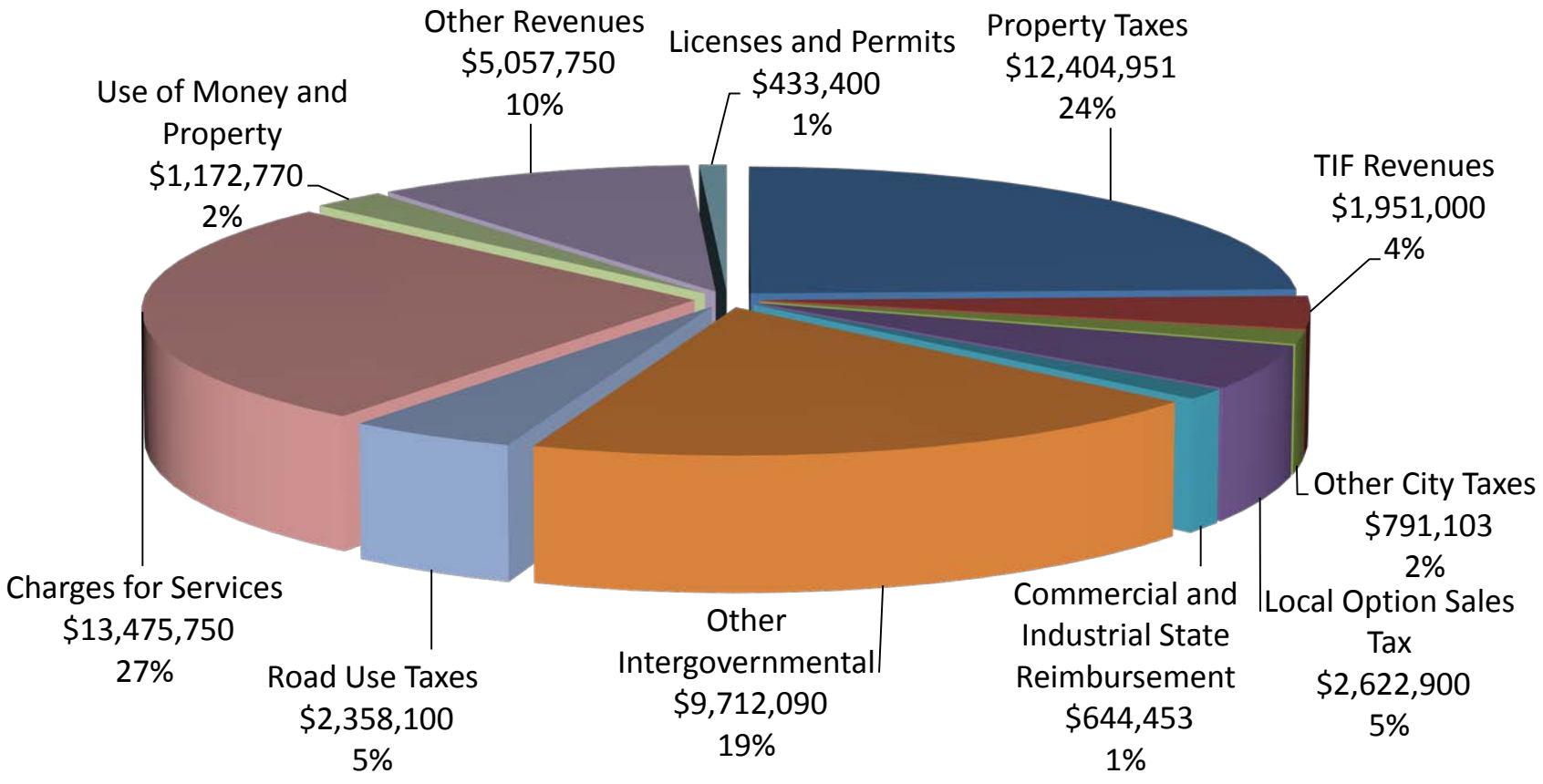
ENTITY-WIDE BUDGET OVERVIEW 2015/2016

ALL CITY REVENUES AND EXPENDITURES - INCLUDING CAPITAL PROJECTS

PROPERTY TAX RATE INFORMATION

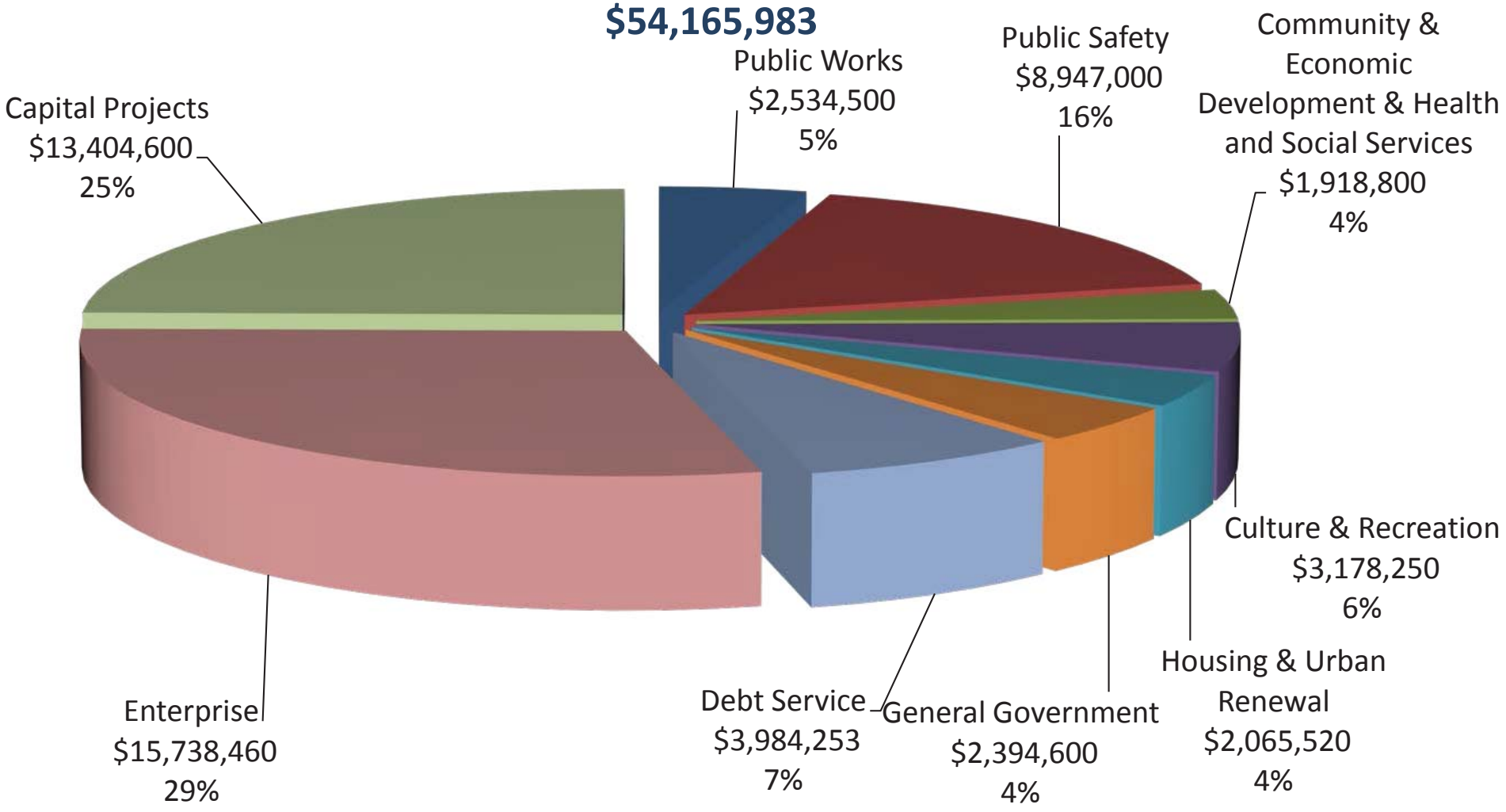
Where Does the Money Come From?

All City Funds Revenue Sources (Including Capital Projects)
Budget 2015/2016
$50,624,267



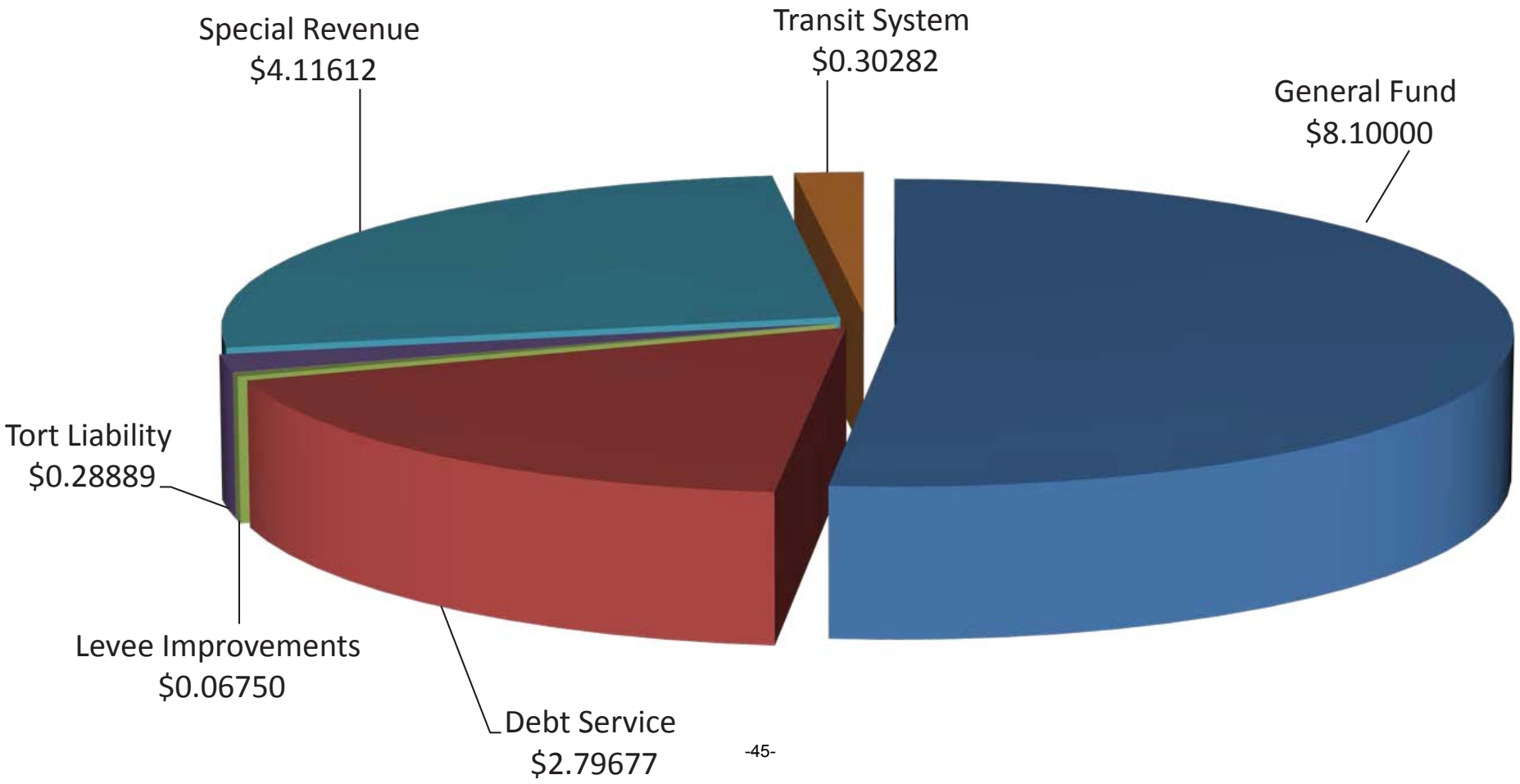
How are the Funds Used?

All City Expenditures by Function (Including Capital Projects)
Budget 2015/2016
$54,165,983



City Tax Levy Rates by Type

FY 2015/2016
Total $15.67209/$1,000 Valuation



Where Do Your Property Taxes Go?

Above tax levy rates reflect fiscal year 2014/2015 rates totaling $40.19622 per $1,000 valuation

Tax levy rates for fiscal year 2015/2016 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 2013/2014 the City's major operating 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				
	General	Employee Benefits	Local Option Sales Tax	Debt Service	Water Pollution Control	Transfer Station	Refuse Collection	Other Non-Major Funds	Total
Projected Beginning Balance, July 1, 2015	$ 3,527,190	$ 40,385	$ 399,235	$ 84,845	$ 1,800,445	$ (24,762)	$ 637	$ 11,624,492	$ 17,452,467
Revenues and Other Sources									
Property Taxes	$ 6,844,544	$ 3,214,992	$ -	$ 2,345,415	$ -	$ -	$ -	$ 1,951,000	$ 14,355,951
Other City Taxes	767,811	13,871	2,622,900	9,421	-	-	-	-	3,414,003
Licenses and Permits	415,700	-	-	-	1,700	-	-	16,000	433,400
Intergovernmental	783,238	169,259	-	115,006	-	-	-	5,772,040	6,839,543
Charges for Services	629,600	-	-	-	4,355,300	1,915,450	2,160,300	5,599,300	14,659,950
Use of Money and Property	145,600	-	700	500	1,500	-	100	894,370	1,042,770
Other Revenue	1,601,650	-	-	-	76,100	7,000	4,600	3,158,400	4,847,750
Other Financing Sources									
Transfers In	6,944,407	-	524,580	288,161	-	36,750	-	2,901,362	10,695,260
Total Revenues and Other Sources	$ 18,132,550	$ 3,398,122	$ 3,148,180	$ 2,758,503	$ 4,434,600	$ 1,959,200	$ 2,165,000	$ 20,292,472	$ 56,288,627
Funds Available	$ 21,659,740	$ 3,438,507	$ 3,547,415	$ 2,843,348	$ 6,235,045	$ 1,934,438	$ 2,165,637	$ 31,916,964	$ 73,741,094
Expenditures and Other Uses									
Public Safety	$ 8,662,400	$ -	$ -	$ -	$ -	$ -	$ -	$ 284,600	$ 8,947,000
Public Works	2,534,500	-	-	-	-	-	-	-	2,534,500
Health and Social Services	45,000	-	-	-	-	-	-	-	45,000
Culture and Recreation	3,071,400	-	-	-	-	-	-	106,850	3,178,250
Community and Economic Development	881,700	-	-	-	-	-	-	3,057,620	3,939,320
General Government	2,354,600	-	-	-	-	-	-	40,000	2,394,600
Debt Service	-	-	-	2,758,003	-	-	-	1,226,250	3,984,253
Business Type/Internal Service	-	-	-	-	2,948,400	1,894,300	2,141,900	9,925,260	16,909,860
Other Financing Uses									
Transfers Out	730,026	3,438,507	3,157,900	-	1,471,312	35,600	-	6,353,561	15,186,906
Total Expenditures and Other Uses	$ 18,279,626	$ 3,438,507	$ 3,157,900	$ 2,758,003	$ 4,419,712	$ 1,929,900	$ 2,141,900	$ 20,994,141	$ 57,119,689
Projected Ending Balance, June 30, 2016	$ 3,380,114	$ -	$ 389,515	$ 85,345	$ 1,815,333	$ 4,538	$ 23,737	$ 10,922,823	$ 16,621,405
Increase (Decrease) in Fund Balance	$ (147,076)	$ (40,385)	$ (9,720)	$ 500	$ 14,888	$ 29,300	$ 23,100	$ (701,669)	$ (831,062)
Percent Change in Fund Balance	-4.2%	-100.0%	-2.4%	0.6%	0.8%	118.3%	3626.4%	-6.0%	-4.8%
Percent Ending Fund Balance of Expenditures	18.5%	0.0%	12.3%	3.1%	41.1%	0.2%	1.1%	52.0%	29.1%

Explanations of Significant Changes in Fund Balances of Major Funds

General Fund:

The fund balance of the General Fund is budgeted to decrease by $147,076 (4.2%) during fiscal year 2015/2016. The budgeted ending balance is 18.5% of expenditures for the year. In November of 2013 the City Council adopted a new General Fund balance policy which provides that the minimum fund balance be at least two months of expenditures which is equivalent to 16.7%. The budget for 2015/2016 with the ending balance of 18.5% of General fund expenditures more than meets this new minimum fund balance target amount.

The new policy also provides that City Council, as part of the budget process, can 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. In the 2015/2016 budget $148,500 of the General Fund balance above the policy minimum is budgeted to be used to purchase a new ambulance. This resulted in the budgeted decrease in the General Fund balance in 2015/2016. Without this one-time use of fund balance, the fund balance at the end of 2015/2016 would have been 19.8% of General Fund expenditures.

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 $40,385 beginning fund balance for 2015/2016. The Employee Benefits tax levy for 2015/2016 was set at a rate which results in utilizing this beginning balance to fund the estimated employee benefit costs for 2015/2016. This resulted in the zero balance budgeted in this fund at the end of 2015/2016, which is the balance normally budgeted.

Local Option Sales Tax:

The City has had a one percent local option sales tax since July 1, 1994 with the majority of the proceeds from this tax used for sewer improvement projects. In 2008 voters approved continuation of this tax for a 10-year period with 80% of this tax to be used to continue sewer improvement projects and 20% for the City's pavement management program. The balance in the Local Option Sales Tax fund is budgeted to decrease by $9,720 (2.4%) to $389,515 in 2015/2016. This balance represents the estimated unspent funds in the pavement management portion of the local option tax as of the end of 2015/2016. The sewer portion of the tax is being used to fund 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). Phase 3-A of the West Hill Sewer Separation project is scheduled for construction in calendar year 2015.

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 2015/2016 beginning balance of $84,845 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 $500 (.6%) to $85,345 in 2015/2016.

Water Pollution Control Fund:

The balance of the Water Pollution Control fund is budgeted to increase by $14,888 (.8%) in 2015/2016. 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 completed in 2012/2013. Budgeted capital outlay items in the Water Pollution Control fund total $216,800 for 2015/2016. The 2015/2016 budgeted ending balance is 41.1% of fund expenditures for the year.

Transfer Station:

Based on budget assumptions, the Transfer Station fund balance is projected to have a beginning 2015/2016 fund balance deficit of $24,762 and a small positive fund balance of $4,538 at the end of the year. As noted in other sections of the budget, Transfer Station fees include funding for the landfill. A significant portion of the Transfer Station fees are passed on to the Landfill which has resulted in the minimal fund balance in the Transfer Station fund. Minimal balances are projected in the Transfer Station fund until the accumulated deficit is eliminated in the Landfill fund and there are sufficient Landfill funds to construct the next cell at that facility.

Refuse Collection:

The balance in the Refuse Collection fund is budgeted to increase from the minimal beginning balance of $637 to $23,727 at the end of 2015/2016. The minimal balance is due to the significant capital outlay items budgeted in 2014/2015 budget. Capital items in 2014/2015 include $230,000 for one automated refuse collection vehicle and $150,000 for approximately 3,000 containers for residential customers. The transition to the automated refuse collection program will 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. The 2015/2016 budget includes $154,000 in capital but does not include an additional collection vehicle.

Non-Major Funds:

The fund balance of non-major funds combined is expected to decrease by $701,669 (6.0%) during 2015/2016. This overall decrease is the net effect of increases and decreases in non-major funds.

BUDGET SUMMARY SCHEDULES -

OPERATING FUNDS

City of Muscatine
Operating Funds
Budget Summary

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 19,606,371	$ 18,629,346	$ 17,067,348	$ 18,834,831	$ 17,452,467
Revenues and Other Sources					
Property Taxes	$ 13,098,625	$ 13,403,334	$ 13,616,810	$ 13,621,793	$ 14,355,951
Other City Taxes	3,263,039	3,498,482	3,299,269	3,596,069	3,414,003
Licenses and Permits	408,402	371,982	334,400	402,000	433,400
Intergovernmental	5,618,587	6,219,303	6,128,694	6,167,564	6,839,543
Charges for Services	14,162,450	14,695,401	14,580,450	14,606,450	14,659,950
Use of Money and Property	904,566	888,556	1,046,320	1,029,960	1,042,770
Other Revenue	5,059,372	4,749,352	4,751,200	4,611,520	4,847,750
Other Financing Sources					
Transfers In	8,154,166	7,324,026	10,165,897	10,401,834	10,695,260
Refunding Bond Proceeds	1,115,000	0	0	0	0
Total Revenues and Other Sources	$ 51,784,207	$ 51,150,436	$ 53,923,040	$ 54,437,190	$ 56,288,627
Funds Available	$ 71,390,578	$ 69,779,782	$ 70,990,388	$ 73,272,021	$ 73,741,094
Expenditures and Other Uses					
Public Safety	$ 8,701,208	$ 8,326,966	$ 8,715,400	$ 8,735,500	$ 8,947,000
Public Works	1,921,484	2,353,705	2,408,300	2,430,900	2,534,500
Health and Social Services	20,000	20,000	23,000	20,000	45,000
Culture and Recreation	3,125,524	3,165,942	3,184,050	3,274,650	3,178,250
Community and Economic Development	3,137,583	3,088,022	3,153,416	3,195,200	3,939,320
General Government	2,090,013	2,295,450	2,355,200	2,269,383	2,394,600
Debt Service	4,088,134	2,953,672	3,969,284	3,965,249	3,984,253
Business Type/Internal Service	16,367,009	16,795,828	16,251,140	16,659,640	16,909,860
Other Financing Uses					
Transfers Out	13,310,277	11,945,366	14,419,691	15,269,032	15,186,906
Total Expenditures and Other Uses	$ 52,761,232	$ 50,944,951	$ 54,479,481	$ 55,819,554	$ 57,119,689
Ending Balance, June 30	$ 18,629,346	$ 18,834,831	$ 16,510,907	$ 17,452,467	$ 16,621,405

City of Muscatine
Operating Funds
Fund Statement

Fund	Estimated Balance (Deficit) 7/1/15	Revenues	Expenditures	Estimated Balance (Deficit) 6/30/16
General	$ 3,527,190	$ 18,132,550	$ 18,279,626	$ 3,380,114
Enterprise:				
Airport Operations	0	124,400	124,400	0
Transit System	139,608	1,236,300	1,298,900	77,008
Parking System	33,886	193,600	203,500	23,986
Golf Course	(25,524)	829,000	833,800	(30,324)
Boat Harbor Operations	10,732	26,400	25,900	11,232
Marina Operations	(4,099)	15,100	14,600	(3,599)
Ambulance Operations	16,092	1,320,100	1,307,700	28,492
Refuse Collection	637	2,165,000	2,141,900	23,737
Landfill Operations	(183,872)	1,371,500	904,161	283,467
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	871,615	30,000	0	901,615
Landfill Closure Reserve	700,429	80,000	0	780,429
Transfer Station Operations	(24,762)	1,959,200	1,929,900	4,538
Transfer Station Closure Reserve	38,395	0	0	38,395
Water Pollution Control	1,800,445	4,434,600	4,419,712	1,815,333
Collection and Drainage	767,758	1,282,200	1,767,400	282,558
WPCP Replacement Reserve	1,468,297	203,000	1,197,000	474,297
West Hill Sewer Reserve	1,603,797	401,500	0	2,005,297
Sewer Revenue Bond Sinking Fund	108,012	1,061,812	1,061,185	108,639
Sewer Extension and Improvement Reserve	994,854	191,000	0	1,185,854
Special Revenue:				
Employee Benefits	40,385	3,398,122	3,438,507	0
Emergency Levy	80,615	100	0	80,715
Road Use Tax	410,737	2,358,100	2,482,600	286,237
Community Block Grant	26,564	0	4,000	22,564
Tax Increment - Downtown	31,829	210,100	208,450	33,479
Tax Increment - Southend	828,946	1,151,000	1,185,965	793,981
Tax Increment - Cedar Development	37,529	190,000	188,200	39,329
Tax Increment - Muscatine Mall	9,573	45,000	45,000	9,573
Tax Increment - Heinz	3,879	0	0	3,879
Tax Increment - Highway 38 NE	7,477	281,000	285,500	2,977
Tax Increment - Fridley Theatre	0	75,000	72,000	3,000
Small Business Forgivable Loan Program	0	200,000	0	200,000
Local Option Sales Tax	399,235	3,148,180	3,157,900	389,515
Equipment Replacement	67,969	343,800	260,500	151,269
Computer Replacement	8,573	40,000	45,000	3,573
COPS Grant Future Commitment Reserve	89,100	0	89,100	0
Public Housing Operations	42,689	814,120	823,160	33,649
Section 8 Voucher Program	32,211	1,978,390	1,981,420	29,181
Home Ownership Program	101,649	33,000	57,000	77,649
Sunset Park Education Center	767	27,000	27,100	667
Police Forfeiture Fund	47,311	5,000	5,000	47,311
Trust and Agency:				
Insurance Trust	57,307	100	15,000	42,407
Perpetual Care Fund	862,000	6,000	0	868,000
Perpetual Care Interest Trust	0	14,300	14,300	0
Cemetery Special Trusts	57,981	900	2,850	56,031
Library Trusts	173,880	36,100	25,000	184,980
Art Center Trusts	486,912	8,000	4,000	490,912
Debt Service:				
General Obligation	84,845	2,758,503	2,758,003	85,345
Internal Service/Other:				
Equipment Services	55,197	1,184,200	1,171,400	67,997
Dental Insurance	952	157,400	153,100	5,252
Health Insurance	1,471,900	2,616,100	2,946,900	1,141,100
Convention & Visitors Bureau	90,965	97,600	108,800	79,765
Total *	$ 17,452,467	$ 56,288,627	$ 57,119,689	$ 16,621,405

*Includes interfund transactions.

City of Muscatine
Operating Funds
Revenue Summary

Fund	Actual 2012/2013		Actual 2013/2014		Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
General	$ 15,282,813	*	$ 15,428,665	*	$ 17,778,129	$ 17,955,366	$ 18,132,550
Enterprise:							
Airport Operations	136,052		119,082		116,300	115,300	124,400
Transit System	1,010,014	*	1,436,774		1,023,300	1,062,100	1,236,300
Parking System	177,514		190,960		194,100	193,600	193,600
Golf Course	741,020	*	761,337		877,600	813,300	829,000
Boat Harbor Operations	28,671		22,640		32,400	26,400	26,400
Marina Operations	13,079		8,515		15,100	15,100	15,100
Ambulance Operations	1,351,868		1,305,493		1,310,100	1,310,100	1,320,100
Refuse Collection	2,138,198	*	2,165,133		2,175,700	2,165,000	2,165,000
Landfill Operations	1,343,959		1,435,882		1,439,700	1,427,700	1,371,500
Landfill Surcharge Reserve Part I	16,448		18,473		17,500	17,500	17,500
Landfill Surcharge Reserve Part II	34,540		38,793		36,750	36,750	36,750
Landfill Post-Closure Reserve	28,233		27,851		30,000	30,000	30,000
Landfill Closure Reserve	79,447		73,694		80,000	80,000	80,000
Transfer Station Operations	1,901,858		2,035,243		1,958,750	2,011,900	1,959,200
Water Pollution Control	4,230,221	*	4,236,899	*	4,339,300	4,425,700	4,434,600
Collection and Drainage	1,210,469	*	1,226,111		1,248,500	1,255,100	1,282,200
WPCP Replacement Reserve	202,830		202,926		202,500	203,000	203,000
West Hill Sewer Reserve	400,704		233,516		401,500	401,500	401,500
Sewer Revenue Bond Sinking Fund	1,063,868		1,070,534		1,062,178	1,062,178	1,061,812
Sewer Extension and Improvement Reserve	265,540		401,475		191,000	191,000	191,000
Special Revenue:							
Employee Benefits	3,030,314		3,043,458		3,142,625	3,142,625	3,398,122
Emergency Levy	98		116		100	100	100
Road Use Tax	2,254,220		2,405,457		2,310,400	2,334,300	2,358,100
Community Block Grant	48		56		0	0	0
Tax Increment - Downtown	208,459		200,121		210,100	210,200	210,100
Tax Increment - Southend	419,083		407,311		426,000	426,000	1,151,000
Tax Increment - Cedar Development	180,544		194,166		210,000	210,100	190,000
Tax Increment - Muscatine Mall	14,883		18,096		50,000	50,000	45,000
Tax Increment - Heinz	15,872		5		0	0	0
Tax Increment - Highway 38 NE	0		56,653		180,051	184,834	281,000
Tax Increment - Fridley Theatre	0		0		0	0	75,000
Small Business Forgivable Loan Program	0		0		0	0	200,000
Local Option Sales Tax	2,527,082		2,678,895		3,072,240	3,356,140	3,148,180
Equipment Replacement	772,565		129,773		207,300	207,300	343,800
Computer Replacement	49,789		51,927		40,000	40,000	40,000
COPS Grant Future Commitment Reserve	40,000		40,000		9,100	9,100	0
Public Housing Operations	745,321		801,087		806,020	799,620	814,120
Section 8 Voucher Program	1,804,058		1,757,407		1,794,380	1,833,550	1,978,390
Home Ownership Program	19,991		35,337		20,000	33,000	33,000
Sunset Park Education Center	17,213		16,587		27,700	24,700	27,000
Police Forfeiture Fund	54,353		38,391		5,000	5,000	5,000
Trust and Agency:							
Insurance Trust	29,050		23,631		50	100	100
Perpetual Care Fund	6,958		5,726		6,000	6,000	6,000
Perpetual Care Interest Trust	19,765		16,559		13,500	14,300	14,300
Cemetery Special Trusts	1,497		1,252		1,200	900	900
Library Trusts	43,063		55,333		39,700	42,800	36,100
Art Center Trusts	14,515		13,991		7,000	8,400	8,000
Parks and Recreation Trust	2,583		840		0	0	0
Debt Service:							
General Obligation	3,881,401		2,774,314		2,742,267	2,742,267	2,758,503
Internal Service/Other:							
Equipment Services	1,209,824		1,212,050		1,198,600	1,175,900	1,184,200
Dental Insurance	124,773		129,415		140,900	143,100	157,400
Health Insurance	2,535,486		2,515,953		2,641,800	2,531,900	2,616,100
Convention & Visitors Bureau	104,053		86,533		90,600	106,360	97,600
Total **	$ 51,784,207		$ 51,150,436		$ 53,923,040	$ 54,437,190	$ 56,288,627

* Includes encumbrance adjustments.

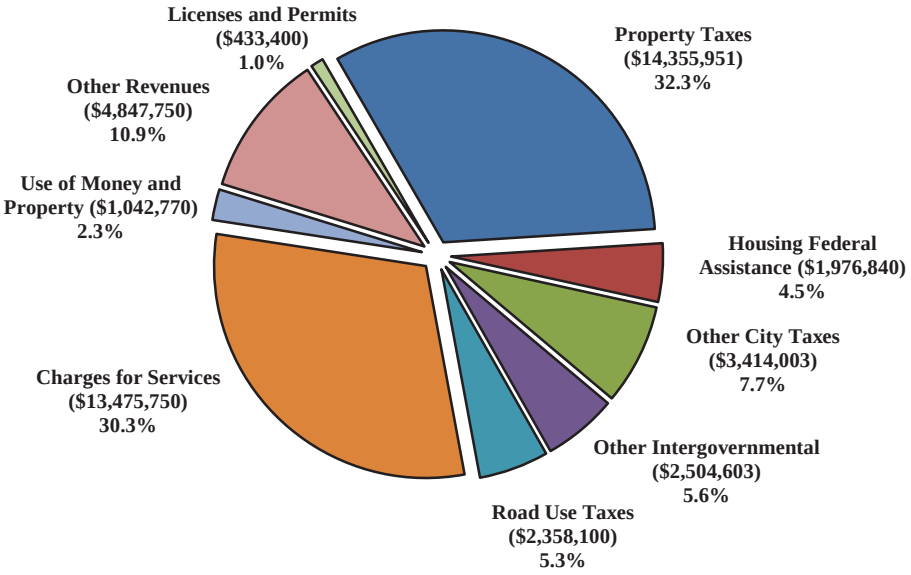
** Includes interfund transactions.

City of Muscatine
Operating Funds
Expenditure Summary

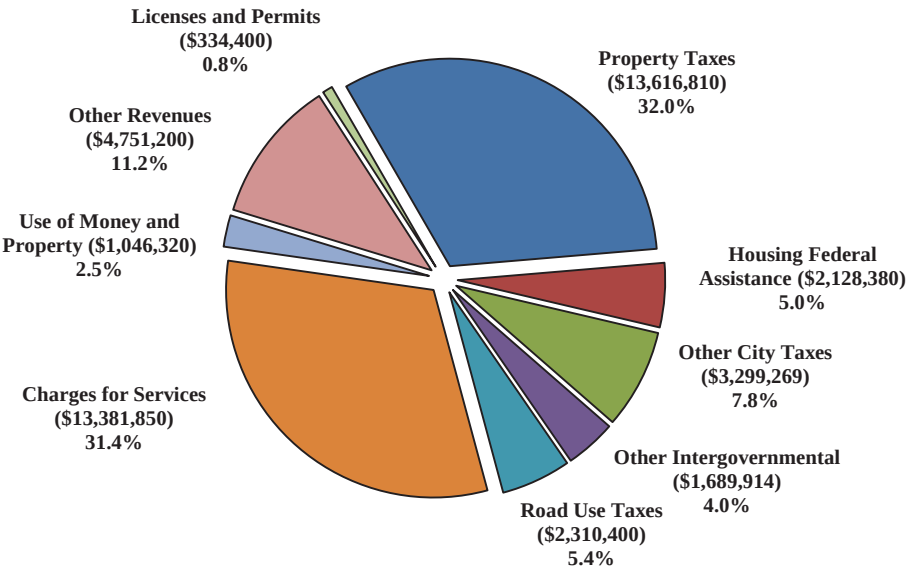
Fund	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Estimate 2014/2015	Budget 2015/2016
General	$ 15,445,711	$ 15,160,801	$ 17,811,981	$ 17,777,381	$ 18,279,626
Enterprise:					
Airport Operations	135,492	119,082	116,300	115,300	124,400
Transit System	1,211,322	1,210,268	1,054,200	1,038,900	1,298,900
Parking System	194,459	193,384	199,500	196,700	203,500
Golf Course	828,782	779,262	853,400	794,000	833,800
Boat Harbor Operations	23,013	24,922	25,000	25,300	25,900
Marina Operations	15,010	7,788	14,700	14,700	14,600
Ambulance Operations	1,276,385	1,471,628	1,366,500	1,417,800	1,307,700
Refuse Collection	2,118,310	2,187,934	2,381,300	2,353,100	2,141,900
Landfill Operations	908,002	862,572	902,546	1,102,546	904,161
Landfill Surcharge Reserve I	16,448	18,473	17,500	17,500	17,500
Landfill Surcharge Reserve II	34,540	38,793	36,750	36,750	36,750
Transfer Station Operations	1,883,654	2,043,574	1,932,100	2,061,000	1,929,900
Transfer Station Closure Reserve	0	250	0	0	0
Water Pollution Control	4,325,845	4,137,007	4,416,078	4,472,878	4,419,712
Collection and Drainage	1,005,284	1,153,856	1,599,600	1,658,000	1,767,400
WPCP Replacement Reserve	700,233	459,329	834,000	473,600	1,197,000
Sewer Revenue Bond Sinking Fund	1,064,090	1,061,355	1,061,588	1,061,588	1,061,185
Sewer Extension and Improvement Reserve	681,723	4,900	0	0	0
Special Revenue:					
Employee Benefits	3,144,204	2,960,871	3,236,658	3,235,195	3,438,507
Road Use Tax	2,202,308	2,261,775	2,751,700	2,959,300	2,482,600
Community Block Grant	3,000	4,180	3,000	9,000	4,000
Tax Increment - Downtown	209,625	246,640	207,825	207,825	208,450
Tax Increment - Southend	510,698	545,695	451,130	442,630	1,185,965
Tax Increment - Cedar Development	171,939	192,586	208,900	196,300	188,200
Tax Increment - Muscatine Mall	13,152	17,559	49,500	46,100	45,000
Tax Increment - Heinz	14,316	0	0	0	0
Tax Increment - Highway 38 NE	0	56,653	172,539	177,357	285,500
Tax Increment - Fridley Theatre	0	0	0	0	72,000
Local Option Sales Tax	3,221,792	3,850,140	2,719,740	3,680,200	3,157,900
Equipment Replacement	786,710	84,333	264,000	272,200	260,500
Computer Replacement	39,370	69,081	42,000	68,683	45,000
COPS Grant Commitment Reserve	0	0	0	0	89,100
Public Housing Operations	845,631	874,861	817,640	828,640	823,160
Section 8 Voucher Program	1,898,847	1,837,164	1,823,490	1,849,200	1,981,420
Home Ownership Program	41,923	55,801	58,400	55,900	57,000
Sunset Education Center	18,514	22,099	27,700	27,800	27,100
Police Forfeiture Fund	15,552	20,559	5,000	17,100	5,000
Trust and Agency:					
Insurance Trust	16,016	40,000	33,500	0	15,000
Perpetual Care Interest Trust	19,765	16,559	13,500	14,300	14,300
Cemetery Special Trusts	2,834	2,923	2,350	2,850	2,850
Library Trusts	48,155	35,062	32,000	107,200	25,000
Art Center Trusts	21,394	-	9,400	8,300	4,000
Parks and Recreation Trust	1,085	56,264	0	0	0
Debt Service:					
General Obligation	3,921,826	2,787,352	2,741,766	2,737,731	2,758,003
Internal Service/Other:					
Equipment Services	1,202,338	1,236,213	1,192,000	1,188,900	1,171,400
Dental Insurance	131,694	143,354	140,900	145,700	153,100
Health Insurance	2,350,717	2,515,180	2,761,500	2,833,400	2,946,900
Convention & Visitors Bureau	39,518	75,763	90,300	90,700	108,800
Total *	$ 52,761,226	$ 50,943,845	$ 54,479,481	$ 55,819,554	$ 57,119,689

* Includes interfund transactions.

All City Operating Revenues By Source
Budget 2015/2016
$44,409,167



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

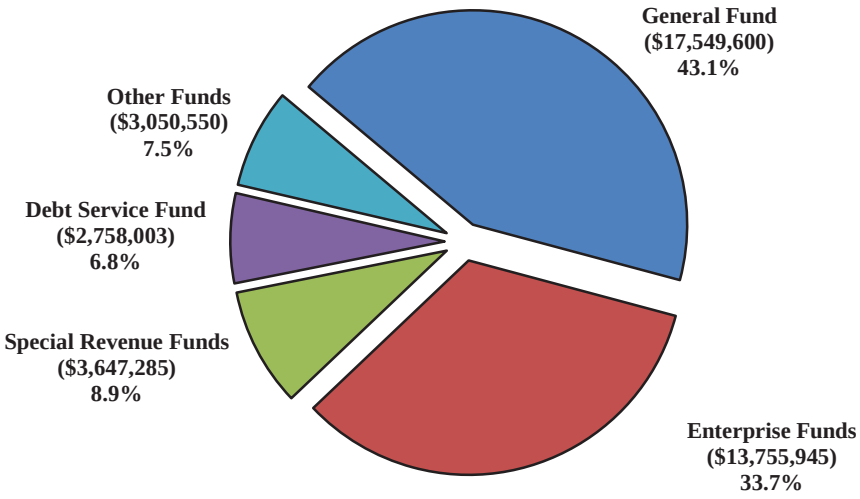


All City Funds Operating Revenues
Reconciliation Information

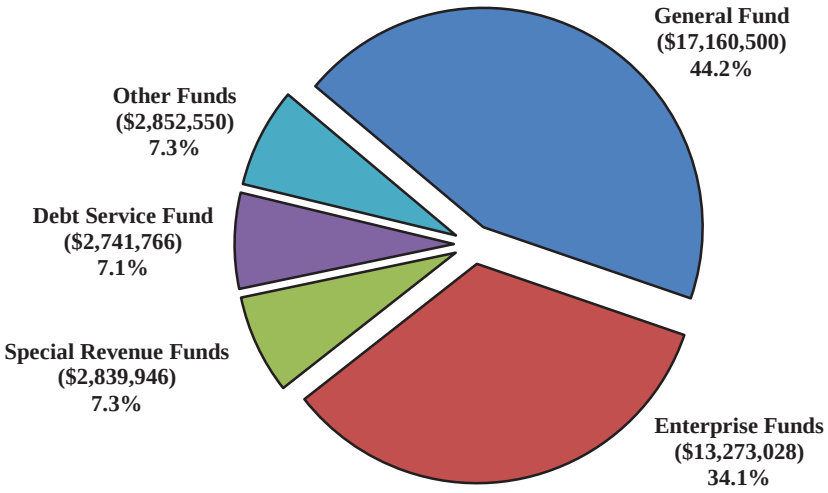
The revenue charts on the preceding page are shown net of interfund transfers. The following is a reconciliation of revenues per the summary statement to revenues net of transfers.

	2014/2015 Budget	2015/2016 Budget
Revenues per Summary Statement	$ 53,923,040	$ 56,288,627
Transfers In:		
General Fund		
Trust and Agency Funds	$ 47,000	$ 29,300
Special Revenue Funds	5,488,358	5,871,107
Health Insurance Fund	54,700	56,300
Tax Increment Financing Funds	151,500	154,500
Enterprise Funds	911,900	833,200
Debt Service Fund		
Enterprise Funds	79,296	79,711
Tax Increment Financing	207,825	208,450
Equipment Replacement Fund		
General Fund	200,000	188,000
Ambulance Replacement	0	148,500
Computer Replacement Fund		
General Fund	40,000	40,000
COPS Grant Future Commitment Reserve		
General Fund	9,000	0
Homeownership Program		
Community Block Grant	0	3,000
Sunset Park Education Center		
Community Block Grant	3,000	1,000
Small Business Forgiveable Loan Program		
Tax Increment Financing	0	200,000
Airport Operations Fund		
General Fund	47,400	47,800
Transit Operations Fund		
General Fund	300,000	250,000
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
Water Pollution Control Fund		
Sewer Reserve Funds	54,000	0
Sewer Reserves		
Water Pollution Control Fund	200,000	200,000
Collection & Drainage Fund	180,000	180,000
Sewer Sinking Fund	1,061,678	1,061,312
West Hill Sewer Separation Project Reserve Fund	400,000	400,000
Local Option Tax Pavement Management Allocation		
Local Option Sales Tax	511,740	524,580
Total Transfers In	10,165,897	10,695,260
Non-Budgeted Fund		
Equipment Services Operations	1,198,600	1,184,200
Budgeted Revenues Net of Transfers	$ 42,558,543	$ 44,409,167

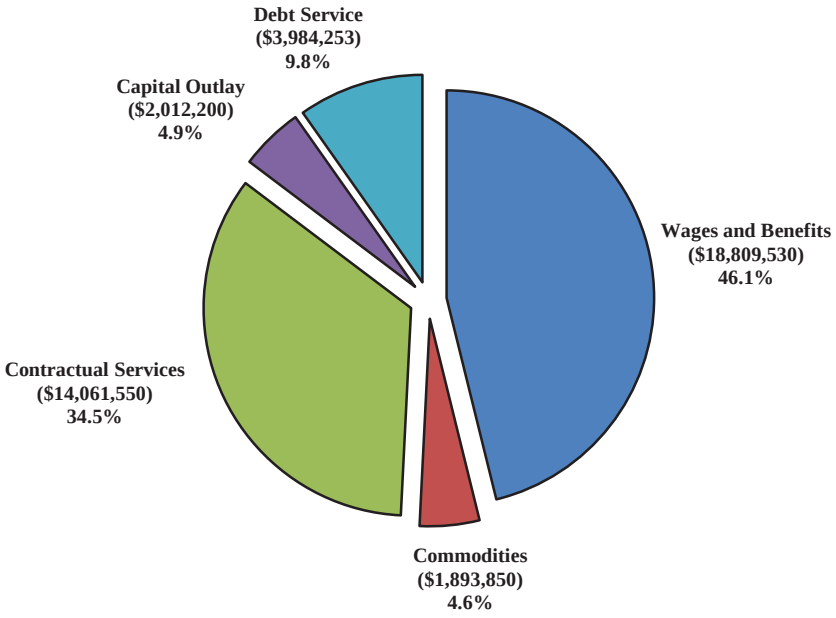
All City Operating Expenditures By Fund
Budget 2015/2016
$40,761,383



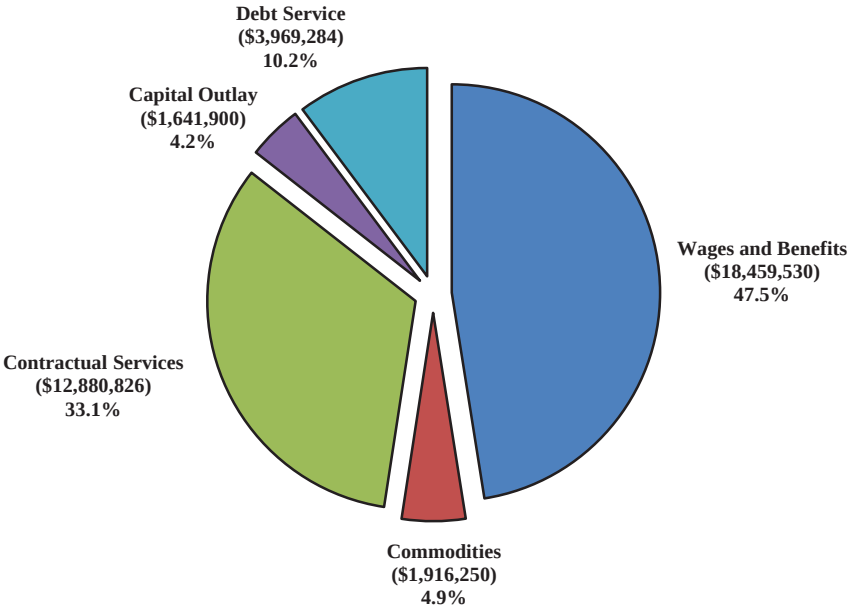
All City Operating Expenditures By Fund
Budget 2014/2015
$38,867,790



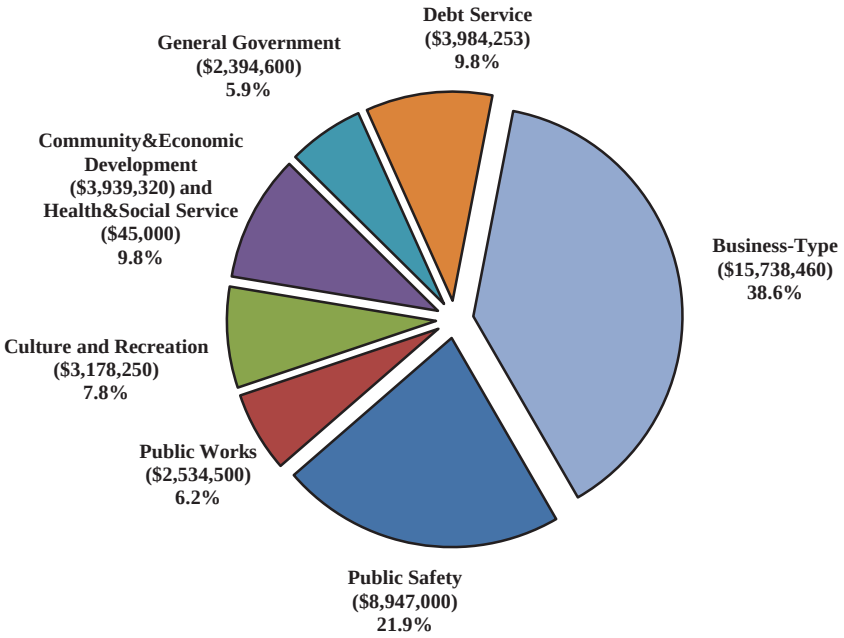
All City Operating Expenditures By Type
Budget 2015/2016
$40,761,383



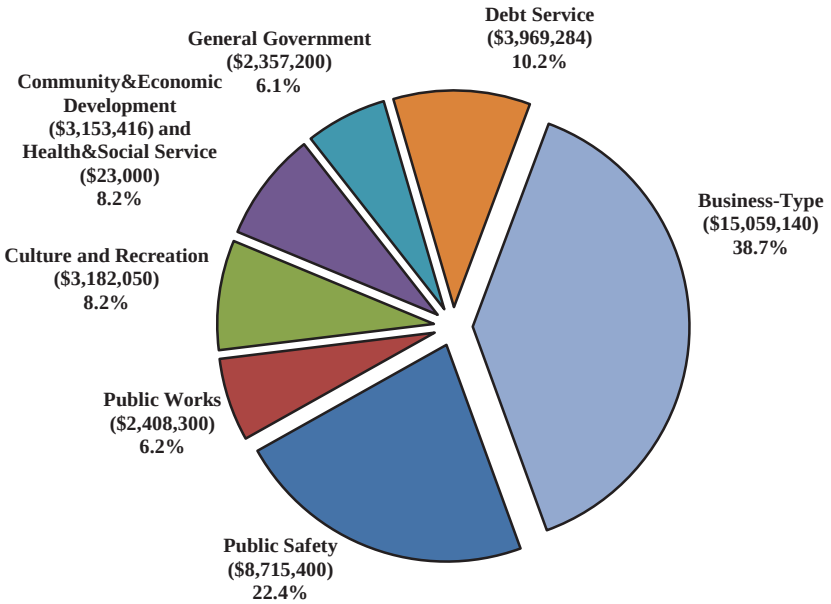
All City Operating Expenditures By Type
Budget 2014/2015
$38,867,790



All City Operating Expenditures By Function *
Budget 2015/2016
$40,761,383



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



* 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 ia a reconciliation of expenditures per the summary statement to expenditures net of transfers.

	2014/2015 Budget	2015/2016 Budget
Expenditures per Summary Statement	$ 54,479,481	$ 57,119,689
Transfers Out:		
General Fund		
Transit Operations Fund	$ 300,000	$ 250,000
Airport Operations Fund	47,400	47,800
Equipment Replacement Fund	200,000	336,500
Computer Replacement Fund	40,000	40,000
COPS Grant Future Commitment Reserve	9,000	0
Capital Projects Fund	55,081	55,726
Trust and Agency Funds		
General Fund	47,000	29,300
Community Block Grant		
Sunset Park Education Center	3,000	4,000
Special Revenue Funds		
General Fund	5,988,358	5,921,107
Capital Projects Fund	2,719,740	3,157,900
Tax Increment Financing	509,438	827,950
Golf Course Fund		
Capital Projects Fund	60,000	45,000
Ambulance Fund		
General Fund	911,900	833,200
Landfill Operations Fund		
Landfill Surcharge Reserve	54,250	54,250
Landfill Closure/Post-Closure Reserve	110,000	110,000
Debt Service Fund	79,296	79,711
Landfill Surcharge Reserve		
Landfill Operations Fund	17,500	17,500
Transfer Station Fund	36,750	36,750
Transfer Station Operations Fund		
Capital Projects Fund	35,600	35,600
Water Pollution Control Fund		
Sewer Reserves	1,461,678	1,471,312
Water Pollution Control Plant Replacement Reserve		
Water Pollution Control Fund	54,000	0
Capital Projects Fund	780,000	1,197,000
Collection & Drainage		
Sewer Reserves	380,000	380,000
Capital Projects Fund	465,000	200,000
Health Insurance Fund		
General Fund	54,700	56,300
Total Transfers Out	$ 14,419,691	$ 15,186,906
Non-Budgeted Fund		
Equipment Services Operations	1,192,000	1,171,400
Budgeted Expenditures Net of Transfers	$ 38,867,790	$ 40,761,383

City of Muscatine

Matrix of 2015/2016 Operating Budget by Function

(Excludes Transfers)

Fund/Activity:	General Government	Public Safety	Culture and Recreation	Community and Economic Development	Health and Social Services	Public Works	Debt Service	Business Type/ Internal Service	Total
General Fund:									
Mayor and Council	$ 75,500	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 75,500
Legal Services	96,700	0	0	0	0	0	0	0	96,700
City Administrator	353,000	0	0	0	0	0	0	0	353,000
Human Resources	150,400	0	0	0	0	0	0	0	150,400
Wellness Program	56,300	0	0	0	0	0	0	0	56,300
Finance and Records	578,400	0	0	0	0	0	0	0	578,400
Computer Operations	232,800	0	0	0	0	0	0	0	232,800
Risk Management	280,400	0	0	0	0	0	0	0	280,400
Building and Grounds	531,100	0	0	0	0	0	0	0	531,100
Police Operations	0	4,635,500	0	0	0	0	0	0	4,635,500
Animal Control	0	121,000	0	0	0	0	0	0	121,000
Fire Operations	0	3,905,900	0	0	0	0	0	0	3,905,900
Library	0	0	1,090,300	0	0	0	0	0	1,090,300
Cable Television Operations	0	0	19,100	0	0	0	0	0	19,100
Art Center	0	0	327,900	0	0	0	0	0	327,900
Park Administration	0	0	174,600	0	0	0	0	0	174,600
Park Maintenance	0	0	625,400	0	0	0	0	0	625,400
Kent Stein Park	0	0	199,400	0	0	0	0	0	199,400
Soccer Complex	0	0	188,500	0	0	0	0	0	188,500
Swimming Pools	0	0	164,000	0	0	0	0	0	164,000
Recreation	0	0	117,700	0	0	0	0	0	117,700
Cemetery	0	0	164,500	0	0	0	0	0	164,500
Community Development	0	0	0	729,900	0	0	0	0	729,900
Economic Development	0	0	0	151,800	0	0	0	0	151,800
Economic Well-Being	0	0	0	0	45,000	0	0	0	45,000
Public Works Administration	0	0	0	0	0	222,500	0	0	222,500
Roadway Maintenance	0	0	0	0	0	1,354,000	0	0	1,354,000
Traffic Control	0	0	0	0	0	161,500	0	0	161,500
Snow and Ice Control	0	0	0	0	0	481,400	0	0	481,400
Street Cleaning	0	0	0	0	0	189,800	0	0	189,800
Engineering	0	0	0	0	0	125,300	0	0	125,300

(Continued)

(Continued)

Fund/Activity:	General Government	Public Safety	Culture and Recreation	Community and Economic Development	Health and Social Services	Public Works	Debt Service	Business Type/ Internal Service	Total
Enterprise Funds:									
Airport Operations	0	0	0	0	0	0	0	124,400	124,400
Transit Operations	0	0	0	0	0	0	0	1,298,900	1,298,900
Parking System	0	0	0	0	0	0	0	203,500	203,500
Golf Course	0	0	0	0	0	0	0	788,800	788,800
Boat Harbor Operations	0	0	0	0	0	0	0	25,900	25,900
Marina Operations	0	0	0	0	0	0	0	14,600	14,600
Ambulance Operations	0	0	0	0	0	0	0	474,500	474,500
Public Housing	0	0	0	0	0	0	0	823,160	823,160
Refuse Collection	0	0	0	0	0	0	0	2,141,900	2,141,900
Landfill Operations	0	0	0	0	0	0	0	660,200	660,200
Transfer Station	0	0	0	0	0	0	0	1,894,300	1,894,300
Collection and Drainage	0	0	0	0	0	0	0	1,187,400	1,187,400
Water Pollution Control	0	0	0	0	0	0	0	2,948,400	2,948,400
Sewer Sinking Fund	0	0	0	0	0	0	1,061,185	0	1,061,185
Special Revenue Funds:									
Equipment Replacement	0	190,500	70,000	0	0	0	0	0	260,500
Southend Tax Increment	0	0	0	666,400	0	0	165,065	0	831,465
Cedar Development Tax Increment	0	0	0	188,200	0	0	0	0	188,200
Muscatine Mall Tax Increment	0	0	0	45,000	0	0	0	0	45,000
Highway 38 NE Tax Increment	0	0	0	20,500	0	0	0	0	20,500
Fridley Theatre Tax Increment	0	0	0	72,000	0	0	0	0	72,000
Section 8 Housing	0	0	0	1,981,420	0	0	0	0	1,981,420
Home Ownership Program	0	0	0	57,000	0	0	0	0	57,000
Sunset Park Children's Education Program	0	0	0	27,100	0	0	0	0	27,100
Police Forfeiture Fund	0	5,000	0	0	0	0	0	0	5,000
COPS Grant Furture Commitment	0	89,100	0	0	0	0	0	0	89,100
Computer Replacement Fund	40,000	0	5,000	0	0	0	0	0	45,000
Debt Service Fund	0	0	0	0	0	0	2,758,003	0	2,758,003
Internal Service/Other Funds:									
Health Insurance Fund	0	0	0	0	0	0	0	2,890,600	2,890,600
Dental Insurance Fund	0	0	0	0	0	0	0	153,100	153,100
Convention and Visitors Bureau	0	0	0	0	0	0	0	108,800	108,800
Trust and Agency Funds:									
Library Trusts	0	0	25,000	0	0	0	0	0	25,000
Cemetery Trust	0	0	2,850	0	0	0	0	0	2,850
Art Center Trusts	0	0	4,000	0	0	0	0	0	4,000
Total	$ 2,394,600	$ 8,947,000	$ 3,178,250	$ 3,939,320	$ 45,000	$ 2,534,500	$ 3,984,253	$ 15,738,460	$ 40,761,383

City of Muscatine
Fulltime Employee Trends

General Fund

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Budget 2014-15	Actual 2014-15	Budget 2015-16
City Administrator	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00 (6)
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	5.70	5.70	5.70	5.70
Information Technology	2.00	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	5.70	5.70	5.40	4.35	4.35	4.35	4.35	4.35	4.35	4.35
Police	40.75	40.88	41.88	42.88	41.88	43.88	44.88	44.88	44.88	43.88 (1)	43.88
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	30.00	36.50	36.50	36.50	36.50	36.50	37.50	37.50	37.50	37.50	37.50
Library (FTE)	15.75	15.75	15.77	15.93	15.91	15.74	15.51	14.95	15.05	14.71 (2)	14.87 (2)
Art Center (FTE)	4.33	4.33	4.33	4.04	4.57	4.54	4.25	4.25	4.25	4.52 (3)	4.70 (3)
Park Administration	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Park Maintenance *	6.50	6.75	6.75	6.75	6.08	6.00	6.00	6.00	6.00	6.00	5.80
Kent Stein Park *	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.22
Soccer Complex *	1.13	1.13	1.13	1.13	1.13	1.13	1.13	1.13	1.13	1.13	1.23
Recreation *	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Cemetery *	1.50	1.25	1.25	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Community Development	7.00	6.50	6.33	6.17	6.67	6.72	6.92	6.92	6.92	6.93	7.67 (4)
Street Cleaning	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.90	1.90	1.90	1.90
Roadway Maintenance	11.33	11.43	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	1.00	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
Total General Fund	146.42	151.90	152.42	152.83	150.87	152.64	154.32	153.96	154.06	153.00	155.08

City of Muscatine
Fulltime Employee Trends

Enterprise / Other Funds

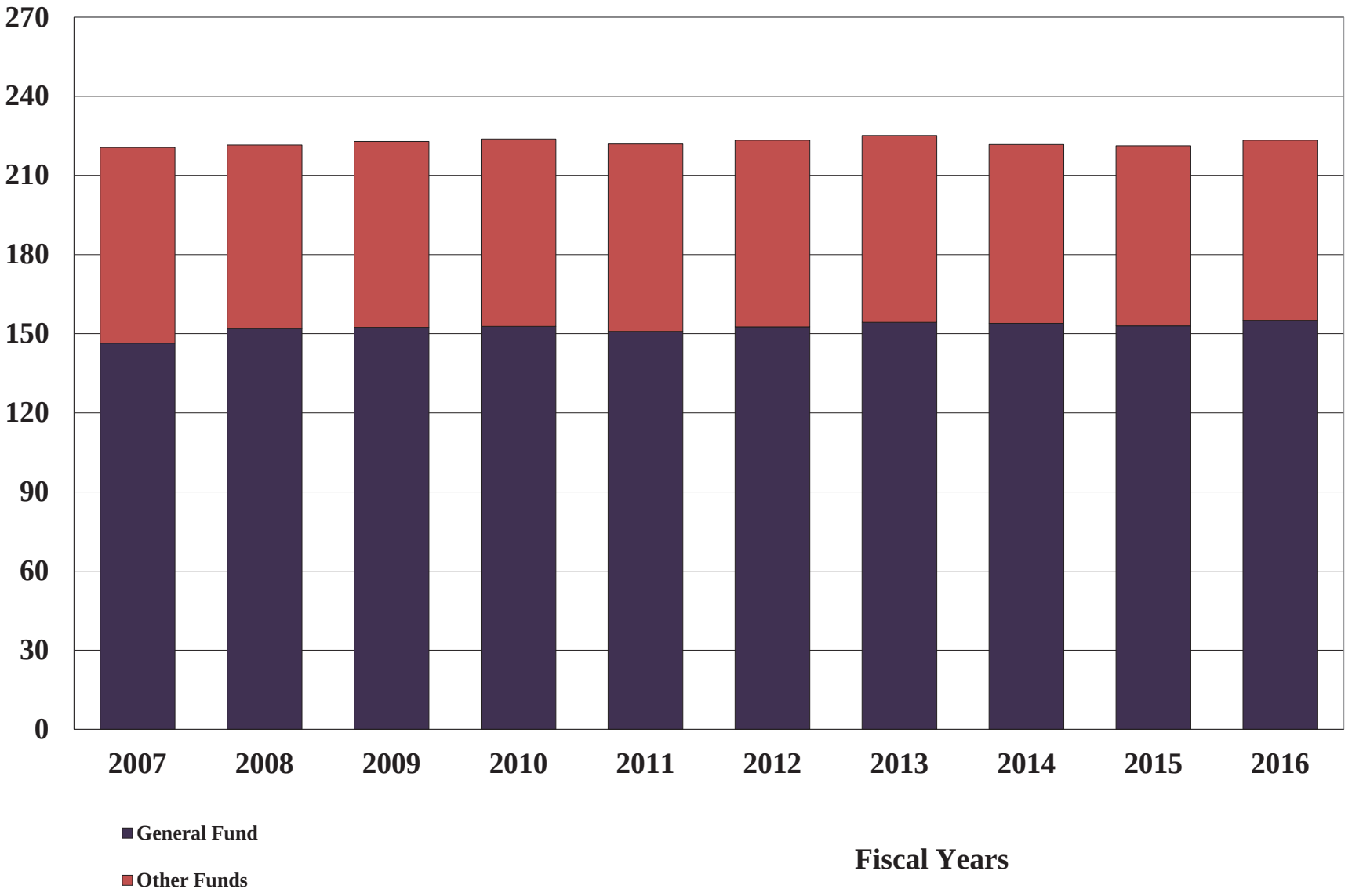
	2005-06	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Budget 2014-15	Actual 2014-15	Budget 2015-16
Parking System	3.65	3.60	3.10	3.10	3.10	3.10	3.10	2.90	2.90	2.9	2.90
Golf Course *	2.75	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Boat Harbor Operations	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Transit System *	2.83	3.03	3.03	3.03	3.03	3.03	3.03	3.03	3.03	3.03	3.03
Refuse Collection	9.80	10.30	10.30	11.30	10.45	10.66	10.66	9.56	9.56	9.56	9.56
Landfill	0.33	0.33	0.33	0.33	0.30	0.25	0.25	0.25	0.25	0.25	0.25
Transfer Station	3.67	3.67	3.67	3.67	3.58	3.42	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	10.75	10.75	10.75	9.75	9.75	9.75	9.75
Pumping Stations	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Laboratory Operations	4.25	4.25	4.25	4.25	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Biosolids Operations	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Collection and Drainage	5.25	5.45	6.78	6.78	6.53	6.53	6.53	6.53	6.53	6.53	6.53
Storm Water Operations	1.00	1.00	1.00	0.33	0.58	0.58	0.58	0.58	0.58	0.58	0.58
Ambulance Operations	8.25	1.25	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	10.75	12.50	12.13	12.25	11.50	12.25	12.00 (5)	12.00
Equipment Services	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Total Enterprise/Other Funds	75.53	69.63	70.46	71.04	71.07	70.70	70.82	67.77	68.52	68.27	68.27
Grand Total	220.78	221.53	222.88	223.87	221.94	223.34	225.14	221.73	222.58	221.27	223.35

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

Position Changes for the 2014/2015 Revised Estimate and 2015/2016 Budget:

1. A vacant police officer position was eliminated when grant funding was discontinued for the Police Joint Terrorism Task Force. This grant had funded 100% of a police officer position.
2. A Library staff reorganizations resulted in a .34 FTE reduction in actual 2014/2015 positions. An additional reorganization will add .16 FTE's back in 2015/2016.
3. A state grant was used for additional Art Center staff resulting in a .27 FTE increase in 2014/2015. There will be an additional net increase of .18 for 2015/2016. This reflects a .23 increase due to increasing the Art Center Aide from 20 hours/week to 29 hours/week and a slight reduction of .05 due to reduced grant funding for other part-time employees.
4. The 2015/2016 Community Development budget reflects an additional 29 hour/week Community Services Officer for the Rental Housing Licensing/Inspection Program.
5. A Housing staff reorganization resulted in a .25 FTE reduction in 2014/2015.
6. The 2015/2016 budget includes a new fulltime Communications Coordinator position. Funding for this position will be allocated evenly to the General Fund, TIF funds, Pubic Works, Water Pollution Control Fund, Collection and Drainage Fund, and Refuse Collection Fund.

Fulltime Employee Trends
Ten Year History



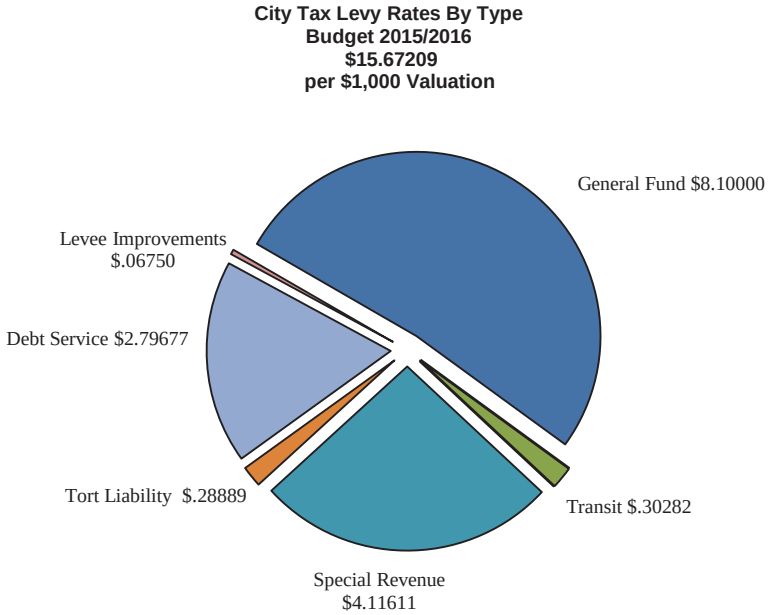
PROPERTY TAX SCHEDULES

City of Muscatine

Property Tax Levies by Type - Fiscal Years 2014/2015 and 2015/2016

	2014/2015 Budget		2015/2016 Budget				
	Collections	Levy Per $1,000 of Assessed Valuation	Collections	Levy Per $1,000 of Assessed Valuation	Percent of Levy Increase (Decrease)	Change in Dollars Levied	Percent Change in Dollars Levied
General Fund	$ 6,433,191	$ 8.10000	$ 6,326,709	$ 8.10000	0.00%	$ (106,482)	(1.66%)
Transit System	291,987	0.36764	236,525	0.30282	(17.63%)	(55,462)	(18.99%)
Tort Liability	313,884	0.39521	225,645	0.28889	(26.90%)	(88,239)	(28.11%)
Special Revenue:							
Police and Fire Retirement	$ 1,390,319	1.75054	$ 1,352,752	$ 1.73191	(1.06%)	$ (37,567)	(2.70%)
FICA/IPERS	595,548	0.74985	612,495	0.78417	4.58%	16,947	2.85%
Other Employee Benefits	1,526,023	1.92141	1,625,834	2.08153	8.33%	99,811	6.54%
Reduction *	(453,202)	(0.57062)	(376,089)	(0.48150)	15.62%	77,113	17.02%
Subtotal	$ 3,058,688	$ 3.85118	$ 3,214,992	$ 4.11611	6.88%	$ 156,304	5.11%
Debt Service	2,387,137	2.89056	2,345,415	2.79677	(3.24%)	(41,722)	(1.75%)
Levee Improvements	53,610	0.06750	52,723	0.06750	0.00%	(887)	(1.65%)
Total	$ 12,538,497	$ 15.67209	$ 12,402,009	$ 15.67209	(0.00%)	$ (136,488)	(1.09%)
Agricultural Land	3,262	3.00396	2,942	3.00422	0.01%	(320)	(9.81%)
Grand Total	$ 12,541,759	$ 15.67209	$ 12,404,951	$ 15.67209	(0.00%)	$ (136,808)	(1.09%)
		$ 3.00396		$ 3.00422			

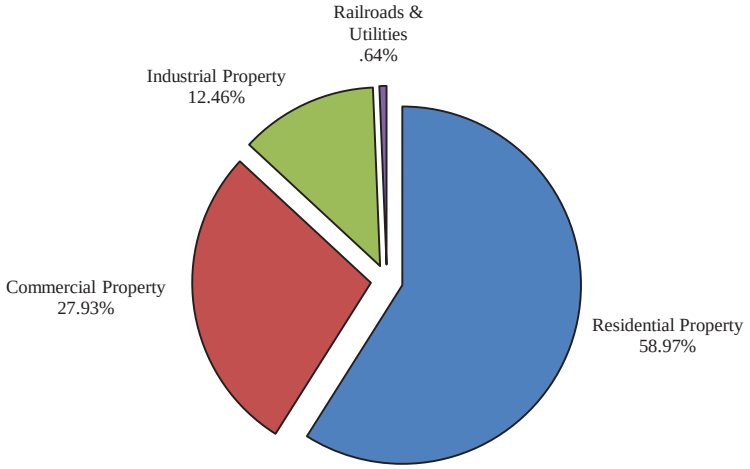
* In 2014/2015 the Employee Benefits levy was reduced to keep the overall City tax levy rate at the same rate as the previous year. This resulted in $453,202 of the General Fund balance being used for employee benefits during 2014/2015. The 2015/2016 budget reflects a reduction of $376,089 in the Employee Benefits levy which was the amount needed to maintain the same total tax levy rate for 2015/2016. This resulted in $376,089 of the General Fund balance being used to fund employee benefits.



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

	January 1, 2013	January 1, 2014	Valuation Increase (Decrease)	Percent Increase (Decrease) in Taxable Value	MEMO ONLY Percent Increase (Decrease) in Actual Value
Residential Property (1)	$ 450,842,402	$ 461,629,813	$ 10,787,411	2.39%	0.10%
Commercial Property (2)	232,698,429	218,659,686	(14,038,743)	-6.03%	0.56%
Industrial Property (3)	106,765,755	97,565,025	(9,200,730)	-8.62%	-2.58%
Railroads (4)	505,940	421,794	(84,146)	-16.63%	-12.00%
Utilities (5)	5,280,529	4,611,123	(669,406)	-12.68%	-12.68%
Total Valuations	$ 796,093,055	$ 782,887,441	$ (13,205,614)	-1.66%	-0.12%
Less Military Exemptions	1,871,992	1,812,242	(59,750)	-3.19%	
Total Net Valuation	$ 794,221,063	$ 781,075,199	$ (13,145,864)	-1.66%	
MEMO ONLY					
Total if Gas and Electric Utilities were Included	$ 798,149,186	$ 784,443,860	$ (13,705,326)	-1.73%	

1. Residential taxable valuations realized an increase in the rollback factor from 54.4002% to 55.7335% for January 1, 2014 (an increase of 2.44%).
2. Commercial valuations for January 1, 2013 were rolled back from 100% to 95%. For January 1, 2014 they were rolled back to 90%.
3. Industrial property values for January 1, 2013 were rolled back from 100% to 95%. For January 1, 2014 they were rolled back to 90%.
4. Railroad property values for January 1, 2013 were rolled back from 100% to 95%. For January 1, 2014 they were rolled back to 90%.
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.

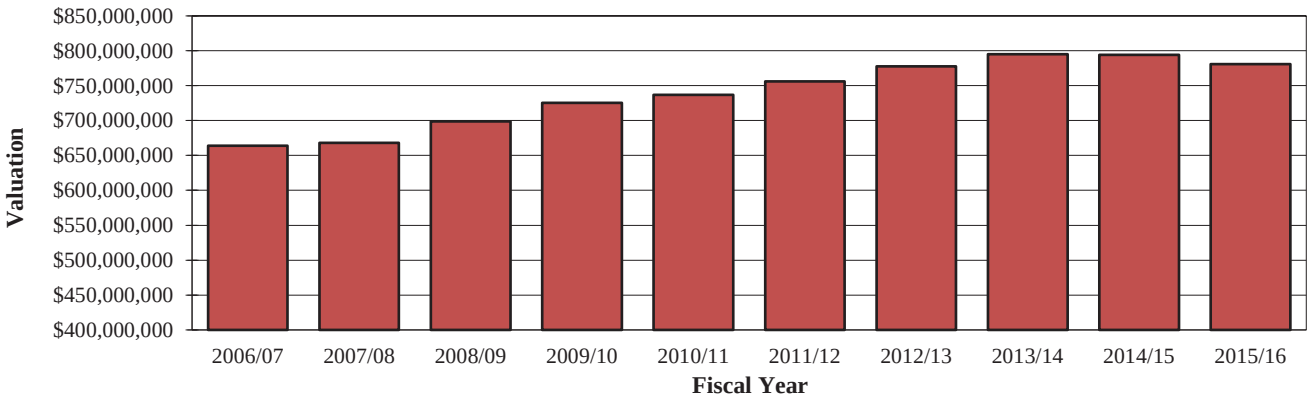


2014 Taxable Valuations by Type
(Valuations Used for 2015/2016 Tax Levy)

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

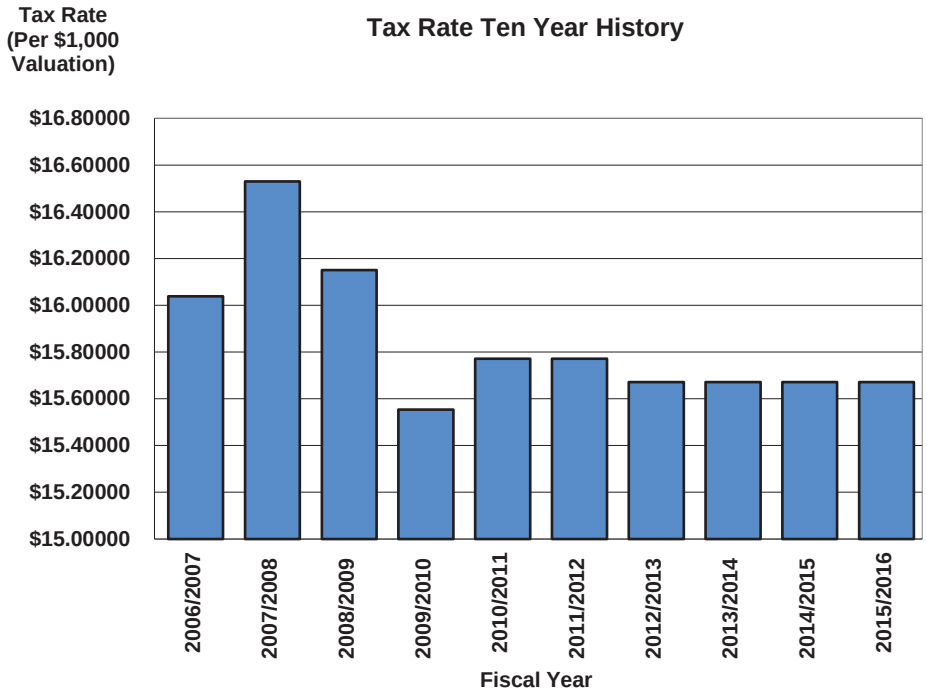
Fiscal Year	Real Property	Public Utilities	Military Exemption	Total	Agricultural Land
2006/07	$ 658,604,362	$ 7,712,376	$ 2,382,598	$ 663,934,140	$ 1,078,685
2007/08	663,799,345	6,652,746	2,376,768	668,075,323	1,074,675
2008/09	694,284,386	6,926,265	2,278,038	698,932,613	1,109,792
2009/10	720,403,370	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
2015/16	777,854,524	5,032,917	1,812,242	781,075,199	979,288

Taxable Property Valuation
Ten Year History



City of Muscatine
City Tax Rate History
Fiscal Years 2006/2007 through 2015/2016

Fiscal Year	Tax Rate (Per $1,000 Valuation)	Percent Change
2006/2007	$ 16.03891	2.43%
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%
2015/2016	15.67209	0.00%



Tax Levies by Entity

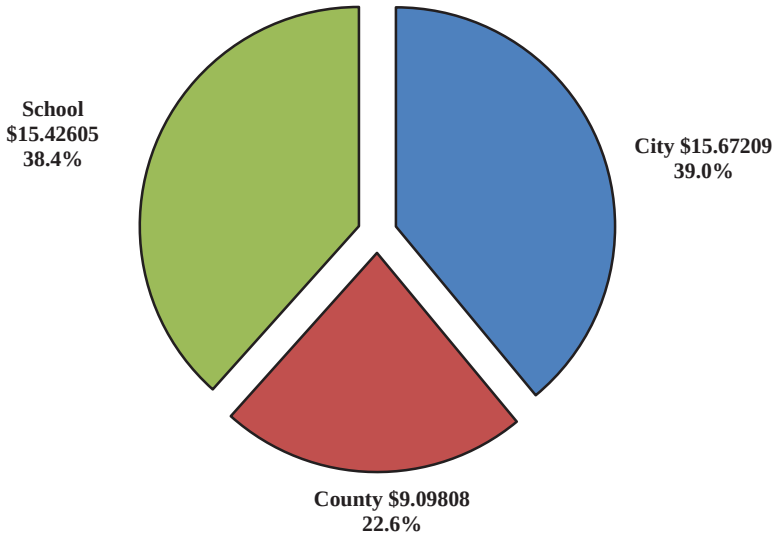
Historical Comparison

Certified Levies Per $1,000 of Valuation

	City	County	School	Total
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
2014/2015	15.67209	9.09808	15.42605	40.19622
Percent of 2014/2015 Total Levy	39.0%	22.7%	38.4%	100.0%
2015/2016 *	15.67209	N/A	N/A	N/A

* Tax levy rates for 2015/2016 for Muscatine County and the Muscatine Community School district are not yet available.

Tax Levy Rates By Entity
Fiscal Year 2014/2015
$40.19622 per $1,000 Valuation



MAJOR REVENUE SOURCES SCHEDULES

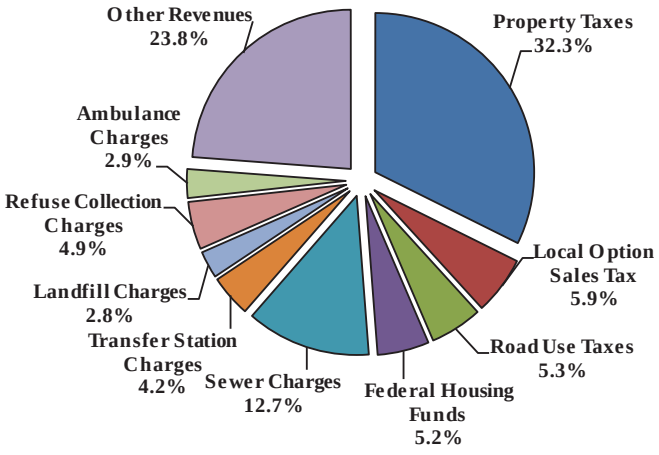
City of Muscatine
Major Revenue Sources
Fiscal Year 2015/2016 Budget

General Information

The City of Muscatine budgeted operating revenues of $44,409,167 for 2015/2016 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 2015/2016 budgeted operating revenues, 76.2% 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.

	2015/2016 Budget	Percent of Total
Property Taxes	$ 14,355,951	32.3%
Local Option Sales Tax	2,622,900	5.9%
Road Use Taxes	2,358,100	5.3%
Federal Housing Funds	2,322,440	5.2%
Sewer Charges	5,620,300	12.7%
Transfer Station Charges	1,878,450	4.2%
Landfill Charges	1,225,800	2.8%
Refuse Collection Charges	2,160,300	4.9%
Ambulance Charges	1,290,000	2.9%
Other Revenues	10,574,926	23.8%
Total Operating Revenues	$ 44,409,167	100.0%

Operating Revenues
Budget 2015/2016



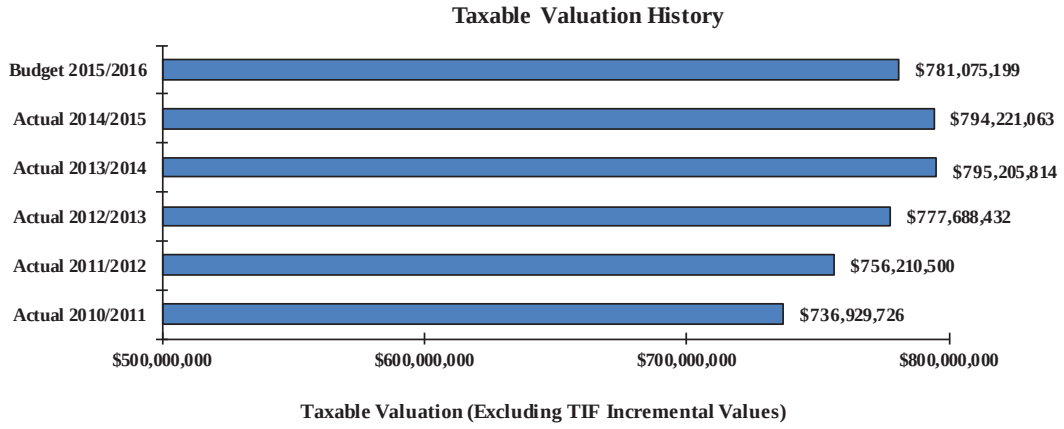
Property Taxes
FY 2015/2016 Budget $14,355,951

General Information

Property taxes comprise 32.3% 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 2015/2016. 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

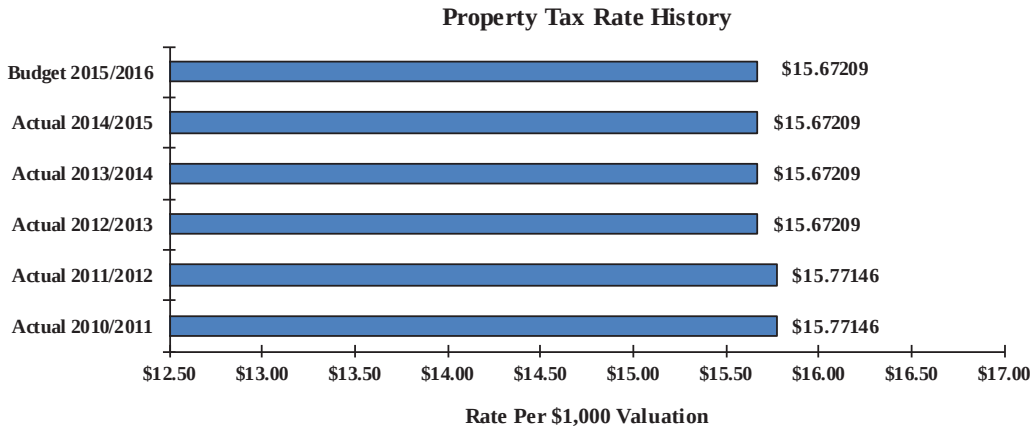


Taxable valuations are received from the County Auditor each year. Changes in taxable valuation occur due to new growth or improvements to existing properties, changes in property values by the County Assessor, changes in the State "rollback" factors for the different categories of property, and other State-mandated valuation requirements.

The taxable property valuation for fiscal year 2015/2016 is $781,075,199, which is $13,145,864 (1.66%) lower than the fiscal year 2014/2015 valuation of $794,221,063. Growth in Tax Increment Financing (TIF) districts is not included in these taxable valuation amounts. The overall decrease is due to the second year of the State mandated rollback of commercial, industrial, and railroad property whick rolled back these valuations from 95% to 90%. These properties were rolled back from 100% to 95% in 2014/2015. For 2015/2016 there was a decrease of 6.03% in commercial and a decrease of 8.62% 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 additional 5% rollback. The taxable valuation for residential property, however, increased by 2.39% for 2015/2016. While *actual* residential property values increased by .10% in 2015/2016 due to growth and re-valuation of existing property, *taxable* values increased by 2.39%. 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 2015/2016, however, the rollback factor for residential property increased from 54.4002% to 55.7335% (an increase of 2.44%). With the total City tax rate of $15.67209 for 2015/2016, the City will collect $12,404,951 in property taxes in fiscal year 2015/2016 compared to fiscal year 2014/2015 taxes of $12,541,759, a decrease of $136,808 (1.09%).

Property Tax Rates



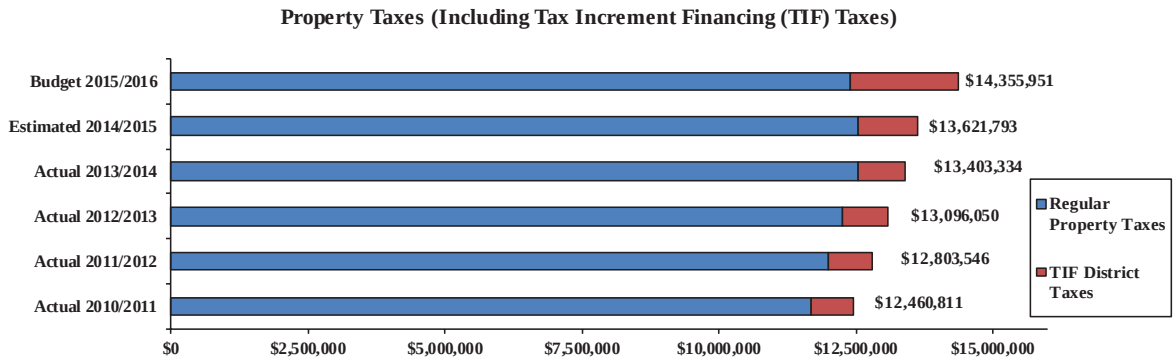
The City's tax rate for 2015/2016 is comprised of six different categories as provided for by the State of Iowa. These include the General Fund, Transit, Tort Liability, Employee Benefits, Debt Service, and Levee Improvement levies.

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 2015/2016 was maintained at the same rate as 2014/2015 and 2013/2014. An increase in the employee benefits rate was offset by decreases in the transit, tort liability and debt service tax levy rates. The overall tax rate was maintained at the prior year level due to the employee benefit levy funding $192,959 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 2015/2016.

Property Tax Revenue



Property taxes estimated for 2015/2016 total $14,355,951, including $12,404,951 from regular property tax and $1,951,000 from tax increment financing (TIF) taxes. This is a 1.09% decrease in regular property taxes and a 5.39% increase in total taxes including TIF taxes.

Local Option Sales Tax
FY 2015/2016 Budget $2,622,900

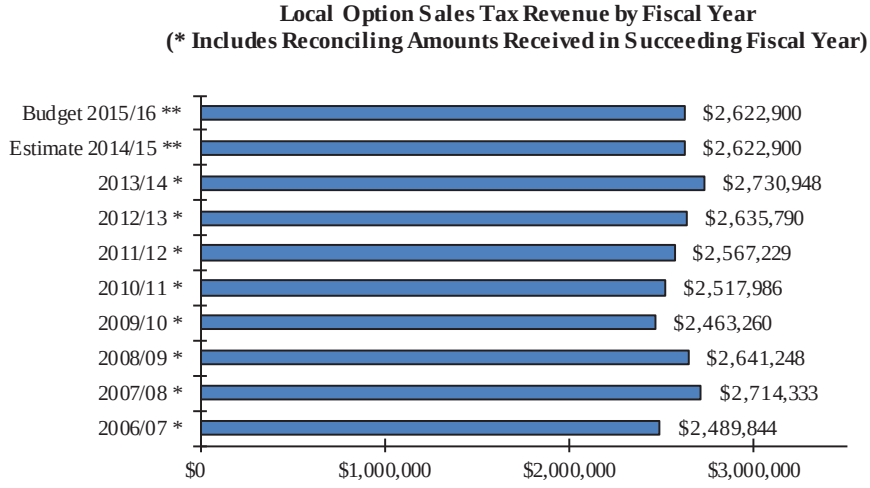
General Information

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 2014/2015 and 2015/2016 at the State's most recent projection without a reconciliation amount.

Local Option Tax Revenue Trends



** Both the 2014/15 and 2015/16 amounts have been conservatively estimated at the State's preliminary allocation level without an estimated reconciling amount.

Road Use Tax
FY 2015/2016 Budget $2,358,100

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.

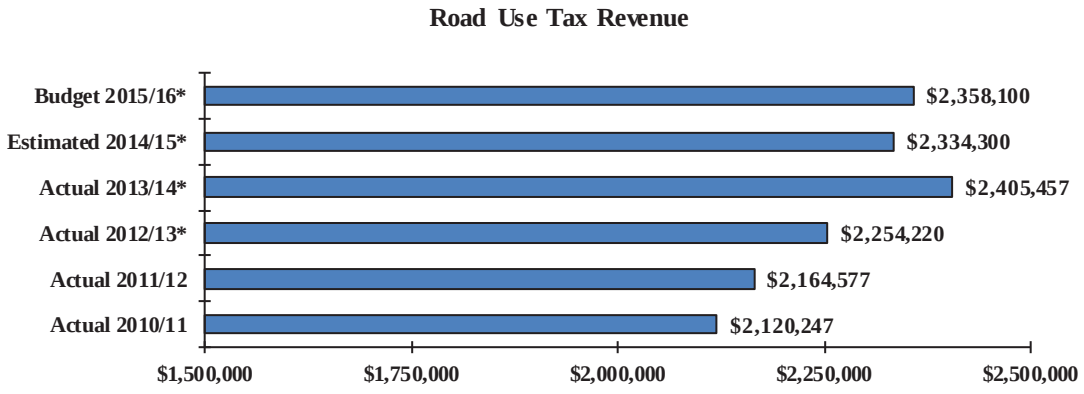
Basis of Road Use Tax Estimate

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.

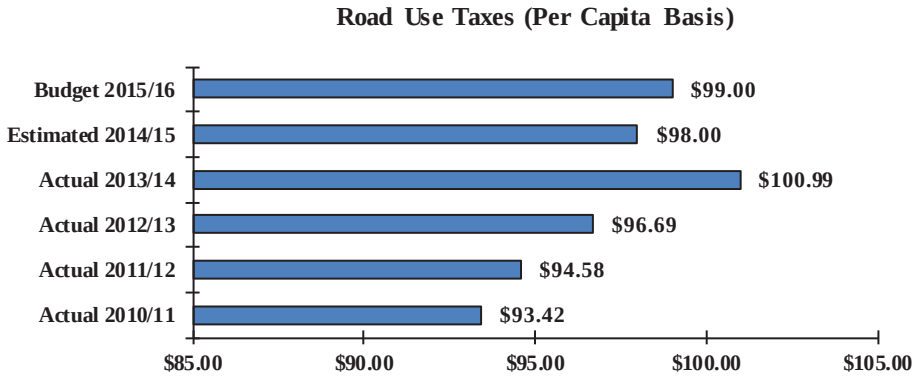
Road Use Tax Revenue Trends

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 2015/2016. 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 2014/2015 Road Use Tax estimate is based on a full year of 23,819 population at $98.00 per capita. The 2015/2016 estimate is based on that same population at $99.00 per capita.



*** Road use tax revenues in 2012/2013 through 2015/2016 include increases from two voluntary annexations.**



After the budget was adopted the State legislature approved a $.10 per gallon increase in the gas tax effective March 1, 2015. This is expected to generate an additional $416,700 in city road use tax revenue each year. This will allow the City to do more pavement management projects each year than had previously been planned. Specific projects funded from this additional revenue have not yet been determined.

Federal Housing Funds
FY 2015/2016 Budget $2,322,440

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 and 2012/2013, and the reserve was depleted in 2013/2014. HUD now holds each housing authority's HAPS reserve. 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 2015 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.

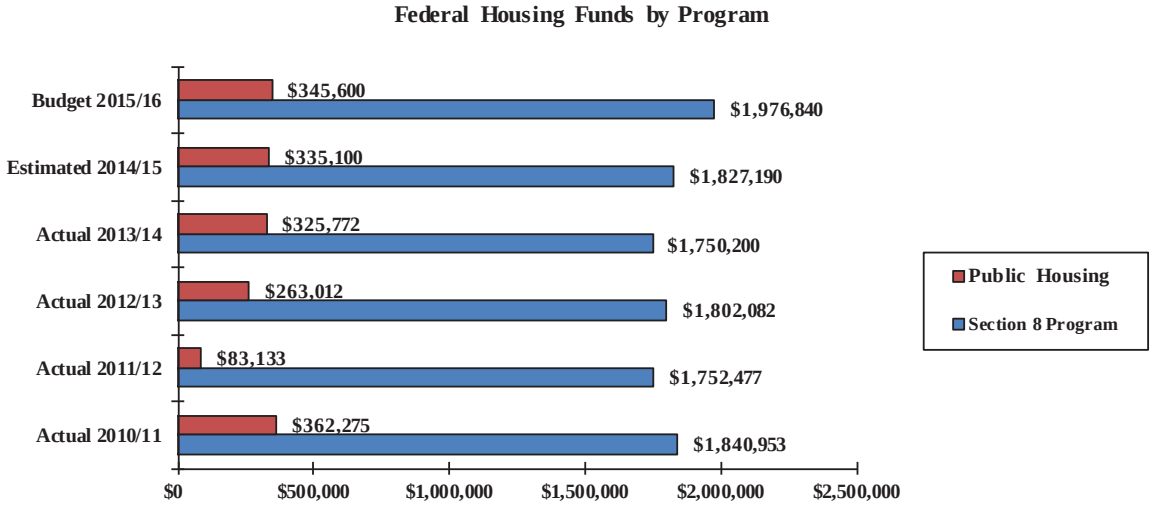
Public Housing. In most recent years the City has been eligible to receive operating assistance for the City's public housing program through the HUD Operating Subsidy program. Eligibility for receipt of these funds is normally computed based on rent revenue of the housing program, allowable expense levels, utility expenses, and other factors. The HUD Operating subsidy was

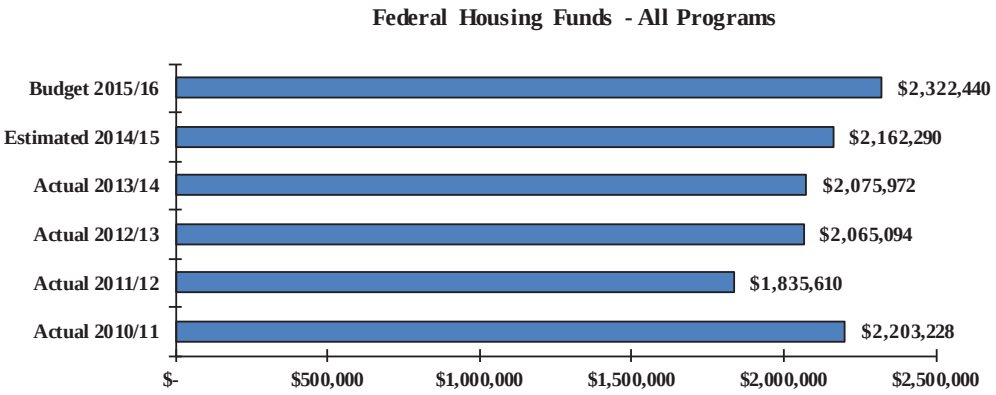
$165,584 in 2010/2011. For calendar year 2012, however, HUD changed how Operating Subsidy funds were allocated taking into consideration the operating reserve for each housing agency. This resulted in the City's Public Housing Program receiving no Operating Subsidy during calendar year 2012. Since the 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). A full fiscal year of Operating Subsidy was received in fiscal year 2013/2014 in the amount of $173,897. The subsidies have been estimated at $179,000 in 2014/2015 and $185,000 in 2015/2016.

Since 2000/2001 HUD has been allocating funds to Public Housing programs under the Capital Funds program. The City's allocation 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 revised estimate reflects drawing down the 2013 grant which totals $156,062. The 2015/2016 budget reflects drawing down the 2014 allocation of approximately $160,600.

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 2014/2015 and the budgeted amounts for 2015/2016. 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
Budget 2015/16
$2,322,440
Estimated 2014/15
$2,162,290
Actual 2013/14
$2,075,972
Actual 2012/13
$2,065,094
Actual 2011/12
$1,835,610
Actual 2010/11
$2,203,228
$-
$500,000
$1,000,000
$1,500,000
$2,000,000
$2,500,000

Sewer Charges for Services
FY 2015/2016 Budget $5,620,300

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.

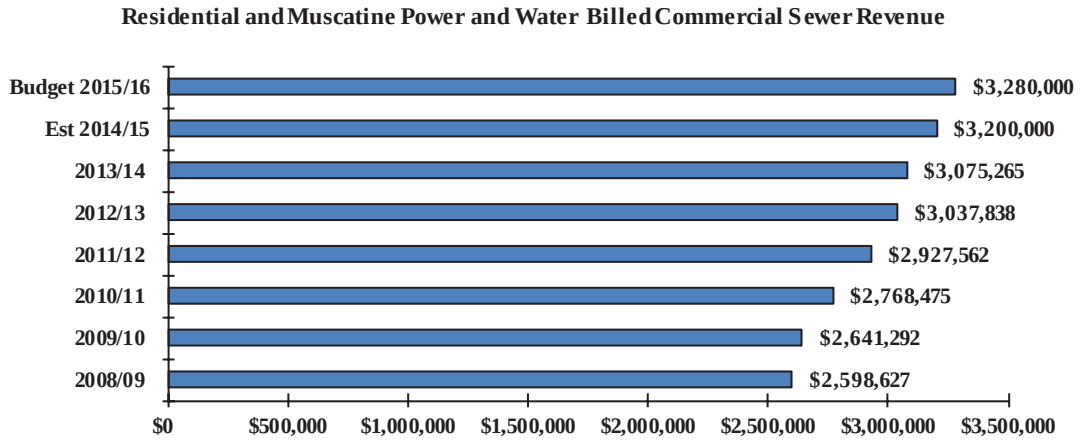
In 2002 the City contracted for consultant services to assist in developing a new sewer rate structure. One component of the new structure was to provide a multi-year contract with the City's major industrial sewer customer (Heinz USA) to provide a guaranteed minimum of industrial sewer revenues. Another 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.

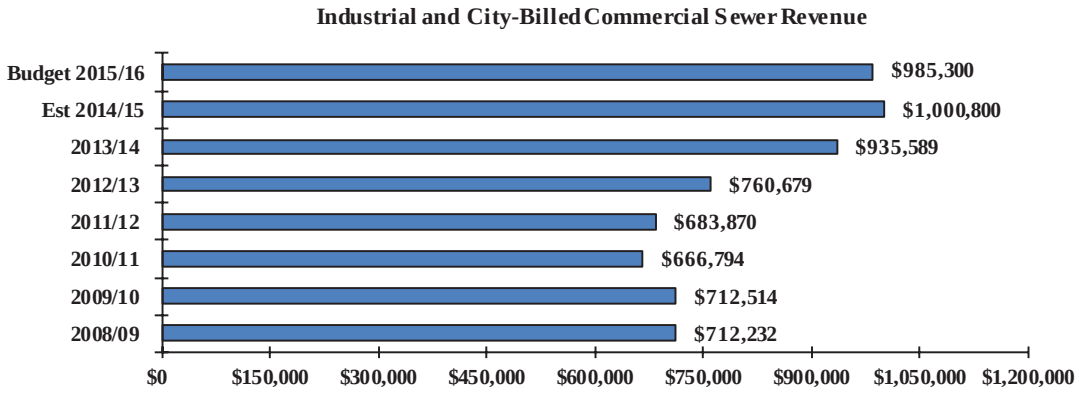
Basis of Revenue Estimates

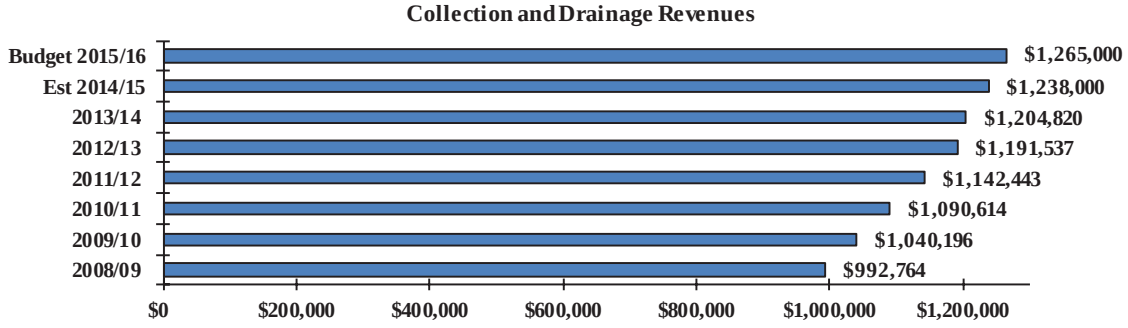
Staff at the Water Pollution Control department reviews historical residential and commercial customer usage to estimate the expected volumes to be received from these classes of customers for the upcoming year. For industrial customers, historical usage is reviewed and staff also contacts the City's major industrial customers for any usage changes which they may be projecting.

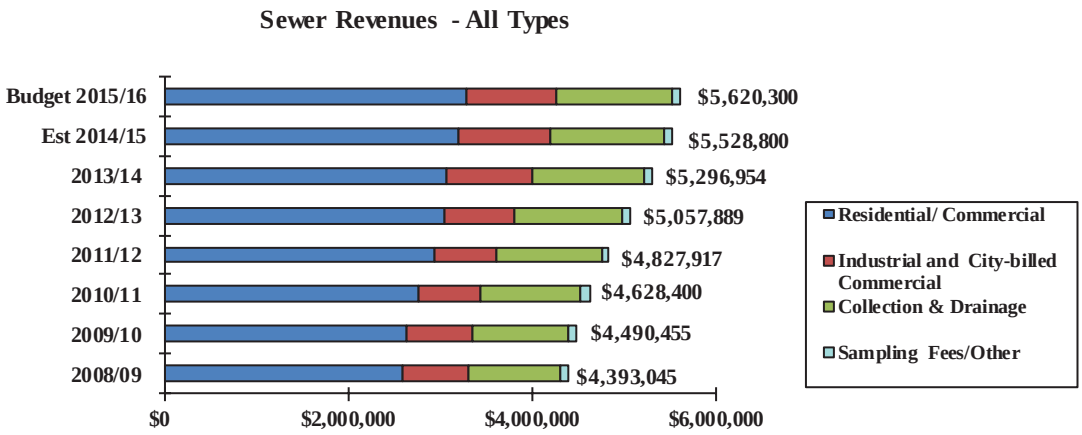
Residential and commercial sewer usage remains fairly constant each year. Industrial usage, however, has varied significantly over the last several years. Industrial sewer revenue and usage decreased in prior years primarily due to reduced volumes from the City's major industrial customer, Heinz USA. 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 2014/2015 and the projections for 2015/2016. The budgeted sewer rates for 2014/2015 and 2015/2016 reflect annual approximately 3% rate increases per the 2013 rate study.

Sewer Revenue Trends








Sewer Revenues - All Types
Budget 2015/16
Est 2014/15
2013/14
2012/13
2011/12
2010/11
2009/10
2008/09
$5,620,300
$5,528,800
$5,296,954
$5,057,889
$4,827,917
$4,628,400
$4,490,455
$4,393,045
$0
$2,000,000
$4,000,000
$6,000,000
Residential/ Commercial
Industrial and City-billed Commercial
Collection & Drainage
Sampling Fees/Other

Transfer Station Charges for Services
FY 2015/2016 Budget $1,878,450

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

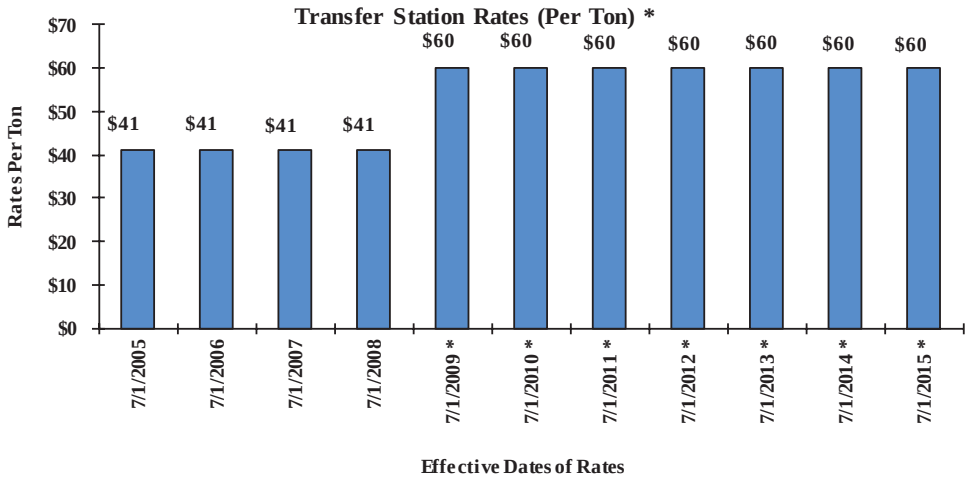
The City sets a "per ton" fee for the disposal of refuse at the Transfer Station. This fee is reviewed annually as part of the budget process. Analysis of the fees required is based on estimated volumes of refuse, estimated operating and capital expenditure needs, and in previous years the annual debt 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.

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 2015/2016. 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 reduce this deficit. 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, 2020.

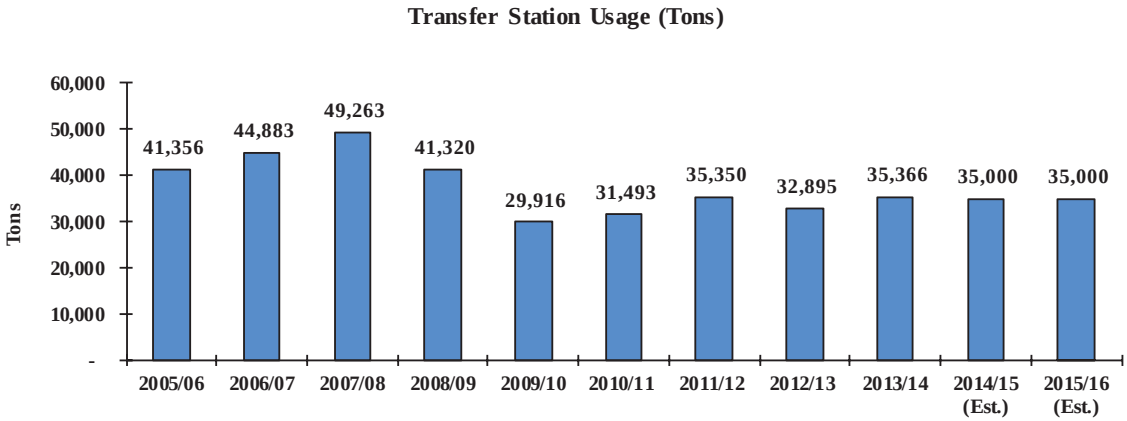
The actual Transfer Station waste volume was 41,356 in 2005/2006, 44,883 in 2006/2007, 49,263 in 2007/2008, 41,320 in 2008/2009, 29,916 in 2009/2010, 31,493 in 2010/2011, 35,350 in 2011/2012, 32,895 in 2012/2013, and 35,366 in 2013/2014. The 2014/2015 revised estimate and the 2015/2016 budget are each based on a projected 35,000 tons of waste.

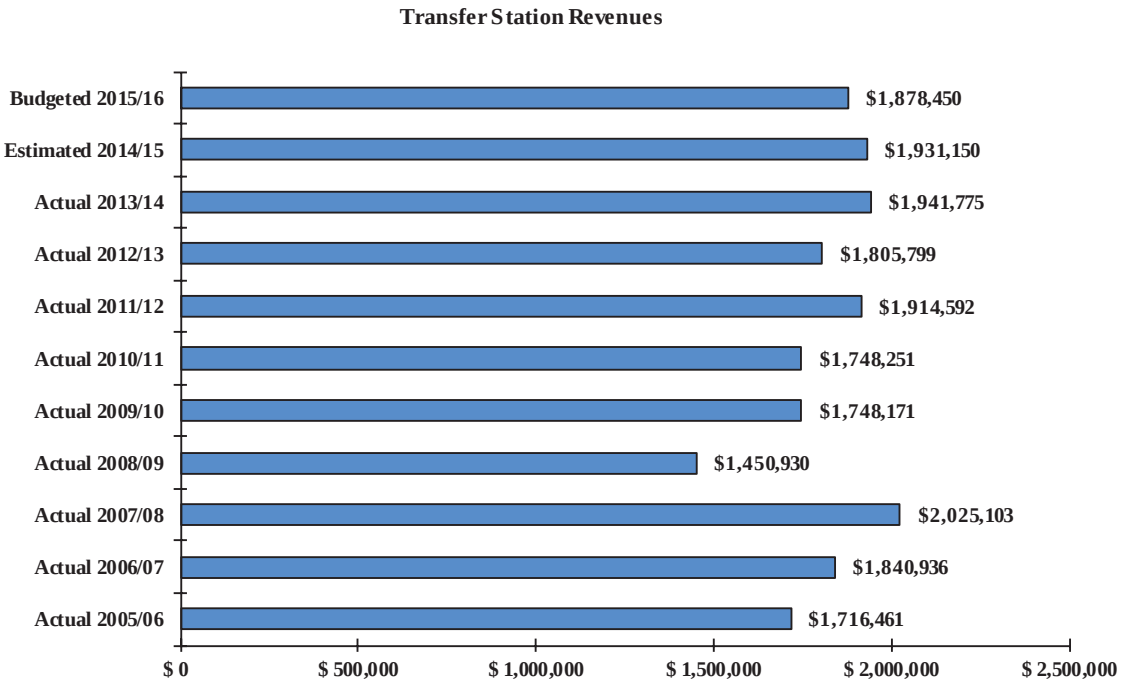
Transfer Station Revenue Trends

The following charts show Transfer Station rates, usage, and revenues since 2005/2006:



***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
Budgeted 2015/16
$1,878,450
Estimated 2014/15
$1,931,150
Actual 2013/14
$1,941,775
Actual 2012/13
$1,805,799
Actual 2011/12
$1,914,592
Actual 2010/11
$1,748,251
Actual 2009/10
$1,748,171
Actual 2008/09
$1,450,930
Actual 2007/08
$2,025,103
Actual 2006/07
$1,840,936
Actual 2005/06
$1,716,461
$ 0
$ 500,000
$ 1,000,000
$ 1,500,000
$ 2,000,000
$ 2,500,000

Landfill Fees
FY 2015/2016 Budget $1,225,800

General Information

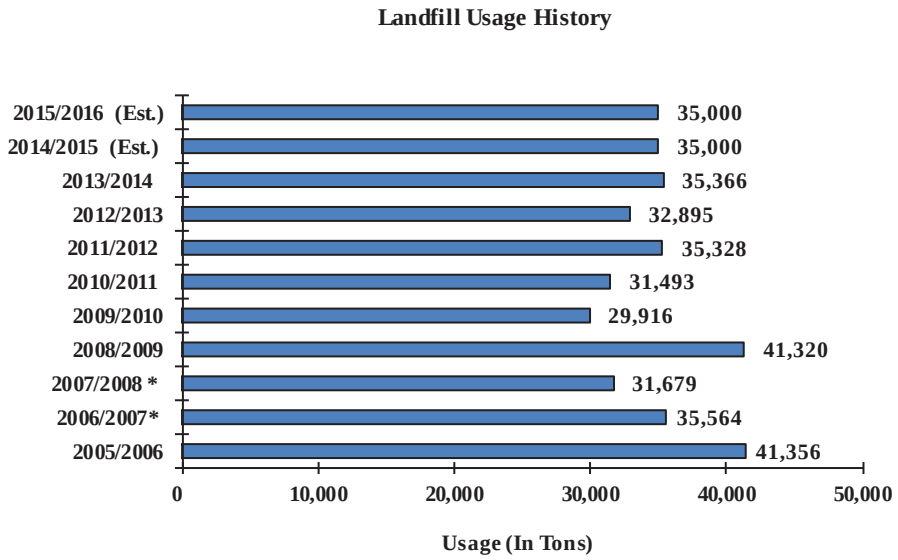
The City's Transfer Station fees include funding for the Landfill. The Transfer Station pays the Landfill on a per-ton basis for waste disposed of at the Landfill. This rate has varied in recent years due to operational and capital requirements at both the Landfill and Transfer Station.

Basis of Revenue Estimate

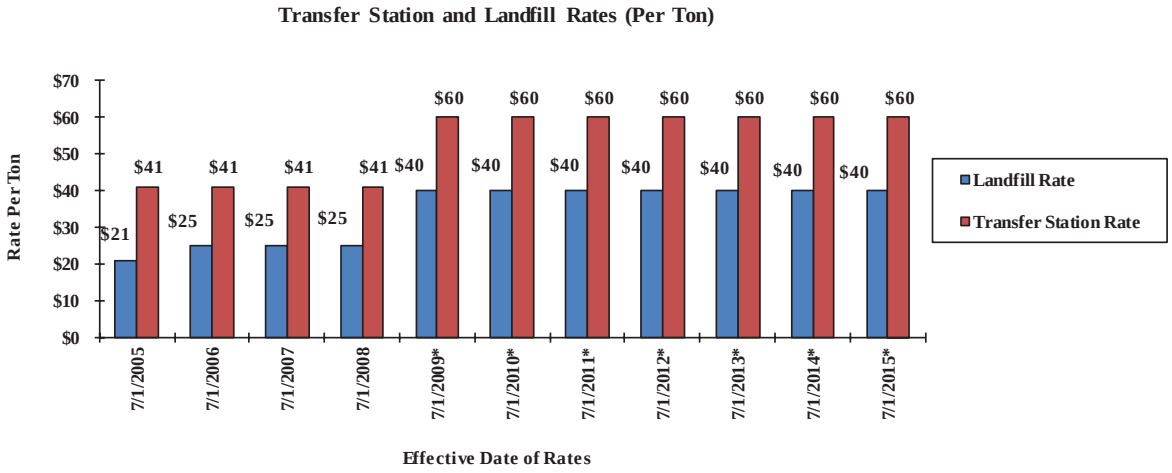
The landfill waste volume was 41,356 in 2005/2006, 35,564 in 2006/2007, 31,679 in 2007/2008, 41,320 in 2008/2009, 29,916 in 2009/2010, 31,493 in 2010/2011, 35,350 in 2011/2012, 32,895 in 2012/2013, and 35,366 in 2013/2014. The waste volume was reduced in both 2006/2007 and 2007/2008 due to landfill capacity issues which required waste to be hauled to the Scott County Landfill for portions of each of these years. The 2014/2015 revised estimate and the 2015/2016 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 2015/2016. 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, 2020. 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.



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



***In 2009/2010 the City began offering industrial contracts for refuse disposal whereby industries can enter into an agreement with the City to dispose of their waste at the Transfer Station and be directly billed for the disposal fees. Under these agreements the industries qualify for a discounted industrial rate of $50/ton of which $30 of this rate is paid to the Landfill. Additional negotiated industrial rates were implemented midway through the 2010/2011 fiscal year. Both the regular contracts and the negotiated contracts were extended through June 30, 2016. These industrial contracts have been further extended through June 30, 2020 with the regular industrial waste contracts decreasing to $45/ton of which $25.00 of the rate is paid to the landfill. The negotiated waste contracts were each reduced by $2.50 per ton.**

Refuse Collection Charges for Services
FY 2015/2016 Budget $2,160,300

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.

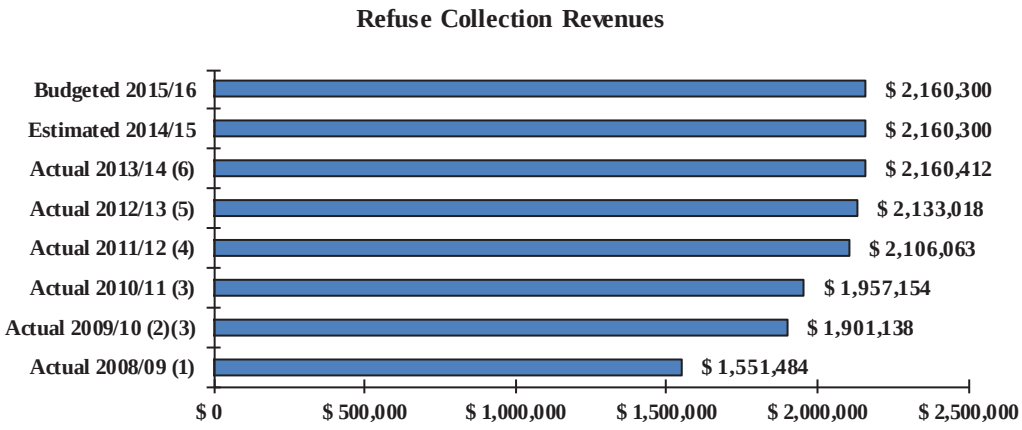
Basis of Revenue Estimate

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 2015/2016. 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 $73,028 in 2013/2014. That same amount is estimated for 2014/2015 and 2015/2016.

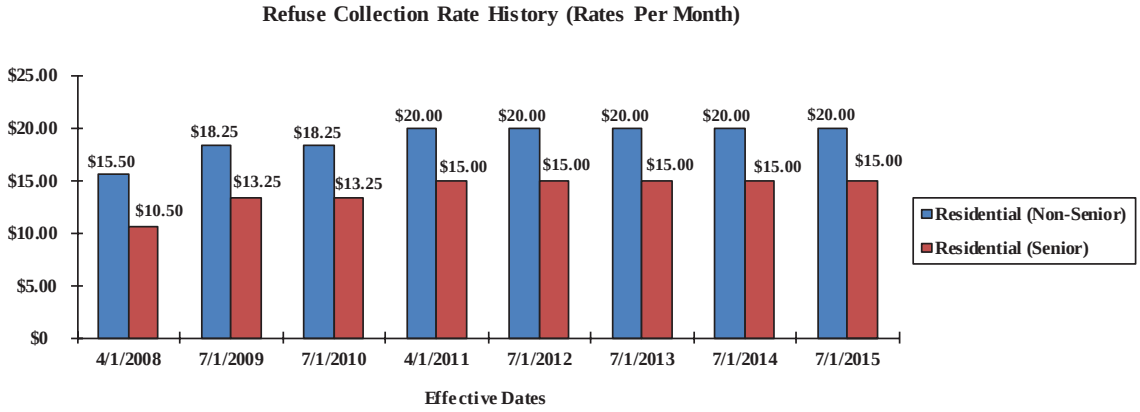
Revenue estimates are developed by a review of the average number of senior and regular residential customers, as well as commercial customers, multiplied by the respective rates. Revenues from commercial customers, however, can vary from the estimates since these customers have the option of using private refuse haulers.

Refuse Collection Revenue Trends

Refuse Collection revenues for the last six years, the estimated revenue for 2014/2015 and the budgeted revenue for 2015/2016 are shown in the following chart. The second chart shows the refuse collection rates since April 1, 2008.



1. Rates were increased by $1.50 and $1.10, respectively, for regular and senior citizens effective April 1, 2008.
2. Rates increased by $2.75 for both regular and senior citizens for 2009/2010.
3. Includes $70,000 for charges for City of Fruitland services beginning in 2009/2010.
4. 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, 2014/2015 and 2015/2016.
5. 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.
6. Includes the first full year of refuse collection services for Ripley's Mobile Home Court for 2013/2014 totaling $73,028.



Ambulance Charges for Services
FY 2015/2016 Budget $1,290,000

General Information

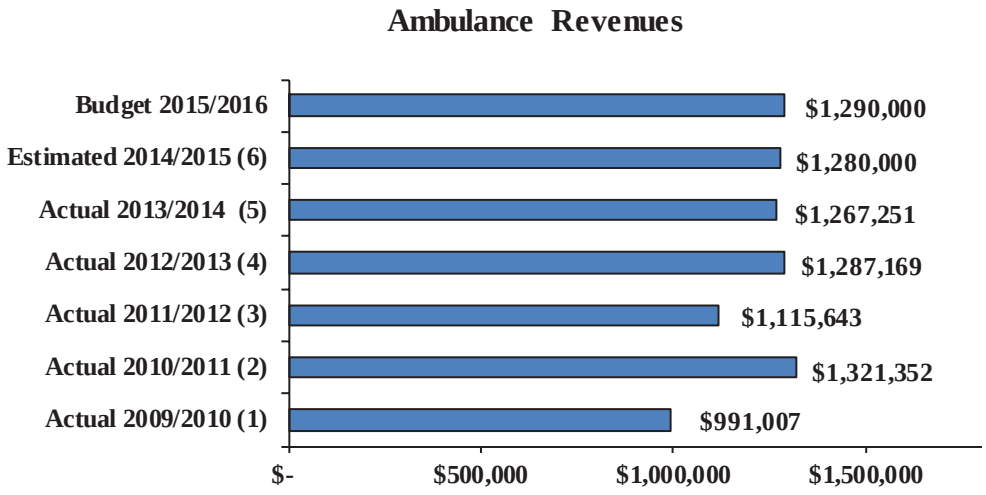
Through June 30, 2000, ambulance service for the City of Muscatine and surrounding townships was provided by a private ambulance service under contracts between the City and each respective township, and the ambulance service. The agreement with the previous ambulance provider expired on June 30, 2000.

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.

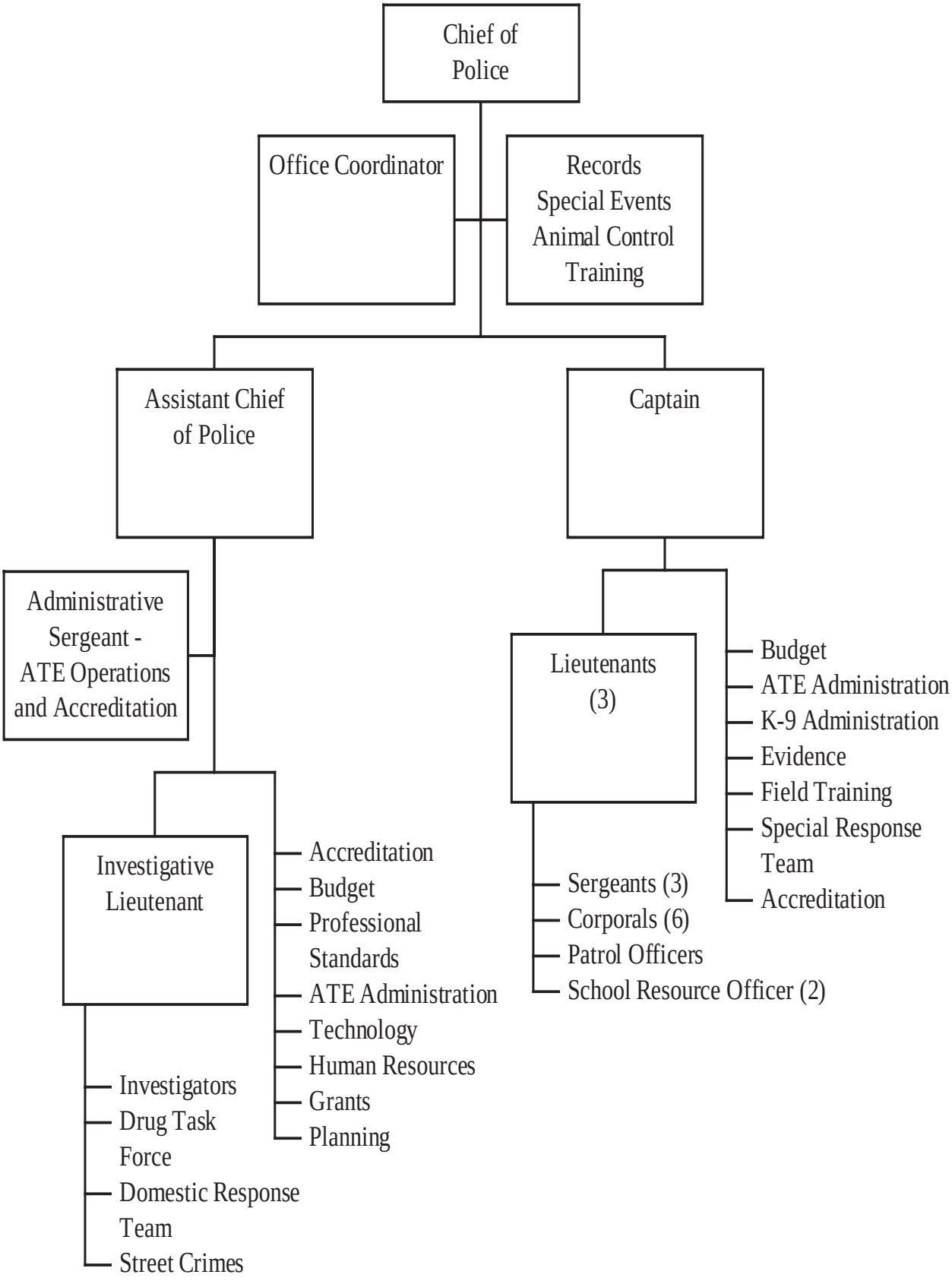
Ambulance Revenue Trends



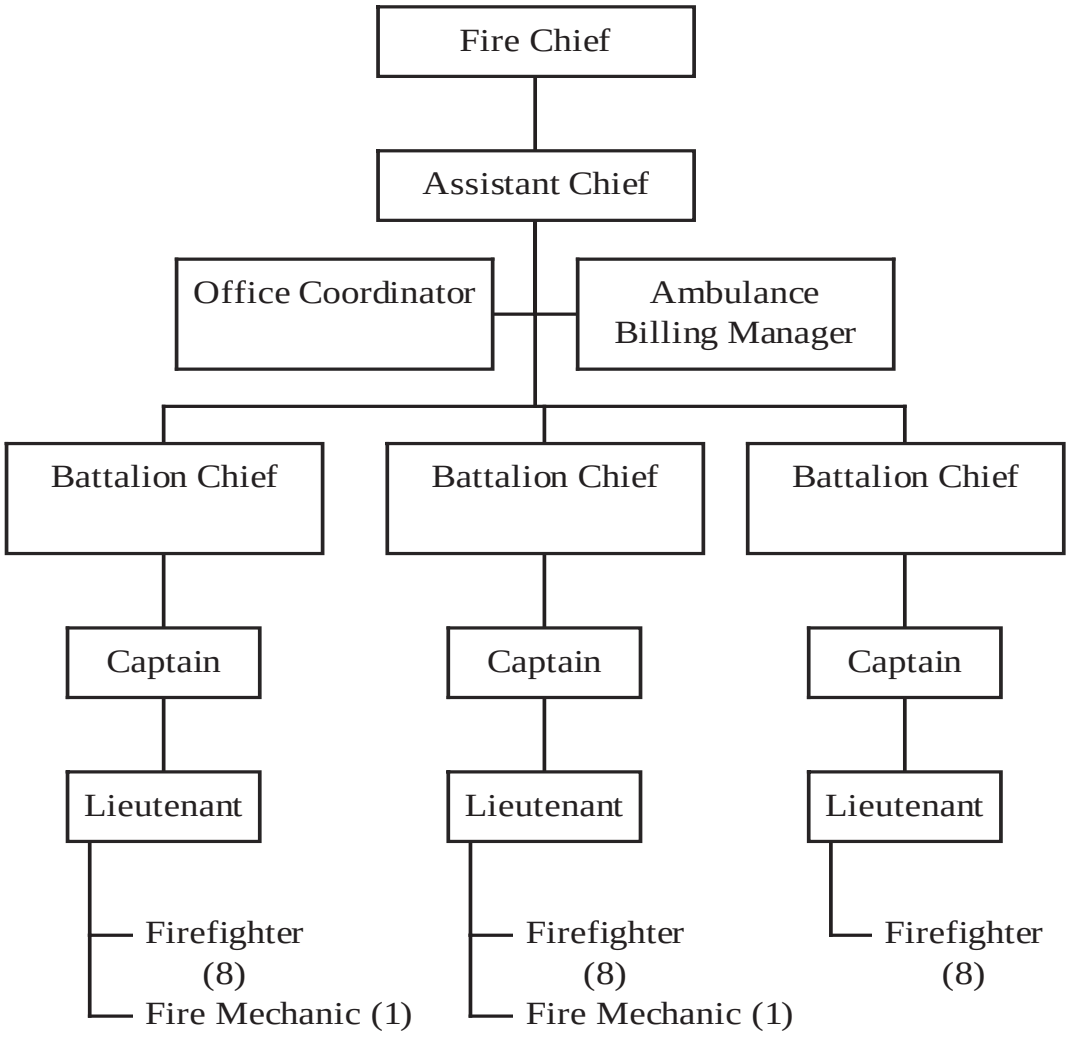
1. FY 2009/2010 revenues include a $17,072 adjustment to decrease the amount accrued on prior year accounts. Ambulance rates did not change in 2009/2010.
2. FY 2010/2011 revenues include a $75,716 adjustment to increase the amount accrued on prior year accounts. The ALS1 ambulance rate increased to $616, the ALS2 to $891 and the Skilled Care Transport to $1,053 for 2010/2011. The BLS rate did not change for 2010/2011.
3. 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.
4. 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 in 2012/2013.. Other rates continued at the 2011/2012 levels.
5. The 2013/2014 revenues include a $6,603 adjustment to increase the amount accrued on prior year accounts. There were no rate changes in 2013/2014.
6. Effective July 1, 2014 the BLS rate was increased to $565, the ALS1 rate to $672, the ALS2 to $972 and the Skilled Care Transport to $1,149. The mileage rate was also increased to $14 per loaded mile.

DEPARTMENT ORGANIZATIONAL CHARTS

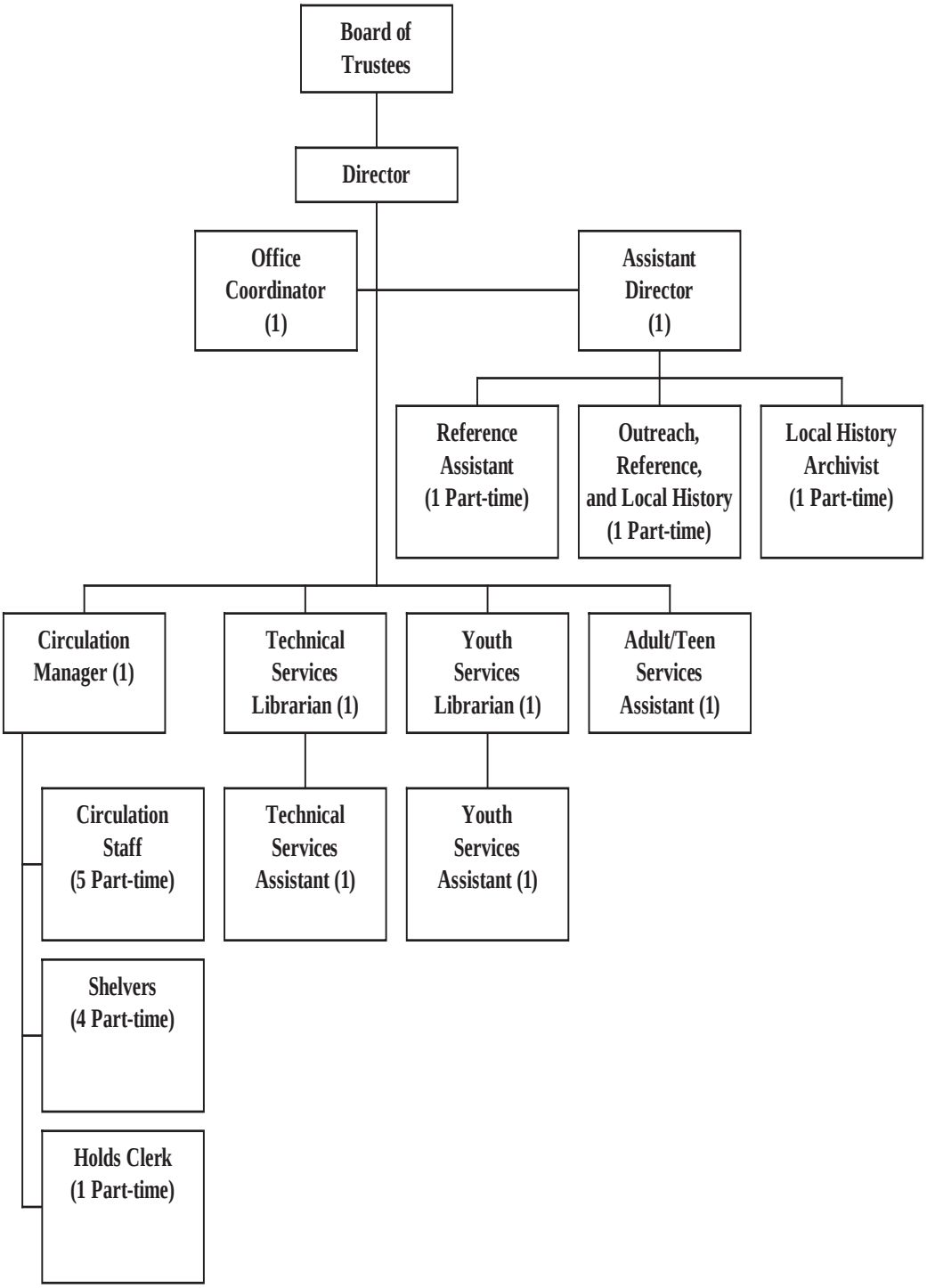
CITY OF MUSCATINE
POLICE DEPARTMENT



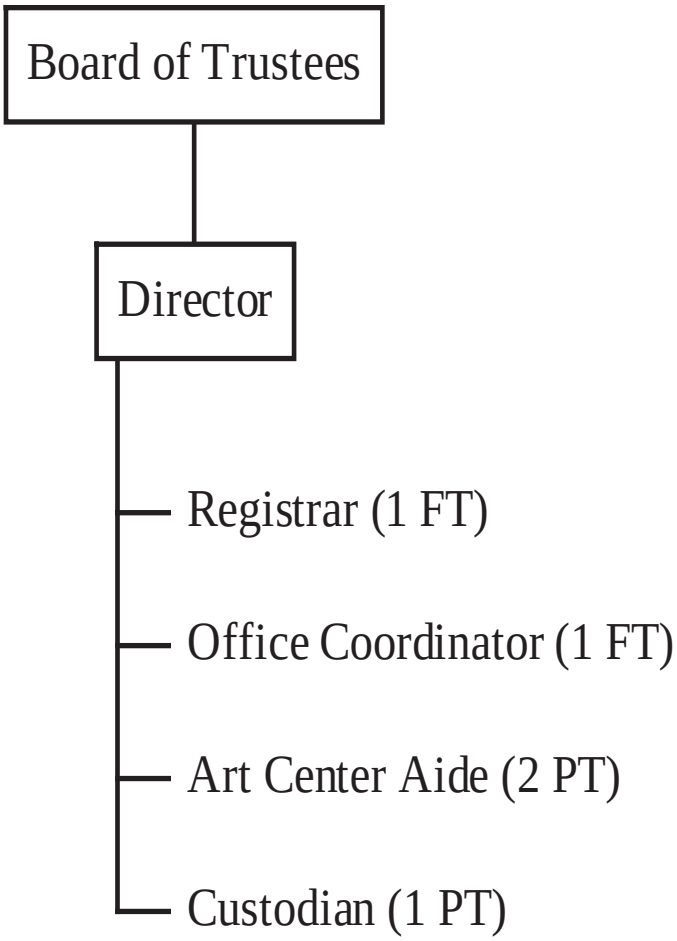
CITY OF MUSCATINE
FIRE DEPARTMENT



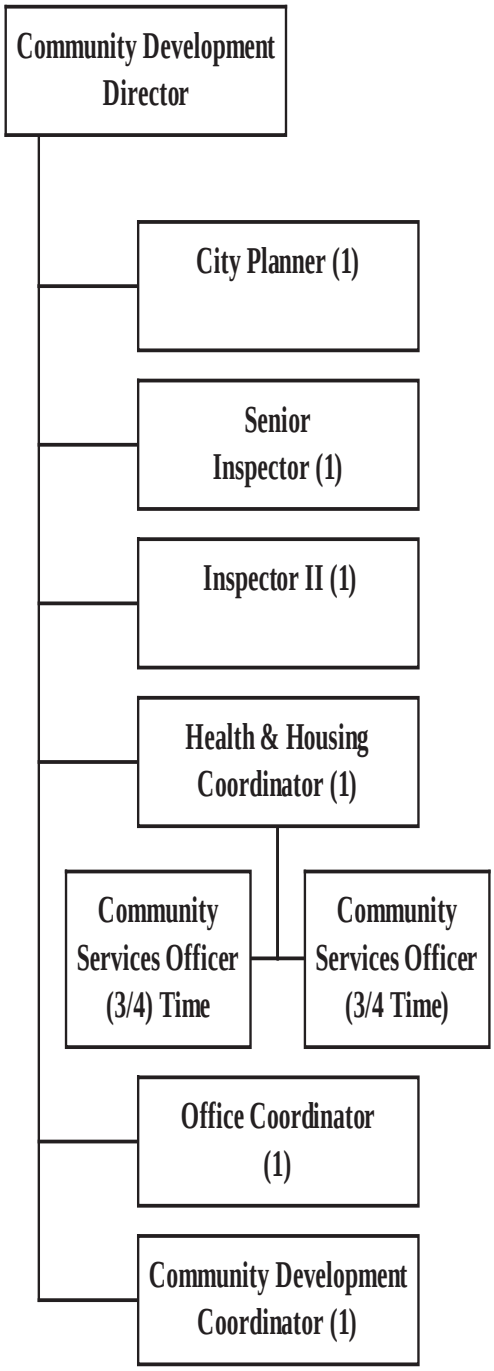
CITY OF MUSCATINE
LIBRARY



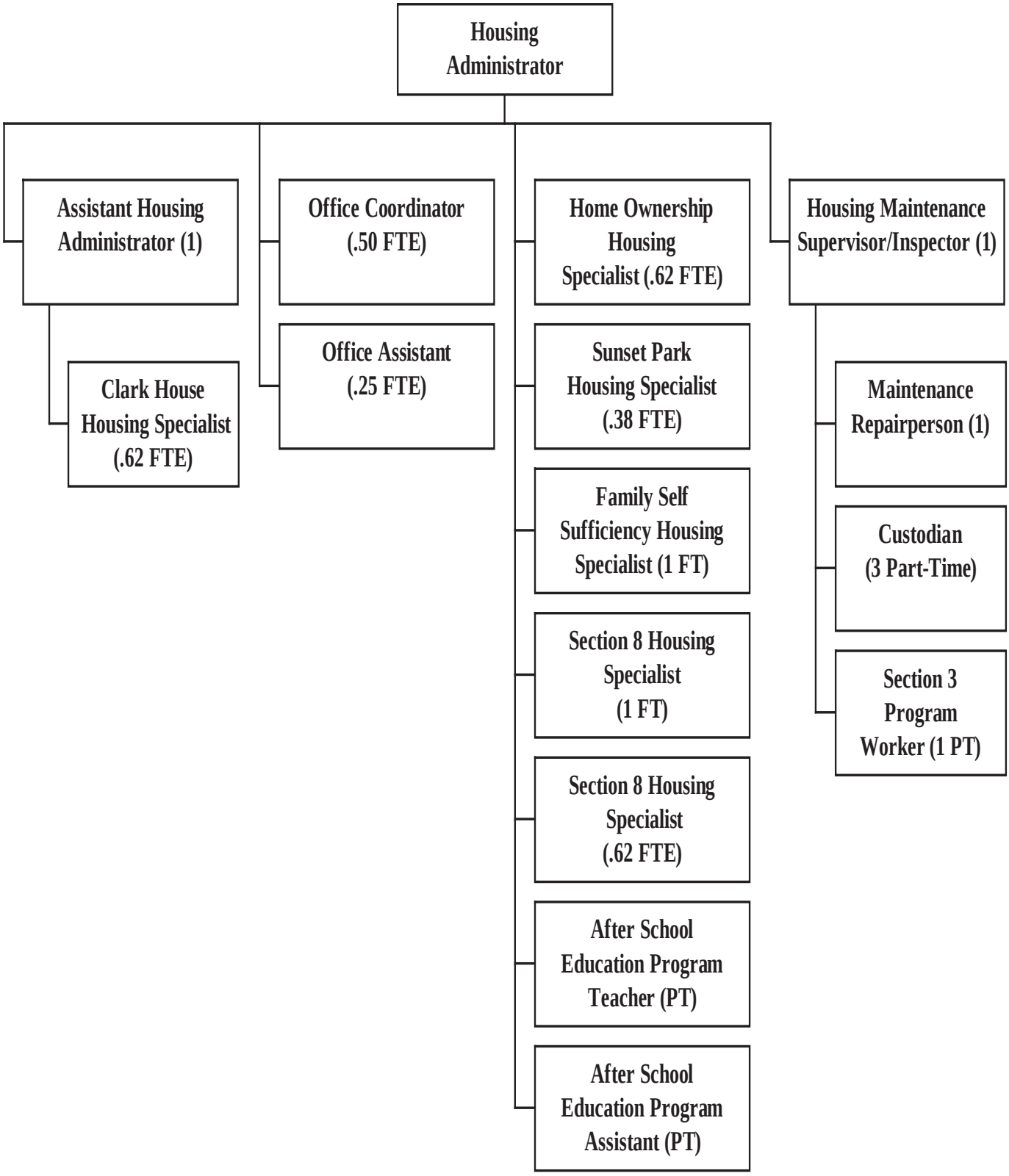
CITY OF MUSCATINE
ART CENTER



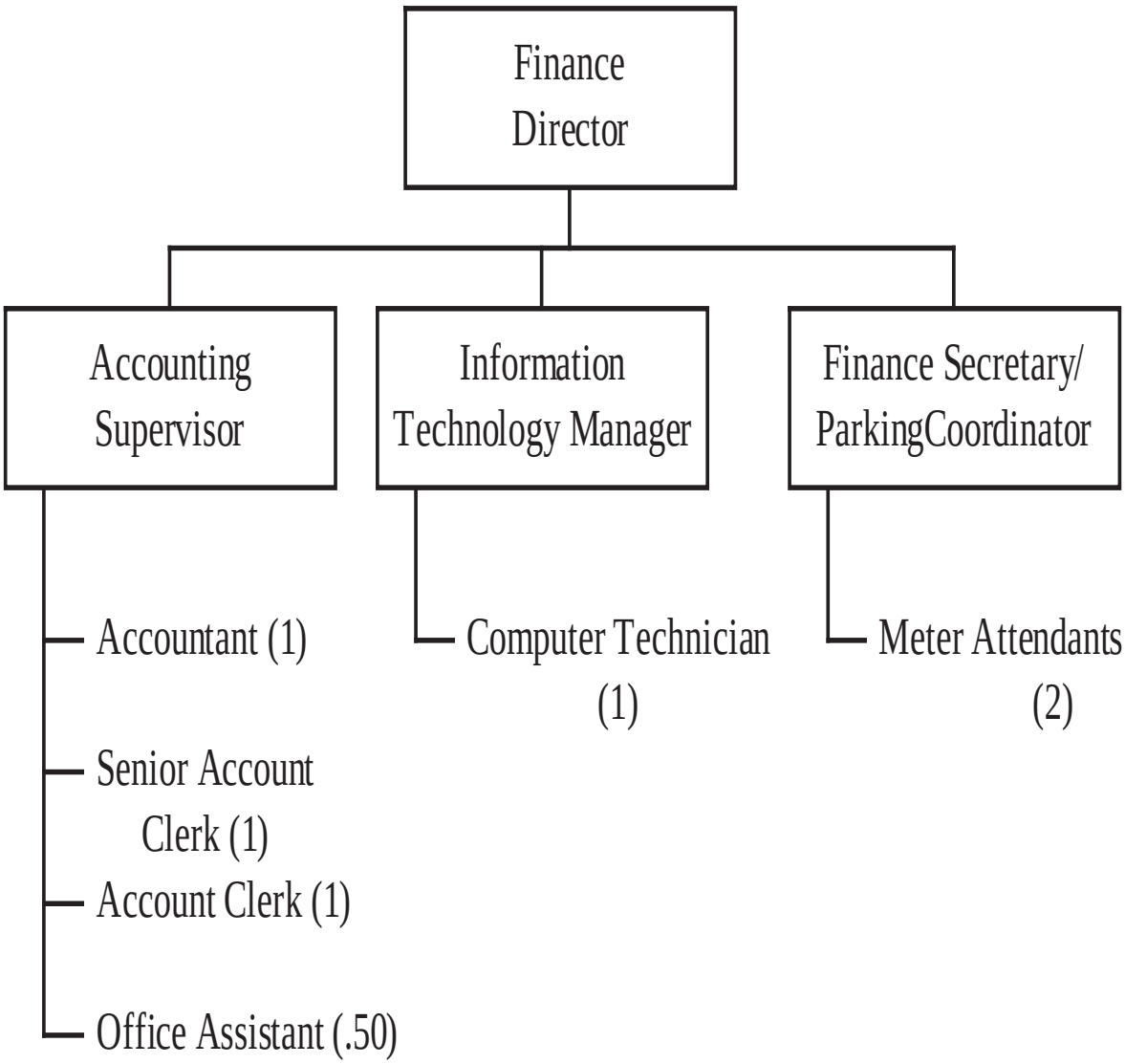
CITY OF MUSCATINE
COMMUNITY DEVELOPMENT DEPARTMENT



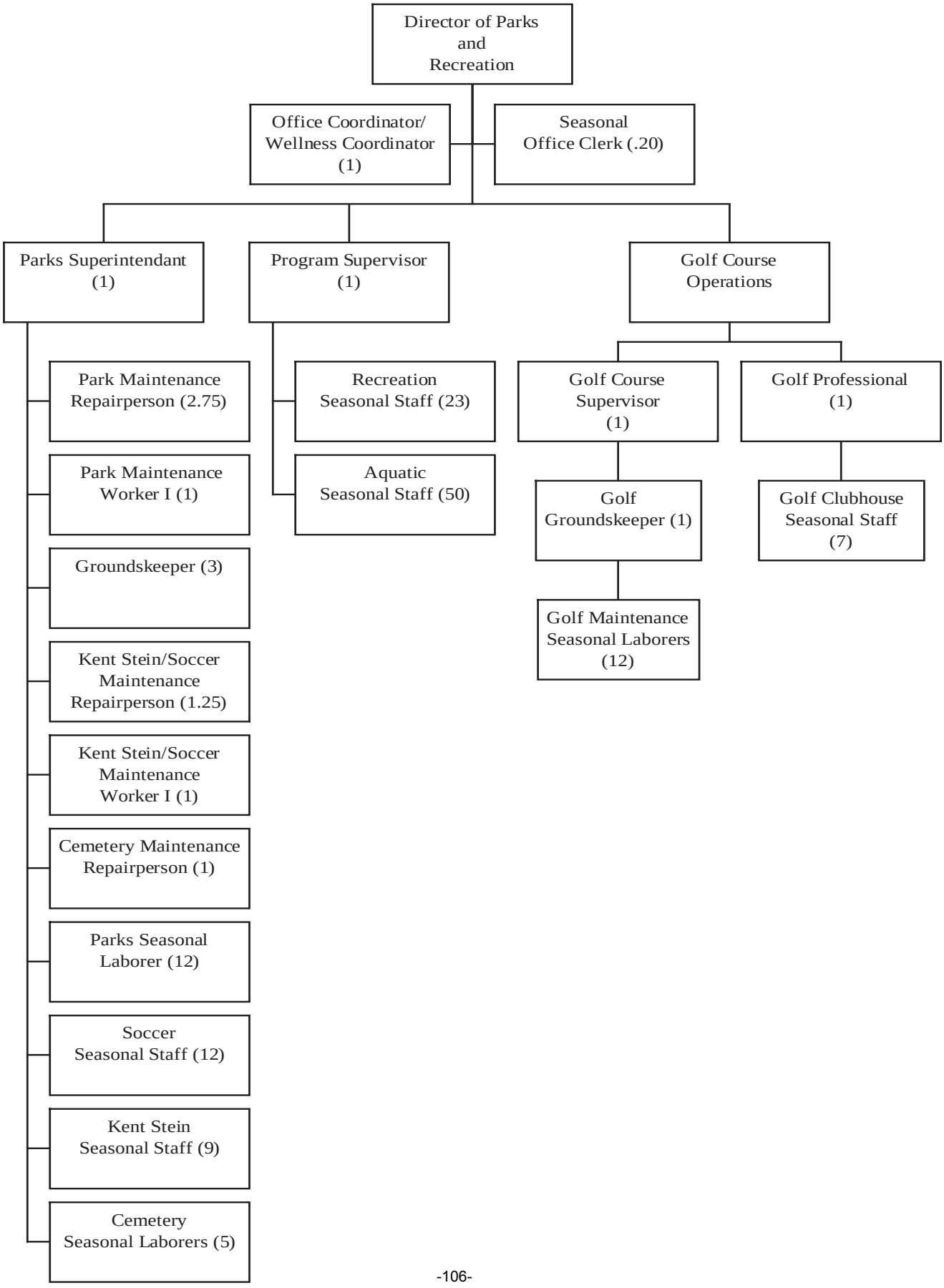
CITY OF MUSCATINE
HOUSING DEPARTMENT



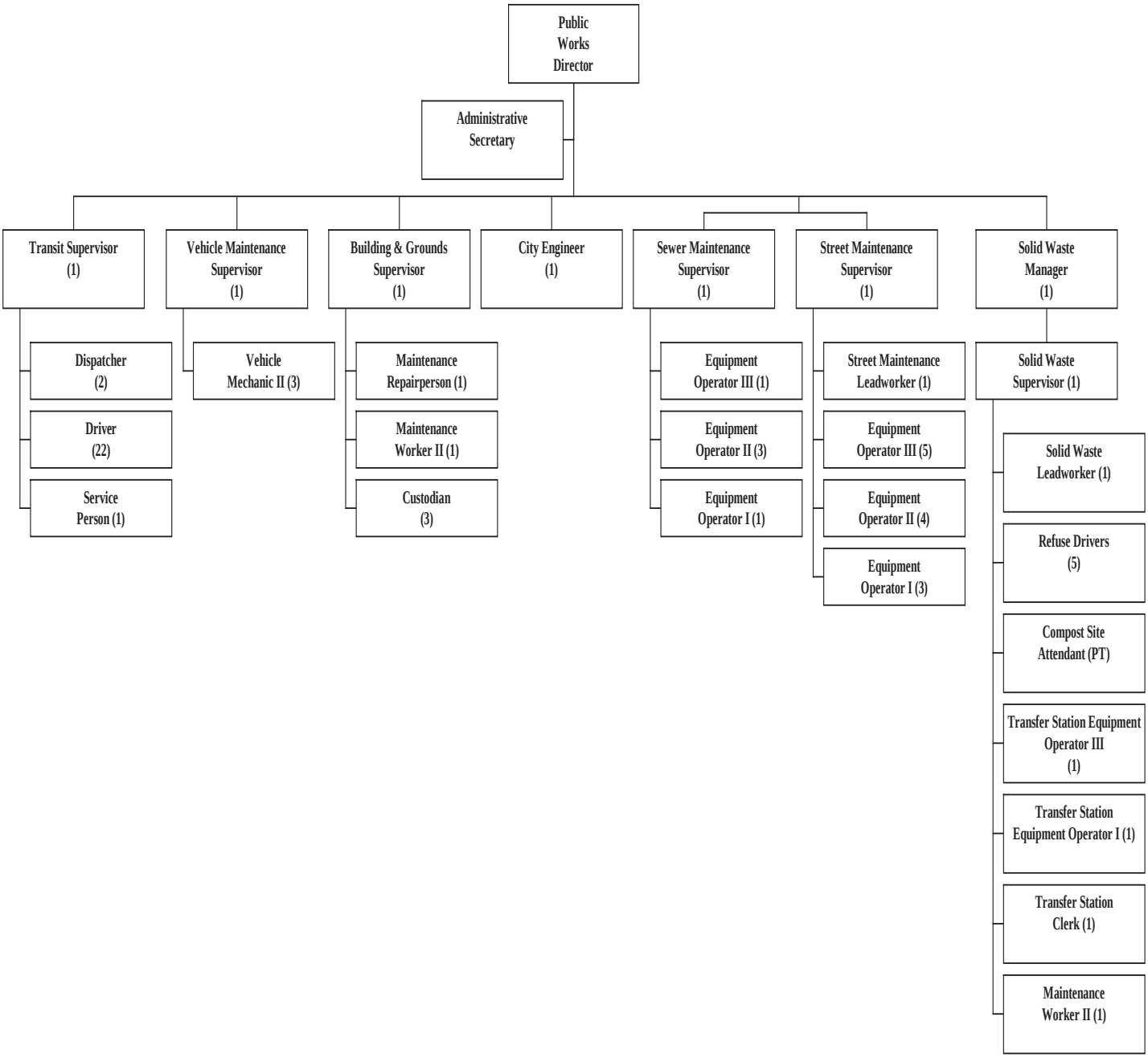
CITY OF MUSCATINE
FINANCE DEPARTMENT



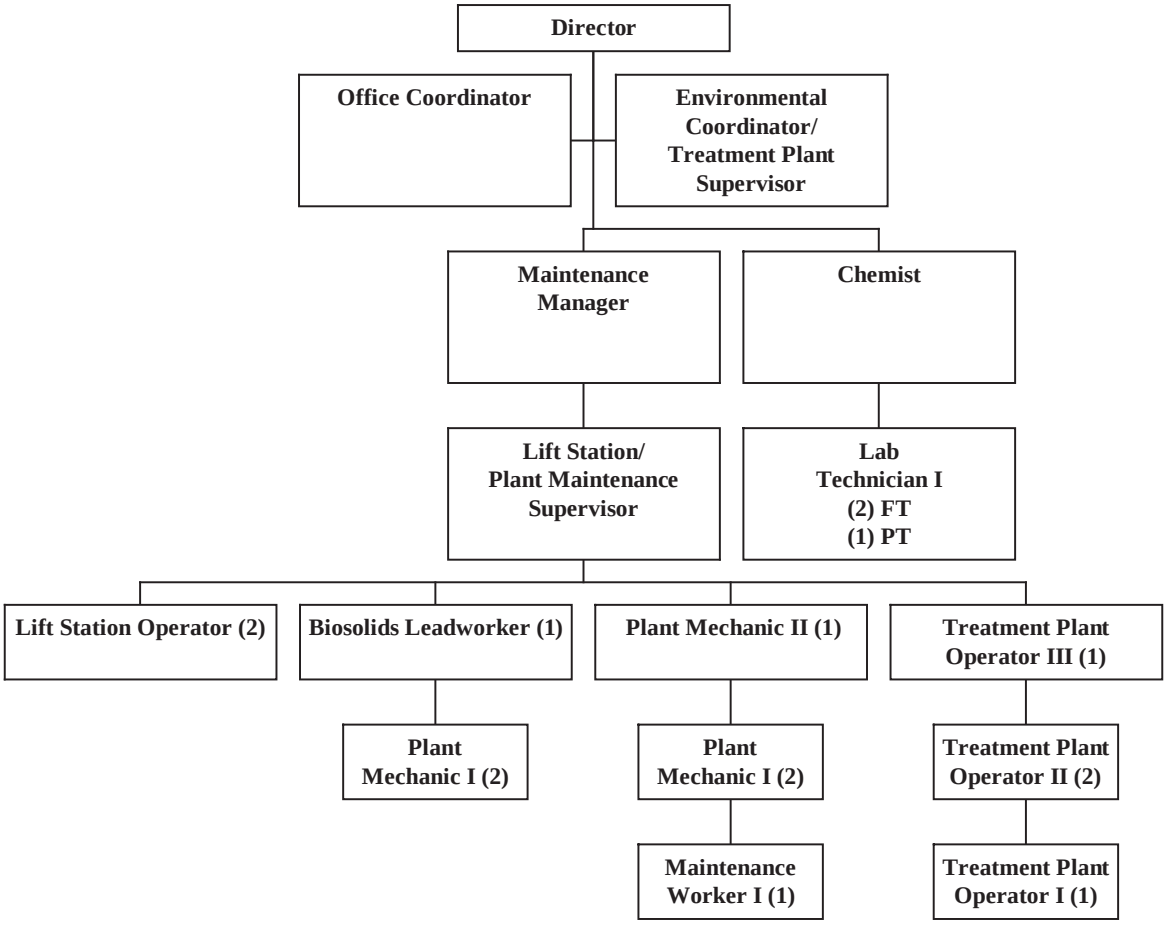
CITY OF MUSCATINE
PARKS AND RECREATION DEPARTMENT



CITY OF MUSCATINE
PUBLIC WORKS DEPARTMENT



CITY OF MUSCATINE
WATER POLLUTION CONTROL DEPARTMENT



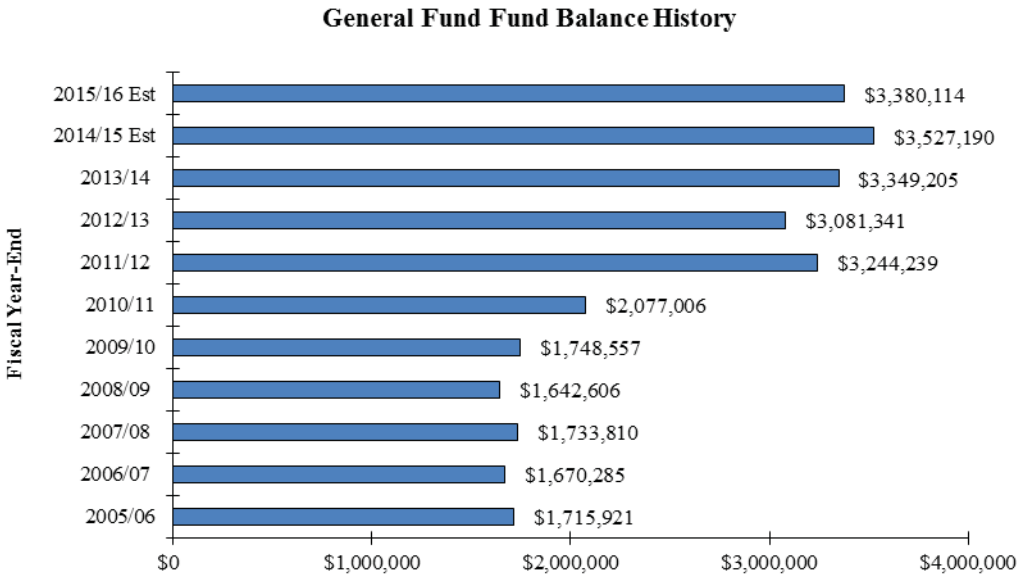
GENERAL FUND

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 the 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 2015/2016 is budgeted at $3,380,114 which is 18.5% of General Fund expenditures. The new policy and the 2015/2016 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:



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.

In the original General Fund budget for 2014/2015 the General Fund balance was projected to be 16.8% of expenditures which met the new minimum level of 16.7% provided for in the updated General Fund Balance Policy. In the 2014/2015 revised estimate the General Fund balance is projected at 19.8% of General Fund expenditures. This increase is primarily due to the beginning balance for the year being approximately $323,000 higher than originally estimated. The ending balance for 2015/2016 is projected at 18.5% of expenditures. 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 recent increases in police and fire pension costs, is not sustainable going forward into future years.

The new General Fund Balance Policy provides that City Council, as part of the budget process, can 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. This provision of the policy was used to purchase a new fire engine ($497,000) and new financial software ($160,000) in 2012/2013. In the 2015/2016 budget $148,500 of the General Fund balance above the policy minimum is budgeted to be used to purchase a new ambulance. This resulted in the budgeted decrease in the General Fund balance in 2015/2016. Without this one-time use of fund balance, the fund balance at the end of 2015/2016 would have remained at 19.8% of General Fund expenditures.

The City first used the "assigned" funding classification in the 2012/2013 General Fund budget. The funding assignments for that year included allocations for a new fire engine, new financial software, and the first annual allocation of $40,000 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. The fire engine and the financial software were purchased in 2013/2014. The second and third annual allocations for the COPS grant-funded police officer positions were budgeted in 2013/2014 and 2014/2015.

The 3rd and final year of the COPS grant funding will end in April of 2015. The prior year assigned funding will be used in 2015/2016 to meet the 4th year requirement of the grant agreement. The School is expected to fund the 4th year requirement for 75% of the cost of one officer since this position is being used as a 2nd School Resources Officer in the middle schools. The 2015/2016 budget includes City funding for the City's portion of the cost for these officers for the remainder of the 2015/2016 fiscal year after the 4th year requirement is met in April of 2016.

The 2015/2016 budget includes an assigned funding allocation of $12,300 to allow for merit increases for non-union employees.

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; and (3) Setting aside funds for the future COPS grant obligation will lessen the impact on the General Fund for the required 4th year of funding for those officers.

Recent Structural and Efficiency Changes in General Fund Departments

Structural changes implemented in 2010/2011 through 2014/2015 also assisted the city in increasing the General Fund balance. 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 annually.

Other significant changes implemented in recent years include: (1) The change from the previous insurance carrier to the Iowa Community Assurance Pool (ICAP) on July 1, 2014 resulted in a savings of $128,600 in General Fund insurance costs in the revised estimate compared to the original 2014/2015 budget (the City-wide savings was $173,900), (2) Two voluntary annexations in 2012 and 2013 added 528 acres, 933 residents, $88,000 in annual property taxes, and $47,000 in annual Road Use Taxes, (3) The Transfer of Jurisdiction of a portion of Business Route 61 from the State to the City in 2014 provided $13 million of funding that can be used to reconstruct and improve this corridor, (4) Implementation of the City's new financial software system on December 1, 2013 has assisted in streamlining accounting processes throughout city departments, and (5) Transitioning away from City participation in the Carver Swim Center will generate an annual saving of $28,100 beginning in 2015/2016 when the 3-year phase-out period is completed.

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 eighteen in 2014; (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 2015/2016 and future years. One of the City's goals for the upcoming year is to continue to develop a formal Continuous Service Improvement program which will assist departments in identifying and implementing efficiencies and cost savings in 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 2015/2016 in the General Fund total $18,132,550, which is a 2.0% increase from the 2014/2015 budget of $17,778,129. General property taxes comprise 35.0% of total revenue sources for 2015/2016 compared to 36.3% for 2014/2015. 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 are being 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 the City faces annually and these costs have a direct impact on the City's ability to maintain existing levels of services.

For 2015/2016 the police and fire pension contribution rate decreased to 27.77% and the corresponding tax rate decreased slightly from $1.75054 to $1.73191/$1,000 of taxable valuation. While police and fire pension costs decreased, the decrease was more than offset with increases in other General Fund employee benefit costs and the Employee Benefits tax levy increased from $3.85118 to $4.11611. In 2015/2016 $192,959 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 Tort Liability, Transit, and Debt Service portions of the tax levy for 2015/2016 which allowed for the overall tax rate to remain unchanged for 2015/2016.

The taxable property valuation for fiscal year 2015/2016 is $781,075,199, which is $13,145.864 (1.66%) lower than the fiscal year 2014/2015 valuation of $794,221,063. The overall decrease is due to the 2nd year of the rollback of commercial, industrial, and railroad property. Commercial, industrial, and railroad properties were rolled back from 100% to 95% in 2014/2015 and have been further rolled back to 90% for 2015/2016. For 2015/2016 there was a decrease of 6.03% in commercial and a decrease of 8.62% 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 additional 5% rollback. The taxable valuation for residential property, however, increased by 2.39% for 2015/2016. While *actual* residential property values increased by .10% in 2015/2016 due to growth and re-valuation of existing property, *taxable* values increased by 2.39%. 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 2015/2016, however, the rollback factor for residential property increased from 54.4002% to 55.7335% (an increase of 2.44%).

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 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 2015/2016 the State reimbursement to the General Fund is estimated at $333,080 based on the regular $8.10 General Fund levy. Additional State reimbursement funds of $12,452 for the Transit levy, $11,880 for the Tort Liability levy, $169,259 for the Employee Benefits levy, $115,006 for the Debt Service levy, and $2,776 for the Levee levy total to an estimated reimbursement of $644,453 for 2015/2016. The total reimbursement for 2014/2015 is estimated at $284,514. If the total reimbursements of $644,453 for 2015/2016 and $284,514 for 2014/2015 are added to the property tax levy amounts of $12,404,951 and $12,541,759, respectively, property tax and state reimbursements total to $13,049,404 for 2015/2016 compared to $12,826,273 for 2014/2015. This is a $223,131(1.74%) overall increase in these revenue sources for 2015/2016.

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, 2014/2015, and 2015/2016 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, 2014/2015, and 2015/2016, and is expected to generate $110,000 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 2014/2015 revised estimate includes an estimated $415,000 in hotel/motel taxes and that same amount has been budgeted for 2015/2016. 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 $103,800 for both 2014/2015 and 2015/2016. 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 2015/2016 fiscal year, the amount transferred to the General Fund to support street-related maintenance activities (including capital purchases), is budgeted at $2,432,600, an increase of $180,900 (8.0%) from the 2014/2015 budget of $2,251,700.

Revenue sources identified in the General Fund for 2015/2016 also include charges for services, licenses and permits, and other fees. Construction permits for 2015/2016 are estimated at $265,000 and rental housing registration and inspection fees are estimated at $70,000.

A fee for administrative services performed by activities within the General Fund continues to be charged to enterprise funds. The budgeted amount of $356,400 for 2015/2016 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 $26,500 has been charged to the Golf Course and Boat Harbor Operations budgets for 2015/2016. 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 $62,600 for 2015/2016. In 2015/2016 the Ambulance enterprise fund will transfer $833,200 to the General Fund for a prorated portion (23.0%) of the cost of fire department personnel used for the ambulance operation.

Expenditure Trends

The projected level of expenditures for the General Fund of $18,279,626 for 2015/2016 is 2.6% ($467,645) above the 2014/2015 budget of $17,811,981. Of the total expenditures, $13,654,000 (74.7%) 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 2015/2016 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 155 for 2015/2016. 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 2015/2016, 2014/2015, 2013/2014, 2012/2013, and 2011/2012 are as follows:

2015/2016 (Including Changes in the 2014/2015 Revised Estimate

- In the 2014/2015 revised estimate there was a reduction of one police officer position due to grant funding being discontinued for the officer 100% funded from the U.S. Department of Homeland Security grant for the Joint Terrorism Task Force.
- In the 2014/2015 revised estimate there was a reduction of .25 in staffing in the Housing department with a staff reorganization.
- A new Communications Manager position was added in the 2015/2016 budget. This position will manage the city website, branding and marketing efforts, news releases, and social media. While accounted for in the General Fund, the cost of this position will be evenly allocated to six funding sources.
- An additional 29 hour/week Community Services Officer position was added to the Community Development department. The primary responsibility of this position will be to oversee the new rental housing registration and inspection program. Fees for rental housing registrations are expected to fund the cost of this position.

- The Art Center Aide position is budgeted to increase from 20 hours/week to 29 hours/week for 2015/2016.
- There were changes in part-time staffing in the Library (.18 FTE reduction) and grant-funded Art Center part-time staffing (.22 increase).

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.

The 2015/2016 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 2015/2016 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 2015/2016 the City Council chose to continue financial contributions to the Greater Muscatine Chamber of Commerce and Industry (Chamber), Convention and Visitors Bureau (CVB), the Muscatine Humane Society and Senior Resources. The contributions to the Chamber, Humane Society, and Senior Resources will remain at their current levels of $38,000, $60,000, and $20,000, respectively, for 2015/2016. The subsidy to the CVB is again budgeted at 25% of the hotel/motel tax which is estimated at $103,800. The 2015/2016 budget includes a new subsidy to the Muscatine Center for Social Action's (MCSA's) Homeless Prevention Program. This is a one year funding commitment from the City for this program.

The 2015/2016 budget includes funding transfers to both the Equipment Replacement and Computer Replacement Funds in the amounts of $188,000 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 2015/2016.

The General Fund annually makes subsidy payments to the Airport Operations fund. These subsidies have ranged from approximately $46,000 to $90,000 during the past ten years. The revised estimate subsidy for 2014/2015 is $45,900 with the subsidy for 2015/2016 budgeted at $47,800. 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 2015/2016. Accordingly, funding for any emergency or non-budgeted items will require City Council to follow established budget amendment procedures. For 2015/2016, 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

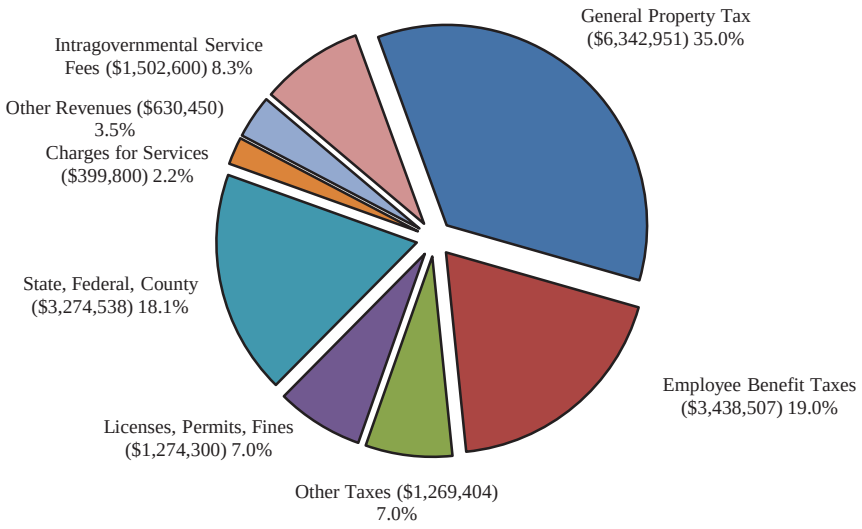
Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 3,244,239	$ 3,081,341	$ 3,025,653	$ 3,349,205	$ 3,527,190
Revenues	17,022,028	17,676,850	17,778,129	17,955,366	18,132,550
Encumbrance Variance	922	13,589	0	0	0
Funds Available	$ 20,267,189	$ 20,771,780	$ 20,803,782	$ 21,304,571	$ 21,659,740
Expenditures	17,185,848	17,422,575	17,811,981	17,777,381	18,279,626
Ending Balance, June 30	$ 3,081,341	$ 3,349,205	$ 2,991,801	$ 3,527,190	$ 3,380,114
Increase (Decrease) in Fund Balance	**$ (162,898)**	**$ 267,864**	**$ (33,852)**	**$ 177,985**	**$ (147,076)**
Minimum Fund Balance per policy adopted in November, 2013 (16.7% of General Fund Expenditures)		**$ 2,910,000**	**$ 2,975,000**	**$ 2,969,000**	**$ 3,053,000**
Amount Over (Under) Fund Balance Policy Minimum of 16.7%		**$ 439,205**	**$ 16,801**	**$ 558,190**	**$ 327,114**
Ending Balance as a Percent of General Fund Expenditures	**17.9%**	**19.2%**	**16.8%**	**19.8%**	**18.5%**

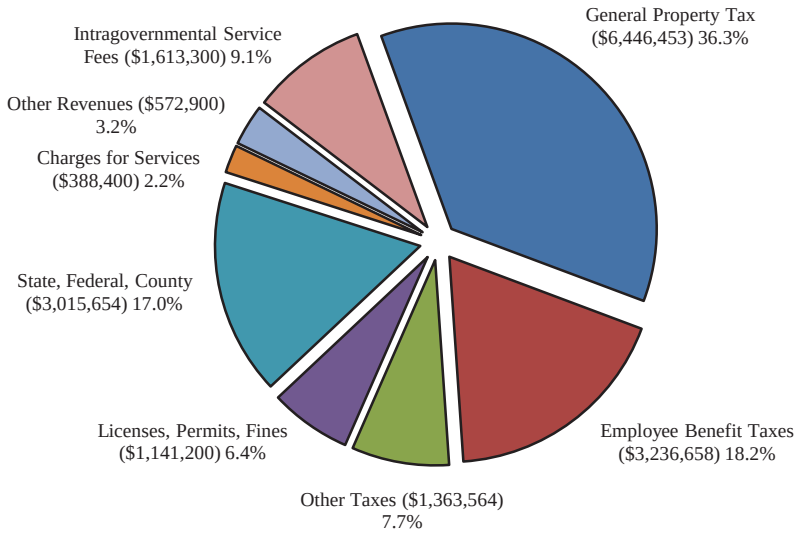
Explanation of Increases or Decreases in Fund Balances:

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 meets this new minimum fund balance target amount. The policy also provides that funds in excess of the policy minimum can be designated by City Council for one-time purchases. The budget for 2015/2016 includes using $148,500 of General Fund balance, to fund the replacement of an ambulance. This still maintains an 18.5% fund balance which exceeds the minimum 16.7% in the fund balance policy.

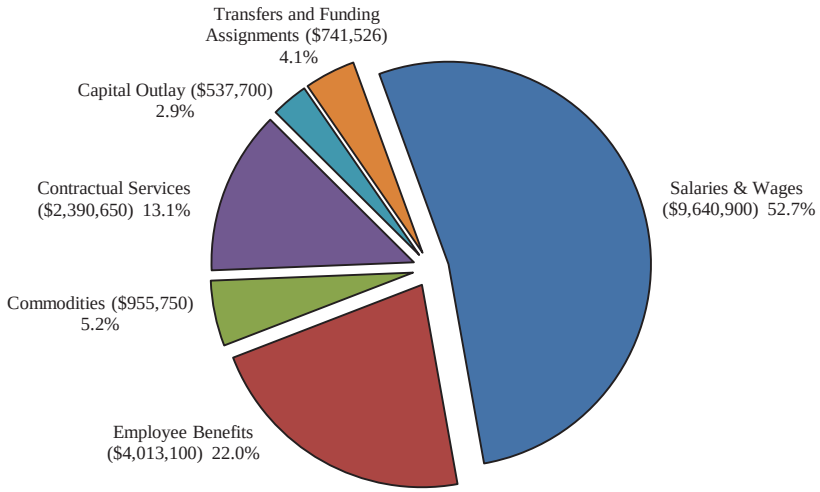
General Fund Revenues By Source
Budget 2015/2016
$18,132,550



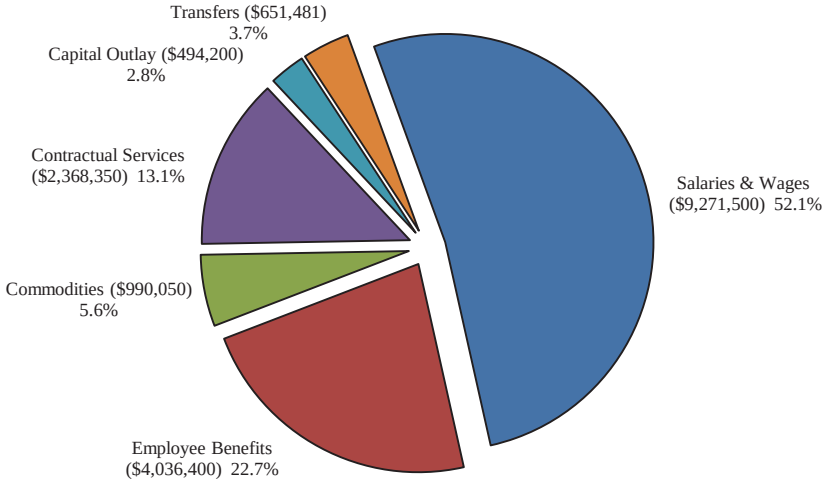
General Fund Revenues By Source
Budget 2014/2015
$17,778,129



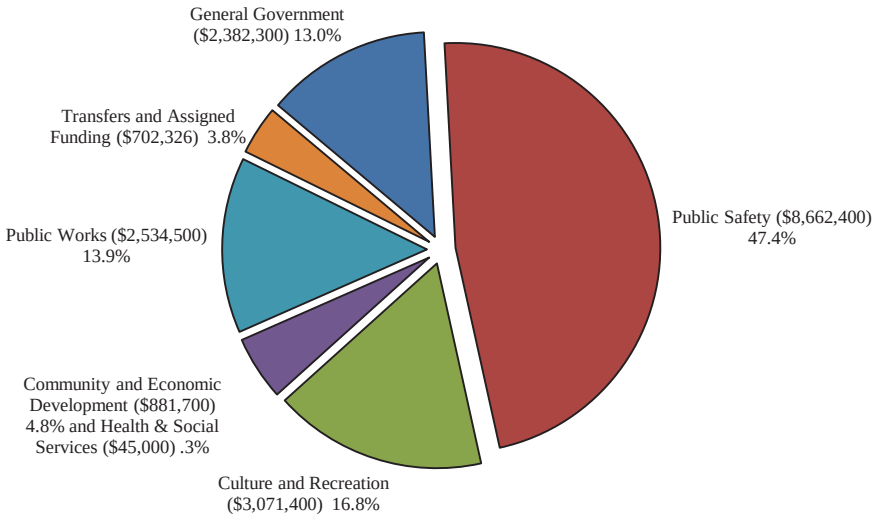
General Fund Expenditures By Type
Budget 2015/2016
$18,279,626



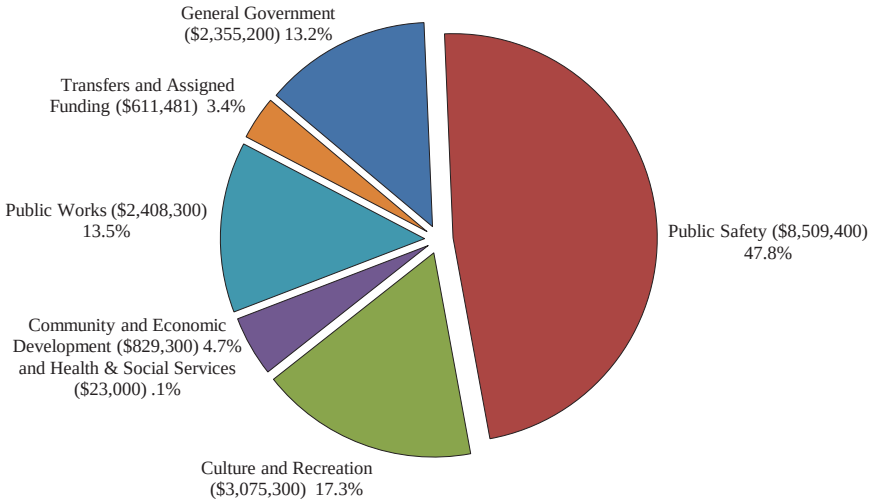
General Fund Expenditures By Type
Budget 2014/2015
$17,811,981



General Fund Expenditures By Function
Budget 2015/2016
$18,279,626



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



General Fund

Revenues by Type

	Actual 2012/2013	Actual 2012/2013	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change from 2014/2015 Budget
Taxes	$ 7,628,699	$ 7,919,930	$ 7,810,017	$ 7,869,317	$ 7,612,355	-2.5%
Licenses and Permits	390,491	354,747	316,700	380,700	415,700	31.3%
Fines and Forfeitures	897,488	815,017	812,500	824,500	845,500	4.1%
Intergovernmental Revenue	553,412	608,088	708,254	643,154	783,238	10.6%
Charges for Services	714,730	701,242	659,300	625,900	629,600	-4.5%
Use of Money and Property	169,563	150,334	146,100	145,600	145,600	-0.3%
Miscellaneous Revenues	734,958	700,884	671,800	628,800	756,150	12.6%
Transfers In	5,932,687	6,426,608	6,653,458	6,837,395	6,944,407	4.4%
Total	$ 17,022,028	$ 17,676,850	$ 17,778,129	$ 17,955,366	$ 18,132,550	2.0%

General Fund

Revenue Summary

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change From 2014/2015 Budget
Direct and Indirect						
Property Tax Revenues						
General Property Taxes	$ 6,301,150	$ 6,435,682	$ 6,433,191	$ 6,433,191	$ 6,326,709	-1.7%
Ag Land Tax	2,514	2,907	3,262	3,262	2,942	-9.8%
Transit System Levy	318,975	378,689	291,987	291,987	236,525	-19.0%
Tort Liability Levy	248,597	262,396	313,884	313,884	225,645	-28.1%
Levee Tax Levy	52,578	53,721	53,610	53,610	52,723	-1.7%
Mobile Home Tax	10,282	13,264	10,000	13,300	13,300	33.0%
Special Revenue:						
Police Retirement	578,187	690,633	720,334	722,034	716,836	-0.5%
Fire Retirement	537,893	637,292	669,985	670,070	635,916	-5.1%
Police and Fire Medical Insurance	36,000	36,000	36,000	36,000	60,300	67.5%
Police and Fire Retiree Medical Costs	28,185	28,074	27,000	72,000	37,000	37.0%
Long-term Disability Insurance	8,526	9,061	9,350	11,759	11,981	28.1%
Workers Compensation Insurance	37,519	39,298	43,523	41,537	49,161	13.0%
Unemployment Insurance	38,557	36,801	37,893	36,472	35,209	-7.1%
Health Insurance	1,322,239	1,335,071	1,373,803	1,334,019	1,362,253	-0.8%
Life Insurance	14,239	14,881	14,870	15,072	15,618	5.0%
Dental Insurance	35,711	37,311	40,051	40,369	44,742	11.7%
Deferred Compensation	0	700	1,200	1,200	1,200	0.0%
Post Employment Health Plan	60,377	46,329	36,366	39,520	40,218	10.6%
FICA/IPERS	547,197	576,426	595,548	584,408	621,032	4.3%
Employee Benefit Levy Reduction	(100,426) (1)	(527,005) (2)	(369,265) (3)	(369,265)	(192,959) (4)	-47.7%
Subtotal	$ 10,078,300	$ 10,107,531	$ 10,342,592	$ 10,344,429	$ 10,296,351	-0.4%
Non-Property Tax Revenues/Reimbursements						
Hotel/Motel Taxes	$ 335,701	$ 415,041	$ 342,000	$ 415,000	$ 415,000	21.3%
Cable Franchise Tax	222,288	212,286	222,000	200,000	200,000	-9.9%
Utility Franchise Fees	103,931	113,660	105,000	110,000	110,000	4.8%
Utility Tax Replacement Excise Tax:						
General	29,758	29,143	31,817	31,817	27,286	-14.2%
Tort Liability	1,173	1,186	1,555	1,555	975	-37.3%
Transit	1,504	1,712	1,446	1,446	1,023	-29.3%
Levee	248	243	265	265	227	-14.3%
Commercial/Industrial State Reimbursement:						
General	0	0	144,720	144,720	333,080	130.2%
Tort Liability	0	0	7,061	7,061	11,880	68.2%
Transit	0	0	6,567	6,567	12,452	89.6%
Levee	0	0	1,206	1,206	2,776	130.2%
Subtotal	$ 694,603	$ 773,271	$ 863,637	$ 919,637	$ 1,114,699	29.1%

General Fund

Revenue Summary

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change From 2014/2015 Budget
Intergovernmental Revenues						
Road Use Tax	$ 1,740,137	$ 2,261,775	$ 2,251,700	$ 2,459,300	$ 2,432,600	8.0%
Subtotal	$ 1,740,137	$ 2,261,775	$ 2,251,700	$ 2,459,300	$ 2,432,600	8.0%
Licenses and Permits						
Beer, Liquor and Cigarettes	$ 33,358	$ 33,604	$ 33,400	$ 33,500	$ 33,500	0.3%
Animal	1,749	2,173	1,800	2,200	2,200	22.2%
Alarm Permits	1,300	1,410	1,300	1,400	1,400	7.7%
Miscellaneous	6,274	6,052	6,200	6,100	6,100	-1.6%
Subtotal	$ 42,681	$ 43,239	$ 42,700	$ 43,200	$ 43,200	1.2%
Cemetery Fees						
Lot and Niche Sales	$ 26,952	$ 20,704	$ 25,000	$ 25,000	$ 25,000	0.0%
Lease of Property-Cell Towers	15,592	17,316	16,100	16,300	16,300	1.2%
Burial Fees	44,385	48,410	47,000	47,000	47,000	0.0%
Miscellaneous Charges	10,755	9,341	10,000	10,000	10,000	0.0%
Commissions	12,615	13,293	12,000	12,000	12,000	0.0%
Perpetual Care Interest	19,765	16,559	13,500	14,300	14,300	5.9%
Donations	2,571	0	0	0	0	
Other	0	81	0	0	0	
Subtotal	$ 132,635	$ 125,704	$ 123,600	$ 124,600	$ 124,600	0.8%
Community Development Fees						
Rental Housing Inspection Fees/Registrations	$ 38,300	$ 29,380	$ 35,000	$ 35,000	$ 70,000	100.0%
Construction Permits	271,940	243,806	200,000	265,000	265,000	32.5%
Electricians Licenses	80	80	0	0	0	
Plumbers Licenses	250	150	0	0	0	
Health Licenses	36,190	36,342	36,000	36,000	36,000	0.0%
Health Class Fees	0	0	0	2,000	2,000	
Zoning Fees	2,850	1,725	2,500	2,500	2,500	0.0%
Board of Adjustment Fees	2,400	2,650	2,000	2,000	2,000	0.0%
Site Plan Review Fees	750	1,200	1,000	1,000	1,000	0.0%
Sale of Code Books	0	0	100	100	100	0.0%
Sale of Property	5,926	5,740	10,000	5,000	5,000	-50.0%
Reimbursement of Senior Training Program	22,796	0	0	0	0	
Historic Preservation Grant/Donations	13,145	0	0	0	0	
Municipal Infractions Penalties	375	1,000	2,000	2,000	2,000	0.0%
Nuisance Reimbursements/Administrative Fees	69,414	77,136	60,000	60,000	60,000	0.0%
Miscellaneous	969	886	500	500	500	0.0%
Transfer In:						
Staff Services Airport/CDBG	20,422	2,511	0	2,500	2,500	
Subtotal	$ 485,807	$ 402,606	$ 349,100	$ 413,600	$ 448,600	28.5%

General Fund

Revenue Summary

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change From 2014/2015 Budget
Parks and Recreation Revenues						
Parks - General						
Shelters	$ 10,500	$ 10,805	$ 10,900	$ 11,000	$ 11,000	0.9%
Pearl City Station Rentals	8,670	9,030	9,000	9,100	9,100	1.1%
Riverview Center Rentals	17,455	17,695	17,000	16,500	16,500	-2.9%
Donations	23,151	898	0	0	0	
Iowa DNR Tree Sales	0	0	0	14,000	0	
Maintenance Fees	415	425	400	500	500	25.0%
Equipment/Miscellaneous Sales	2,335	703	0	300	300	
Concession Commission	557	791	1,100	800	800	-27.3%
Community Gardens Rents	0	90	0	100	100	
Community Foundation Reimbursement	0	123	0	0	0	
Other	0	314	0	0	0	
Transfers In						
Administration Fees	11,700	12,100	12,500	12,500	12,900	3.2%
Subtotal	$ 74,783	$ 52,974	$ 50,900	$ 64,800	$ 51,200	0.6%
Kent Stein Park						
Maintenance Fees (Inc. Bruner Field)	$ 19,847	$ 28,471	$ 26,500	$ 29,000	$ 29,000	9.4%
Commission on Concessions	11,377	11,762	11,000	10,500	10,500	-4.5%
Mowing Reimbursement - Housing	7,250	5,500	7,500	7,500	7,500	0.0%
Storage Building Rental	1,200	1,220	1,200	1,200	1,200	0.0%
Insurance Reimbursements	649	0	0	0	0	
Other	50	0	0	0	0	
Subtotal	$ 40,373	$ 46,953	$ 46,200	$ 48,200	$ 48,200	4.3%
Soccer Complex Operations						
Maintenance Fees	$ 31,604	$ 33,144	$ 31,500	$ 33,000	$ 33,000	4.8%
Commission on Concessions	8,022	7,000	6,500	7,000	7,000	7.7%
Transfer In:						
Golf Administrative Fees	12,400	12,800	13,200	13,200	13,600	3.0%
Subtotal	$ 52,026	$ 52,944	$ 51,200	$ 53,200	$ 53,600	4.7%
Recreation						
Entry Fees/Admissions	$ 1,590	$ 1,425	$ 2,000	$ 1,500	$ 1,500	-25.0%
Lessons	46,722	47,126	40,000	43,000	43,000	7.5%
League and Tournament Fees	7,882	6,502	7,500	7,000	7,000	-6.7%
Sales Tax	553	458	500	500	500	0.0%
Commissions	192	0	200	200	200	0.0%
Donations	1,650	200	0	500	500	
Adventureland Ticket Commissions	4,513	249	0	200	200	
Other	789	1,084	300	300	300	0.0%
Subtotal	$ 63,891	$ 57,044	$ 50,500	$ 53,200	$ 53,200	5.3%

General Fund

Revenue Summary

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change From 2014/2015 Budget
Swimming Pools						
Admissions	$ 84,625	$ 85,488	$ 85,000	$ 85,000	$ 85,000	0.0%
Season Passes	12,310	16,167	17,000	17,000	17,000	0.0%
Lessons	7,963	8,510	7,500	7,700	7,700	2.7%
Group Sales	18,375	20,671	17,000	18,000	18,000	5.9%
Room Rental	800	480	600	500	500	-16.7%
Locker Rental	506	293	900	700	700	-22.2%
Commission on Concessions	7,676	6,528	8,000	7,000	7,000	-12.5%
Miscellaneous Sales	840	467	200	300	300	50.0%
Other	0	458	500	500	500	0.0%
Subtotal	$ 133,095	$ 139,062	$ 136,700	$ 136,700	$ 136,700	0.0%
Subtotal - Parks and Recreation	$ 364,168	$ 348,977	$ 335,500	$ 356,100	$ 342,900	2.2%
Library Revenues						
Fines and Charges	$ 17,517	$ 16,215	$ 12,000	$ 11,000	$ 9,000	-25.0%
County Contributions	107,931	110,112	112,900	109,500	112,300	-0.5%
Illinois Contracts	9,291	9,560	9,800	9,800	10,050	2.6%
Printing Charges	3,219	3,126	1,600	2,000	2,200	37.5%
Sales	189	0	0	0	0	
Other	388	51	0	100	50	
Subtotal	$ 138,535	$ 139,064	$ 136,300	$ 132,400	$ 133,600	-2.0%
Art Center Revenues						
Building Rentals	$ 1,580	$ 890	$ 1,200	$ 1,200	$ 1,200	0.0%
Class Fees	4,575	3,436	4,500	4,500	4,500	0.0%
State Grant	13,540	21,378	0	13,500	10,000	
Support Foundation Contributions	18,250	17,241	19,300	19,200	20,300	5.2%
Friends of the Art Center Contributions	20,777	22,110	22,100	20,800	20,100	-9.0%
Other	956	12	500	500	500	0.0%
Subtotal	$ 59,678	$ 65,067	$ 47,600	$ 59,700	$ 56,600	18.9%
Public Works Services						
Repair and Maintenance Services	$ 24,287	$ 20,770	$ 23,500	$ 23,500	$ 23,500	0.0%
IDNR Grant - Diesel Emissions	0	18,972	0	0	0	
Rental of Equipment	228	402	300	300	300	0.0%
Sale of Equipment	2,297	0	7,500	7,500	7,500	0.0%
Miscellaneous Sales	5,230	6,940	4,000	4,000	4,000	0.0%
Reimbursement for Salt	35,985	62,506	60,000	5,500	5,500	-90.8%
Special Program Donations	726	0	0	0	0	
Other	1,669	5,020	500	500	500	0.0%
Transfers In:						
Engineering Services - City Engineer	93,804	63,957	70,000	12,800	20,000	-71.4%
Administrative Fees	59,200	59,000	60,800	60,800	62,600	3.0%
Subtotal	$ 223,426	$ 237,567	$ 226,600	$ 114,900	$ 123,900	-45.3%

General Fund

Revenue Summary

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change From 2014/2015 Budget
Police Operations						
Police Grants	$ 386,931	$ 412,928	$ 390,300	$ 317,300	$ 257,000	-34.2%
Court Fines	190,887	185,893	175,000	208,000	231,000	32.0%
Automatic Traffic Enforcement Fines	662,124	581,640	600,000	575,000	575,000	-4.2%
Parking Violations	22,510	28,344	20,000	25,000	25,000	25.0%
Tobacco Checks/Violations	1,700	300	2,000	2,000	2,000	0.0%
False Alarm Charges	1,800	3,250	1,500	1,500	1,500	0.0%
Police Services Agreement	44,258	45,540	46,700	46,700	47,900	2.6%
Animal Ordinance Fees and Fines	2,195	2,375	2,700	2,700	3,000	11.1%
Printing Charges	3,702	4,342	3,700	3,700	3,700	0.0%
Contributions - Mentor Program	12,846	5,000	5,000	5,000	5,000	0.0%
Other Contributions	1,000	2,200	16,700	19,500	0	-100.0%
Lease - Public Safety Cell Tower	23,431	23,431	23,400	23,400	23,400	0.0%
Reimbursements/Miscellaneous Income	30,411	21,872	15,000	15,000	15,000	0.0%
Transfers In:						
Insurance Trust for Range Improvements	0	0	0	0	15,000	
Transfer from COPS Grant Reserve	0	0	0	0	89,100	
Subtotal	$ 1,383,795	$ 1,317,115	$ 1,302,000	$ 1,244,800	$ 1,293,600	-0.6%
Fire Operations						
Fire Hazmat Agreements	$ 9,000	$ 10,800	$ 9,000	$ 10,800	$ 10,800	20.0%
Fire Open Burn Permits	1,050	1,750	3,000	1,500	1,500	-50.0%
Fire Inspection Fees	13,067	14,663	12,000	15,000	13,000	8.3%
Fire Assessment Fees	120	330	0	400	100	
Confined Space Fees (Fire Department)	43,716	36,000	36,000	36,000	36,000	0.0%
Fire Protection Contracts	17,612	16,675	15,700	16,500	17,000	8.3%
Donations	0	32,707	0	0	0	
Fire Reports	590	730	600	600	600	0.0%
Fire Citations	2,375	1,625	1,500	1,500	1,500	0.0%
False Alarm Charges	0	500	500	500	500	0.0%
Reimbursement of Damages	0	13,183	0	5,600	600	
Reimbursement of Expenses/Other Income	7,170	13,998	600	400	400	-33.3%
Subtotal	$ 94,700	$ 142,961	$ 78,900	$ 88,800	$ 82,000	3.9%
Other General Revenues						
Interest Income	$ 3,604	$ 4,566	$ 2,000	$ 3,000	$ 3,000	50.0%
Payment in Lieu of Taxes	35,719	35,057	35,700	33,500	33,700	-5.6%
Housing Accounting Fees	52,600	54,200	55,800	55,800	57,400	2.9%
Housing Management Fee	10,626	11,463	11,500	11,500	11,500	0.0%
Lease - Clark House Cell Towers	45,558	24,832	24,700	24,900	24,900	0.8%
Reimbursement of TIF Rebate	25,677	0	0	0	0	
Insurance Reimbursement	0	11,457	0	0	0	

General Fund

Revenue Summary

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change From 2014/2015 Budget
Other Charges	29,248	16,846	20,000	20,000	20,000	0.0%
Transfers In:						
Parks and Recreation Trust	0	53,400	0	0	0	
Administrative Fees	323,450	336,250	345,900	345,900	356,400	3.0%
Health Insurance Fund (Wellness)	46,327	45,884	54,700	54,700	56,300	2.9%
Health Insurance Administrative Fee	3,000	3,000	3,000	3,000	3,000	0.0%
Information Technology Administrative Fee	25,500	26,900	27,700	27,700	28,500	2.9%
Communications Administrative Fee	0	0	0	0	57,500	
Insurance Trust	0	40,000	33,500	0	0	-100.0%
CDBG Funds for Safe Streets Building	3,000	0	0	0	0	
Water Pollution Control for Riverfront Electrical Upgrade	0	2,229	0	0	0	
Ambulance Enterprise Fund	839,000	885,300	911,900	922,400	833,200	-8.6%
Tax Increment/Economic Dev Admin Fees	105,254	109,089	112,500	112,500	112,500	0.0%
Tax Increment Economic Development	35,000	35,000	35,000	35,000	38,000	8.6%
Tax Increment - Revolving Loan Fund	0	12,500	0	0	0	
Tax Increment - Legal Services	0	4,000	4,000	4,000	4,000	0.0%
Subtotal	$ 1,583,563	$ 1,711,973	$ 1,677,900	$ 1,653,900	$ 1,639,900	-2.3%
Total	$ 17,022,028	$ 17,676,850	$ 17,778,129	$ 17,955,366	$ 18,132,550	2.0%

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 resulted 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.
3. 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.
4. The Employee Benefits levy for 2015/2016 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 $192,959 of the General Fund balance being used for employee benefits during 2015/2016. This allowed for the budget to include the same overall property tax rate for 2015/2016 as 2014/2015.

General Fund

Expenditures by Type

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change from 2014/2015 Budget
Personal Services	$ 12,186,224	$ 12,798,332	$ 13,307,900	$ 13,171,100	$ 13,654,000	2.6%
Commodities	819,424	919,567	990,050	1,004,050	955,750	-3.5%
Contractual Services	2,195,790	2,329,149	2,368,350	2,408,450	2,390,650	0.9%
Capital Outlay	556,448	684,687	494,200	543,800	537,700	8.8%
Transfers and Assigned Funding	1,427,962	690,840	651,481	649,981	741,526	13.8%
Total	$ 17,185,848	$ 17,422,575	$ 17,811,981	$ 17,777,381	$ 18,279,626	2.6%

General Fund

Summary of Expenditures

Function/Activity	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change from FY 2015 Budget
General Government						
Mayor and Council	$ 70,157	$ 70,752	$ 72,700	$ 70,000	$ 75,500	3.9%
Legal Services	68,202	70,855	70,600	96,700	96,700	37.0%
City Administrator	242,504	254,796	261,400	263,300	340,700	30.3%
Human Resources	136,413	148,790	158,900	146,900	150,400	-5.3%
Wellness Program	48,027	47,433	54,700	54,700	56,300	2.9%
Finance and Records	462,065	533,126	559,500	558,700	578,400	3.4%
Information Technology	241,717	248,713	271,500	276,700	272,800	0.5%
Risk Management	294,635	337,486	390,200	261,600	280,400	-28.1%
Building and Grounds	550,490	554,418	515,700	527,100	531,100	3.0%
Subtotal	$ 2,114,210	$ 2,266,369	$ 2,355,200	$ 2,255,700	$ 2,382,300	1.2%
Public Safety						
Police Operations	$ 4,124,921	$ 4,429,858	$ 4,611,800	$ 4,581,100	$ 4,635,500	0.5%
Animal Control	124,662	141,303	127,000	118,900	121,000	-4.7%
Fire Operations	3,513,309	3,699,952	3,770,600	3,817,400	3,905,900	3.6%
Emergency Management	30,090	21,125	0	0	0	
Subtotal	$ 7,792,982	$ 8,292,238	$ 8,509,400	$ 8,517,400	$ 8,662,400	1.8%
Culture and Recreation						
Library	$ 1,050,500	$ 1,072,000	$ 1,079,400	$ 1,079,400	$ 1,090,300	1.0%
Cable Television Operations	24,356	16,202	19,100	19,100	19,100	0.0%
Art Center	323,547	315,086	309,600	311,700	327,900	5.9%
Park Administration	158,360	163,119	169,500	169,400	174,600	3.0%
Park Maintenance	606,675	677,434	666,900	649,900	625,400	-6.2%
Kent Stein Park	181,357	208,005	189,200	187,500	199,400	5.4%
Soccer Complex	185,463	181,752	204,500	202,600	188,500	-7.8%
Swimming Pools	167,216	176,260	161,100	175,000	164,000	1.8%
Recreation	114,148	100,589	113,200	113,100	117,700	4.0%
Cemetery	147,914	155,743	162,800	162,400	164,500	1.0%
Subtotal	$ 2,959,536	$ 3,066,190	$ 3,075,300	$ 3,070,100	$ 3,071,400	-0.1%

General Fund

Summary of Expenditures

Function/Activity	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change from FY 2015 Budget
Health and Social Services						
Economic Well-Being	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 45,000	125.0%
Subtotal	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 45,000	125.0%
Community and Economic Development						
Community Development	$ 691,006	$ 663,267	$ 704,800	$ 721,500	$ 729,900	3.6%
Economic Development	106,500	120,870	127,500	151,800	151,800	19.1%
Subtotal	$ 797,506	$ 784,137	$ 832,300	$ 873,300	$ 881,700	5.9%
Public Works						
Public Works Administration	$ 152,107	$ 157,587	$ 169,500	$ 169,500	$ 222,500	31.3%
Roadway Maintenance	1,268,205	1,215,270	1,215,900	1,224,300	1,354,000	11.4%
Traffic Control	153,295	155,477	177,600	186,800	161,500	-9.1%
Snow and Ice Control	270,382	522,735	481,900	515,300	481,400	-0.1%
Street Cleaning	156,495	173,747	223,000	235,000	189,800	-14.9%
Engineering	131,838	130,288	140,400	100,000	125,300	-10.8%
Subtotal	$ 2,132,322	$ 2,355,104	$ 2,408,300	$ 2,430,900	$ 2,534,500	5.2%
Transfers and Assigned Funding						
Transit System Subsidy	$ 320,479	$ 380,401	$ 300,000	$ 300,000	$ 250,000	-16.7%
Airport Subsidy	53,987	47,172	47,400	45,900	47,800	0.8%
Levee Project Subsidy	52,826	53,964	55,081	55,081	55,726	1.2%
Equipment Replacement Allocation	245,000	117,000	200,000	200,000	188,000	-6.0%
Equipment Replacement - Ambulance Allocation	0	0	0	0	148,500	
Equipment Replacement - Fire Engine Allocation	497,000	0	0	0	0	
Assigned Funding Non-Union Merit Pay	0	0	0	0	12,300	
COPS Grant Future Commitment	40,000	40,000	9,000	9,000	0	-100.0%
Finance Software Funding	160,000	0	0	0	0	
Subtotal	$ 1,369,292	$ 638,537	$ 611,481	$ 609,981	$ 702,326	14.9%
Total	$ 17,185,848	$ 17,422,575	$ 17,811,981	$ 17,777,381	$ 18,279,626	2.6%

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 2014/2015 revised estimate is under the budgeted amount by $2,700 primarily due to a reduced allocation of audit costs to the General Fund. The audit cost allocation reduction of $4,000 was partially offset by an increase in dues and memberships.

The 2015/2016 budget is $2,800 (3.9%) higher than the original 2014/2015 budget due to an $1,800 increase in personal services and a $1,000 increase in commodities. The 2015/2016 budget includes salary increases for the Mayor and City Council members effective January 1, 2016. The Mayor's annual salary will increase from $6,500 to $7,000 and City Council annual salaries will increase from $4,000 to $4,400. The $1,000 commodities increase is budgeted for token gifts for Sister Cities or other groups visiting the City. The 2015/2016 budget again includes the General Fund portion of the cost of the annual audit which is estimated at $21,000. The audit for the year ending June 30, 2014 was the final year of the extended agreement with McGladrey LLP for audit services. The City will be requesting proposals for audit services for the next five years this spring.

PERFORMANCE MEASURES

	Actual 2011/2012	Actual 2012/2013	Actual 2013/2014	Estimated 2014/2015	Estimated 2015/2016
Regular Council Meetings	24	24	23	24	24
In-Depth Meetings	10	10	10	11	11
Budget Meetings	9	9	8	9	9
Other Meetings	2	2	0	1	1
Joint Meetings:					
County Board of Supervisors	1	0	0	1	1
Muscatine Power & Water	0	0	0	1	1
School District	0	0	0	1	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 2015/2016 AND FUTURE YEARS

Long-Term Goals

- Implement the Blue Zones Blueprint
- Partner with local organizations and governments to combine services or cooperate where feasible and appropriate
- Position the City to address potential shortfalls in revenue due to state and federal mandates and work to leverage local funding with grants
- Work to retain Tax Increment Financing (TIF) as a municipal economic development tool

Council and Management Agenda 2015-16

Economic Development

- Create a clearinghouse for economic development incentives
    - Promote small business forgivable loan program
    - Coordinate with Greater Muscatine Chamber of Commerce and Industry (GMCCI) and local industry
    - Market incentives (TIF, Tax Abatement, IEDA programs, Revolving Loan Funds, etc.)
    - Community Development Block Grant (CDBG) and updated Downtown Loan Program

- Coordinate with GMCCI and local industry and focus on "supply or value chain" business attraction/retention
- Coordinate with GMCCI to grow local second stage entrepreneurs (1-20 employees)
- Market economic development incentives
- Create a strategic plan and drive economic development to key corridors
    - Highway 38/61 area
    - Mississippi Drive/Grandview
    - Carver Corner
    - Downtown

Housing

- Develop a Workforce Housing Action Plan
- Development of downtown housing
    - Long and short term housing
    - Identify partners (local industry, banks, and realtors), components, and mechanisms
- Evaluate and promote opportunities and incentives for infill (Residential Tax Abatement, Tax Increment Financing, IEDA, etc.).
- Develop an Affordable/Quality Housing Action Plan
    - Starter homes, family apartments, or rental opportunities
    - Address displaced renters from downtown
    - Education – finances related to purchasing a home, costs of home ownership, affordability, commuting
    - Financial aid and down payment assistance
    - Implement changes to rental housing codes

Programs and Services

- Complete the rewrite of the 1974 Zoning Ordinance (Winter 2015, Adoption 2015) and publish the new City Code (2015)
- Adopt and implement a sidewalk policy

Marketing

- Develop a marketing and branding initiative for the City of Muscatine in cooperation with the Greater Muscatine Chamber of Commerce and Industry (GMCCI), Convention and Visitors Bureau (CVB), and Community Improvement Action Team (CIAT)
- Enhance the City's updated website and expand the use of social media tools for public communication
- Explore methods to improve public communication and marketing

Continuous Service Improvement.

- Ingrain the concept of Continuous Service Improvement (CSI) in staff
- The CSI committee will work with departments to identify and conduct at least one event quarterly (total of 4 in the next year)
- Identify metrics and provide an annual progress report
- Bring technology to the field (drive efficiency)

Capital Projects

- Mississippi Drive (2016) and Grandview Avenue (2018)
    - Joint RFQ and preliminary design (Winter 2014/1015)
    - Property acquisition (2015)
- Pearl III (CIAT, IISC (Iowa Initiative for Sustainable Communities), and place-making projects) – develop and maintain local amenities for residents and that attract/retain a quality workforce
    - Partner with CIAT
    - Identify priorities and develop funding plan (Target Community Attraction and Tourism (CAT) grant application – annually in Mid-January)
- Mulberry Avenue planning and design (2016)
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- Airport Rehab of Primary Runway (2015)
- City Hall (Envelope) and Art Center HVAC (Envelope and HVAC)
- Implement Capital Improvement Plan (CIP) with focus on existing infrastructure
- Trail committee – refocus, prioritize, and identify funding (trails, sidewalks, biking)

Function:
General Government

Department:
Legislative and Council

Activity:

Mayor and City Council

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 38,246	$ 38,226	$ 38,300	$ 38,200	$ 40,100	4.70%
Commodities	1,695	495	1,050	1,050	2,050	95.24%
Contractual Services	30,216	32,031	33,350	30,750	33,350	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 70,157	$ 70,752	$ 72,700	$ 70,000	$ 75,500	3.85%
Funding Sources						
General Revenues	$ 70,157	$ 70,752	$ 72,700	$ 70,000	$ 75,500	3.85%

Personnel Schedule						
	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Part Time Positions:						
Mayor	1	1	1	1	1	
Councilmembers	7	7	7	7	7	
Total	8	8	8	8	8	$ 36,200
Employee Benefits						3,900
Total Personal Services						$ 40,100

Function:	*Department:*
General Government	**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 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. The previous City Prosecutor left her position in 2014 and the City entered into an agreement with the County Attorney's office for city prosecutor services effective July 1, 2014 at an annual cost of $40,000. Having the County Attorney prosecute City cases allows for a structural change in how these cases are prosecuted and with that change it is estimated that the City will realize increased court fines up to $46,000 annually.

CURRENT TRENDS AND ISSUES

The revised estimate of $96,700 for 2014/2015 is $26,100 higher than the original budget. This increase includes (1) a $22,000 increase for City Prosecutor services with the change to using the County Attorney's office for these services, and (2) an estimated $4,100 increase in City Attorney legal services based on actual costs to date this fiscal year. As noted above, increased court fine revenues are expected to offset all or a significant portion of the increased costs for City prosecutions.

The 2015/2016 legal services budget of $96,700 is the same as the 2014/2015 revised estimate. Legal services for capital projects and enterprise funds are charged to those projects or funds.

GOAL STATEMENT

To provide legal services to the Mayor, City Council, City staff, and Advisory Commissions and Boards to insure that all functions of the City are performed on a legal basis in accordance with the City Code, State Statutes, and Federal laws and regulations; to prosecute City Ordinance violations and defend the City when involved in lawsuits.

PERFORMANCE MEASURES

	Actual 2011/2012	Actual 2012/2013	Actual 2013/2014	Estimated 2014/2015	Estimated 2015/2016
City Attorney (excluding Human Resources legal services) *	388	637	580	650	650
City Prosecutor **	269	240	275	N/A	N/A

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

** Beginning July 1, 2014 the County Attorney's office is serving as the City prosecutor under a contractual agreement. This is billed as a flat amount per the agreement; the specific number of hours are not tracked.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016

* 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).

* Working with City staff assist in the completion of the comprehensive update to the City Code including the Zoning Ordinance update for review and adoption by City Council. **(Council and Management Programs and Services Goal)**

Function:
General Government

Department:
Legislative and Council

Activity:
Legal Services

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	68,202	70,855	70,600	96,700	96,700	36.97%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 68,202	$ 70,855	$ 70,600	$ 96,700	$ 96,700	36.97%
Funding Sources						
General Revenues	$ 68,202	$ 70,855	$ 70,600	$ 96,700	$ 96,700	36.97%

Function:	*Department:*
General Government	**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 2014/2015 revised estimate is $1,900 more than the original budget due to the City Administrator salary increase approved by City Council effective January 1, 2015.

The 2015/2016 budget is $79,300 higher than the 2014/2015 budget due to increased personal services costs. The personal services increase includes $69,100 for wages and benefits for a new Communications Manager position. While 100% of the cost of this position is accounted for in this budget, this position will oversee communications in all City departments and transfers from five other funding sources will provide 5/6 of the funding for this position. The other funding sources that will share equally in the cost of the position are the Public Works Administration, Water Pollution Control, Refuse Collection, Collection and Drainage, and Tax Increment fund budgets.

GOAL STATEMENT

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

PERFORMANCE MEASURES

	Actual 2011/2012	Actual 2012/2013	Actual 2013/2014	Estimated 2014/2015	Estimated 2015/2016
City Council Agenda Items Presented	389	308	391	360	360
Staff Meetings Held	23	23	23	24	24
Greater Muscatine Chamber of Commerce and Industry (GMCCI) Board Meetings	5	5	5	5	5
Quad City Area Managers Meetings (Bi-State)	8	8	8	8	8
State Association Meetings (IaCMA)	1	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)	18	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.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016 AND FUTURE YEARS

Long-Term Goals

- Implement the Blue Zones Blueprint
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Council and Management Agenda 2015-16

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- Trail committee – refocus, prioritize, and identify funding (trails, sidewalks, biking)

Function:
General Government

Department:
City Administrator

Activity:
City Administrator

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 222,809	$ 230,914	$ 236,400	$ 238,300	$ 315,700	33.54%
Commodities	5,151	2,101	3,100	3,500	3,100	0.00%
Contractual Services	14,124	17,000	21,900	21,500	21,900	0.00%
Capital Outlay	420	4,781	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 242,504	$ 254,796	$ 261,400	$ 263,300	$ 340,700	30.34%
Funding Sources						
Funding Transfers for Communications Manager	$ -	$ -	$ -	$ -	$ 57,500	
General Revenues	242,504	254,796	261,400	263,300	283,200	8.34%
Total	$ 242,504	$ 254,796	$ 261,400	$ 263,300	$ 340,700	30.34%

Personnel Schedule	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Positions:						
City Administrator	1.00	1.00	1.00	1.00	1.00	
Communications Manager	-	-	-	-	1.00	
Administrative Secretary	1.00	1.00	1.00	1.00	1.00	
Total Full Time	2.00	2.00	2.00	2.00	3.00	$ 238,200
Employee Benefits						77,500
Total Personal Services						$ 315,700

Function:	*Department:*
General Government	**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 2014/2015 revised estimate is under the budgeted amount by $12,000. This is due to a $10,000 reduction in labor attorney costs and a $2,000 reduction for advertising of job openings. Labor attorney costs have been lowered since 5-year contracts were negotiated with all three unions last fiscal year. Advertising costs have been lowered due to increased use of social media for advertising job openings.

The 2015/2016 budget is $8,500 (5.4%) less than the original 2014/2015 budget and $3,500 (2.4%) more than the 2014/2015 revised estimate. The 2015/2016 budget continues the lower allocations for the labor attorney and for advertising. The $3,500 increase from the 2014/2015 revised estimate is due to increased personal services costs. This budget continues to include funds for city-wide supervisory training.

GOAL STATEMENT

To provide centralized human resources services and technical assistance to City departments and staff, Commissions, City employees, and applicants in an efficient and timely manner, and to maintain and process accurate records and information pertaining to employment related activities and commission actions.

PERFORMANCE MEASURES

	Actual 2011/2012	Actual 2012/2013	Actual 2013/2014	Estimated 2014/2015	Estimated 2015/2016
Full-time Positions Hired	17	11	11	10	10
Permanent Part-time Positions Hired	10	5	3	5	5
Retirements	7	6	6	5	5
Personnel Actions Processed	465	390	471	400	400
Employment Applications Received	758	657	450	500	500
Civil Service Examinations Administered	7	7	12	10	10
Employee Training Programs	1	3	3	5	5
Employee Newsletter “COMET” Issues	12	12	12	12	12
Civil Service Commission Meetings	12	9	9	12	12

RECENT ACCOMPLISHMENTS

The Human Resources division has been actively involved in a number of activities this year. In addition to assisting departments with hiring, disciplinary processes, benefits administration, and other issues related to employment, the staff has been involved in the implementation of the Human Resources part of the financial software, Lean training and activities, Blue Zones activities, and working with the Parks and Recreation department to update the wellness program.

Most of these activities are ongoing projects that will continue in the next year. Additional Lean activities are being planned. A goal has been set to hold at least four Lean events in the upcoming year along with continuing efforts to engage employees in the process.

Supervisory training is scheduled quarterly for the 2015 calendar year. Topics have been selected based on areas of need and areas the interest of the supervisors. These include topics such as employee motivation, performance evaluations, policy review, goal setting, and various employment law topics.

The Human Resources division has been working closely with Parks and Recreation and the Wellness Committee to roll out a new wellness program. This is nearly ready for implementation with the goal to begin the program in early 2015. The new program incorporates Blue Zones concepts into the activities, providing sustained participation by the employees, and focusing on all areas of a healthy lifestyle.

Finally, Human Resources staff has been working to implement the Human Resources part of the financial software system. To date employee pay increase information has been added to the system. This will allow for more accurate tracking of pay increase dates and more efficiency in the budgeting process. The personnel action forms are also being generated electronically rather than on paper, reducing the amount of time it takes for changes to be processed.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016

* To continue to work to ingrain the concept of Continuous Service Improvement (CSI) in staff by reinforcing Lean activities and providing training that teaches employees to find efficiencies. **(Council and Management Continuous Service Improvement Goal)**

* To continue to work with departments to identify and conduct at least one CSI event quarterly (total of 4 in the next year). **(Council and Management Continuous Service Improvement Goal)**

* To continue to identify metrics and provide an annual progress report for CSI activities. **(Council and Management Continuous Service Improvement Goal)**

* To continue to work on previous goals including supervisory training, implementation of the wellness program, and creation of electronic personnel files.

* To continue to review and update job descriptions, with an emphasis on positions in the Blue/White Collar bargaining unit.

* To continue to consistently hold labor-management committee meetings with each bargaining unit as outlined in the union contracts.

* To continue to coordinate at least one meeting per year with all three bargaining units and the City Administrator to discuss matters of mutual interest.

Function:
General Government

Department:
City Administrator

Activity:
Human Resources

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 99,856	$ 101,457	$ 105,600	$ 105,600	$ 109,100	3.31%
Commodities	301	901	2,000	2,000	2,000	0.00%
Contractual Services	36,256	46,432	51,300	39,300	39,300	-23.39%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 136,413	$ 148,790	$ 158,900	$ 146,900	$ 150,400	-5.35%
Funding Sources						
General Revenues	$ 136,413	$ 148,790	$ 158,900	$ 146,900	$ 150,400	-5.35%

Personnel Schedule	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Position Allocations:						
Human Resources Manager	0.75	0.75	0.75	0.75	0.75	
Office Assistant	0.50	0.50	0.50	0.50	0.50	
Total	1.25	1.25	1.25	1.25	1.25	$ 77,400
Employee Benefits						31,700
Total Personal Services						$ 109,100

Function:	*Department:*
General Government	**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 2014/2015 is the same as the budgeted amount. The budget for 2015/2016 is $1,600 (2.9%) more than the 2014/2015 budget due to increased personal services costs. The budget for 2015/2016 continues the wellness and health screening programs currently offered through the Wellness program. It also allows for implementation of the Wellmark Wellness Incentive Program. This program gives participants the opportunity to track their daily wellness activities and earn points for specific activities. Accumulated points can then be redeemed for incentive prizes. The cost for utilizing Wellmark's program is $.25 per member per month which computes to approximately $1,900 per year. This cost is budgeted to be funded from the Health Insurance Fund. The cost of the incentive prizes is estimated at $3,000 and will be funded from the current Wellness Program budget.

GOAL STATEMENT

To provide City of Muscatine employees and spouses with the knowledge necessary to help them become the best they can be physically and emotionally as individuals and as employees of the City, as part of the City's continued effort to improve employee efficiency and productivity.

PERFORMANCE MEASURES

	Actual 2012	Actual 2013	Actual 2014	Estimated 2015	Estimated 2016
Employee Wellness Opportunities	10	10	10	11	12
Employee Wellness Participants	331	290	302	300	300
Employee Assistance Program Participation Levels	10.5%	19.3%	7.7%	10%	10%
Disease Management Program Participants	127	92	147	140	140

RECENT ACCOMPLISHMENTS

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

The City of Muscatine became a designated Blue Zones work site in July 2014. Designated Blue Zone worksites are committed to empowering employees to be happier, healthier and more productive by creating healthier work environments.

The Genesis Wellpower program has been offered for six years (2009-2014). This year there were 91 participants in the health screenings. Those who have participated in multiple years are given comparative results from year to year that allows 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 medical issues more difficult/costly to treat. The health screenings received through the wellness program are a good way for employees who 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. A total of 24 employees lost a combined 218 pounds during the eight week program.

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

Other programs held throughout the year include the Employee Assistance Program (counseling services), Influenza Vaccinations, Hepatitis B Vaccinations, Blood Borne Pathogens training, and Hearing Tests.

The wellness offerings for city employees will continue to be evaluated to best serve the needs of the employees. The Wellness Committee met to discuss the future of the Wellness Program and a plan was created to develop a new ongoing incentive-based wellness program. The Wellness Committee will continue to meet to discuss and develop current and new programs.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016

* 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 and implement a new incentive program to motivate employees to improve their health screening numbers.

* To continue to increase participation in the WellPower program.

* To continue to offer new wellness programs to increase employee participation. (**Council and Management Blue Zone Worksite Goal)**

* To continue to meet with the Wellness Committee to receive feedback on new programs and modifications for current programming.

* To continue to explore and implement "Lean" initiatives related to the Wellness program. **(Council and Management Continuous Service Improvement Goal)**

Function:
General Government

Department:
Parks and Recreation

Activity:
Wellness Program

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 26,790	$ 27,492	$ 30,000	$ 30,000	$ 31,600	5.33%
Commodities	589	596	1,400	1,400	3,300	135.71%
Contractual Services	20,648	19,345	23,300	23,300	21,400	-8.15%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 48,027	$ 47,433	$ 54,700	$ 54,700	$ 56,300	2.93%
Funding Sources						
Health Insurance Funds	$ 48,027	$ 47,433	$ 54,700	$ 54,700	$ 56,300	2.93%

Personnel Schedule	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Position Allocation:						
Office Coordinator	0.50	0.50	0.50	0.50	0.50	$ 20,800
Employee Benefits						10,800
Total Personal Services						$ 31,600

Function:	*Department:*
General Government	**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, the 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 2014/2015 is $800 less than the original budget primarily due to savings in annual financial software maintenance costs and lower lease payments on the new Finance copier/printer.

The 2015/2016 budget is 3.4% ($18,900) higher than the original 2014/2015 budget. This is primarily due to an increase of $17,300 in personal services costs and $1,600 in contractual services. The contractual services overall increase includes (1) a $1,500 increase in financial software maintenance costs, (2) an increase of $6,200 for the cost of the November, 2015 City election, (3) a reduction of $4,300 since the GASB 45 OPEB (Other Post-Employment Benefits) actuarial study is done biannually, (4) a decrease of $600 in Finance copier/printer lease payments, and (5) a net decrease of $1,200 in other line items.

GOAL STATEMENT

Finance - To provide a financial information system which provides City Council, commissions, boards, and staff with pertinent and necessary information in order to make informed decisions.

Records - To provide the City with an accurate and complete set of records which includes all proceedings and actions of the City Council, and to provide an orderly retrieval process for requested information.

Purchasing - To provide a purchasing program for all departments in the City in order to effectively search the marketplace for quality purchases at the lowest possible costs; and to assure that such materials and equipment will assist in performing the activities of the City in an efficient manner.

PERFORMANCE MEASURES

	Actual 2011/2012	Actual 2012/2013	Actual 2013/2014	Estimated 2014/2015	Estimated 2015/2016
Finance:					
GFOA Certificate of Achievement for Excellence in Financial Reporting	Yes	Yes	Yes	Yes	Submit Application
GFOA Budget Award	Yes	Yes	Yes	Yes	Submit Application
City Vendors Checks Issued	5,161	5,120	5,187	5,200	5,200
Housing Programs Checks Issued	2,552	2.481	2,456	2,500	2,500
Payroll Checks Issued (1)	3,729	3,379	2,974	3,000	3,000
Payroll Direct Deposit Transactions	5,512	5,938	6,090	6,200	6,200
Accounts Payable Transactions (2)	24,479	23,724	24,000 (Est.)	24,500	24,500
City Receipt Transactions (3)	8,032	10,195	12,955	14,500	14,500
Housing Receipt Transactions	2,124	2,395	2,465	2,450	2,450
Interest Earned (4)	$78,767	$53,299	$49,183	$100,000	$125,000
Records:					
Public Documents Recorded	389	308	391	360	360
Council Minutes Prepared	45	45	42	43	44
Notices Published	50	46	37	42	42
Purchasing:					
Purchase Orders Processed	1,932	1,971	2,013	2,150	2,150

1. The decrease in payroll checks in 2013/2014 is due to the change in financial software. Payroll vendor checks in the new system are generated in the Accounts Payable system and in the previous software they were in the Payroll system.
2. The number of accounts payable transactions in the new software system is not readily available (will work with the software vendor on a report for this information).
3. Receipt transactions are tracked differently in the new financial software system (beginning mid-way through 2013/2014).
4. The increase in interest beginning in 2014/2015 is due to investing the Transfer of Jurisdiction funds ($13 million).

RECENT ACCOMPLISHMENTS

The City received GFOA's Distinguished Budget Presentation Award for the 2014/2015 Budget. This was the 30th consecutive year the City received this award. The City was awarded its 24rd consecutive Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2014.

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 and it was $509,026 at the end of the 2013/2014 fiscal year, an overall reduction of close to $2 million. Finance staff has prepared and presented periodic reports to the Committee and Council on progress in reducing this deficit. In 2014, again working the Committee, the current industrial waste contracts were extended through June 30, 2020.

A major initiative in the department in 2013 and 2014 was implementation of a new financial software system which replaced a system which had been in place since the early 1990's. During the summer months of 2013 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. 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. During 2014 most of the remaining portions of the software were implemented including (1) training departments on how to access financial information directly from the system, (2) the human resources system was implemented, (3) the "work-flow" portion of the purchase order system was implemented, (4) the fixed assets system was implemented, and (5) the project/grant accounting system has been set up. The remaining portion of the software, which will allow for decentralized payroll time entry, will be fully implemented by the end of the 2014/2015 fiscal year. As these features of the software were implemented, processes were reviewed for "Lean" improvements to assist both Finance staff and department staff in operating more efficiently.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016

* 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 Finance department has been preparing for the upcoming implementation of GASB Statement 68 which will be effective for the year ended June 30, 2015. This Statement requires governments to recognize their long-term obligations for pension benefits as a liability for the first time and will enhance accountability and transparency through revised and new note disclosures and required supplementary information. These long-term liabilities include the City of Muscatine's portion of the unfunded liabilities of the IPERS and MFPRSI (Municipal Fire and Police) retirement systems.

* To continue to monitor the long-term plan to eliminate the accumulated deficit in the landfill fund.

* To assist in determining funding sources for capital projects identified in the Five Year Capital Improvement Plan. Major projects include the Mississippi Drive Corridor Project, the Pearl of the Mississippi Phase III projects, the Art Center HVAC project, and the Airport primary runway improvement project. **(Council and Management Capital Projects Goals)**

* To implement the remaining feature of the new financial software system for decentralized payroll time entry. This will allow for departments to enter employee work and leave time directly into the software system and allow for electronic approvals of the time entry by the respective department director. **(Council and Management Continuous Service Improvement Goal)**

* To develop metrics and dashboards for key statistics for the City as a whole and the Finance department. **(Council and Management Marketing Goal)**

* To review and draft proposed updates to various City policies including the Purchasing Manual, change order policy, and vacation/sick leave policies. **(Council and Management Continuous Service Improvement Goal)**

* To assist with the process of finalizing the update to the City Code. This will include the appendices and glossary. **(Council and Management Programs and Services Goal)**

Function:
General Government

Department:
Finance

Activity:
Finance and Records

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 352,687	$ 430,840	$ 448,100	$ 448,200	$ 465,400	3.86%
Commodities	11,999	10,848	14,000	14,000	14,000	0.00%
Contractual Services	90,839	91,438	97,400	96,100	99,000	1.64%
Capital Outlay	6,540	-	-	400	-	
Debt Service	-	-	-	-	-	
Total Expenditures	$ 462,065	$ 533,126	$ 559,500	$ 558,700	$ 578,400	3.38%
Funding Sources						
Licenses and Permits	$ 41,381	$ 41,829	$ 41,400	$ 41,800	$ 41,800	0.97%
Housing Accounting Fees	52,600	54,200	55,800	55,800	57,400	2.87%
General Revenues	368,084	437,097	462,300	461,100	479,200	3.66%
Total Funding Sources	$ 462,065	$ 533,126	$ 559,500	$ 558,700	$ 578,400	3.38%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Positions/Position Allocations:						
Finance Director	0.90	0.95	0.95	0.95	0.95	
Accounting Supervisor	1.00	1.00	1.00	1.00	1.00	
Accountant	0.25	1.00	1.00	1.00	1.00	
Senior Account Clerk	1.75	1.00	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	
Total Full Time	5.65	5.70	5.70	5.70	5.70	$ 341,900
Employee Benefits						123,500
Total Personal Services						$ 465,400

Function:	*Department:*
General Government	**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 2014/2015 is $5,200 more than the original budget. This is primarily due to (1) the current website redesign costs exceeding the original budget by $2,000, and (2) an increase of $2,900 in computer software maintenance which includes the first annual payment towards the next website redesign.

The 2015/2016 budget is $1,300 (.5%) higher than the 2014/2015 budget. Increased personal services costs of $7,200 and increased software maintenance costs of $2,900 (including the allocation for the next website redesign) have been partially offset by a reduction of $8,800 in capital outlay. The budget again this year includes a transfer of $40,000 to the Computer Replacement Reserve to fund computer hardware replacements in General Fund departments. All computer-related purchases are coordinated by the Information Technology Manager. Computer-related purchases in enterprise funds are funded from those funds.

GOAL STATEMENT

To provide maintenance, support, education, and training for the efficient and productive operation of all the computer systems throughout the City organization; to increase the computer literacy of all City employees; and to aggressively pursue using computer technology to enhance communications with the citizens.

PERFORMANCE MEASURES

	Actual 2011/2012	Actual 2012/2013	Actual 2013/2014	Estimated 2014/2015	Estimated 2015/2016
PC's Maintained	219	217	223	225	225
Network Maintained	3	3	3	3	3
AS/400's Maintained	1	1	1	1	1
Training Sessions	12	9	8	15	10

RECENT ACCOMPLISHMENTS

The Information Technology division established a firewall-to-firewall Virtual Private Network (VPN) connection between the city's main data network and the Musser Public Library and from the city's main data network to the Muscatine Art Center. The VPN encrypts the data that flows between the three networks before being routed over the public internet. The result is enhanced security that conforms to the AES-256 encryption standard.

A new copier has been installed at the Public Works facility. Funding was approved for this purchase as part of the FY2014/2015 budget, with a target installation of later in the fiscal year. However, a hardware failure on the existing copier required the purchase timeline to be moved forward. Functions of the new unit include printing, copying, fax reception and transmission, and digital document scanning with e-mail delivery.

A new router has been installed at the South End Fire Station. This will allow for more efficient digital data and voice (VoIP) between the station and the Public Safety Building.

The VPN Software that encrypts data between the Public Safety Building and the police squad cars and Fire Department apparatus has been ungraded to NetMotion Mobility Version 10.01. This has resulted in a boost of the reliability of the VPN connections.

An innovative system has been launched to facilitate printing from patron-owned hardware devices at the Musser Public Library. This solution allows library patrons to print from a device that is not physically connected to the library's network to produce hardcopies on the library printers. This includes wireless devices connected to the public wireless hotspot at the Musser Public Library or any device worldwide with an active internet connection. Fee structure for this service follows Musser Public Library guidelines.

All computer equipment for Park Maintenance has been relocated to the new Park Maintenance building.

An innovative software solution has been instituted that allows IT to upgrade and audit city computers for numerous third party software. This allows IT staff to push out upgrades on all city computers without workflow disruption to the end user. Sustaining Adobe Reader, Chrome, Java, etc. at their current version keeps this network further productive and enhances security.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016

* To continue to facilitate the installation of a new telephone system at the Public Safety Building. The system will be 100% funded by E911 and will not negatively affect the city's budget. Part of the design process will include a phone line audit which should reduce the on-going expense for telephone lines.

* To continue to create a multimedia presentation system including an interactive white board in the City Hall lower level conference room, with approved funding.

* To establish a wireless internet hotspot on the Muscatine Riverfront. Muscatine Power and Water has generously donated an internet connection at Pearl City Station as part of this project. Funding required from the city for this venture will be minimal.

* To continue to generate and utilize a self-signed certificate for accessing police records. The certificate should comply with AES_128_CBC with SHA1 for message authentication. Employing a self-signed certificate will reduce ongoing costs.

* To continue to plan for the near-term digital data storage growth at the Public Safety Building. The plan should address the perceived expansion of storage needs for the next 3-5 years.

* To install a new integrated services router at the Muscatine Municipal Golf Course. The solution should replicate the framework installed at the South End Fire Station in 2014.

Function:
General Government

Department:
Finance

Activity:
Information Technology

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 157,038	$ 163,986	$ 169,800	$ 170,100	$ 177,000	4.24%
Commodities	1,132	976	1,800	1,800	1,800	0.00%
Contractual Services	43,547	43,752	51,100	54,000	54,000	5.68%
Capital Outlay	-	-	8,800	10,800	-	
Transfers	40,000	40,000	40,000	40,000	40,000	0.00%
Total Expenditures	$ 241,717	$ 248,714	$ 271,500	$ 276,700	$ 272,800	0.48%
Funding Sources						
IT Administrative Fees	$ 25,500	$ 26,900	$ 27,700	$ 27,700	$ 28,500	2.89%
General Revenues	216,217	221,814	243,800	249,000	244,300	0.21%
Total Funding Sources	$ 241,717	$ 248,714	$ 271,500	$ 276,700	$ 272,800	0.48%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Positions:						
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	
Total	2.00	2.00	2.00	2.00	2.00	$ 123,700
Employee Benefits						53,300
Total Personal Services						$ 177,000

Capital Outlay Funding Transfer

Item:	***Amount***
Funding Transfer to Computer Replacement Fund	$ 40,000

Function:	*Department:*
General Government	**City Administrator**

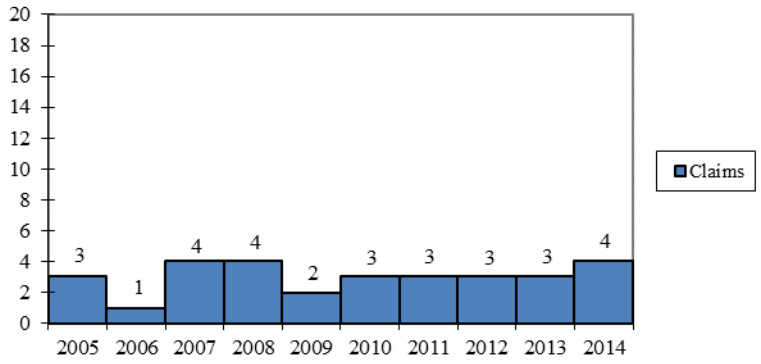
Activity:

Risk Management

GENERAL INFORMATION

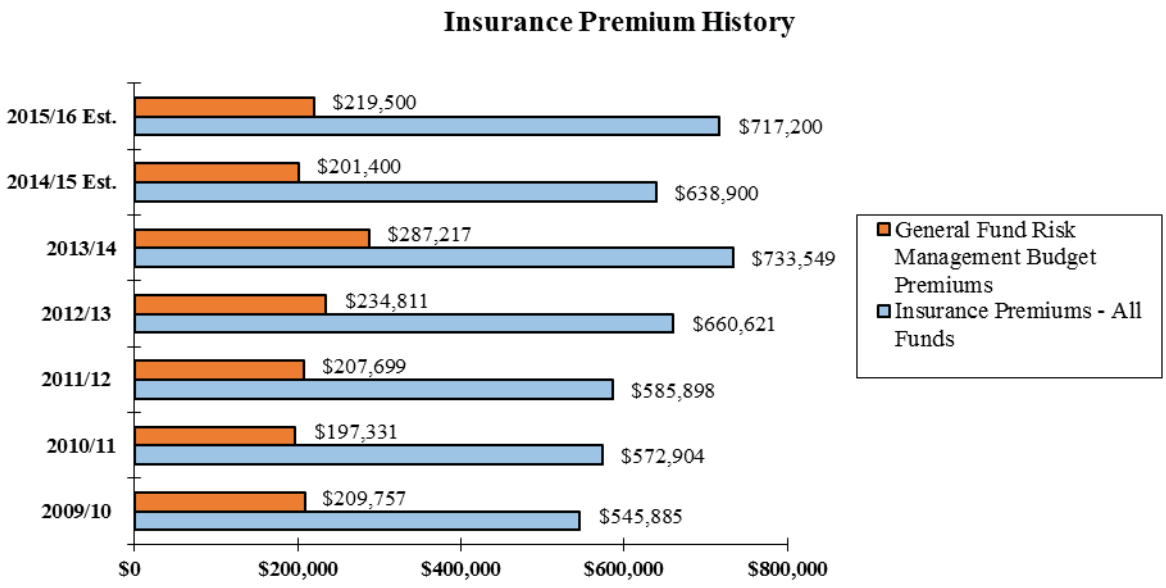
This budget includes the City's Risk Management Program, Insurance Program, and Employee Safety Program. The budget allocates funding for the Human Resources Manager's time for Risk Management and Safety Program responsibilities. The City's Wellness Program is also involved in developing and sharing safety information with City employees. There were four lost time workers compensation claims recorded for the City during calendar year 2014. The history of lost time claims for the past ten years is as follows:

Lost Time Workers Compensation Claims



The goal for 2015/2016 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 2009/2010 through the budgeted costs for 2015/2016 as well as total City insurance premiums are shown in the following graph:



CURRENT TRENDS AND ISSUES

The revised estimate for 2014/2015 for the Risk Management budget is $128,600 less than the original budget due to reduced insurance premiums. Insurance premiums in this budget total $201,400 for the revised estimate which is $128,600 less than the original budget. This significant decrease was due to changing from the previous insurance carrier to the Iowa Community Assurance Pool (ICAP) for most of the City's insurance policies.

The estimated insurance costs included in the Risk Management budget totals $219,500 for 2015/2016. This is a $110,500 decrease from the original 2014/2015 budget and a $18,100 (9.0%) increase from the 2014/2015 revised estimate.

The total insurance premiums (excluding employee health, dental and life insurance) for the entire City are estimated at $717,200 for 2015/2016. This is a $103,500 (12.6%) decrease from the original 2014/2015 budget of $820,700 and a $78,300 (12.3%) increase from the 2014/2015 revised estimate of $638,900. Of the $717,200 total budgeted insurance costs, $219,500 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 2015/2016 budget includes an estimated $16,300 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 2015/2016 fiscal year were provided by Holmes Murphy and Associates, the City's Insurance Agent. The projections reflect 10% increases for most policies for the upcoming year.

The budget for 2015/2016 includes a $.28889 per $1,000 valuation Tort Liability tax levy which is a 26.9% decrease from the 2014/2015 tax rate of $.39521. The Tort Liability tax levy provides funding of $19,000 for the fine arts insurance policy included in the Art Center operations budget as well as the insurance premiums

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

GOAL STATEMENT

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

PERFORMANCE MEASURES

	Actual 2011/2012	Actual 2012/2013	Actual 2013/2014	Estimated 2014/2015	Estimated 2015/2016
Workers Compensation Experience Modification Factor	.82	.77	.72	.73	.73
Insurance Premiums Paid - All Funds	$585,898	$660,621	$733,549	$638,900	$717,200
Risk Management Insurance Premiums	$207,699	$234,811	$287,217	$201,400	$219,500
Accident Review Committee Meetings	12	12	10	12	12
Risk and Insurance Management Society (RIMS) Meetings	9	9	9	9	9

RECENT ACCOMPLISHMENTS

All affected City employees have been trained in the new hazard communication requirements which replaced the previous MSDS requirements. The department supervisors have been working to update their record keeping to comply with the new standards.

The transition to ICAP, the new insurance carrier, occurred during this year's renewal on July 1, 2014. That transition has been successful and new relationships have been established. A recent visit from the loss control specialist went very well. A number of sites were visited to allow the new carrier to better understand the City. Several recommendations were made which departments are addressing. These were minor issues and overall the City received praise for their risk management efforts.

The City has continued to do well in the workers' compensation area and the current experience modification factor is .73. Efforts will continue to ensure a safe working environment for all employees.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016

* To continue to conduct safety surveys in each department to identify safety hazards or compliance issues and correct any noted deficiencies.

* To continue to conduct training for the safety committee to provide them with updated information on effective safety committees. This will include increasing opportunities for the committee members to address safety concerns at the department level.

* To continue to review insurance requirements for special event requests and establish a policy as appropriate.

Function:
General Government

Department:
City Administrator

Activity:
Risk Management

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 25,315	$ 26,134	$ 26,700	$ 26,700	$ 27,400	2.62%
Commodities	7,043	6,564	11,600	11,600	11,600	0.00%
Contractual Services	262,277	304,788	351,900	223,300	241,400	-31.40%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 294,635	$ 337,486	$ 390,200	$ 261,600	$ 280,400	-28.14%
Funding Sources						
Tort Liability Taxes	$ 234,811	$ 287,217	$ 330,000	$ 201,400	$ 219,500	-33.48%
Transfer from Insurance Trust	-	40,000	33,500	-	-	-100.00%
General Revenues	59,824	10,269	26,700	60,200	60,900	128.09%
Total Funding Sources	$ 294,635	$ 337,486	$ 390,200	$ 261,600	$ 280,400	-28.14%

Personnel Schedule	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Position Allocation:						
Human Resources Manager	0.25	0.25	0.25	0.25	0.25	$ 20,200
Employee Benefits						7,200
Total Personal Services						$ 27,400

Function: **General Government**

Department: **Public Works**

Activity:

Building and Grounds

GENERAL INFORMATION

The Building and Grounds division 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 2014/2015 is over the budgeted amount by $11,400 primarily due to increased repair and maintenance costs for building HVAC systems.

The 2015/2016 budget is $15,400 (3.0%) higher than the original 2014/2015 budget primarily due to increased personal services costs of $16,400. This increase includes retirement pay for the current Building and Grounds Supervisor (estimated at $16,000). There were increases and decreases in various other line items in this budget which in total netted to a decrease of $1,000.

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

	Actual 2011/2012	Actual 2012/2013	Actual 2013/2014	Estimated 2014/2015	Estimated 2015/2016
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	5	5	5	5
Contract Custodians	3	3	3	3	3
Grounds Maintained	3	3	3	3	3
Janitorial Supplies Purchased	$15,191	$15,638	$14,811	$15,000	$15,000
Major Maintenance Projects (Above $2,000)	13	16	14	15	15

RECENT ACCOMPLISHMENTS

As the steward for the City's buildings and grounds, this division has the responsibility for maintenance and planning for future upgrades for the various City buildings. Significant tasks this past year were component repair/replacement for HVAC systems at several locations and deck and column repairs for the front entrance to City Hall. Staff of this division also restarted the Oriental Garden at the Art Center and completed tuck pointing of the Fire Department's training tower at the Public Safety Building.

The Building and Grounds staff frequently works with lighting issues such as City Hall's diffusers, parking lot electrical shortages at the airport, and power outages in the T-Hangars. During the year, the Building and Grounds division determines what maintenance issues may escalate into major issues so these can be addressed in the future. Roof repairs is one such example with roofs on several city facilities over 20 years old and developing leaks

There are also routine tasks of carpet/tile replacement in all of the facilities, painting, washer/dryer repair (or replacement), and much more. In addition, the Building and Grounds staff purchases, stocks and delivers custodial supplies to various City departments, assists with the Public Surplus Auction, clears snow, mows grass, and, in general, are the "go to" people when called upon.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016

* To continue training and cross training of Building and Grounds staff.

* To solicit proposals for a new City General Contractor.

* To continue certifications of staff in specific maintenance fields as needed.

Function:
General Government

Department:
Public Works

Activity:
Building and Grounds

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 272,757	$ 285,306	$ 293,000	$ 289,800	$ 309,400	5.60%
Commodities	35,542	36,122	43,800	43,300	42,800	-2.28%
Contractual Services	221,207	220,690	170,800	185,900	178,900	4.74%
Capital Outlay	20,984	12,301	8,100	8,100	-	-100.00%
Transfers	-	-	-	-	-	
Total Expenditures	$ 550,490	$ 554,419	$ 515,700	$ 527,100	$ 531,100	2.99%
Funding Sources						
Charges for Supplies	$ 8,737	$ 8,737	$ 9,000	$ 7,500	$ 7,500	-16.67%
Sale of Equipment	195	195	-	-	-	
CDBG Fund Transfer	3,000	3,000	-	-	-	
Road Use Taxes	3,759	3,759	-	-	-	
Rebates (Boilers)	2,392	2,392	-	-	-	
General Revenues	532,407	536,336	506,700	519,600	523,600	3.34%
Total Funding Sources	$ 550,490	$ 554,419	$ 515,700	$ 527,100	$ 531,100	2.99%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Positions/Position Allocations:						
Building and Grounds Supervisor	1.00	1.00	1.00	1.00	1.00	
Maintenance Repairperson	1.00	1.00	1.00	1.00	1.00	
Maintenance Worker II	0.50	0.50	0.50	0.50	0.50	
Custodian	1.00	1.00	1.00	1.00	1.00	
Total Full Time	3.50	3.50	3.50	3.50	3.50	
Part Time Positions:						
Custodian	0.85	0.88	0.85	0.85	0.85	
Total	4.35	4.38	4.35	4.35	4.35	$ 201,500
Employee Benefits						107,900
Total Personal Services						$ 309,400

Function:	*Department:*
Public Safety	**Police**

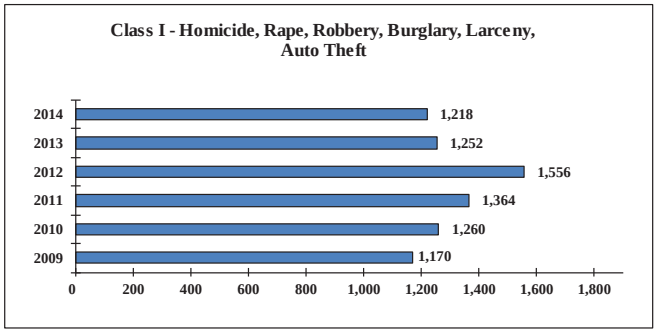
Activity:

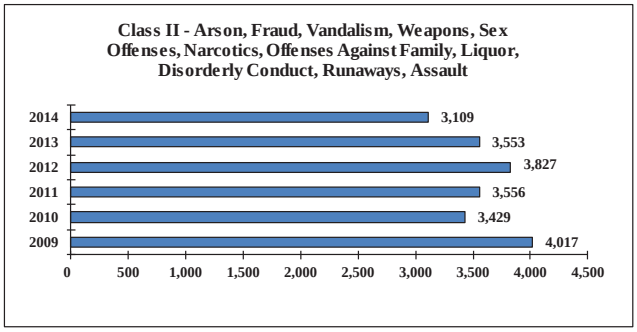
Police Operations

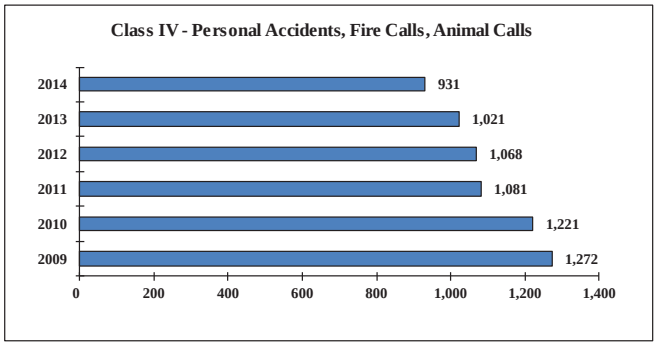
GENERAL INFORMATION

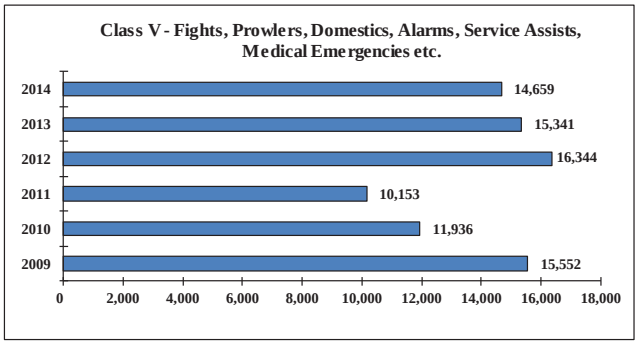
The Muscatine Police department currently includes forty-one (41) sworn officers, two (2) fulltime civilian positions, and one ¾ time civilian clerk position. In 2011 the department was awarded funding from a U.S. Department of Justice COPS grant for two additional police officer positions for a three year period. This increased the number of sworn officers from the previous level of forty (40) to forty-two (42) beginning early in 2012. In June of 2014, the City was notified that grant funding for the police officer position assigned to the Joint Terrorism Task Force would not be continued. This officer was moved from that assignment back to a regular police officer position and a vacant position was not filled. This resulted in the decrease from forty-two (42) positions to forty-one (41) for the current staffing level.

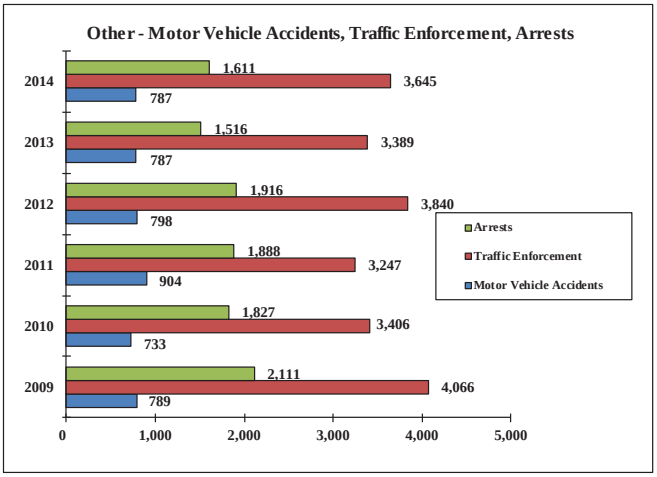
The department is responsible for the protection of lives and property for all individuals within the City. The department currently consists of five (5) divisions: patrol, investigation, general administration, street crimes, and a canine unit. The patrol division operates on three (3) shifts. Following are charts of police incidents by type for the last six years:

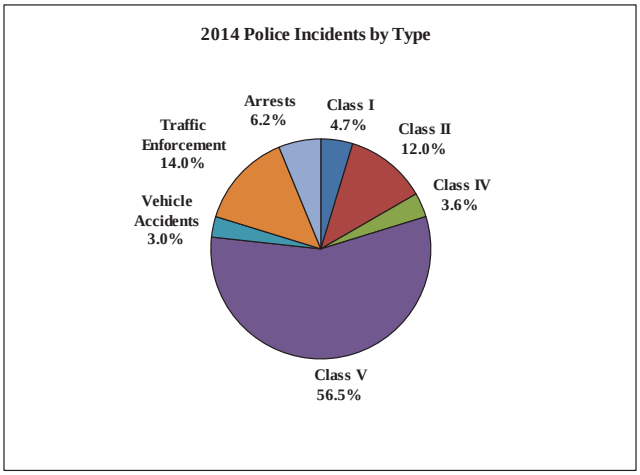












CURRENT TRENDS AND ISSUES

The revised estimate for 2014/2015 is under the budgeted amount in total by $30,700. Personal services costs are under the budgeted amount by $78,000 due to not filling a vacant police officer position when grant funding was not renewed for the police officer assigned to the Joint Terrorism Task Force. Commodities were also under budget by $7,200, most of which is due to reduced fuel costs. These savings were offset in part by increases in contractual services of $48,000 and capital outlay of $6,500. The increase in contractual services is primarily due to $45,000 in expected medical costs related to the disability of a former police officer. The capital outlay increase includes items funded from donations or grants and officer buy-backs of police equipment

The 2015/2016 budget is $23,700 (.5%) higher in total than the original 2014/2015 budget. Personal services costs increased by $17,500 for 2015/2016 and contractual services increased by $29,700. These increases were partially offset by decreases of $11,500 in commodities and $12,000 in capital outlay. The contractual services increase includes a $12,600 increase for medical insurance premiums for on-the-job injuries of

police officers and $12,000 for expected medical costs related to the disability of the former police officer. The Equipment Replacement Fund budget for 2015/2016 also includes $42,000 for replacement of the police supervisor vehicle.

The 2014/2015 revised estimate and 2015/2016 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 4th year funding requirement. An estimated $89,100 of the cost of these two positions will be funded from the reserve funds in 2015/2016. The balance of the cost of these two officers in 2015/2016 is $72,900. The budget includes City funding for the officer assigned to the Street Crimes Unit after the 4th year grant requirement is over, and also continues City funding for the 3-months for the officer used as a School Resources Officer (SRO). The School district has agreed to fund the 2nd SRO officer for the 9 months of the school year.

The 2015/2016 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 2015/2016 with grant expenditures of $77,100; $11,000 of Governor's Highway Safety funds are budgeted to be expended; and funding of $19,500 is estimated to be received for the City/County Drug Task Force. The budget includes funding for the two School Resource Officer positions with one at the high school and the other at the middle schools. These positions are 75% ($126,400) funded by the school.

GOAL STATEMENT

The Muscatine Police Department will strive to be a model law enforcement agency, nationally accredited, viewed internally and externally as professional and enthusiastic, ensuring the highest possible public trust and security, in order that our citizens may go about their daily lives free from fear of harm or loss of property. We will operate the department with fiscal prudence, striving to employ our resources effectively and efficiently, promote community awareness and communication while providing the highest level of service and protection to all persons within our borders.

PERFORMANCE MEASURES

	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Estimated 2015
Police Calls for Service	20,312	22,795	21,954	22,535	22,800
Overtime Hours Worked	3,689	3,876	3,173	2,916	2,900
Traffic Enforcement	3,247	3,840	3,484	3,645	3,500
Arrests	1,888	1,916	1,506	1,611	1,500
Parking Tickets Issued	1,327	1,607	1,595	2,060	2,000
Uniform Crime Report Clearance Rates	44%	44%	44%	44%	44%
Investigations Assigned	280	176	170	168	170
Investigations Cleared	73%	76%	75%	72%	73%
Automatic Traffic Enforcement (ATE):					
Red Light Violation Citations	1,927	2,677	2,517	2,350	2,300
Speed on Green Violation Citations	17,828	12,785	10,601	11,500	11,000
ATE Violations – City Residents	N/A	2,688	2,464	2,360	2,300
ATE Violations – Non-Residents	N/A	12,774	10,546	11,500	11,000

RECENT ACCOMPLISHMENTS

In partnership with the Iowa Department of Narcotics Enforcement and the Muscatine County Sheriff's Office, the Police Department continues to be a partner in the Muscatine County Drug Task Force (DTF) along with Louisa and Cedar counties. The program is maintained through federal (HIDTA) and state (ODCP) funding. The task force continues to look for other options and areas to continue the battle against 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 continues "Coffee with a Cop" as a way to continue to expand our interaction with the community and to receive concerns and information from the public. The department will look at expanding these efforts in the coming fiscal year.

The department is in line to become re-accredited for the fifth time through the Commission on Accreditation for Law Enforcement at the commission meeting in November of 2015.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016

* 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; and two School Resource Officers, both being funded 75% by the school system.

* To continue to look for other ways to fund the current street crimes officer. The COPS grant funding is no longer available after February 2015, and the city is required to fund the position until April 2016.

* To complete one citizen police academy class or public safety academy jointly with the Fire department.

* 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. **(City Council and Management Continuous Service Improvement Goal)**

* To continue to review Police department operations for Lean initiatives. **(City Council and Management Continuous Service Improvement Goal)**

Function:
Public Safety

Department:
Police

Activity:
Police Operations

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 3,653,237	$ 3,854,022	$ 4,094,900	$ 4,016,900	$ 4,112,400	0.43%
Commodities	173,218	141,336	177,900	170,700	166,400	-6.46%
Contractual Services	262,132	283,499	278,600	326,600	308,300	10.66%
Capital Outlay	36,334	151,001	60,400	66,900	48,400	-19.87%
Transfers	-	-	-		-	
Total Expenditures	$ 4,124,921	$ 4,429,858	$ 4,611,800	$ 4,581,100	$ 4,635,500	0.51%
Funding Sources						
Grants	$ 386,931	$ 412,928	$ 390,300	$ 317,300	$ 257,000	-34.15%
Parking Violations	22,510	28,344	20,000	25,000	25,000	25.00%
Court Fines	190,887	185,893	175,000	208,000	231,000	32.00%
Automatic Traffic Enforcement Fines	662,124	581,640	600,000	575,000	575,000	-4.17%
Fruitland Agreement	44,258	45,540	46,700	46,700	47,900	2.57%
False Alarm Charges	1,800	3,250	1,500	1,500	1,500	0.00%
Utility Franchise Fees	51,966	56,830	52,500	55,000	55,000	4.76%
Transfers:						
COPS Grant Reserve	-	-	-	-	89,100	
Insurance Trust	-	-	-	-	15,000	
General Revenues	2,764,445	3,115,433	3,325,800	3,352,600	3,339,000	0.40%
Total Funding Sources	$ 4,124,921	$ 4,429,858	$ 4,611,800	$ 4,581,100	$ 4,635,500	0.51%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Positions:						
Chief	1.00	1.00	1.00	1.00	1.00	
Assistant Chief	1.00	1.00	1.00	1.00	1.00	
Captain	1.00	1.00	1.00	1.00	1.00	
Lieutenant	4.00	4.00	4.00	4.00	4.00	
Sergeant	4.00	4.00	4.00	4.00	4.00	
Corporal	6.00	6.00	6.00	6.00	6.00	
Patrol Officer	25.00	25.00	25.00	24.00	24.00	
Secretary	1.00	1.00	1.00	1.00	1.00	
Clerk	1.00	1.00	1.00	1.00	1.00	
Total Full Time	44.00	44.00	44.00	43.00	43.00	
Part Time Position:						
Clerk	0.88	0.88	0.88	0.88	0.88	
Total	44.88	44.88	44.88	43.88	43.88	$ 2,595,200
Employee Benefits						1,517,200
Total Personal Services						$ 4,112,400

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Copy Machine	1	Yes	$ 10,000
Document Scanner	1	Yes	4,100
Lightbars	2	Yes	4,700
Radar Units	2	Yes	5,400
Police Range Improvements (funded from Insurance Trust)			15,000
JAG Grant-Funded Equipment (Subject to Grant Award)			9,200
			$ 48,400

Additional Capital Outlay - Equipment Replacement Fund			
Item	***Quantity***	***Replacement***	***Amount***
Supervisor Vehicle	1	Yes	$ 42,000

Function:	*Department:*
Public Safety	**Police**

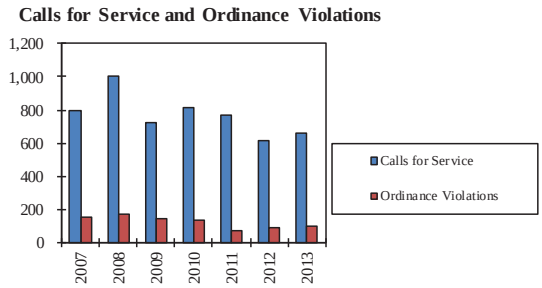
Activity:

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.



CURRENT TRENDS AND ISSUES

The 2014/2015 revised estimate is $8,100 less than the original budget primarily due to the new Animal Control Officer having single health insurance instead of the family insurance allowed for in the original budget.

The 2015/2016 budget is $6,000 (4.7%) less than the 2014/2015 budget primarily due to the single health insurance coverage for the new Animal Control Officer. This budget also includes an annual allocation to the Muscatine Humane Society. The Humane Society’s funding request and their approved funding for 2015/2016 is $60,000, the same as their budgeted funding for 2014/2015.

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

	Actual 2011	**Actual 2012**	**Actual 2013**	**Actual 2014**	**Estimated 2015**
Calls for Service	742	596	638	687	700
Ordinance Violations	72	92	95	168	200
Bite Cases	31	39	41	51	55
Animals taken to Humane Society:					
Dogs	108	108	102	107	110
Cats	84	61	52	97	90
Animal Carcasses	305	279	256	216	230
Wild Animals	40	32	29	12	20
County Calls for Service	1	1	1	2	3
Fruitland Calls for Service	22	15	20	27	30

RECENT ACCOMPLISHMENTS

During the 2014 calendar year the Animal Control Officer transported 204 cats and dogs, 216 animal carcasses, and 12 wild animals to the Humane Society.

The department provides animal control assistance to the City of Fruitland and for calendar year 2014 responded to 27 calls for service in Fruitland.

The new Animal Control Officer (ACO) continues to expand and improve on the past practices of the previous Animal Control Officer. The ACO continues to improve relations with the fellow agencies she is required to interact with and brings her own touch to the position.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016

* To continue to meet or exceed the number of citations issued in 2014 by utilizing proactive enforcement in conjunction with responding to citizen complaints.

* To have the Animal Control Officer achieve certification through the National Animal Control Care and Control Association. The plan would be for the ACO to complete one module of the training annually until certification is obtained.

* To continue to maintain positive relations with all of the various agencies the Animal Control Officer interacts with.

* To continue to assist the Humane Society and the Muscatine County Sheriff' Office in the common goals of animal control.

* To develop a project for public appearances and displays designed to help educate and build trust and understanding between the community and the Animal Control Officer.

Function:
Public Safety

Department:
Police

Activity:
Animal Control

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 60,289	$ 76,087	$ 60,900	$ 52,400	$ 54,400	-10.67%
Commodities	2,673	4,042	3,200	3,900	3,900	21.88%
Contractual Services	61,700	61,174	62,900	62,600	62,700	-0.32%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 124,662	$ 141,303	$ 127,000	$ 118,900	$ 121,000	-4.72%
Funding Sources						
Animal Enforcement Fines	$ 2,195	$ 2,375	$ 2,700	$ 2,700	$ 3,000	11.11%
General Revenues	122,467	138,928	124,300	116,200	118,000	-5.07%
Total Funding Sources	$ 124,662	$ 141,303	$ 127,000	$ 118,900	$ 121,000	-4.72%

Personnel Schedule						
	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Position:						
Animal Control Officer	1.00	1.00	1.00	1.00	1.00	$ 40,600
Employee Benefits						13,800
Total Personal Services						$ 54,400

Function:	*Department:*
Public Safety	**Fire**

Activity:

Fire Operations

GENERAL INFORMATION

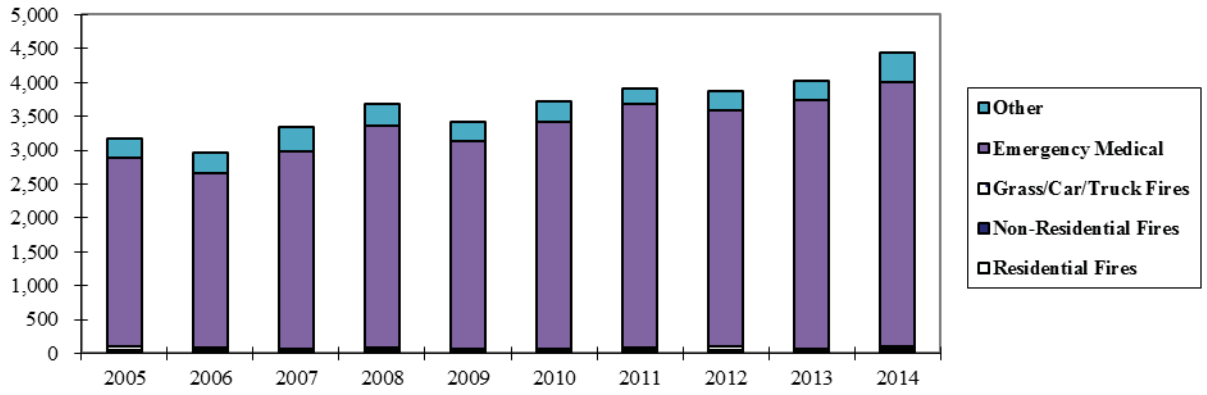
The Fire department is staffed with full time personnel and provides fire protection for the City of Muscatine as well as fire protection for adjacent areas through mutual aid agreements. The primary functions of the department include fire suppression, fire prevention through public education and code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

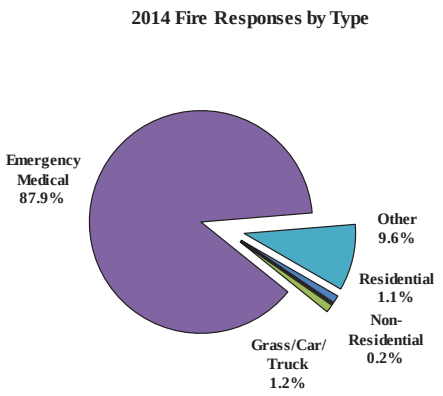
Following an independent analysis of the community's Emergency Medical Services (EMS) system, the City began full EMS delivery on July 1, 2000. As a result of that action, the City has successfully implemented a comprehensive EMS response capability and at the same time continues to respond to a wide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

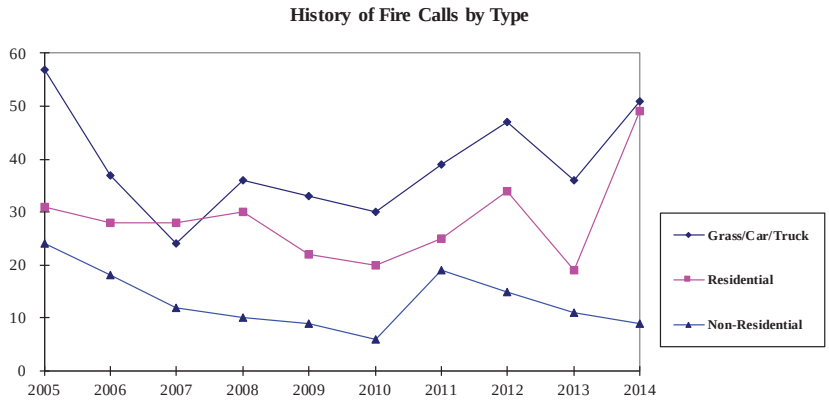
The Fire department continues to participate in a number of "28E" agreements that promote cooperative response activities with surrounding communities and counties. Fire suppression, rescue, and hazardous material responses are examples of these collaborative activities.

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







CURRENT TRENDS AND ISSUES

The revised estimate for 2014/2015 is over the original budget by $46,800. Personal services are over the original budget by $35,800 due to increased overtime costs. This was in part due to extended absences by several employees and also due to increased medical calls. Contractual services are over the original budget by $10,900 primarily due to increased vehicle and equipment repair and maintenance service charges.

The 2015/2016 Fire department budget is $135,300 (3.6%) higher than the original 2014/2015 budget. This overall increase includes $69,200 in increased personal services costs, $5,900 in increased commodity costs, $17,400 in increased contractual services costs, and $42,800 in increased capital outlay. In the personal services area, increased wages and overtime costs have been partially offset with a decrease in pension costs. The increase in commodities is due to moving $7,500 for four sets of turnout gear to the uniform and clothing line item. Turnout gear purchases were previously budgeted as capital outlay items. The contractual services increase includes an $11,700 increase in medical insurance for on-the-job injuries of firefighters. Capital outlay items included in the 2015/2016 budget are detailed in the summary form with the most significant being the $55,000 allocation to replace the SCBA (self-contained breathing apparatus) bottles.

In 2011 the City updated its Fire Regulations ordinance. The 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 2015/2016 revenues from these permits and fees are estimated at $54,200.

The 2015/2016 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 2012/2013 year the ambulance fund transferred $839,000 toward the wage and benefit costs included in the Fire department budget or approximately 25.7% of the total cost. This transfer was increased to $885,300 in the budget for 2013/2014, which was 25.8% of the total personal services cost. The transfer for 2014/2015 was originally budgeted at $911,900 which was 25.7% of personal services costs. The transfer was increased in the 2014/2015 revised estimate to $922,400 which is 25.7% of the revised personal services costs for the year. The transfer for 2015/2016 has been budgeted to decrease to $833,200 which is 23.0% of budgeted personal services costs. This transfer was reduced due to the limited funds available in the Ambulance budget for this transfer.

GOAL STATEMENT

To provide a combination of services directed toward the prevention of, preparation for, and response to occurrences of every magnitude that represent threats to the health, welfare or prosperity of the citizens, visitors, and properties in and around the City of Muscatine.

PERFORMANCE MEASURES

	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Estimated 2015
All Calls for Services	3,916	3,864	4,022	4,433	4,750
Fire Training Hours	3,037	3,683	3,909	2,436	3,000
False Alarms	112	120	138	190	175
Fire Education Presentation Staff Hours	375	301	211	135	140
Number of Residents Attending Public Education Programs	1,358	2,219	3,119	4,228	3,500
Fire Inspections - Total	343	601	568	788	800
Inspections - Initial	228	306	314	412	440
Re-inspections	103	252	217	319	320
Additional Re-inspections	12	35	37	51	40
Fire Marshal Site Visits	N/A	N/A	84	85	90
Burn Permits Issued	618	662	747	814	840
Outdoor Fireplace Permits	550	594	668	737	750
Open Burning Permit	62	60	60	66	70
Commercial Burn Permits	1	1	1	0	0
Other Special Fire Permits	5	7	18	11	20
Citations Issued - All	4	17	25	25	30

RECENT ACCOMPLISHMENTS

The Fire department continues to conduct joint training with other departments. Muscatine has been working closely with the Fruitland Fire Department, who is our automatic aid partner. In addition to fire-related training, such as housing and supporting the fire training trailer at Station 2 for use by Fruitland and Letts, the Muscatine Fire department has offered rescue training. With the addition of the new Deep Lakes County Park located in Fruitland's district, there is increased potential for an ice rescue. Muscatine has offered this training and will continue to support neighbor departments with their training needs.

With grant assistance, the department sent the Fire Marshal to an NFPA-sponsored residential fire sprinkler conference. The department continued to support members of the department attending free training from the Center for Domestic Preparedness in Anniston, Alabama. It also provided support for a Fire department member to attend and participate in the Texas A&M industrial firefighting training course that was funded by Monsanto. In addition, the department continued to support and encouraged members to attend offerings at the National Fire Academy in Emmitsburg, Maryland.

Staff obtained training through the Center for Public Safety Excellence in the areas of fire accreditation and data analysis and presentation. The process is underway for assessing the department for potential efficiency improvements utilizing the fire accreditation process.

The department worked with the Police department to coordinate and host the 7th annual Public Safety Open House. Turnout this year was estimated at 500.

The department continues to assist Parks and Recreation staff with the deer deprivation program; stocked and completed preparations to put the old south end fire engine (#314) in service as a backup engine for that station; began a review of businesses in Muscatine to ensure all locations that are in need of fire inspections are included in the inspection plan; and continues to search for ways to streamline processes and eliminate unneeded paper copies. Firehouse software reports now produce half the number of pages of paper due to this review.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016

* To continue to evaluate possible locations for a third fire station.

* To continue the comprehensive review of the fire inspection and fire marshal programs, in an effort to clarify lines of responsibility and improve efficiency.

* To continue to work with the Police department on possible hosting of a joint public safety citizen's academy.

* To continue to review the department's ice and water rescue programs to determine the need for additional training and equipment. This will include working with the Muscatine County Sheriff's Office and Muscatine Search and Rescue to streamline services and provide appropriate service delivery.

* To continue the process of self-assessment and internal improvement using the fire accreditation process as a guide.

* To continue development of the training grounds next to Station #2.

* To continue to review the present funding levels for those entities contracting with the Muscatine Fire department for hazardous materials response coverage outside the City limits. Based on this review, to adopt a plan to adjust contract rates to reflect the appropriate market value of this service.

Function:
Public Safety

Department:
Fire

Activity:
Fire Operations

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 3,259,982	$ 3,429,899	$ 3,553,300	$ 3,589,100	$ 3,622,500	1.95%
Commodities	77,018	87,261	79,600	79,700	85,500	7.41%
Contractual Services	137,528	111,055	119,900	130,800	137,300	14.51%
Capital Outlay	38,782	71,737	17,800	17,800	60,600	240.45%
Transfers	-	-	-	-	-	
Total Expenditures	$ 3,513,310	$ 3,699,952	$ 3,770,600	$ 3,817,400	$ 3,905,900	3.59%
Funding Sources						
Fire Protection Contracts and Hazmat Agreements	$ 26,612	$ 27,475	$ 24,700	$ 27,300	$ 27,800	12.55%
Ambulance Staff Funding Transfer	839,000	885,300	911,900	922,400	833,200	-8.63%
Confined Space Fees	43,716	36,000	36,000	36,000	36,000	0.00%
Fire Inspection Fees & Permits	14,237	16,743	15,000	16,900	14,600	-2.67%
Other Fees	10,135	16,853	3,200	3,000	3,600	
Donations	-	32,707	-	-	-	
Insurance Reimbursement	-	13,183	-	5,600	-	
Utility Franchise Fees	51,965	56,830	52,500	55,000	55,000	4.76%
General Revenues	2,527,645	2,614,861	2,727,300	2,751,200	2,935,700	7.64%
Total Funding Sources	$ 3,513,310	$ 3,699,952	$ 3,770,600	$ 3,817,400	$ 3,905,900	3.59%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Positions:						
Chief	1.00	1.00	1.00	1.00	1.00	
Assistant Chief	3.50	1.00	1.00	1.00	1.00	
Battalion Chief	0.50	3.00	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	
Total Full Time	37.00	37.00	37.00	37.00	37.00	
Part Time Position:						
Office Coordinator	0.50	0.50	0.50	0.50	0.50	
Total	37.50	37.50	37.50	37.50	37.50	$ 2,219,100
Employee Benefits						1,403,400
Total Personal Services						$ 3,622,500

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Replace SCBA (Self-Contained Breathing Apparatus) Bottles	60	Yes	$ 55,000
Electronic Portable Fire Inspection System	3	No	3,800
Smoke Machine	1	Yes	1,800
			$ 60,600

Function:	*Department:*
Culture and Recreation	**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 2014/2015 is $109,543. An additional $2,784 has been received from the contract with the City of Fruitland in 2014/2015. The Library has negotiated similar agreements with townships in Illinois including New Boston, Eliza, Drury, and Buffalo Prairie, which generated $9,798 in revenues. The Library budget for 2015/2016 reflects requested 2.5% increases in these agreements to $112,282 from Muscatine County, $2,854 from the City of Fruitland, and $10,043 from the townships in Illinois.

CURRENT TRENDS AND ISSUES

The revised estimate for 2014/2015 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 within the budget. Personal services, commodities, and contractual services have been decreased in the revised estimate and

capital outlay has 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 2015/2016 is $10,900 (1.0%) higher than the 2014/2015 budget. The overall increase is due to the $10,900 increase in personal services costs. There were offsetting increases and 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 2011/2012	Actual 2012/2013	Actual 2013/2014	Estimated 2014/2015	Estimated 2014/2015
LIBRARY PATRONS	18,639	19,877	20,204	20,400	20,600
CIRCULATION:					
Adult Books	81,104	80,501	76,077	75,800	75,600
Young Adult	8,108	7,254	6,400	6,600	6,800
Juvenile Books	54,789	58,221	55,437	55,000	55,800
Magazines	6,780	6,370	4,439	4,500	4,800
DVDs	83,476	89,900	93,960	93,500	95,000
Audio	30,548	34,307	31,163	30,000	30,000
Video Games	5,905	7,456	6,884	7,000	7,000
Other	6,649	1,688	1,489	1,200	1,000
Internet	43,618	34,633	31,163	30,000	26,000
WiFi Usage	N/A	10,105	13,601	16,000	18,000
Databases	35,016	46,891	67,096	75,000	77,000
E Audio	1,584	2,075	2,756	3,100	3,300
E Book	4,884	6,245	7,554	8,200	9,000
E Magazines*	N/A	3,135	4,621	5,800	6,200
E Music	N/A	N/A	5,294	6,000	7,500
TOTAL	362,461	388,781	408,722	417,700	423,000
PROGRAMMING:					
Juvenile Programs	366	396	527	530	530
Juvenile Audience	20,306	20,115	21,972	22,400	22,500
Young Adult Programs	72	64	52	50	55
Young Adult Audience	2,379	2,160	1,950	1,970	1,975
Adult Programs	66	60	38	40	55
Adult Audience	1,321	865	928	900	1,020
Technology Classes	NA	47	64	Ongoing drop in	52 + ongoing drop-in
Tech Audience	NA	253	154	120	200
OTHER MEASURES:					
Facebook Likes	4,212	4,353	4,543	4,650	5,000
Website Visits	NA	77,921	55,277	50,000	55,000
Rivershare Holds	55,343	58,381	57,594	55,000	55,000
Inter-Library Loans	987	1,817	1,740	1,400	1,350
Homebound Visits	540	478	482	500	480
Homebound Circulation	5,202	5,240	6,022	6,000	6,000
Reference Questions	3,289	4,311	5,827	6,000	6,100
Building Usage	189,825	187,762	175,679	172,000	172,500
Meeting Room Usage**	2,934	2,743	2,241	2,200	2,200
* E Magazines began March 2013					
** As the Library increases programming there is limited meeting space available to the public					

RECENT ACCOMPLISHMENTS

The Library Board and management staff, utilizing the services of Kevin James of Quad Cities Leadership Consulting, participated in strategic planning and developed a plan for the next 18 months.

Funding from the Friends of the Library allowed three librarians to attend the Public Library Association Conference.

Staff was provided with quality, on-line training in technology and management fields through the MALA group purchase of Lynda.com.

The library changed its hours and now closes at 8:00 p.m. on Monday through Thursday and stays open until 8:00 p.m. on Friday nights. The library also opens at noon on Sundays. The library also began selling coffee using a Keurig coffee maker with packs available for a dollar at the circulation desk. Expenses and proceeds are handled by the Friends of the Library.

Through numerous library visits and information gleaned at conferences, the library has narrowed its requirements for RFID self-check software and equipment and met with a number of vendors meeting our requirements.

The library began investigating, through on-site visits, vendor presentations, and conference programs, the cost effectiveness and quality issues of preprocessing and precataloging library materials and began a six-month search engine optimization project with Nerdworks, our web developer.

The library withdrew from Wilbor, the state's eBook consortium, created a RiverShare Digital Library consortium which is searchable and hold-able from our RiverShare catalog, and designed and developed the new RiverShare website for the consortium.

The library (1) rearranged the magazine collection using clear Plexiglas holders to improve the general look of the area and increase the visibility of the magazines; (2) added Zinio eMagazines and Freegal eMusic to the Library's collection; (3) created visual maps of cardholders; (4) streamlined the interlibrary loan policies to bring them in line with other libraries thus reducing the number of requests for popular DVDs and reducing both staff time and postage and increased material availability for patrons; (5) added a state-of-the-art scanner to the Local History and Genealogy section to improve research capabilities for patrons; (6) integrated non-fiction DVDs into the non-fiction book collection to save space in the DVD area and encourage usage; and (7) received 400 books about China from the Window of Shanghai program.

The library began providing STEM (Science, Technology, Engineering, and Mathematics) Education, taught by qualified instructors, particularly in the Library's Skeleton Key and Spark Plug Programs and added baby specialty classes such as sign language and baby yoga (with appropriate teachers) to the Saturday Lapsit Classes.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016

* To continue to develop a marketing plan (May). **(Community Perception)**

* To deploy a marketing campaign (September). **(Community Perception)**

* To incorporate Refined Mission and values into marketing (September). **(Community Perception)**

* To identify demographics/groups that under-utilize the library (March). **(Community Perception)**

* To develop an adult programming event plan targeting identified groups (May). **(Community Perception)**

* To implement an event plan (October). **(Community Perception)**

* To envision the facility we want and rank the items based on needs and wants for the building (March). **(Facilities)**

* To find and select an architect/engineering firm to perform a needs study (July). **(Facilities)**

* To evaluate and prioritize the plan based on cost (September). **(Facilities)**

* To develop a donor list and amount (September). **(Facilities)**

* To develop marketing material (October). **(Facilities)**

* To approach potential donors (December). **(Facilities)**

* To evaluate funding situation (March). **(Facilities)**

* To identify management expectation by role/position (April). **(Optimize Staff)**

* To write an evaluation plan (June). **(Optimize Staff)**

* To communicate evaluation of the plan/expectations to staff (July). **(Optimize Staff)**

* To develop and implement a training program (October). **(Optimize Staff)**

* To research technology options (March). **(Leverage technologies to improve/expand patron experience)**

* To continue to develop intranet and individualize presentation for each department (March). **(Improve Technology)**

* To provide intranet for the entire staff (April). **(Improvement Technology)**

* To celebrate Dia de los Ninos in April. **(Community Perceptions)**

* To promote Teen Read Challenge via classroom visits in the Middle Schools (September/October). **(Community Perceptions)**

* To continue to utilize the City's website. (ongoing). **(Community Perceptions/Leverage Technologies)**

* To implement and promote the 1,000 Books by Kindergarten program with the cooperation of the school system (September). **(Community Perception)**

Function:
Culture and Recreation

Department:
Library

Activity:
Library Operations

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 827,020	$ 844,345	$ 870,700	$ 865,900	$ 881,600	1.25%
Commodities	16,411	11,562	17,100	13,900	13,400	-21.64%
Contractual Services	64,575	72,410	86,700	84,900	82,900	-4.38%
Capital Outlay	132,754	131,816	104,900	114,700	112,400	7.15%
Transfers	9,740	11,867	-	-	-	
Total Expenditures	$ 1,050,500	$ 1,072,000	$ 1,079,400	$ 1,079,400	$ 1,090,300	1.01%
Funding Sources						
Library Revenues	$ 30,604	$ 28,952	$ 23,400	$ 22,900	$ 21,300	-8.97%
County Contributions	107,931	110,112	112,900	109,500	112,300	-0.53%
Hotel/Motel Tax	83,925	103,760	85,500	103,750	103,750	21.35%
General Revenues	828,040	829,176	857,600	843,250	852,950	-0.54%
Total Funding Sources	$ 1,050,500	$ 1,072,000	$ 1,079,400	$ 1,079,400	$ 1,090,300	1.01%

Personnel Schedule	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Positions:						
Library Director	1.00	1.00	1.00	1.00	1.00	
Assistant Director	-	1.00	1.00	1.00	1.00	
Librarian	4.00	3.00	3.00	3.00	3.00	
Office Coordinator	1.00	1.00	1.00	1.00	1.00	
Library Assistant	3.00	2.33	2.00	2.00	2.00	
Total Full Time	9.00	8.33	8.00	8.00	8.00	
Part Time Positions:						
Library Technician	2.30	2.31	2.27	2.76	2.77	
Library Assistant	2.31	2.47	2.84	2.76	2.89	
Library Shelvers	0.93	0.89	0.96	0.94	0.96	
Other Technicians	0.97	0.95	0.98	0.25	0.25	
Total Part Time	6.51	6.62	7.05	6.71	6.87	
Total	15.51	14.95	15.05	14.71	14.87	$ 670,400
Employee Benefits						211,200
Total Personal Services						$ 881,600

Capital Outlay	
Item	***Amount***
Library Books, Videos, Serials, Database Subscriptions, etc.	$ 112,400

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 $200,000 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 2014/2015 is the same as the original budget at $19,100. The 2015/2016 budget is the same as the 2014/2015 budget. The budget includes $18,600 in fees to be paid to Muscatine Community College (MCC) for cable broadcasting services as specified in the agreement between the City and MCC. The remaining $500 in the budget is for any repairs that may be needed to the broadcasting equipment in the City Hall Council Chambers.

GOAL STATEMENT

To inform and educate the community about the operation of and services provided by their City government and to offer programs of appeal to specific audiences presently not served by broadcast television.

PERFORMANCE MEASURES

	Actual 2011/2012	Actual 2012/2013	Actual 2013/2014	Estimated 2014/2015	Estimated 2015/2016
Cable Franchise Fees	$225,903	$222,288	$212,286	$200,000	$200,000
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 2015/2016

* To continue providing cable television access to Muscatine's citizens through Muscatine Power & Water.

* To continue providing Muscatine with public access channels that showcase the many and varied activities and interests in Muscatine.

* To continue finding new ways to bring information and programming to the residents of Muscatine.

Function:
Culture and Recreation

Department:
City Administrator

Activity:

Cable Television Operations

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	16,925	16,202	19,100	19,100	19,100	0.00%
Capital Outlay	7,431	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 24,356	$ 16,202	$ 19,100	$ 19,100	$ 19,100	0.00%
Funding Sources						
Cable Franchise Fees	$ 24,356	$ 16,202	$ 19,100	$ 19,100	$ 19,100	0.00%

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 2014/2015 is over the budgeted amount by $2,100. After the budget was adopted the Art Center was awarded a grant of $13,540 from the Iowa Department of Cultural Affairs. The revised estimate increase includes expenditures which will be funded from this grant. This increase was partially offset by decreases in other areas of the budget, with the most significant a reduction of $9,000 in the Fine Arts insurance premiums. This reduction was due to a change in the City's insurance carriers.

The 2015/2016 budget is $18,300 (5.9%) higher than the original 2014/2015 budget. The Iowa Department of Cultural Affairs notified the Art Center that the grant to the Muscatine Art Center will be $10,000 for 2015/2016 and the expenditure of these funds has been included in the 2015/2016 budget. The 2015/2016 budget also includes increasing the Art Center Education Aide position from half-time to 29 hours per week at a cost of $8,500. The budget continues to reflect the lower Fine Arts insurance premiums with the change in insurance carriers.

Funding from the Art Center Support Foundation and Friends of the Art Center will continue to be received in 2014/2015 and 2015/2016 for the additional costs associated with the staff reorganization implemented in 2010/2011. Budgeted contributions from those organizations total $40,000 in 2014/2015 and $40,400 in 2015/2016.

Again in 2015/2016 one-fourth (1/4) of the Hotel/Motel tax has been appropriated to support the Museum/Art Center operations. This amount is estimated at $103,750.

GOAL STATEMENT

The Muscatine Art Center is a permanent, municipal, non-profit institution. The Art Center collects, preserves, interprets, and exhibits objects of historical and aesthetic importance for the benefit of present and future generations. In addition, through the use of the permanent collection and special exhibitions, education programs are provided for all ages that encourage and promote the advancement, understanding, enjoyment, and diffusion of knowledge of the visual arts.

PERFORMANCE MEASURES

Fiscal Year Basis	Actual 2011/2012	Actual 2012/2013	Actual 2013/2014	Estimated 2014/2015	Estimated 2015/2016
Attendance	29,552	23,070	13,868	15,600	13,500
Number of Classes Offered	158	143	137	150	75
Art Center Events Hosted	29	28	45	36	20
Exhibitions	14	14	9	10	6
Tours	70	56	34	45	30

RECENT ACCOMPLISHMENTS

The Muscatine Art Center is primarily highlighting its own collection in 2014 and 2015. This practice began in 2013 as a way to fill in the exhibition schedule while the HVAC system was being reviewed and until the HVAC issues are resolved. The Art Center is also not able to bring in most traveling exhibitions until humidity levels meet museum standards. Curating in-house exhibitions are especially time-consuming for the small staff. Staff is diligently working to keep on top of the exhibition schedule with five out of six exhibits being created in-house for the two floors of the Stanley Gallery between June 2013 and August 2015.

In addition to the exhibition in the Stanley Gallery, staff is managing an average of six smaller exhibitions in the Musser Mansion Gallery on an annual basis as well as seasonal decorating through the main floor of the house.

The Education department presented 137 classes and programs during the 2013/2014 fiscal year, reaching 5,056 individuals. Programming for children and families includes Saturday Workshops, Art & Music for Tots for pre-school kids, Summer Camp for Kids, and community outreach activities. Art Center staff provides arts activities at community events such as Earth Day, Halloween at the Y, the library's "Winter Extravaganza," events sponsored by the Parks and Recreation department, and Senior Expos. Adult studio classes are offered several times each month, and a free "Learn at Lunch" program was introduced in October 2013. Staff has also provided multiple opportunities for the public and organized groups to attend behind-the-scenes tours. This is the primary way the Art Center is educating the public about its own operations including the details of how objects are stored, handled and catalogued. Adult lectures were presented by art history speaker Carol Ehlers on artists whose work is included in the permanent collection. Lectures were also given by several members of the Humanities Iowa Speaker's Bureau and local residents with expertise in areas related to exhibitions such as musical organettes and the railroad.

The staff worked with Friends of the Muscatine Art Center to create several new events in 2013/2014. New during the 2013 Festival of Wreaths was a Children's Pajama Party with storytelling presented by the Musser Public Library. A family wreath building workshop was also introduced in 2013. In May 2014, "For the Love

of Art", a tea for women was launched. This event had several corporate sponsors and featured items donated by local businesses. In September, staff secured corporate sponsorships and partnered with Pilot Club International, the Musser Public Library, and the Healthy Living Festival organizers to present Mr. B's Joybox Express. Mr. B's group pedaled an upright piano mounted on three bikes down the length of the Mississippi River. One free public concert was presented on the grounds of the Art Center, two in-school concerts were given for Jefferson and Grant Elementary Schools, and one impromptu concert was held in the Sculpture Courtyard. The holiday events for 2014 were refreshed with a new Little Elf Workshop which presented six different craft projects for children to make as gifts and the return of the Kids' Pajama Party, Sunday with Santa, and the Gingerbread House Workshop. The "Home with the Mussers" Holiday Open House is a new event taking the place of the Festival of Wreaths. The 2014 year will conclude with the new kids' event, "Noon Year's Eve Party", over the noon hour on December 31st.

In addition to events presented with the Friends group, the Art Center created two family festivals in the spring of 2014. Both were made possible as part of a grant received from the Iowa Arts Council for programming around the exhibition, "The Art of Living Well". The "Spring Fever Festival" and the "Once Upon a Time in Iowa Festival" were free events which connected to some of the concepts promoted by the Blue Zones Project.

The Art Center acquired several pieces for the River Collection. One painting is from the American School (unknown artist) and is of a scene of limestone bluffs on the Mississippi River opposite of Dubuque, Iowa. The Art Center acquired four lithographs by Henry Lewis, published 1854-57: Bellevue, Iowa; Keokuk, Iowa; Cassville (Wisconsin) in 1829, and Memphis, Tennessee. The lithographs were added to the river collection, joining 26 other works by Lewis held by the Art Center. A bird's eye view map of Davenport from 1888 was added to the River Collection. A number of works of art by Iowa artists were added to the collection. Artists include Arnold Pyle, Harold Allison, Maurcio Lasansky, Juanita Jameson, Nellie Gebers, and Nancy Purrington.

The Art Center received $13,540 through the Cultural Leadership Partner (CLP) grant from the Iowa Department of Cultural Affairs in fiscal year 2013/2014. In the spring of 2014, the Department of Cultural Affairs revised its funding tiers for Cultural Leadership Partners. For fiscal years 2014/2015, 2015/2016, and 2016/2017, the tier for the Art Center has been set at $10,000. To help transition to the lesser the amount, the Department of Cultural Affairs provided a one-time supplement in the amount of $3,540 for fiscal year 2014/2015. The reduction in the grant for fiscal year 2015/2016 is making it necessary to decrease staff hours and cut expenses primarily in the categories of advertising, professional services, and printing. 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 Art Center received a grant in fiscal year 2013/2014 from the Iowa Arts Council for $7,280 to cover program costs related to the exhibition, "The Art of Living Well". The Art Center was awarded a grant through Iowa Tourism in the amount of $1,932 to develop, print, and distribute a 4-fold brochure to highlight the Mississippi River Collection; 10,000 brochures will be printed and distributed to each Great River Road Interpretive Center in Iowa and neighboring states. Friends of the Muscatine Art Center received a $500 grant from the Community Foundation of Greater Muscatine to partner with the Muscatine Symphony Orchestra to present a monthly music class targeted to pre-school through elementary school children.

The Art Center records a 5-minute radio segment, FYI-The Arts, each month. Art Center staff is regularly interviewed on the local radio station and occasionally for KWQC. The Art Center has an active following on facebook (923 likes) and pinterest (256 likes). The activities of the Muscatine Art Center are regularly reported on by the Muscatine Journal. Art Center staff has also launched a partnership with the Muscatine Journal to promote a different Muscatine-related artifact on a regular basis in the newspaper.

A&J Associates completed its study of the Art Center's HVAC needs. Staff continues to monitor humidity and temperature levels with 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 and Public Works staff.

Regular volunteers at the Muscatine Art Center contributed 1,172 hours during fiscal year 2013/14. Hours contributed by special event volunteers are estimated at an additional 150 hours during the year. Volunteers assisting with exhibition-related projects dedicated several full working days each week over a period of several months. Volunteers also give adult programs and lectures or play the piano during events. Volunteer jobs include photographing collections, scanning records, greeting visitors at the front desk, leading student groups, and working in photoshop and the collections database. One volunteer even helps oversee the volunteer program.

Other individuals serve on the Friends of the Muscatine Art Center Board, the Muscatine Art Center Support Foundation Board, and the Board of Trustees of the Muscatine Art Center. The hours contributed by these individuals, along with those detailed above, are estimated to total 2,000 hours per year.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016

* To develop a long-range plan based on the Community Engagement Study and Peer Review Report completed in 2014.

* To continue working with Public Works staff in creating an implementation plan for upgrading the Art Center's HVAC system, completing other facility improvement projects, and applying for grants to fund improvement projects. **(Council and Management Capital Projects Goal)**

* To develop and implement a plan to protect the Art Center's collection while facility improvements are taking place.

* To create a family-friendly exhibition space and install new exhibitions on the second floor of the Musser Mansion.

* To mark the 50th anniversary of the opening of the Musser Museum with public celebrations, special projects and exhibitions, and fellowship with supporters, community leaders, state officials, and relatives of Laura Musser.

* To build creative partnerships with area non-profit organizations, cultural groups, and educational institutions for the purpose of promoting the arts, history, historic preservation, lifelong learning, and other quality of life initiatives. **(City Long-Term Goal)**

* To utilize the city's website to improve marketing and communication to the public and actively participate in the City's efforts to develop a marketing and branding initiative. **(Council and Management Marketing Goal)**

* To implement appropriate concepts presented through Continuous Service Improvement (CSI). **(Council and Management Continuous Service Improvement 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 Marketing Goal)**

* To evaluate the Art Center's website and investigate the time commitment and cost of bringing the collection online.

Function:
Culture and Recreation

Department:
Art Center

Activity:
Art Center Operations

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 255,937	$ 262,835	$ 258,800	$ 266,600	$ 284,100	9.78%
Commodities	6,923	8,643	6,400	7,700	6,400	0.00%
Contractual Services	60,687	43,608	44,400	37,400	37,400	-15.77%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 323,547	$ 315,086	$ 309,600	$ 311,700	$ 327,900	5.91%
Funding Sources						
Art Center Revenues	$ 7,111	$ 4,338	$ 6,200	$ 6,200	$ 6,200	0.00%
Art Center Grant	13,540	21,378	-	13,500	10,000	
Support Foundation Contribution	18,250	17,241	19,300	19,200	20,300	5.18%
Friends of the Art Center Contribution	20,777	22,110	22,100	20,800	20,100	-9.05%
Hotel/Motel Tax	83,925	103,760	85,500	103,750	103,750	21.35%
General Revenues	179,944	146,259	176,500	148,250	167,550	-5.07%
Total Funding Sources	$ 323,547	$ 315,086	$ 309,600	$ 311,700	$ 327,900	5.91%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Positions:						
Art Center Director	1.00	1.00	1.00	1.00	1.00	
Office Coordinator	1.00	1.00	1.00	1.00	1.00	
Art Center Registrar	1.00	1.00	1.00	1.00	1.00	
Total Full Time	3.00	3.00	3.00	3.00	3.00	
Part Time Positions:						
Art Center Aide	1.25	1.00	1.00	1.20	1.38	
Custodian	0.29	0.25	0.25	0.32	0.32	
Total Part Time	1.54	1.25	1.25	1.52	1.70	
Total	4.54	4.25	4.25	4.52	4.70	$ 225,400
Employee Benefits						58,700
Total Personal Services						$ 284,100

Function:	*Department:*
Culture and Recreation	**Parks and Recreation**

Activity:

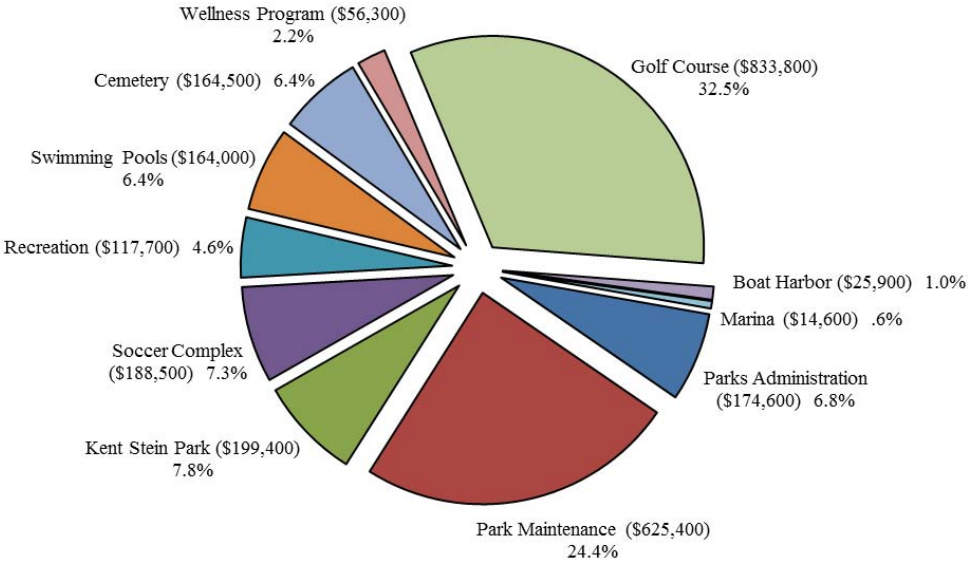
Park Administration

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, Aquatic Center, 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 $12,900 for 2015/2016. 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 2015/2016 budgeted expenditures by activity for the Parks and Recreation Department.

Parks and Recreation Department
2015/2016 Budget by Activity ($2,564,700)



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 2014/2015 revised estimate is $100 less than the original budget due to slight reductions in employee benefit costs.

The 2015/2016 budget is $5,100 (3.0%) higher than the 2014/2015 budget due to increased personal services 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

	Actual 2011/2012	**Actual 2012/2013**	**Actual 2013/2014**	**Estimated 2014/2015**	**Estimated 2015/2016**
Recreation Advisory Commission Meetings	8	8	9	8	8
Department Expenditures - All Divisions	$2,517,146	$2,471,149	$2,521,401	$2,548,600	$2,564,700
Internet Receipts Issued	478	534	553	500	500
Office Receipts Issued	2,157	2,207	2,086	2,000	2,000
Pearl City Station Rentals	107	101	102	100	100
Riverview Center Rentals	82	92	90	90	90
Shelters/Rose Garden Rentals	478	402	420	400	400
Parks Adopted (Calendar Year Basis)	12 (2012)	13 (2013)	18 (2014)	18 (2015)	18 (2016)

RECENT ACCOMPLISHMENTS

Muscatine was one of the ten communities in Iowa awarded the Iowa Department of Natural Resources Sustainable Urban Forestry Grant. This training opportunity will involve city staff and members of the community.

The Park Maintenance division full-time staff was reorganized in the past year. The supervisor stepped down and a Park Maintenance Superindent position was created. The new position will oversee the Park Maintenance, Kent Stein Park, Soccer, and Golf Course maintenance functions. A Maintenance Worker I retired and was replaced by a Landscape Architect. The Leadworker position was eliminated and was replaced with a Maintenance Repairperson position.

The Blue Zones/Leadership Muscatine Community Gardens was developed in Taylor Park with limited success. The concessions at the Aquatic Center, Kent Stein Park, Soccer Complex, and golf course were transitioned into "Blue Zone Friendly" healthier food choice sites with some success.

In the last year the Parks department collaborated with nearly 100 groups and organizations utilizing public facilities and/or programs and facilitated 80 special events using public property. There were over 600 rental requests for shelters, Pearl City Station, and Riverview Center.

Staff worked with two citizen groups to develop a concept plan for trail destination and trail mile markers and also actively participated and attended meetings with the Convention and Visitors Bureau, Chamber, Community Improvement Action Team (CIAT), Safe Streets, and Downtown Action Alliance.

In addition, the Weed Park Maintenance Building project was completed; the new seasonal pay plan was developed and was adopted as part of the budget; the Riverfront ping pong table was ordered and installed; and the FootGolf course was installed at the Municipal Golf Course with 80 people playing this past fall.

Kent Stein Park, the Soccer Complex, and the golf course continue to see consistent requests for tournaments and special events.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016

* To continue the Adopt-A-Park and volunteer recruitment programs.

* To continue service delivery for the parks and recreation system to residents of the community.

* To develop the Central Weed Park Corridor project.

* To advance the Phase III Soccer Development project. **(Council and Management Capital Projects Goal)**

* To assist in advancing the Community Dog Park project. **(Council and Management Capital Projects Goal)**

* 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 take progressive steps to address the Emerald Ash Borer to lessen the impact of lost trees on the community.

* To incorporate the sustainable Urban Forestry Iowa Department of Natural Resources (IDNR) Grant into the park and street tree maintenance programs.

* To continue to facilitate special event requests for use of public property.

* To continue to work cooperatively and jointly with regional associations and agencies to deliver efficient and appropriate services to the community.

* To continue to administer the Kent Stein Park operations, Soccer Complex operations, Marina and Boat Harbor operations, Municipal Golf Course operations, and Aquatic Center operations.

* To administer the rentals of park shelters, Pearl City Station, and Riverview Center.

* To continue to evaluate and make adjustments to programs and special event activities for maximum participation. **(Council and Management Continuous Service Improvement Goal)**

* To continue to work with and support the community Blue Zones initiatives. **(City Council Long-Term Goal)**

* To continue to assist other City departments as requested.

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Park Administration

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 144,708	$ 149,148	$ 154,500	$ 154,400	$ 159,600	3.30%
Commodities	1,391	1,035	1,600	1,600	1,600	0.00%
Contractual Services	12,260	12,935	13,400	13,400	13,400	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 158,359	$ 163,118	$ 169,500	$ 169,400	$ 174,600	3.01%
Funding Sources						
Park Revenues	$ 39,932	$ 39,976	$ 38,400	$ 52,300	$ 38,300	-0.26%
Administrative Fee	11,700	12,100	12,500	12,500	12,900	3.20%
General Revenues	106,727	111,042	118,600	104,600	123,400	4.05%
Total Funding Sources	$ 158,359	$ 163,118	$ 169,500	$ 169,400	$ 174,600	3.01%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Positions/Position Allocations:						
Director of Parks and Recreation	1.00	1.00	1.00	1.00	1.00	
Office Coordinator	0.50	0.50	0.50	0.50	0.50	
Total Full Time	1.50	1.50	1.50	1.50	1.50	
Temporary Part Time Position:						
Office Clerk	0.20	0.20	0.20	0.20	0.20	
Total	1.70	1.70	1.70	1.70	1.70	$ 117,400
Employee Benefits						42,200
Total Personal Services						$ 159,600

Function:	*Department:*
Culture and Recreation	**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 2014/2015 revised estimate is under the budgeted amount by $17,000. This is primarily due to the net effect of (1) a $29,500 savings in personal services costs due to employee vacancies and a staff reorganization during the year, and (2) an increase of $12,000 in capital outlay for the "Re-Leaf Muscatine" program with this cost funded from an Iowa Department of Natural Resources (IDNR) grant.

The 2015/2016 budget is $41,500 (6.2%) less than the original 2014/2015 budget. This decrease is primarily due to (1) a $29,000 reduction in capital outlay, (2) a $7,500 reduction in personal services due to the staff reorganization, and (3) a $6,900 decrease in contractual services. In prior years there was a $5,000 annual allocation in the contractual services area for the YCC youth worker program. This program has been discontinued beginning in 2015. The $5,000 funding amount has been re-directed to seasonal wages and benefits for the 2015/2016 year. This accounts for a portion of decrease in contractual services for the upcoming year.

GOAL STATEMENT

To provide the citizens of the community with a variety of areas and facilities to pursue recreational activities in suitable environments.

PERFORMANCE MEASURES

Focus Maintenance Items:	Actual 2011/2012	Actual 2012/2013	Actual 2013/2014	Estimated 2014/2015	Estimated 2015/2016
Parks	17	17	17	17	17
Park Acres	241	241	241	241	241
Park Shelters	16	16	17 (4)	17	17
Miles of Trail	8.3 (1)	8.3	8.3	9.2 (7)	9.2
Playgrounds	12	12	12	12	12
Buildings	12	12	12 (5)	11 (6)	11
Basketball Courts	5	5	5	5	5
Tennis Courts	10	8 (2)	8	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	10.9 (3)	10.9	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	140	140	140	140	140

1. The trail from Weed Park north to Solomon Avenue was added in 2011.
2. Reflects the removal of the tennis shelter courts.
3. 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.
4. The Trail Shelter in Weed Park was donated in 2013.
5. The new Maintenance Shop was under construction in 2013/2014.
6. Anticipate tearing down the old Zoo shop.
7. Cedar Street Trail from High School to Parham will be added.

RECENT ACCOMPLISHMENTS

The Parks Maintenance staff again supported the many events that took place in the community, both public and private. These ranged from Great River Days to weddings in the parks. This division supported community volunteers with projects including the Day of Caring with six projects, two Eagle Scout projects clearing brush along the Greenbelt, and supporting Zoo Garden volunteers. The department supported 90 Riverview Center, 102 Pearl City Station, and 420 shelter rentals. Staff also assisted with the City's Deer Deprivation Program by qualifying 36 prospective hunters.

The department supported other divisions and departments with projects such as assisting Kent Stein with tree clearing and mowing Slough banks, supported the Art Center for their Ice Cream Social, and assisted the Recreation division with program preparations including the candy cane hunt, volleyball league court maintenance, Aquatic Center maintenance, and winter sport program equipment moves. Staff also assisted Public Works by mowing weeds along the Morgan Building.

The new Park Maintenance Building in Weed Park was completed this year.

The department took on additional snow removal responsibilities for sidewalks on public properties along Cedar Street, Hershey Avenue, and Grandview Avenue; conducted maintenance training for staff assisted by Muscatine Community College; continued the hanging flower basket program for downtown increasing baskets to 38; replaced two downtown trees because of failure; and cleaned and maintained plant beds in the five downtown parking lots.

On the Riverfront, staff repainted the restroom interiors near the playground and repainted trash cans around the playground. Staff also installed four new metal receptacles between Cedar Street and Iowa Avenue and set up and maintained an ice rink. Staff mulched plant beds after the flood and reseeded riverfront turf areas killed off by flood water. Trail sections along the riverfront and River Road were cleared of flood debris and power washed. New lettering that identifies riverfront buildings was installed on Riverview Center and Pearl City Station.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016

* To continue to train new full-time staff on division operations.

* 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. **(Council and Management Continuous Service Improvement Goal)**

* To continue improvements to the Disc Golf Course.

* To continue Lean initiatives training and discussions within the department. **(Council and Management Continuous Service Improvement Goal)**

* To continue to operate within approved budgets.

* To initiate a time to task analysis based on standard operating procedures, man hours available, and task requirements. **(Council and Management Continuous Service Improvement Goal)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Park Maintenance

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 448,808	$ 459,801	$ 495,500	$ 466,000	$ 488,000	-1.51%
Commodities	52,178	66,718	55,200	57,000	57,100	3.44%
Contractual Services	77,033	72,437	67,200	60,400	60,300	-10.27%
Capital Outlay	28,656	78,042	49,000	66,500	20,000	-59.18%
Transfers	-	436	-	-	-	
Total Expenditures	$ 606,675	$ 677,434	$ 666,900	$ 649,900	$ 625,400	-6.22%
Funding Sources						
General Revenues	$ 565,423	$ 658,435	$ 596,900	$ 563,300	$ 603,400	1.09%
Grants	-	-	-	14,000	-	
Donations	23,151	898	-	-	-	
Road Use Taxes	18,101	18,101	70,000	72,600	22,000	-68.57%
Total Funding Sources	$ 606,675	$ 677,434	$ 666,900	$ 649,900	$ 625,400	-6.22%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Positions:						
Park Maintenance Superintendent	-	-	-	0.25	0.80	
Park Maintenance Supervisor	1.00	1.00	1.00	0.75	-	
Park Maintenance Leadworker	1.00	1.00	1.00	-	-	
Maintenance Repairperson	1.50	1.50	1.50	2.50	2.50	
Maintenance Worker I	2.00	2.00	2.00	1.67	1.00	
Groundskeeper	0.50	0.50	0.50	0.83	1.50	
Total Full Time	6.00	6.00	6.00	6.00	5.80	
Temporary Part Time Positions:						
Seasonal Laborer	0.68	0.68	0.68	0.72	-	
Seasonal Equipment Operator	0.92	0.92	0.92	1.12	1.61	
Seasonal Groundskeeper	1.25	1.25	1.25	1.56	1.51	
Seasonal Equipment Operator (Right-of-Way Mowing)	0.72	0.75	0.75	0.78	0.75	
Total Part Time	3.57	3.60	3.60	4.18 (1)	3.87 (2)	
Total	9.57	9.60	9.60	10.18	9.67	$ 348,100
Employee Benefits						139,900
Total Personal Services						$ 488,000

1. Seasonal positions in the Revised Estimate increased due to fulltime vacancies and also due to adding 280 hours for the last half of the fiscal year since the YCC youth worker program was discontinued beginning in calendar year 2015.
2. Seasonal positions for 2015/2016 increased due to adding 540 hours since the YCC youth worker program was discontinued.

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Rip Rap Replacement Around Harbor Inside Wall by the Sidewalk	1	Yes	$ 20,000

Capital Outlay - Equipment Replacement Fund			
Item	***Quantity***	***Replacement***	***Amount***
Mower (Weed Park)	1	Yes	$ 35,000
Pickup Truck with Snow Plow	1	Yes	35,000
			$ 70,000

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 2014/2015 is under the original budget by $1,700 due to decreased personal services costs with the staff reorganization implemented during the year.

The 2015/2016 budget is $10,200 (5.4%) more than the 2014/2015 budget due to a $9,000 increase in personal services and a $1,200 increase in capital outlay. The personal services increase includes a full year with the fulltime staff reorganization and new seasonal pay plan.

GOAL STATEMENT

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

PERFORMANCE MEASURES

Calendar Year Basis	Actual 2012	Actual 2013	Actual 2014	Estimated 2015	Estimated 2016
Ball Diamonds Maintained	20	20	20	20	20
Total Hours of Usage*	6,789	7,131	6,634	6,800	6,800
Number of Tournaments	21	25	23	23	23
Number of Leagues/Camps	25	25	26	26	26
Concession Revenue	$12,441	$11,814	$10,351	$10,500	$10,500
Total Revenues	$43,963	$46,222	$47,867	$48,200	$48,200

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

RECENT ACCOMPLISHMENTS

This past season was one of the greatest seasons for growing turf in the state with moderate temperatures throughout most of the season and plenty of rainfall at the right times. The spring tournaments were all completed with little disruption from Mother Nature. Staff had an opportunity to plant several new trees and shrubs that filled in great with the nice weather.

Early this fall staff completed the fence repair project that started early last winter. Thicker mesh fences with protective braces were installed on the backstops and behind the warm-up mounds to help prevent future damage. All low areas under the fences were fixed and soil was added to the areas to help prevent balls from escaping under the fences. Staff continues to fix fences as repairs are needed to help create a safe environment.

Again this past season efforts continued to increase use in the fall of the entire facility. Five diamonds were used for soccer practices in the outfields. A developmental league run by a local user group was also conducted in the outfields. Goals were brought over from the Soccer Complex and staff was able to provide high quality practice fields for the local soccer teams. Staff moved the practices and goals around to limit the amount of wear in these outfields, but with the large amount of usage, there has been a reduction in quality on these diamonds from the practices. The Parks and Recreation football skills clinic was also held 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 a group of employees from Central State Bank, as part of the United Way's Day of Caring, helped mulch all of the trees and flower beds throughout the park. Mulch was brought in by Freers and Sons Tree Service and spread by the employees. Working with groups like this has continued to help provide a high quality facility to the community.

This past year the Parks and Recreation staff continued the Adopt-A-Park program at Taylor Park. Gary Bean, a nearby resident of Taylor Park, adopted the park five years ago and again this past season mowed the entire park twice a week or as needed in the summer months versus once a week with 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 to minimize labor from seasonal staff at Taylor Park.

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

Once again this past season the department continued to struggle finding quality seasonal staff. The Athletic Facilities Manager assisted in the review of the current seasonal pay plan and the development of a new plan. This plan was adopted by City Council as part of the 2015/2016 budget.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016

* 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 replacing 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 by adding an asphalt surface (subject to funding).

* To stabilize the south bank of the Muscatine Slough by rip-rapping the bank.

* 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 Continuous Service Improvement Goal)**

* To explore and implement "Lean" initiatives. **(Council and Management Continuous Service Improvement Goal)**

* To work with the Hinman family property donation to develop a multi-use open green space (subject to funding).

* To continue to recognize and build on the positive economic impact of this facility to the community. **(Council and Management Long-Term Goal)**

* To continue to work with the Muscatine Community College (MCC) and the Muscatine Community School District (MCSD) to maintain the turf at and around Bruner Field. **(City Council Long-Term Goal)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Kent Stein Park Operations

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 124,400	$ 126,656	$ 132,500	$ 130,800	$ 141,500	6.79%
Commodities	44,673	43,388	48,500	48,500	48,500	0.00%
Contractual Services	8,691	8,015	8,200	8,200	8,200	0.00%
Capital Outlay	3,593	29,946	-	-	1,200	
Transfers	-	-	-	-	-	
Total Expenditures	$ 181,357	$ 208,005	$ 189,200	$ 187,500	$ 199,400	5.39%
Funding Sources						
Park Revenues	$ 33,123	$ 41,093	$ 38,700	$ 40,700	$ 40,700	5.17%
Housing Reimbursement	7,250	5,500	7,500	7,500	7,500	0.00%
General Revenues	140,984	161,412	143,000	139,300	151,200	5.73%
Total Funding Sources	$ 181,357	$ 208,005	$ 189,200	$ 187,500	$ 199,400	5.39%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Positions/Position Allocations:						
Park Maintenance Superintendent	-	-	-	0.03	0.10	
Athletic Facilities Manager	0.50	0.50	0.50	0.38	-	
Maintenance Repairperson	0.12	0.12	0.12	0.29	0.62	
Maintenance Worker I	0.50	0.50	0.50	0.50	0.50	
Total Full Time	1.12	1.12	1.12	1.20	1.22	
Seasonal Part Time Positions:						
Lead Groundskeeper	0.75	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	
Total Part Time	2.73	2.73	2.73	2.73	2.73	
Total	3.85	3.85	3.85	3.93	3.95	$ 108,600
Employee Benefits						32,900
Total Personal Services						$ 141,500

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Chalker	2	Yes	$ 1,200

Function:	*Department:*
Culture and Recreation	**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. Through February of 2015 the maintenance and operation of this facility was coordinated by the Athletic Facilities Manager who also managed the operation of Kent Stein Park located adjacent to the soccer complex. The Athletic Facilities Manager was promoted to Park Superintendent effective March 1, 2015. The Park Superintendent will continue to have oversight responsibilities for this facility and 10% of his wages and benefit costs will be charged to this budget. The reorganization also included promoting the Maintenance Worker I to Maintenance Repairperson with 50% of the position charged to the Soccer budget and 50% to the Kent Stein Park budget. A new Maintenance Worker I will be hired to complete the reorganization with this position also allocated 50% to Soccer and 50% to Kent Stein Park. Two part-time seasonal employees are also involved in the maintenance of the soccer complex and additional part-time employees serve as on-site supervisors during special events at the complex. The Park Superintendent also has oversight responsibilities at the Golf Course and approximately 15% of his time is being allocated to the Golf Course in the form of an administrative fee.

The revised estimate for 2014/2015 is $1,900 less than the budgeted amount. This overall decrease is primarily due to the staff reorganization during the year.

The 2015/2016 budget is $16,000 (7.8%) less than the 2014/2015 budget primarily due to a $24,200 reduction in capital outlay. Personal services costs for 2015/2016 increased by $5,700 due to the staff reorganization and a full year with the new seasonal pay plan. Contractual services also increased by $2,500 due to an allocation to replace tires on the tractor. The Soccer Complex is entering its 22nd season of operation. The continued quality of the facility is what sets it apart from others across the state.

GOAL STATEMENT

To effectively manage and maintain a municipal soccer facility, to utilize the facility to best serve the growing soccer interest within the community, and to utilize the facility in a manner to attract regional and state-wide soccer activities.

PERFORMANCE MEASURES

Calendar Year Basis	Actual 2012	Actual 2013	Actual 2014	Estimated 2015	Estimated 2016
Number of Fields Maintained	8	8	8	8	8
Hours of Use for Games	2,807	2,509	2,832	2,700	2,700
Number of Tournaments *	24	22	21	21	21
Concession Commissions	$12,871	$6,620	$7,608	$7,100	$7,100
Total Revenues	$46,214	$38,424	$42,683	$40,000	$40,000
Number of Leagues/Camps	23	23	23	23	23

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

RECENT ACCOMPLISHMENTS

This past season started off with a cold spring and some winter kill due to the long and rough winter. However, it quickly grew into one of the best years for growing turf in the State of Iowa. Plentiful sun, cooler summer temperatures, and timely rainfalls made for terrific growing conditions. The fields were in great shape throughout the spring and summer months for all games and tournaments. In the fall, four straight weekends of heavy rainfall during both games and tournaments caused severe wear throughout all 8 fields. With a very early winter this year, the fields did not have time to fully recover from the extreme wear.

New countertops were installed in both the men's and women's restrooms this fall. The new countertops are solid surface, which will help staff easily clean and maintain the area.

This past spring a wildflower mix was seeded on the North bank along Hershey Avenue where staff is unable to mow and string trimming is very difficult and unsafe. A few of the wildflower species germinated and grew. Staff will continue to add the wildflower mix again this coming spring.

This fall the landscape bed on the North end of the parking lot was re-landscaped. The large shrubs along the backside of the bed were beginning to rot and fall down so they were completely removed and arborvitaes were planted in their place. Soccer staff will continue to plant other species in this area to help provide a quality landscape bed.

Once again this past season the department struggled to find quality seasonal staff. The Athletic Facilities Manager assisted in the review of the current seasonal pay plan and the development of a proposed new plan. This plan was adopted by City Council as part of the 2015/2016 budget.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016

* To secure funding for and begin construction of Phase III of the Soccer Complex (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 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 Continuous Service Improvement Goal)**

* To explore and implement "Lean" initiatives. **(Council and Management Continuous Service Improvement Goal)**

* To continue to recognize and build on the positive economic impact of this facility to the community. **(Council and Management Long-Term Goal)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Soccer Complex Operations

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 99,372	$ 103,325	$ 105,700	$ 103,400	$ 111,400	5.39%
Commodities	66,928	62,287	67,200	67,700	67,200	0.00%
Contractual Services	4,286	6,842	4,600	4,600	7,100	54.35%
Capital Outlay	14,877	9,298	27,000	26,900	2,800	-89.63%
Transfers	-	-	-	-	-	
Total Expenditures	$ 185,463	$ 181,752	$ 204,500	$ 202,600	$ 188,500	-7.82%
Funding Sources						
Park Revenues	$ 39,626	$ 40,944	$ 38,000	$ 40,000	$ 40,000	5.26%
Golf Administrative Fees	12,400	12,800	13,200	13,200	13,600	3.03%
General Revenues	133,437	128,008	153,300	149,400	134,900	-12.00%
Total Funding Sources	$ 185,463	$ 181,752	$ 204,500	$ 202,600	$ 188,500	-7.82%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Positions/Position Allocations:						
Park Maintenance Superintendent	-	-	-	0.03	0.10	
Athletic Facilities Manager	0.50	0.50	0.50	0.38	-	
Maintenance Repairperson	0.13	0.13	0.13	0.30	0.63	
Maintenance Worker I	0.50	0.50	0.50	0.50	0.50	
Total Full Time	1.13	1.13	1.13	1.21	1.23	
Seasonal Part Time Positions:						
On-Site Supervisor	0.41	0.41	0.41	0.41	0.41	
Seasonal Equipment Operator	0.35	0.35	0.35	0.35	0.35	
Seasonal Groundskeeper	0.74	0.74	0.74	0.74	0.74	
Total Part Time	1.50	1.50	1.50	1.50	1.50	
Total	1.50	1.50	1.50	1.50	1.50	$ 83,400
Employee Benefits						28,000
Total Personal Services						$ 111,400

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Edger	1	Yes	$ 2,800

Function:	*Department:*
Culture and Recreation	**Parks and Recreation**

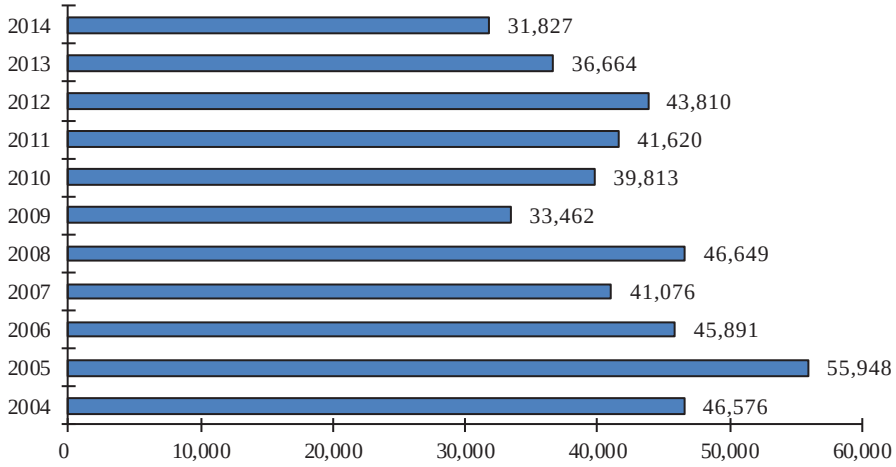
Activity:

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. Since then it has varied from approximately 31,800 to 46,600. Much of the fluctuation can be attributed to the weather each summer. The 2012 summer was hot and dry with few rain days which resulted in increased attendance to 43,810. For the 2013 season, however, attendance decreased to 36,664 primarily due to the number of rain days in June. Attendance in 2014 decreased to 31,827, again primarily due to weather conditions. In addition to recreational swimming, the Parks and Recreation department 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 2014/2015 is over the budgeted amount by $13,900 due to increased capital outlay. Capital purchases in the revised estimate total $14,600 with funding for these purchases carried forward from the 2013/2014 budget. The funds carried forward were for interior maintenance of the five slides at this facility.

The 2015/2016 budget is $2,900 (1.8%) higher than the 2014/2015 budget. The budget includes increased personal services of $2,900 and increased capital outlay of $5,500. These increases were partially offset by a decrease of $5,500 in contractual services. The contractual services decrease is due to the phase-out of the maintenance subsidy to the school for Carver Swim Center as further discussed below. The 2015/2016 year will be the twelfth 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 has been 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 established non-resident rates for Aquatic Center season passes. These rates are $25 higher than the rates for City residents. Non-resident fees for Aquatic Center admissions and other recreational programs were implemented in 2012.

GOAL STATEMENT

To utilize the Weed Park Aquatic Center to maximum potential, and to offer to the Muscatine community a well-balanced program of aquatic activities.

PERFORMANCE MEASURES

	Actual 2012	**Actual 2013**	**Actual 2014**	**Estimated 2015**	**Estimated 2016**
Aquatic Center Attendance	43,810	36,664	31,827	35,000	35,000
Swim Lesson Enrollment	257	286	270	290	290
Season Passes Sold	152	89	118	130	130
Number of Pool Rentals	86	96	92	100	100
Special Events Attendance	334	251	704	750	750
Scholarship Pass Recipients	706	700	708	700	700

RECENT ACCOMPLISHMENTS

The swim lesson program at the Aquatic Center continued to have strong numbers with 270 participants this season. 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 held again this year and saw great attendance.

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 are able to come in 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 and the Muscatine Municipal Golf Course staff also attended the training.

Team building and staff ownership was continued at the Aquatic Center in the summer of 2014. 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 the staff as a team and showed how many times they had to jump in to make a save. Staff watched footage of an actual drowning that occurred in California in 2005 and talked as a group about the situation and what their role is at the Aquatic Center 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.

Despite a colder summer, season pass sales were up this year. However, open swim numbers were down. Scheduled activities such as lap swim, swim lessons, and pool rentals continued to have strong numbers.

A new pay plan was proposed for seasonal staff and this plan was adopted by City Council as part of the 2015/2016 budget. The new pay plan features an increase in starting pay and a 5-year step increase plan in an effort to continue to attract and maintain quality seasonal staff.

The 3-year phase out of the Carver Swim Center agreement is now complete.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016

* To continue to evaluate programs and usage of the Aquatic Center to maximize utilization and revenue. (**Council and Management 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 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 Continuous Service Improvement Goal)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Swimming Pools

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 104,491	$ 112,928	$ 115,900	$ 115,700	$ 118,800	2.50%
Commodities	27,565	17,548	22,800	22,800	22,800	0.00%
Contractual Services	30,284	26,185	22,400	21,900	16,900	-24.55%
Capital Outlay	4,876	19,600	-	14,600	5,500	
Transfers	-	-	-	-	-	
Total Expenditures	$ 167,216	$ 176,261	$ 161,100	$ 175,000	$ 164,000	1.80%
Funding Sources						
Swimming Pool Revenues	$ 133,095	$ 139,062	$ 136,700	$ 136,700	$ 136,700	0.00%
General Revenues	34,121	37,199	24,400	38,300	27,300	11.89%
Total Funding Sources	$ 167,216	$ 176,261	$ 161,100	$ 175,000	$ 164,000	1.80%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Seasonal Part Time Positions:						
Swimming Pool Manager	1	1	1	1	1	
Assistant Pool Manager	2	2	2	2	2	
Lifeguard	27	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	
Total	50	50	50	50	50	$ 106,300
Employee Benefits						12,500
Total Personal Services						$ 118,800

Capital Outlay

Item:	*Quantity*	*Replacement*	*Amount*
Automatic Pool Vacuum	1	Yes	$ 5,500

Function:	*Department:*
Culture and Recreation	**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 2014/2015 revised estimate is $100 less than the original budget due to a slight reduction in employee insurance costs.

The 2015/2016 budget is $4,500 (4.0%) higher than the 2014/2015 budget due to increased personal services costs.

GOAL STATEMENT

To provide the citizens of Muscatine with the opportunity to participate in a wide variety of quality recreational activities through the provision of programs, facilities, and the cooperation of various community organizations.

PERFORMANCE MEASURES

	Actual 2012	**Actual 2013**	**Actuals 2014**	**Estimated 2015**	**Estimated 2016**
Adult Programs Offered (Including Leagues)	22	19	20	21	22
Children's Programs Offered	43	41	41	43	44
Adult Program Participants	817	1,510	1,688	1,700	1,700
Children's Programs Participants	2,274	2,827	2,779	2,900	2,900
New Programs Offered	6	2	2	3	4
Volleyball League Teams	46	36	36	38	40

RECENT ACCOMPLISHMENTS

During the winter of 2013-2014, several activities were held including the Winter Break Shooting Camp, Boys Basketball Clinic, baseball and softball clinics, and soccer clinics. The adult volleyball recreation and power leagues continued with strong numbers.

In January of 2014 the Recreation Extravaganza was held again at the Muscatine Mall. This event was an opportunity to show the community not only what programming the Parks and Recreation department had to offer but was also a chance for the community to meet the non-profit recreation based organizations in the community. Approximately 150 people attended the Extravaganza. This event helped draw attention to the Muscatine Walking Club and the Million Minute Challenge. The Club has almost reached its million minutes with nearly 900 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, softball and soccer clinics held in January and February. BlastBall!, a pre-tee-ball program for 3-6 year olds, was again held on two different days to accommodate all of those interested.

Summer programs such as Tee-Ball, Tennis Lessons, Tot Lot and the Family Bike Ride were all well attended. The Adult Sand Volleyball League had 16 total teams. The summer version of BlastBall! was moved from morning hours to evening hours and saw an increase in participation.

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

In October, a Fire Pit Progressive Dinner was held in conjunction with the Muscatine Healthy Living Festival. This event saw nearly 200 people walk and sample food from 6 different fire pit stations in the upper loop of Weed Park.

In October, the Fall Festival was held once again at the Muscatine Mall. Participation was the highest it has been with nearly 400 attending. There are 20 volleyball teams currently participating in the adult leagues. More effort has been put towards advertising the program to young adults to increase participation. The Turkey Trot had another strong turnout with 80 participating. This number has continued to be strong for the past four years. The volleyball clinic for 3rd and 4th grade students was held again this fall and had such a high demand that additional spots were opened in the class. 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 held their third Candy Cane Hunt. Similar to an Easter egg hunt, children look for candy canes, including a few special ones that can be redeemed for toys. This year it was held on the same night as the downtown Holiday Stroll. There were nearly 350 participants at the Candy Cane Hunt on the Riverfront. The Elves Workshop was held at the Muscatine Mall in December. These events, like others held throughout the year, are offered at no cost and are paid for through sponsorships from local businesses.

A new pay plan was proposed for seasonal staff and it was adopted by City Council as part of the budget. The new pay plan features an increase in starting pay and a 5-year step increase plan to continue to attract and maintain quality seasonal staff.

OBJECTIVES TO BE ACOMPLISHED IN 2015/2016

* 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 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 staff for continuation of office and golf course operations services.

* To continue to look for technological ways to market programs. **(Council and Management Continuous Service Improvement Goal)**

* To explore and implement "Lean" initiatives in the Recreation division. **(Council and Management Continuous Service Improvement Goal)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Recreation

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 95,109	$ 89,576	$ 98,700	$ 98,600	$ 103,200	4.56%
Commodities	7,898	6,766	7,600	7,600	7,600	0.00%
Contractual Services	11,141	4,247	6,900	6,900	6,900	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 114,148	$ 100,589	$ 113,200	$ 113,100	$ 117,700	3.98%
Funding Sources						
Recreation Fees	$ 63,891	$ 57,044	$ 50,500	$ 53,200	$ 53,200	5.35%
General Revenues	50,257	43,545	62,700	59,900	64,500	2.87%
Total Funding Sources	$ 114,148	$ 100,589	$ 113,200	$ 113,100	$ 117,700	3.98%

Personnel Schedule	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Positions:						
Program Supervisor	1.00	1.00	1.00	1.00	1.00	
Seasonal Part Time Positions:						
Various Instructors, Supervisors and Program Directors	23.00	23.00	23.00	23.00	23.00	
Total	24.00	24.00	24.00	24.00	24.00	$ 81,400
Employee Benefits						21,800
Total Personal Services						$ 103,200

Function:	*Department:*
Culture and Recreation	**Parks and Recreation**

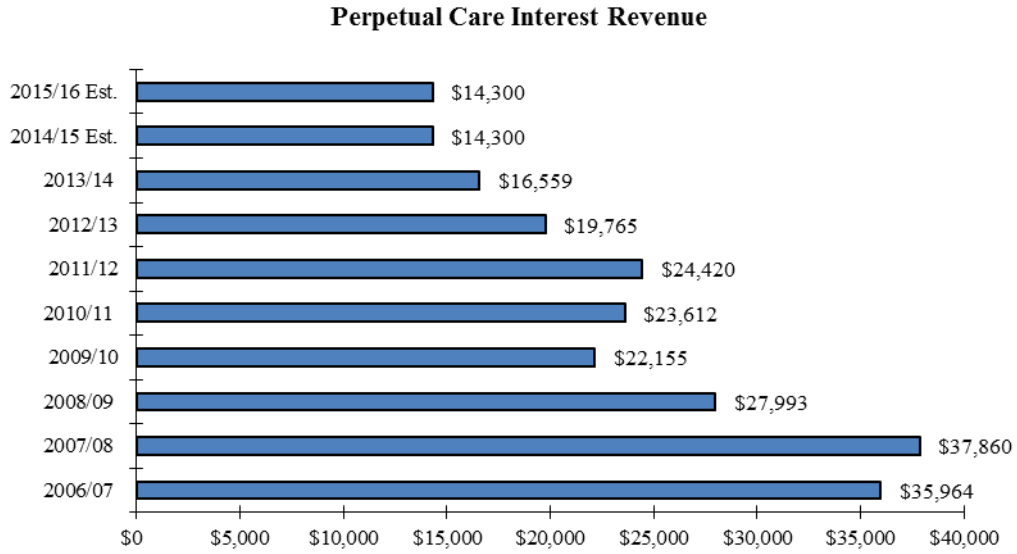
Activity:

Cemetery

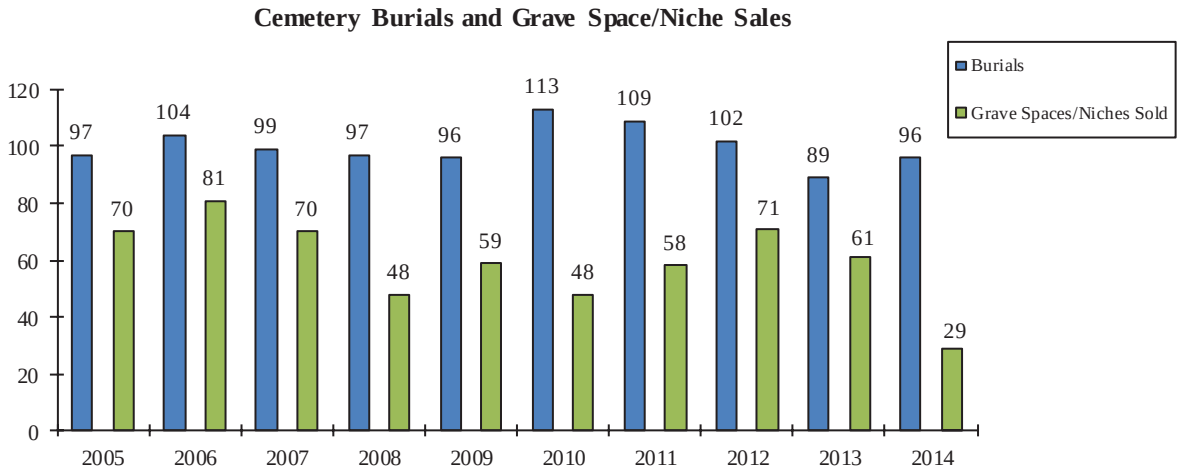
GENERAL INFORMATION

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 2006/2007 through 2013/2014 and the estimated amounts for 2014/2015 and 2015/2016 are follows:



The principal balance in the Perpetual Care Fund on June 30, 2014 was $856,000, but as noted previously, this amount cannot be utilized for cemetery operations, only interest earned on the balance may be used.



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 $37,800 is expected to be needed to cover the operating costs of the cemetery for 2014/2015 and this subsidy is estimated to be $39,900 for 2015/2016. 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 2014/2015 revised estimate is under the budgeted amount by $400 primarily due to reduced fuel costs.

The 2015/2016 budget is $1,700 (1.0%) higher than the 2014/2015 budget primarily due to increased personal services costs. Personal services costs increased by $3,900. This increase includes funds for the implementation of the new seasonal pay plan. The personal services increase was partially offset by a $2,200 decrease in capital outlay.

GOAL STATEMENT

To provide a cemetery facility with aesthetic surroundings for the interment of deceased in a manner which meets the needs of the family and relatives.

PERFORMANCE MEASURES

Fiscal Year Basis	Actual 2011/2012	Actual 2012/2013	Actual 2013/2014	Estimated 2014/2015	Estimated 2015/2016
Burials:					
Casket	79	60	62	60	60
Cremains	26	17	29	24	24
County	7	4	9	9	9
Total Burials	112	81	100	93	93
Grave Spaces Sold	52	44	42	56	56
Columbarium Niches Sold	5	4	2	3	2
Acres Maintained	80	80	80	80	80
Perpetual Care Interest (Fiscal Year Ending June 30)	$24,420	$19,765	$16,559	$14,300	$14,300
General Fund Subsidy (Fiscal Year Ended June 30)	$5,410	$15,279	$30,038	$37,800	$39,900

RECENT ACCOMPLISHMENTS

Staff continues to do a great job maintaining the cemetery grounds, again receiving no major complaints during the past year. Cemetery staff continues to evaluate the trees and bushes located in the Cemetery for health and maintenance needs and addressing issues as identified or as requested.

The department again strengthened its relationship with the Muscatine School District having students assist staff with spring and fall cleanup activities. Cemetery staff continued to assist other Park divisions when Cemetery mowing activities were caught up.

It has been noticed that there is an increasing trend for Saturday burials with 11 in 2014 and 12 the prior year. The cross training of staff has assisted in spreading the weekend burial work between staff members. With funeral homes knowing of the acceptance of this practice, it is anticipated that this trend will continue.

During the past year staff completed the cleanup of illegally dumped debris from around the hillside of the annexed area; planted 75 trees along Fletcher as a tree nursery; installed drainage tile from the shop driveway to the street to alleviate standing water when it rains; and repaired the water main that runs throughout the cemetery in two places.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016

* To begin the waterline mapping project.

* To paint the wood eves, soffits, and dormers of the chapel.

* To complete the Internet connection to the shop.

* To conduct a tree inventory and update the plan for Ash trees.

* To identify and establish a new section of the cemetery for County burials.

* To upgrade plant beds around the Columbarium.

* To continue foundation repairs in the 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 Continuous Service Improvement Goal)**

* To continue cross training of other park division staff in the Cemetery operation.

* To continue the evaluation of seasonal staffing needs.

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Cemetery Operations

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 111,197	$ 116,413	$ 124,300	$ 123,100	$ 128,200	3.14%
Commodities	20,305	18,297	19,200	19,000	19,400	1.04%
Contractual Services	16,412	18,167	17,100	17,300	16,900	-1.17%
Capital Outlay	-	2,865	2,200	3,000	-	-100.00%
Transfers	-	-	-	-	-	
Total Expenditures	$ 147,914	$ 155,742	$ 162,800	$ 162,400	$ 164,500	1.04%
Funding Sources						
Cemetery Revenues	$ 110,299	$ 109,145	$ 110,100	$ 110,300	$ 110,300	0.18%
Perpetual Care Interest	19,765	16,559	13,500	14,300	14,300	5.93%
Donation	2,571	-	-	-	-	
General Revenues	15,279	30,038	39,200	37,800	39,900	1.79%
Total Funding Sources	$ 147,914	$ 155,742	$ 162,800	$ 162,400	$ 164,500	1.04%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Positions/Position Allocations:						
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	
Total Full Time	1.00	1.00	1.00	1.00	1.00	
Seasonal Part Time Positions:						
Seasonal Equipment Operator	2.46	2.46	2.46	2.46	2.46	
Total Part Time	2.46	2.46	2.46	2.46	2.46	
Total	3.46	3.46	3.46	3.46	3.46	$ 94,700
Employee Benefits						33,500
Total Personal Services						$ 128,200

Function: **Health and Social Services**

Department: **Legislative and Council**

Activity:

Economic Well-Being

GENERAL INFORMATION

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

As the federal and state governments have reduced subsidies for social programs, the City has experienced increases in requests for assistance from local agencies which provide social service programs. The agency allocations for the past five (5) years and the budgeted subsidies for 2015/2016 are as follows:

Agency	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	Budget 2015/2016
Senior Resources*	$ 17,800	$ 17,800	$ 20,000	$ 20,000	$ 20,000	$ 20,000
MCSA Homeless Prevention Program	0	0	0	0	0	25,000
	$ 17,800	$ 17,800	$ 20,000	$ 20,000	$ 20,000	$ 45,000

* 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 was increased to $20,000 in 2012/2013 and that funding level was continued through 2014/2015. Senior Resources requested a $30,000 subsidy for 2015/2016; however the subsidy was maintained at $20,000 for 2015/2016.

For the 2015/2016 budget, the City received a request for funding from the Muscatine Center for Social Action (MCSA) for their new Homeless Prevention Navigator/Homeless Prevention Program. The budget includes a one-time commitment of $25,000 for this program.

Function:
Health and Social Services

Department:
Legislative and Council

Activity:

Economic Well-Being

	Actual 2012/2013	Actual 2013/2014	Budget 2013/2014	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	20,000	20,000	20,000	20,000	45,000	125.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 45,000	125.00%
Funding Sources						
General Revenues	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 45,000	125.00%

Function:	*Department:*
Community and Economic Development	**Community Development**

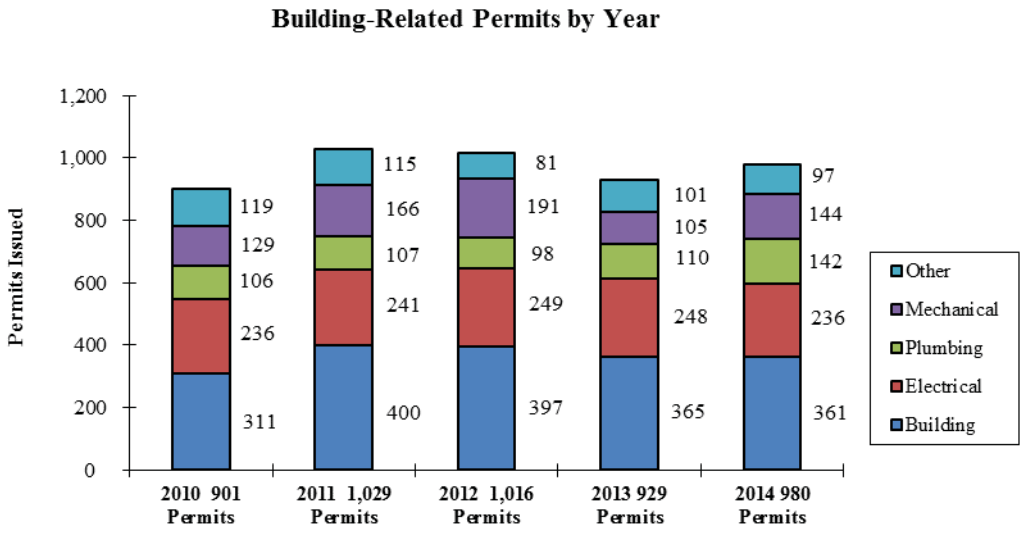
Activity:

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:



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 2014/2015 revised estimate is $16,700 higher than the original budget. Personal services costs are $4,700 more than budgeted primarily due increased costs from the transition to the new Community Development Director. There was an overall net increase of $12,000 in other areas of the budget with the most significant being (1) $3,100 for relocation costs for the new Community Development Director, (2) $5,000 for increased nuisance abatement costs, (3) $2,700 for instructor costs for the ServeSafe class with this cost funded from class fees, and (4) $1,200 in increased vehicle maintenance costs. Nuisance abatement costs are billed to property owners and if not paid, are assessed against the properties.

The 2015/2016 budget is $25,100 (3.6%) higher than the 2014/2015 budget. This increase includes (1) $12,000 for estimated payments on a new hosted software system for the department with the specific system yet to be selected, (2) $2,700 for the instructor for the ServeSafe class to be funded from class fees, (3) $4,700 in increased personal services costs, (4) a $2,000 increase for travel and education including training costs for new staff, and (5) a $3,700 net increase in other line items.

The 2015/2016 budget includes an additional 29 hour/week position for the new rental housing registration and inspection program. The cost of this position is estimated at $31,200 and this amount is expected to be funded from increased fees from the new program.

GOAL STATEMENT

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

PERFORMANCE MEASURES

	Actual 2011/2012	Actual 2012/2013	Actual 2013/2014	Estimated 2014/2015	Estimated 2015/2016
Building Permits Issued - Building, Plumbing, Electrical, HVAC, Accessibility, Energy, Sign, Percolation, Excavation, Sidewalk, Curb Cut, Occupancy, Tree, Demolition, House Moving, Foundation	998	962	987	960	950
Building Permit Fees	$186,840	$271,940	$243,806	$265,000	$265,000
Building Inspections - Electrical, Building, Plumbing, and HVAC	4,215	3,882	4,481	4,100	4,250
Site and Building Plan Reviews	10	10	13	21	25
Certificates of Occupancy	15	16	4	12	20
Rental Housing Inspections	998	910	858	1,250	1,100
Rental Housing Inspection Fees	$36,765	$38,300	$29,380	$35,000	$70,000
Health Permits - Food Service (Restaurants), Retail Food Establishments (Grocery), and Hotel/Motels	209	222	209	200	200
Health Permit and Citation Fees	$34,807	$33,718	$34,657	$36,000	$36,000
Health Inspections - Food Service (Restaurants), Food Establishments (Grocery), Pre-Opening, Complaints, and Hotel/Motels	N/A	236	180	200	220
Other Health Permits - Temporary Food Service, Tanning Salons, Swimming Pools, and Tattoo Parlors	N/A	N/A	95	75	90
Other Health Permit and Citation Fees	$5,216	$2,472	$1,685	$2,000	$2,000
Other Health Inspections –Temporary Food Service, Tanning Salons, Swimming Pools, and Tattoo Parlors	N/A	27	30	30	35
Nuisance Complaints - Weeds, Snow, Junk Car, Debris, Garbage, Water, and Vectors	4,097	3,022	2,829	2,750	2,675
Writ of Possessions	16	13	18	20	20
Properties Posted	102	177	156	100	100
Vehicles Towed/Impounded	12	8	20	24	18
Nuisance Citations/Assessment Fees	$108,738	$69,414	$77,136	$60,000	$60,000
Planning & Zoning Commission Meetings	8	6	5	6	8
Zoning Board of Adjustment Meetings	8	8	8	8	7
Rezoning Requests Processed	6	4	0	1	3
Subdivision Requests Processed	5	4	5	4	5
Vacated Property Requests Processed	2	3	1	1	1
Community Development and Airport Grants Administered	6	3	4	5	6

Note - The number of building inspections are based on a formula for inspections for a new construction permit (residential 19, commercial 23, industrial 50) and for a remodel permit (residential 6, commercial 27). An electronic data system will be installed in 2015 to track actual inspections.

RECENT ACCOMPLISHMENTS

The Community Development department has concluded the smooth transition from the retired Community Development Director to his successor.

A new TIF District was created in the Northeast area of the community for retail development and future industrial business expansion. The department is also in the final stages of creating a for-profit Development Corporation and a Community Development Trust for initiating housing programs and other projects within the downtown area.

A proposed new rental housing registration and inspection plan and ordinance was developed by the department. This program and ordinance has been reviewed with City Council and the ordinance change will be included in the City Code update to be considered by City Council in the spring of 2015. For this program, one new 29 hour/week Community Services Officer is needed and has been included in the budget to assist with implementation of this program and to address the backlog of rental housing inspections. The backlog is the result of increasing the quality of health inspections of food establishments and lack of manpower to do both programs at proper levels with existing staff.

The department is developing a public-private partnership with a local company to develop a multi-modal transportation center with three modes of transportation including rail, truck, and a bulk and container shipyard (the only one on the upper Mississippi River). The nearest intermodal container shipyard is in St. Louis. The department is completing the Iowa Department of Transportation's Freight Study to justify funding and to seek State support for the multi-modal transportation center in Muscatine.

The department is pursuing possible developments with China businesses to locate or base operations in Muscatine.

The department is evaluating and is in the process of making a recommendation for a new department software system which would allow for electronic portable submission for field inspectors. This system would include hardware, subscribing to software, storage, and wireless connections (when appropriate) for on-site recording of activity.

The department will be submitting one or more Community Development Block Grant (CDBG) applications for City improvements and will be implementing a trail etiquette and safety media program for schools, clubs, radio, newspaper, and public access television.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016

* To implement a plan for annual rental housing registrations in lieu of rental inspection fees, phased in over three years.

* To complete the "Back Door = Front Door" CDBG project in progress.

* To complete the construction of the multi-modal transportation center.

* To begin the construction of at least one upper floor housing program building.

* To create a Business Accelerator Program for Muscatine.

* To improve the process of monetizing abandoned properties and easements.

* To make progress on the Highway 38/61 corridor project.

* To increase business visitations within Muscatine to 50 businesses.

* To increase business recruitment activity outside of Muscatine to 20 businesses.

* To implement a media protocol for outgoing news from the department.

* To begin evaluating a citywide “Green Alley” program, including funding sources, policies, etc.

* To improve the Community Development department’s use of the City’s website for electronic applications, payments, and information.

* To work with Chinese interests on design and construction of several building projects in Muscatine.

* To develop and use performance metrics both for management and the public.

* To review and update building permit and site plan fees (current fees were set in 2005).

Function:
Community and Economic Development

Department:
Community Development

Activity:

Community Development

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 572,902	$ 553,557	$ 589,900	$ 594,600	$ 594,400	0.76%
Commodities	10,301	8,567	11,300	10,400	11,100	-1.77%
Contractual Services	107,803	99,514	102,900	115,400	124,400	20.89%
Capital Outlay	-	1,629	700	1,100	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 691,006	$ 663,267	$ 704,800	$ 721,500	$ 729,900	3.56%
Funding Sources						
Community Development Revenues	$ 423,269	$ 358,013	$ 303,100	$ 370,100	$ 405,100	33.65%
Health Permits	36,190	36,342	36,000	36,000	36,000	0.00%
Sale of Property	5,926	5,740	10,000	5,000	5,000	-50.00%
Project Administrative Fees	20,422	2,511	-	2,500	2,500	
General Revenues	205,199	260,661	355,700	307,900	281,300	-20.92%
Total Funding Sources	$ 691,006	$ 663,267	$ 704,800	$ 721,500	$ 729,900	3.56%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Positions/Position Allocations:						
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	0.67	0.67	0.67	0.67	0.67	
Health and Housing Coordinator	0.50	0.50	0.50	0.50	0.50	
Community Development 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	6.17	6.17	6.17	6.17	6.17	
Part-Time Positions:						
Community Services Officer	0.55	0.75	0.75	0.75	1.50 *	
Custodian (Housing-Grant Funded)	1.01	0.00	0.00	0.00	0.00	
Office Clerk (Temporary Position)	0.00	0.00	0.00	0.09	0.10	
Total	7.73	6.92	6.92	7.01	7.77	$ 447,700
Employee Benefits						146,700
Total Personal Services						$ 594,400

* An additional 29 hour/week employee is budgeted for the new rental housing registration and inspection program in 2015/2016.

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

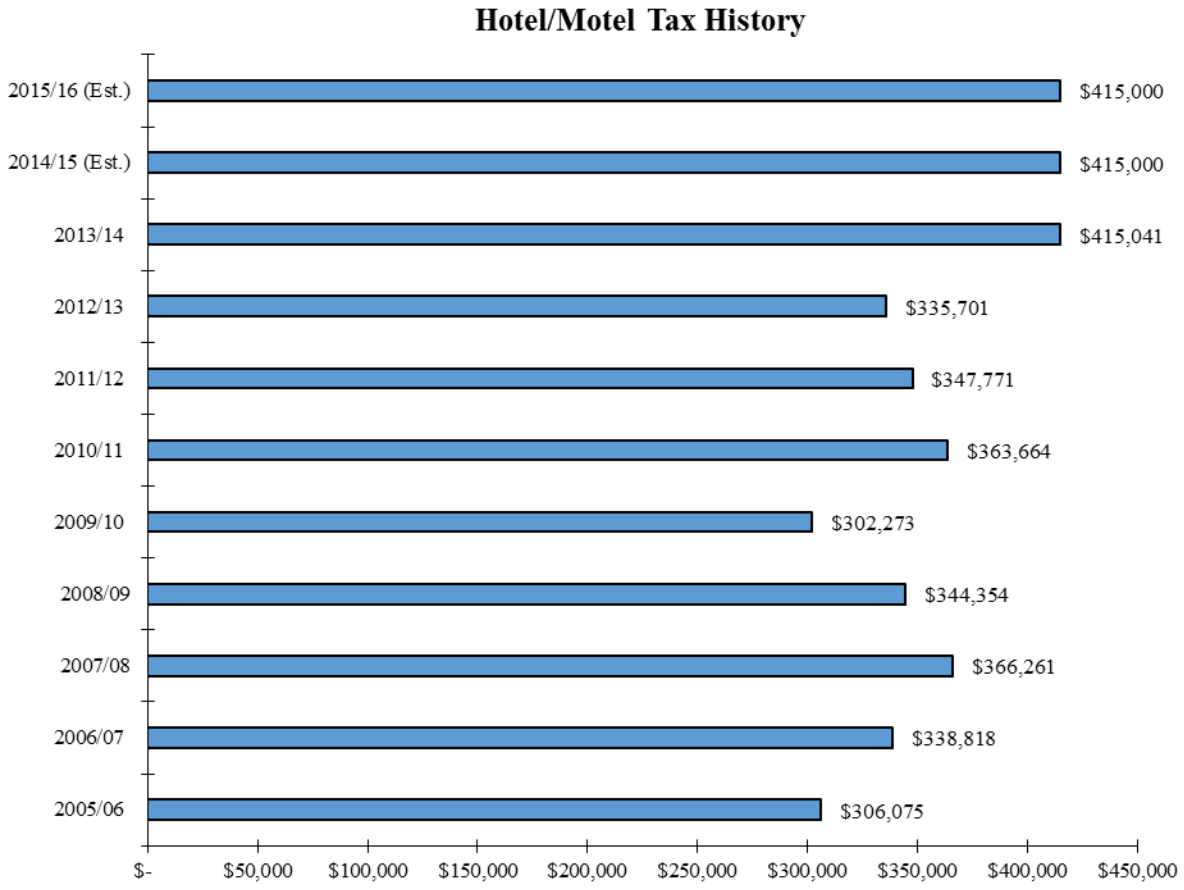
Activity:

Economic Development

GENERAL INFORMATION

The budget for this activity provides 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 2014/2015 and 2015/2016:



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 CVB's contract with the City has expired. Staff will work with the CVB Board to bring forth an updated agreement based on the current allocation. The CVB needs to submit annual metrics for review and consideration by the City.

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

The revised estimate for 2014/2015 is $24,300 more than the original budget. This increase is primarily in the allocation to the CVB which increased by $18,300 (from $85,500 to $103,800). The CVB's allocation increased since actual hotel/motel tax revenue in 2013/2014 exceeded the budgeted amount and the CVB's allocation for 2014/2015 is based on 25% of actual prior year hotel/motel tax receipts. The allocation for economic development marketing and legal costs has also increased to $10,000, which is $6,000 more than originally budgeted. These costs will be funded from future year tax increment funds.

The 2015/2016 Economic Development budget of $151,800 includes $103,800 in estimated funding to the Convention and Visitors Bureau and $38,000 to the Greater Muscatine Chamber of Commerce and Industry (GMCCI). The budget also includes an estimated $10,000 for economic development-related marketing and legal services with those costs to be funded from future year tax increment funds.

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 2015/2016

* To work with the Chamber, Convention and Visitors Bureau, and the Community Improvement Action Team (CIAT) to develop a marking and branding initiative for the City. **(Council and Management Marketing Goal)**

Function:
Community and Economic Development

Department:
Legislative and Council

Activity:
Economic Development

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	106,500	120,870	127,500	151,800	151,800	19.06%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 106,500	$ 120,870	$ 127,500	$ 151,800	$ 151,800	19.06%
Funding Sources						
Hotel/Motel Tax	$ 55,000	$ 83,925	$ 85,500	$ 103,800	$ 103,800	21.40%
Tax Increment Funds for Economic Development	51,500	36,945	42,000	48,000	48,000	14.29%
Total Funding Sources	$ 106,500	$ 120,870	$ 127,500	$ 151,800	$ 151,800	19.06%

Function:
Public Works

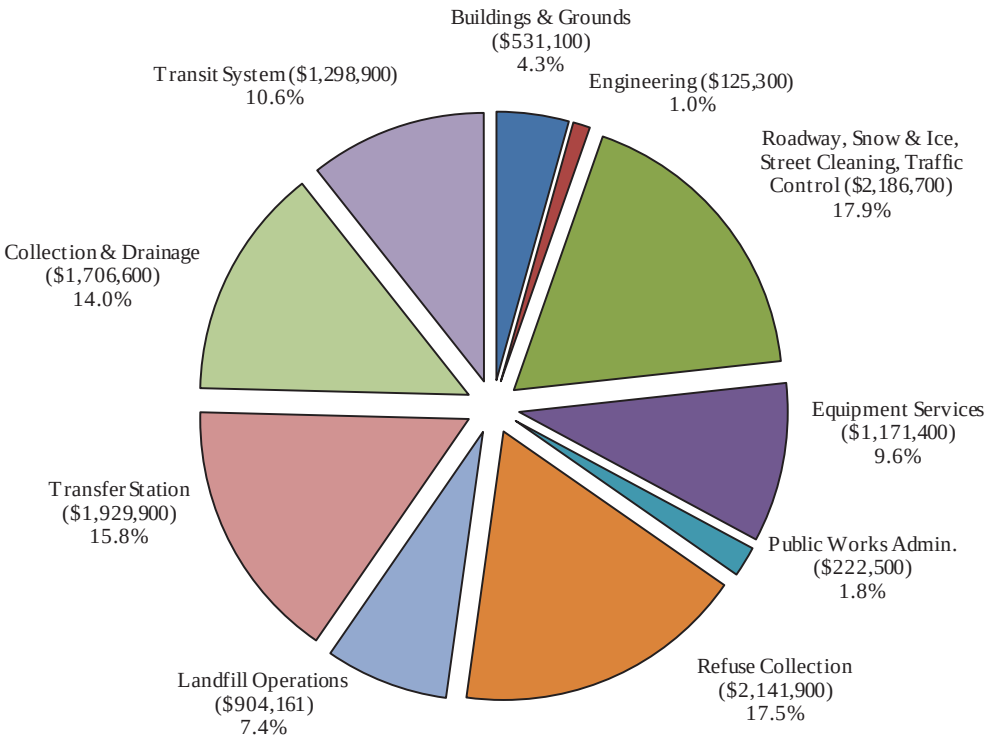
Department:
Public Works

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 2015/2016 fiscal year.

2015/2016 Public Works Budgets by Activity
$12,218,461



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 2015/2016 these fees total $62,600 and this amount has been included as revenue to the General Fund.

CURRENT TRENDS AND ISSUES

The 2014/2015 revised estimate is the same as the original budget.

The 2015/2016 budget is $53,000 (31.3%) higher than the 2014/2015 budget. This increase is due to (1) a $48,500 increased in personal services costs, (2) a $7,000 decrease in capital outlay, and (3) an $11,500 funding transfer for 1/6 of the cost of the new Communications Manager position. The personal services increase includes the retirement pay for the current Public Works Director and also allows for a one-month overlap for the transition in this position.

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

	Actual 2011/2012	Actual 2012/2013	Actual 2013/2014	Estimated 2014/2015	Estimated 2015/2016
Operating Expenditures - All Public Works Activities	$10,744,619	$10,925,952	$11,533,382	$12,304,546	$12,218,461
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	0	2	4	6	4
Infrastructure Projects Completed	3	1	1	4	3

RECENT ACCOMPLISHMENTS

Summarization of the department's activities and accomplishments are included in the separate division narratives.

The Public Works Department had a busy and productive construction season in 2014 with substantial completion of the Cedar Street Reconstruction, Colorado Street Reconstruction, and phase 2 of the West Hill Sewer Separation projects. Design is currently underway for Musser Park to Wiggens Road Trail project.

The implementation of the Sidewalk Policy will move forward in the coming year as well as the transition to automated refuse collection vehicles.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016

* To advance the following projects **(Council and Management Capital Projects Goals**):

  Streets:
  a. Mulberry Avenue Reconstruction
  b. Mississippi Drive Corridor
  c. Pavement Management
     1. Overlay
     2. Full Depth Patch
     3. Alleys

  Trails:
  a. Construct Musser Park to Wiggens Road Trail
  b. Conceptual Review of Mad Creek Trail
  c. Conceptual Review of Mulberry to Mad Creek Trail

  Sewers:
  a. Construct West Hill Phase 3-A
  b. Prepare for construction of West Hill Phase 3- B

  Sidewalks:
  a. Construct Wellmark grant sidewalks
  b. Plan for sidewalk inspection program
  c. Complete ADA ramp inventory

* To transition to a new Public Works Director

Function:
Public Works

Department:
Public Works

Activity:
Public Works Administration

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 140,943	$ 146,261	$ 149,700	$ 149,700	$ 198,200	32.40%
Commodities	1,668	1,071	2,300	2,300	2,300	0.00%
Contractual Services	6,908	10,255	10,500	10,500	10,500	0.00%
Capital Outlay	2,588	-	7,000	7,000	-	-100.00%
Transfers	-	-	-	-	11,500	
Total Expenditures	$ 152,107	$ 157,587	$ 169,500	$ 169,500	$ 222,500	31.27%
Funding Sources						
Road Use Taxes	$ 92,907	$ 98,587	$ 108,700	$ 108,700	$ 159,900	47.10%
Administrative Fees	59,200	59,000	60,800	60,800	62,600	2.96%
Total Funding Sources	$ 152,107	$ 157,587	$ 169,500	$ 169,500	$ 222,500	31.27%

Personnel Schedule						
	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Position/Position Allocations:						
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	
Total Full Time	1.33	1.33	1.33	1.33	1.33	$ 136,000
Employee Benefits						62,200
Total Personal Services						$ 198,200

Function:	*Department:*
Public Works	**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 2014/2015 revised estimate is over the original budget by $8,400 primarily due to increased equipment repair and maintenance costs.

The 2015/2016 budget is $138,100 (11.4%) higher than the 2014/2015 budget primarily due to a $122,500 increase in capital outlay. The most significant capital outlay allocation is $145,000 for the replacement of a tandem dump truck. Personal services costs also increased by $20,100 and contractual services increased by $4,500. Commodities decreased by $9,000, which offset a portion of the other increases. The 2015/2016 budget includes $37,500 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 $2,556,500 for 2015/2016. Of this amount, $2,432,600 will be funded from Road Use Taxes and $123,900 from Public Works revenues. Specific information concerning the Road Use Tax Fund is included in the Special Revenue Funds section of the City budget.

GOAL STATEMENT

To provide a safe and well-maintained street system for the efficient movement of residential, commercial, and industrial traffic, assist with the health, welfare and general appearance of the City through weed abatement, flood control assistance, and general community clean up projects.

PERFORMANCE MEASURES

	Actual 2012	Actual 2013	Actual 2014	Estimated 2015	Estimated 2016
Miles of Streets Maintained	140	140	140	140	140
Hot Mix/Cold Mix Used	$40,000	$40,000	$35,000	$35,000	$35,000
Annual Street Resurfacing Program	None	.75 miles 2,000 Tons	3.1 mi. 3,067 Tons	3.0 miles 3,000 Tons	3.0 miles 3,000 Tons
Curb & Gutter Repair (Lineal Feet)	436 LF	778 LF	137 LF	450 LF	450 LF
Full Depth Concrete Repair (Sq Yds)	189 SY	2,502 SY	2,135 SY	600 SY	600 SY
Associated Driveways (Sq Feet)	144 SF	899 SF	1,910 SF	150 SF	150 SF
Number of ADA Sidewalks Installed	50	14 PW 82 Sewer	Colorado 10 Cedar 9 Sewer 36	50	50
Associated Sidewalks (Sq Feet)	N/A	763 SF	77 SF	100 SF	100 SF
Sealcoat Alleys (Sq Yards)	N/A	N/A	9,932 SY	10,000 SY	10,000 SY

RECENT ACCOMPLISHMENTS

The Roadway Maintenance crews concluded another busy year. April began with work on rock shoulders, alley repairs, spring leaf pickup, street sweeping of winter debris, washing salt boxes for storage, and Spring Cleanup Week. May started off with patching potholes, cleaning ditches/culvert openings, and painting crosswalks/stop bars in the Central Business District (CBD). Staff began painting park benches for the Art Center, painted vehicles, and also did preparations for the first flood. June brought heavy rains and flooding with detours and road closures. Staff removed street signage along the Colorado and Cedar Street projects, replaced bent and worn out signs, and inspected street signs for the mandated sign retro-reflectivity replacement program. Work was also done on the Morgan building and the lower lot.

The end of June into July brought the first flood event of the year. Floodgates were set up, roads were closed, and detours were set up prior to Independence Day. Heavy rains caused mud slides and extra debris had to be cleaned up. Crews started walking the levee when the river level hit 22.0'. Sandbag detail, detour inspections, and road closures made getting around town difficult. Street patching and ditch work continued in July. Railroad issues at the Cedar Street and Iowa Avenue crossings made cleanup on the riverfront difficult.

August work included paint striping of city streets, painting of crosswalks/stopbars around schools, and preparation of the dredge area at the former Hawkeye Lumber site. Asphalt patching, plumber ditches, sign inspections, alley work, hauling sweepings to the landfill, portable speed humps, lower lot work, and continued assistance with road projects finished out the month of September. Street striping of city streets continued and wrapped up in September. City crews painted curbs yellow in the worn off areas, parking stalls were painted in CBD, lower lot work continued, and salt hauling kept crews busy.

October was the start of the fall leaf pickup as well as finishing up on summer projects. Snow equipment was checked out, winter grading preparation of alleys began, pistol range work took place on the 100-yard line, and asphalt patching and sign inspections were done.

November was very busy. Asphalt overlay work was in progress and sealcoating of alleys was underway. Snow prepping equipment, sign work, and assisting with Colorado Street and Cedar Street openings dominated the month.

December work included barricades for the Holiday Stroll and continued preparation for the upcoming snow season.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016

* 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, sealcoating alleys, and full-depth patching.

* To meet monthly with the Public Works Director on scheduling and updating projects as well as ongoing maintenance responsibilities.

Function:
Public Works

Department:
Public Works

Activity:

Roadway Maintenance

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 737,427	$ 743,064	$ 760,100	$ 753,000	$ 780,200	2.64%
Commodities	102,772	117,318	129,400	120,400	120,400	-6.96%
Contractual Services	199,834	231,721	237,400	261,900	241,900	1.90%
Capital Outlay	228,172	123,168	89,000	89,000	211,500	137.64%
Transfers	-	-	-	-	-	
Total Expenditures	$ 1,268,205	$ 1,215,271	$ 1,215,900	$ 1,224,300	$ 1,354,000	11.36%
Funding Sources						
Road Use Taxes	$ 1,233,768	$ 1,163,167	$ 1,180,100	$ 1,188,500	$ 1,318,200	11.70%
Diesel Reduction Grant	-	18,972	-	-	-	
Street Revenues	29,517	27,710	35,000	35,000	35,000	0.00%
Other	4,920	5,422	800	800	800	0.00%
Total Funding Sources	$ 1,268,205	$ 1,215,271	$ 1,215,900	$ 1,224,300	$ 1,354,000	11.36%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Position/Position Allocations:						
Street Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00	
Street Maintenance Leadworker	1.00	1.00	1.00	1.00	1.00	
Equipment Operator III	3.00	3.00	3.00	3.00	3.00	
Equipment Operator II	4.00	4.00	4.00	3.58	4.00	
Equipment Operator I	2.00	2.00	2.00	2.42	2.00	
Maintenance Worker II	0.10	0.10	0.10	0.10	0.10	
Administrative Secretary	0.33	0.33	0.33	0.33	0.33	
Total Full Time	11.43	11.43	11.43	11.43	11.43	
Part Time Positions:						
Consulting Engineer	0.34	-	-	-	-	
Total	11.77	11.43	11.43	11.43	11.43	$ 494,000
Employee Benefits						286,200
Total Personal Services						$ 780,200

Capital Outlay			
Item:	***Quantity***	***Replacement***	***Amount***
Tandem Dump Truck	1	Yes	$ 145,000
Concrete Grinding			50,000
Morgan Building Doors	2	Yes	16,500
			$ 211,500

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 2014/2015 is over the budgeted amount by $9,200 primarily due to an increased allocation for street striping. Street striping costs are estimated to be $8,000 more than the original budget due to the transfer of jurisdiction of a portion of the U.S. 61 Business corridor from the State to the City.

The 2015/2016 budget is $16,100 (9.1%) less than the 2014/2015 budget primarily due to a reduced allocation for capital outlay. Capital outlay for 2015/2016 decreased by $26,000 from the 2014/2015 budget. This decrease was partially offset by increases of $1,900 in personal services costs and $8,000 in contractual services. The contractual services increase is for the increased street striping for the U.S. 61 Business corridor.

GOAL STATEMENT

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

PERFORMANCE MEASURES

	Actual 2011/2012	Actual 2012/2013	Actual 2013/2014	Estimated 2014/2015	Estimated 2015/2016
Number of Street Signs Maintained	5,670	5,673	5,563	5,575	5,575
Number of New Signs Installed	93	110	34	34	34
Lineal Feet of Street Striping	289,979	289,979	320,592	320,592	320,592
Number of Stop Bars Painted	305	307	317	317	317
Number of Arrows Painted	287	298	313	313	313
Number of Handicapped Stalls Marked	86	89	89	89	89
Number of Regular Parking Stalls Painted	2,614	2,627	2,621	2,621	2,621
Number of Crosswalks Painted	218	218	231	231	231
Number of Railroad Crossings Painted	31	31	37	37	37
Traffic Committee Meetings	21	21	20	21	21
Number of Signs Removed	23	62	80	55	55
Number of Sign Posts Maintained	4,195	4,199	4,133	4,133	4,133
Number of Speed Humps Painted	19	19	17	17	17

RECENT ACCOMPLISHMENTS

The street striping program started in late June and was completed in early September. Weikert Contracting from Ackley, Iowa, again provided paint striping services this year. City crews painted crosswalks and parking stalls in the Central Business District (CBD) using the rectangular bar design in the crosswalk areas which is also is used for school crossings. School crossings were completed by the first day of school. Staff tried more air pressure when applying street paint this year and cleaned the machine out at the end of every day. This year staff got the opportunity to use oil base paint on the recently completed Cedar Street. It will be watched closely to see if it lasts longer than the water based paint. There will be an increase in the street striping footage due to the new three-lane designs on both Colorado and Cedar streets. In addition, the city took over the U.S. 61 Business route from the Mississippi River bridge to Dick Drake Way which increased the streets to be striped each year.

Sign replacement continued this year. Two hundred eighty-two (282) regulatory signs have been replaced since January 2012 and one hundred six (106) warning signs have been replaced since that date. Staff continues to repair and replace broken sign posts and bent signs, does tree trimming for sign visibility, and performs sign inspections. In November signs were reinstalled on Colorado Street and Cedar Street after the street reconstructions were substantially completed. Additionally, 30 signs were installed in and around the new roundabout on Cedar Street.

The Traffic Committee continues to meet bi-monthly to address issues and problems that come up or that have been brought to the attention of committee members.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016

* To implement the first year of the street name sign replacement program. There are 2,849 signs that need to be replaced due to the mandate by Iowa Department of Transportation (IDOT) and Federal Highway (FHWA) regulations. Staff has developed a five-year plan for replacement of these signs which is approximately 560 street name signs per year.

* To complete year three of the 3-year plan for replacement of regulatory, warning, and ground-mounted guide signs.

* To evaluate replacing high traffic-volume street signs with larger and/or lighted signs.

Function:
Public Works

Department:
Public Works

Activity:
Traffic Control

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 64,396	$ 63,932	$ 71,000	$ 72,200	$ 72,900	2.68%
Commodities	13,976	14,848	16,300	16,300	16,300	0.00%
Contractual Services	48,196	58,812	55,000	63,000	63,000	14.55%
Capital Outlay	26,727	17,884	35,300	35,300	9,300	-73.65%
Transfers	-	-	-	-	-	
Total Expenditures	$ 153,295	$ 155,476	$ 177,600	$ 186,800	$ 161,500	-9.07%
Funding Sources						
Road Use Taxes	$ 153,295	$ 155,476	$ 177,600	$ 186,800	$ 161,500	-9.07%

Personnel Schedule	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Positions:						
Equipment Operator III	1.00	1.00	1.00	1.00	1.00	$ 46,900
Employee Benefits						26,000
Total Personal Services						$ 72,900

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Street Name Signs	560	Yes	$ 9,300

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 2014/2015 revised estimate is over the original budget by $33,400 primarily due to an increase for salt and related purchases.

The 2015/2016 budget is $500 (.1%) lower than the original 2014/2015 budget.

The budget for 2000/2001 first included funding for an outside contractor to provide snow removal services in the downtown area. A history of the contracted downtown snow removal costs and the number of snow events each year is as follows:

	Cost	Snow Events
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
2013/2014	51,495	26

The 2014/2015 revised estimate and 2015/2016 budget each include $50,000 for contracted snow removal in the downtown area.

GOAL STATEMENT

To provide a safe street system during the winter months through efficient and effective snow and ice removal and control procedures.

PERFORMANCE MEASURES

	Actual 2011/2012	Actual 2012/2013	Actual 2013/2014	Estimated 2014/2015	Estimated 2015/2016
Number of Storms	12	11	26	16	16
Tons of Salt Used (includes 50/50 mix)	963.5	1,853.5	2,886.5	2,500	2,500
Tons of Sand Used	100	91	200	500	500
Tons of Cinders (includes mixed tonnage in 50/50)	31.5	187	808	300	300
Gallons Calcium Chloride Used	N/A	3,406	4,400	4,000	4,000

RECENT ACCOMPLISHMENTS

The first 2013-2014 winter storm took place on December 8th with a mix of 2.5" of snow and freezing rain. The temperature started out at 25 degrees but rapidly fell to 15 degrees with 11 mph winds. City crews dealt with a total of 26 storms from December 8th through March 25th.

Pre-event and post-event meetings were held with the Public Works Director to help staff prepare for the upcoming events, coordinate with Public Safety, and let the school district know plans for handling each storm.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016

* To continue to hold pre-event meetings for every storm with the meetings to include Public Safety personnel, Muscatine School maintenance staff, and City maintenance staff.

* To analyze the benefits of the GPS tracking devices which were added to the Snow and Ice Control equipment in the fall of 2014.

Function:
Public Works

Department:
Public Works

Activity:

Snow and Ice Control

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 75,310	$ 138,827	$ 84,400	$ 84,200	$ 84,900	0.59%
Commodities	122,129	239,127	232,100	262,500	212,100	-8.62%
Contractual Services	72,943	114,161	118,400	123,900	118,400	0.00%
Capital Outlay	-	30,619	47,000	44,700	66,000	40.43%
Transfers	-	-	-	-	-	
Total Expenditures	$ 270,382	$ 522,734	$ 481,900	$ 515,300	$ 481,400	-0.10%
Funding Sources						
Road Use Taxes	$ 234,397	$ 460,228	$ 421,900	$ 509,800	$ 475,900	12.80%
Reimbursement of Expenses	35,985	62,506	60,000	5,500	5,500	-90.83%
Total Funding Sources	$ 270,382	$ 522,734	$ 481,900	$ 515,300	$ 481,400	-0.10%

Personnel Schedule	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Positions:						
Equipment Operator III	N/A	N/A	N/A	N/A	N/A	
Equipment Operator II	N/A	N/A	N/A	N/A	N/A	
Equipment Operator I	N/A	N/A	N/A	N/A	N/A	
Total	N/A	N/A	N/A	N/A	N/A	$ 45,000
Employee Benefits						39,900
Total Personal Services						$ 84,900

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
12 Foot Stainless Steel Salt Box	1	Yes	$ 21,000
2-Way Snow Plow	1	Yes	11,000
10 Foot Reversible Underbody Plow	1	Yes	11,000
8 Foot Mid-Mount Wing Snow Plow	1	Yes	11,500
9 Foot Mid-Mount Wing Snow Plow	1	Yes	11,500
			$ 66,000

Function:	*Department:*
Public Works	**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 2014/2015 revised estimate is over the budgeted amount by $12,000 primarily due to increased street sweeper maintenance costs.

The 2015/2016 budget is $33,200 (14.9%) less than the 2014/2015 budget. This is primarily due to the $37,000 reduction in capital outlay. This decrease has been partially offset by a $3,800 increase in personal services costs. The 2015/2016 budget again includes funds for renting one additional street sweeper in the spring of 2016.

GOAL STATEMENT

To contribute to the health, welfare and appearance of the City through a systematic program of street sweeping and leaf removal.

PERFORMANCE MEASURES

	Actual 2011/2012	Actual 2012/2013	Actual 2013/2014	Estimated 2014/2015	Estimated 2015/2016
Miles of Streets Cleaned with Sweeper	88	89	89	89	89
Employee Hours for Leaf Program	1,018	991	800	936	936
Temporary Employee Hours for Leaf Program	1,558	2,001	1,462	1,500	1,500
Fall Leaf Loads	294	330	227	283	283
Spring Leaf Loads	N/A	N/A	N/A	13	13

RECENT ACCOMPLISHMENTS

In the spring of 2014, the Public Works department rented two additional street sweepers to help with cleaning of the city streets. Crews started April 7th and finished April 18th. Over 600 tons of debris was collected from the streets and hauled to the landfill to be used for covering trash. Crews were able to sweep every street in the city during this two-week period.

Spring leaf pickup started in April and leaves were picked up only on Fridays using a call-in list. The spring pickup is helpful as it keeps leaves from clogging up storm inlets.

Fall leaf pickup started October 13th this year. Once again the leaves fell late in the fall. Crews were busy working to stay ahead. There was a good crew of temporary workers. This kept the department on track to finish on time and to even make an extra round. Snow came early which slowed down the leaf pickup program. Crews completed leaf pickup on November 21st.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016

* To continue to sweep the Central Business District twice each month.

* To use the tanker truck to rinse off streets in the Central Business District once each month after streets have been swept.

Function:
Public Works

Department:
Public Works

Activity:

Street Cleaning

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 101,442	$ 105,520	$ 118,800	$ 118,500	$ 122,600	3.20%
Commodities	6,661	9,315	10,400	10,400	10,400	0.00%
Contractual Services	48,392	58,913	56,800	69,100	56,800	0.00%
Capital Outlay	-	-	37,000	37,000	-	-100.00%
Transfers	-	-	-	-	-	
Total Expenditures	$ 156,495	$ 173,748	$ 223,000	$ 235,000	$ 189,800	-14.89%
Funding Sources						
Road Use Taxes	$ 156,495	$ 173,748	$ 223,000	$ 235,000	$ 189,800	-14.89%

Personnel Schedule						
	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Positions/Position Allocations:						
Equipment Operator I	0.75	0.90	0.90	0.90	0.90	
Equipment Operator II	1.00	1.00	1.00	1.00	1.00	
Total Full Time	1.75	1.90	1.90	1.90	1.90	
						$ 83,100
Employee Benefits						39,500
Total Personal Services						$ 122,600

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 $40,400 less than the original budget primarily due to the vacancy in the City Engineer position during the year. The revised estimate includes funds to fill this position as of May 1, 2015. In the interim, a contract engineer will fill the role of the City Engineer for general engineering functions and the revised estimate includes an estimated $8,000 for these services. Other contract engineering time for specific construction projects will be charged directly to those projects.

The budget for 2015/2016 is $15,100 (10.8%) less than the 2014/2015 budget primarily due to expected lower personal services costs with a new City Engineer.

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 2013/14				FY 2014/15				FY 2015/16
	2013 Summer	2013 Fall	2014 Winter	2014 Spring	2014 Summer	2014 Fall	2015 Winter	2015 Spring	2015/16
Paving Projects:									
Cedar Paving & Trail	Design	Design	Bid	Construct	Construct	Construct	Construct	Done	
Colorado Street Reconstruct	Bid	Construct	Construct	Construct	Construct	Construct	Construct	Done	
Mulberry Reconstruction	Plan	Plan	Design	Design	Design	Design	Design	Design	Construct
Forest Parkway						Construct	Construct	Done	
Sewer Projects:									
Air Release Valve Replacement 2				Construct	Done				
Harbor Dredge Pipe	Design	Construct	Construct	Construct	Done				
Dredge Spoil Site Relocation	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
West Hill 2		Construct	Construct	Construct	Construct	Done			
West Hill 3	Design	Design	Design	Design	Design	Design	Design	Construct	Construct
Trail Projects:									
Musser Park to Wiggens Road	Plan	Plan	Design	Design	Design	Design	Bid	Construct	Construct
Mad Creek-Riverfront to Washington	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
Levee:									
Geneva Creek Channel Shaping		Design	Design	Bid	Construct	Construct	Done		
Digital Levee Mgmt Program	Plan	Plan	Design	Inspect	Maintain	Inspect	Maintain	Inspect	Maintain

RECENT ACCOMPLISHMENTS

With the vacancy in the City Engineer position, contract engineers are filling in until a new engineer is hired. Contract work on Colorado Street and Cedar Street was underway in 2014/2015 and Phase 2 of the West Hill Sewer Separation project was completed. The Cedar Street and Colorado Street projects are expected to be completed or nearing completion by the end of the fiscal year.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016

* To fill the City Engineer position.

* To continue the following construction projects in 2015/2016:
  - West Hill Phase 3-A
  - Mulberry Reconstruction
  - Musser/Wiggens Road Trail
  - Sidewalk Program
  - Mississippi Drive Corridor Development
  - Pavement Management

* To make revisions to the Change Order/Unit Quantity Policy and reporting.

Function:
Public Works

Department:
Public Works

Activity:
Engineering Operations

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 113,758	$ 117,781	$ 120,400	$ 69,100	$ 107,100	-11.05%
Commodities	1,281	1,835	3,200	3,000	2,700	-15.63%
Contractual Services	13,089	10,671	16,800	27,900	15,500	-7.74%
Capital Outlay	3,710	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 131,838	$ 130,287	$ 140,400	$ 100,000	$ 125,300	-10.75%
Funding Sources						
Engineering Fees	$ 93,804	$ 63,957	$ 70,000	$ 12,800	$ 20,000	-71.43%
Road Use Tax	38,034	66,330	70,400	87,200	105,300	49.57%
Total Funding Sources	$ 131,838	$ 130,287	$ 140,400	$ 100,000	$ 125,300	-10.75%

Personnel Schedule						
	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Positions:						
City Engineer	1.00	1.00	1.00	1.00	1.00	$ 77,800
Employee Benefits						29,300
Total Personal Services						$ 107,100

Function:
Transfers

Department:
City Administrator

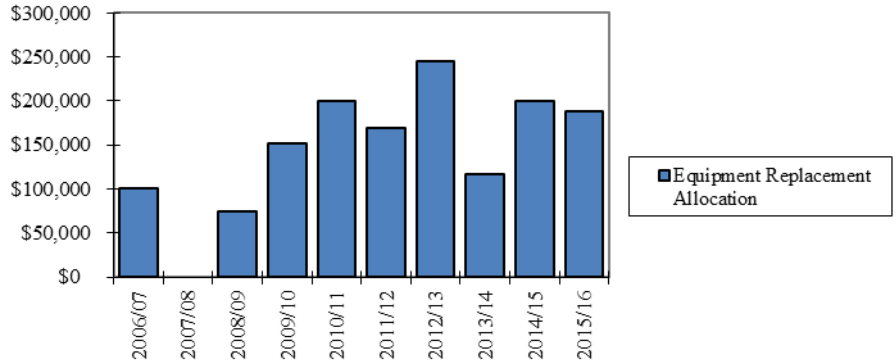
Activity:
Equipment Replacement Transfer

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 and the $148,500 allocation for a new ambulance in 2015/2016.



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, increased to $245,000 for 2012/2013, and decreased to $117,000 for 2013/2014. The budgeted transfer for 2014/2015 is $200,000 and $188,000 is budgeted for 2015/2016.

The transfer for 2014/2015 and a portion of the Equipment Replacement fund balance will provide $272,200 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 ($7,700), a pickup truck for the Park Maintenance division ($19,900), an Infield Machine for Kent Stein Park ($17,300), a utility vehicle for the Soccer Complex ($14,300), and costs to purchase and equip a used pickup truck for the Soccer Complex ($12,000).

The transfer for 2015/2016 will provide funding of $42,000 for a new police supervisor vehicle, $35,000 for a mower for Weed Park, and $35,000 for a pickup truck for Park Maintenance. The 2015/2016 transfer will also increase the Equipment Replacement fund balance in anticipation of future year vehicle and equipment needs, including the replacement of five police squad cars in 2016/2017.

The 2015/2016 budget includes an additional one-time transfer of $148,500 specifically designated to replace an ambulance. The fund balance in the Ambulance fund is not sufficient for this purchase and a portion of the General Fund balance in excess of the minimum General Fund balance per the City's policy has been budgeted for this purchase. The General Fund Balance Policy provides that one-time purchases can be made from funds in excess of the policy minimum.

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

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	742,000	117,000	200,000	200,000	336,500	68.25%
Total Expenditures	$ 742,000	$ 117,000	$ 200,000	$ 200,000	$ 336,500	68.25%
Funding Sources						
General Revenues	$ 742,000	$ 117,000	$ 200,000	$ 200,000	$ 336,500	68.25%

Function:	*Department:*
Transfers	**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 2014/2015 budget included a tax levy of $.36764 per $1,000 of valuation for public transportation which will generate $300,000 (including the utility replacement excise tax and the new commercial/industrial State reimbursement).

The transit tax levy rate for 2015/2016 has been decreased to $.30282 per $1,000 of valuation which will generate $250,000 (including the utility replacement excise tax and the commercial/industrial State reimbursement). This lower tax rate is possible due to (1) reduced bus maintenance costs with the four buses that were replaced in 2013/2014, (2) lower fuel costs, (3) a transit fare increase effective July 1, 2015, and (4) a sufficient Transit fund balance to fund the local share for two new buses if grant funds would be awarded.

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

Function:
Transfers

Department:
City Administrator

Activity:
Transit Subsidy

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/16	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	320,480	380,401	300,000	300,000	250,000	-16.67%
Total Expenditures	$ 320,480	$ 380,401	$ 300,000	$ 300,000	$ 250,000	-16.67%
Funding Sources						
Transit Tax Levy	$ 318,976	$ 378,689	$ 291,987	$ 291,987	$ 236,525	-18.99%
Utility Tax Replacement Excise Tax	1,504	1,712	1,446	1,446	1,023	-29.25%
Commercia/Industrial State Reimbursement	-	-	6,567	6,567	12,452	
Total Funding Sources	$ 320,480	$ 380,401	$ 300,000	$ 300,000	$ 250,000	-16.67%

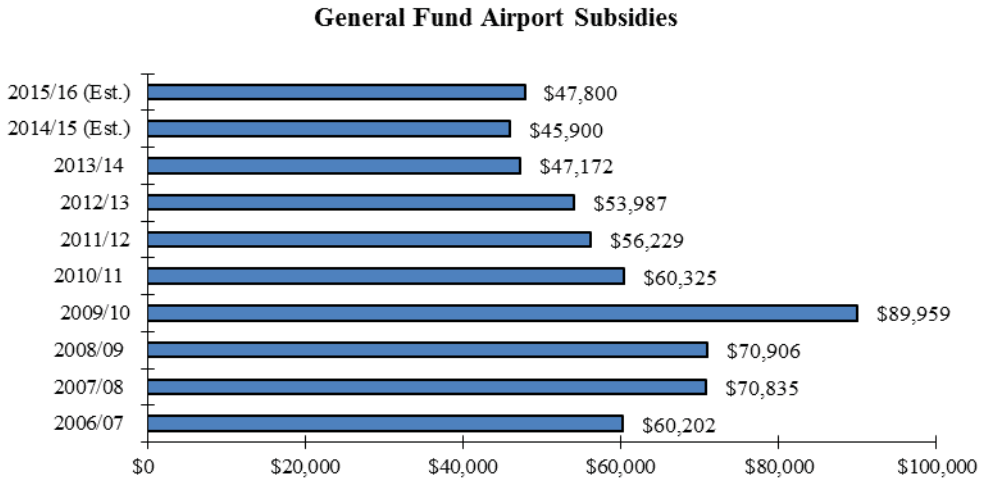
Function:	*Department:*
Transfers	**City Administrator**

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 2006/2007 follows:



The General Fund subsidy has ranged from approximately $46,000 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 2014/2015 revised estimate subsidy of $45,900 is $1,500 less than the original budget amount. Revised estimate expenditures are $1,000 less than the original budget and revised estimate revenues are $500 more than budgeted.

The budgeted subsidy for fiscal year 2015/2016 of $47,800 is $400 (.8%) higher than the original 2014/2015 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

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	53,987	47,172	47,400	45,900	47,800	0.84%
Total Expenditures	$ 53,987	$ 47,172	$ 47,400	$ 45,900	$ 47,800	0.84%
Funding Sources						
General Revenues	$ 53,987	$ 47,172	$ 47,400	$ 45,900	$ 47,800	0.84%

Function:	*Department:*
Transfers	**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 and the commercial/industrial State reimbursement) will generate $55,081 in 2014/2015 and will generate $55,726 (including the utility replacement excise tax and the commercial/industrial State reimbursement) in 2015/2016. The 2014/2015 and 2015/2016 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. This tax levy is also being used to fund other levee-related costs including funding for levee certification services and a $5,000 contribution towards a study for the Mississippi River levee downriver from the City of Muscatine. Levee taxes are required to be received in the General Fund and transferred to levee improvement capital project funds.

Function:
Transfers

Department:
City Administrator

Activity:
Levee Project Subsidy

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	52,826	53,964	55,081	55,081	55,726	1.17%
Total Expenditures	$ 52,826	$ 53,964	$ 55,081	$ 55,081	$ 55,726	1.17%
Funding Sources						
Levee Tax Levy	$ 52,578	$ 53,721	$ 53,610	$ 53,610	$ 52,723	-1.65%
Utility Tax Replacement Excise Tax	248	243	265	265	227	-14.34%
Commercial/Industrial State Reimbursement	-	-	1,206	1,206	2,776	
Total Funding Sources	$ 52,826	$ 53,964	$ 55,081	$ 55,081	$ 55,726	1.17%

Function:	*Department:*
Transfers	**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 was for the COPS grant future funding commitment.

Police COPS Grant Future Funding Commitment

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 would be available to fund the City's portion of the fourth year cost for these positions.

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 April 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 4th year which is estimated to end in April, 2016. This takes into account the School providing funding their portion of the 4th year costs.

Merit Allowance Funding Assignment

The 2015/2016 budget includes an assigned funding allocation of $12,300 to allow for merit increases for fulltime non-union employees. This is the first year of this program which will allow for employees in this group to progress above the mid-point of their pay ranges based on merit performance in their positions. The budget amount is based on an estimated 30% of the employees in this group being eligible for merit pay of 1% of their annual salary. Since the employees that will received merit increases have not yet been determined, the budget estimate is being reflected as an assigned funding allocation for 2015/2016.

Function:
Transfers

Department:
Non-Department

Activity:
Assigned Funding Transfers

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ 12,300	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	40,000	40,000	9,000	9,000	-	-100.00%
Total Expenditures	$ 40,000	$ 40,000	$ 9,000	$ 9,000	$ 12,300	36.67%
Funding Sources						
General Revenues	$ 40,000	$ 40,000	$ 9,000	$ 9,000	$ 12,300	36.67%

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.

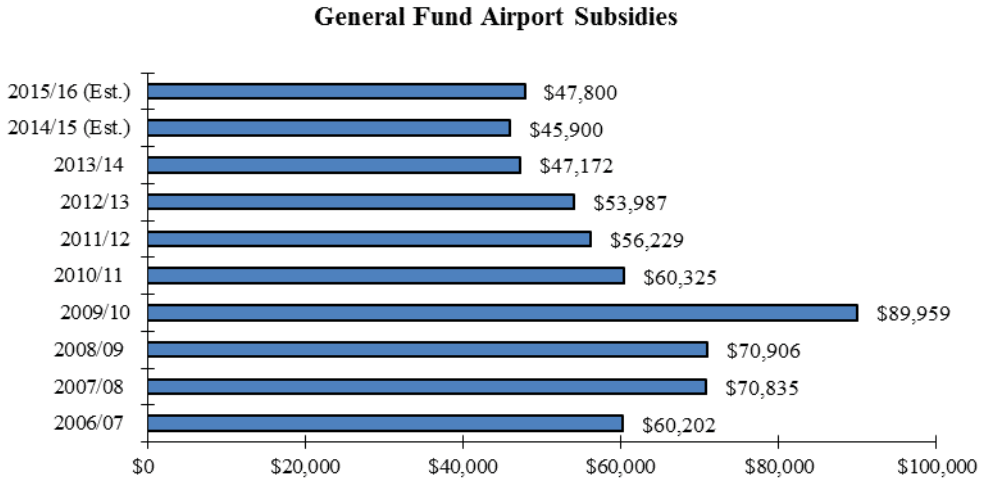
The facility is operated through a contractual agreement by the Airport Manager who oversees the general operation of the facility. The City also has a Fixed Base Operator (FBO) who provides various business functions and services to the users of the Airport. The FBO provides airplane maintenance, charter services and flight training in addition to the sale of airplanes, fuel, and other general services required by the aviation industry. The current contracts are with Carver Aero Inc. for both the Airport Management and FBO activities. These contracts run through June 30, 2015. New contracts, also with Carver Aero, Inc., have been entered into for both the management and FBO activities and these contracts run through June 30, 2020. The amount paid to Carver Aero for airport management fees for 2014/2015 is $45,500 and this will increase to $46,500 under the new agreement. Carver Aero, as fixed base operator (FBO), will make payments to the City of $9,900 in 2014/2015 and $10,500 in 2015/2016.

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. 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 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, with 85% State and 15% local funding, was completed in 2013/2014. Also in 2013/2014 the petrographic analysis of the pavement on runway 6/24 and the parallel taxiway serving that runway was completed. Based on the results of that analysis, engineering design for the runway rehabilitation/replacement is in progress in 2014/2015 with project construction scheduled for 2015/2016.. An FAA grant will fund 90% of the overall costs of this project with a 10% local match required. Engineering design for a T-hangar connector road is also in progress in 2014/2015 with project construction scheduled for 2015/2016. This project will receive 85% State funding with a 15% 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:



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 beginning in 2012/2013.

The 2014/2015 revised estimate subsidy is under the budgeted amount by $1,500 due to changes in both revenues and expenditures. Revised estimate expenditures are projected to be $1,000 less than the original budget due the net effect of various line item increases and decreases. Revised estimate revenues are $500 higher than the original budget primarily due to a projected increase in fuel commission.

Airport expenditures for 2015/2016 are $8,100 (7.0%) more than the 2014/2015 budget primarily due to a capital outlay allocation of $10,000 for asphalt work around the hangars. There were also various increases and decreases in other areas of the budget. Airport revenues for 2015/2016 are budgeted to increase by $7,700 for 2015/2016 primarily due to the new contract for FBO services. The fixed base operator fee will increase by $600 per the new contract and fuel commissions are estimated to increase by $7,000. The new contract provides for a $.10 per gallon fuel commission compared to the $.03 rate in the previous contract. The new FBO contract also provides for a $.08/gallon commission on 100LL fuel. These changes in revenues and expenditures will result in a General Fund subsidy for 2015/2016 of $47,800 which is $400 (.8%) higher than the original 2014/2015 budgeted amount.

The 2015/2016 budget includes funding in the amount of $15,500 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:

	Actual 2011/2012	Actual 2012/2013	Actual 2013/2014	Estimated 2014/2015	Estimated 2015/2016
T-Hangars Maintained	20	20	20	20	20
Hangar Spaces Rented	20	20	20	20	20
Airport Advisory Meetings	10	10	10	8	8
Hangar Rentals	$22,011	$21,781	$21,524	$21,500	$21,500
FBO Lease	$9,900	$9,900	$9,900	$9,900	$10,500
Gal. Jet Fuel Dispensed by FBO	91,000	86,433	101,900	100,000	85,000
Fuel Commission ($0.03/gallon - to $.10 in 2015/2016)	$2,730	$2,593	$3,057	$3,000	$8,500*
Gal. 100LL Fuel Dispensed by FBO	N/A	N/A	N/A	N/A	13,000
Fuel Commission 100LL	N/A	N/A	N/A	N/A	$1,000**
Farm Lease Revenue	$6,639	$34,000	$34,139	$34,100	$34,100
General Fund Subsidy	$56,229	$53,987	$47,172	$45,900	$47,800

* Fuel commission projections for 2015/2016 are based on $0.10/gallon (compared to $.03 in the previous contract).

** A fuel commission on 100LL fuel was added in the new contract beginning in 2015/2016 at $0.08/gallon.

RECENT ACCOMPLISHMENTS:

The T-Hangar Apron and Drainage Improvement Project was finished in the summer of 2014. This project was done to keep ice buildup from occurring along the third row of hangars. The Security Gate and Camera Project was also completed in 2014. This project will help keep vehicle traffic off of the apron.

A hangar inspection program was implemented and the first round of semi-annual hangar inspections has been completed. Staff also continued to conduct pavement inspections, monitor fence lines, and perform electrical maintenance. The Fire department conducted inspections to insure all facilities comply with fire safety requirement. The Fire department will continue to inspect facilities bi-annually.

Staff continued to meet with representatives of the FAA and the State of Iowa Division of Aviation to discuss airport improvement projects primarily focused around reconstruction of runway 6/24.

Staff conducted an airport engineering consultant search and evaluation for projects listed in 5-year Airport Capital Improvement Plan (CIP). Anderson-Bogert was selected as the engineering consultant. The City approved the contract for engineering services and the grant agreement for FAA funding for the engineering design for the Runway 6/24 Reconstruction Project. The City also entered into a contract for engineering services for the T-Hangar Connector Road Project. This project will receive 85% State funding with construction scheduled for 2015/2016.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016:

* To continue the program which provides for existing staff to conduct all monthly pavement inspections and reports required by the FAA; provide review and maintains records related to the storm water discharge permits; provide monthly inspections of the perimeter fence and vegetation; and develop a program that will prevent encroachments into approach and landing zones in compliance with FAA requirements. **(Council and Management Continuous Service Improvement Goal)**

* To complete semi-annual hangar inspections to insure hangars are being maintained properly and in accordance with the lease agreements.

* To complete the preliminary and final design for the pavement improvement/replacement of runway 6/24. **(Council and Management Capital Project Goal)**

* To reconstruct runway 6/24. **(Council and Management Capital Project Goal)**

* To update the Airport Layout Plan. **(Council and Management Capital Project Goal)**

* To reseal all concrete joints on the crosswind runway and taxiway. **(Council and Management Capital Project Goal)**

Airport Operations

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ (560)	$ 0	$ 0	$ 0	$ 0
Revenues					
Fixed Base Operator Fee	$ 9,900	$ 9,900	$ 9,900	$ 9,900	$ 10,500
Hangar Rentals	21,781	21,524	21,500	21,500	21,500
Reimbursement of Costs	862	875	900	900	1,000
Farm Leases	34,000	34,139	34,100	34,100	34,100
Gasoline Commission	2,593	3,057	2,500	3,000	9,500
State Grant	12,929	2,415	0	0	0
Transfers In					
General Fund Subsidy	53,987	47,172	47,400	45,900	47,800
Total Revenues	$ 136,052	$ 119,082	$ 116,300	$ 115,300	$ 124,400
Funds Available	$ 135,492	$ 119,082	$ 116,300	$ 115,300	$ 124,400
Expenditures	135,492	119,082	116,300	115,300	124,400
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 560**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

Function:
Business Type

Department:
Community Development

Activity:
Airport Operations

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	2,353	3,641	3,600	4,400	4,800	33.33%
Contractual Services	100,344	103,691	100,700	98,900	100,800	0.10%
Capital Outlay	24,695	3,450	3,500	3,500	10,000	185.71%
Transfers	8,100	8,300	8,500	8,500	8,800	3.53%
Total Expenditures	$ 135,492	$ 119,082	$ 116,300	$ 115,300	$ 124,400	6.96%
Funding Sources						
Airport Revenues	$ 81,505	$ 71,910	$ 68,900	$ 69,400	$ 76,600	11.18%
General Fund Operating Subsidy	53,987	47,172	47,400	45,900	47,800	0.84%
Total Funding Sources	$ 135,492	$ 119,082	$ 116,300	$ 115,300	$ 124,400	6.96%

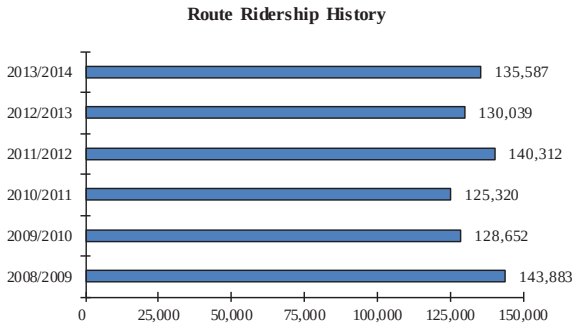
Capital Outlay		
Item	***Replacement***	***Amount***
Asphalt Work Around Hangars	Yes	$ 10,000

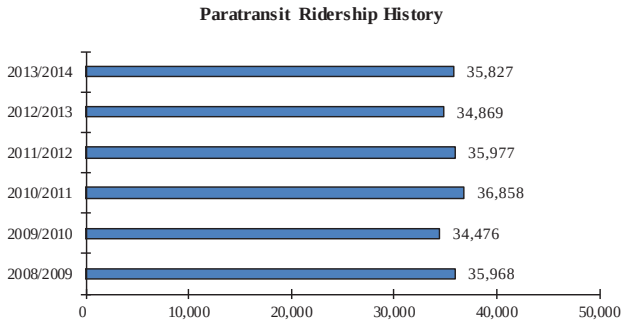
TRANSIT SYSTEM

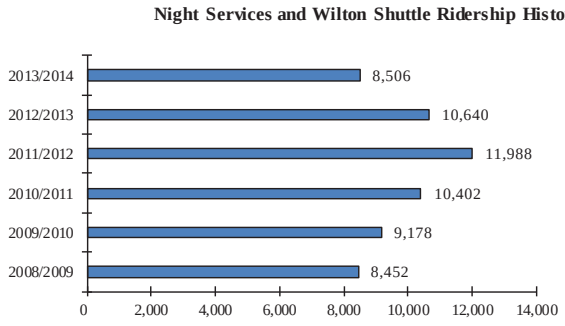
GENERAL INFORMATION:

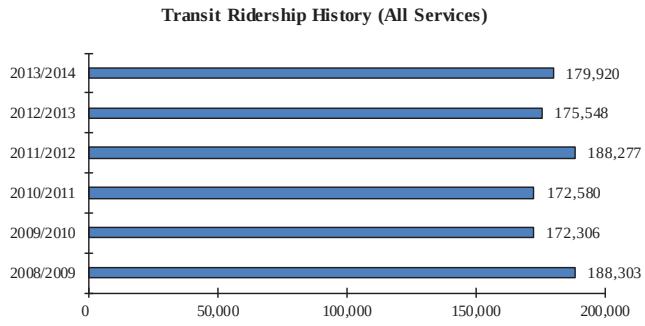
The City Transit System operates with eleven (11) small buses, all equipped with wheelchair lifts. Personnel supporting the transit system are a full-time Transit Supervisor, three (3) part-time dispatchers, 18 part-time drivers, and one part-time vehicle service worker. The system currently consists 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 2008/2009 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 2015/2016 is estimated to be $363,000. 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 2015/2016 it is anticipated that the City will receive $217,000 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 2014/2015 the City's transit levy rate was set at $.36764 per $1,000 of valuation which will generate $300,000 (including the State reimbursement for the commercial and industrial property rollback). For 2015/2016 the transit tax levy rate will decrease to $.30282/$1,000 of valuation which will generate $250,000 (including the State reimbursement). This levy rate decrease was possible due to (1) reduced bus maintenance costs with the four new buses purchased in 2013/2014, (2) reduced fuel costs, and (3) a budgeted increase in transit fares effective July 1, 2015 as further discussed below.

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 2014/2015 are under the original budget by $15,300. Personal services costs are $7,800 less than the original budget due to a reduction in part-time wages and fuel costs are $7,700 less than budgeted due to the recent lower fuel prices.

The 2015/2016 budget is $244,700 (23.2%) higher than the original 2014/2015 budget primarily due to (1) a $227,500 increase in capital outlay, (2) a $21,300 increase in personal services costs, and (3) a $3,700 decrease in fuel costs. The capital outlay allocation includes $180,000 for the purchase of two buses and $47,500 to replace ten bus shelters. Both of these purchases are subject to grant funding which would be 85% federal funding for the buses and 80% State funding for the bus shelters. While there is uncertainty whether grant funds will be awarded for these purchases, the Transit fund includes sufficient funds for the local matches required for these purchases if the grant funding is available.

As noted above, transit fares are budgeted to increase July 1, 2015. The last fare increase was effective July 1, 2003. Fares for the regular routes will increase from $.75 per ride to $1.00 and fares for the shuttle service will increase from $1.00 to $2.00. Monthly flash pass fees will also increase from $28 to $32. The fare increase is projected to generate an additional $36,000; however a more conservative increase of $30,000 has been included in the 2015/2016 budget.

As noted previously, the transit tax levy has been reduced by $50,000 to $250,000 for 2015/2016. Lowering the transit tax levy rate allowed the City to keep the overall tax rate the same as 2014/2015.

The Transit fund shows a balance at the end of 2015/2016 of $77,008. 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:

	Actual 2011/2012	Actual 2012/2013	Actual 2013/2014	Estimated 2014/2015	Estimated 2015/2016
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)	4	4
Fixed Bus Routes (Saturdays)	2	2	2	2	2
Fixed Route Passengers	140,312	130,039	135,587	136,000	136,000
Paratransit Passengers	35,977	34,869	35,827	36,000	36,000
JARC for Work (Night Service)	6,507	6,467	6,503	6,500	6,500
New Freedom (Night Service)	1,436	1,479	1,575	1,575	1,600
Muscatine/Wilton Shuttle*	4,045	2,694	428*	N/A	N/A
Total Passengers	188,277	175,548	179,919	180,075	180,100

* The Muscatine/Wilton Shuttle was discontinued September 30, 2013. The first quarter service is shown for 2013/2014. .

RECENT ACCOMPLISHMENTS:

MuscaBus saw an increase of 4,371 rides provided during fiscal year 2013/2014. The system recorded 272,081 revenue miles which was a slight decrease from the prior year (10,817 fewer miles). Discontinuation of service to Wilton on September 30, 2013 accounts for the decrease in revenue miles. The transit buses consumed 19,000 gallons of diesel and close to 16,000 gallons of gasoline. The average miles per gallon remained at about 8 miles per gallon.

There were no service changes in 2014. The transit system operated three fixed routes (Red, Yellow, and Blue) from 6:30 a.m. to 5:00 p.m., Monday through Friday. An additional route (Green) operated from 11:40 a.m. to 3:10 p.m., Monday through Friday. On Saturdays, BuscaBus operated from 8:30 a.m. to 4:00 p.m. The fixed route and ParaTransit (curb to curb) services have identical operating hours every day of the week. MuscaBus continued to operate evening JARC (Job Access Reverse Commute) service Monday through Saturday from 5:30 p.m. to midnight. This service is offered primarily for individuals traveling to work or training. After 2:00 p.m. this service is opened to the general public for any non-work or training-related ride. On Tuesday and Thursday evenings the bus service operates from 5:30 p.m. – 9:30 p.m. This service is not limited to work related activities and is utilized for social and recreational purposes.

MuscaBus participates in a number of community events every year and 2013/2014 was no exception. The transit service was present at two Senior Expos, the Senior Health Fair, Muscatine Y Community Block Party, Transitions Fair at Muscatine High School, the Community Health Fair, Service Fair at Muscatine Community College, and a Regional Transit Summit in Marshalltown. BuscaBus provided transportation for a variety of community based organizations including the Citizens Fire Academy, Heritage Days, and the Muscatine Symphony Orchestra. The system offered approximately 2,600 free route rides to students K-12 during the summer months and transported disabled children to and from KanDo camp during the month of June. This camp is organized by the Special Olympics staff for grade school disabled students.

Driver training for the year included Drug and Alcohol training in September, and Seizure Awareness and Navigating the Roundabout were the topics in November.

Four new buses were added to the fleet in 2014. Buses #249 and #250 arrived and were put into service in January 2014. These buses are both 158" wheelbase, equipped with gasoline engines. Buses #251 and #252 arrived in late February 2014 and were in service in early March. Both #251 and #252 are 182" wheelbase and equipped with diesel engines. The system has shifted from diesel to gasoline engines, but #251 and #252 were acquired under a specific diesel emission reduction grant which mandated that the City purchase diesel engines.

The city experienced extensive road construction during the summer of 2014. The Transit Supervisor worked with the Engineering division to create bus stops along newly constructed streets – Colorado, Logan, and Cedar in strategic places. These stops are on existing routes but afford a safer bus stop to drop off and pick up passengers. These stops are a welcome improvement for passengers.

OBJECTIVES TO BE ACCOMPLISHED 2015/2016:

* To conduct an ongoing evaluation of fixed route service to determine optimum routes and service for passengers. **(Council and Management Continuous Service Improvement Goal)**

* To review ParaTransit service to determine the most effective manner of operation for passengers and to determine if the expense of ParaTransit software is warranted. **(Council and Management Continuous Service Improvement Goal)**

* To continue to incorporate Lean concepts and practices to improve Transit operations for customers. **(Council and Management Continuous Service Improvement Goal)**

Transit System

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance (Deficit), July 1	$ 91,210	$ (110,099)	$ 62,801	$ 116,408	$ 139,608
Revenues	1,009,260	1,436,774	1,023,300 (3)	1,062,100	1,236,300 (4)(5)
Encumbrance Variance	753	0	0	0	0
Funds Available	$ 1,101,223	$ 1,326,675	$ 1,086,101	$ 1,178,508	$ 1,375,908
Expenditures (1)	1,211,322	1,210,267	1,054,200	1,038,900	1,298,900
Ending Balance (Deficit), June 30	$ (110,099) (2)	$ 116,408	$ 31,901 (3)	$ 139,608	$ 77,008
Increase (Decrease) in Fund Balance	**$ (201,309)**	**$ 226,507**	**$ (30,900)**	**$ 23,200**	**$ (62,600)**

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 was 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 was set in order to leave an ending fund balance sufficient to fund the 15% local match for two buses if grant funding would become available.
4. The 2015/2016 Transit tax levy is budgeted to be reduced from $300,000 to $250,000.
5. The 2015/2016 budget column includes an increase in transit fees from $.75 to $1.00/ride for regular routes and from $1.00 to $2.00 for shuttle service.

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

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Transit Charges	$ 179,203	$ 184,360	$ 172,000 (4)	$ 185,000	$ 215,000 (7)
Transit Grants					
Operating Subsidies:					
Federal Operating Grant	$ 255,035	$ 326,433	$ 361,300 (3)	$ 361,300	$ 363,000
Federal Job Access Grant	41,800	12,146 (3)	0 (3)	0	0
New Freedoms Grant	7,656	1,371 (3)	0 (3)	0	0
State Vehicle Use Tax	185,680	207,487	190,000	215,600	217,000
ICAAP Grant	17,997	4,124	0	0	0
Diesel Emissions Reduction Grant	800	956	0	0	0
Other Operating Grants	173	0	0	0	0
Capital Grants:					
Federal Funds for Equipment	0	141,100	0	0	0
State PTIG Grant - Bus Shelters	0	0	0	0	38,000
Federal Funds - Buses	0	0	0	0	153,000
Federal Diesel Reduction Funds - Buses	0	174,387	0	0	0
Subtotal - Grants	$ 509,141	$ 868,004	$ 551,300	$ 576,900	$ 771,000
General Fund Support:					
Transit Tax Levy	320,480 (1)	380,401 (2)	300,000 (5)	300,000	250,000 (6)
Sale of Vehicles	51	3,602	0	0	0
Interest	17	13	0	0	0
Donations	337	340	0	200	300
Other	31	54	0	0	0
Total Revenues	$ 1,009,260	$ 1,436,774	$ 1,023,300	$ 1,062,100	$ 1,236,300

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 bues ($26,400).
3. Beginning in October, 2013 the Federal Operating Grant includes 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. The budgeted 2014/2015 transit tax levy of $300,000 was set at a level that would leave funding available for the local match for two transit vehicles if grant funding would become available.
6. The 2015/2016 Transit tax levy is budgeted to be reduced from $300,000 to $250,000.
7. The 2015/2016 budget includes an increase in transit fees from $.75 to $1.00/ride for regular routes and from $1.00 to $2.00 for shuttle service.

Function:
Business Type

Department:
Public Works

Activity:

Transit System

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 652,479	$ 681,878	$ 698,800	$ 691,000	$ 720,100	3.05%
Commodities	126,656	124,909	128,500	120,800	124,500	-3.11%
Contractual Services	245,687	187,843	209,300	209,500	208,700	-0.29%
Capital Outlay	169,398	194,380	-	-	227,500	
Transfers	16,600	17,100	17,600	17,600	18,100	2.84%
Total Expenditures	$ 1,210,820	$ 1,206,110	$ 1,054,200	$ 1,038,900	$ 1,298,900	23.21%
Funding Sources						
Transit Charges	$ 179,203	$ 184,360	$ 172,000	$ 185,000	$ 215,000	25.00%
Transit Grants	509,141	868,004	551,300	576,900	771,000	39.85%
Transit Tax Levy	320,480	380,401	300,000	300,000	250,000	-16.67%
Sale of Vehicles	51	3,602	-	-	-	
Interest	17	13	-	-	-	
Donations	337	340	-	200	300	
Other	31	54	-	-	-	
Total Funding Sources	$ 1,009,260	$ 1,436,774	$ 1,023,300	$ 1,062,100	$ 1,236,300	20.82%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Positions/Position Allocations:						
Transit Supervisor	1.00	1.00	1.00	1.00	1.00	
Maintenance Worker II	0.20	0.20	0.20	0.20	0.20	
Total Full Time	1.20	1.20	1.20	1.20	1.20	
Part Time Positions:						
Transit Driver	11.50	10.62	10.55	10.62	10.55	
Transit Dispatcher	1.45	1.92	1.97	1.92	1.97	
Transportation Serviceperson	0.61	0.63	0.63	0.63	0.63	
Total Part Time	13.56	13.17	13.15	13.17	13.15	
Total	14.76	14.37	14.35	14.37	14.35	$ 579,200
Employee Benefits						140,900
Total Personal Services						$ 720,100

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Light Duty Buses	2	Yes	$ 180,000
Bus Shelters	10	Yes	47,500
			$ 227,500

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:

	On-Street	Lot #1 Chestnut Street	Lot #2 W. 2nd Street	Lot #4 Sycamore Street	Lot #6 W. 3rd Street	Lot #7 E. 3rd Street	Lot #8 Cedar Street	Levee	Totals
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	0	7 R	4 L	46 L	24 R	149 L	50 L	0	280
Totals	500	27	41	105	25	158	57	514	1,427

The four largest off street lots are located on 3rd Street across from City Hall, adjacent to Mississippi Drive at Sycamore, 2nd and Pine streets, and at the corner of 3rd and Cedar streets. These lots have a combination of leased parking spaces, and short and long-term meters. In September, 2007 on-street parking and off-street parking lot metered rates were increased from $.20 to $.30 per hour for short-term (two hour) meters and from $.10 to $.20 per hour for long-term (10 hour) meters. 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 4th Street between Iowa and Chestnut Street.
10. Removing or changing time limits for parking in various other areas.
11. Purchasing electronic meters and phasing out the mechanical meters that were still in use.

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 in both 2013/2014 and 2014/2015 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. With the new meter rates, the Parking Fund balance decrease for 2013/2014 was reduced to $2,424.

The revised estimate expenditures for 2014/2015 are under the original budget by $2,800 primarily due to a decrease in personal services costs. This decrease was due to a change in one of the meter attendants with the new employee starting at a lower rate in the pay plan.

The 2015/2016 expenditures are $4,000 (2.0%) higher than the original budget for 2014/2015 primarily due to increased personal services costs.

Fiscal year 2014/2015 revenues are projected at $193,600 and that same amount is budgeted for 2015/2016. A leased parking "special" was offered in 2013/2014 and 2014/2015 in an effort to increase the number of spaces leased. While there were new leases added in each of these years, a number of current leases were not renewed which resulted in only slight increases in spaces leased in each of those years.

Efforts will continue to market the availability of leased parking spaces and a leased parking "special" will again be considered for 2015/2016. The Parking fund balance at the end of 2015/2016 is estimated at $23,896.

GOAL STATEMENT:

To provide attractive, convenient, low-cost parking in order to aid in the growth and improvement of the Central Business District and adjacent commercial areas.

PERFORMANCE MEASURES:

	Actual 2011/2012	Actual 2012/2013	Actual 2013/2014	Estimated 2014/2015	Estimated 2015/2016
Metered Parking Spaces	432	432	429	429	429
Leased Parking Spaces	174	174	174	174	152 (2)
Reserved Parking Spaces (1)	106	106	109	109	109
Free Parking Spaces (Inc. Handicapped)	718	718	717	717	717
Total Parking Spaces	1,430	1,430	1,429	1,429	1,407 (2)
Overtime Parking Tickets Issued	11,212	9,788	10,222	10,830	10,830
Overtime Tickets Paid or Dismissed	9,400	8,070	8,470	9,030	9,030
Percent Paid or Dismissed	83.84%	82.45%	82.86%	83.38%	83.38%
Handicapped Tickets Issued	54	67	60	65	65
Handicapped Tickets Paid or Dismissed	49	55	50	55	55
Percent Paid or Dismissed	90.74%	82.09%	83.33%	84.62%	84.62%
Other Parking Tickets Issued	1,607	1,644	1,988	2,000	2,000
Other Tickets Paid or Dismissed	1,127	1,149	1,416	1,440	1,440
Percent Paid or Dismissed	70.13%	69.89%	71.23%	72.00%	72.00%
Overall Collection Rate	81.99%	80.65%	80.98%	81.62%	81.62%
Leased Parking Spaces Available	174	174	174	174	152 (2)
Spaces Leased	113	99	100	102	107
Percentage Leased	64.94%	56.90%	57.47%	58.62%	70.39%
Fines Collected by County Treasurer	$8,945	$11,795	$14,360	$14,500	$14,500
Courtesy Tickets Issued	654	579	616	625	625

1. Reserved spaces include those reserved for the Library, Clark House, and Central State Bank.
2. Parking in Lot 4 is planned to be reconfigured in conjunction with the CDBG Downtown Revitalization project. This will result in 22 fewer available leased spaces in this lot.

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 10,222 expired meter tickets issued in 2013/2014. This was an increase of 4.4% from the prior year number of 9,788.

A leased parking "special" was again offered for the 2014/2015 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 one additional space 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 $14,360 of ticket fines were collected by the County Treasurers Office for the City in 2013/2014. Efforts will continue to look for other "Lean" initiatives in the Parking division.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016:

* 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 57.5% in 2013/2014. The number of leased spaced available is planned to be reduced by 22 in 2015/2016 due to the reconfiguration of Lot 4 which is being done in conjunction with the CDBG Downtown Revitalization project. The goal is to increase the number of spaces lease by at least five to 107. This would be 70% of the reduced number of spaces available.

* To review Parking processes for additional "Lean" efficiencies. **(Council and Management Continuous Service Improvement Goal)**

Parking System

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 56,457	$ 39,410	$ 38,010	$ 36,986	$ 33,886
Revenues					
Parking Fees	$ 80,763	$ 100,283 (2)	$ 105,000	$ 103,000	$ 103,000
Parking Permits	31,206	26,865 (3)	27,500	27,500	27,500
Meter Hoods	4,590	954	1,500	1,000	1,000
Fines	60,826	62,723	60,000	62,000	62,000
Interest	99	115	100	100	100
Miscellaneous	30	20	0	0	0
Total Revenues	$ 177,514	$ 190,960	$ 194,100	$ 193,600	$ 193,600
Funds Available	$ 233,971	$ 230,370	$ 232,110	$ 230,586	$ 227,486
Expenditures (1)	194,561	193,384	199,500	196,700	203,500
Ending Balance, June 30	$ 39,410	$ 36,986	$ 32,610	$ 33,886	$ 23,986
Increase (Decrease) in Fund Balance	**$ (17,047)**	**$ (2,424)**	**$ (5,400)**	**$ (3,100)**	**$ (9,900)**

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. In 2013/2014 parking meter rates were increased from $.30 to $.50/hour for 2-hour meters and from $.20 to $.25/hour for 10-hour meters.
3. A leased parking "special" was offered for both 2013/2014 and 2014/2015 which provided a reduced rate for parking leases paid in advance for the full fiscal year. While these generated a number of new leases, others discontinued leasing spaces which offset a portion 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

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 155,673	$ 145,493	$ 152,000	$ 148,800	$ 155,300	2.17%
Commodities	3,648	2,428	3,200	3,500	3,200	0.00%
Contractual Services	9,565	25,238	20,800	20,900	20,800	0.00%
Capital Outlay	1,183	1,132	1,700	1,700	1,700	0.00%
Transfers	20,500	21,100	21,800	21,800	22,500	3.21%
Total Expenditures	$ 190,569	$ 195,391	$ 199,500	$ 196,700	$ 203,500	2.01%
Funding Sources						
Parking Fees	$ 116,559	$ 128,102	$ 134,000	$ 131,500	$ 131,500	-1.87%
Parking Fines	60,826	62,723	60,000	62,000	62,000	3.33%
Interest	99	1,115	100	100	100	0.00%
Miscellaneous	30	20	-	-	-	
Total Funding Sources	$ 177,514	$ 191,960	$ 194,100	$ 193,600	$ 193,600	-0.26%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Positions/Position Allocations:						
Finance Director	0.10	0.05	0.05	0.05	0.05	
Parking Meter Repairperson	0.25	0.10	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	
Total Full Time	1.60	1.40	1.40	1.40	1.40	
Part Time Positions:						
Meter Attendant	1.50	1.46	1.46	1.46	1.46	
Total	3.10	2.86	2.86	2.86	2.86	$ 117,500
Employee Benefits						37,800
Total Personal Services						$ 155,300

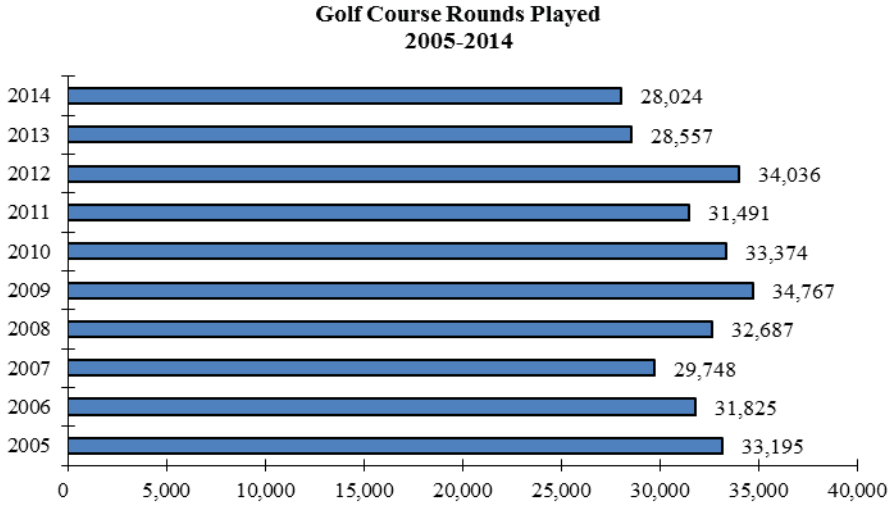
Capital Outlay

Item:	*Quantity*	*Replacement*	*Amount*
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 decreases 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 (by 16.1%) in 2013 and further decreased to 28,024 (by 1.9%) in 2014. The 2013 and 2014 seasons 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:

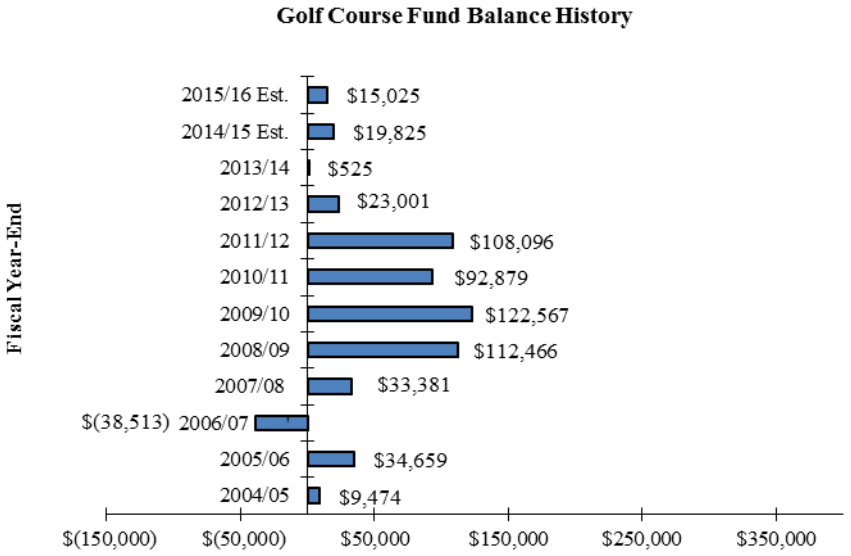


The fees at the Municipal Golf Course have increased several times in recent years as reflected below. The fees shown include the state and local option sales tax, currently 7%. The rates were increased for the 2006, 2007, and 2008 golf seasons. No increases were budgeted for 2009, 2010 or 2011. Rates were increased for the 2012 golf season. No rate increases were budgeted for 2013, but rates were increased for the 2014 season. No rate increase is budgeted for 2015.

WEEK DAYS	2006	2007	2008-2011	2012-2013	2014-2015
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

WEEK DAYS	**2006**	**2007**	**2008-2011**	**2012-2013**	**2014-2015**
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 to 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 it was originally estimated that payments of $60,000 per year in 2013/2014 through 2016/2107 and a $30,164 payment in 2017/2018 would complete the financing of this project. In 2013/2014 the Golf Course fund balance did not allow for the $60,000 payment and the payment was reduced to $45,000. The 2014/2015 and 2015/2016 continue to include the lower $45,000 payments on the internal loan. This will extend the loan period through the 2018/2019 fiscal year. This new payment schedule can be accelerated or extended based on available fund balances. The fund balance history is shown below.



Prior to 2007 the City had a contractual agreement with a golf professional to provide various services during the golf season. Effective as of the start of the 2007 season, the golf professional and all of the clubhouse staff are now employees of the city.

CURRENT TRENDS AND ISSUES:

Golf Clubhouse

A separate Golf Clubhouse activity within the Golf Fund was established at the time the City changed from a contracted golf professional to a City employee golf professional. This budget includes wages and benefits for staff, food and beverage items for resale, golf merchandise for resale, lease of golf carts, and various other items needed for the clubhouse.

Revised estimate expenditures are $34,000 less than the original budget. This is primarily due to (1) a reduction of $19,400 in personal services costs primarily due to the vacancy in the Golf Pro position during the winter of 2014-2015, (2) a $9,000 reduction in purchases of food, beverage, and merchandise for resale which also impacted revenues, and (3) and a reduction of $4,100 in insurance costs with the City's change in insurance carriers to ICAP.

The budgeted expenditures for 2015/2016 are $19,700 (5.0%) less than the 2014/2015 budget. This overall decrease is primarily due to (1) decreased personal services costs of $6,500 primarily due to the new golf pro starting at a lower step in the pay scale, (2) a $9,000 decrease in food, beverage, and merchandise for resale based on prior year actual amounts, and (3) a $2,800 decrease in insurance costs.

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

As discussed above, the fairway irrigation system project was completed in 2013 at a cost of $330,164 and it is being financed with an internal loan. These types of loans have been used in the past at the golf course for the golf clubhouse, the water hole renovation, and the new maintenance building.

The 2014/2015 revised estimate is $25,400 less than the original budget. This is primarily due to (1) an $11,200 reduction in personal services costs primarily due to a vacancy in the Golf Course Maintenance Supervisor position and the new employee starting at a lower wage rate, and (2) a $15,000 reduction in the payment on the internal loan for the irrigation system (reduced from $60,000 to $45,000 as discussed above).

The 2015/2016 budget is $100 higher than the original 2014/2015 budget. This is due to a number of nearly offsetting increases and decreases in the budget. Significant increases and decreases include (1) personal services costs for 2015/2016 are $11,800 less than the prior year budget due to the new Golf Maintenance Supervisor starting at a lower wage rate and having single health insurance, (2) the payment on the internal loan being reduced by $15,000 compared to the original 2014/2015 budget, and (3) the allocation for capital outlay being increased by $25,000 for a new tractor and loader.

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 2014/2015 will be $19,825 and at the end of 2015/2016 $15,025. As noted previously both the 2014/2015 revised estimate and 2015/2016 budget include $45,000 payments on the internal loan for the irrigation system. Using this lower payment amount, the final payment on the loan would be in 2018/2019. 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 can be either extended or accelerated based on actual funds that are available. Fees were increased for the 2014 golf season; no additional fee increase is budgeted for 2015.

The 2015 season will be the 9th year of the City-operated clubhouse. During the upcoming year, staff is looking to maintain a quality golf course as well as increase food sales, lessons, and winter use of the clubhouse facility.

GOAL STATEMENT:

To provide and maintain a setting for the enjoyment and challenge by the public of the game of golf for both playability and aesthetics, including a regulation 18-hole course, driving range, clubhouse and related facilities.

PERFORMANCE MEASURES:

	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Estimated 2015
Golf Maintenance Operations:					
Top Dressed Greens	8	7	7	7	10
Stimped Greens	12	12	12	12	12
Aerified Greens	2	2	2	2	2
Acres Maintained	170	170	170	170	170
Acres Mowed Per Week	263	263	263	263	263
New Trees Planted	4	6	20	0	4
Bluebirds Fledged	6 (84 eggs)	28	20	31	20
Rolled Greens	27	26	15	20	20
Verti-cut Greens	7	6	7	7	8
Clubhouse Operations:					
Rounds Played	31,491	34,036	28,557	28,024	30,000
Events	50	49	45	45	47
Leagues	8	9	9	9	10
Season Passes Sold	277	298	243	228	240
Driving Range Tokens Sold	7,700	4,998	4,075	4,057	4,500
Gift Cards Sold ($)	$18,578	$20,046	$41,052*	$36,587	$40,000
Lesson Hours	168	175	162	150	175
Total Beer Sales (Units)	36,400	40,548	34,495	35,693	36,000
Total Food and Beverage (Units)	49,795	38,790	30,314	30,199	35,000
Simulator Usage ($)	$6,990	$3,358	$4,657	$3,000	$6,000
Merchandise Sales ($)	$59,414	$63,906	$62,188	$48,822	$65,000

* Gift cards were used for cart passes beginning in 2013.

RECENT ACCOMPLISHMENTS:

Golf Course Operations

The golf season started off very poorly in 2014 as the winter was longer than usual and it was a chilly and wet spring. Approximately one month of golfing weather was lost.

The first full year of the new irrigation system was a success. The new system has allowed for the course to be more efficient with water and be more specific with target watering. The conditions this year on the course were very good all season long. The course was in great shape at the end of the season and should be in great shape starting next spring.

There has been significant progress made in the area behind the #2 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 mats continue to be a success. The grass area was never closed this season but golfers were given the choice to hit from the pad or the turf. Some golfers preferred the pad and some did 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.

Golf course staff will continue tree removal and additions on the course. The nursery is fully stocked and trees will be added to the course as needed in the future.

The FootGolf Course was installed this fall and should provide another opportunity to participate at the facility.

Golf Course Clubhouse

In November the previous Golf Professional left employment with the City and staff is in the process of replacing the position. The emphasis will be to find a candidate that enjoys working with the public and growing the game of golf while tactfully managing the business environment at the golf course.

A FootGolf Course was installed at the facility this fall. There were roughly 80 rounds played involving families, kids, and adults. Plans are to offer a league and a tournament this spring. The FootGolf course is on the front nine holes and can be played at the same time as golf with little disruption.

The Turkey Trot drew roughly 80 participants this year and is co-sponsored with the Muscatine Running Club. The Muscatine High School Cross Country teams held their State Regional event at the course with 400-500 people in attendance. Plans are to hold this event on the course again next year.

The golf simulator continues to receive good usage with a league underway and there have been numerous reservations for driving range events.

On January 31, 2015 the Parks department will be holding the first Winter Festival at the golf course. The event will include the “Snow Pile Treasure Hunt”, a snow sculpting contest, a “Progressive Dinner Hike”, and a bonfire with light entertainment. The Recreation Advisory Commission will be hosting the event with the assistance of department staff and the non-profit groups that collaborates with the department.

OBJECTIVES TO BE COMPLETED IN 2015/2016:

Golf Course Operations

* To continue renovation of the #9 and #15 greens.

* To repair some existing cart paths (# 10 and #2) and add continuous cart paths to #3 and #17.

* To continue to pursue bunker repairs and/or renovations as needed.

* To continue to work on the #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 Continuous Service Improvement Goal)**

* To continue to listen to golfer suggestions, input, and ideas that may help improve the Golf Course.

* To replace trees that die that may impact the playability of the golf course.

* To continue to clean out the wooded areas around #2 green and #6 back tee boxes.

* To explore new tee box signage and a new entrance sign by the road. The old ones are starting to show deterioration and age.

Golf Course Clubhouse

- To develop a working marketing plan.
- To develop a working merchandising plan.
- To introduce and train the new Golf Professional and new Maintenance Supervisor.
- To develop and promote a new FootGolf league and tournament.
- To operate within approved City budgets.
- To work collaboratively with the community.
- To look for and to incorporate cost savings and expense avoidance items into the operation. **(Council and Management Continuous Service Improvement Goal)**
- To continue to recruit and train quality customer service-oriented staff.
- To recruit more play to include special events, leagues, and daily greens fee play.

Golf Course Operations

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 60,863	$ (26,899)	$ (49,399)	$ (44,824)	$ (25,524)
Revenues	740,836	761,337	877,600 (5)	813,300	829,000
Encumbrance Variance	185	0	0	0	0
Funds Available	$ 801,884	$ 734,438	$ 828,201	$ 768,476	$ 803,476
Expenditures:					
Golf Course Maintenance Operations	$ 463,782 (2)	$ 438,412 (3)	$ 456,600 (4)	$ 431,200 (4)	$ 456,700 (4)
Golf Clubhouse Operations	365,001	340,850	396,800	362,800	377,100
Total Expenditures (1)	$ 828,783	$ 779,262	$ 853,400	$ 794,000	$ 833,800
Ending Balance, June 30	$ (26,899)	$ (44,824)	$ (25,199)	$ (25,524)	$ (30,324)
Allowance for Inventory	49,900	45,349	49,900	45,349	45,349
Net Balance, June 30	$ 23,001	$ 525	$ 24,701	$ 19,825	$ 15,025
Increase (Decrease) in Fund Balance	**$ (87,762)**	**$ (17,925)**	**$ 24,200**	**$ 19,300**	**$ (4,800)**

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 expenditures included a $45,000 payment on the internal loan for the Irrigation System. This payment was reduced from the budgeted $60,000 based on available fund balance.
4. The 2014/2015 revised estimate and the 2015/2016 budgeted expenditures each include payments of $45,000 on the internal loan for the Irrigation project. These have been adjusted from the $60,000 reflected in the original plan.
5. The 2014/2015 budget included a golf fee increase which was effective for the 2014 golf season. No additional fee increase is budgeted for 2015.

Golf Course

Summary of Revenues

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Season Passes	$ 102,402	$ 106,449	$ 128,000	$ 110,000	$ 115,000
Greens Fees	204,288	217,093	251,000	225,000	230,000
Trail Fees	200	200	200	200	200
Interest	142	82	100	100	100
Rental of Buildings	0	0	200	100	100
Lessons	4,975	4,430	6,000	6,000	6,000
Golf Cart Rental	176,282	186,003	205,000	200,000	205,000
Pull Cart Rental	695	713	800	2,500	2,500
Driving Range Fees	17,185	17,833	21,500	18,500	18,500
Simulator Fees	3,710	3,448	6,000	6,000	6,000
Catering Fee	102	0	300	300	300
Beer Sales	84,366	86,083	96,000	90,000	90,000
Food and Beverage Sales	58,878	56,809	63,000	60,000	60,000
Merchandise Sales	61,350	50,006	67,000	65,000	65,000
Miscellaneous Sales	1,470	2,412	2,000	2,000	2,000
Rebate - Soft Drink Supplier	0	2,000	2,000	2,000	2,000
Sales Tax	22,802	24,138	28,300	25,200	25,900
Sale of Equipment	0	527	0	0	0
Donation	435	830	0	0	0
Miscellaneous	1,554	2,281	200	400	400
Total Revenues	$ 740,836	$ 761,337	$ 877,600	$ 813,300	$ 829,000

Function:
Business Type

Department:
Parks and Recreation

Activity:
Golf Maintenance Operations

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 188,347	$ 194,697	$ 203,400	$ 192,200	$ 191,600	-5.80%
Commodities	95,852	78,554	99,500	99,500	99,500	0.00%
Contractual Services	55,271	43,611	42,100	42,900	42,500	0.95%
Capital Outlay	10,377	26,506	-	-	25,000	
Transfers	108,600	95,100	111,600	96,600	98,100	-12.10%
Total Expenditures	$ 458,447	$ 438,468	$ 456,600	$ 431,200	$ 456,700	0.02%
Funding Sources						
Golf Funds	$ 458,447	$ 438,468	$ 456,600	$ 431,200	$ 456,700	0.02%

Personnel Schedule						
	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time:						
Golf Course Supervisor	1.00	1.00	1.00	1.00	1.00	
Groundskeeper	1.00	1.00	1.00	1.00	1.00	
Total Full Time	2.00	2.00	2.00	2.00	2.00	
Part Time:						
Seasonal Equipment Operator	2.56	2.56	2.56	2.56	2.56	
Total	4.56	4.56	4.56	4.56	4.56	$ 146,200
Employee Benefits						45,400
Total Personal Services						$ 191,600

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Tractor and Loader	1	Yes	$ 25,000
Capital Project Funding Transfer			
Golf Irrigation System Internal Loan Payment			$ 45,000

Function:
Business Type

Department:
Parks and Recreation

Activity:

Golf Clubhouse Operations

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 153,946	$ 153,977	$ 165,100	$ 145,700	$ 158,600	-3.94%
Commodities	129,789	97,971	136,800	128,000	127,900	-6.51%
Contractual Services	80,369	85,115	94,900	89,100	90,600	-4.53%
Capital Outlay	896	3,785	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 365,000	$ 340,848	$ 396,800	$ 362,800	$ 377,100	-4.96%
Funding Sources						
Golf Fees and Sales	$ 365,000	$ 340,848	$ 396,800	$ 362,800	$ 377,100	-4.96%

Personnel Schedule						
	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time:						
Golf Professional	1.00	1.00	1.00	1.00	1.00	
Part Time:						
Clubhouse Supervisor	1.35	1.35	1.35	1.69	1.47	
Cashier	1.18	1.00	1.18	1.04	1.09	
Laborer/Ranger	0.74	0.74	0.74	0.65	0.71	
Total Part Time	3.27	3.09	3.27	3.38	3.27	
Total	4.27	4.09	4.27	4.38	4.27	$ 125,400
Employee Benefits						33,200
Total Personal Services						$ 158,600

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 2014/2015 revised estimate is $300 more than the original budget primarily due to an increase in repair and maintenance supplies.

The 2015/2016 budget totals $25,900 which is $900 (3.6%) more than the original 2014/2015 budget. This increase is primarily due to an increase in personal services costs. The estimated fund balance as of June 30, 2015 is $10,732 and it is estimated to increase to $11,232 as of June 30, 2016.

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), decreased to forty-six (46) in 2013 and to forty-five (45) in 2014. The 2013 and 2014 decreases were 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, 2013 or 2014 boating seasons. The Parks department conducted a survey of area boat harbors and based on the survey, slip rental rates are budgeted to increase for the 2015 boating season. A non-resident fee was also implemented beginning in 2015. The seasonal fee structure for the boat harbor is as follows:

TYPE OF BOAT	1998	1999-2007	2008-2009	2010-2014	2015 Residents	2015 Non-Residents
17 feet or less	$246.00	$271.00	$298.00	$ 338.00	$350.00	$ 400.00
18 to 25 feet	330.00	363.00	399.00	439.00	450.00	500.00
26 to 32 feet	413.00	454.00	499.00	539.00	550.00	600.00
33 feet and up	700.00*	770.00*	847.00*	887.00*	991.00*	1,040.00 *
Single slips	495.00	545.00	595.00	635.00	N/A	N/A

* Plus a surcharge of $5.00 per foot over 40 feet.

GOAL STATEMENT:

To establish and maintain a usable and aesthetically compatible riverfront area for the use of the general public in the City of Muscatine including a municipal harbor and launching ramp.

PERFORMANCE MEASURES:

Calendar Year Basis	Actual 2012	Actual 2013	Actual 2014	Estimated 2015	Estimated 2016
House Boat Slips Rented	16	9	11	11	11
House Boat Slips Available	18	18	18	18	18
Percent Rented (House Boats)	89%	50%	61%	61%	61%
Other Slips Rented	53	37	34	34	34
Other Boat Slips Available	87	66*	66	66	66
Percent Rented (Other Slips)	61%	56%	52%	52%	52%

* The long dock slips were reconfigured to uniform widths for the 2013 boating season which reduced the number of other slips available.

RECENT ACCOMPLISHMENTS:

In 2014 staff replaced deck boards on the aged dock system and the harbor rip rap banks were sprayed for weed control. A gangway deck panel that was torn off and missing from the flood was replaced. Repairs were also made to dock electrical conduits and water lines.

Staff assisted the Water Pollution Control dredging staff with access to the harbor's boat and provided storage for dredge equipment on the riverfront.

Winter docking was also provided for the Pearl Button excursion boat.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016:

* To continue to improve weed control along the banks of the harbor.

* To repair long dock anchors, subject to funding.

* To add erosion stone to harbor banks.

* To better educate harbor users and enforce boat harbor usage policies.

* To develop a plan for boat slip stiff arm upgrade improvements.

* To continue to provide support to the Water Pollution Control's dredging operation.

* To continue to look for other initiatives to improve services or save time and costs in maintaining the harbor. **(Council and Management Continuous Service Improvement Goal)**

Boat Harbor Operations

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance (Deficit), July 1	$ 6,256	$ 11,914	$ 19,514	$ 9,632	$ 10,732
Revenues					
Boat Slip Rentals	$ 28,025	$ 22,400	$ 32,000	$ 26,000	$ 26,000
Overnight Slip Rentals	630	212	400	400	400
Interest	6	6	0	0	0
Other	10	22	0	0	0
Total Revenues	$ 28,671	$ 22,640	$ 32,400	$ 26,400	$ 26,400
Funds Available	$ 34,927	$ 34,554	$ 51,914	$ 36,032	$ 37,132
Expenditures (1)	23,013	24,922	25,000	25,300	25,900
Ending Balance (Deficit), June 30	$ 11,914	$ 9,632	$ 26,914	$ 10,732	$ 11,232
Increase (Decrease) in Fund Balance	**$ 5,658**	**$ (2,282)**	**$ 7,400**	**$ 1,100**	**$ 500**

1. Expenditures include changes in compensated absences and other post-employment benefits.

Function:
Business Type

Department:
Parks and Recreation

Activity:

Boat Harbor Operations

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 10,588	$ 13,540	$ 13,500	$ 13,500	$ 14,300	5.93%
Commodities	696	1,129	1,200	1,600	1,200	0.00%
Contractual Services	7,049	3,433	4,700	4,600	4,600	-2.13%
Capital Outlay	-	-	-	-	-	
Transfers	5,200	5,400	5,600	5,600	5,800	3.57%
Total Expenditures	$ 23,533	$ 23,502	$ 25,000	$ 25,300	$ 25,900	3.60%
Funding Sources						
Boat Harbor Revenues	$ 23,533	$ 23,502	$ 25,000	$ 25,300	$ 25,900	3.60%

Personnel Schedule						
	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time:						
Maintenance Repairperson	0.25	0.25	0.25	0.25	0.25	$ 11,700
Employee Benefits						2,600
Total Personal Services						$ 14,300

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. There was no General Fund subsidy transfer needed in 2012/2013; however a transfer was made in 2013/2014 to eliminate the $436 deficit for that year.

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 2014/2015 revised estimate and 2015/2016 budget allow for fuel purchases and fuel sales to continue at recent year levels. Both the revised estimate for 2014/2015 and the budget projection for 2015/2016 show this operation breaking even. As in previous years, if there are shortfalls for either year, it is proposed that they be eliminated by funding transfers from the General Fund on an annual basis.

GOAL STATEMENT:

To provide fuel and related items for sale to boaters on the Mississippi River.

PERFORMANCE MEASURES:

	Actual 2012	Actual 2013	Actual 2014	Estimated 2015	Estimated 2016
Gallons of Gasoline Sold	3,813	1,652*	1,291*	3000	3000
Gallons of Diesel Fuel Sold	602	274	761	500	500
Hours Open	179	114	95	180	180

* In 2013 and 2014 the gas dock did not open until July due to floods.

RECENT ACCOMPLISHMENTS:

The Marina did not open until the end of July in 2014 due to flooding. It was kept open longer into the fall to offset the late opening. During the insurance audit, it was recommended the department add signage informing boaters that they are responsible for any fuel spills that might occur during their fueling.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016:

* 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.

* To continue to provide a service to the boaters for refueling and pump out services as the marina is the only source for these services in our pool.

* To continue to look for ways to implement "Lean" initiatives in this operation. **(Council and Management Continuous Service Improvement Goal)**

* To continue to operate within state and federal regulations.

Marina Operations

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance (Deficit), July 1	$ (3,295)	$ (5,226)	$ (5,726)	$ (4,499)	$ (4,099)
Revenues					
Fuel Sales	$ 12,971	$ 7,965	$ 15,000	$ 15,000	$ 15,000
Miscellaneous	108	115	100	100	100
Transfer from General Fund: Subsidy to Eliminate Deficit	0	436	0	0	0
Total Revenues	$ 13,079	$ 8,516	$ 15,100	$ 15,100	$ 15,100
Funds Available	$ 9,784	$ 3,290	$ 9,374	$ 10,601	$ 11,001
Expenditures	15,010	7,789	14,700	14,700	14,600
Ending Balance (Deficit), June 30	$ (5,226)	$ (4,499)	$ (5,326)	$ (4,099)	$ (3,599)
Allowance for Inventory	5,300	4,499	5,326	4,099	3,599
Net Balance (Deficit), June 30	$ 74	$ 0	$ 0	$ 0 (1)	$ 0 (1)
Increase (Decrease) in Net Fund Balance	**$ (1,931)**	**$ 727**	**$ 400**	**$ 400**	**$ 500**

1. Athough zero fund balances are projected with the allowance for inventory, any shortfalls are proposed to to be funded from transfers from the General Fund on an anuual basis.

Function:
Business Type

Department:
Parks and Recreation

Activity:
Marina Operations

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 1,118	$ 1,193	$ 1,800	$ 1,500	$ 1,700	-5.56%
Commodities	13,191	5,980	12,000	12,300	12,000	0.00%
Contractual Services	701	615	900	900	900	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 15,010	$ 7,788	$ 14,700	$ 14,700	$ 14,600	-0.68%
Funding Sources						
Fuel Sales	$ 12,971	$ 7,965	$ 15,000	$ 15,000	$ 15,000	0.00%
Miscellaneous Revenue	108	115	100	100	100	0.00%
Subsidy to Eliminate Deficit	-	436	-	-	-	
Total Funding Sources	$ 13,079	$ 8,516	$ 15,100	$ 15,100	$ 15,100	0.00%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Part Time:						
Seasonal Laborer	0.09	0.09	0.09	0.09	0.09	$ 1,500
Employee Benefits						200
Total Personal Services						$ 1,700

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. Effective July 1, 2014 rates were again adjusted to $565 for BLS calls, $672 for ALS1 calls, $972 for ALS2 calls, and $1,149 for SCT calls. The mileage rate was also increased to $14 per loaded mile. 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 2015/2016, 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 2012/3013 and 2013/2014 and the percentage increased slightly to 25.7% for 2014/2015. The percentage has been lowered to 23% for 2015/2016 due to the limited funds available in the Ambulance fund. 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 was originally budgeted to increase by $26,600 to $911,900 (3.0%). With increased overtime in the Fire department revised estimate, however, the transfer increased to $922,400, an increase of $37,100 (4.2%) compared to the previous year. The transfer for 2015/2016 at the lowered allocation rate of 23% will be $833,200 which is a $78,700 (8.6%) decrease from the original 2014/2015 budget. As close to 90% 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 2014/2015 are $51,300 higher than the original budget. Personal services costs are $27,400 higher than the original budget due to increased part-time ambulance attendant hours. The increase in part-time hours was in part due to extended absences of several fulltime employees. There were also increases in billing service costs of $8,000, repair and maintenance services costs of $9,200, and the increased transfer for fire department personnel of $10,500. Reductions in several other line items offset a portion of these increases.

The budgeted expenditures for 2015/2016 are $58,800 (4.3%) less than the original 2014/2015 budget. This overall decrease is due to the $78,700 decrease in funding transfer for personnel costs in the Fire department budget (decrease in percentage from 25.7% to 23%) due to limited funding being available in the Ambulance fund. This decrease was partially offset by increases in several line items including (1) a $4,400 increase in personal services costs, (2) an $8,000 increase for billing services, and (3) a $4,600 increase in repair and maintenance services costs. The budget includes a $6,000 capital outlay allocation for Tough Pad computers used in the ambulances. The Ambulance fund balance did not allow for the replacement of an ambulance for $148,500 (net of trade-in). The ambulance purchase is budgeted to be funded with a one-time increase in the General Fund transfer to the Equipment Replacement Fund specifically for this purchase. In effect, this purchase is budgeted to be funded from the General Fund balance in excess of the minimum fund balance provided for in the City's General Fund Balance Policy.

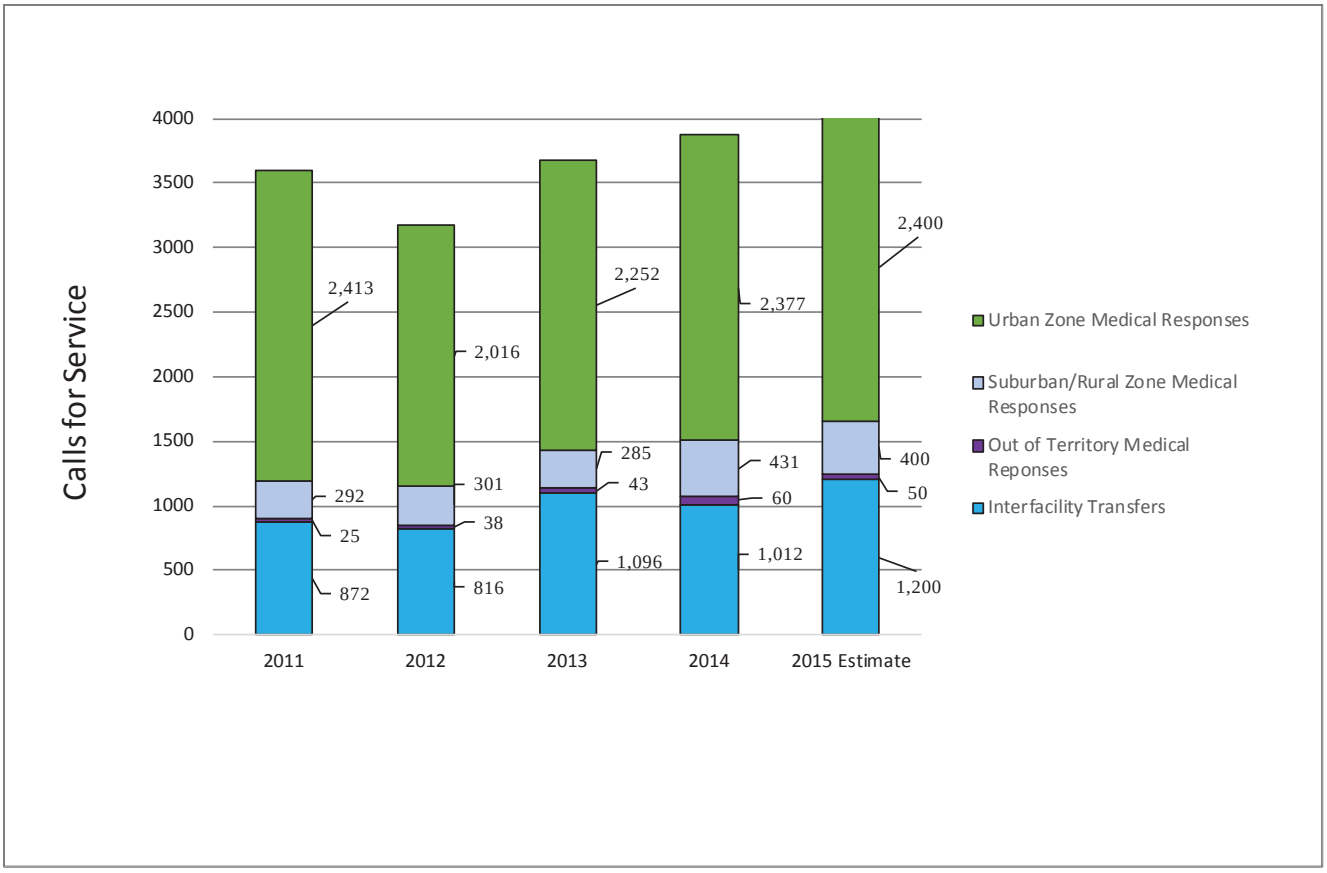
Ambulance service fees are estimated at $1,280,000 for 2014/2015 and $1,290,000 for 2015/2016. Usage and revenues have fluctuated in recent years and staff continues to monitor trends in these areas. The fund balance at the end of 2015/2016 is projected at $28,492.

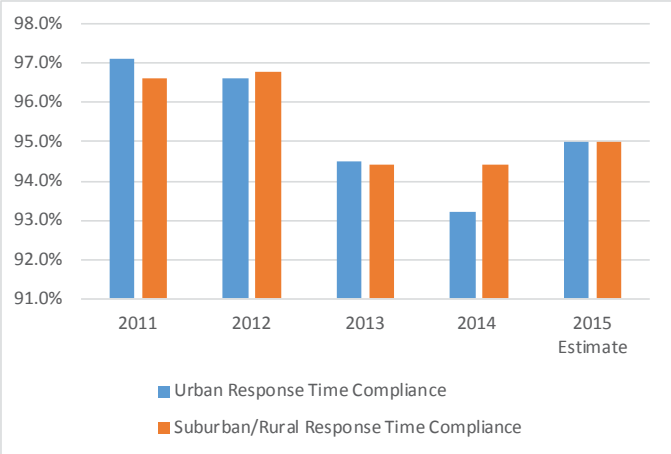
GOAL STATEMENT:

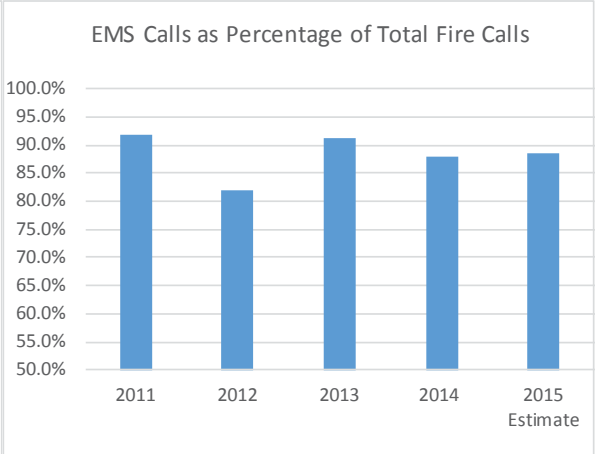
To provide high performance paramedic transport services in the Muscatine area, responding to all emergency calls with a transport unit in less than 9 minutes on not less than 95% of all response requests within the "Urban Zone" and less than 15 minutes on not less than 95% of all response requests within the "Suburban/Rural Zone."

PERFORMANCE MEASURES

	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Estimated 2015
Urban Zone Medical Responses	2,413	2,016	2,252	2,377	2,400
Suburban/Rural Zone Medical Responses	292	301	285	431	400
Out of Territory Medical Responses	25	38	43	60	50
Interfacility Transfers	872	816	1,096	1,012	1,200
Total EMS Calls	3,602	3,171	3,676	3,897	3,900
EMS Calls as % of Total Fire Calls	92.0%	82.1%	91.3%	87.9%	88.6%
EMS Training Hours	1,174	1,480	1,502	1,932	2,000
Urban Response Time Compliance (8:59 minutes or less on at least 90% of calls)	97.1%	96.6%	94.5%	93.2%	95%
Suburban/Rural Response Time Compliance (14:59 minutes or less on at least 90% of calls	96.6%	96.8%	94.4%	94.4%	95%







RECENT ACCOMPLISHMENTS:

Ambulance staff began implementation of a new stroke assessment scale (MEND) which has been recommended based on studies and information gathered through the department's participation in the Coverdell Stroke program.

The department provided leadership to the Iowa EMS Association. Fire Chief Jerry Ewers recently completed his second year as president of the organization and Paramedic Tom Summitt was re-elected to another term on the board. Staff organized and assisted in the annual 'Remembering Our Own' presentation at the Iowa EMS Association annual conference. The Fire department staff members were critical to nearly every phase of this event.

The 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. It was represented well by the other EMS agencies in the county. Activities included a helicopter on display, engine and ambulance tours, bicycle helmet give-away, child ID cards, blood pressure screenings, and a smokehouse from Davenport.

The department hosted the 5th Annual SE EMS Saturday Conference. This is attended by several EMS agencies within the county and assists in building great partnering relationships with the other organizations.

The Fire department along with the Muscatine Police department and Muscatine High School once again held Operation Prom. This program focuses on educating high school students of the hazards of driving impaired during prom weekend and throughout the year. This year's event included a real-time scenario utilizing school students, staff from various agencies, and Muscatine Fire department resources.

Muscatine has been recognized as a trend setter for cardiac care. Staff from the Fire department presented a course on our system at the Mercy Iowa City annual Cardiac Care Conference.

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 Colleges EMS Advisory Board, Iowa City Mercy Hospital cardiac

conference committee, Muscatine IPOST (program that replaced the "do not resuscitate" orders used in the past) implementation committee, State of Iowa IPOST task force, and other groups throughout the region.

Staff continues to provide tactical medic services to the Muscatine Police department and the Muscatine County Sheriff's Office special response teams.

The department worked with Unity Public Health in quickly providing a proper response and adjustment of protocols and equipment to deal with the potential of an Ebola case in Muscatine.

The department completed the purchase of new cardiac monitors and CPR devices. The entire department was trained on the devices and now each of the ambulances is stocked with identical equipment and has increased capabilities for cardiac patients.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016:

* To develop a countywide agreement so that ambulances that operate in the county are better able to assist each other if needed.

* To review ambulance district boundaries and work with MUSCOM (Muscatine County joint communications center) and ambulances in the county to clarify service delivery areas.

* To continue to look for grant funding to assist in improvement of EMS services.

* To review the department's current operations to determine if efficiencies can be made. This includes working with the community to determine if certain sections of patients can be better served with a different response. **(Council and Management Continuous Service Improvement Goal)**

* To continue to expand and enhance ties to various sections of the community in order to provide a more concentered response to medical needs citywide.

Ambulance Operations

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 214,444	$ 289,927	$ 109,227	$ 123,792	$ 16,092
Revenues					
Ambulance Fees	$ 1,280,036	$ 1,260,648	$ 1,280,000	$ 1,280,000	$ 1,290,000
Ambulance Fees (Prior Year Amount Over (Under) Accrual)	7,133	6,603	0	0	0
Township Subsidies	31,400	31,400	30,000	30,000	30,000
Donations	17,219	6,696	0	0	0
Interest	154	146	100	100	100
Local Grant/Reimbursment	13,204	0	0	0	0
Reimbursement of Damages	2,522	0	0	0	0
Other	200	0	0	0	0
Total Revenues	$ 1,351,868	$ 1,305,493	$ 1,310,100	$ 1,310,100	$ 1,320,100
Funds Available	$ 1,566,312	$ 1,595,420	$ 1,419,327	$ 1,433,892	$ 1,336,192
Expenditures (1)	1,276,385	1,471,628 (2)	1,366,500 (3)	1,417,800	1,307,700 (4)
Ending Balance, June 30	$ 289,927	$ 123,792	$ 52,827	$ 16,092	$ 28,492
Increase (Decrease) in Fund Balance	**$ 75,483**	**$ (166,135)**	**$ (56,400)**	**$ (107,700)**	**$ 12,400**

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. The 2013/2014 expenditures included $99,000 for the refurbishment of one ambulance.
3. In 2014/2015 a total of $221,000 in ambulance equipment was funded from bond proceeds instead of the Ambulance fund since the fund balance was not sufficient to fund these purchases. These purchases included $168,000 for cardiac monitors and $53,000 for CPR devices.
4. In 2015/2016 a new ambulance is budgeted to be purchased from the Equipment Replacement fund since sufficient funds were not available in the Ambulance fund. The budget includes an increased General Fund transfer to the Equipment Replacement fund specifically for this purchase ($148,500).

Explanation of Changes in Fund Balances:

Fluctuations in the Ambulance fund balance are primarily due to the number and amount of capital purchases each year. The fund balance decrease in 2013/2014 was primarily due to $104,500 in capital outlay items including $99,000 to refurbish an ambulance.

Function:
Business Type

Department:
Fire

Activity:
Ambulance Operations

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 137,012	$ 168,680	$ 147,700	$ 175,100	$ 152,100	2.98%
Commodities	93,832	89,759	99,300	99,300	99,300	0.00%
Contractual Services	160,610	181,413	170,700	184,100	180,500	5.74%
Capital Outlay	10,100	110,456	1,400	1,400	6,000	328.57%
Transfers	872,500	919,800	947,400	957,900	869,800	-8.19%
Total Expenditures	$ 1,274,054	$ 1,470,108	$ 1,366,500	$ 1,417,800	$ 1,307,700	-4.30%
Funding Sources						
Ambulance Fees	$ 1,287,169	$ 1,267,251	$ 1,280,000	$ 1,280,000	$ 1,290,000	0.78%
County Subsidy	31,400	31,400	30,000	30,000	30,000	0.00%
Donations	17,219	6,696	-	-	-	
Interest	154	146	100	100	100	0.00%
Local Grant/Reimbursements	13,204	-	-	-	-	
Other	2,722	-	-	-	-	
Total Funding Sources	$ 1,351,868	$ 1,305,493	$ 1,310,100	$ 1,310,100	$ 1,320,100	0.76%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time:						
Ambulance Billing Manager	1.00	1.00	1.00	1.00	1.00	
Part Time:						
Ambulance Attendants	0.53	1.32	0.74	1.16	0.72	
Office Coordinator	0.25	0.25	0.25	0.25	0.25	
Total	1.78	2.57	1.99	2.41	1.97	$ 122,700
Employee Benefits						29,400
Total Personal Services						$ 152,100

Capital Outlay

Item:	*Quantity*	*Replacement*	*Amount*
Toughbook Computers	2	Yes	$ 6,000

SOLID WASTE MANAGEMENT FUNDS

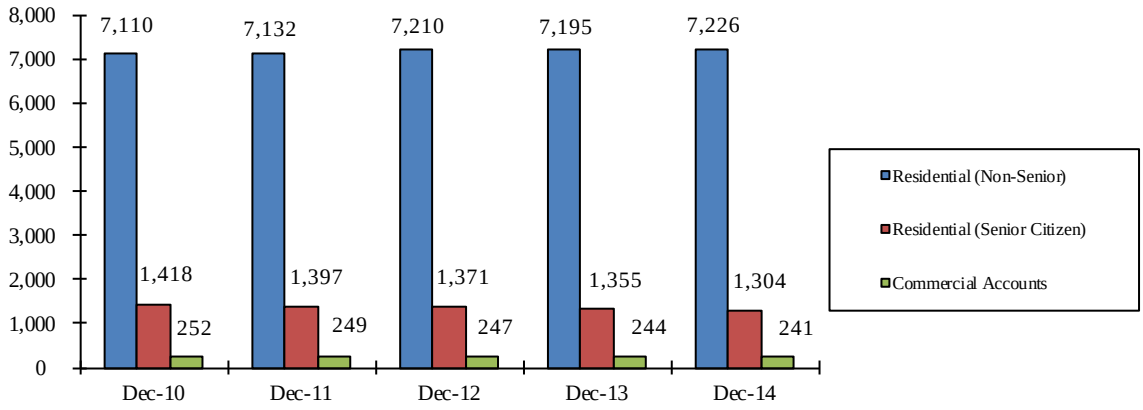
REFUSE COLLECTION

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:

Refuse Customers by Type



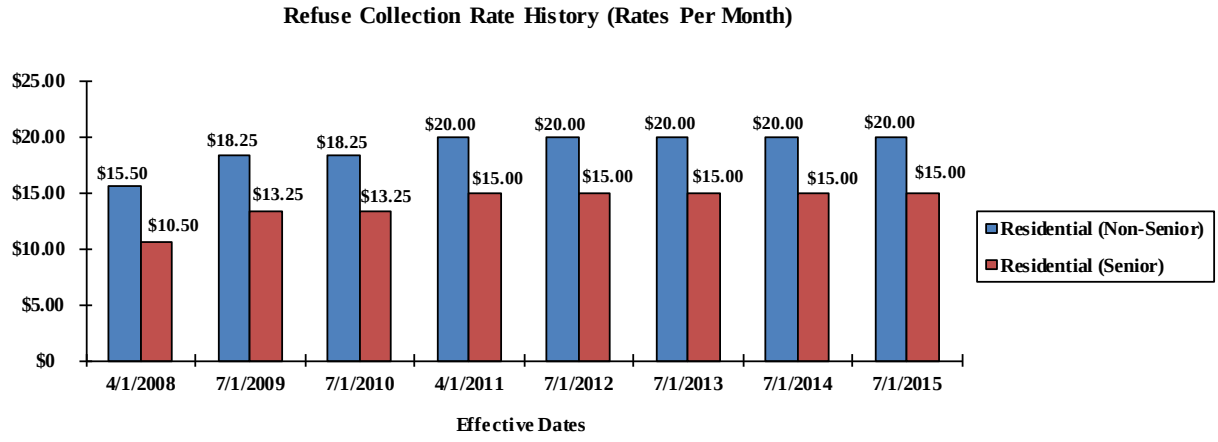
* Residential (Non-Senior) customers include approximately 330 customers in Fruitland .

In April 2011 the City began a contracted single-sort curbside recycling program for all residential refuse collection customers. Allied Waste was selected as the contractor. This replaced the previous program which involved recycling trailers located throughout the community. Funding for the curbside recycling program has been incorporated into the refuse collection rates. The cost per customer per month for the curbside recycling program was $3.05 in the first year of the contract. The contract provides for increases to $3.14, $3.23, $3.33, and $3.43, respectively, for the 2nd through the 5th years of the contract. Allied Waste provided the containers for each customer as part of that fee.

The City realized savings from discontinuing the previous drop-off trailer recycling program. These savings were in the reduction of one fulltime refuse collection driver, decreased temporary services, decreased overtime, and decreased fuel and maintenance costs. Temporary services and overtime were reduced since the drop-off trailers were emptied seven days per week which resulted in approximately $23,900 of overtime annually.

The Refuse Collection activity is 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 (one-person) refuse collection vehicles 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 2015/2016.



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 was due to the addition of approximately 325 residential units effective April 1, 2013 with the annexation of the area which includes Ripley's Mobile Home Court. In 2013/2014 the refuse collection division disposed of 8,204 tons of waste at the Transfer Station. The increased tonnage reflects a full year of refuse from Ripley's Mobile Home Court.

The 2014/2015 and 2015/2016 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.

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 included funding to begin implementation of a long-term plan to convert to automated refuse vehicles. The 2014/2015 budget included $240,000 for one automated refuse collection vehicle and $150,000 for approximately 3,000 containers for residential customers. The transition to the automated refuse collection program will be implemented over the next several years. This will include replacing one additional refuse collection vehicle with an automated vehicle at the time an older vehicle is 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 has allowed for more funding to be available in 2014/2015 and future years for the capital purchases which will be required to fully implement this program.

The 2014/2015 revised estimate is $28,200 less than the original budget. This overall decrease is primarily due to a reduction of $24,000 in capital outlay which includes (1) a reduction of $14,000 from moving the purchase of an additional tipper to the 2015/2016 budget, and (2) the automated refuse collection vehicle now estimated at $230,000 instead of the $240,000 originally budgeted. There were increases and decreases is other areas of the budget including a decrease in personal services of $16,100, a $500 decrease in commodities, and a $12,400 increase in contractual services primarily for increased vehicle repair and maintenance services costs. The tipper was moved to 2015/2016 in order to keep a positive balance in this fund at the end of 2014/2015.

The budget for 2015/2016 is $239,400 (10.0%) less than the 2014/2015 budget. This overall decrease is due to a $260,000 decrease in capital outlay. As noted previously, the original 2014/2015 budget included $240,000 for an automated refuse collection vehicle; no additional vehicles are budgeted in 2015/2016. The $154,000 capital outlay allocation for 2015/2016 includes $130,000 for additional residential refuse collection containers, $10,000 for dumpsters, and $14,000 for the additional tipper which was originally budgeted in 2014/2015. Other significant changes in the 2015/2016 budget are (1) a reduction of $15,600 in personal services costs which reflects elimination of a 29 hour/week position when the first automated refuse collection vehicle is placed into service, (2) a $12,000 increase for purchasing yard waste bags for resale (purchased every other year), and (3) an $11,500 increase in transfers for the cost allocation of the new Communications Manager position.

The 2015/2016 budget continues to include the allocation of 50% of the Health and Housing Coordinator 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 estimated balance in the Refuse Collection fund at the end of 2014/2015 is minimal at $637 due to the significant capital purchases this year. This balance is budgeted to increase to $23,737 at the end of 2015/2016. Looking ahead to future years, the purchase of one additional automated refuse collection vehicle estimated at $230,000 and additional refuse bins estimated at $80,000 are needed to fully implement the automated refuse collection program.

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:

	Actual 2011/2012	Actual 2012/2013	Actual 2013/2014	Estimated 2014/2015	Estimated 2015/2016
Tons of Refuse Collected	7,793	7,957	8,204	8,100	8,100
Regular Residential Customers - December	6,807	6,877	6,852	6,892	6,900
Senior Residential Customers - December	1,397	1,335	1,342	1,304	1,310
Commercial and Industrial Customers - December	249	246	242	241	240
Ripley's Mobile Home Court – Residential Units *	NA	325	313	312	312
Fruitland Residential Customers – December	325	330	334	334	334
Cleanup Week Collections (Tons)	530	580	609	580	580
Number of Recycling Trailers	5	5	5	5	5
Recycling Trailer Collections (Tons)	260	240	235	250	250
Single Sort Curbside Recycling (Tons)	1,284	1,330	1,310	1,450	1,450
Curbside Pickups (calendar year)	1,163	1,028	1,140	1,100	1,100

* In April 2013, refuse collection services were expanded with the annexation of the Ripley's Mobile Home Court area. This will be billed as one commercial account but it will include providing refuse collection services to approximately 315 individual residential units in the mobile home court.

RECENT ACCOMPLISHMENTS:

In the fall of 2014 the City of Muscatine received the Muscatine Journal's People's Choice Award for Best Recycling Program. This is the second year that the City was recognized for their contributions in providing recycling programs to the community. This includes all the services the City provides. Two other nominees could have received this award, and it is honor to be chosen by the residents we serve.

Curbside recycling is in its fourth year in the City of Muscatine. This program has made recycling a part of everyone's daily lives and is second nature to most residents with the participation rate continuing to hold at 95%.

The pilot program, which was put in place before moving towards the full automated refuse collection program, has been operating for over a year. There have been varied responses from customers in this area from favorable to not so favorable, but the majority of residents understand what the City is moving towards with the automated refuse collection program. Staff is expecting the new automated collection truck and 3,000 additional containers to be delivered in the fall of 2015.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016:

* To implement the next phase of the automated refuse collection program with the arrival of the first automated refuse collection vehicle. **(Council and Management Continuous Service Improvement Goal)**

* To continue public education outreach, beautification programs, sustainability, and other environmental programs in the community.

* To prepare the Compost Site for increased usage from the expected impact of the Emerald Ash Borer.

* To continue expanding recycling/waste management programs/presentations at community events and working for more “Less Waste” events. **(Council and Management Marketing Goal)**

* To continue promoting and creating a safe work environment for all Solid Waste employees.

Refuse Collection Fund

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 191,650	$ 211,538	$ 242,692	$ 188,737	$ 637
Revenues					
Charges for Services	$ 2,119,732 (2)	$ 2,147,276 (3)	$ 2,158,000	$ 2,147,300	$ 2,147,300
Sales - Yard Waste Bags	11,866	13,101	12,000	12,000	12,000
Commercial Brush Fee	1,420	35	1,000	1,000	1,000
Rental of Dumpsters	0	0	100	100	100
Interest	125	268	100	100	100
Sales Tax	4,554	4,334	4,500	4,500	4,500
Donations	200	119	0	0	0
Total Revenues	$ 2,137,897	$ 2,165,133	$ 2,175,700	$ 2,165,000	$ 2,165,000
Encumbrance Variance	301	0	0	0	0
Funds Available	$ 2,329,848	$ 2,376,671	$ 2,418,392	$ 2,353,737	$ 2,165,637
Expenditures (1)	2,118,310	2,187,934	2,381,300 (4)	2,353,100 (5)	2,141,900
Ending Balance, June 30	$ 211,538	$ 188,737	$ 37,092	$ 637 (6)	$ 23,737
Increase (Decrease) in Fund Balance	**$ 19,888**	**$ (22,801)**	**$ (205,600)**	**$ (188,100)**	**$ 23,100**

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. 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.
3. Fiscal year 2013/2014 revenues reflect a full year of refuse collection services for Ripley's Mobile Home Court which totaled $73,028.
4. The 2014/2015 budgeted expenditures included $240,000 for an automated refuse collection vehicle, $150,000 for additional garbage containers for residents, $14,000 for an additional tipper, and $10,000 for dumpters. .
5. In the Revised Estimate, the cost of the automated refuse collection vehicle has been reduced to $230,000 which reflects the trade-in of one of the current vehicles, and the tipper for $14,000 has been moved to 2015/2016.
6. A minimal fund balance is projected for the end of 2014/2015 due to the budgeted capital purchases. If actual expenditures exceed the budgeted amount, any deficit at the end of 2014/2015 is projected to be eliminated by by the end of 2015/2016.

Function:
Business Type Activity

Department:
Public Works

Activity:
Refuse Collection

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 721,997	$ 706,575	$ 705,700	$ 689,600	$ 690,100	-2.21%
Commodities	80,428	72,223	70,200	69,700	82,700	17.81%
Contractual Services	1,106,820	1,148,711	1,125,900	1,138,300	1,136,100	0.91%
Capital Outlay	36,621	81,690	414,000	390,000	154,000	-62.80%
Transfers	161,669	163,546	65,500	65,500	79,000	20.61%
Total Expenditures	$ 2,107,535	$ 2,172,745	$ 2,381,300	$ 2,353,100	$ 2,141,900	-10.05%
Funding Sources						
Charges for Services	$ 2,119,732	$ 2,147,276	$ 2,158,000	$ 2,147,300	$ 2,147,300	-0.50%
Sales - Yard Waste Bags	11,866	13,101	12,000	12,000	12,000	0.00%
Other Fees	1,420	35	1,000	1,000	1,000	0.00%
Sales Tax	4,554	4,334	4,500	4,500	4,500	0.00%
Interest	125	268	100	100	100	0.00%
Other	200	119	100	100	100	
Total Funding Sources	$ 2,137,897	$ 2,165,133	$ 2,175,700	$ 2,165,000	$ 2,165,000	-0.49%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time:						
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	5.00	5.00	5.00	5.00	
Refuse Collection Leadworker	1.00	1.00	1.00	1.00	1.00	
Health & Housing Coordinator	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	
Total Full Time	9.83	8.83	8.83	8.83	8.83	
Part Time:						
Compost Site Attendant	0.73	0.73	0.73	0.48	0.73	
Refuse Collection Laborers	1.42	1.42	1.40	1.78	0.69	
Total	11.98	10.98	10.96	11.09	10.25	$ 472,300
Employee Benefits						217,800
Total Personal Services						$ 690,100

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Tipper for Refuse Truck	1	No	$ 14,000
Dumpsters		Yes	10,000
Containers for Automtic Refuse Collection Program	2,800	No	130,000
			$ 154,000

SOLID WASTE MANAGEMENT FUNDS

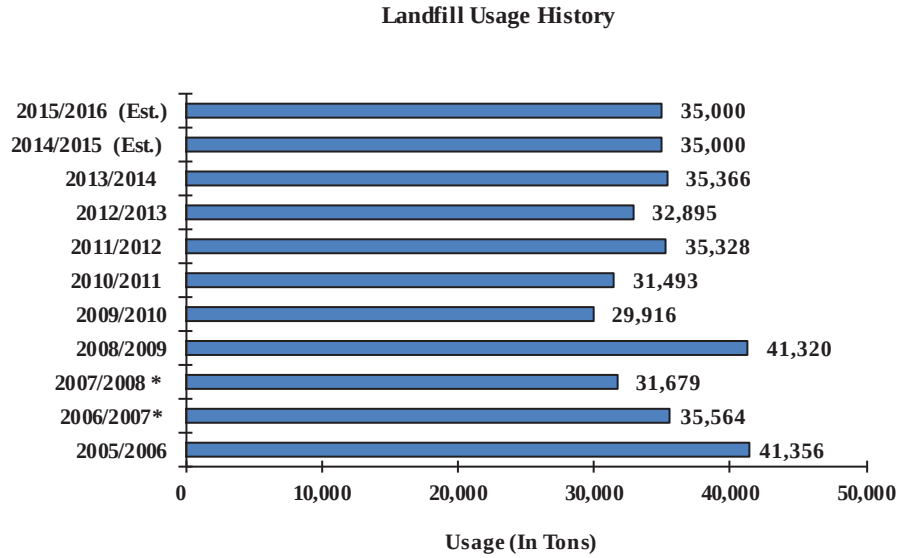
LANDFILL OPERATIONS

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.

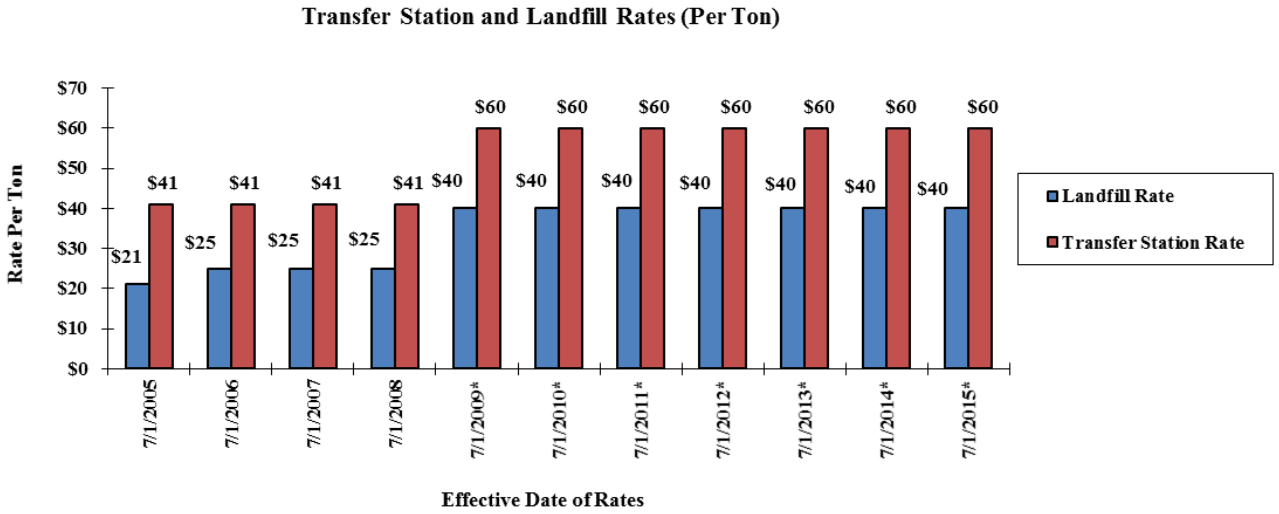
The following chart shows the tons of waste disposed of at the landfill since 2005/2006 as well as the projected waste volumes for 2014/2015 and 2015/2016.



* 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.

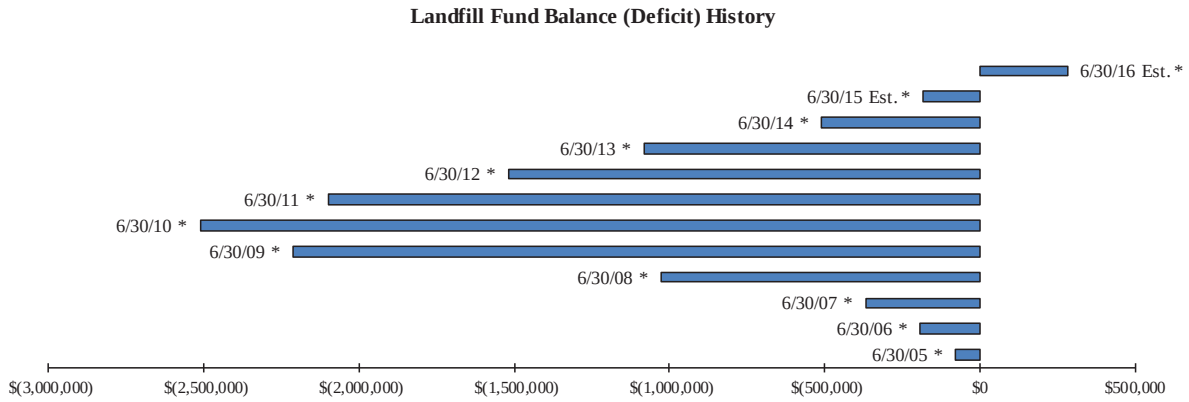
Volumes at the landfill have fluctuated over the years shown above and the number and types of users have changed. The State of Iowa has also enacted regulations for volume reduction and restrictions on materials that can be deposited in landfills. As noted above, capacity issues in 2006/2007 and 2007/2008 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 2005/2006 year and the portion of the transfer station fee paid to the landfill fund. In 2005/2006 $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 qualified for a discounted industrial rate of $50/ton of which $30 of this rate was 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 were extended through June 30, 2015. The industrial contracts have now been further extended through June 30, 2020. Under the new contracts the original industrial waste contracts were reduced by $5/ton from $50/ton to $45/ton, with $25 of the $45 rate paid to the Landfill. The negotiated contracts were each reduced by $2.50/ton.

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 were 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 was projected to be incrementally reduced as the capacity of the current cells is filled. A positive fund balance of $283,467 is projected for the end of 2015/2016.

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 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 were expected to bring in an estimated 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 and have been further extended through June 30, 2020. The reduction in the deficit was $411,988 in 2010/2011, an additional $582,320 reduction in

the deficit (to $1,518,292) in 2011/2012, a further reduction of $435,957 (to $1,082,335) in 2012/2013, and an additional $573,309 reduction (to $509,026) in 2013/2014. The deficit reduction in the 2014/2015 revised estimate is $325,154 (to $183,872) and the deficit is projected to be eliminated in 2015/2016 with a positive balance of $283,467 budgeted. These reductions in the deficit were slightly higher than the targeted reductions in the original financial plan.

The revised estimate expenditures for 2014/2015 are $200,000 higher 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). These funds were carried forward to the 2014/2015 year.

Landfill expenditures budgeted for 2015/2016 are $1,615 (.2%) higher than the original 2014/2015 budget. No capital outlay allocations are included in the 2015/2016 budget.

The revised estimate landfill service charges revenue is estimated at $1,277,000 based on a total of 35,000 tons of waste. This waste estimate includes 21,500 tons at the full $40 rate ($860,000), 7,000 tons at the original $30 industrial contract rate ($210,000), and 6,500 tons at the negotiated industrial rates ($207,000). The same 35,000 ton total waste volume is projected for the 2015/2016 budget which is estimated to generate $1,225,800 in revenues. Under the new 5-year contracts, there was a reduction in the landfill portion of the rate for the original industrial contracts from $30/ton to $25/ton. The revenue estimate for 2015/2016 is based on 21,500 tons at the full $40 rate ($860,000), 7,000 tons at the reduced industrial rate of $25/ton ($175,000), and 6,500 tons at the negotiated industrial rates ($190,800).

With the projected landfill revenues and expenditures, the deficit in the landfill fund is projected to decrease by $325,154 to $183,872 during the 2014/2015 fiscal year and change by $467,339 during 2015/2016 to a positive fund balance of $283,467 at the end of that year. The goal was 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.

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 2015/2016. 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 2015/2016 based on an estimated 35,000 tons of waste. The surcharge funds retained by the City are estimated at $54,250 for 2015/2016. 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 2015/2016 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 2015/2016 is $80,000 and the amount to be transferred to the Post-Closure Reserve is estimated at $30,000.

The 2015/2016 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. 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. The 2015/2016 budget includes the final debt service payments on the 2013 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:

	Actual 2011/2012	**Actual 2012/2013**	**Actual 2013/2014**	**Estimated 2014/2015**	**Estimated 2015/2016**
Tons of Waste Disposed	35,328	32,895	35,366	35,000	35,000
Landfill Capacity Remaining (Tons)	N/A	254,320	154,611	119,611	84,611
Years of Current Landfill Space Remaining (Estimate)	N/A	7.1*	4.7*	3.7	2.7
Leachate Collected in Gallons	1,888,082	1,864,228	1488,313	1,600,000	1,600,000

* The change from 2012/2013 to 2013/2014 in years of current landfill space remaining is due to a difference in the survey information. The areas surveyed and dirt usage over the two-year period may account for this difference.

RECENT ACCOMPLISHMENTS:

The Muscatine County Landfill is working with the Iowa Department of Natural Resources on a remedial action plan for the older sections of the landfill. The long-term plan will be implemented over the next three years.

Having neighbors around a landfill is never easy. The Solid Waste Manager has had several discussions with landfill neighbors on issues that pertain to operations. All conversations ended on good terms. Building a good neighbor relationship is important to all landfills.

During the past year, the Muscatine County Landfill had numerous “special waste” disposal requests for which staff created a few more guidelines for both waste hauling and waste generators to guarantee a better outcome for disposal. A good example is powder paint dust from several local industries. It is a non-hazardous dust but needs to go directly to the landfill. The new policy allows for this material to go to the landfill only on Thursdays to give the contractor plenty of time to handle it correctly. The Solid Waste Manager must know by Wednesday at noon if the material is coming to the landfill. Since this was implemented, the process has gone smoothly.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016:

* To continue to monitor the long-term plan to eliminate the accumulated deficit in the landfill fund. **(Council and Management Fiscal Responsibility Goal)**

* To complete and implement the corrective measures in the remedial action plan with the Iowa Department of Natural Resources.

* To continue to evaluate shop building options to determine if the existing building should be moved or a new building constructed.

* To look at options for Phases 5 and 6 construction and evaluate costs and benefits of doing these cells under separate construction projects or as one project.

* To begin addressing a long-term landfill plan.

* To continue working in a collaborative effort with the landfill contractor on erosion control, maintenance, and other issues as they arise at the landfill.

* To continue support for the members of the Muscatine County Solid Waste Management Agency.

* To continue public education outreach.

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

Fiscal Year	Principal	Interest	Total Requirements
2014/15	$ 78,000	$ 1,296	$ 79,296
2015/16	79,000	711	79,711
Total	$ 157,000	$ 2,007	$ 159,007

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

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance (Deficit), July 1	$ (1,518,292) (3)	$ (1,082,335)	$ (743,713)	$ (509,026)	$ (183,872)
Revenues					
Charges for Services	$ 1,195,186	$ 1,284,208	$ 1,290,000	$ 1,277,000 (4)	$ 1,225,800 (5)
Agency Assessment (2)	117,177	117,177	117,200	117,200	117,200
Interest	149	1,024	0	1,000	1,000
Industry Contribution	15,000	15,000	15,000	15,000	10,000
Transfers In:					
Landfill Surcharge Reserve	16,448	18,473	17,500 (6)	17,500 (6)	17,500 (6)
Total Revenues	$ 1,343,960	$ 1,435,882	$ 1,439,700	$ 1,427,700	$ 1,371,500
Funds Available	$ (174,332)	$ 353,547	$ 695,987	$ 918,674	$ 1,187,628
Expenditures (1)	908,003	862,573	902,546	1,102,546 (7)	904,161
Ending Balance (Deficit), June 30	$ (1,082,335)	$ (509,026)	$ (206,559)	$ (183,872)	$ 283,467
Increase (Decrease) in Fund Balance	**$ 435,957**	**$ 573,309**	**$ 537,154**	**$ 325,154**	**$ 467,339**

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 $1.5 million at the end of 2011/2012.
4. The 2014/2015 Revised Estimate revenues are based on 21,500 tons at $40/ton plus 7,000 tons at the original industrial rate of $30/ton, plus an estimated $207,000 at varying rates for other industrial waste contracts.
5. The 2015/2016 budgeted revenues are based on 21,500 tons at $40/ton plus 7,000 tons for the original industrial contracts at the new rate of $25/ton, plus an estimated $190,800 at varying rates for other industrial waste contracts.
6. The 2014/2015 and 2015/2016 transfers from the Landfill Surcharge Reserve are based on 35,000 tons at $.50/ton.
7. The 2014/2015 revised estimate includes an estimated $200,000 for a ground water remediation plan and improvements required by the Iowa Department of Natural Resources. This allocation was carried forward from the 2013/2014 budget.

Explanation of Changes in Fund Balances:

The accumulated deficit in this fund was 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(s) will need to begin approximatley one year before capacity is reached in the current cells. The accumulated deficit is projected to be eliminated at the end of the 2015/2016 year 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

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues					
Transfers In					
Surcharge Fees	16,448	18,473	17,500	17,500 (2)	17,500 (2)
Funds Available	$ 16,448	$ 18,473	$ 17,500	$ 17,500	$ 17,500
Expenditures					
Transfers to Landfill Fund	16,448	18,473	17,500	17,500	17,500
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

1. Transfers are based on 35,000 tons for the 2014/2015 Revised Estimate at $.50/ton.
2. Transfers are based on 35,000 tons for the 2015/2016 Budget at $.50/ton.

Landfill Surcharge Reserve Part II

Waste Reduction, Recycling, and Small Business Pollution Prevention

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues					
Transfers In					
Surcharge Fees	34,540	38,793	36,750	36,750 (2)	36,750 (2)
Funds Available	$ 34,540	$ 38,793	$ 36,750	$ 36,750	$ 36,750
Expenditures					
Transfers to Transfer Station Fund	34,540	38,793	36,750	36,750	36,750
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

1. Transfers are based on 35,000 tons at $1.05/ton for the 2014/2015 Revised Estimate.
2. Transfers are based on 35,000 tons at $1.05/ton for the 2015/2016 Budget.

Landfill Closure Reserve (1)

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 467,288	$ 546,735	$ 626,735	$ 620,429	$ 700,429
Revenues					
Transfers In					
Landfill Fund	79,447	73,694	80,000	80,000 (2)	80,000 (2)
Funds Available	$ 546,735	$ 620,429	$ 706,735	$ 700,429	$ 780,429
Expenditures	0	0	0	0	0
Ending Balance, June 30	$ 546,735	$ 620,429	$ 706,735	$ 700,429	$ 780,429
Increase (Decrease) in Fund Balance	**$ 79,447**	**$ 73,694**	**$ 80,000**	**$ 80,000**	**$ 80,000**

1. This reserve is required to be established to pay for the closure costs for the currently permitted landfill area.
2. Transfers to this reserve are determined annually based on the required annual engineering report submitted to the Iowa Department of Natural Resources. This amount has not yet been determined for the 2014/2015 year; however, the transfer is not expected to exceed the original budget. The amounts estimated for both 2014/2015 and 2015/2016 allow for these transfers to be similar to the actual transfers for 2012/2013 and 2013/2014.

Landfill Post-Closure Reserve (1)

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 785,531	$ 813,764	$ 843,764	$ 841,615	$ 871,615
Revenues					
Transfers In					
Landfill Fund	28,233	27,851	30,000	30,000 (2)	30,000 (2)
Funds Available	$ 813,764	$ 841,615	$ 873,764	$ 871,615	$ 901,615
Expenditures	0	0	0	0	0
Ending Balance, June 30	$ 813,764	$ 841,615	$ 873,764	$ 871,615	$ 901,615
Increase (Decrease) in Fund Balance	**$ 28,233**	**$ 27,851**	**$ 30,000**	**$ 30,000**	**$ 30,000**

1. Landfill owners are required to monitor and maintain landfill sites for 30 years after landfills are closed. Funds are required to be set aside annually in order to accumulate funds for this purpose.
2. Transfers to this reserve are determined annually based on the required annual engineering report submitted to the Iowa Department of Natural Resources. This amount has not yet been determined for the 2014/2015 year; however, the transfer is not expected to exceed the original budget. The amounts estimated for both 2014/2015 and 2015/2016 allow for these transfers to be similar to the actual transfers for 2012/2013 and 2013/2014.

Function:
Business Type

Department:
Public Works

Activity:
Landfill Operations

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	25,447	$ 26,257	$ 26,800	$ 26,800	$ 27,500	2.61%
Commodities	16,924	14,492	19,400	17,400	17,400	-10.31%
Contractual Services	539,514	527,898	561,600	583,600	562,600	0.18%
Capital Outlay	4,670	5,075	-	180,000	-	
Transfers	321,180	288,638	294,746	294,746	296,661	0.65%
Total Expenditures	$ 907,735	$ 862,360	$ 902,546	$1,102,546	$ 904,161	0.18%
Funding Sources						
Charges for Services	$ 1,195,186	$ 1,284,208	$ 1,290,000	$1,277,000	$ 1,225,800	-4.98%
Agency Assessment	117,177	117,177	117,200	117,200	117,200	0.00%
Industry Contribution	15,000	15,000	15,000	15,000	10,000	-33.33%
Interest	149	1,024	-	1,000	1,000	
Transfers In:						
Surcharge Reserve	16,448	18,473	17,500	17,500	17,500	0.00%
Total Funding Sources	$ 1,343,960	$ 1,435,882	$ 1,439,700	$1,427,700	$ 1,371,500	-4.74%

Personnel Schedule						
	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time:						
Solid Waste Manager	0.30	0.25	0.25	0.25	0.25	$ 20,300
Employee Benefits						7,200
Total Personal Services						$ 27,500

SOLID WASTE MANAGEMENT FUNDS

TRANSFER STATION OPERATIONS

GENERAL INFORMATION:

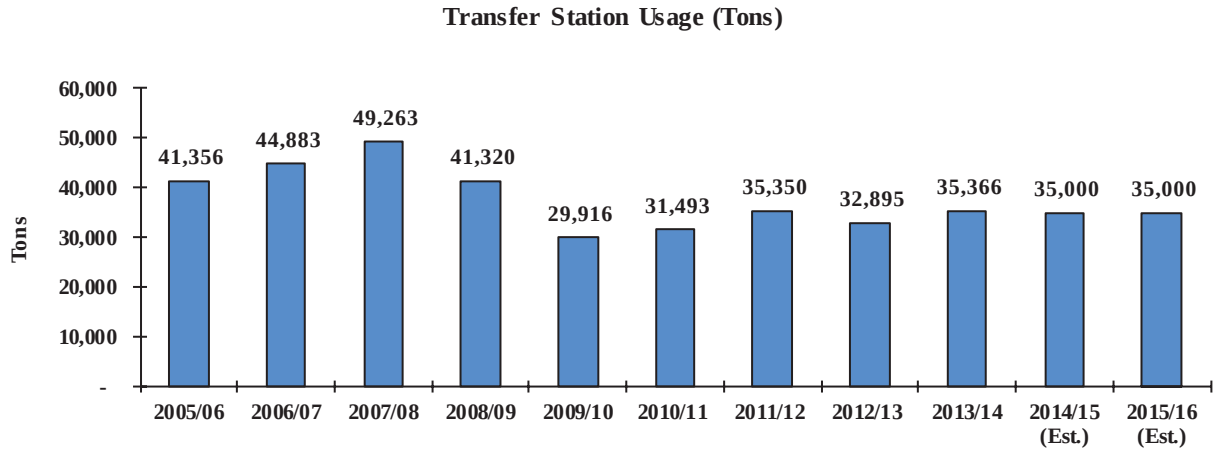
The Transfer Station opened in August of 1995. Project costs totaled approximately $10,128,000. Available balances funded $1,181,000 of construction costs. Bond proceeds of $8,778,400, a sales tax refund of $154,600, and interest earnings funded the balance of the project costs. Two bond issues financed 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 were funded from debt service taxes. The fiscal year 2013/2014 payments retired this issue.

The Solid Waste Manager oversees the operation of the Transfer Station. Funding for this position is currently being allocated one-fourth each to the Transfer Station and Landfill funds, and one-half to the Refuse Collection fund. The Solid Waste Manager's primary responsibilities involve overseeing the transfer station operation as well as the overall coordination of the refuse collection, transfer station, and landfill functions. The Solid Waste Manager reports to the Public Works Director.

CURRENT TRENDS AND ISSUES:

The Transfer Station opened in August 1995. While original estimates suggested a per ton tipping fee in excess of $40.00 per ton, the Transfer Station was opened with an introductory rate of $35.00 per ton and this rate increased to $36.00 per ton effective October 1, 1996, and to $37.00 per ton effective July 1, 1997. The rate increased to $38.00 for 2001/2002 and to $41.00 per ton for 2002/2003. As the transfer station rate includes funding for the landfill, increased landfill operating costs affect the rate required to be charged at the transfer station. Due to significant landfill cell development costs 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 2014/2015 revised estimate and 2015/2016 budget have been projected based on 35,000 tons of waste each year.



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's 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 were estimated to 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 were all extended through June 30, 2015. The industrial contracts have now been further extended through June 30, 2020. Under the new contracts the original industrial waste contracts were reduced by $5/ton from $50/ton to $45/ton, with $25 of the $45 rate paid to the Landfill. The negotiated contracts were each reduced by $2.50/ton.

While revenue from the negotiated 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 providing any funding for the Transfer Station. 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, (4) reducing overtime by an additional $11,000 with weekday scheduling changes, (5) 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, (6) not including funds for any capital items, and (7) 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 $15,485 positive balance in this fund at

the end of 2011/2012. The Transfer Station fund balance increased to $32,669 at the end of 2012/2013 and decreased to $24,338 at the end of 2013/2014. Based on budget assumptions, the Transfer Station fund balance is projected to have a deficit fund balance of $24,762 at the end of 2014/2015 and a small positive fund balance of $4,538 at the end of 2015/2016.

As noted above, all of the revenue from the 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, 2020. The Transfer Station has had minimal fund balances in recent years in part due to crediting all of the revenue from the negotiated contracts to the Landfill fund. As a result, the Transfer Station fund is "absorbing" the direct and indirect costs for processing the waste from these contracts. The Transfer Station pays a contractor to haul waste from the Transfer Station to the Landfill. Hauling costs are estimated at $190,000 for 2015/2016 and the total waste volume is estimated at 35,000, for an average of $5.43/ton in hauling costs. Applying this rate to the estimated 6,500 tons of waste from the negotiated contracts, results in the Transfer Station "absorbing" hauling costs estimated at $35,300 annually.

The 2014/2015 revised estimate expenditures are $128,900 more than the original budget. Significant increases include (1) a $78,100 increase in repair and maintenance services costs primarily for transfer trailer repairs, (2) a $27,000 increase in waste hauling costs, and (3) a $17,000 increase in landfill fees. A portion of these increases have been offset by an estimated $53,150 increase in revenues. However, with the net increase in expenditures, the ending balance for 2014/2015 is projected to be a deficit balance of $24,762.

The budgeted expenditures for 2015/2016 are $2,200 (.1%) less than the original 2014/2015 budget. While no capital outlay items are included in the operating budget, an internal loan is budgeted to be used to replace one of the transfer trailers at a cost of $65,000. This loan will be added to the internal loan for the crane and cab purchased in 2013/2014 as discussed below. A small fund balance of $4,538 is projected for the end of the 2015/2016 year.

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. The transfer trailer budgeted to be purchased in 2015/2016 will add two years to the internal loan, with annual payments of $32,500 in fiscal years 2018/2019 and 2019/2010. As noted above, the Transfer Station is "absorbing" costs for processing waste from the negotiated industrial contracts with those revenues specifically designated for the Landfill operation. This has limited Transfer Station revenues that are needed to maintain and replace equipment at that facility. Staff will continue to review the Transfer Station operation for costs savings and/or efficiencies.

GOAL STATEMENT:

To operate the Transfer Station/Recycling Facility in an environmentally sound and fiscally responsible manner in order to provide for solid waste handling and disposal for the City of Muscatine and the Muscatine County Solid Waste Management Agency.

PERFORMANCE MEASURES:

	Actual 2011/2012	Actual 2012/2013	Actual 2013/2014	Estimated 2014/2015	Estimated 2015/2016
Tons of Waste Processed	35,328	32,895	35,366	35,000	35,000
Public Tours/Programs	75	70	75	75	75
Tons Recycled (Contractor)	4,886	4,590	5,548	5,000	5,000
Gallons of Waste Oil Collected (Est.)	5,470	5,800	5,900	6,000	6,000

Note: Recycling efforts not shown on this form include appliances, tires, household hazardous waste materials, electronic waste, antifreeze, oil filters, florescent lights, and curbside recycling for the City of Muscatine.

RECENT ACCOMPLISHMENTS:

The Transfer Station has had a long-term working relationship with City Carton Recycling, who has operated the recycling side of the Transfer Station since the Transfer Station opened in 1995 providing recycling services to businesses, schools, and other communities in Muscatine County. In 2014 a new five-year contract was negotiated with City Carton. City Carton was recently acquired by Republic Services and a new contract will be forthcoming.

The Transfer Station staff sees numerous customers on a daily basis and should be commended for their efforts from the front office in handling customer phone calls and concerns, to the operator on the tipping floor area clearing a path for waste to be dumped. The efforts by staff help to make it a pleasant experience for customers bringing items for disposal.

During the past year, extensive work has been done on two older transfer trailers which are used to haul waste from the Transfer Station to the landfill. A new trailer has been included in the budget for 2015/2016.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016:

* To continue efforts for public education and outreach; beautification programs; sustainability; and other environmental programs and partnerships.

* To continue safety programs and creating a safe work environment for all staff members.

* To look at alternative options for items to recycle from the waste stream.

* To work with Public Works and the contractor during construction of the Musser Park to Wiggins Road Trail around the Transfer Station complex.

Transfer Station Operations

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance (Deficit), July 1	$ 15,485	$ 32,669	$ 10,019	$ 24,338	$ (24,762)
Revenues					
Charges for Services	$ 1,786,379	$ 1,922,308	$ 1,860,000	$ 1,912,000 (2)	$ 1,860,800 (3)
Household Hazardous Waste	1,356	70	350	350	350
Recycling Commissions	37,540	43,793	37,000	37,000	37,000
Rental of Land	1,500	1,500	0	1,500	0
Sales Tax	5,569	7,068	7,000	7,000	7,000
Miscellaneous Sales	20	0	350	0	0
Electronic Waste Disposal Fees	10,340	9,398	9,000	9,000	9,000
Appliance Disposal Fees	7,724	8,331	8,300	8,300	8,300
Sale of Equipment	16,890	3,564	0	0	0
Other	0	168	0	0	0
Transfers In:					
Surcharge Reserve	34,540	38,793	36,750	36,750	36,750
Closure Reserve	0	250	0	0	0
Total Revenues	$ 1,901,858	$ 2,035,243	$ 1,958,750	$ 2,011,900	$ 1,959,200
Funds Available	$ 1,917,343	$ 2,067,912	$ 1,968,769	$ 2,036,238	$ 1,934,438
Expenditures (1)	1,884,674	2,043,574	1,932,100	2,061,000	1,929,900
Ending Balance (Deficit), June 30	$ 32,669	$ 24,338	$ 36,669	$ (24,762)	$ 4,538
Increase (Decrease) in Fund Balance	**$ 17,184**	**$ (8,331)**	**$ 26,650**	**$ (49,100)**	**$ 29,300**

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. The revised estimate revenues for 2014/2015 are based on 21,500 tons at $60/ton plus 7,000 tons at the industrial rate of $50/ton plus $207,000 from the negotiated Industrial Contracts which is passed through to the Landfill.
3. The revenue estimate for 2015/2016 is based on 21,500 tons at $60/ton plus 7,000 tons at the industrial rate of $45/ton plus $190,800 from the negotiated Industrial Contracts which is passed through to the Landfill.

Explanation of Changes in Fund Balances:

The small balances in this fund are primarily due to reduced waste volume at this facility and crediting all of the revenue from the negotiated industrial contracts to the Landfill fund. Prior year deficits in this fund were eliminated with a $200,000 transfer from the Refuse Collection fund in 2010/2011 and an additional $50,000 transfer in 2011/2012. The deficit at the end of 2014/2015 is due to increased equipment maintenance costs during the year.

Transfer Station Closure Reserve (1)

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 38,645	$ 38,645	$ 38,395	$ 38,395	$ 38,395
Revenues					
Transfers In					
Transfer Station Fund	0	0	0	0	0
Funds Available	$ 38,645	$ 38,645	$ 38,395	$ 38,395	$ 38,395
Expenditures	0	250 (2)	0	0	0
Ending Balance, June 30	$ 38,645	$ 38,395	$ 38,395	$ 38,395	$ 38,395
Increase (Decrease) in Fund Balance	**$ 0**	**$ (250)**	**$ 0**	**$ 0**	**$ 0**

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 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 225,086	$ 236,494	$ 235,700	$ 236,700	$ 243,100	3.14%
Commodities	38,499	36,507	38,900	38,500	36,200	-6.94%
Contractual Services	1,580,141	1,708,426	1,619,200	1,743,500	1,612,200	-0.43%
Capital Outlay	-	17,087	-	4,000	-	
Transfers	33,320	38,200	38,300	38,300	38,400	0.26%
Total Expenditures	$ 1,877,046	$ 2,036,714	$ 1,932,100	$ 2,061,000	$ 1,929,900	-0.11%
Funding Sources						
Charges for Services	$ 1,786,379	$ 1,922,308	$ 1,860,000	$ 1,912,000	$ 1,860,800	0.04%
Recycling Commissions	37,540	43,793	37,000	37,000	37,000	0.00%
Sales Tax	5,569	7,068	7,000	7,000	7,000	0.00%
Tire, E-Waste, Appliance Charges	18,064	17,729	17,300	17,300	17,300	0.00%
Sale of Equipment	16,890	3,564	-	-	-	
Other	2,876	1,738	700	1,850	350	-50.00%
Transfer from Closure REserve Fund	-	250	-	-	-	
Transfer from Surcharge Reserve	34,540	38,793	36,750	36,750	36,750	0.00%
Total Funding Sources	$ 1,901,858	$ 2,035,243	$ 1,958,750	$ 2,011,900	$ 1,959,200	0.02%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time:						
Solid Waste Manager	0.25	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	0.50	0.50	0.50	0.50	0.50	
Total Full Time	3.42	3.42	3.42	3.42	3.42	$ 158,700
Employee Benefits						84,400
Total Personal Services						$ 243,100

Funding Transfer

Item	*Amount*
Cab and Crane - Payment on Internal Loan	$ 35,600

Project Fund

Item	*Quantity*	*Replacement*	*Amount*
Transfer Trailer - Funded from Additional Internal Loan	1	Yes	$ 65,000

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 fund, 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 2014/2015 and 2015/2016. 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 Lab Renovation project at a total estimated cost of $750,000. The engineering design for the Lab project started in 2011/2012 and the project is substantially completed with the contract expected to be closed out before the end of the 2014/2015 fiscal year. Engineering design for the new High Strength Waste Receiving Station began in 2013/2014 and is continuing in 2014/2015. Funding for this project will be from this reserve. The total project cost is estimated at $1,337,600 with $3,900 of costs incurred in 2013/2014, an estimated $136,700 to be incurred in 2014/2015, and an estimated $1,197,000 in 2015/2016.

In 2014/2015 $54,000 of funds from this reserve will be transferred to the Water Pollution Control Operations budget to fund pump station telemetry upgrades. No funds are budgeted to be transferred to the operating budget for eligible purchases in 2015/2016.

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 thirteen 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, 2014/2015, and 2015/2016 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 2014/2015 and 2015/2016 are $1,061,678 and $1,061,312, respectively. Interest payments are $464,588 in 2014/2015 and $445,185 in 2015/2016. The principal payment on this loan is $597,000 in 2014/2015 and $616,000 in 2015/2016.

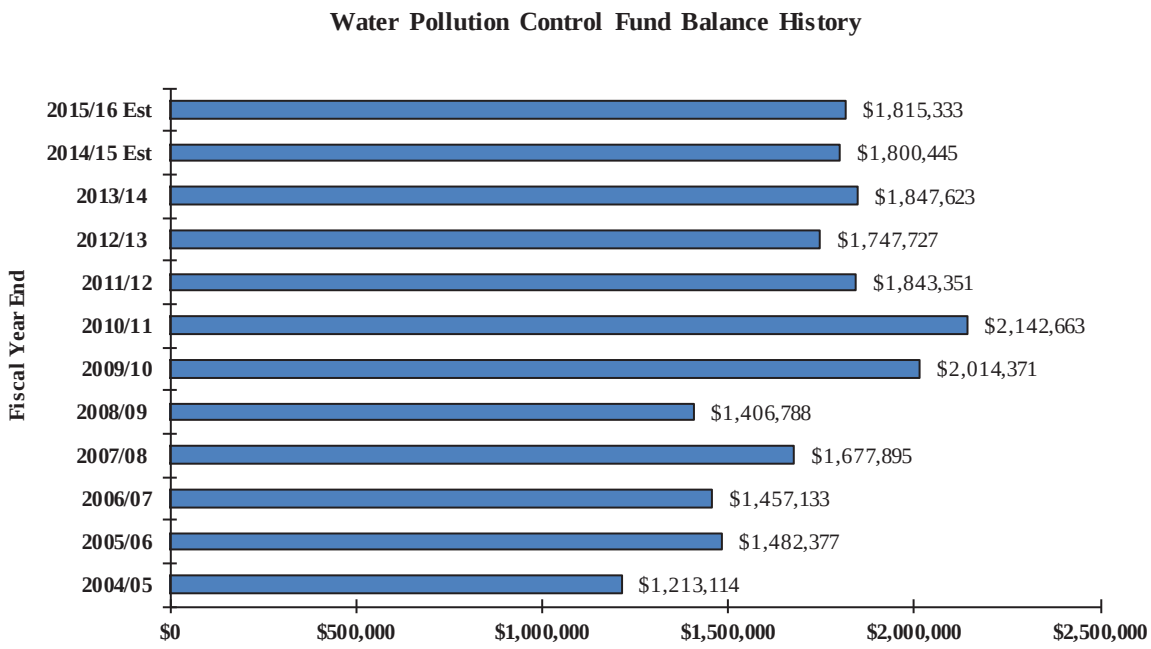
CONSTRUCTION FUNDS

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.



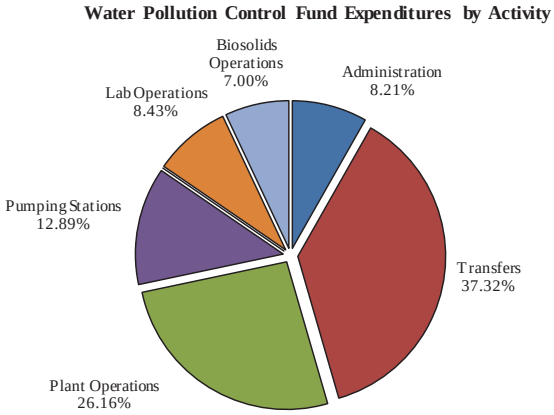
The fund balances listed above fluctuated partially as a result of variable volumes received from industrial customers. In addition, the City increased rates during this time period to cover inflationary cost increases and to ensure sufficient funds would be available for the debt service requirements 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.

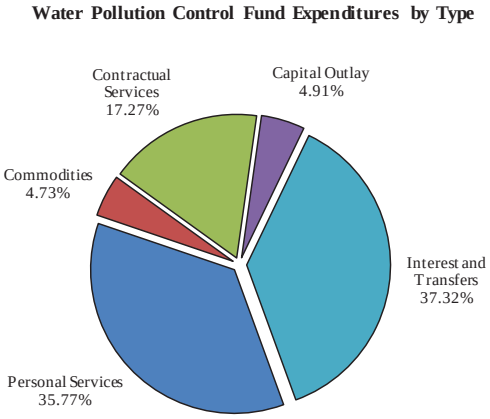
In 2002 the City contracted for consultant services to assist in developing a new sewer rate structure. One component of the new rate structure was a multi-year contract with the City's major industrial sewer customer which provides a guaranteed minimum of industrial sewer revenue. Another component 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 20.5 for 2015/2016. 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 2015/2016:





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 2014/2015 revised estimate expenditures are $56,800 more than the original budget. There were increases or decreases in each of the individual activity budgets including (1) a $10,800 decrease in the Water Pollution Control Administration budget, (2) a $3,100 decrease in the Plant Operations budget, (3) a $3,200 increase in the Pumping Stations budget, (4) a $400 decrease in the Lab budget, and (5) a $67,900 increase in the Biosolids budget. The original Biosolids activity budget included $90,000 to extend the harbor dredge pipe across Mad Creek. The revised estimate includes an increase in the cost for this project to $130,000, a $40,000 increase. The Biosolids revised estimate was also increased by $35,000 for dredge engine repairs. Reductions in other line items offset a portion of these increases.

There was a $64,100 personal services cost savings in the Plant Operations revised estimate due to not filling one fulltime position. This allowed funding for $62,000 in capital requests to be moved from the 2015/2016 budget to the revised estimate. These capital items include $45,000 for roof repairs to the administrative area and the DAF (Dissolved Air Flotation) building, $6,000 for a backflow preventer, and $11,000 for maintenance data management software.

The 2015/2016 budgeted expenditures of $4,419,712 are $3,634 (.1%) more in total than the original 2014/2015 budget. This overall increase is due to the net effects of (1) an $8,400 decrease in personal services costs, (2) a $36,000 increase in commodities, (3) an $18,200 increase in contractual services, (4) a

$68,200 decrease in capital outlay, and a (5) $26,034 increase in transfers. 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 2015/2016 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:

Fiscal Year Measures		**Actual 2011/2012**	**Actual 2012/2013**	**Actual 2013/2014**	**Estimated 2014/2015**	**Estimated 2015/2016**
Million Cubic Feet of Wastewater Treated		201.16	224.78	231.11	262.4	240
Carbonaceous Biological Oxygen Demand Treated (1,000 lbs/yr.)		2,469	2,394	2,446	2,500	2,600
Total Suspended Solids Treated (1,000 lbs/yr.)		2,890	2,633	2,743	2,900	3,000
Number of Customer Bills	Industrial	96	98	99	101	105
	Non-Industrial	109,710	108,535	108,109	108,348	109,000
	Total	109,806	108,633	108,208	108,449	109,105

Calendar Year Measures	**Actual 2011**	**Actual 2012**	**Actual 2013**	**Actual 2014**	**Estimated 2015**
Gallons of Sludge/Number of Acres	3,125,655/ 334	4,654,730/ 467	4,199,424/ 333	4,213,790/3 333.5	6,400,000/ 530
Lift Station Preventive Maintenance Tasks	10,000	9,015	10,195	10,299	10,300
Lift Station Corrective Work Orders	55	58	177	203	150
Plant Preventive Maintenance Tasks	13,320	11,297	13,645	13,166	13,200
Plant Corrective Work Orders	126	129	140	195	150

RECENT ACCOMPLISHMENTS:

The Water Pollution Control Plant (WPCP) has been getting back to a normal routine of maintenance and process control after four long years of plant renovation. The new systems are working well and the staff is becoming more familiarized with the new equipment. Preparations are being made to incorporate a new high strength waste receiving station and biogas utilization facility into the plant operations. These projects will be the focus of most of the work at the plant over the next several years. Exploration of biogas utilization has

been the most exciting work this year. The opportunity to create a revenue stream from a gas that is currently burned off into the atmosphere brings environmental and fiscal responsibility to a whole new level.

The plant received a new discharge permit and is in the planning phase of how these new requirements will be met. Studies involving future nutrient reduction will be needed before any new process operations can begin. These permit alterations were the result of years of sampling and lab analysis. New permits are only issued every 5 years so a great deal of work went into preparation for this process.

The WPCP has been updating almost every system to new digital and computerized controls. The upgrades have happened on a scheduled pace to ensure staff has time to adjust and to validate functions. New technologies have driven advanced education of current staff and hiring of new staff who can adapt to this rapidly changing environment. As new requirements put stress to the current system, more knowledgeable staff from a dwindling pool of resources could strain the plant's ability to keep up with expanding regulations. It is vital to sustain those staff members that have adapted to the new technologies and continue to train employees as rapidly as necessary to maintain compliance.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016:

* To complete and close out the Laboratory Annex construction project.

* 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 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 improve the riverfront dredging operations and attract new boating enthusiasts to the area. **(Council and Management Marketing Goal)**

***** To continue to advance the technological aspects of the plant systems for greater efficiency and to improve treatment reliability. **(Council and Management Continuous Service Improvement Goal)**

***** To retain local analytical services and increase awareness of services available to a larger region in eastern Iowa. **(Council and Management Marketing Goal)**

***** To explore new sources of waste streams to provide enhanced treatment and generate new sources of revenue. **(Council and Management Marketing Goal)**

***** To increase oversight of the new FOG (Fats, Oils, and Grease) program and implement more routine inspections.

* To finalize engineering and begin construction of a new High Strength Waste Receiving Station.

* To negotiate credit trading and begin revenue generation from biogas created on site.

WATER POLLUTION CONTROL FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

State Revolving Fund Loan
Comprehensive Plant Improvement Project
$16,500,000 Issue Dated November 4, 2008

Fiscal Year	Principal	Interest and Fees	Total Requirements
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	1,028,000	33,410	1,061,410
Total	$ 14,295,000	$ 4,811,596	$ 19,106,596

Water Pollution Control Fund

Water Pollution Control Plant Replacement Reserve

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 2,492,703	$ 1,995,300	$ 1,442,800	$ 1,738,897	$ 1,468,297
Revenues					
Interest	$ 2,830	$ 2,926	$ 2,500	$ 3,000	$ 3,000
Transfers In					
Water Pollution Control Operations Fund	200,000	200,000	200,000	200,000	200,000
Total Revenues	$ 202,830	$ 202,926	$ 202,500	$ 203,000	$ 203,000
Funds Available	$ 2,695,533	$ 2,198,226	$ 1,645,300	$ 1,941,897	$ 1,671,297
Expenditures					
Transfers Out:					
Water Pollution Control Fund	$ 246,190	$ 65,310	$ 54,000	$ 54,000	$ 0
Slough/Sunset Park Pump Station Study/Upgrade	273,817	10,954	0	0	0
Water Pollution Control Facilities Improvements/Digester Conversion	67,410	0	0	0	0
Lab Expansion and Renovation	71,187	379,170	0	283,000 (2)	0
Storage Building	41,629	0	0	0	0
High Strength Waste Receiving Station	0	3,895	780,000	136,600 (3)	1,197,000 (3)
Total Expeditures	$ 700,233	$ 459,329	$ 834,000	$ 473,600	$ 1,197,000
Ending Balance, June 30	$ 1,995,300	$ 1,738,897	$ 811,300	$ 1,468,297	$ 474,297
Increase (Decrease) in Fund Balance	**$ (497,403)**	**$ (256,403)**	**$ (631,500)**	**$ (270,600)**	**$ (994,000)**

1. The transfer of $54,000 from this Reserve in 2014/2015 will fund pump station telemetry upgrades.
2. Estimate of final costs for the Lab Expansion project.
3. Conceptual design for the High Strengeth Waste Receiving Station project is currently underway. The preliminary cost estimate for the project is $1,317,000. The budget allows for engineering design to be completed in 2014/2015 and construction to be completed in 2015/2016.

West Hill Sewer Separation Project Long-Term Financing Plant Reserve

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 400,118	$ 800,822	$ 1,202,322	$ 1,202,297	$ 1,603,797
Revenues:					
Interest	$ 704	$ 1,475	$ 1,500	$ 1,500	$ 1,500
Transfers In:					
Water Pollution Control Fund (1)	200,000	200,000	200,000	200,000	200,000
Collection & Drainage Fund (1)	200,000	200,000	200,000	200,000	200,000
Total Revenues	$ 400,704	$ 401,475	$ 401,500	$ 401,500	$ 401,500
Funds Available	$ 800,822	$ 1,202,297	$ 1,603,822	$ 1,603,797	$ 2,005,297
Expenditures	0	0	0	0	0
Ending Balance, June 30	$ 800,822	$ 1,202,297	$ 1,603,822	$ 1,603,797	$ 2,005,297
Increase (Decrease) in Fund Balance	**$ 400,704**	**$ 401,475**	**$ 401,500**	**$ 401,500**	**$ 401,500**

1. 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

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 98,465	$ 98,243	$ 107,214	$ 107,422	$ 108,012
Revenues:					
Interest	$ 529	$ 690	$ 500	$ 500	$ 500
Transfers In:					
Water Pollution Control Fund	1,063,339	1,069,844	1,061,678	1,061,678	1,061,312
Total Revenues	$ 1,063,868	$ 1,070,534	$ 1,062,178	$ 1,062,178	$ 1,061,812
Funds Available	$ 1,162,333	$ 1,168,777	$ 1,169,392	$ 1,169,600	$ 1,169,824
Expenditures:					
Bonds	$ 560,000	$ 446,173	$ 597,000	$ 597,000	$ 616,000
Interest and Fees	504,090	615,182	464,588	464,588	445,185
Total Expenditures	$ 1,064,090	$ 1,061,355	$ 1,061,588	$ 1,061,588	$ 1,061,185
Ending Balance, June 30	$ 98,243	$ 107,422	$ 107,804	$ 108,012	$ 108,639
Increase (Decrease) in Fund Balance	**$ (222)**	**$ 9,179**	**$ 590**	**$ 590**	**$ 627**

Water Pollution Control Operations Fund

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 1,843,351	$ 1,747,727	$ 1,613,683	$ 1,847,623	$ 1,800,445
Revenues	4,227,711	4,236,165	4,339,300	4,425,700	4,434,600
Encumbrance Variance	2,510	738	0	0	0
Funds Available	$ 6,073,572	$ 5,984,630	$ 5,952,983	$ 6,273,323	$ 6,235,045
Expenditures (1) (2)	4,325,845	4,137,007	4,416,078	4,472,878	4,419,712
Ending Balance, June 30	$ 1,747,727	$ 1,847,623	$ 1,536,905	$ 1,800,445	$ 1,815,333
Increase (Decrease) in Fund Balance	**$ (95,624)**	**$ 99,896**	**$ (76,778)**	**$ (47,178)**	**$ 14,888**

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. Beginning in 2011/2012 the WPCP Administration budget includes $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 since that time have decreased from $270,000 to $200,000.

Water Pollution Control Operations Fund

Summary of Revenues

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Sewer Charges-Residential and Commercial (Billed by MP&W)	$ 3,037,838	$ 3,075,265 (1)	$ 3,238,400	$ 3,200,000 (2)	$ 3,280,000 (2)
Industrial and City-billed Commercial Sewer Charges	760,679	935,589 (1) (3)	881,000	1,000,800 (2)	985,300 (2)
Wastewater Discharge Permits	1,728	1,515	1,700	5,300	1,700
Interest	1,669	2,059	1,500	1,500	1,500
Sale of Equipment/Other Sales	28,284	7,893	5,000	5,000	5,000
Analytical Income	67,835	81,280	90,000	90,000	90,000
Sales Tax	63,734	66,953	67,600	69,000	71,000
Insurance Reimbursement	19,677	0	0	0	0
Miscellaneous	77	301	100	100	100
Transfers In:					
Plant Replacement Reserve	246,190	65,310	54,000	54,000 (4)	0
Total Revenues	$ 4,227,711	$ 4,236,165	$ 4,339,300	$ 4,425,700	$ 4,434,600

1. The 2013/2014 rate increase was effective September 1, 2013.
2. Rates were increased approximately 3% effective July 1, 2014 and will be increased by an additional 3% July 1, 2015.
3. Sewer services began July 1, 2013 for Ripley's Mobile Home Court which was annexed into the City earlier that year.
4. The $54,000 transfers from the WPCP Reserve for 2014/2015 is for pump station telemetry upgrades.

Water Pollution Control Operations Fund

Summary of Expenditures

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Administration	$ 1,953,333 (1)	$ 1,961,168 (1)	$ 1,977,078 (1)	$ 1,966,278 (1)	$ 2,012,012 (1)
Plant Operations	1,299,827	1,151,495	1,235,200	1,232,100	1,156,100
Pumping Stations	410,540	382,413	442,400	445,600	569,700
Laboratory Operations	410,372	368,549	358,700	358,300	372,600
Biosolids Operations	248,842	239,869	402,700	470,600	309,300
Total Expenditures	$ 4,322,914	$ 4,103,494	$ 4,416,078	$ 4,472,878	$ 4,419,712

1. Beginning in 2011/2012 the WPCP Administration budget includes $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 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 171,726	$ 167,287	$ 175,100	$ 174,700	$ 180,300	
Commodities	3,320	3,819	3,400	3,400	3,400	0.00%
Contractual Services	158,009	161,088	175,300	164,900	179,000	2.11%
Capital Outlay	4,639	-	-	-	-	
Transfers	1,615,639	1,628,973	1,623,278	1,623,278	1,649,312	1.60%
Total Expenditures	$ 1,953,333	$ 1,961,167	$ 1,977,078	$ 1,966,278	$ 2,012,012	1.77%
Funding Sources						
Sewer Charges	$ 1,856,461	$ 2,091,780	$ 1,898,800	$ 1,917,600	$ 2,025,400	6.67%
Interest	1,669	2,059	1,500	1,500	1,500	0.00%
Total Funding Sources	$ 1,858,130	$ 2,093,839	$ 1,900,300	$ 1,919,100	$ 2,026,900	6.66%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Positions:						
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	
Total	2.00	2.00	2.00	2.00	2.00	$ 134,600
Employee Benefits						45,700
Total Personal Services						$ 180,300

Function:
Business Type

Department:
Water Pollution Control

Activity:
Plant Operations

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 722,288	$ 624,535	$ 723,500	$ 659,400	$ 687,500	-4.98%
Commodities	61,876	76,601	62,100	71,500	68,500	10.31%
Contractual Services	336,122	374,190	390,400	394,600	400,100	2.48%
Capital Outlay	179,541	76,169	59,200	106,600	-	-100.00%
Transfers	-	-	-	-	-	
Total Expenditures	$ 1,299,827	$ 1,151,495	$ 1,235,200	$ 1,232,100	$ 1,156,100	-6.40%
Funding Sources						
Sewer Charges	$ 1,117,745	$ 1,074,833	$ 1,160,800	$ 1,152,700	$ 1,078,300	-7.11%
Sales Tax	63,734	66,953	67,600	69,000	71,000	5.03%
Other Revenues	1,805	1,816	1,800	5,400	1,800	0.00%
Insurance Reimbursement	19,677	-	-	-	-	
Sale of Equipment	3,414	7,893	5,000	5,000	5,000	0.00%
Replacement Reserve	93,452	-	-	-	-	
Total Funding Sources	$ 1,299,827	$ 1,151,495	$ 1,235,200	$ 1,232,100	$ 1,156,100	-6.40%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Positions:						
Plant Maintenance Manager	1.00	1.00	1.00	1.00	1.00	
Assistant WPCP Director	0.38	-	-	-	-	
Environmental Coordinator	0.38	0.75	0.75	0.75	0.75	
Treatment Plant Operator III	1.00	1.00	1.00	1.00	1.00	
Treatment Plant Operator II	3.00	1.50	1.00	-	1.50	
Treatment Plant Operator I	-	0.50	1.00	2.00	0.50	
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	-	-	
Total	10.76	9.75	9.75	8.75	8.75	$ 465,700
Employee Benefits						221,800
Total Personal Services						$ 687,500

Function:
Business Type

Department:
Water Pollution Control

Activity:
Pumping Stations

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 206,512	$ 210,666	$ 214,100	$ 214,700	$ 220,600	3.04%
Commodities	20,790	16,664	23,300	22,100	27,100	16.31%
Contractual Services	101,559	119,141	131,000	134,800	136,000	3.82%
Capital Outlay	81,679	35,942	74,000	74,000	186,000	151.35%
Transfers	-	-	-	-	-	
Total Expenditures	$ 410,540	$ 382,413	$ 442,400	$ 445,600	$ 569,700	28.77%
Funding Sources						
Sewer Charges	$ 328,771	$ 350,153	$ 388,400	$ 391,600	$ 569,700	46.68%
WPCP Replacement Reserve	81,769	32,260	54,000	54,000	-	-100.00%
Total Funding Sources	$ 410,540	$ 382,413	$ 442,400	$ 445,600	$ 569,700	28.77%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time:						
Lift Station/Plant Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00	
Lift Station Operator	2.00	2.00	2.00	2.00	2.00	
Total	3.00	3.00	3.00	3.00	3.00	$ 152,400
Employee Benefits						68,200
Total Personal Services						$ 220,600

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Telemetry Upgrade	8	Yes	$ 180,000
Mower	1	Yes	6,000
			$ 186,000

Function:
Business Type

Department:
Water Pollution Control

Activity:
Laboratory Operations

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 239,068	$ 256,072	$ 265,000	$ 264,700	$ 274,100	3.43%
Commodities	51,735	59,650	52,200	53,000	54,800	4.98%
Contractual Services	24,865	12,572	25,200	25,200	25,400	0.79%
Capital Outlay	94,704	40,255	16,300	15,400	18,300	12.27%
Transfers	-	-	-	-	-	
Total Expenditures	$ 410,372	$ 368,549	$ 358,700	$ 358,300	$ 372,600	3.88%
Funding Sources						
Sewer Charges	$ 271,568	$ 254,219	$ 268,700	$ 268,300	$ 282,600	5.17%
Analytical Charges	67,835	81,280	90,000	90,000	90,000	0.00%
WPCP Replacement Reserve	70,969	33,050	-	-	-	
Total Funding Sources	$ 410,372	$ 368,549	$ 358,700	$ 358,300	$ 372,600	3.88%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time:						
Chemist	1.00	1.00	1.00	1.00	1.00	
Laboratory Technician I	2.00	2.00	2.00	2.00	2.00	
Total Full Time	3.00	3.00	3.00	3.00	3.00	
Part Time:						
Laboratory Technician I	0.75	0.75	0.75	0.75	0.75	
Total	3.75	3.75	3.75	3.75	3.75	$ 199,300
Employee Benefits						74,800
Total Personal Services						$ 274,100

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
ICP Power Conditioner	1	No	$ 9,500
pH Meter	2	Yes	3,800
Glassware Oven	1	Yes	3,000
Acid Dispenser	2	Yes	1,200
Vacuum Pump	1	Yes	800
			$ 18,300

Function:
Business Type

Department:
Water Pollution Control

Activity:
Biosolids Operations

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 199,068	$ 202,301	$ 211,800	$ 212,100	$ 218,600	3.21%
Commodities	41,898	20,459	32,200	31,400	55,400	72.05%
Contractual Services	7,876	12,259	23,200	58,600	22,800	-1.72%
Capital Outlay	-	4,850	135,500	168,500	12,500	-90.77%
Transfers	-	-	-	-	-	
Total Expenditures	$ 248,842	$ 239,869	$ 402,700	$ 470,600	$ 309,300	-23.19%
Funding Sources						
Sewer Charges	$ 223,972	$ 239,869	$ 402,700	$ 470,600	$ 309,300	-23.19%
Sale of Equipment	24,870	-	-	-	-	
Total Funding Sources	$ 248,842	$ 239,869	$ 402,700	$ 470,600	$ 309,300	-23.19%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time:						
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	
Total	3.00	3.00	3.00	3.00	3.00	$ 140,900
Overtime						12,900
Employee Benefits						64,800
Total Personal Services						$ 218,600

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
6 Inch Dragline Hose	660 ft	Yes	$ 6,500
24' Flatbed Trailer	1	No	6,000
			$ 12,500

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 13 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, 2012/2013, and 2013/2014 expenditures as well as the revised estimate for 2014/2015 and the budget for 2015/2016, each include $200,000 in transfers from the Collection and Drainage fund to be set aside in a special reserve to accumulate funds to assist in financing this project. Like amounts for those same years are being transferred from the Water Pollution Control fund. Annual allocations from both of these funds are proposed to continue to be set aside each year throughout the project. Based on the assumptions used in the long-term financial plan, the Local Option Sales Tax funds and funds from the new reserve are expected to be sufficient to cash flow project costs until 2018/2019 when the City would need to secure a State Revolving Fund Loan to complete the scheduled work on this project.

The 2014/2015 revised estimate is over the original budget by $62,200. Significant increases and decreases include (1) an increase of $28,000 in professional services for the mandated Mad Creek levee sewer inspection, (2) a $10,000 increase in repair and maintenance services costs, (3) a $70,000 increase in transfers out to fund the Geneva Creek Channel Shaping project with this project carried forward from the prior fiscal year, (4) a $5,000 increase in personal services costs primarily related to retirement pay for one employee, and (5) a $50,000 reduction in the capital outlay allocation for sewer maintenance projects.

The 2015/2016 budget is $166,700 (10.8%) higher than the 2014/2015 budget. Significant increases and decreases include (1) an increase of $397,500 in capital outlay primarily due to the $400,000 allocation a sewer jet/vac truck, (2) a $17,800 increase in personal services costs, and (3) a $253,100 decrease in transfers. The reduction in transfers is due to the one-time transfer in 2014/2015 of $365,000 for drainage-related work on the Cedar Street project and a $100,000 decrease due to deferring the next phase of the Southend Force Main Air Release Valve project ($100,000 in 2014/2015). There is a new $200,000 transfer in 2015/2016 which will provide for improved sewer force main access as part of the Musser Park to Wiggins

Road Trail project. Other transfers for 2015/2016 include the $200,000 transfer to the reserve for the West Hill Sewer Separation project, $180,000 to the Sewer Extension and Improvement Reserve, $11,500 for the cost allocation of the new Communications Manager position, and a total of $14,300 in administrative transfers for general, information technology, and public works administration.

Both the 2014/2015 revised estimate and 2015/2016 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 $11.45 per customer per month. This fee was effective July 1, 2014 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 $11.70 per customer per month effective July 1, 2015. 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:

Calendar Year Measures	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Estimated 2015
Sewers Cleaned and Flushed (Miles)	17.1	16.3	18.6	10.2	17
TV Inspections (Feet)	2,384	3,530	5,182	9,694	4,000
Inspections at Combined Sewer Overflows (CSO)	18	17	16	17	20
Inspections of Blockage Prone Manholes (Various Locations)	19	11	13	13	20
Inspection of Blockage Prone Ditch/Ravine Drains (Various Locations)	11	15	14	17	20
Inspection of Off Road Sanitary Sewers (Man Hours)	N/A	N/A	115	135	125
Inspection and Maintenance of Storm Water Discharge and Intake Points (Man Hours)	N/A	N/A	358	133	350
Cleaning Storm Structures (Man Hours)	1,032	657	1,149	1,111	900
Corrective Repairs – Sewers	16	23	22	33	20
Corrective Repairs – Structures	48	48	48	51	50
Corrective Repairs – Force Mains	0	1	0	0	0
Utility Locates	2,030	2,108	2,116	2,582	2,000
After Hours	30	9	9	27	10
Sewer Call Responses – Total	62	62	69	87	70
After Hours	9	13	8	21	10
Sanitary Sewer Overflows (SSO)	0	1	0	0	0
Backups Due to City Lines	4	5	3	10	0
Routine Equipment Operation/Maintenance (Man Hours)	406	478	490	689	400
Work for Other Departments (Man Hours)	706	908	721	498	500
Work on Capital Improvement Projects (Man Hours)	451	227	328	1,874	300

RECENT ACCOMPLISHMENTS:

This year the Collection and Drainage division of the Public Works department continued various sewer-related activities including the routine maintenance programs, cleaning, repairs, utility locates, contractor service projects, and 24 hour a day emergency response. A good amount of time and effort was spent removing debris, cleaning, and repairing the storm sewer system following the heavy rains on June 30.

Staff also participated in several special projects including detailed system investigations such as closed circuit televising, dye testing, survey work, and system research required to aid in the design and construction of the West Hill Sewer Separation Project, as well as other capital projects throughout Muscatine. A summary of activities is shown in the Performance Measures table.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016:

* To complete routine maintenance in Zone 5 and begin and complete Zone 1.

* To become more involved in the site plan review process.

* To begin to prepare for sewer replacement/repair as they relate to:
    a. Mulberry Reconstruction
    b. Future West Hill Sewer Separation phases
    c. Mississippi Drive Corridor Reconstruction

    (Council and Management Capital Projects Goals)

Collection and Drainage Fund

Sewer Extension and Improvement Reserve (1)

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 991,421	$ 575,238	$ 781,238	$ 803,854	$ 994,854
Revenues					
Interest	$ 1,102	$ 1,009	$ 1,000	$ 1,000	$ 1,000
Sewer Connection Fees	52,119	52,507	10,000	10,000	10,000
Transfers In					
Garfield Sewer Project	32,319	0	0	0	0
Collection and Drainage Fund	180,000	180,000	180,000	180,000	180,000
Total Revenues	$ 265,540	$ 233,516	$ 191,000	$ 191,000	$ 191,000
Funds Available	$ 1,256,961	$ 808,754	$ 972,238	$ 994,854	$ 1,185,854
Expenditures					
Transfers Out:					
Voluntary Annexation/Mad Creek Sewer Extension Project	$ 681,723	$ 4,900	$ 0	$ 0	$ 0
Total Expenditures	$ 681,723	$ 4,900	$ 0	$ 0	$ 0
Ending Balance, June 30	$ 575,238	$ 803,854	$ 972,238	$ 994,854	$ 1,185,854
Increase (Decrease) in Fund Balance	**$ (416,183)**	**$ 228,616**	**$ 191,000**	**$ 191,000**	**$ 191,000**

1. This fund was formerly the Depreciation, Extension and Improvement Reserve and was accounted for in the Water Pollution Control Fund. As of June 30, 2006 the former E.P.A Replacement Reserve was allocated between the Water Pollution Control Replacement Reserve and the Sewer Extension and Improvement Fund. This fund is now a reserve fund for the Collection and Drainage Fund to be used for sewer extension or improvement projects.

Collection and Drainage
(Including Stormwater Operations)
Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 893,220	$ 1,098,403	$ 973,603	$ 1,170,658	$ 767,758
Revenues					
Collection and Drainage Fees	$ 1,191,537 (1)	$ 1,204,820 (1)	$ 1,231,000	$ 1,238,000 (1)	$ 1,265,000 (1)
Grease Discharge Permits	16,184	15,720	16,000	16,000	16,000
Interest	1,176	1,691	1,000	1,000	1,000
Sale of Scrap Materials	680	0	0	0	100
Reimbursement of Damages	0	3,874	0	0	0
Miscellaneous	836	6	500	100	100
Total Revenues	$ 1,210,413	$ 1,226,111	$ 1,248,500	$ 1,255,100	$ 1,282,200
Encumbrance Variance	$ 55	$ 0	$ 0	$ 0	$ 0
Funds Available	$ 2,103,688	$ 2,324,514	$ 2,222,103	$ 2,425,758	$ 2,049,958
Expenditures:					
Collection and Drainage	$ 968,658 (2)	$ 1,117,514 (2)	$ 1,539,900	$ 1,602,100 (2)	$ 1,706,600 (2)
Stormwater Operations	36,627	36,342	59,700	55,900	60,800
Total Expenditures	$ 1,005,285	$ 1,153,856	$ 1,599,600	$ 1,658,000	$ 1,767,400
Ending Balance, June 30	$ 1,098,403	$ 1,170,658	$ 622,503	$ 767,758	$ 282,558
Increase (Decrease) in Fund Balance	**$ 205,183**	**$ 72,255**	**$ (351,100)**	**$ (402,900)**	**$ (485,200)**

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 increased to $11.45 per customer per month and it will increase to $11.70 for 2015/2016.
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

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 441,494	$ 451,646	$ 463,900	$ 468,900	$ 481,700	3.84%
Commodities	34,065	34,104	52,300	51,800	51,800	-0.96%
Contractual Services	87,808	107,154	112,300	150,000	117,300	4.45%
Capital Outlay	12,082	30,570	52,500	2,500	450,000	757.14%
Transfers	393,209	494,039	858,900	928,900	605,800	-29.47%
Total Expenditures	$ 968,658	$ 1,117,513	$ 1,539,900	$ 1,602,100	$ 1,706,600	10.83%
Funding Sources						
Collection & Drainage Fees	$ 968,658	$ 1,117,513	$ 1,539,900	$ 1,602,100	$ 1,706,600	10.83%

Personnel Schedule	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Positions/Position Allocations:						
Sewer Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00	
Equipment Operator III	1.00	1.00	1.00	3.00	3.00	
Equipment Operator II	3.00	3.00	3.00	1.00	1.00	
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	0.33	0.33	0.33	0.33	0.33	
Total	6.53	6.53	6.53	6.53	6.53	$ 329,400
Employee Benefits						152,300
Total Personal Services						$ 481,700

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Jet/Vac Sewer Cleaning Truck	1	Yes	$ 400,000
Sewer Maintenance Projects			50,000
			$ 450,000

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.

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 2014/2015 revised estimate is $3,800 less than the budgeted amount due to reductions in personal services costs ($1,600), contractual services ($2,000), and transfers ($2,200). Those decreases were partially offset by a $2,000 increase in commodities for signage for native grass areas along the recently reconstructed Cedar and Colorado Streets.

The 2015/2016 budget is $1,100 (1.8%) higher than the budget for 2014/2015 primarily due to increased personal services and commodity costs. Those increases were partially offset by decreases in contractual services and transfers. The budget for 2015/2016 again includes the allocation of 25% of the 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

	Actual 2011/2012	Actual 2012/2013	Actual 2013/2014	Estimated 2014/2015	Estimated 2015/2016
Grease Discharge Permits Issued	95	98	125	125	130
Food Service Establishments Inspected for Fats, Oils, and Grease (FOG)	20	50	30	60	60
Permitted Significant Industrial Users	12	12	12	15	15
Significant Industrial Users Inspected	12	12	12	15	15
Commercial Waste Hauling Permits Issued	14	17	16	18	20
Construction Site Inspections	N/A	5	5	5	10
Storm Events Sampled	0	2	2	5	10
River and Creek Samples Taken	30	60	50	50	50
Tests Performed on River and Creek Samples	200	500	500	500	500

RECENT ACCOMPLISHMENTS:

Oversight of the storm water division was moved to the Water Pollution Control department in the fall of 2012. This should assist in coordinating efforts over the three affected departments: Water Pollution Control, Public Works, and Community Development.

The Environmental Coordinator position was filled in the summer of 2014 and this will move this operation forward on inspections and programs. Education of staff has been the focus for most of the year as well as writing language into the ordinance which will allow more direction for how the division is to operate. Without clear directives and no MS4 designation, the Storm Water division will continue to work on educating City departments and staff on storm water-related issues and build public awareness. Preparations for MS4 designation will continue to be developed so programs are ready for implementation when required.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016:

* To advance the use of native grasses for storm water and flooding mitigation.

* To continue building this division in order to address current and projected future storm water issues.

* To complete ordinance language changes 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 ongoing 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 continue the review of all City facilities for run-off infiltration/mitigation projects.

Function:
Business Type

Department:
Public Works

Activity:
Storm Water Operations

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 33,262	$ 23,953	$ 45,900	$ 44,300	$ 49,200	7.19%
Commodities	200	4,913	1,100	3,100	3,100	181.82%
Contractual Services	1,165	1,807	10,500	8,500	8,500	-19.05%
Capital Outlay	-	5,669	-	-	-	
Transfers	2,000	-	2,200	-	-	-100.00%
Total Expenditures	$ 36,627	$ 36,342	$ 59,700	$ 55,900	$ 60,800	1.84%
Funding Sources						
Grease Discharge Permits	$ 16,184	$ 15,720	$ 16,000	$ 16,000	$ 16,000	0.00%
Collection & Drainage Fund	20,443	20,622	43,700	39,900	44,800	2.52%
Total Funding Sources	$ 36,627	$ 36,342	$ 59,700	$ 55,900	$ 60,800	1.84%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time Position:						
Inspector II	0.08	0.33	0.33	0.33	0.33	
Health and Housing Coordinator	0.25	-	-	-	-	
Assistant Director - Water Pollution Control	0.25	-	-	-	-	
Environmental Coordinator	0.12	0.25	0.25	0.25	0.25	
Total Full Time	0.58	0.58	0.58	0.58	0.58	$ 34,200
Employee Benefits						15,000
Total Personal Services						$ 49,200

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 is estimated at $584,408 for 2014/2015 and it is budgeted to increase to $621,032 for 2015/2016. FICA and Medicare contribution rates will remain at 6.2% and 1.45%, respectively, for 2015/2016. The IPERS rate will remain at 8.93% in 2015/2016.

The pension contribution rate for police and fire personnel has varied since the statewide Municipal Fire and Police Retirement System of Iowa (MFPRSI) replaced the former local system on January 1, 1992. The contribution rate was 17% through the 1992/93 year, 19.66% for 1993/94, 18.71% for 1994/95, 17.66% for 1995/96 and 17.00% for 1996/97 through 2002/2003. For 2003/2004 it increased to 20.48%, 24.92% for 2004/2005, and 28.21% for 2005/2006. For 2006/2007 the pension contribution rate decreased to 27.75%, to 25.48% for 2007/2008, to 18.75% for 2008/2009, and to 17.0% for 2009/2010. The pension contribution rate increased to 19.90% for 2010/2011, to 24.76% for 2011/2012 and further increased to 26.12% for 2012/2013. The pension contribution rate increased again to 30.12% in 2013/2014 and further increased to 30.41% in 2014/2015. The pension contribution rate will decrease in 2015/2016 to 27.77% Property tax funding for police and fire pension will decrease from the $1,390,319 budgeted in 2014/2015 to $1,352,752 budgeted for 2015/2016.

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, $28,184 in 2012/2013, and $28,074 in 2013/2014. Due to an expected retiree medical claim, the retiree medical costs were increased to $72,000 for the 2014/2015 revised estimate and $37,000 is budgeted for 2015/2016.

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 2012/2013 through 2014/2015, the annual cost for police and fire medical insurance was $36,000. Due to the City's claims in recent years, the premium is budgeted to increase to $60,300 in 2015/2016.

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 $1,362,253 for 2015/2016. 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. In 2015, the rates were maintained at $440.43 and $1,171.54, respectively, for single and family coverage. The monthly administrative fee for 2015 is $118.72 per employee. The administrative fee includes the $8.21 Wellmark network access fee as well as the individual and aggregate stop loss insurance fees. A 3% increase in premiums is budgeted for January 1, 2016. Effective January 1, 2016 the deductibles will increase from $500 to $600 for single and from $1,000 to $1,200 for family health coverage. The annual out-of-pocket maximums will also increase from $1,000 to $1,200 and from $2,000 to $2,400 for single and family coverage. The budgeted tax funding amount for 2015/2016 for General Fund employees is $1,362,253.

Employee benefit costs for life insurance will increase slightly from the $14,870 budgeted in 2014/2015 to $15,618 in 2015/2016. 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 2015/2016.

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, in January 2014 it increased by 8% to $27.75, and it increased 11.6% in January 2015 to $30.85. 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 2015/2016, the cost of dental insurance for General Fund employees is budgeted at $44,742 compared to the $40,051 budgeted for 2014/2015.

In regard to worker's compensation, the City of Muscatine continues to experience fluctuations in rates. For the respective fiscal years from 2005/2006 through 2013/2014, the worker's compensation experience modification factors were .93, .88, .87, .84, .89, .87, .82 .77 and .72. These represent the factors applied to the base rates for each job classification based on the claims history of the employer. For 2014/2015 the experience modification factor increased slightly to .73 and it is estimated to be .73 for 2015/2016. The tax funding amount for General Fund employee workers compensation for 2015/2016 is estimated at $49,161 compared to the $43,523 budgeted for 2014/2015.

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 and the rate was .9% of $26,800 of wages effective January 1, 2014. The rate effective January 1, 2015 is .8% of $27,300 of wages. The 2015/2016 budget provides funding for this rate to be .8% of applicable wages of $28,000 as of January 1, 2016. The tax funding amount for 2015/2016 is estimated at $35,209 compared to the $37,893 budgeted for 2014/2015.

The original 2014/2015 budget included funding for long-term disability insurance for only full-time non-union employees. Long-term disability insurance was added in the new union contract for the blue/white collar bargaining unit employees after the 2014/2015 budget was adopted. The estimated cost for General Fund employees is $11,981 for 2015/2016 compared to $9,350 originally budgeted for 2014/2015. 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 and .50% of base wages for blue/white collar bargaining unit 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 collar 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 collar bargaining unit group, vacation balances at retirement are also paid into this plan. The tax funding amount for 2015/2016 is budgeted at $40,218.

CURRENT TRENDS AND ISSUES:

The Employee Benefits tax levy rates for 2014/2015 and the 2015/2016 budget 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 2014/2015 $369,265 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 2014/2015 to be maintained at $15.67209/$1,000 of valuation.

The 2015/2016 Employee Benefits tax levy is $192,959 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 2015/2016.

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 2015/2016 beginning fund balance of $40,385 and funding $192,959 less than the full amount of

employee benefits from this levy, the Employee Benefit tax levy for 2015/2016 is $3,228,863 compared to the $3,073,818 budgeted for 2014/2015 (an increase of 5%). This requires a tax levy rate of $4.11611 compared to $3.85118 for the 2014/2015 budget year, an increase of 6.88% in the levy rate. Beginning in 2014/2015 the State implemented a taxable 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 2015/2016 the state reimbursement is estimated at $169,259 and this amount has again been included as revenue to this fund.

Employee Benefits Fund

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 164,258	$ 50,368	$ 94,033	$ 132,955	$ 40,385
Revenues					
Property Tax	3,016,089	3,029,761	$ 3,058,688	$ 3,058,688	$ 3,214,992
Utility Tax Replacement Excise Tax	14,225	13,697	15,130	15,130	13,871
Commercial/Industrial State Reimbursement	0	0	68,807	68,807	169,259
Total Revenues	$ 3,030,314	$ 3,043,458	$ 3,142,625	$ 3,142,625	$ 3,398,122
Funds Available	$ 3,194,572	$ 3,093,826	$ 3,236,658	$ 3,275,580	$ 3,438,507
Expenditures					
Transfers Out					
Police Retirement	$ 578,187	$ 690,633	$ 720,334	$ 722,034	$ 716,836
Fire Retirement	537,893	637,292	669,985	670,070	635,916
Police & Fire Retiree Medical	28,184	28,074	27,000	72,000	37,000
Health Insurance	1,322,240	1,335,071	1,373,803	1,334,019	1,362,253
Dental Insurance	35,711	37,310	40,051	40,369	44,742
Life Insurance	14,239	14,881	14,870	15,072	15,618
Police and Fire Medical Insurance	36,000	36,000	36,000	36,000	60,300
Long-term Disability Insurance	8,526	9,061	9,350	11,759	11,981
Post-Employment Health Plan	60,377	46,329	36,366	39,520	40,218
Workers Compensation	37,519	39,298	43,523	41,537	49,161
Unemployment	38,557	36,801	37,893	36,472	35,209
Deferred Compensation	0	700	1,200	1,200	1,200
FICA/IPERS	547,197	559,511	595,548	584,408	621,032
Employee Benefit Levy Reduction	(100,426) (1)	(510,090) (2)	(369,265)	(369,265) (3)	(192,959) (4)
Total Expenditures	$ 3,144,204	$ 2,960,871	$ 3,236,658	$ 3,235,195	$ 3,438,507
Ending Balance, June 30	$ 50,368	$ 132,955	$ 0	$ 40,385	$ 0
Increase (Decrease) in Fund Balance	**$ (113,890)**	**$ 82,587**	**$ (94,033)**	**$ (92,570)**	**$ (40,385)**

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 was $510,090 less than what would be needed to fund 100% of the employee benefit costs for General Fund employees. This resulted in $510,090 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 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.
4. The 2015/2016 Employee Benefits tax levy is $192,959 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 2015/2016.

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 2012/2013 and 2013/2014 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 2014/2015 is budgeted to be $40,385 compared to the zero balance originally budgeted for similar reasons. That balance is budgeted to be used for employee benefit costs in 2015/2016.

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 2015/2016 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, 2014/2015 or 2015/2016 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 2015/2016.

Emergency Tax Levy Fund

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 80,301 (1)	$ 80,399	$ 80,499	$ 80,515	$ 80,615
Revenues					
Property Tax (2)	$ 0	$ 0	$ 0	$ 0	$ 0
Interest	98	116	100	100	100
Total Revenues	$ 98	$ 116	$ 0	$ 0	$ 0
Funds Available	$ 80,399	$ 80,515	$ 80,599	$ 80,615	$ 80,715
Expenditures					
Transfers Out					
General Fund	0	0	0	0	0
Ending Balance, June 30	$ 80,399	$ 80,515	$ 80,599	$ 80,615	$ 80,715
Increase (Decrease) in Fund Balance	**$ 98**	**$ 116**	**$ 100**	**$ 100**	**$ 100**

1. For the 2009/2010 budget, City Council chose to transfer all except $80,000 of this levy to the General Fund. This was due to economic uncertainties in the national, state and local economies. These funds have been set aside for future General Fund needs or for future emegency events. These funds are budgeted to remain in this fund in the 2015/2016 budget.
2. An Emergency Levy was not included in the budgets for 2011/2012, 2012/2013, 2013/2014, 2014/2015 or 2015/2016.

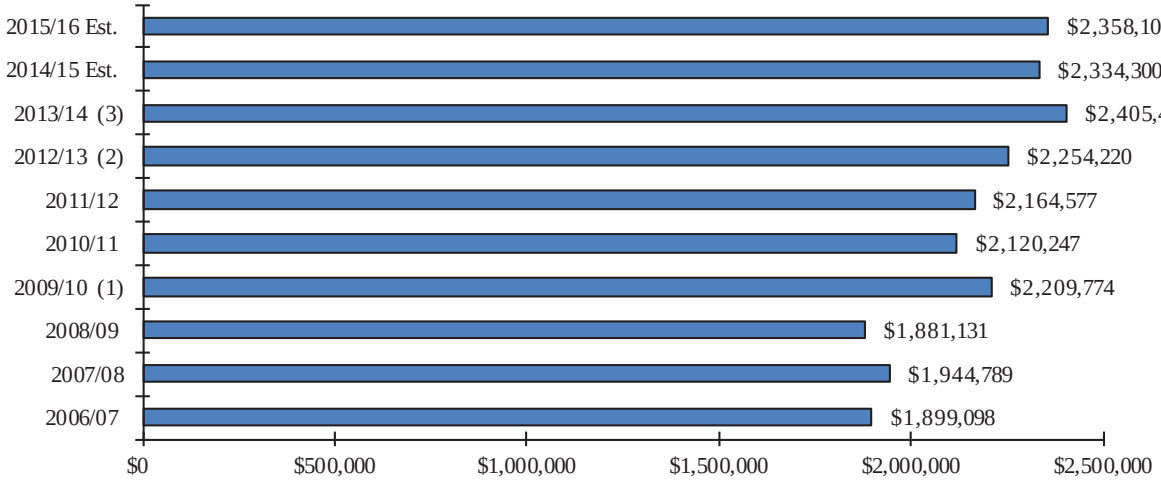
SPECIAL REVENUE FUNDS

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 2015/2016. As noted in the table, the 2009/2010 amount reflected 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.

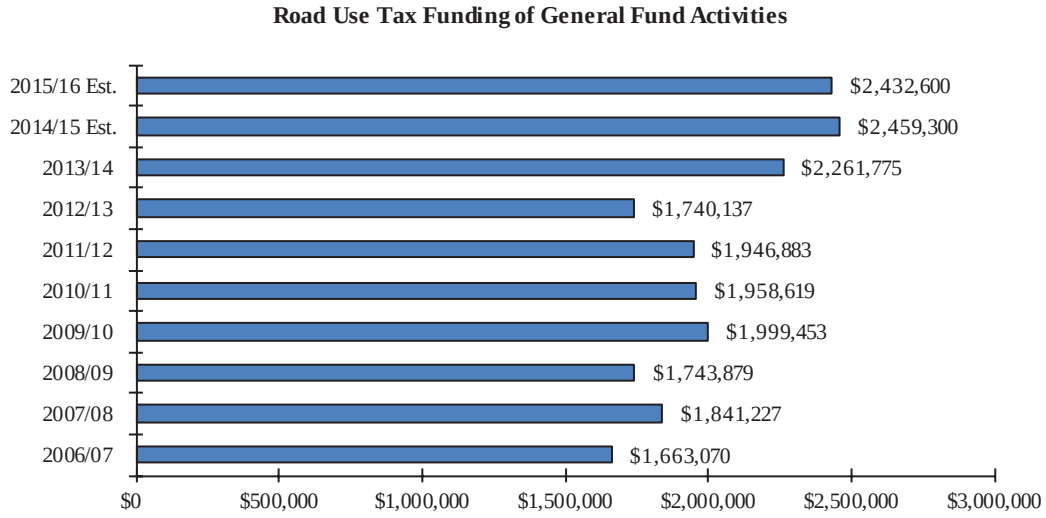
Road Use Tax Revenue History



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 increase was in part due to a full year with the increased population from 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 2014/2015 and 2015/2016 are shown in the following chart:



CURRENT TRENDS AND ISSUES:

Road use tax revenues are estimated at $2,334,300 in 2014/2015. This is based on the Iowa Department of Transportation (IDOT) estimate of $98.50 per capita, which has been reduced by $.50 to $98.00 for a conservative budget estimate.

The road use tax distribution for 2015/2016 was estimated by the IDOT at $99.50 per capita. Cities, however, have been cautioned that actual revenues may not reach the IDOT projected level. The 2015/2016 budget includes a more conservative estimate of $99.00 per capita which would generate $2,358,100.

The 2014/2015 revised estimate and the 2015/2016 budget include $2,459,300 and $2,432,600, 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 2015/2016 road use tax budget includes $50,000 for the second year of the new sidewalk development program.

The estimated fund balance on June 30, 2016 is projected at $286,237 based on estimated road use taxes of $98.00 per capita for 2014/2015 and $99.00 per capita for 2015/2016. With the accounting change in

accruing two months of road use tax receipts at fiscal year end, a minimum of $300,000 in fund balance is generally needed in order to keep the actual cash balance in a positive position at year end. While the budgeted fund balance is slightly under the $300,000 target amount, it is expected that actual expenditures funded by road use taxes will be less than the budgeted amount. 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 2015/2016 fiscal year.

After the budget was adopted the State legislature approved a $.10 per gallon increase in the gas tax effective March 1, 2015. This is expected to generate an additional $416,700 in city road use tax revenue each year. This will allow the City to do more pavement management projects each year than had previously been planned. Specific projects funded from this additional revenue have not yet been determined.

Road Use Tax Fund

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 840,143	$ 892,055	$ 808,655	$ 1,035,737	$ 410,737
Revenues					
Road Use Tax	$ 2,254,220 (2)	$ 2,405,457 (3)	$ 2,310,400	$ 2,334,300 (1)	$ 2,358,100 (1)
Funds Available	$ 3,094,363	$ 3,297,512	$ 3,119,055	$ 3,370,037	$ 2,768,837
Expenditures					
Transfers Out:					
General Fund	$ 1,740,137	$ 2,261,775	$ 2,251,700	$ 2,459,300	$ 2,432,600
Harrison Street	462,171	0	0	0	0
Cedar Street Improvements	0	0	450,000	450,000	0
New Sidewalk Program	0	0	50,000	50,000	50,000
Total Expenditures	$ 2,202,308	$ 2,261,775	$ 2,751,700	$ 2,959,300	$ 2,482,600
Ending Balance, June 30	$ 892,055	$ 1,035,737	$ 367,355	$ 410,737	$ 286,237
Increase (Decrease) in Fund Balance	**$ 51,912**	**$ 143,682**	**$ (441,300)**	**$ (625,000)**	**$ (124,500)**
Per Capita Road Use Taxes (Actual and Estimated)	$ 96.69 (2)	$ 100.99	$ 97.00	$ 98.00 (1)	$ 99.00 (1)

1. Revenues for both the Revised Estimate and 2015/2016 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 2015/2016 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 for 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.
3. The actual 2013/2014 road use tax revenues reflect a full year of road use taxes with the increased population from the two annexations.

SPECIAL REVENUE FUNDS

LOCAL OPTION SALES TAX FUND

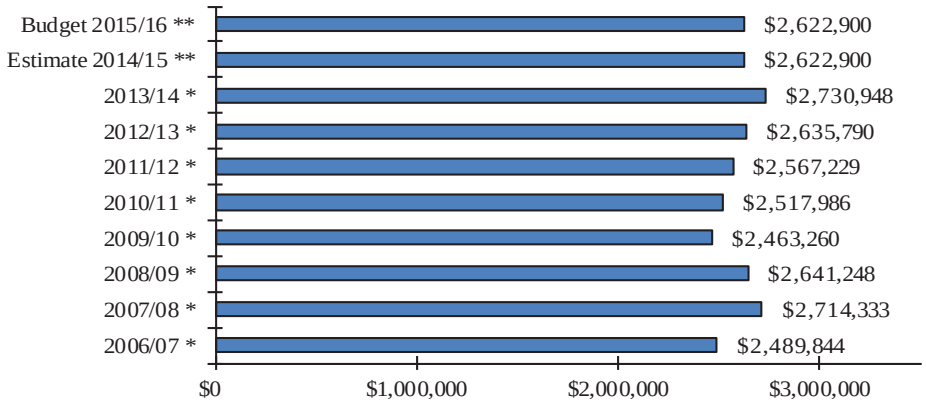
GENERAL INFORMATION:

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 2014/2015 and 2015/2016 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)



** Both the 2014/2015 and 2015/16 amounts have been conservatively estimated at the State's preliminary allocation level without an estimated reconciling amount.

CURRENT TRENDS AND ISSUES:

For the revised estimate for 2014/2015 and the 2015/2016 budget, the estimated local option sales tax revenues are $2,796,200 and $2,622,900, respectively. The 2015/2016 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 2014/2015 and Estimated 2015/2016

	Estimated 2014/2015	Projected 2015/2016
Projects:		
West Hill Sewer Separation -Completion of Phase 2; Start of Phase 3-A	$ 2,236,960	$ -
West Hill Sewer Separation - Completion of Phase 3-A; Start of Phase 3-B	-	2,098,320
Totals	$ 2,236,960	$ 2,098,320

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 taxes 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, 2014/2015, and 2015/2016 budgets each include $200,000 in transfers from the Water Pollution Control fund to this 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 was completed in the fall of 2014. Phase 3-A is scheduled for construction in calendar year 2015 and Phase 3-B in calendar year 2016.

As authorized by the sales tax referendum, funding transfers of $559,240 in the revised estimate and $524,580 in 2015/2016 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 2014/2015 and Estimated 2015/2016

	Estimated 2014/2015	Projected 2015/2016
Project:		
Pavement Management Program	$ 589,000	$ 500,000
Railroad Crossing Improvements	-	35,000
Cedar Street Improvement Project	145,000	-
Colorado Street Improvement Project	150,000	-
Totals	$ 884,000	$ 535,000

The allocations in 2014/2015 for the Cedar Street and Colorado Street projects are updated estimates of the amounts needed to complete the financing for these projects. Both projects are scheduled for completion by the summer of 2015. Specific projects in the Pavement Management Program allocation of $500,000 for 2015/2016 will be determined based on results of the pavement condition index study recently completed, balanced with the final financing requirements of the Cedar Street and Colorado Street projects. The estimated balance in the Pavement Management sub-fund on June 30, 2016 is $389,515.

Local Option Sales Tax Fund

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 2,319,147	$ 1,210,098	$ 9,286	$ 0	$ 0
Revenues					
Local Option Sales Tax	$ 2,524,658	$ 2,677,348	$ 2,558,700	$ 2,796,200	$ 2,622,900
Interest	2,049	872	1,500	0	0
Total Revenues	$ 2,526,707	$ 2,678,220	$ 2,560,200	$ 2,796,200	$ 2,622,900
Funds Available	$ 4,845,854	$ 3,888,318	$ 2,569,486	$ 2,796,200	$ 2,622,900
Expenditures					
Transfers Out:					
West Hill Sewer Project	$ 3,130,824	$ 3,352,848	$ 1,573,000	$ 2,236,960	$ 2,098,320
Pavement Management Program (3)	504,932	535,470	511,740	559,240	524,580
Total Expenditures	$ 3,635,756	$ 3,888,318	$ 2,084,740	$ 2,796,200	$ 2,622,900
Ending Balance, June 30	$ 1,210,098	$ 0	$ 484,746	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ (1,109,049)**	**$ (1,210,098)**	**$ 475,460**	**$ 0**	**$ 0**

1. The Revised Estimate Local Option Tax revenue amount is the State's estimate ($2,622,884.19) plus a prior year reconciliation amount of $173,303.28.
2. The FY 2015/2016 Local Option Tax revenue amount is estimated conservatively at the States's projected 2014/2015 level of $2,622,884.19.
3. Effective July 1, 2009 up to 20% of Local Option Tax revenue is being used for the Pavement Management Program per the voter referendum. This 20% allocation is transferred to a subfund to separately account for this portion of the tax.

Local Option Sales Tax Fund

Pavement Management Allocation (20%)

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 270,103	$ 684,442	$ 706,814	$ 723,295	$ 399,235
Revenues					
Transfers In:					
Local Option Sales Tax (1)	$ 504,932	$ 535,470	$ 511,740	$ 559,240 (2)	$ 524,580 (3)
Interest	375	674	300	700	700
Total Revenues	$ 505,307	$ 536,144	$ 512,040	$ 559,940	$ 525,280
Funds Available	$ 775,410	$ 1,220,586	$ 1,218,854	$ 1,283,235	$ 924,515
Expenditures					
Transfers Out:					
Pavement Management (Curb and (Gutter, Full Depth Patch, Crack Sealing, and Resurfacing)	$ 35,075	$ 473,222	$ 500,000	$ 589,000 (4)	$ 500,000 (4)
Highway 38/61 Connector Study	$ 28,774	0	0	0	0
Railroad Crossing Improvements	27,119	24,069	35,000	0	35,000
Cedar Street Supplemental Funding	0	0	50,000	145,000	0
Colorado Street Supplemental Funding	0	0	50,000	150,000	0
Total Expenditures	$ 90,968	$ 497,291	$ 635,000	$ 884,000	$ 535,000
Ending Balance, June 30	$ 684,442	$ 723,295	$ 583,854	$ 399,235	$ 389,515
Increase (Decrease) in Fund Balance	**$ 414,339**	**$ 38,853**	**$ (122,960)**	**$ (324,060)**	**$ (9,720)**

1. Beginning July 1, 2009 up to 20% of Local Option Tax revenue has been allocated to the Pavement Management Program per the voter referendum.
2. The Revised Estimate Local Option Tax revenue amount is 20% of the total of the State's estimate for the year of $2,622,884 and the prior year reconciliation amount of $173,303.
3. The FY 2016 Local Option Tax revenue amount is estimated conservatively at 20% of the States's projected 2014/2015 amount of $2,622,884.
4. Specific projects in the 2015/2016 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 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 and for 2012/2013 it was increased to $245,000. The 2013/2014 funding transfer was $117,000 and the funding transfer for 2014/2015 was $200,000. The 2015/2016 regular funding transfer is $188,000 with an additional $148,500 one-time transfer to be used for replacement of an ambulance. Sufficient funds are not available in the Ambulance fund and a portion of the General Fund balance in excess of the minimum balance required by the City's fund balance policy is budgeted to be used as a one-time transfer for this purchase.

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 2014/2015 the funding allocation from the General Fund to the Equipment Replacement Fund is $200,000. Purchases for the 2014/2015 revised estimate total $272,200, which is $8,200 more than the original budget due to the addition of a $12,000 allocation to purchase and equip a used pickup truck from the City of Fruitland. This increase was partially offset since actual costs were less than projected for other budgeted purchases. Purchases 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 ($7,700), a pick-up truck for Park Maintenance ($19,900), an infield machine for Kent Stein ($17,300), a utility vehicle for Soccer ($14,300), and the used pickup truck, also for Soccer, ($12,000).

For 2015/2016 the funding allocation from the General Fund to the Equipment Replacement Fund totals $336,500 which includes $188,000 as the regular transfer and a $148,500 transfer specifically for the purchase of an ambulance. Regular vehicles and equipment items budgeted to be purchased in 2015/2016 total $112,000 which includes a supervisor vehicle for the Police Department ($42,000) and a mower ($35,000) and a pickup truck ($35,000) for Park Maintenance. The 2015/2016 budget also includes $148,500 for the replacement of an ambulance. The balance in this fund is estimated at $151,269 as of June 30, 2016. This balance will assist in funding future year vehicle and equipment purchases.

Equipment Replacement Fund

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 101,574	$ 87,429	$ 127,329	$ 132,869	$ 67,969
Revenues					
Interest	$ 115	$ 128	$ 100	$ 100	$ 100
Lease of Vehicle (Police Grant)	7,200	7,200	7,200	7,200	7,200
Sale of Vehicles	3,780	5,445	0	0	0
Reimbursement of Damages	19,470	0	0	0	0
Transfers In					
General Fund Allocation	245,000	117,000	200,000	200,000	188,000
General Fund Allocation for Ambulance	0	0	0	0	148,500
General Fund Allocation for Fire Engine	497,000 (1)	0	0	0	0
Total Revenues	$ 772,565	$ 129,773	$ 207,300	$ 207,300	$ 343,800
Funds Available	$ 874,139	$ 217,202	$ 334,629	$ 340,169	$ 411,769
Expenditures					
Equipment Purchases	786,710	84,333	264,000	272,200	260,500
Ending Balance, June 30	$ 87,429	$ 132,869	$ 70,629	$ 67,969	$ 151,269
Increase (Decrease) in Fund Balance	**$ (14,145)**	**$ 45,440**	**$ (56,700)**	**$ (64,900)**	**$ 83,300**

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

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Police:			
Supervisor Vehicle	1	Yes	$ 42,000
Park Maintenance			
Mower	1	Yes	35,000
Pickup Truck	1	Yes	35,000
Ambulance:			
Ambulance	1	Yes	148,500
			$ 260,500

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 included $40,000 in funding allocations. The 2015/2016 budget maintains the funding allocation of $40,000.

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, the transfer was $23,591, in 2012/2013 $9,740, and in 2013/2014 $11,885. The Library made purchases from this fund of $23,567 in 2012/2013. No purchases were made from this fund in 2013/2014. In 20142015 $15,000 is budgeted to be expended from this fund and $5,000 is budgeted for 2015/2016.

Computer Replacement Fund

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 18,488	$ 42,721	$ 0	$ 13,683	$ 0
Revenues					
Interest	$ 36	$ 43	$ 0	$ 0	$ 0
Transfers In					
General Fund	40,000	40,000	40,000	40,000	40,000
Total Revenues	$ 40,036	$ 40,043	$ 40,000	$ 40,000	$ 40,000
Funds Available	$ 58,524	$ 82,764	$ 40,000	$ 53,683	$ 40,000
Expenditures					
Equipment Purchases	15,803	69,081	40,000	53,683	40,000
Ending Balance, June 30	$ 42,721	$ 13,683	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 24,233**	**$ (29,038)**	**$ 0**	**$ (13,683)**	**$ 0**

Computer Replacement Fund - Library

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 25,502	$ 11,688	$ 2,688	$ 23,573	$ 8,573
Revenues					
Interest	$ 13	$ 17	$ 0	$ 0	$ 0
Transfers In					
General Fund Library Budget	9,740	11,868	0	0	0
Total Revenues	$ 9,753	$ 11,885	$ 0	$ 0	$ 0
Funds Available	$ 35,255	$ 23,573	$ 2,688	$ 23,573	$ 8,573
Expenditures					
Equipment Purchases	23,567	0	2,000	15,000	5,000
Ending Balance, June 30	$ 11,688	$ 23,573	$ 688	$ 8,573	$ 3,573
Increase (Decrease) in Fund Balance	**$ (13,814)**	**$ 11,885**	**$ (2,000)**	**$ (15,000)**	**$ (5,000)**

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 two-thirds 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.

In 2013/2014 Downtown TIF funds were used to repay an internal advance of $43,100 which completed the financing for the City Hall Boiler Replacement project.

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 3rd and Chestnut parking lot, resurfacing of other downtown parking lots, downtown handicapped ramps, Cedar Street resurfacing, improvements on the Riverfront related to the 2008 flood, and funds to replace the boiler at City Hall. The debt service payments on this issue are $207,825 in 2014/2015 and $208,450 in 2015/2016.

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 and 2015/2016 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 $33,479 at the end of the 2015/2016 fiscal year.

Tax Increment Fund - Downtown

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 77,139	$ 75,973	$ 26,648	$ 29,454	$ 31,829
Revenues					
Incremental Taxes	$ 208,285 (1)	$ 199,910 (2)	$ 210,000	$ 210,100 (3)	$ 210,000 (4)
Interest	174	210	100	100	100
Total Revenues	$ 208,459	$ 200,120	$ 210,100	$ 210,200	$ 210,100
Funds Available	$ 285,598	$ 276,093	$ 236,748	$ 239,654	$ 241,929
Expenditures:					
Transfers:					
Bonds	$ 170,000	$ 170,000	$ 175,000	$ 175,000	$ 180,000
Interest	39,625	36,225	32,825	32,825	28,450
City Hall Boiler Project	0	40,414	0	0	0
Total Expenditures	$ 209,625	$ 246,639	$ 207,825	$ 207,825	$ 208,450
Ending Balance, June 30	$ 75,973	$ 29,454	$ 28,923	$ 31,829	$ 33,479
Increase (Decrease) in Fund Balance	**$ (1,166)**	**$ (46,519)**	**$ 2,275**	**$ 2,375**	**$ 1,650**

1. For the 2012/2013 year, the City certified approximately $126,000 less than the total available increment.
2. For the 2013/2014 year, the City certified approximately $126,000 less than the total available increment.
3. For the 2014/2015 year, the City certified approximately $115,000 less than the total available increment.
4. For the 2015/2016 year, the City certified approximately $115,000 less than the total available increment.

TAX INCREMENT FUND - DOWNTOWN

STATEMENT OF BOND AND INTEREST REQUIREMENTS

General Obligation Bonds Funded from Downtown Urban Renewal Tax Increment Revenues 3rd and Chestnut Parking Lot Reconstruction, Downtown Parking Lots, Street and Alley Resurfacing, Riverfront Flood Repairs, and City Hall Boiler Replacement $1,535,000 of $7,425,000 Issue Dated June 1, 2010

Fiscal Year	Principal	Interest	Total Requirements
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	$ 1,115,000	$ 120,325	$ 1,235,325

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 TIF rebate agreement with Wal-View Developments for construction of a 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 in an estimated amount of $545,000. The rebates under this agreement are subject to annual appropriation per the terms in the development agreement.

In 2012 the City Council approved $12,500 in matching funds to the Bi-State Economic Development Loan program which provided assistance to a local business. This was funded from Southend TIF funds in 2013/2014 as well as $62,536 in funds to complete the Museum Boiler project.

In December of 2014 the City entered into another agreement with Wal-View Developments for a 2nd warehouse and distribution facility. This will also be a 10-year agreement with the rebate percentages in the first four years decreasing by 10% annually from 100% the first year to 70% the fourth year. Thereafter the rebates will be 60% in the fifth and sixth year, 50% in the seventh and eighth year, and 40% in the ninth and tenth year. These rebates will also be subject to annual appropriations.

CURRENT TRENDS AND ISSUES:

Incremental tax revenue for 2014/2015 is estimated at $425,000. In 2014/2015 Southend TIF funds will be used to fund debt requirements on the June 2004 bond issue ($165,930), the TIF rebate to Musco ($91,600), the Curry's Transportation Services, Inc. rebate ($22,100), the Newcomb Properties LLC rebate ($8,300), and the A&E Convenience rebate ($3,200). Incremental taxes will also 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 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 $335,000 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 2015/2016 incremental taxes will fund $165,065 in debt requirements, the TIF rebate to Musco (estimated at $88,000), the Curry's Transportation rebate (estimated at $21,500), the Newcomb Properties rebate (estimated at $8,700), the A &E Convenience rebate (estimated at $3,200), and the first rebate to Wal-View Developments (estimated at $545,000). In 2015/2016 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 $38,000, respectively. Funding for the Small Business Forgivable Loan program will also begin in 2015/2016 for a total of $200,000 ($100,000 allocation for both 2014/2015 and 2015/2016).

For 2015/2016 the City is claiming approximately $200,000 less than the total incremental taxes available from this TIF district. The estimated balance in this fund at the end of 2015/2016 is $793,981.

Tax Increment Fund - Southend

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 1,075,576	$ 983,960	$ 844,887	$ 845,576	$ 828,946
Revenues					
Incremental Taxes	$ 417,758 (1)	$ 405,769 (2)	$ 425,000	$ 425,000 (3)	1,150,000 (4)
Interest	1,324	1,542	1,000	1,000	1,000
Total Revenues	$ 419,082	$ 407,311	$ 426,000	$ 426,000	$ 1,151,000
Funds Available	$ 1,494,658	$ 1,391,271	$ 1,270,887	$ 1,271,576	$ 1,979,946
Expenditures:					
Bonds	$ 105,000	$ 110,000	$ 115,000	$ 115,000	$ 120,000
Interest	61,308	56,320	50,930	50,930	45,065
Tax Rebate-Robinson Logistics	25,709	24,474	0	0	0
Tax Rebate-Musco	101,592	96,711	96,800	91,600	88,000
Tax Rebate - Curry's Transportation Services	24,900	23,703	23,800	22,100	21,500
Tax Rebate - Newcomb Properties LLC	8,296	7,898	9,600	8,300	8,700
Tax Rebate - A & E Convenience, LLC	3,639	3,464	3,500	3,200	3,200
Tax Rebate - Wal-View Project #1	0	0	0	0	545,000
Transfers Out:					
TIF Administrative and Professonal Support Costs	105,254	113,089	116,500	116,500	116,500
TIF Economic Development Grant (GMCCI)	35,000	35,000	35,000	35,000	38,000
Bridge Lighting Project	40,000	0	0	0	0
Art Center Boiler Project	0	62,536	0	0	0
Economic Development Grant (Bi-State)	0	12,500	0	0	0
Small Business Forgivable Loan Program	0	0	0	0	200,000
Total Expenditures	$ 510,698	$ 545,695	$ 451,130	$ 442,630	$ 1,185,965
Ending Balance, June 30	$ 983,960	$ 845,576	$ 819,757	$ 828,946	$ 793,981
Increase (Decrease) in Fund Balance	**$ (91,616)**	**$ (138,384)**	**$ (25,130)**	**$ (16,630)**	**$ (34,965)**

1. For the 2012/2013 year, the City certified approximately $396,000 less than the total available in incremental taxes.
2. For the 2013/2014 year, the City certified approximately $396,000 less than the total available in incremental taxes.
3. For the 2014/2015 year, the City certified approximately $335,000 less than the total available in incremental taxes.
4. For the 2015/2016 year, the City certified approximately $200,000 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

Fiscal Year	Principal	Interest	Total Requirements
2014/15 (1)	$ 115,000	$ 50,930	$ 165,930
2015/16	120,000	45,065	165,065
2016/17	125,000	38,705	163,705
2017/18	130,000	31,955	161,955
2018/19	140,000	24,805	164,805
2019/20	145,000	16,965	161,965
2020/21	150,000	8,700	158,700
Total	$ 925,000	$ 217,125	$ 1,142,125

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; incremental taxes for 2012/2013 were $343,877 and the rebate $171,939, and incremental taxes for 2013/2014 were $385,172 and the rebate $192,586. The amounts claimed for these years were again less than the total incremental taxes available from this area.

Incremental taxes from this area for 2014/2015 were $397,139 and the rebate $196,260. The incremental taxes for 2015/16 are estimated at $376,237 with the rebate estimated at $188,200. The City will receive $210,100 of the incremental taxes in 2014/2015 and is claiming $190,000 in 2015/2016 which continues to allow a portion of the incremental taxes to be considered as regular values for the various local taxing entities. The lower incremental taxes and rebates in 2014/2015 and 2015/2016 are due to the rollback in taxable values on commercial properties for those years (from 100% to 95% in 2014/2015 and from 95% to 90% in 2015/2016).

Tax Increment Fund - Cedar Development

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 13,544	$ 22,149	$ 22,762	$ 23,729	$ 37,529
Revenues					
Incremental Taxes	$ 180,516 (1)	$ 194,107 (2)	$ 210,000	$ 210,100 (3)	$ 190,000 (4)
Interest	28	59	0	0	0
Total Revenues	$ 180,544	$ 194,166	$ 210,000	$ 210,100	$ 190,000
Funds Available	$ 194,088	$ 216,315	$ 232,762	$ 233,829	$ 227,529
Expenditures:					
Tax Rebate - VMI Northport Commons	$ 171,939	$ 192,586	$ 208,900	$ 196,300	$ 188,200
Total Expenditures	$ 171,939	$ 192,586	$ 208,900	$ 196,300	$ 188,200
Ending Balance, June 30	$ 22,149	$ 23,729	$ 23,862	$ 37,529	$ 39,329
Increase (Decrease) in Fund Balance	**$ 8,605**	**$ 1,580**	**$ 1,100**	**$ 13,800**	**$ 1,800**

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.
3. For the 2014/2015 year the City certified approximately $208,000 less than the total available increment.
4. For the 2015/2016 year the City certified approximately $228,000 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, in 2013/2014 it increased to $17,560, and in 2014/2015 it increased to $46,080. The rebate is estimated at $45,000 for 2015/2016. This rebate is expected to increase in future years as further improvements to the property are completed.

Tax Increment Fund - Muscatine Mall

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 3,405	$ 5,136	$ 5,576	$ 5,673	$ 9,573
Revenues					
Incremental Taxes	$ 14,878 (1)	$ 18,087 (2)	$ 50,000	$ 50,000 (3)	$ 45,000 (4)
Interest	5	9	0	0	0
Total Revenues	$ 14,883	$ 18,096	$ 50,000	$ 50,000	$ 45,000
Funds Available	$ 18,288	$ 23,232	$ 55,576	$ 55,673	$ 54,573
Expenditures:					
Tax Rebate - Muscatine Mall	$ 13,152	$ 17,559	$ 49,500	$ 46,100	$ 45,000
Ending Balance, June 30	$ 5,136	$ 5,673	$ 6,076	$ 9,573	$ 9,573
Increase (Decrease) in Fund Balance	**$ 1,731**	**$ 537**	**$ 500**	**$ 3,900**	**$ 0**

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.
4. For the 2015/2016 year the City certified approximately $54,000 less than the total available increment.

SPECIAL REVENUE FUNDS

TAX INCREMENT FINANCING (TIF) FUND – INDUSTRIAL URBAN RENEWAL AREA

GENERAL INFORMATION:

In June of 2010 the City entered into an agreement with H.J. Heinz Company LP to assist in their construction of new facilities at their Muscatine plant. The agreement provides for a rebate of 50% of the incremental taxes for a 15-year period up to a maximum total of $425,000.

Fiscal year 2011/2012 was the first year for a rebate under this agreement. The incremental value for 2011/2012 was $636,760. Based on that value, incremental taxes were $22,724 and the 50% rebate was $11,362. For 2012/2013 the incremental taxes 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. For both 2014/2015 and 2015/2016 there is no increment and no incremental taxes on this property.

CURRENT TRENDS AND ISSUES:

In February 2014 the City entered into another development agreement with H.J. Heinz Company, LP for expansion of their manufacturing facilities, operations, and workforce. This agreement provides for five years of rebates with the first year at 75%, and subsequent years at 60%, 45%, 30%, and 15% to a maximum total of $880,000. The rebates under the agreement are subject to annual appropriation. The first rebate is to be made in 2016/2017.

Tax Increment Fund - Heinz

Fund Statement

	Actual 2012/2013	Actual 2013/2014		Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 2,318	$ 3,874		$ 3,874	$ 3,879	$ 3,879
Revenues						
Incremental Taxes	$ 15,870	$ 0	(1)	$ 0	$ 0	$ 0
Interest	2	5		0	0	0
Total Revenues	$ 15,872	$ 5		$ 0	$ 0	$ 0
Funds Available	$ 18,190	$ 3,879		$ 3,874	$ 3,879	$ 3,879
Expenditures:						
Tax Rebate - Heinz	$ 14,316	$ 0	(1)	$ 0	$ 0	$ 0
Total Expenditures	$ 14,316	$ 0		$ 0	$ 0	$ 0
Ending Balance, June 30	$ 3,874	$ 3,879		$ 3,874	$ 3,879	$ 3,879
Increase (Decrease) in Fund Balance	**$ 1,556**	**$ 5**		**$ 0**	**$ 0**	**$ 0**

1. Due to a revaluation downward by the County Assessor, there are no incremental taxes or TIF rebates beginning in 2013/2014.

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 was the first year of the rebate under this agreement. The incremental value for 2013/2014 was $1,331,140, the incremental taxes were $44,851, and the first year rebate was $22,426. For 2014/2015 the increment was $1,264,583, incremental taxes were $42,638, and the rebate $21,319. For 2015/2016 the increment is $1,198,026, the incremental taxes are estimated at $40,394, and the rebate is estimated at $20,500. The lower incremental taxes and rebates in 2014/2015 and 2015/2016 are due to the rollback in taxable values on commercial properties for those years (from 100% to 95% in 2014/2015 and from 95% to 90% in 2015/2016).

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 $34,227 in 2013/2014 and $46,057 in 2014/2015.

Incremental taxes from this area are also being 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 funded the project costs with this loan to be repaid over three years beginning in 2014/2015 and continuing through 2016/2017.

For both 2014/2015 and 2015/2016 the City claimed the full amount of incremental taxes available from this TIF area estimated at $184,834 in 2014/2015 and $281,000 in 2015/2016. This will fund the rebates to the Villas at MCC, the final payment on the internal loan for the Pierce Furniture property acquisition, and the first two payments on the internal loan for the Weed Park Maintenance building.

Tax Increment Fund - Highway 38 Northeast (As Amended)

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 7,477
Revenues					
Incremental Taxes	$ 0	$ 56,638	$ 180,051	$ 184,834	$ 281,000
Interest	0	15	0	0	0
Total Revenues	$ 0	$ 56,653	$ 180,051	$ 184,834	$ 281,000
Funds Available	$ 0	$ 56,653	$ 180,051	$ 184,834	$ 288,477
Expenditures:					
Tax Rebate - Villas at MCC	$ 0	$ 22,426 (1)	$ 22,426	$ 21,400	$ 20,500
Transfer Out:					
Internal Loan - Pierce Acquisition	0	34,227 (2)	45,213	46,057 (2)	0
Internal Loan - Weed Park Maintenance Design	0	0	19,900	19,900 (3)	0
Internal Loan - Weed Park Maintenance Bldg	0	0	85,000	90,000 (3)	265,000 (3)
Total Expenditures	$ 0	$ 56,653	$ 172,539	$ 177,357	$ 285,500
Ending Balance, June 30	$ 0	$ 0	$ 7,512	$ 7,477	$ 2,977
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 7,512**	**$ 7,477**	**$ (4,500)**

1. Fiscal year 2013/2014 was 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 acquistion 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 $412,100. An internal advance will fund this project with the advance repaid in fiscal years 2014/2015 through 2016/2017.

SPECIAL REVENUE FUNDS

TAX INCREMENT FINANCING (TIF) FUND – FRIDLEY THEATERS

GENERAL INFORMATION:

In June of 2012, the City entered into an agreement with R.L. Fridley Theaters, Inc. and Fridley Properties, LLC to develop a new multiplex theater facility in the City. The agreement provides for 15 years of incremental tax rebates on this property up to a maximum total of $1,500,000. In the first two years the rebate percentage is 95%, the next two 90%, then two years at 85%, two years at 80%, two years at 60%, one year at 55%, and the final four years at 50%.

The first rebate payment will be made in fiscal year 2015/2016. The incremental value for 2015/2016 is $2,222,820, incremental taxes are estimated at $75,000, and the rebate is estimated at $72,000.

Tax Increment Fund - Fridley Theatres

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues					
Incremental Taxes	$ 0	$ 0	$ 0	$ 0	$ 75,000
Interest	0	0	0	0	0
Total Revenues	$ 0	$ 0	$ 0	$ 0	$ 75,000
Funds Available	$ 0	$ 0	$ 0	$ 0	$ 75,000
Expenditures:					
Tax Rebate - Fridley Theatres	$ 0	$ 0	$ 0	$ 0	$ 72,000
Total Expenditures	$ 0	$ 0	$ 0	$ 0	$ 72,000
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 3,000
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 3,000**

1. Fiscal year 2015/2016 will be the first year of a 15-year TIF rebate agreement for Fridley Theatres, Inc. Rebate percentages under th agreement decline from 95% to 50% over the rebate period.

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 2014/2015 and 2015/2016 $6,000 and $1,000, respectively, 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 $3,000 in both 2014/2015 and 2015/2016 will be used for educational materials for the Sunset Park Children's Afterschool Education program. The balance in this fund is estimated at $22,564 on June 30, 2016.

Community Block Grant Fund

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 42,640	$ 39,688	$ 23,708	$ 35,564	$ 26,564
Revenues					
Reimbursements of Housing Rehabilitation Costs	$ 0	$ 0	$ 0	$ 0	$ 0
Interest	48	56	0	0	0
Total Revenues	$ 48	$ 56	$ 0	$ 0	$ 0
Funds Available	$ 42,688	$ 39,744	$ 23,708	$ 35,564	$ 26,564
Expenditures					
Transfers Out:					
General Fund - Safe Streets Bldg	$ 3,000	$ 0	$ 0	$ 0	$ 0
Homeownership Program	0	4,180	3,000	6,000	1,000
Sunset Park Children's Education Program	0	0	3,000	3,000	3,000
Total Expenditures	$ 3,000	$ 4,180	$ 6,000	$ 9,000	$ 4,000
Ending Balance, June 30	$ 39,688	$ 35,564	$ 17,708	$ 26,564	$ 22,564
Increase (Decrease) in Fund Balance	**$ (2,952)**	**$ (4,124)**	**$ (6,000)**	**$ (9,000)**	**$ (4,000)**

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 2014/2015 with expenditures estimated at $17,100. The 2014/2015 expenditures include police operating equipment and training costs. The 2015/2016 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

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 2,778	$ 41,579	$ 5,579	$ 59,411	$ 47,311
Revenues					
Forfeiture Funds	$ 54,328	$ 38,371	$ 5,000	$ 5,000	$ 5,000
Interest	25	20	0	0	0
Total Revenues	$ 54,353	$ 38,391	$ 5,000	$ 5,000	$ 5,000
Funds Available	$ 57,131	$ 79,970	$ 10,579	$ 64,411	$ 52,311
Expenditures	15,552	20,559	5,000	17,100	5,000
Ending Balance, June 30	$ 41,579	$ 59,411	$ 5,579	$ 47,311	$ 47,311
Increase (Decrease) in Fund Balance	**$ 38,801**	**$ 17,832**	**$ 0**	**$ (12,100)**	**$ 0**

1. Amounts for 2015/2016 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 March 2015. The Police budget for 2014/2015 included 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 4th year which is estimated to end in March, 2016. These funds will be transferred to the General Fund Police department budget in 2015/2016. The 2015/2016 budget includes city and school funding for these two positions to continue to the end of the 2015/2016 fiscal year.

Police Grant Future Funding Commitment Reserve

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 0	$ 40,000	$ 80,000	$ 80,000	$ 89,100
Revenues					
Transfer In:					
General Fund	$ 40,000	$ 40,000	$ 9,000	$ 9,000	$ 0
Interest	0	0	100	100	0
Total Revenues	$ 40,000	$ 40,000	$ 9,100	$ 9,100	$ 0
Funds Available	$ 40,000	$ 80,000	$ 89,100	$ 89,100	$ 89,100
Expenditures	0	0	0	0	89,100
Ending Balance, June 30	$ 40,000	$ 80,000	$ 89,100	$ 89,100	$ 0
Increase (Decrease) in Fund Balance	**$ 40,000**	**$ 40,000**	**$ 9,100**	**$ 9,100**	**$ (89,100)**

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 Code Enforcement program. 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 beginning in calendar year 2013.

The 2014/2015 revised estimate expenditures for the Clark House are over the budgeted amount by $950. This is due to the net effect of various increases and decreases including (1) a decrease of $18,250 in personal services costs primarily due to a reduction in part-time staff, (2) an increase of $880 in commodities, (3) an increase of $21,370 in contractual services primarily for increased repair and maintenance costs for building systems and increased utility costs, and (4) a $3,050 decrease in capital outlay due to the green physical needs assessment coming in under budget.

The Clark House budgeted expenditures for fiscal year 2015/2016 total $562,720 which is $8,610 (1.6%) more than the original 2014/2015 budget. Increases in contractual services of $15,240 and capital outlay of $7,000 were partially offset by decreases in commodities of $600 and $13,030 in personal services. The capital outlay budget totals $48,000 and includes $30,000 for boiler replacements, $15,000 for apartment renovations, and $3,000 to replace appliances as needed.

The 2014/2015 revised estimate revenues for the Clark House are $2,500 less than the original budget. There were reductions of $1,000 in rents, $500 in tenant cable charges, $200 in interest, and $800 in HUD funding.

The 2015/2016 budgeted revenues for the Clark House total $548,100 which is $9,000 higher than the original 2014/2015 budget. The 2015/2016 budget includes an estimated $91,000 in HUD operating subsidy and $90,600 in HUD capital funds. The 2015/2016 budgeted revenues also include $325,000 in rents, $31,000 in cable fees, and $10,500 in other income, primarily laundry fees.

The Clark House and Sunset Park are considered one project by HUD for accounting purposes. In the 2014/2015 revised estimate the combined Clark House and Sunset Park revenues are $799,620 and the combined expenditures are $828,640. This will result in an estimated $29,020 decrease in the operating reserve to $42,689 at the end of 2014/2015.

The 2015/2016 budgeted expenditures for the Clark House and Sunset Park total $823,160 and revenues are budgeted at $814,120. This will decrease the operating reserve by $9,040 to $33,649 at the end of 2015/2016. The combined public housing revenue estimate includes a total of $160,600 of HUD Capital Funds, $185,000 in HUD operating subsidy, and $425,000 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 2014/2015 revised estimate expenditures for Sunset Park are $10,050 more than the original budget. Personal services costs are $4,940 more than budgeted primarily due to reallocation of the Maintenance Supervisor position; commodities are over the original budget by $2,900; contractual services are over by $1,960; and capital outlay is over by $250.

The 2015/2016 Sunset Park budgeted expenditures are $3,090 (1.2%) less than the original 2014/2015 budget. The overall reduction is due to an $8,200 reduction in capital outlay. This reduction has been partially offset by increases in personal services ($1,930), commodities ($1,150), and contractual services ($2,030). The budgeted capital outlay allocation includes $20,000 for apartment renovations, $2,000 for a landscaping trailer, and $3,000 to replace appliances as needed.

Revised estimate revenues for Sunset Park are $3,900 less than the original budget primarily due to a $5,000 decrease in rents. This decrease was partially offset by a $1,100 increase HUD funding.

Revenues for Sunset Park for 2015/2016 are estimated at $266,020 which includes $100,000 in rents, $94,000 in HUD operating subsidy, and $70,000 in HUD Capital Funds.

HERSHEY MANOR - The site for this project was formerly occupied by the Hershey Nursing Home near the intersection of Parham Street and Mulberry Avenue. 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, 62% of the Assistant Housing Administrator, 25% of the Maintenance Repairperson, and 10% of the Housing Maintenance Supervisor/Inspector.

The revised estimate expenditures are $34,000 less than the original budget. This is due to (1) a $3,210 decrease in personal services costs, (2) a $2,600 increase in commodities, (3) a $3,150 increase in contractual services, (4) a $19,980 decrease in capital outlay (primarily due to moving several capital items to the 2013/2014 budget), and (5) a $16,560 decrease in interest on the loan for the property. The loan on the property was refinanced as of December 1, 2014 under HUD’s interest rate reduction program, which reduced the interest rate from 6.0% to 4.25%. With the refinanced loan, the monthly payments decreased from $11,969.43 to $10,266.34 which is a $1,703.09 monthly savings or $20,437.08 annually.

The budgeted expenditures for fiscal year 2015/2016 of $333,130 are $47,470 (12.5%) less than the original 2014/2015 budget. This overall decrease is primarily due to (1) a $32,330 reduction in the interest payments on the refinanced loan, and (2) a $27,000 decrease in capital outlay. These decreases were partially offset by increases in personal services ($2,120), commodities ($2,100), and contractual services ($7,640).

Revenues for 2015/2016 include $178,000 in rental payments from the tenants and an estimated $255,000 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, increased to $724 June 1, 2013, and further increased to $733 June 1, 2014. The fair market rent will increase to $744 June 1, 2015.

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 the reserve was depleted at the end of 2013/2014. HUD now holds each housing authority’s HAPS reserve (net restricted assets). 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. The reserve was reduced to $73,225 at the end of 2012/2013 and further reduced to $47,861 at the end of 2013/2014. It is expected to be further reduced to $32,211 by the end of 2014/2015 and to $29,181 by the end of 2015/2016 based on funding estimates available when the budget was prepared. Housing staff will continue to closely monitor HUD funding and expenditures for this program.

Federal contributions for fiscal year 2015/2016 are estimated at $1,913,580 for the Section 8 Voucher Program which includes $1,727,080 for housing assistance payments (HAPS) and $186,500 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 2015 and 2016. 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 2015 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 $61,550 for 2014/2015 and this cost will increase to $63,260 in 2015/2016. These costs are funded 100% by HUD. Incidental expenses are estimated at $2,820 in 2014/2015 and $2,270 for 2015/2016. 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 10% of the Housing Maintenance Supervisor/Inspector's position for the 2015/2016 year. This allocation was reduced from 25% to 10% in 2014/2015. Due to HUD regulation changes, inspections are now required biennially instead of annually. 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 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 2014/2015 revised estimate includes an estimated $55,900 in expenditures for this program and the budgeted expenditures for 2015/2016 increased to $57,000. The 2014/2015 budget and the 2015/2016 budget each include $3,000 for down payment and closing cost assistance to those completing this program if they meet the income eligibility requirements for this assistance. These allocations are 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.

The Local Housing Trust will provide $20,000 of funding for the Home Ownership Program in 2014/2015 and that same amount is expected in 2015/2016. A HUD Comprehensive Housing Counseling grant was awarded in 2013/2014 for this program with $7,240 received in 2013/2014 and an estimated $9,800 expected to be received in both 2014/2015 and 2015/2016. 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.

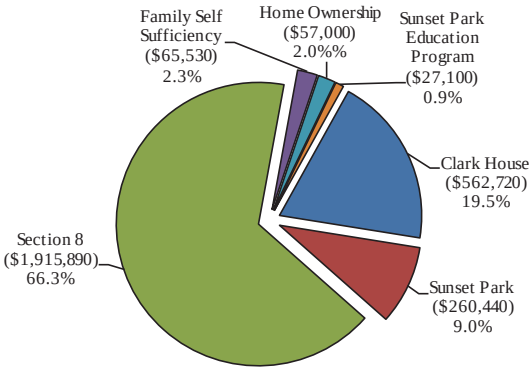
SUNSET PARK CHILDREN'S EDUCATION PROGRAM

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 2015/2016 budget totals $27,100 which includes $23,300 for the instructor and the assistant instructor as well as $3,800 for education materials, supplies, and related costs. Local grants and donations are expected to fund 100% of the cost of this program.

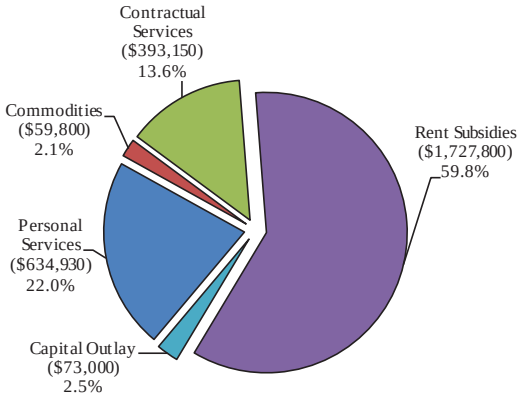
CURRENT TRENDS AND ISSUES:

Budgeted operating expenditures for the City's Clark House, Sunset Park, Section 8 Voucher, Home Ownership Program, and Sunset Education Program total $2,888,680 for 2015/2016 with budgeted revenues of $2,854,780. The revenues and expenditures for the City Housing Programs are shown by program and by type in the following charts:

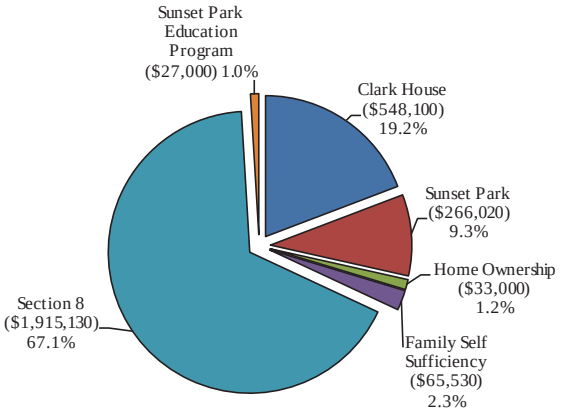
FY 2015/2016 Budgeted Expenditures by Program - All City Housing Programs $2,888,680



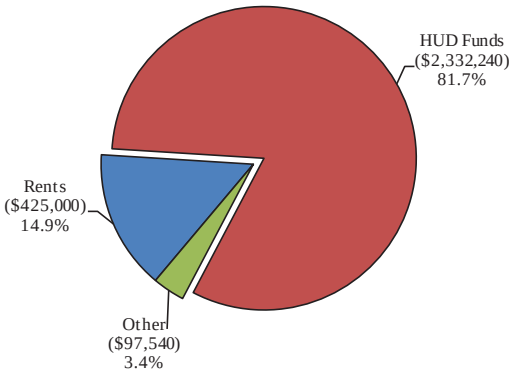
FY 2015/2016 Budgeted Expenditures by Type - All City Housing Programs $2,888,680



FY 2015/2016 Budgeted Revenues by Program - All City Housing Programs $2,854,780



FY 2015/2016 Budgeted Revenues by Type - All City Housing Programs $2,854,780



The various housing budgets for 2015/2016 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 2015/2016 total $57,400 and are allocated as follows:

Clark House	$23,900
Sunset Park	11,800
Section 8 Voucher Program	21,700
	$57,400

Hershey Manor currently pays the City a management fee and consequently has not been included in the above allocation.

GOAL STATEMENT:

To formulate, implement and administer programs in a nondiscriminatory manner that strive to provide to low and moderate income households who reside and/or expect to reside in the Muscatine area the opportunity to reside in a healthy, safe dwelling and neighborhood of their choice, free of major harmful environmental influences, convenient to social, cultural, educational, commercial, recreational, and economic opportunities, within a reasonable expense to income ratio.

PERFORMANCE MEASURES:

	Actual 2011/2012	Actual 2012/2013	Actual 2013/2014	Estimated 2014/2015	Estimated 2015/2016
Public Housing:					
Clark House					
Units Available	100	100	100	100	100
Days Units Vacant	703	397	805	700	730
Percent Days Vacant	1.93%	1.09%	2.21%	1.92%	2.00%
Sunset Park					
Units Available	50	50	50	50	50
Days Units Vacant	397	224	286	350	365
Percent Days Vacant	2.18%	1.23%	1.57%	1.92%	2.00%
Combined					
Units Available	150	150	150	150	150
Total Days Unit Available	54,750	54,750	54,750	54,750	54,750
Total Days Units Vacant	1,100	621	1,091	1,050	1,095
Total Percent Days Vacant	2.01%	1.13%	1.99%	1.92%	2.00%
Hershey Manor:					
Units Available	50	50	50	50	50
Days Units Available	18,250	18,250	18,250	18,250	18,250
Days Units Vacant	805	160	553	547	547
Percent Days Vacant	4.41%	0.88%	3.03%	3.00%	3.00%
Section 8 Voucher Program:					
Unit Months Under Lease	4,393	4,315	4,165	4,033	4,260
Average Units Under Lease	366	360	347	337	355
Earned Administrative Fees	$ 200,245	$ 192,243	$ 161,512	$ 179,000	$ 186,500
Housing Assistance Payments	$ 1,638,189	$ 1,636,939	$ 1,588,091	$ 1,592,100	$ 1,727,800
Family Self Sufficiency:					
Total Participants	32	40	31	40	45
Participants with Escrow Balance	10	15	20	20	15
Participants enrolled in Education	8	20	15	18	20
Participants Becoming Employed	14	9	11	14	16

	Actual 2011/2012	Actual 2012/2013	Actual 2013/2014	Estimated 2014/2015	Estimated 2015/2016
Sunset Park Education:					
Afterschool Program					
Number of Days in Operation	172	172	174	170	170
Number of Students Registered	26	25	29	31	32
Average Participating Students	11	12	19	21	21
Number of Instructional Hours	2,443	3,026	5,569	5,000	5,000
Total Books Read by Students	1,456	2,075	3,574	1,800	2,080
Average Books Read per Student	160	150	123	60	65
Summer Program					
Meals Served	N/A	983	930	874	950
Kids Registered	N/A	15	43	31	32
Off-Site Activities	N/A	12	12	21	20

RECENT ACCOMPLISHMENTS:

Public Housing - Clark House and Sunset Park

The average maintenance work order turnaround was reduced from two days in fiscal year 2012/2013 to one day in fiscal year 2013/2014.

Public Housing apartment turnovers increased from 25 in fiscal year 2012/2013 to 35 in fiscal year 2013/2014, which, combined with decreased maintenance capacity due to extended sick leave of a fulltime employee, caused the vacancy rate to climb to just over 2% in fiscal year 2013/2014. However, these constraints gave Public Housing managers and maintenance staff the opportunity to refine their processes and develop new systems of communicating with each other regarding upcoming vacancies and planning for turnover needs. Clark House management has now begun to screen applicants from the waiting list in advance of apartments coming available, in anticipation of future apartment openings. This is expected to reduce the vacancy rate in fiscal year 2014/2015.

As employees continue to adjust to staff changes implemented in fiscal year 2013/2014 and to the impacts of recent retirements in maintenance and administration, staff have their sights set on reducing the vacancy rate in fiscal years 2014/2015 and 2015/2016.

Public Housing managers have begun in-house training on the agency's Housing Pro software package and are identifying ways to use the software to improve efficiency and for consistent communication with tenants at both properties. Staff is also doubling its efforts to increase informal communication with tenants as a way to develop a stronger sense of community and neighborhood pride, especially at Sunset Park. Beginning in January 2015, formal interactions with tenants will increase as Public Housing managers begin more frequent housekeeping inspections and coaching sessions aimed at increasing prompt notification to maintenance staff of work order issues and reducing the need for cleaning and major repairs upon move out.

Hershey Manor

Since 1983, the City has provided management services for this facility at the request of the Benjamin Hershey Memorial Convalescent Home Board.

In fiscal year 2014/2015 City staff assisted the Board in refinancing the property through a special HUD Interest Rate Reduction Program which will reduce mortgage payments by over $20,000 per year for the life of the loan.

Section 8 Housing Voucher Program

In fiscal year 2013/2014 Muscatine's Section 8 Housing Choice Voucher Program once again was designated a High Performer through HUD's Section 8 Management Assessment Program which assesses performance in 12 areas of program administration and compliance.

The Section 8 Administrative Plan was revised early in the fiscal year in order to be compliant with the 2014 Appropriations Act and other regulations. Additional changes, such as the biennial inspection policy and the waiting list policy, were also implemented in an effort to reduce the administrative burden.

One part-time Housing Specialist was hired to take on the caseload which had previously been served by the Assistant Administrator. She completed the Housing Choice Voucher Specialist training and received her certification in November 2014. The Housing Administrator completed Housing Quality Standards Inspection training and was certified in October 2014.

New admissions more than doubled from 25 in fiscal year 2012/2013 to 58 in fiscal year 2013/2014, while total voucher issuances increased by only 20%, from 115 in fiscal year 2012/2013 to 138 in fiscal year 2013/2014. Vouchers issued in fiscal year 2012/2013 were twice as likely to be utilized as vouchers issued in fiscal year 2013/2014. Since there is considerable administrative effort and cost involved in processing applications and issuing vouchers, this improved voucher utilization rate demonstrates that the agency is working more efficiently with its limited administrative fee earnings. One important reason for this is the department's partnership with MCSA's Homeless Prevention Advocate program. This program, which is a partnership between MCSA, Muscatine County, United Way, and the Housing department, employs a part-time staff person to provide case management services to families and individuals who are at risk of becoming homeless. In fiscal year 2013/2014, the Housing department increased its referrals to the Advocate in cases when vulnerable families and individuals experienced special barriers that might otherwise prevent them from securing Section 8-eligible housing. The Advocate assisted these families with their housing search, negotiating lease terms with property owners, and securing required deposits. The Section 8 program will continue to rely heavily on this partnership as significant prorations of administrative fees are expected to continue into the foreseeable future.

Family Self Sufficiency (FSS)

In fiscal year 2013/2014, the Family Self-Sufficiency Program gained its first homeowner when a family of four purchased their own home through the Section 8 Homeownership option. During her participation in the Family Self Sufficiency Program, this participant completed a bachelor's degree, secured a full-time job, and completed the Housing department's Homeownership Education program. The Homeownership Coordinator and the FSS Coordinator worked together with the participant to keep the purchase on track and to help the participant budget for her monthly mortgage payments. This experience will help the FSS Coordinator guide future FSS participants to their goal of becoming homeowners in Muscatine County.

The FSS Program has strengthened its partnership with Muscatine Community College's HiSET program, which replaced the GED program as the standard for high school equivalency education and testing. This new arrangement helps streamline registration for FSS participants and is expected to reduce the HiSET dropout rate among FSS participants as communication between the student, the college, and the FSS Coordinator continues to improve.

The second half of fiscal year 2014/2015 will bring new opportunities and challenges to the FSS Program as federal regulations now give Public Housing residents access to the program. This gives Housing staff the opportunity to work with Public Housing residents to reduce their need for housing assistance and other community resources, and will also bring changes in administration of the program.

Home Ownership Program

In June 2014, the Housing department was awarded a HUD Housing Counseling Grant of $14,777 to be used for housing counseling activities from October 1, 2013 through March 31, 2015. This grant helps fund personnel costs for the program. HUD intends to make new grants effective April 1, 2015 based on the 2014 awards, and MMHA has notified HUD of its intent to continue receiving funding.

The Homeownership program continues to be represented at the Local Housing Trust Fund Cluster, which distributes state dollars to agencies in the county which are meeting the needs of families with less than 80% of the area median income. This group provides $20,000 to support the administration of the Homeownership Education program. It also provides $20,000 to the Greater Muscatine Chamber of Commerce and Industry, which in turn makes $1,000 down payment assistance grants to qualifying low-income families that have completed the 8 hour course and closed on a home purchase.

Sunset Park Afterschool Program

Fiscal year 2014/2015 has been a banner year for the Sunset Park education program. Daily attendance at the Afterschool Program is up for fiscal year 2014/2015, and as we are now in the fourth full year of operation, the students who began the program as kindergarteners are now reaching the critical 3rd grade benchmark at which reading and math proficiency become key indicators of long-term success. The program staff are currently awaiting standardized test and final grading information from the school district for the first half of the school year, but all indicators tracked in-house indicate that the program's effectiveness will again be demonstrated in the classroom.

While the number of books read per student is expected to decrease this year, this is reflective of a change in policy by the Afterschool teacher. Only books which are rated at or above the student's reading ability level are being counted toward this total. The incentive program implemented last year to encourage regular attendance and increased reading has proven to be a strong motivational tool.

The summer enrichment program continues to extend learning into the summer by linking enrichment activities to the school district's summer meal program. In 2014 the program connected with more volunteers and community resources. This year the Pilot Club sponsored a visit to the Palms Theater for a matinee for the students as an end-of-summer celebration. The students also participated in HUD's Father's Day initiative to promote involvement by fathers in their children's daily activities. The students made special crafts for their fathers (or other important men in their lives), and invited their fathers to lunch. The students especially enjoyed making craft projects focused on gardening and making visits to the nearby community garden at Franklin Park. Once again, off-site activities where youth accessed city services were the most heavily attended. In addition to visiting the aquatic center, this year the program added a visit to Riverside Park.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016:

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 review public housing policies and procedures and incorporate Lean measures as appropriate. **(Council and Management 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 Continuous Service Improvement Goal)**

Section 8 Voucher Program

* To maintain a minimum of 355 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 Continuous Service Improvement Goal)**

Family Self-Sufficiency (FSS) Program

* To serve a minimum of 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 Continuous Service Improvement Goal)**

Home Ownership Program

* To offer seven Home Ownership classes in the fiscal year.

* To have 60 students complete the class and receive their certificate.

* To schedule a minimum of 125 hours of one-on-one counseling and case management 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 two Housing Choice Home Ownership Vouchers to current Section 8 participant that complete this program.

* To review this program's policies and procedures and incorporate Lean measures as appropriate. **(Council and Management 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 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 10 off-site activities.

* To review this program's policies and procedures and incorporate Lean measures as appropriate. **(Council and Management Continuous Service Improvement Goal)**

Public Housing Program
Clark House and Sunset Park
Fund Statement

	Actual 2012/2013		Actual 2013/2014		Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Operating Reserve, July 1	$ 245,793		$ 145,483		$ 62,893	$ 71,709	$ 42,689
Revenues							
Dwelling Rentals	$ 433,992		$ 430,703		$ 427,000	$ 421,000	$ 425,000
Cable Fees	31,735		30,970		31,500	31,000	31,000
Federal Grants:							
Operating Subsidy	92,006	(2)	173,897	(3)	178,800	179,000	185,000
HUD Capital Funds	171,006		151,875		156,000	156,100	160,600
Interest Income	1,301		420		520	320	320
Laundry Fees	9,226		9,109		9,200	9,200	9,200
Miscellaneous	6,055		4,113		3,000	3,000	3,000
Total Revenues	$ 745,321		$ 801,087		$ 806,020	$ 799,620	$ 814,120
Funds Available	$ 991,114		$ 946,570		$ 868,913	$ 871,329	$ 856,809
Expenditures							
Clark House	$ 566,197		$ 621,168		$ 554,110	$ 555,060	$ 562,720
Sunset Park	279,434		253,693		263,530	273,580	260,440
Total Expenditures (1)	$ 845,631		$ 874,861		$ 817,640	$ 828,640	$ 823,160
Operating Reserve, June 30	$ 145,483		$ 71,709		$ 51,273	$ 42,689	$ 33,649
Increase (Decrease) in Operating Reserve	**$ (100,310)**		**$ (73,774)**		**$ (11,620)**	**$ (29,020)**	**$ (9,040)**

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. 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 2012/2013 amount reflects one-half year of HUD Operating Subsidy.
3. Fiscal year 2013/2014 and future years reflect full years of HUD Operating Subsidy funding.

Public Housing Program
Clark House and Sunset Park
Summary of Revenues

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Clark House:					
Dwelling Rentals	$ 329,532	$ 318,160	$ 322,000	$ 321,000	$ 325,000
Cable Fees	31,735	30,970	31,500	31,000	31,000
Federal Grants:					
Operating Subsidy	61,337 (1)	85,490 (2)	87,900	88,000	91,000
HUD Capital Funds	85,503	82,875	87,000	86,100	90,600
Interest Income	1,287	402	500	300	300
Laundry Fees	9,226	9,109	9,200	9,200	9,200
Miscellaneous	3,315	772	1,000	1,000	1,000
Subtotal	$ 521,935	$ 527,778	$ 539,100	$ 536,600	$ 548,100
Sunset Park:					
Dwelling Rentals	$ 104,460	$ 112,543	$ 105,000	$ 100,000	$ 100,000
Federal Grants:					
Operating Subsidy	30,669 (1)	88,407 (2)	90,900	91,000	94,000
HUD Capital Funds	85,503	69,000	69,000	70,000	70,000
Interest Income	14	18	20	20	20
Miscellaneous	2,740	3,341	2,000	2,000	2,000
Subtotal	$ 223,386	$ 273,309	$ 266,920	$ 263,020	$ 266,020
Total	$ 745,321	$ 801,087	$ 806,020	$ 799,620	$ 814,120

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 2012/2013 amount reflects one-half year of HUD Operating Subsidy.
2. Fiscal year 2013/2014 and future years reflect full years of HUD Operating Subsidy funding.

Function:
Business Type

Department:
Housing

Activity:
Clark House

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 231,304	$ 223,842	$ 233,450	$ 215,200	$ 220,420	-5.58%
Commodities	25,674	33,120	35,400	36,280	34,800	-1.69%
Contractual Services	231,763	270,851	244,260	265,630	259,500	6.24%
Capital Outlay	81,681	96,836	41,000	37,950	48,000	17.07%
Transfers	-	-	-	-	-	
Total Expenditures	$ 570,422	$ 624,649	$ 554,110	$ 555,060	$ 562,720	1.55%
Funding Sources						
Dwelling Rentals	$ 329,532	$ 318,160	$ 322,000	$ 321,000	$ 325,000	0.93%
Tenant Cable Fees	31,735	30,970	31,500	31,000	31,000	-1.59%
Interest Income	1,287	402	500	300	300	-40.00%
Federal Grants:						
Operating Subsidy	61,337	85,490	87,900	88,000	91,000	3.53%
HUD Capital Funds	85,503	82,875	87,000	86,100	90,600	4.14%
Miscellaneous	12,541	9,881	10,200	10,200	10,200	0.00%
Total Funding Sources	$ 521,935	$ 527,778	$ 539,100	$ 536,600	$ 548,100	1.67%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time:						
Housing Administrator	0.45	0.45	0.45	0.45	0.45	
Assistant Housing Administrator	-	-	0.38	0.38	0.38	
Housing Maintenance Supervisor/Inspector	0.45	0.45	0.45	0.55	0.55	
Maintenance Repairperson	0.50	0.50	0.50	0.50	0.50	
Housing Specialist	1.00	1.00	-	-	-	
Housing Coordinator	0.10	0.10	-	-	-	
Total Full Time	2.50	2.50	1.78	1.88	1.88	
Part Time:						
Office Coordinator	0.55	0.11	0.08	0.06	0.05	
Custodian	0.80	0.74	1.23	0.76	0.78	
Housing Specialist	-	-	0.62	0.62	0.62	
Office Assistant	-	-	0.14	0.16	0.16	
Total Part Time	1.35	0.85	2.07	1.60	1.61	
Total	3.85	3.35	3.85	3.48	3.49	$ 168,730
Employee Benefits						51,690
Total Personal Services						$ 220,420

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Replace Boilers	2	Yes	$ 30,000
Apartment Rehabilitation	3	Yes	15,000
Appliances	6	Yes	3,000
			$ 48,000

Function:
Business Type

Department:
Housing

Activity:
Sunset Park Housing

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 165,184	$ 141,722	$ 139,030	$ 143,970	$ 140,960	1.39%
Commodities	16,770	16,056	14,250	17,150	15,400	8.07%
Contractual Services	77,933	81,325	77,050	79,010	79,080	2.63%
Capital Outlay	19,547	14,590	33,200	33,450	25,000	-24.70%
Transfers	-	-	-	-	-	
Total Expenditures	$ 279,434	$ 253,693	$ 263,530	$ 273,580	$ 260,440	-1.17%
Funding Sources						
Dwelling Rentals	$ 104,460	$ 112,543	$ 105,000	$ 100,000	$ 100,000	-4.76%
Interest Income	14	18	20	20	20	0.00%
Federal Grants:						
Operating Subsidy	30,669	88,407	90,900	91,000	94,000	3.41%
HUD Capital Funds	85,503	69,000	69,000	70,000	70,000	1.45%
Miscellaneous	2,740	3,341	2,000	2,000	2,000	0.00%
Total Funding Sources	$ 223,386	$ 273,309	$ 266,920	$ 263,020	$ 266,020	-0.34%

Personnel Schedule	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time:						
Housing Administrator	0.30	0.30	0.30	0.30	0.30	
Housing Maintenance Supervisor/Inspector	0.20	0.20	0.20	0.25	0.25	
Housing Specialist	0.50	0.38	0.38	0.38	0.38	
Maintenance Repairperson	0.25	0.25	0.25	0.25	0.25	
Housing Coordinator	0.10	0.10	-	-	-	
Total Full Time	1.35	1.23	1.13	1.18	1.18	
Part Time:						
Office Coordinator	0.20	-	0.08	0.06	0.05	
Custodian	0.84	0.70	0.73	0.68	0.75	
HUD Section 3 Program Worker	0.50	0.30	0.25	0.38	0.29	
Total Part Time	1.54	1.00	1.06	1.12	1.09	
Total	2.89	2.23	2.19	2.30	2.27	$ 107,700
Employee Benefits						33,260
Total Personal Services						$ 140,960

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Apartment Rehabilitation	5	Yes	$ 20,000
Appliances	6	Yes	3,000
Landscaping Trailer	1	Yes	2,000
			$ 25,000

Hershey Manor

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Revenues					
Dwelling Rentals	$ 168,831	$ 181,581	$ 167,000	$ 177,000 (1)	$ 178,000 (2)
Housing Assistance Payments - HUD	241,242	249,775	272,800	262,800 (1)	268,400 (2)
HUD Payment Reduction for Vacancies	(1,684)	(15,332)	(13,200)	(13,200) (1)	(13,400) (2)
Residual Receipts Used for Portion of HUD HAP Payments	19,927	3,494	0	0	0
HUD Reimbursement for Vacancies	0	0	1,800	0	0
Interest Income	509	530	400	480	500
Cable Fees	16,829	16,104	16,800	16,500	16,500
Laundry Income	4,754	4,845	5,000	4,800	4,800
Other Income	41	14	0	0	0
Total Revenues	$ 450,449	$ 441,011	$ 450,600	$ 448,380	$ 454,800
Operating Expenditures	383,086	400,442	380,600	346,600	333,130
Residual Receipts Before Depreciation, Principal Retirement, and Reserves	$ 67,363	$ 40,569	$ 70,000	$ 101,780	$ 121,670
Additional Budget Items:					
Principal Retirement	(34,760)	(36,904)	(39,180)	(40,795)	(51,178)
Replacement Reserve Transfers	(29,860)	(29,910)	(29,904)	(29,988)	(30,000)
Debt Service Reserve Transfers	(49,668)	(49,668)	(49,668)	(49,668)	(49,668)
Portion of Above Interest from Reserve Funds	(457)	(401)	(350)	(350)	(350)
Transfers from Replacement Reserve	49,558	65,497	34,500	13,570	7,500
Net Surplus (Deficit)	$ 2,176	$ (10,817)	$ (14,602) (3)	$ (5,451) (3)	$ (2,026) (3)
Surplus (Deficit) per Unit Month	$ 3.63	$ (18.03)	$ (24.34) (3)	$ (9.09) (3)	$ (3.38) (3)

1. The FY 2014/2015 HUD Housing Assistance Payments and dwelling rental amounts shown are based on the current fair market rent of $733 with 3% allowed for vacancies.
2. The FY 2015/2016 HUD Housing Assistance Payments and dwelling rental amounts shown are based on an increase in the fair market rent to $744 with 3% allowed for vacancies.
3. Although operating deficits are shown for 2014/2015 and 2015/2016, it is expected that expenditures will be less than budgeted or vacancy losses may be less than allowed for 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 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 82,887	$ 84,986	$ 92,990	$ 89,780	$ 95,110	2.28%
Commodities	9,239	13,012	13,200	15,800	15,300	15.91%
Contractual Services	117,636	120,657	127,860	131,010	135,500	5.98%
Capital Outlay	56,498	67,279	34,500	14,520	7,500	-78.26%
Interest/Mortgage Insurance	116,826	114,508	112,050	95,490	79,720	-28.85%
Total Expenditures	$ 383,086	$ 400,442	$ 380,600	$ 346,600	$ 333,130	-12.47%
Funding Sources						
Dwelling Rentals	$ 168,831	$ 181,581	$ 167,000	$ 177,000	$ 178,000	6.59%
Housing Assistance Payments - HUD	239,558	234,443	261,400	249,600	255,000	-2.45%
Residual Receipts Used for Portion of HUD HAPs	19,927	3,494	-	-	-	
Interest Income	509	530	400	480	500	25.00%
Cable Fees	16,829	16,104	16,800	16,500	16,500	-1.79%
Other Income	4,795	4,859	5,000	4,800	4,800	-4.00%
Total Funding Sources	$ 450,449	$ 441,011	$ 450,600	$ 448,380	$ 454,800	0.93%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time:						
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 Housing Administrator	-	-	0.62	0.62	0.62	
Maintenance Repairperson	0.25	0.25	0.25	0.25	0.25	
Total Full Time	0.45	0.45	1.07	1.07	1.07	
Part Time:						
Housing Specialist	0.64	0.63	-	-	-	
Custodian	0.55	0.56	0.58	0.51	0.53	
Total	1.64	1.64	1.65	1.58	1.60	$ 68,980
Employee Benefits						26,130
Total Personal Services						$ 95,110

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Apartment Rehabilitation	5	Yes	$ 5,000
Appliance Replacements	5	Yes	2,500
			$ 7,500

Section 8 Voucher Program

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 222,407	$ 127,618	$ 105,448	$ 47,861	$ 32,211
Revenues					
HUD Contributions-Housing Assistance Payments	$ 1,551,323	$ 1,528,314	$ 1,570,000	$ 1,586,640	$ 1,727,080
HUD Contributions-Administration	192,243	161,512	162,000	179,000	186,500
HUD Contributions-Family Self-Sufficiency	58,516	60,374	61,580	61,550	63,260
Administrative Fees-Portability	0	72	0	70	0
FSS Escrow Forfeiture	440	412	0	4,750	0
Fraud Recovery - HUD Portion	688	3,293	300	700	700
Fraud Recovery - Admin Portion	688	3,293	300	700	700
Interest - HAP Reserve	79	47	100	10	20
Interest - Admin Reserve	81	90	100	130	130
Total Revenues	$ 1,804,058	$ 1,757,407	$ 1,794,380	$ 1,833,550	$ 1,978,390
Funds Available	$ 2,026,465	$ 1,885,025	$ 1,899,828	$ 1,881,411	$ 2,010,601
Expenditures:					
Housing Assistance Payments	$ 1,636,939	$ 1,588,091	$ 1,570,280	$ 1,592,100	$ 1,727,800
Voucher Program Administration	201,928	186,644	189,490	192,730	188,090
Family Self-Sufficiency Coordinator	58,515	60,374	61,580	61,550	63,260
Family Self-Sufficiency Other Costs	1,465	2,055	2,140	2,820	2,270
Total Expenditures	$ 1,898,847	$ 1,837,164	$ 1,823,490	$ 1,849,200	$ 1,981,420
Ending Balance, June 30	$ 127,618	$ 47,861	$ 76,338	$ 32,211	$ 29,181
Ending Balance Reserved for:					
Housing Assistance Payments	$ 54,393 (1)	$ 0 (1)	$ 54,913	$ 0 (1)	$ 0 (1)
Administration	73,225	47,861	21,425	32,211	29,181
Total Ending Balance	$ 127,618	$ 47,861	$ 76,338	$ 32,211	$ 29,181
Increase (Decrease) in Fund Balance	**$ (94,789)**	**$ (79,757)**	**$ (29,110)**	**$ (15,650)**	**$ (3,030)**

1. Beginning in 2012 HUD changed how the funding for Section 8 Housing Assistance payments was distributed to Housing agencies. This change required Housing agencies to utilize their Housing Assistance Payment Reserve (Net Restricted Assets - NRA) to fund housing assistance payments in calendar years 2012 and 2013. The City-held reserve was depleted at the end of 2013/2014. HUD now holds each housing authority's Net Restricted Assets.

Function:
Community and Economic Development

Department:
Housing

Activity:

Section 8 Voucher Program

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 155,909	$ 142,842	$ 143,770	$ 149,340	$ 139,590	-2.91%
Commodities	6,768	3,993	5,250	4,420	5,450	3.81%
Contractual Services	1,676,190	1,627,901	1,610,750	1,631,070	1,770,850	9.94%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 1,838,867	$ 1,774,736	$ 1,759,770	$ 1,784,830	$ 1,915,890	8.87%
Funding Sources						
HUD Contribution	$ 1,743,566	$ 1,689,826	$ 1,732,000	$ 1,765,640	$ 1,913,580	10.48%
Repayment Agreements	1,376	6,586	600	1,400	1,400	133.33%
Interest	160	137	200	140	150	-25.00%
Other Income	440	484	-	4,820	-	
Total Funding Sources	$ 1,745,542	$ 1,697,033	$ 1,732,800	$ 1,772,000	$ 1,915,130	10.52%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time:						
Housing Administrator	0.10	0.10	0.10	0.10	0.10	
Assistant Housing Administrator	-	0.80	0.15	0.20	-	
Housing Maintenance Supervisor/Inspector	0.25	0.25	0.25	0.10	0.10	
Housing Coordinator	0.80	-	-	-	-	
Housing Specialist	1.00	-	1.00	1.00	1.00	
Total Full Time	2.15	1.15	1.50	1.40	1.20	
Part Time:						
Office Coordinator	0.63	0.43	0.35	0.35	0.35	
Housing Specialist	-	0.78	0.56	0.56	0.56	
Office Assistant	-	-	0.11	0.11	0.11	
Total	2.78	2.36	2.52	2.42	2.22	$ 104,370
Employee Benefits						35,220
Total Personal Services						$ 139,590

Function:
Community and Economic Development

Department:
Housing

Activity:
Family Self Sufficiency Program

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 58,515	$ 60,375	$ 61,580	$ 61,550	$ 63,260	2.73%
Commodities	602	466	450	800	150	-66.67%
Contractual Services	863	1,588	1,690	2,020	2,120	25.44%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 59,980	$ 62,429	$ 63,720	$ 64,370	$ 65,530	2.84%
Funding Sources						
HUD Contribution	$ 58,515	$ 60,374	$ 61,580	$ 61,550	$ 63,260	2.73%
Section 8 HUD Admin Funds	1,465	2,055	2,140	2,820	2,270	6.07%
Total Funding Sources	$ 59,980	$ 62,429	$ 63,720	$ 64,370	$ 65,530	2.84%

Personnel Schedule						
	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time:						
Housing Specialist	1.00	1.00	1.00	1.00	1.00	$ 48,210
Employee Benefits						15,050
Total Personal Services						$ 63,260

Public Housing
Home Ownership Program
Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	166,945	145,013	$ 112,113	$ 124,549	$ 101,649
Revenues:					
HUD Counseling Grant	$ 0	$ 7,240	$ 0	$ 9,800	$ 9,800
Local Housing Trust Funds	19,817	18,842	20,000	20,000	20,000
IHOEP State Grant	0	4,820	0	0	0
Contributions	0	60	0	0	0
Interest	174	175	0	50	50
Other	0	20	0	150	150
Transfer from CDBG Fund: Housing Rehab Reimbursements	0	4,180	0	3,000	3,000
Total Revenues	$ 19,991	$ 35,337	$ 20,000	$ 33,000	$ 33,000
Funds Available	$ 186,936	$ 180,350	$ 132,113	$ 157,549	$ 134,649
Expenditures	41,923	55,801	58,400	55,900	57,000
Ending Balance, June 30	145,013	124,549	73,713	$ 101,649	77,649
Increase (Decrease) in Fund Balance (1)	**$ (21,932)**	**$ (20,464)**	**$ (38,400)**	**$ (22,900)**	**$ (24,000)**

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 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 37,782	$ 45,298	$ 46,900	$ 46,900	$ 47,400	1.07%
Commodities	420	1,003	800	900	1,000	25.00%
Contractual Services	3,721	7,523	10,700	8,100	8,600	-19.63%
Capital Outlay	-	1,977	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 41,923	$ 55,801	$ 58,400	$ 55,900	$ 57,000	-2.40%
Funding Sources						
HUD Counseling Grant	$ -	$ 7,240	$ -	$ 9,800	$ 9,800	
Local Housing Trust Fund	19,817	18,842	20,000	20,000	20,000	0.00%
IHOEP Technology Grant	-	4,820	-	-	-	
Transfer from CDBG Fund - Housing Rehab Reimb.	-	4,180	-	3,000	3,000	
Interest	174	175	-	150	150	
Other	-	80	-	50	50	
Total Funding Sources	$ 19,991	$ 35,337	$ 20,000	$ 33,000	$ 33,000	65.00%

Personnel Schedule						
	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time:						
Housing Specialist	0.50	0.62	0.62	0.62	0.62	
Housing Administator	0.05	0.05	0.05	0.05	0.05	
Total	0.50	0.67	0.67	0.67	0.67	$ 32,500
Employee Benefits						14,900
Total Personal Services						$ 47,400

Public Housing
Sunset Park Education Program
Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	10,680	9,379	3,979	$ 3,867	767
Revenues:					
Contributions - United Way	$ 17,200	$ 15,375	$ 23,500	$ 16,500	$ 24,800
Contributions - Kids First (Snacks)	N/A	1,200	1,200	1,200	1,200
Other Contributions	N/A	0	0	1,000	0
Interest	13	12	0	0	0
Transfer from CDBG Fund:					
Housing Rehab Reimbursements	0	0	3,000	6,000 (1)	1,000
Total Revenues	$ 17,213	$ 16,587	$ 27,700	$ 24,700	$ 27,000
Funds Available	$ 27,893	$ 25,966	$ 31,679	$ 28,567	$ 27,767
Expenditures	18,514	22,099	27,700	27,800	27,100
Ending Balance, June 30	9,379	3,867	$ 3,979	$ 767	$ 667
Increase (Decrease) in Fund Balance	**$ (1,301)**	**$ (5,512)**	**$ 0**	**$ (3,100)**	**$ (100)**

1. There are $35,564 of funds remaining in the CDBG Fund from the return of housing rehab funds. These funds have been allocated to the Sunset Park Children's Education program and the Home Ownership program in accordance witht the provisions of the CDBG Revenue Reuse Policy dated July 11, 2014.

Function:
Community and Economic Development

Department:
Housing

Activity:

Sunset Park Education Program

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 13,073	$ 19,647	$ 23,300	$ 23,300	$ 23,300	0.00%
Commodities	1,793	1,956	3,150	2,500	3,000	-4.76%
Contractual Services	687	496	1,250	700	800	-36.00%
Capital Outlay	2,961	-	-	1,300	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 18,514	$ 22,099	$ 27,700	$ 27,800	$ 27,100	-2.17%
Funding Sources						
Donations	$ 17,200	$ 16,575	$ 24,700	$ 17,700	$ 26,000	5.26%
Transfer from CDBG Fund - Housing Rehab Reimb.	-	-	3,000	6,000	1,000	-66.67%
Interest	13	12	-	-	-	
Other	-	-	-	1,000	-	
Total Funding Sources	$ 17,213	$ 16,587	$ 27,700	$ 24,700	$ 27,000	-2.53%

Personnel Schedule	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Part Time:						
Program Coordinator	0.29	0.30	0.30	0.30	0.30	
Program Assistant	-	0.14	0.25	0.25	0.25	
Total	0.29	0.44	0.55	0.55	0.55	$ 20,100
Employee Benefits						3,200
Total Personal Services						$ 23,300

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, 2015, the City's G.O. bonds outstanding will total $14,265,000. The City's next bond issue is scheduled for June 1, 2016. The new issue includes $3.0 million for project costs and allows for bond issuance costs of $75,000. The $3,075,000 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 2016/2017.

A list of the projects to be funded from the 2016 issue and the estimated bond funding requirements are in the chart below. It should be noted that the funding amounts are preliminary estimates since engineering design has not yet been completed for most of the projects.

City of Muscatine
Preliminary Estimate for June 1, 2016 Bond Issue

	Estimated Bond Requirements
Mulberry Avenue (Estimated Local Share)	$ 800,000
Airport Hangar Access/Security - Prior Year Project (Balance to be Funded)	2,600
Airport Runway Replacement Project Design (Estimated Local Share)	40,000
Airport Runway Replacement Project Construction (Estimate Local Share)	431,800
Airport T-Hangar Connector Road (Estimated Local Share)	25,000
Airport Zoning Ordinance Update (Estimated Local Share)	3,800
Art Center - Mechanical and Electrical (Engineer Full Estimate)	1,350,000
Amount Budgeted to be Provided by Art Center Donations/Trusts	(200,000)
Art Center - Windows/Building Envelope	225,000
Other City Building Improvements:	
Library Roof Replacement	70,000
Less 2014 Bond Proceeds for Library Elevator (Deferred)	(35,000)
Fire Apparatus Floor Roof Replacement	37,000
Art Center Music Room Tuckpointing	23,800
Parks Improvements:	
Musser Playground Surface Replacement	77,000
Rip Rap Trail from Pearl City Station to Stone Edge	70,000
Rip Rap Slough Bank	50,000
Building Demolition Projects (Prior Years)	29,000
Total Estimated Bond Funding Requirements	$ 3,000,000
Estimated Issuance Costs/Allowance for Discount	75,000
Total Proposed Bond Issue	**$ 3,075,000**

CURRENT TRENDS AND ISSUES:

The debt service tax rate for the current year 2014/2015 is $2.89056 per $1,000 of valuation. This rate will decrease to $2.79677 for 2015/2016. This decrease was possible due to interest rates on the June 2014 bond issue being lower than projected. The City's financial consultant, Public Financial Management Inc. (PFM) assists the City with debt analysis as well as debt issuance. In planning for the June 2016 bond issue, PFM did an analysis of the amount of debt that the City can issue without increasing the debt service tax levy over the $2.89/$1,000 rate in previous financial models. Based on their assumptions for interest rates and assuming the State reimbursement for the commercial and industrial rollback continues, PFM's model shows the City can issue $3 million in bonds for project costs (with an additional $75,000 allowed for issuance costs), and still be able to maintain a debt service tax levy rate estimated at $2.80/$1,000 which is below the $2.89/$1,000 levy rate in previous debt models.

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 $2,469,842, which is the total estimated requirement for property tax supported debt in 2015/2016.

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, 2015 is as follows:

Legal Debt Margin Estimate
As of July 1, 2015

Actual Valuation January 1, 2014			**$ 1,263,279,891**
State Limit (5%)			0.05
Debt Limit			**$ 63,163,995**
Bonded Debt:			
Current General Obligation Debt July 1, 2015	$ 14,265,000		
Tax Increment Bond Debt July 1, 2015	810,000	$ 15,075,000	
Percent of Debt Limit Used (Before Tax Increment Rebate Obligations)		**23.9%**	
Estimated Tax Increment Rebate Obligations July 1, 2015:			
Musco Sports Lighting #1 (Including Amendment #1) - 67% for 15 years with final year 2019/2020 to maximum of $1.8 million	$ 1,065,478		
Cedar Development - 50% for 10 years to maximum of $4,719,000 (final year 2018/2019)	3,706,919		
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)	5,216,296		
Curry's Transportation - 50% for 10 years to maximum of $350,000 (began in 2010/2011)	229,179		
Newcomb Properties - 50% for 10 years to maximum of $100,000 (began in 2010/2011)	58,661		
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)	29,777		
The Villas at MCC, LLC - 50% for 10 years to maximum of $425,000 (began in 2013/2014)	381,255		
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; Annual appropriation for FY 16	545,000		
H.J. Heinz - Agreement dated 2-20-14; 5 years to maximum of $880,000; declining percentages 75%, 60%, 45%, 30%, and 15%; (begins in 2016/2017). Subject to annual appropriation	-		
Wal-View Developments Project #2 - 10 years to maximum of $2,000,000; declining percentages 100%, 90%, 80%, 70%, 60%, 60%, 50%, 50%, 40%, 40%; (begins in 2017/2018). Subject to annual appropriation	-		
Riverview Hotel Development - 20 years to maximum of $6,000,000; declining percentages Years 1-5 100%, Years 6-15 75%, Years 16-20 50%; (expected to begin in 2018/2019). Subject to annual appropriation	-		
	-	$ 13,456,887	
Percent of Debt Limit Used for Tax Increment Rebate Obligations		**21.3%**	
Total Debt Subject to Debt Limit			**28,531,887**
Legal Debt Margin			**$ 34,632,108**
Percent of Legal Debt Limit Used			**45.2%**

The City's debt policy provides that 40% of the legal debt limit is to be reserved for emergency purposes. Following is a computation of the City's debt margin using the self-imposed debt limit:

City's Self-Imposed Limit - 60% of the Legal Limit	**$ 37,898,397**
Total Debt Subject to Debt Limit	**28,531,887**
Debt Margin Using Self-Imposed Limit	**$ 9,366,510**
Percent of Self-Imposed Debt Limit Used	**75.3%**

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 $22,823,397 of the self-imposed limit remaining and only 39.8% of the self-imposed limit would be used. The full amounts of the TIF rebate agreements subject to annual appropriations are not required to be included as debt in the computation of the legal debt margin, only the first year payments after the annual appropriate is approved. 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 was not included as debt in this computation; only the estimated first year payment of $545,000 was included. Future development agreements are also proposed to be subject to annual appropriations. This includes the recent agreements with H.J. Heinz, Wal-View Developments for their 2nd project, and Riverview Hotel Development. It is proposed that future TIF rebate agreements continue to 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

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 133,772	$ 93,347	$ 75,609	$ 80,309	$ 84,845
Revenues					
Property Tax	$ 2,330,018	$ 2,376,161	$ 2,387,137	$ 2,387,137	$ 2,345,415
Utility Tax Replacement Excise Tax	10,668	10,406	11,356	11,356	9,421
Commercial and Industrial Replacement Funds	0	0	56,153	56,153	115,006
Interest	1,390	1,448	500	500	500
Refunding Bond Proceeds	1,115,000 (1)	0	0	0	0
Transfers In:					
Refuse Collection	99,969	99,946	0	0	0
Landfill	114,312	80,128	79,296	79,296	79,711
Downtown Tax Increment Fund	209,625	206,225	207,825	207,825	208,450
Total Revenues	$ 3,880,982	$ 2,774,314	$ 2,742,267	$ 2,742,267	$ 2,758,503
Funds Available	$ 4,014,754	$ 2,867,661	$ 2,817,876	$ 2,822,576	$ 2,843,348
Expenditures					
Charges for Services	$ 2,800	$ 2,250	$ 3,500	$ 3,500	$ 3,500
Bonds	2,310,000	2,385,000	2,325,000	2,340,000	2,410,000
Interest	498,586	400,102	413,266	394,231	344,503
Refunding Bond Issuance Costs	15,021 (1)	0	0	0	0
Bonds Retired with Refunding	1,095,000 (1)	0	0	0	0
Total Expenditures	$ 3,921,407	$ 2,787,352	$ 2,741,766	$ 2,737,731	$ 2,758,003
Ending Balance, June 30	$ 93,347	$ 80,309	$ 76,110	$ 84,845	$ 85,345
Increase (Decrease) in Fund Balance	**$ (40,425)**	**$ (13,038)**	**$ 501**	**$ 4,536**	**$ 500**
Debt Service Tax Levy Rates (Per $1,000 of Taxable Valuation)	$ 2.85051	$ 2.90388	$ 2.89056	$ 2.89056	$ 2.79677 (2)

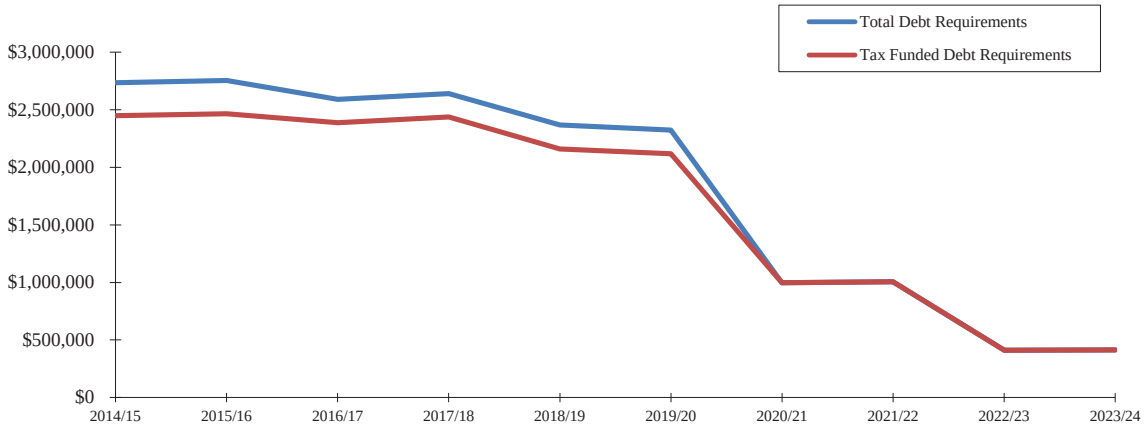
1. The City called the final three years of principal on the June 1, 2006 issue in 2012/2013. This will save the City $48,465
`
2. Debt service tax levy rate lower than the $2.89 target rate for future years due to actual interest rates on June 2014 bond issue being lower than projected.

DEBT SERVICE FUND

SUMMARY OF BOND AND INTEREST REQUIREMENTS

CURRENT GENERAL OBLIGATION BONDS

Fiscal Year	Principal	Interest	Total Requirements Current Debt	Enterprise & TIF Funded Debt Requirements (Exc. Tr. St. Debt)	Expected Tax Funded Debt Requirements (Inc. Tr. Station)
2014/15	$ 2,340,000	$ 394,231	$ 2,734,231	$ 287,121	$ 2,447,110
2015/16	2,410,000	344,503	2,754,503	288,161	2,466,342
2016/17	2,305,000	286,578	2,591,578	203,050	2,388,528
2017/18	2,415,000	226,193	2,641,193	202,650	2,438,543
2018/19	2,205,000	161,928	2,366,928	207,100	2,159,828
2019/20	2,215,000	108,453	2,323,453	206,250	2,117,203
2020/21	945,000	52,415	997,415	-	997,415
2021/22	970,000	35,225	1,005,225	-	1,005,225
2022/23	395,000	16,405	411,405	-	411,405
2023/24	405,000	8,505	413,505	-	413,505
Total	$ 16,605,000	$ 1,634,436	$ 18,239,436	$ 1,394,332	$ 16,845,104



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)

Fiscal Year	Principal	Interest	Total Requirements
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	$ 2,530,000	$ 225,225	$ 2,755,225

General Obligation Corporate Purpose Bonds

Pavement Management Program, Other Street Improvements, Mad Creek Flood Control Project, Weed Park Tennis Courts, Public Safety Geothermal Project, Airport, and Trail Projects
($5,890,000 General Obligation Portion of Issue)

Downtown Urban Renewal Tax Increment Revenue-Funded Projects
3rd and Chestnut Parking Lot Reconstruction, Downtown Parking Lot, Street and Alley Resurfacing, Riverfront Flood Repairs, and City Hall Boiler Replacement
($1,535,000 Portion of Issue)

$7,425,000 Total Issue Dated June 1, 2010

Fiscal Year	Principal	Interest	Total Requirements
2014/15	$ 925,000	$ 195,888	$ 1,120,888
2015/16	980,000	172,763	1,152,763
2016/17	1,055,000	143,363	1,198,363
2017/18	1,085,000	111,713	1,196,713
2018/19	1,295,000	79,163	1,374,163
2019/20	1,290,000	40,313	1,330,313
Total	$ 6,630,000	$ 743,203	$ 7,373,203

DEBT SERVICE FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

General Obligation Corporate Purpose and Refunding Bonds

Clay Street Bridge Improvements, Cedar Street Improvements Phase I, Colorado Street Improvements Phase I, Hershey Street Improvements, Mississippi Drive Corridor Environmental Impact Study, Southend Fire Station, Mad Creek Levee Project, Various Airport Improvements Projects, and Refunding of 2003 Bond Issue

$4,715,000 Total Issue Dated June 1, 2012

Fiscal Year	Principal	Interest	Total Requirements
2014/15	$ 390,000	$ 52,655	$ 442,655
2015/16	410,000	50,510	460,510
2016/17	530,000	47,435	577,435
2017/18	540,000	42,400	582,400
2018/19	550,000	36,460	586,460
2019/20	555,000	29,035	584,035
2020/21	570,000	20,710	590,710
2021/22	580,000	11,020	591,020
Total	$ 4,125,000	$ 290,225	$ 4,415,225

General Obligation Refunding Bonds
Refunding of Remaining Obligations of June 1, 2006 Issue
$1,115,000 Issue Dated March 7, 2013

Fiscal Year	Principal	Interest	Total Requirements
2014/15	$ 370,000	$ 6,150	$ 376,150
2015/16	375,000	3,375	378,375
Total	$ 745,000	$ 9,525	$ 754,525

DEBT SERVICE FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

General Obligation Corporate Purpose and Refunding Bonds

Cedar Street Improvements Series B, Colorado Street Series B, Airport Improvements, Library Building Improvements, and Ambulance Equipment

$2,575,000 Total Issue Dated June 2, 2014

Fiscal Year	Principal	Interest	Total Requirements
2014/15	$ 55,000	$ 50,988	$ 105,988
2015/16	25,000	50,305	75,305
2016/17	75,000	49,930	124,930
2017/18	125,000	48,805	173,805
2018/19	360,000	46,305	406,305
2019/20	370,000	39,105	409,105
2020/21	375,000	31,705	406,705
2021/22	390,000	24,205	414,205
2022/23	395,000	16,405	411,405
2023/24	405,000	8,505	413,505
Total	$ 2,575,000	$ 366,258	$ 2,941,258

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 April of 2014 the City Council approved a resolution to adopt the Five Year Capital Improvement Plan for fiscal years 2013/2014 through 2017/2018. 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 2014/2015 revised estimate and 2015/2016 budget are projects which have approved funding sources. If outside funding is awarded for projects in the Plan but not yet in the adopted budget, the City will make the appropriate amendments to the current or upcoming budget.

The major emphasis in the City's Capital Improvements Program in the upcoming year will continue to be the upgrading of the City's streets and sewer systems and 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 totaling $5 million were used in 2007 through 2009 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 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, the City continues to use grant funding or other funding sources to complete improvements to heavily-used streets in the community. Major improvements to Cedar Street from Parham to Houser and Colorado Street are nearing completion. Federal grants funded a portion of the cost of these projects with bond proceeds, road use taxes, and local option taxes funding the local share. Engineering design is underway for improvements to Mulberry Avenue from Houser Street to the Highway 61 Bypass with construction scheduled to begin in the spring of 2016. This project will be funded from a federal grant and bond proceeds. Engineering design for major improvements to the Mississippi Drive Corridor from the Mississippi River Bridge to Grandview Avenue will be underway in 2015/2016. This project will be funded from the $13 million in Transfer of Jurisdiction funds from the State of Iowa the City received when the City took over maintenance responsibilities for the portion of Business Route 61 from the Mississippi River Bridge south to the Highway 61 Bypass.

Sewer Improvement Projects

Sewer improvements continue to be identified as a high priority by City Council. In 2007 the City signed a Consent Order with the Environmental Protection Agency (E.P.A.) which requires the City to complete specific major sewer separation projects by 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. The only 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 thirteen years and the total cost for all of the phases is projected to reach or exceed $50 million. Construction on Phase 1 of the project began in the summer of 2012 and was completed in the fall of 2013. Phase 2 of this project began in the summer of 2013 and was completed in the fall of 2014. Bids for Phase 3 of the project were received in March of 2015. The Phase 3 contract provides for three areas of work to be completed in calendar years 2015, 2016, and 2017.

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 separate project to expand the lab at the plant is currently under construction and is scheduled to be completed in the summer of 2015. Engineering design is currently underway for a High Strength Waste Receiving Station at the Plant with construction scheduled for 2015/2016.

Other Projects

Other significant capital projects budgeted for 2015/2016 include the Art Center HVAC improvement project, various other city building and facility improvements, the CDBG Downtown Revitalization project, the Musser to Weggens Road Trail, and the Airport Runway Rehabilitation project.

SUMMARY:

The following pages identify and describe all capital projects currently in the planning stage or under construction in 2014/2015 as well as those planned for 2015/2016. This section also includes listings of these projects for both 2014/2015 and 2015/2016. Total capital project costs are estimated at $8,473,900 for 2014/2015 and $13,404,600 for 2015/2016. A separate listing of capital outlay items included in department operating budgets in 2015/2016 is also included in this section of the budget for informational purposes. These items total $2,008,600 which brings the total budget for capital outlay and capital projects to $15,413,200 for 2015/2016. The remaining pages of this section are summary and detail capital projects listings from the City's Five Year Capital Improvements Plan.

CAPITAL IMPROVEMENT PROJECTS
CAPITAL PROJECTS FUND

FISCAL YEAR 2014/2015 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.

Funding Source	FY 2014/2015 Funding Amount
Local Option Sales Tax Funds	$ 589,000

Future Impact on Operating Budget: This project will maintain streets at a higher level to avoid future costs.

Cedar Street Improvement Project – Parham to Houser: This project originally involved the resurfacing of this portion of Cedar Street with 80% of project costs funded through the federal STP grant program in the amount of $551,772. The City expanded the scope of the project for this heavily used street to include 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 $5.6 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 began in 2013/2014 with a substantial portion of the project paving completed in calendar year 2014. The final work on the project is scheduled for completion in the summer of 2015.

Funding Sources	FY 2014/2015 Funding Amount
Prior Year Bond Proceeds	$ 932,000
Federal STP Grant	935,400
Local Option Sales Tax Funds	145,000
Road Use Tax Funds	450,000
Collection and Drainage Funds (Drainage Work)	365,000
Muscatine Power & Water Reimbursement	66,900
	$ 2,894,300

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 $3.65 million (excluding the Pierce property acquisition), with the local share increasing to $2.45 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.

Funding Sources	FY 2014/2015 Funding Amount
Prior Year Bond Proceeds	$ 1,000,600
Federal STP Grant	319,600
Local Option Sales Tax Funds	150,000
Muscatine Power & Water Reimbursement	312,300
	$ 1,782,500

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 and design stage with construction scheduled for calendar year 2016. The 2014/2015 funding amount is for the current fiscal year portion of engineering design costs for the project. Engineering design will continue in 2015/2016.

Funding Sources	FY 2014/2015 Funding Amount
Future Bond Proceeds	$ 27,500

Future Impact on Operating Budget: The engineering design costs will have no impact on future operating budgets. When improvements on this street are completed, annual maintenance costs will be reduced. Specific cost savings cannot be determined.

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, 2012/2013, and 2013/2014, and is expected to be completed in 2014/2015. This work is needed before the City can proceed with construction of the improvements to this corridor.

Source	FY 2014/2015 Funding Amount
Federal TCSP and STIP Grants	$ 96,800
Prior Year Bond Proceeds	29,900
	$ 126,700

Future Impact on Operating Budget: There is no impact from the environmental study and preliminary design for this project.

Transfer of Jurisdiction/Mississippi Drive and Grandview Improvements: The State transferred jurisdiction and maintenance responsibilities for the Mississippi Drive Corridor from the Mississippi River Bridge south to the Highway 61 Bypass in September of 2014. The State provided $13 million of funding that the City can use to reconstruct and improve this corridor. The 2014/2015 funding allocation will allow for engineering design to begin for the portion of this corridor from the Mississippi River Bridge to Grandview Avenue. Engineering design will continue in 2015/2016 with construction scheduled for future years.

Funding Sources	FY 2014/2015 Funding Amount
Transfer of Jurisdiction Funds	$ 50,000

Future Impact on Operating Budget: When improvements on this corridor are completed, annual maintenance costs will be reduced. Specific cost savings cannot be determined.

New Sidewalk Program: The 2014/2015 budget included 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. In 2014 the City was also awarded a $50,000 "Safe Routes to School Sidewalk Connections Project" grant from the Wellmark Foundation. A total of $100,000 in new sidewalk construction is scheduled for calendar year 2015 with $50,000 expected before the end of the 2014/2015 fiscal year and the balance in the first half of 2015/2016. The first years of this program will focus on gaps in sidewalks in school areas.

Funding Sources	FY 2014/2015 Funding Amount
Road Use Tax Funds	$ 50,000

Future Impact on Operating Budget: None since sidewalks in residential areas are the responsibility of the property owners.

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.

Source	FY 2014/2015 Funding Amount
Prior Year TIF Bond Proceeds	$ 20,000

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. This new facility includes 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 was substantially completed in the 2013/2014 fiscal year with the final work completed and the contract closed out in the summer of 2014. An internal loan provided 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.

Source	FY 2014/2015 Funding Amount
Fiscal Year 2014/2015 Portion of Internal Loan to be Funded from Future TIF Funds	$ 10,000

Future Impact on Operating Budget: No increased operating costs are expected with the new facility.

Musser Park to Weggens Road Trail: The local Trails Committee secured a federal grant for this trail project and an Iowa Recreational Trails grant will provide additional funding for this project. The grants, however, do not fund preliminary project costs including surveys and trail design services. The Trails Committee requested and received financial assistance from the City in the amount of $50,000 for these costs with this amount funded from the 2010 bond issue. The trail survey and design work began in 2011/2012 and has continued through 2014/2015. Final trail design and easement acquisitions are underway in 2014/2015 with trail construction scheduled for 2015/2016.

Funding Source	FY 2014/2015 Funding Amount
Federal and State Grants and Other Funding Sources to be Determined	$ 183,200
Local Contribution	10,000
Balance from Weed Park Trail Project	17,600
	$ 210,800

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.

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. In 2014/2015 the City incurred $18,000 of additional costs related to the City's levees including $13,000 for professional services for levee certification and a $5,000 contribution for the Mississippi River Levee Stakeholders study.

Funding Sources	FY 2014/2015 Funding Amount
Levee Tax Levy	$ 55,081

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.

CDBG Downtown Revitalization Project: In July of 2013 **t**he 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 began in 2013/2014 and will continue in 2014/2015 and 2015/2016.

Source	FY 2014/2015 Funding Amount
Community Development Block Grant	$ 90,000

Future Impact on Operating Budget: There will be no impact on the City's future operating budgets from this project.

Downtown Upper Floor Housing Project: In 2014/2015 the City sold a parcel of property on Clay Street for $49,900 and these funds have been assigned to be used to facilitate the development of upper floor housing in the Downtown area. A portion of these funds are expected to be expended in 2014/2015 with the balance in 2015/2016. This project will be a public-private partnership to enhance housing in the City and specifically in the downtown.

Source	FY 2014/2015 Funding Amount
Proceeds from Sale of Property	$ 2,500

Future Impact on Operating Budget: Since this project will involve improvements to privately-owned property, 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 2014/2015 funding amount represents legal costs related to the contract issues.

Funding Source	FY 2014/2015 Funding Amount
Available Balance	$ 15,500

Future Impact on Operating Budget: This project had 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 continue to be performance issues with the new system, however, and the City is holding a portion of the vendor payments. The revised estimate allows for these issues to be resolved before the end of the 2014/2015 fiscal year.

Funding Source	FY 2014/2015 Funding Amount
Prior Year Bond Proceeds	$ 43,600

Future Impact on Operating Budget: Individual and replacement radios under the new system will cost $980 compared to $2,500 for the previous radios.

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 was substantially completed in 2013/2014. The remaining workflow items are expected to be fully implemented by the end of the 2014/2015 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, $54,400 in 2013/2014 with the balance of $6,500 budgeted to be expended in 2014/2015.

Funding Source	FY 2014/2015 Funding Amount
Prior Year General Fund Transfer	$ 6,500

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 requires the City to complete specific major sewer separation projects by 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 sales 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 in 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 thirteen years and the total cost for all of the phases is projected to reach or exceed $50 million. Construction on Phase 1 of the project began in the summer of 2012 and was completed in the fall of 2013. Phase 2 of this project began in the summer of 2013 and was completed in the fall of 2014. Bids for Phase 3 of the project were received in March of 2015. The Phase 3 contract provides for three areas of work to be completed in calendar years 2015, 2016, and 2017. This schedule corresponds with local option sales tax funding available for this project. The 2014/2015 funding amount reflects the final work on Phase 2, design work for Phase 3, and an estimated 25% of the 2015 portion of the contract work for Phase 3.

Funding Source	FY 2014/2015 Funding Amount
Local Option Sales Tax Funds	$ 1,357,000

Future Impact on Operating Budget: This project will reduce maintenance costs to the storm and sanitary sewer system. Specific cost savings cannot be determined.

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 substantially completed and the contract is expected to be closed out by the summer of 2015.

Funding Source	FY 2014/2015 Funding Amount
Water Pollution Control Plant Reserve	$ 283,000

Future Impact on Operating Budget: None

Water Pollution Control Plant High Strength Waste Receiving Station Project: Engineering design began in 2013/2014 and continues in 2014/2015 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 2015/2016 fiscal year.

Funding Source	FY 2014/2015 Funding Amount
Water Pollution Control Plant Reserve	$ 136,600

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 receiving station.

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. The first two phases were completed in the 2013/2014 fiscal year and the third phase in 2014/2015.

Funding Source	FY 2014/2015 Funding Amount
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.

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. The contract for this project was awarded in October of 2014 and the project is scheduled to be completed before the end of the 2014/2015 fiscal year.

Funding Source	FY 2014/2015 Funding Amount
Collection and Drainage Fund	$ 70,000

Future Impact on Operating Budget: No operating budget impact is expected from this project.

Ambulance Equipment Replacement: The Ambulance budget for 2014/2015 included requests to replace six cardiac monitors ($168,000) and to 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.

Funding Sources	FY 2014/2015 Funding Amount
Prior Year Bond Proceeds	$ 215,600

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 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 contract was substantially completed in 2013/2014 with the final work completed in July of 2014. Funding for the local share of the project cost was funded from the June 2012 and June 2014 bond issues.

Funding Sources	FY 2014/2015 Funding Amount
State Grant Funds and Bond Proceeds	$ 700

Future Impact on Operating Budget: There will be a small operating cost increase estimated at $300 annually for the security camera.

Airport Runway Rehabilitation Project (Design Portion): There have been several concrete blowups on the runways at the airport in recent years. This project involves planning and project design work to rehabilitate this runway to prevent future similar occurrences. The petrographic analysis for this project was completed in 2013/2014 and the engineering design is scheduled to be completed in 2014/2015. Project construction is scheduled for 2015/2016. An FAA grant will fund 90% of project costs with a 10% local match required.

Funding Sources	FY 2014/2015 Funding Amount
Federal Aviation Administration (FAA) Grant	$ 278,100
Future Bond Proceeds	30,900
	$ 309,000

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. This work is in progress and is scheduled for completion in 2014/2015.

Funding Sources	FY 2014/2015 Funding Amount
State Grant	$ 21,200
Future Bond Proceeds	3,700
	$ 24,900

Future Impact on Operating Budget: None

Airport T-Hangar Connector Road: Engineering design is underway in 2014/2015 for this project with construction scheduled for 2015/2016. A State grant will provide 85% funding for this project with a 15% local match required.

Funding Sources	FY 2014/2015 Funding Amount
State Grant	$ 19,600
Future Bond Proceeds	3,400
	$ 23,000

Future Impact on Operating Budget: Snow removal for this road will be done by the Airport Manager. No future impact is expected on the City's operating budget.

CAPITAL IMPROVEMENT PROJECTS
CAPITAL PROJECTS FUND

FISCAL YEAR 2015/2016 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 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.

Funding Source	FY 2015/2016 Funding Amount
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 2015/2016 funding amount is for installation of a pedestrian crossing at Oregon Street.

Funding Sources	FY 2015/2016 Funding Amount
Local Option Sales Tax Funds	$ 35,000

Future Impact on Operating Budget: None

Transfer of Jurisdiction/Mississippi Drive and Grandview Improvements: The State transferred jurisdiction and maintenance responsibilities for the Mississippi Drive Corridor from the Mississippi River Bridge south to the Highway 61 Bypass in September of 2014. The State provided $13 million of funding that the City can use to reconstruct and improve this corridor. Engineering design is scheduled to begin in the spring of 2015 and continue in 2015/2016 for the portion of this corridor from the Mississippi River Bridge to Grandview Avenue. The 2015/2016 funding amount allows for property acquisitions to begin in 2015/2016. Construction on this project is scheduled for future years.

Funding Sources	FY 2015/2016 Funding Amount
Transfer of Jurisdiction Funds	$ 800,000

Future Impact on Operating Budget: When improvements on this corridor are completed, annual maintenance costs will be reduced. Specific cost savings cannot be determined.

Mulberry Avenue Improvements – Houser Street to Highway 61 Bypass: This project is currently in the planning and design stage with construction scheduled for calendar year 2016. Engineering design for this project began in 2014/2015 and is scheduled to be completed by the end of the 2015 calendar year. The 2015/2016 funding amount allows for the project to be 50% completed at the end of 2015/2016 with the remaining portion of the project completed by the end of the 2016 calendar year. A federal grant will fund a total of $1.2 million of the project cost. Bond proceeds will fund the remaining costs.

Funding Sources	FY 2015/2016 Funding Amount
Bond Proceeds	$ 800,000
Federal Grant (2015/2016 Portion)	600,000
	$ 1,400,000

Future Impact on Operating Budget: When improvements on this street are completed, annual maintenance costs will be reduced. Specific cost savings cannot be determined.

New Sidewalk Program: The 2014/2015 budget included 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. In 2014 the City was also awarded a $50,000 "Safe Routes to School Sidewalk Connections Project" grant from the Wellmark Foundation. With the addition of the Wellmark grant, a total of $100,000 in new sidewalk construction is scheduled for 2015/2016.. The first years of this program will focus on gaps in sidewalks in school areas.

Funding Sources	FY 2015/2016 Funding Amount
Road Use Tax Funds	$ 50,000
Wellmark Grant	50,000
	$ 100,000

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 **t**he 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 began in 2013/2014 and is scheduled for completion in 2015/2016.

Source	FY 2015/2016 Funding Amount
Community Development Block Grant	$ 371,700

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.

Source	FY 2015/2016 Funding Amount
Prior Year TIF Bond Proceeds	$ 30,000

Future Impact on Operating Budget: None

Downtown Upper Floor Housing Project: In 2014/2015 the City sold a parcel of property on Clay Street for $49,900 and these funds have been assigned to be used to facilitate the development of upper floor housing in the Downtown area. A portion of these funds are expected to be expended in 2014/2015 with the balance in 2015/2016. This project will be a public-private partnership to enhance housing in the City and specifically in the downtown.

Source	FY 2015/2016 Funding Amount
Proceeds from Sale of Property	$ 47,400

Future Impact on Operating Budget: Since this project will involve improvements to privately-owned property, there will be no impact on the City's future operating budgets from this project.

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, did 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 through 2014/2015. The final trail design and easement acquisitions are underway in 2014/2015 with trail construction scheduled for 2015/2016.

Funding Source	FY 2015/2016 Funding Amount
Federal and State Grants	$ 839,500
Collection and Drainage Funds`	200,000
Donation	10,000
Other Sources not yet Determined	183,000
	$ 1,232,500

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.

Art Center HVAC and Other Public Building and Facility Improvements: A number of significant building and facility maintenance and improvement projects were included in department budget requests for 2015/2016. Due to the significant cost of these items, funding for these purchases has been included in the 2016 bond issue. The items include HVAC replacement at the Art Center; Art Center window and other building envelope improvements; roof replacements at the Library and a portion of the Public Safety Building; tuck-pointing the Music Room at the Art Center; replacement of the playground surface at Musser Park; replacing Rip Rap on a portion of the riverfront; and replacing Rip Rap along the Slough bank in Kent Stein Park. The Art Center HVAC project cost is estimated at $1,350,000 and the Art Center has been requested to provide $200,000 in funding for this project from Art Center Trust funds or from other contributions.

Funding Source	FY 2015/2016 Funding Amount
Bond Proceeds 2016	$ 1,667,800
Prior Year Bond Proceeds	35,000
Art Center Trust or Other Contributions for Art Center HVAC Project	200,000
	$ 1,902,800

Future Impact on Operating Budget: There will be savings in annual maintenance costs when the HVAC system is replaced. The amount cannot be determined.

Storm and Sanitary Sewer Improvements: In 2007 the City signed a Consent Order with the Environmental Protection Agency (E.P.A.) which requires the City to complete specific major sewer separation projects by 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 sales 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 2015/2016.

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 thirteen years and the total cost for all of the phases is projected to reach or exceed $50 million. Construction on Phase 1 of the project began in the summer of 2012 and was completed in the fall of 2013. Phase 2 of this project began in the summer of 2013 and was completed in the fall of 2014. Bids for Phase 3 of the project were received in March of 2015. The Phase 3 contract provides for three areas of work to be completed in calendar years 2015, 2016, and 2017. This schedule corresponds with local option sales tax funding available for this project. The 2015/2016 funding amount reflects an estimated 75% of the 2015 portion of the contract work for Phase 3 and 25% of the 2016 portion of the Phase 3 work.

Funding Source	FY 2015/2016 Funding Amount
Local Option Sales Tax Funds	$ 1,787,500

Future Impact on Operating Budget: This project will reduce maintenance costs to the storm and sanitary sewer system. Specific cost savings cannot be determined.

Water Pollution Control Plant High Strength Waste Receiving Station Project: Engineering design began in 2013/2014 and continued in 2014/2015 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. Design is scheduled to be completed in 2014/2015 with construction scheduled for 2015/2016.

Funding Source	FY 2015/2016 Funding Amount
Water Pollution Control Plant Reserve	$ 1,197,000

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 receiving station.

Dredge Spoils Site Relocation Study: The City is evaluating moving the dredge spoil site for the harbor from the former Hawkeye Lumber site on the riverfront to the Public Works property on Washington Street. The 2015/2016 funding amount is for an engineering study for this project. This study will include estimated costs for this project with any actual construction to be done in future years.

Funding Source	FY 2015/2016 Funding Amount
Water Pollution Control Fund	$ 10,000

Future Impact on Operating Budget: The engineering study will have no impact on future operating budgets.

Transfer Station Transfer Trailer Replacement: An internal loan will be used to finance replacement of one of the transfer trailers used to haul waste from the Transfer Station to the Landfill. Sufficient funding is not available in the Transfer Station fund and this purchase will be added to the previous internal loan for the crane and cab replacement. Annual payments of $35,600 will be made on this internal loan.

Funding Sources	FY 2015/2016 Funding Amount
Internal Loan for Transfer Trailer	$ 65,000

Future Impact on Operating Budget: Annual maintenance costs are expected to be reduced by $2,500 with the new equipment.

Airport Runway Rehabilitation Project (Construction Portion): There have been several concrete blowups on the runways at the airport in recent years. This project involves contract work to rehabilitate this runway to prevent future similar occurrences. The petrographic analysis for this project was completed in 2013/2014 and the engineering design is scheduled to be completed in 2014/2015. Project construction is scheduled for 2015/2016. An FAA grant will fund 90% of project costs with a 10% local match required.

Funding Sources	FY 2015/2016 Funding Amount
Federal Aviation Administration (FAA) Grant	$ 3,795,600
Bond Proceeds	431,800
	$ 4,227,400

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 T-Hangar Connector Road: Engineering design is underway in 2014/2015 for this project with construction scheduled for 2015/2016. A State grant will provide 85% funding for this project with a 15% local match required.

Funding Sources	FY 2015/2016 Funding Amount
State Grant	$ 120,400
Bond Proceeds	25,000
	$ 145,400

Future Impact on Operating Budget: Snow removal for this road will be done by the Airport Manager. No future impact is expected on the City's operating budget.

City of Muscatine
Capital Project Appropriations
Fiscal Year Basis
Revised Estimate 2014/2015

Project	Revised Estimate 2014/2015	Funding Sources/Comments
Street and Sidewalk Projects:		
Ongoing Pavement Management Program	$ 589,000	Local option sales tax
Transfer of Jurisdiction-Mississippi Drive/Grandview	50,000	$13 million from State for transfer of jurisdiction; engineering design begins in FY 15
Cedar Street Improvements - Parham to Houser	2,894,300	Grants, prior year bond proceeds, utility reimbursement, road use tax, local option tax, and Collection and Drainage funds (for drainage work)
Colorado Street Improvements	1,782,500	Federal grant, prior year bond proceeds, utility reimbursement, and local option tax
Mulberry Avenue Improvements	27,500	Grant and future bond funding; begin engineering design in FY 15
Corridor Project - Environmental Impact and Prel. Design	126,700	80% federal grant and prior year bond proceeds
Downtown TIF Area Resurfacing Projects (Prior Yr)	20,000	Prior year TIF funds for Downtown tree grate replacements
New Sidewalk Program	50,000	Road use tax and Wellmark grant; estimated FY 15 project costs
Parks Projects:		
Mark Twain Overlook Restoration	600	Available fund balance for seeding or other improvements
Riverfront Development Project	100	Available fund balance for misc. riverfront improvements
Park Maintenance Building	10,000	Final construction costs; TIF internal loan
Other Projects:		
Mad Creek Flood Control Project	18,000	Levee tax levy; levee certification costs and levee stakeholders contribution
Downtown CDBG Revitalization Project	90,000	CDBG grant funding; estimated FY 15 project costs
Downtown Upper Floor Housing Project	2,500	Sale of Clay Street property; misc. costs in FY 15
Musser Park to Weggens Road Trail	210,800	Donations and funding transfer; estimated design, easements, etc. in FY 15
Southend Fire Station Project	15,500	Legal costs on prior year project; holding contractor retainage
Police Radio System	43,600	Estimated final project cost; holding payments to contractor until radio system operating satisfactorily
Downtown Reinvestment Project (Hotel)	6,000	Estimated legal costs for project; reimbursed by developer
Wal-View #2 Project	4,000	Estimated legal costs for project; reimbursed by developer
Heinz Expansion Project	5,000	Estimated legal costs for project; reimbursed by developer
Financial Software System	6,500	Estimated FY 15 final payments; prior year funding transfer from General Fund
Subtotal - General Government	$ 5,952,600	
Water Pollution Control:		
WPCP Lab Expansion	$ 283,000	Plant Replacement Reserve; estimated final project costs
West Hill Sewer Separation Project	1,357,000	Local option tax; estimated FY 15 project costs
Southend Force Main Air Release Valve	100,000	Collection and Drainage funds
Geneva Creek Channel Shaping Project	70,000	Collection and Drainage funds; estimated final project cost
High Strength Waste Receiving Station	136,600	Plant Replacement Reserve; engineering design for project
Subtotal - Water Pollution Control	$ 1,946,600	
Ambulance Fund:		
Cardiac Monitors and CPR Devices	$ 215,600	Prior year bond proceeds
Airport:		
Airport Hangar Access Security and T-Hangar Drainage	$ 700	85% State/15% local funding; final project costs
Airport Airfield Repair Project (Design Portion)	309,000	90% FAA funding and future bond funding; estimated FY 15 project design costs
Airport Airfield Repair Project (Construction Portion)	1,500	90% FAA funding and future bond funding; estimated FY 15 preliminary costs
Airport Zoning Ordinance Update	24,900	85% IDOT funding and future bond funding; estimated project cost
Airport T-Hangar Connector Road	23,000	85% IDOT funding and future bond funding; estimated engineering costs
Subtotal - Airport Projects	$ 359,100	
Total	$ 8,473,900	

City of Muscatine
Capital Project Appropriations
Fiscal Year Basis
Budget 2015/2016

Project	Budget 2015/2016	Funding Sources/Comments
Street and Sidewalk Projects:		
Ongoing Pavement Management Program	$ 500,000	Local option sales tax
Railroad Crossing Improvements	35,000	Local option sales tax
Transfer of Jurisdiction-Mississippi Drive/Grandview	800,000	Transfer of Jurisdiction funds; estimated engineering design and possible property acquisitions
Mulberry Avenue Improvements	1,022,500	Federal grant and bond proceeds; estimated FY 16 project costs
New Sidewalk Program	100,000	Road use tax annual allocation and prior year Wellmark grant
Downtown TIF Area Resurfacing Projects (Prior Yr)	30,000	Available balance for Downtown Alley Resurfacing related to CDBG Downtown Revitalization project
Other Projects:		
Building Demolitions	200	Bond issuance costs; bond funding for unreimbursed prior year costs
Downtown CDBG Revitalization Project	371,700	CDBG grant; estimated FY 16 portion of project costs
Downtown Upper Floor Housing Project	47,400	Sale of Clay Street property in FY 15; estimated costs in FY 16
Musser Park to Weggens Road Trail	1,090,000	Federal and State grants and donations; estimated FY 16 construction costs
Southend Fire Station Project	-	
Public Building Roof and Tuck-pointing Projects	130,800	Bond proceeds for building improvement projects
Parks Playground, Riverfront Rip Rap, Slough Rip Rap	197,000	Bond proceeds for park and riverfront improvements
Art Center HVAC Project	1,350,000	Bond funding and outside funding; estimated project costs
Art Center Windows/Building Envelope Project	225,000	Bond proceeds for estimated project costs
Estimated Bond Issuance Costs/Allowance for Discount	75,000	Bond proceeds for issuance costs
Subtotal - General Government	$ 5,974,600	
Water Pollution Control:		
West Hill Sewer Separation Project	$ 1,787,500	Local option sales tax; estimated FY 16 project costs
High Strength Waste Receiving Station	1,197,000	Plant Replacement Reserve; estimated FY 16 construction costs
Dredge Spoils Site Relocation (Engineering Study)	10,000	Water Pollution Control Fund; estimated cost of engineering study
Subtotal - Water Pollution Control	$ 2,994,500	
Transfer Station		
Transfer Trailer	$ 65,000	Internal loan funding for Transfer trailer purchase
Airport:		
Airport Airfield Repair Project (Design Portion)	$ 1,000	Bond funding for local share; final project design costs
Airport Airfield Repair Project (Construction Portion)	4,227,300	Bond funding for 10% local share; estimated FY 16 construction costs
Airport Hangar Access Security and T-Hangar Drainage	100	Bond funding for local share; final project costs
Airport Zoning Ordinance Update	100	Bond funding for local share; final project costs
Airport T-Hangar Connector Road	142,000	State grant 85% with 15% local from bond proceeds; estimated construction costs
Subtotal - Airport Projects	$ 4,370,500	
Total	$ 13,404,600	

City of Muscatine
Capital Outlay Items in Department Operating Budgets
2015/2016 Budget

Fund/Department/Item	Budget	Funding Sources: General Fund	Equipment Replacement	Road Use Tax	Other Sources	Enterprise or Other Funds
General Fund						
Information Technology						
Computer Equipment Replacement Fund	$ 40,000	$ 40,000	$ -	$ -	$ -	$ -
Subtotal	$ 40,000	$ 40,000	$ -	$ -	$ -	$ -
Police Operations						
Copy Machine	$ 10,000	$ 10,000	$ -	$ -	$ -	$ -
Document Scanner	4,100	4,100	-	-	-	-
Supervisor Vehicle	42,000	-	42,000	-	-	-
Light Bars (2)	4,700	4,700	-	-	-	-
Radar Units (2)	5,400	5,400	-	-	-	-
Police Range Improvements	15,000	-	-	-	-	15,000
JAG Grant Funded Equipment	9,200	-	-	-	9,200	-
Subtotal	$ 90,400	$ 24,200	$ 42,000	$ -	$ 9,200	$ 15,000
Fire Operations						
SCBA (Self-Contained Breathing Apparatus) Bottles (60)	$ 55,000	$ 55,000	$ -	$ -	$ -	$ -
Electronic Portable Fire Inspection System	3,800	3,800	-	-	-	-
Smoke Machine	1,800	1,800	-	-	-	-
Subtotal	$ 60,600	$ 60,600	$ -	$ -	$ -	$ -
Park Maintenance						
Mower (Weed Park)	$ 35,000	$ -	$ 35,000	$ -	$ -	$ -
Pickup Truck with Snow Plow	35,000	-	35,000	-	-	-
Rip Rap Replacement Harbor Inside Wall	20,000	20,000	-	-	-	-
Subtotal	$ 90,000	$ 20,000	$ 70,000	$ -	$ -	$ -
Kent-Stein Park						
Chalker	$ 1,200	$ 1,200	$ -	$ -	$ -	$ -
Subtotal	$ 1,200	$ 1,200	$ -	$ -	$ -	$ -
Soccer Complex						
Edger	$ 2,800	$ 2,800	$ -	$ -	$ -	$ -
Subtotal	$ 2,800	$ 2,800	$ -	$ -	$ -	$ -
Swimming Pools						
Automatic Pool Vacuum	$ 5,500	$ 5,500	$ -	$ -	$ -	$ -
Subtotal	$ 5,500	$ 5,500	$ -	$ -	$ -	$ -
Library						
Library Materials (Books, CD's, Digital Media, Etc.)	$ 112,400	$ 112,400	$ -	$ -	$ -	$ -
Subtotal	$ 112,400	$ 112,400	$ -	$ -	$ -	$ -
Roadway Maintenance						
Tandem Dump Truck	$ 145,000	$ -	$ -	$ 145,000	$ -	$ -
Concrete Grinding	50,000	-	-	50,000	-	-
Former Morgan Building Door Replacements	16,500	-	-	16,500	-	-
Subtotal	$ 211,500	$ -	$ -	$ 211,500	$ -	$ -
Snow & Ice Control						
12-Foot Stainless Steel Salt Box	$ 21,000	$ -	$ -	$ 21,000	$ -	$ -
2-Way Snow Plow	11,000	-	-	11,000	-	-
10-Foot Underbody Plow	11,000	-	-	11,000	-	-
9-Foot Wing Snow Plow	11,500	-	-	11,500	-	-
8-Foot Mid-Mount Wing Snow Plow	11,500	-	-	11,500	-	-
Subtotal	$ 66,000	$ -	$ -	$ 66,000	$ -	$ -
Traffic Control						
Street Name Signs	$ 9,300	$ -	$ -	$ 9,300	$ -	$ -
Subtotal	$ 9,300	$ -	$ -	$ 9,300	$ -	$ -
Subtotal - General Fund	$ 689,700	$ 266,700	$ 112,000	$ 286,800	$ 9,200	$ 15,000

Fund/Department/Item	Budget	Funding Sources: General Fund	Equipment Replacement	Road Use Tax	Other Sources	Enterprise or Other Funds
Enterprise Funds						
Airport						
Asphalt Work Around Hangars	$ 10,000	$ -	$ -	$ -	$ -	$ 10,000
Transit						
Light Duty Buses (2) (Subject to Grant Funding)	$ 180,000	$ -	$ -	$ -	$ -	$ 180,000
Bus Shelters (10)	47,500	-	-	-	-	47,500
Subtotal	$ 227,500	$ -	$ -	$ -	$ -	$ 227,500
Parking						
Electronic Meters (10)	$ 1,700	$ -	$ -	$ -	$ -	$ 1,700
Golf						
Tractor and Loader	$ 25,000	$ -	$ -	$ -	$ -	$ 25,000
Ambulance						
Toughbook Computers	$ 6,000	$ -	$ -	$ -	$ -	$ 6,000
Ambulance	148,500	-	148,500	-	-	-
Subtotal	$ 154,500	$ -	$ 148,500	$ -	$ -	$ 6,000
Refuse Collection						
Tipper for Refuse Truck	$ 14,000	$ -	$ -	$ -	$ -	$ 14,000
Bins for Automated Refuse Collection	130,000	-	-	-	-	130,000
Dumpsters	10,000	-	-	-	-	10,000
Subtotal	$ 154,000	$ -	$ -	$ -	$ -	$ 154,000
Water Pollution Control Plant						
Pumping Station Telemetry Upgrades (8)	$ 180,000	$ -	$ -	$ -	$ -	$ 180,000
Mower	6,000	-	-	-	-	6,000
ICP Power Conditioner	9,500	-	-	-	-	9,500
pH Meter	3,800	-	-	-	-	3,800
Glassware Oven	3,000	-	-	-	-	3,000
Acid Dispenser	1,200	-	-	-	-	1,200
Vacuum Pump	800	-	-	-	-	800
6-Inch Dragline Hose	6,500	-	-	-	-	6,500
24-Foot Flatbed Trailer	6,000	-	-	-	-	6,000
Subtotal	$ 216,800	$ -	$ -	$ -	$ -	$ 216,800
Collection and Drainage						
Jet/Vac Sewer Cleaning Truck	$ 400,000	$ -	$ -	$ -	$ -	$ 400,000
Sewer Maintenance Projects	50,000	-	-	-	-	50,000
Subtotal	$ 450,000	$ -	$ -	$ -	$ -	$ 450,000
Subtotal - Enterprise Funds	$ 1,239,500	$ -	$ 148,500	$ -	$ -	$ 1,091,000
Other Funds - Special Revenue and Internal Services						
Public Housing Fund						
Clark House-Replace Boilers (2)	$ 30,000	$ -	$ -	$ -	$ -	$ 30,000
Clark House-Apartment Rehabilitation	15,000	-	-	-	-	15,000
Clark House-Appliances	3,000	-	-	-	-	3,000
Sunset Park-Apartment Rehabilitation	20,000	-	-	-	-	20,000
Sunset Park-Appliances	3,000					3,000
Sunset Park-Lanscaping Trailer	2,000					2,000
Subtotal	$ 73,000	$ -	$ -	$ -	$ -	$ 73,000
Equipment Services Internal Services Fund						
Tools for Existing Tool Boxes	$ 900	$ -	$ -	$ -	$ -	$ 900
5-Ton Floor Jack	900	-	-	-	-	900
10-Ton Capacity Air Lift Jack And Support Stand	1,600	-	-	-	-	1,600
Air Compressor	3,000	-	-	-	-	3,000
Subtotal	$ 6,400	$ -	$ -	$ -	$ -	$ 6,400
Subtotal - Other Funds	$ 79,400	$ -	$ -	$ -	$ -	$ 79,400
Total - All Operating Funds	$ 2,008,600	$ 266,700	$ 260,500	$ 286,800	$ 9,200	$ 1,185,400

City of Muscatine
Five Year Capital Improvement Plan - FY 2014 Through FY 2018
Summary of Projects by Department by Year

Department	FY '14	FY '15	FY '16	FY `17	FY' 18	**Total**
Community Development (Airport)	$25,000	$52,750	$376,000	$128,500	$156,250	$738,500
Community Development			$25,000		$25,000	$50,000
Parks & Recreation	$577,000	$383,000	$970,000	$155,000	$1,580,000	$3,665,000
Water Pollution Control Plant	$20,000	$885,000	$390,000	$1,255,000	$875,000	$3,425,000
Fire			$70,800	$75,000	$2,710,000	$2,855,800
Fire and Police			$80,000			$80,000
Library			$83,700			$83,700
Solid Waste				$620,000		$620,000
Public Works—Transit		$37,600	$48,000	$55,600	$37,800	$179,000
Public Works—Transfer Station	$171,500	$250,000	$300,000	$175,000		$896,500
Public Works—Roadway Maintenance	$115,000	$25,000	$87,500			$227,500
Public Works—Collection and Drainage		$25,000	$962,500	$155,000	$460,000	$1,602,500
Public Works—Street Cleaning		$25,000	$25,000			$50,000
Public Works—Vehicle Maintenance			$37,000			$37,000
Public Works—Buildings & Grounds		$250,000	$1,300,000			$1,550,000
Public Works—Engineering				$25,000		$25,000
Public Works—Street & Sidewalk Projects	$1,869,655	$3,606,289	$3,995,655	$5,695,500	$10,521,700	$25,688,799
Public Works—Trails & Recreation Projects		$1,478	$143,522	$787,500	$675,000	$1,607,500
Public Works—Sewer Separation	$2,500,000	$2,500,000	$2,500,000	$2,500,000	$2,500,000	$12,500,000
Total	$5,278,155	$8,041,117	$11,394,677	$11,627,100	$19,540,750	$55,881,799

City of Muscatine
Five Year Capital Improvement Plan - FY 2014 Through FY 2018
Project Funding Sources Schedule

Funding Source	FY '14	FY '15	FY '16	FY `17	FY' 18	Total
General Fund	$25,000	$52,750	$401,000	$128,500	$156,250	$763,500
To Be Determined	$502,000	$670,600	$3,335,000	$4,693,600	$8,867,000	$18,068,200
Water Pollution Control Plant Reserve Fund	$95,000	$885,000	$305,000	$615,000	$800,000	$2,700,000
Water Pollution Control Plant Operating Fund			$75,000	$75,000	$75,000	$225,000
Water Pollution Control Plant Reserve Fund & Collection and Drainage Operation Fund			$10,000	$680,000		$690,000
Collection and Drainage Operation Fund		$26,478	$1,129,355	$115,000	$2,145,000	$3,415,833
Tipping Fees				$100,000		$100,000
Tipping Fees and Solid Waste Agency Assessment				$520,000		$520,000
Internal Loan– Transfer Station Fund Balance	$171,500		$300,000	$175,000		$646,500
Refuse Collection Fund Balance		$250,000				$250,000
Road Use Tax Funds	$173,750	$181,250	$277,083	$156,250	$131,250	$919,583
Transit Funds			$8,334			$8,334
Internal Services Fund Balance			$37,000			$37,000
One Cent Local Option Sales Tax	$2,707,500	$2,775,000	$2,775,000	$825,000	$825,000	$9,907,500
TIF	$18,750	$18,350	$218,750	$1,031,250	$1,931,250	$3,218,350
General Obligation Bonds	$1,284,655	$2,881,689	$2,223,155	$262,500	$2,360,000	$9,011,999
Sewer Rates	$300,000	$300,000	$300,000	$750,000	$750,000	$2,400,000
Revolving Loan Funds				$1,500,000	$1,500,000	$3,000,000
Total	$5,278,155	$8,041,117	$11,394,677	$11,627,100	$19,540,750	$55,881,799

City of Muscatine
Five Year Capital Improvement Plan - FY 2014 Through FY 2018
Detailed Project Listing

Project	Fiscal Year	City Cost	Funding Source
West Hill Sewer Separation Project	'14	$2,500,000	One Cent Local Option Sales Tax
West Hill Sewer Separation Project	'15	$2,500,000	One Cent Local Option Sales Tax
West Hill Sewer Separation Project	'16	$2,500,000	One Cent Local Option Sales Tax
West Hill Sewer Separation Project	'17	$2,500,000	One Cent Local Option Sales Tax and Sewer Rates
West Hill Sewer Separation Project	'18	$2,500,000	One Cent Local Option Sales Tax, Sewer Rates, & Revolving Loan Funds
Mulberry Avenue Reconstruction (Planning & Engineering)	'15	$60,000	G.O. Bonds, Federal $240,000
Mulberry Avenue Reconstruction (Construction)	'16	$250,000	G.O. Bonds, Federal $960,000
Cedar Street Reconstruction	'14	$851,322	G.O. Bonds, Federal $401,678
Cedar Street Reconstruction	'15	$1,474,356	G.O. Bonds, Federal $695,644
Cedar Street Reconstruction	'16	$1,277,322	G.O. Bonds, Federal $602,678
Colorado Street Reconstruction	'14	$433,333	G.O. Bonds, Federal $216,667
Colorado Street Reconstruction	'15	$1,383,333	G.O. Bonds, Federal $691,667
Colorado Street Reconstruction	'16	$583,333	G.O. Bonds, Federal $291,667
Mississippi Drive Corridor Project (Planning & Engineering)	'16	$800,000	TBD
Mississippi Drive Corridor Project (Construction)	'17	$3,600,000	TBD
Mississippi Drive Corridor Project (Construction)	'18	$3,600,000	TBD
Grandview/Houser/Sampson Intersection (Planning & Engineering)	'17	$70,000	TBD, Safety Grant: $10,200

Project	Fiscal Year	City Cost	Funding Source
Grandview/Houser/Sampson Intersection (Construction)	‘18	$880,000	TBD, Safety Grant: $139,800
Mad Creek Storm Water Management Project (Planning & Engineering)	‘16	$0	Grants
Mad Creek Storm Water Management Project (Construction)	‘18	$0	Grants
Sidewalk Management Program	‘15	$50,000	Road Use Tax Funds
Sidewalk Management Program	‘16	$50,000	Road Use Tax Funds
Sidewalk Management Program	‘17	$50,000	Road Use Tax Funds
Sidewalk Management Program	‘18	$50,000	Road Use Tax Funds
Lucas Street Reconstruction (Planning & Engineering)	‘17	$150,000	Collection & Drainage Fund & G.O. Bonds
Lucas Street Reconstruction	‘18	$3,370,000	Collection & Drainage Fund & G.O. Bonds
Automated Refuse Truck	‘15	$250,000	Refuse Collection Fund Balance
Full Depth Patch Street Reconstruction	‘14	$250,000	One Cent Local Option Sales Tax
Full Depth Patch Street Reconstruction	‘15	$250,000	One Cent Local Option Sales Tax
Full Depth Patch Street Reconstruction	‘16	$250,000	One Cent Local Option Sales Tax
Full Depth Patch Street Reconstruction	‘17	$250,000	One Cent Local Option Sales Tax
Full Depth Patch Street Reconstruction	‘18	$250,000	One Cent Local Option Sales Tax
Pavement Management Plan	‘14	$250,000	One Cent Local Option Sales Tax
Pavement Management Plan	‘15	$250,000	One Cent Local Option Sales Tax
Pavement Management Plan	‘16	$250,000	One Cent Local Option Sales Tax
Pavement Management Plan	‘17	$250,000	One Cent Local Option Sales Tax
Pavement Management Plan	‘18	$250,000	One Cent Local Option Sales Tax
38/61 Connector (Planning & Engineering)	‘16	$200,000	TIF, RISE Grant $600,000
38/61 Connector (Construction)	‘17	$9,125,000	TIF, RISE Grant $2,737,500
38/61 Connector (Construction))	‘18	$9,125,000	TIF, RISE Grant $2,737,500
Musser Street Roadway Improvements	‘17	$150,000	G.O. Bonds, State: $450,000, Railroad: $150,000

Project	Fiscal Year	City Cost	Funding Source
Bypass Trail (Planning & Engineering)	‘16	$0	Grants $25,000
Bypass Trail (Construction)	‘17	$0	Grants $1,725,000
Musser Park to Wiggens Road Trail (Planning & Engineering)	‘15	$1,478	Collections & Drainage, Federal & State: $13,522
Musser Park to Wiggens Road Trail (Construction)	‘16	$98,522	Collections & Drainage, Federal & State: $901,478
Fire Aerial Ladder/Platform	‘18	$1,400,000	TBD
Weed Park Restroom Replacement	‘15	$125,000	Private Donations
Mad Creek Trail (Planning & Engineering)	‘16	$7,500	TBD, Private Donations: 7,500
Mad Creek Trail (Construction)	‘17	$750,000	TBD, Private Donations: $750,000
Airport Runway 6/24 Reconstruction (Planning & Engineering)	‘14	$25,000	City, Federal: $225,000
Phase 5 Landfill Cell	‘17	$520,000	Tipping fees and solid waste agency assessment
Library Elevator	‘15	$140,000	TBD
Art Center Roof Repair	‘16	$50,000	TBD
Library Boiler	‘16	$55,000	TBD
Art Center Lighting Poles Replacement	‘16	$150,000	TBD
Art Center Music Room Repair	‘16	$50,000	TBD
Weed Park Shelter Replacements	‘16	$250,000	TBD
Downtown Treescape Project	‘14	$5,000	TBD
Upgrade Fuel Facility	‘18	$185,000	City, State: $157,250
US 61/University Intersection Improvements	‘15	$175,000	TBD
Brier’s Ditch Improvement Project (Planning & Engineering)	‘17	$100,000	TIF
Brier’s Ditch Improvement Project (Construction)	‘18	$1,000,000	TIF
Art Center Climate Control (HVAC) (Planning & Engineering)	‘15	$70,000	TBD

Project	Fiscal Year	City Cost	Funding Source
Art Center Climate Control (HVAC) (Construction)	‘16	$1,000,000	TBD
Kent-Stein Park Lot Surfacing	‘17	$45,000	TBD
Mini Van	‘16	$10,000	City, Federal: $40,000
Art Center Electrical Repair	‘15	$40,000	TBD
Lift Station SCADA & Telemetry Update	‘15	$75,000	WPCP Operating Fund
Lift Station SCADA & Telemetry Update	‘16	$75,000	WPCP Operating Fund
Lift Station SCADA & Telemetry Update	‘17	$75,000	WPCP Operating Fund
Lift Station SCADA & Telemetry Update	‘18	$75,000	WPCP Operating Fund
Quad Valve Replacement	‘15	$30,000	WPCP Operating Fund
Emergency UV Gate	‘16	$105,000	W.C.P.C. Reserve Fund
Weed Park North Side Restroom	‘16	$125,000	TBD
Weed Park Lagoon Bank Stabilization	‘16	$300,000	TBD
Weed Park Street Light Replacement	‘15	$150,000	TBD
Connector Road (T-Hangars-Hangar Access Road)	‘17	$17,550	City, State: $99,250
Heinz Reconstruction Project (Planning & Engineering	‘15	$25,000	Collection & Drainage
Heinz Reconstruction Project (Construction)	‘16	$475,000	Collection & Drainage
Weed Park Water Main	‘16	$100,000	TBD
¾ Ton Pickup	‘18	$25,000	Collection & Drainage Fund Balance
½ Ton Pickup	‘17	$25,000	Road Use Tax Funds
ADA Ramp—-Sidewalk Program	‘14	$10,000	Road Use Tax Funds & One Cent Local Option Sales Tax
ADA Ramp—-Sidewalk Program	‘15	$100,000	Road Use Tax Funds & One Cent Local Option Sales Tax
ADA Ramp—-Sidewalk Program	‘16	$100,000	Road Use Tax Funds & One Cent Local Option Sales Tax

Project	Fiscal Year	City Cost	Funding Source
ADA Ramp—-Sidewalk Program	‘17	$100,000	Road Use Tax Funds & One Cent Local Option Sales Tax
ADA Ramp—-Sidewalk Program	‘18	$100,000	Road Use Tax Funds & One Cent Local Option Sales Tax
4 Wheel Drive Truck—Community Development	‘16	$25,000	General Fund
4 Wheel Drive Truck—Community Development	‘17	$25,000	General Fund
Cart Path Repairs	‘16	$25,000	TBD
Golf Course Parking Lot Repairs	‘17	$30,000	TBD
Kent-Stein Park Fence Replacement	‘14	$30,000	TBD
Soccer Field #3 Improvement	‘16	$125,000	TBD
Greenwood Cemetery Erosion Control Project	‘18	$1,000,000	TBD
Public Works Roof Repairs	‘16	$25,000	Collection and Drainage Fund Balance, Road Use Tax Funds, and Transit Funds
Bunker Renovation	‘17	$50,000	TBD
Muscatine Slough Development (Planning and Engineering)	‘16	$37,500	G.O. Bonds and Grants
Muscatine Slough Development (Planning and Engineering)	‘17	$37,500	G.O. Bonds and Grants
Muscatine Slough Development (Construction)	‘18	$675,000	G.O. Bonds and Grants
Harbor Dredge Dewater Area Relocation (Planning and Design)	‘16	$10,000	W.C.P.C. Operating Fund & Collection and Drainage Fund
Harbor Dredge Dewater Area Relocation	‘17	$680,000	W.C.P.C. Operating Fund & Collection and Drainage Fund
Fire Station #3 (East Hill)	‘16	$40,000	TBD
Fire Station #3 (East Hill)	‘17	$75,000	TBD
Fire Station #3 (East Hill)	‘18	$1,310,000	TBD
Weed Park North Side Parking Lot	'16	$50,000	TBD

Project	Fiscal Year	City Cost	Funding Source
Harbor Long Dock Replacement	'16	$150,000	TBD
Harbor Houseboat Dock Replacement	'18	$80,000	TBD
Relief Sanitary Sewer—Allsteel (Planning & Engineering)	‘17	$5,000	Collection & Drainage
Relief Sanitary Sewer—Allsteel (Construction)	‘18	$400,000	Collection & Drainage
Kent-Stein Park Multi-Use Area	'16	$35,000	TBD
Harbor Dredge Pipe Extension	'14	$75,000	W.C.P.C. Operating Fund
Fuller Park Erosion Control Project	'18	$300,000	TBD
Shop Building at the Landfill	'17	$100,000	Tipping fees
Maintenance Facility Replacement	‘14	$40,000	TBD
Fuller Park Parking Lot Expansion	‘16	$30,000	TBD
Clubhouse Carpet Replacement	'14	$15,000	TBD
Clubhouse Restroom Renovation	'16	$30,000	TBD
Golf Course Restroom Replacement	'18	$100,000	TBD
Lower Lot Reorganization	'16	$175,000	Road Use Tax Funds & Collection & Drainage
Jet Vac Dump Site	'16	$50,000	Road Use Tax Funds & Collection & Drainage
Mad Creek Crossing Dredge Pipe Extension	‘15	$68,000	TBD
Swipe Key Card Access for Public Safety Building	‘16	$80,000	TBD
Demolition of Old Army Reserve Building	‘16	$30,800	TBD
Weed Park Lagoon Trail	‘16	$100,000	TBD
Irrigation Pond Expansion	'17	$30,000	TBD
Grease & High Strength Waste Dump Site	'14	$20,000	W.C.P.C. Reserve Fund
Grease & High Strength Waste Dump Site	'15	$780,000	W.C.P.C. Reserve Fund
Greenwood Cemetery Barrier Fence	'18	$100,000	TBD
Kent-Stein Drainage Improvement	‘16	$75,000	TBD
Extension of Sewer & Water to Eagle Ridge	‘18	TBD	Collection & Drainage

Project	Fiscal Year	City Cost	Funding Source
Public Safety Building-Future Needs Assessment	'15	TBD	TBD
Control Link System	'15	$40,000	TBD
Musser Park Seep Water Pump Station	‘15	$25,000	TBD
City Hall Central Air	TBD	TBD	TBD

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 2008/2009, 2009/2010, 2010/2011, 2011/2012, 2012/2013, and 2013/2014 the City received Workers Compensation premium returns of $9,861, $26,782, $25,866, $15,961, $28,982, and $23,536, 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 significantly and $40,000 of funds from this trust were used to assist in funding this increase. The original 2014/2015 budget included an additional $33,500 transfer for an expected further increase in General Fund insurance premiums. Actual General Fund insurance premiums for this year, however, are $128,600 less than the original budget and this transfer is no longer needed. The significant decrease in premiums was due to changing from the previous insurance carrier to the Iowa Communities Assurance Pool (ICAP) for most of the City’s insurance policies.

For 2015/2016 $15,000 of funds from this trust are budgeted to be used for additional improvements to the Police Firing Range.

At the time the budget is being prepared it is not known if premium returns will be received in 2014/2015 or 2015/2016. 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

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 60,542	$ 73,576	$ 33,676	$ 57,207	$ 57,307
Revenues					
Insurance Premium Returns	$ 28,982	$ 23,536	$ 0	$ 0	$ 0
Interest	68	95	50	100	100
Total Revenues	$ 29,050	$ 23,631	$ 50	$ 100	$ 100
Funds Available	$ 89,592	$ 97,207	$ 33,726	$ 57,307	$ 57,407
Expenditures:					
Transfers Out					
General Fund	$ 0	$ 40,000	$ 33,500	$ 0	$ 0
Police Firing Range Project	16,016	0	0	0	15,000
Total Expenditures	$ 16,016	$ 40,000	$ 33,500	$ 0	$ 15,000
Ending Balance, June 30	$ 73,576	$ 57,207	$ 226	$ 57,307	$ 42,407
Increase (Decrease) in Fund Balance	**$ 13,034**	**$ (16,369)**	**$ (33,450)**	**$ 100**	**$ (14,900)**

Explanation of Decreases in Fund Balances:

Funds in this trust have been used to fund the City's Risk Management Program, deductibles, or uninsured losses. In 2011/2012 and 2012/2013 approximately $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 $40,000 was used to fund increased insurance premiums. Additional police range improvements are budgeted to be funded from this trust in 2015/2016.

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 2014/2015 and 2015/2016. The balance in this trust on June 30, 2016 is estimated at $868,000.

Perpetual Care Trust

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 843,316	$ 850,274	$ 856,274	$ 856,000	$ 862,000
Revenues					
Perpetual Care	6,958	5,726	6,000	6,000	6,000
Funds Available	$ 850,274	$ 856,000	$ 862,274	$ 862,000	$ 868,000
Expenditures	0	0	0	0	0
Ending Balance, June 30	$ 850,274	$ 856,000	$ 862,274	$ 862,000	$ 868,000
Increase (Decrease) in Fund Balance	**$ 6,958**	**$ 5,726**	**$ 6,000**	**$ 6,000**	**$ 6,000**

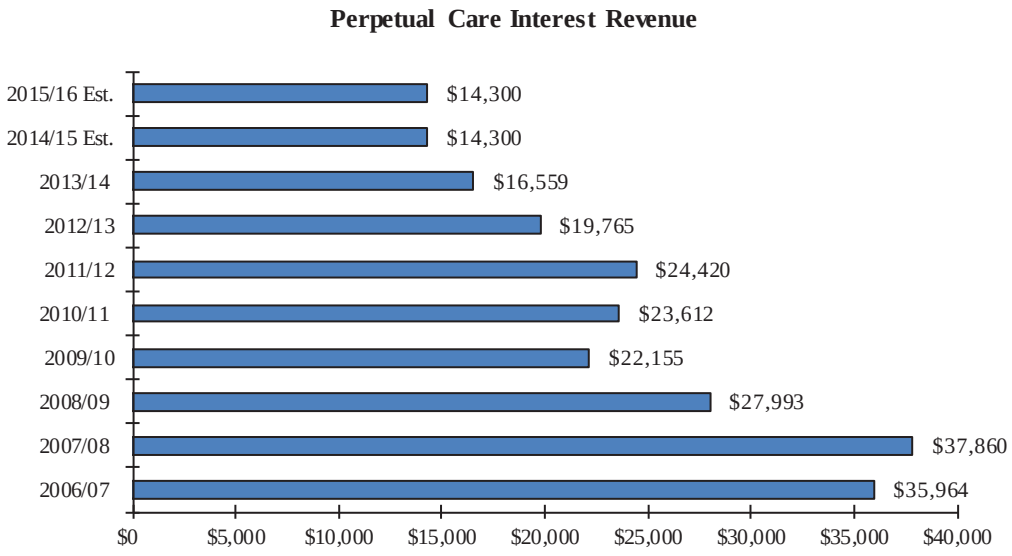
TRUST AND AGENCY FUNDS

PERPETUAL CARE INTEREST TRUST

GENERAL INFORMATION:

This trust fund was established to account for interest earnings on perpetual care funds received by the City of Muscatine through the operation of the municipal cemetery. As required by the State Code of Iowa, 20% of the proceeds of the sale of a cemetery lot must be set aside in a trust account. The trust funds are invested and interest earnings from the funds are utilized to support costs associated with the Cemetery operation. According to State law, the principal amount of the Perpetual Care Fund cannot be used for cemetery operations; only interest earnings can be used. Interest earnings may also fund capital improvements associated with the Cemetery.

Interest earnings have traditionally been utilized to fund all or a portion of the cost of operating the Cemetery. Perpetual Care interest earned and transferred to the General Fund from fiscal year 2006/2007 through the budgeted amount for 2015/2016 is shown in the following graph.



Beginning in 1991/92 and continuing through 2015/2016 (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 attributed 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 $5,175 for 2008/2009, $28,234 for 2009/2010, none for 2010/2011, $5,410 in 2011/2012, $15,279 in 2012/2013 and $30,038 in 2013/2014. The revised estimate for 2014/2015 projects a General Fund subsidy of $37,800 and $39,900 is projected for 2015/2016. Staff will continue marketing efforts in 2015/2016 in order to increase operating revenues of the Cemetery.

Perpetual Care Interest Trust

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues					
Interest	19,765	16,559	13,500	14,300	14,300
Funds Available	$ 19,765	$ 16,559	$ 13,500	$ 14,300	$ 14,300
Expenditures					
Transfers Out					
Cemetery Operations	19,765	16,559	13,500	14,300	14,300
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

TRUST AND AGENCY FUNDS

SPECIAL CEMETERY TRUSTS

GENERAL INFORMATION:

This budget consists of thirteen (13) individual trust funds associated with specific graves or mausoleums at the City's Greenwood Cemetery. The trust agreements provide that interest earned on the trusts be used for specified purposes, generally floral arrangements at specified times each year or for maintenance of mausoleum structures as needed.

CURRENT TRENDS AND ISSUES:

The Special Cemetery Trusts are non-expendable trusts, now considered Permanent Funds of the City. An estimated $900 in interest is expected to be earned on these funds in both 2014/2015 and 2015/2016. Trust expenditures are estimated at $2,850 for both 2014/2015 and 2015/2016.

Special Cemetery Trusts (1)

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 62,939	$ 61,602	$ 59,452	$ 59,931	$ 57,981
Revenues					
Interest	1,497	1,252	1,200	900	900
Funds Available	$ 64,436	$ 62,854	$ 60,652	$ 60,831	$ 58,881
Expenditures					
Florist Services	$ 2,409	$ 2,573	$ 2,000	$ 2,500	$ 2,500
Mausoleum/Other Repairs	75	0	0	0	0
Transfers Out:					
Administrative Fees	350	350	350	350	350
Total Expenditures	$ 2,834	$ 2,923	$ 2,350	$ 2,850	$ 2,850
Ending Balance, June 30	$ 61,602	$ 59,931	$ 58,302	$ 57,981	$ 56,031
Increase (Decrease) in Fund Balance	**$ (1,337)**	**$ (1,671)**	**$ (1,150)**	**$ (1,950)**	**$ (1,950)**

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 $107,200 for 2014/2015. Expenditures for 2014/2015 include an $82,000 allocation for a building study to examine the feasibility of remodeling the existing library building, remodeling another building, or building a new library. The budgeted expenditures for 2015/2016 total $25,000. The estimated balance in this trust on June 30, 2016 is $184,980.

Library Gift and Memorial Trust

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 223,101	$ 218,009	$ 226,009	$ 238,280	$ 173,880
Revenues					
Donations	$ 20,425	$ 26,233	$ 13,000	$ 13,000	$ 13,000
State Grant	16,649	23,330	23,000	25,000	20,000
Miscellaneous Sales	5,729	5,424	3,500	4,500	3,000
Interest	260	346	200	300	100
Total Revenues	$ 43,063	$ 55,333	$ 39,700	$ 42,800	$ 36,100
Funds Available	$ 266,164	$ 273,342	$ 265,709	$ 281,080	$ 209,980
Expenditures					
Library Materials	$ 3,224	$ 569	$ 18,000	$ 25,000	$ 20,000
Contractual Services	23,313	22,315	9,000	82,200	5,000
Capital Outlay	21,618	12,178	5,000	0	0
Total Expenditures	$ 48,155	$ 35,062	$ 32,000	$ 107,200	$ 25,000
Ending Balance, June 30	$ 218,009	$ 238,280	$ 233,709	$ 173,880	$ 184,980
Increase (Decrease) in Fund Balance	**$ (5,092)**	**$ 20,271**	**$ 7,700**	**$ (64,400)**	**$ 11,100**

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 2014/2015 $3,300 is budgeted to be expended from this trust and $4,000 is budgeted for 2015/2016.

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 2014/2015 or 2015/2016.

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. No funds were expended from this trust in 2012/2013 or 2013/2014. In 2014/2015, $5,000 is budgeted to be expended from this trust. No funds are budgeted to be expended in 2015/2016.

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. No funds are budgeted to be expended from this trust in 2014/ 2015 or 2015/2016.

McWhirter-Gilmore Trust

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 105,176	$ 106,459	$ 103,959	$ 107,567	$ 104,967
Revenues					
Interest	1,883	1,108	700	700	700
Funds Available	$ 107,059	$ 107,567	$ 104,659	$ 108,267	$ 105,667
Expenditures					
Contractual Services	600	0	2,500	3,300	4,000
Ending Balance, June 30	$ 106,459	$ 107,567	$ 102,159	$ 104,967	$ 101,667
Increase (Decrease) in Fund Balance	**$ 1,283**	**$ 1,108**	**$ (1,800)**	**$ (2,600)**	**$ (3,300)**

Alice Schaeffer Trust

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 42,432	$ 43,186	$ 43,586	$ 43,630	$ 43,930
Revenues					
Interest	754	444	300	300	300
Funds Available	$ 43,186	$ 43,630	$ 43,886	$ 43,930	$ 44,230
Expenditures	0	0	0	0	0
Ending Balance, June 30	$ 43,186	$ 43,630	$ 43,886	$ 43,930	$ 44,230
Increase (Decrease) in Fund Balance	**$ 754**	**$ 444**	**$ 300**	**$ 300**	**$ 300**

Art Center Donations Trust

Fund Statement

	Actual 2011/2012	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 27,907	$ 34,866	$ 43,366	$ 44,408	$ 44,908
Revenues					
Donations	$ 5,289	$ 9,463	$ 4,000	$ 5,000	$ 5,000
Interest	37	59	50	50	50
Other	1,633	20	50	450	50
Total Revenues	$ 6,959	$ 9,542	$ 4,100	$ 5,500	$ 5,100
Funds Available	$ 34,866	$ 44,408	$ 47,466	$ 49,908	$ 50,008
Expenditures					
Art Center Materials	$ 0	$ 0	$ 0	$ 4,000	$ 0
Contractual Services	0	0	0	1,000	0
Capital Outlay	0	0	4,400	0	0
Total Expenditures	$ 0	$ 0	$ 4,400	$ 5,000	$ 0
Ending Balance, June 30	$ 34,866	$ 44,408	$ 43,066	$ 44,908	$ 50,008
Increase (Decrease) in Fund Balance	**$ 6,959**	**$ 9,542**	**$ (300)**	**$ 500**	**$ 5,100**

Brad Burns Trust

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 304,184	$ 288,309	$ 288,509	$ 291,207	$ 293,107
Revenues					
Interest	4,919	2,898	1,900	1,900	1,900
Funds Available	$ 309,103	$ 291,207	$ 290,409	$ 293,107	$ 295,007
Expenditures					
Contractual Services	$ 0	$ 0	$ 2,500	$ 0	$ 0
Capital Outlay	20,794	0	0	0	0
Total Expenditures	$ 20,794	$ 0	$ 2,500	$ 0	$ 0
Ending Balance, June 30	$ 288,309	$ 291,207	$ 287,909	$ 293,107	$ 295,007
Increase (Decrease) in Fund Balance	**$ (15,875)**	**$ 2,898**	**$ (600)**	**$ 1,900**	**$ 1,900**

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 $67.00 for 2010/2011, 2011/2012 and 2012/2013. The labor rate increased to $69.00 an hour in 2013/2014 and that rate was maintained for 2014/2015. The labor rate is budgeted to increase to $71.00 per hour in 2015/2016.

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 2015/2016.

CURRENT TRENDS AND ISSUES:

The 2014/2015 revised estimate expenditures are $3,100 less than the budgeted amount. Personal services in the revised estimate are $15,800 higher than the budgeted amount primarily due to retirement pay for the Equipment Services Supervisor. Commodity costs, however, have decreased by $19,000 in the revised estimate primarily due to the recent lower fuel prices.

The 2015/2016 budget is $20,600 (1.7%) less than the original 2014/2015 budget. This overall decrease is primarily due the reduction for fuel purchases due to the recent lower fuel prices. As an internal service fund 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 $55,197 on June 30, 2015 and $67,997 on June 30, 2016.

GOAL STATEMENT:

To provide for the maintenance of all City vehicles and major equipment including both preventive and emergency maintenance to assure such equipment can be utilized by the City work force in the most productive and cost efficient manner.

PERFORMANCE MEASURES:

	Actual 2011/2012	Actual 2012/2013	Actual 2013/2014	Estimated 2014/2015	Estimated 2015/2016
Autos, Pickups, Flatbeds Serviced	235	239	234	235	236
Trucks, Buses, Garbage Trucks Serviced	148	142	146	141	144
Heavy Equipment/Tractors Serviced	24	22	28	24	25
Gallons of Gasoline Dispensed	71,984	77,225	77,977	78,000	78,000
Gallons of Diesel Fuel Dispensed	70,972	72,831	73,526	73,500	73,500
Preventative Maintenance Work Orders	1,009	871	982	856	930
Emergency Maintenance Work Orders	407	389	440	400	409
Work Orders Completed	1,416	1,260	1,422	1,256	1,339
Total Miles Driven (all vehicles)	1,128,675	1,200,310	1,165,847	1,182,915	1,164,437

RECENT ACCOMPLISHMENTS:

With the introduction of GPS technology for tracking vehicles and/or problems with vehicles, this division has entered into a new realm for being able to diagnose problems on vehicles before they happen or before the problem gets too serious.

The Equipment Services Supervisor continues to use the Public Surplus auction site for disposal of surplus vehicles and equipment. The latest auction was held in December 2014.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016:

* To continue the "Lean" initiative for the Equipment Services division. (**Council and Management Continuous Service Improvement Goal)**

***** To continue the re-certification of the mechanics as ASE (Automotive Service Excellence) mechanics.

Equipment Services Operations

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	
Beginning Balance (Deficit), July 1	$ (69,338)	$ (35,330)	$ (22,530)	$ (55,170)	$ (68,170)	
Revenues						
Charges for Services - City Departments	$ 1,209,824	$ 1,208,325	$ 1,198,600	$ 1,175,400	$ 1,184,200	(2)
Miscellaneous	0	3,725	0	500	0	
Total Revenues	$ 1,209,824	$ 1,212,050	$ 1,198,600	$ 1,175,900	$ 1,184,200	
Encumbrance Variance	395	0	0	0		
Funds Available	$ 1,140,881	$ 1,176,720	$ 1,176,070	$ 1,120,730	$ 1,116,030	
Expenditures (1)	1,176,211	1,231,890	1,192,000	1,188,900	1,171,400	
Ending Balance (Deficit), June 30	$ (35,330)	$ (55,170)	$ (15,930)	$ (68,170)	$ (55,370)	
Allowance for Inventory	128,802	123,367	128,802	123,367	123,367	
Net Balance, June 30	$ 85,986	$ 68,197	$ 112,872	$ 55,197	$ 67,997	
Increase (Decrease) in Net Balance	**$ 33,613**	**$ (19,840)**	**$ 6,600**	**$ (13,000)**	**$ 12,800**	

1. Expenditures include changes in compensated absences and other postemployment benefits.
2. The labor rate charge for vehicle and equipment maintenance is budgeted to increase from $69.00 to $71.00 per hour in 2015/2016.

Function:
Internal Service

Department:
Public Works

Activity:

Equipment Services Operations

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 292,772	$ 306,753	$ 302,500	$ 318,300	$ 295,000	-2.48%
Commodities	604,588	662,303	651,700	632,700	632,400	-2.96%
Contractual Services	241,770	239,555	220,600	220,700	220,800	0.09%
Capital Outlay	16,916	4,007	900	900	6,400	611.11%
Transfers	15,300	15,800	16,300	16,300	16,800	3.07%
Total Expenditures	$ 1,171,346	$ 1,228,418	$ 1,192,000	$ 1,188,900	$ 1,171,400	-1.73%
Funding Sources						
Charges for Services	$ 1,209,824	$ 1,208,325	$ 1,198,600	$ 1,175,400	$ 1,184,200	-1.20%
Other	0	2,725	0	500	0	
Total Funding Sources	$ 1,209,824	$ 1,211,050	$ 1,198,600	$ 1,175,900	$ 1,184,200	-1.20%

Personnel Schedule

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time:						
Vehicle Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00	
Vehicle Mechanic II	3.00	3.00	3.00	3.00	3.00	
Total	4.00	4.00	4.00	4.00	4.00	$ 200,000
Employee Benefits						95,000
Total Personal Services						$ 295,000

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Tools for Existing Toolboxes	3 Sets	No	$ 900
5 Ton Floor Jack	1	Yes	900
10 Ton Capacity Air Lift Jack and Support Stand	1	Yes	1,600
Air Compressor	1	Yes	3,000
Total			$ 6,400

INTERNAL SERVICE FUNDS

HEALTH INSURANCE FUND

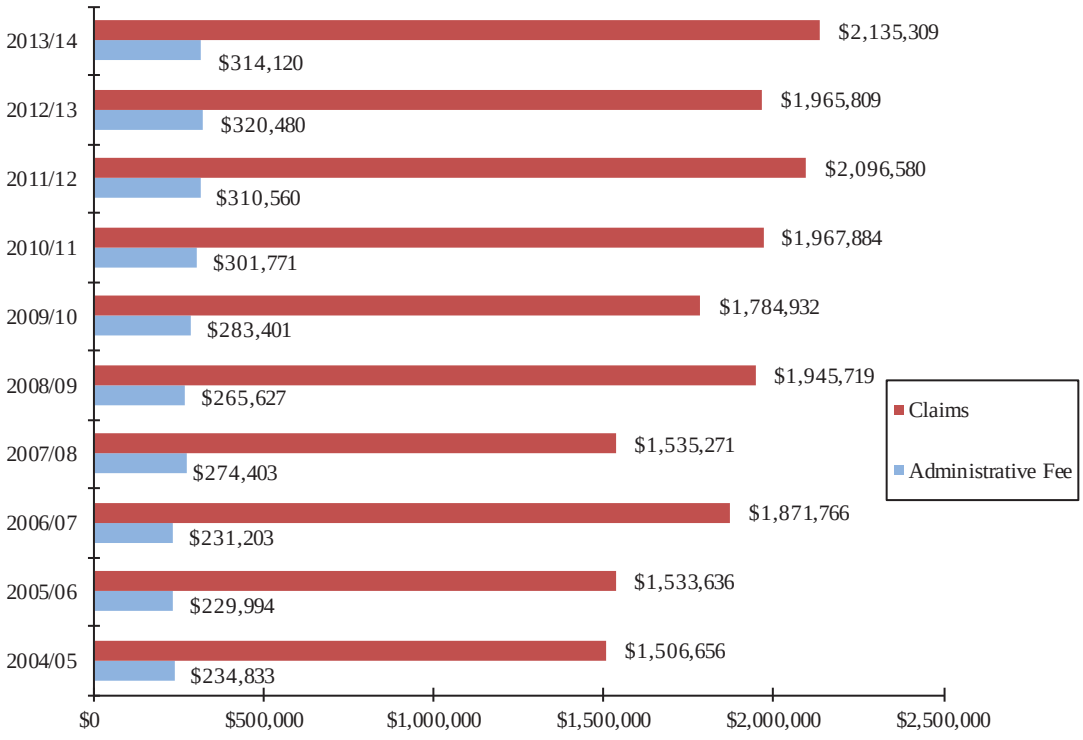
GENERAL INFORMATION:

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 2004/2005.

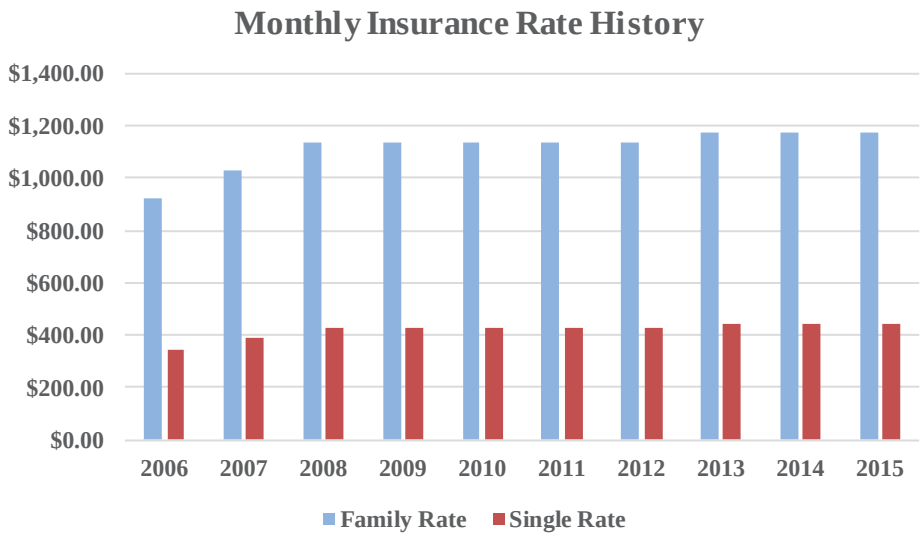
Health Insurance Claims and Administrative Fees



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 and 2015.

The City made a number of changes in the health insurance plan in past 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.



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 and 2015. The annual aggregate maximum level has been established at $2,880,200 for calendar year 2015 compared to $2,818,800 for calendar year 2014. The annual aggregate amounts reflect 125% of estimated claims for 2014 and 2015 for the City's group. The premium rates for 2014 included an administrative fee of $110.47 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 2015 the monthly administrative fee increased to $118.72 per month.

The 2014/2015 revised estimate and 2015/2016 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 2014/2015 revised estimate and 2015/2016 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 $54,700 for the 2014/2015 revised estimate and $56,300 for the 2015/2016 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 increased to $2 per covered person (estimated at $1,300) in 2014/2015. The fee for 2015/2016 is $2.08 per covered person and is estimated at $1,400. Beginning in 2014/2015, self-funded group health plans are also 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 was $39,249 for 623 covered persons. The contribution rate for 2015/2016 is $44 per covered persons and is estimated at $28,600.

The 2015/2016 budget includes estimated health insurance claims costs of $2,500,000 which is higher than Wellmark Blue Cross/Blue Shield's projected claims of $2,304,135 for our group. Based on this claims projection, the Health Insurance fund balance is estimated at $1,141,100 at the end of 2015/2016. 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 $2,880,200 for 2015. In the event the City's actual claims exceed the budgeted amount of $2.5 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 $2,880,200, the fund balance would decrease an additional $380,200. This would be the "worst case" scenario. The projected fund balance of $1,141,100 at the end of 2015/2016 would be sufficient to fund claims in excess of the estimated levels for several years.

Health Insurance Fund

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 1,587,859	$ 1,772,627	$ 1,681,627	$ 1,773,400	$ 1,471,900
Revenues					
Interest	$ 2,147	$ 2,897	$ 2,000	$ 2,000	$ 2,000
City Contributions	2,218,838	2,198,756	2,307,600	2,182,000	2,242,300
Employee Contributions	157,021	149,632	168,100	151,600	170,000
Retiree Contributions	154,109	164,668	164,100	196,300	201,800
Miscellaneous	3,370	0	0	0	0
Total Revenues	$ 2,535,485	$ 2,515,953	$ 2,641,800	$ 2,531,900	$ 2,616,100
Funds Available	$ 4,123,344	$ 4,288,580	$ 4,323,427	$ 4,305,300	$ 4,088,000
Expenditures					
Health Insurance Claims	$ 1,965,809	$ 2,135,309	$ 2,300,000	$ 2,400,000	$ 2,500,000
Administrative Fees	320,480	314,120	339,900	312,100	332,600
Flexible Benefit Plan Fees	4,154	6,191	5,000	5,000	5,000
Audit Fees	1,050	1,075	1,100	1,100	1,100
State Assessment	9,898	8,974	17,000	17,000	17,000
Wellness Tracking Program	0	0	0	0	1,900
Affordable Care Act Fees:					
PCORI Fee (Patient Centered Outcomes Research Institute) (1)	0	627	1,300	1,300	1,400
Transitional Reinsurance Fee (2)	0	0	39,500	39,200	28,600
Transfers Out					
General Fund Wellness Program	46,326	45,884	54,700	54,700	56,300
Administrative Fee	3,000	3,000	3,000	3,000	3,000
Total Expenditures	$ 2,350,717	$ 2,515,180	$ 2,761,500	$ 2,833,400	$ 2,946,900
Ending Balance, June 30	$ 1,772,627	$ 1,773,400	$ 1,561,927	$ 1,471,900	$ 1,141,100
Increase (Decrease) in Fund Balance	**$ 184,768**	**$ 773**	**$ (119,700)**	**$ (301,500)**	**$ (330,800)**

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 2012/2013 actual insurance claims were less than the expected claims levels which resulted in the increase in fund balance that year. Based on the budgeted levels of claims in the 2014/2015 revised estimate and 2015/2016 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 pay $1.00 per month toward their single coverage with the City paying the remaining cost. Employees will continue to pay 100% for family coverage if they choose this option. The change in employee participation for single coverage was due to provisions of the Affordable Care Act.

In 2011 dental insurance rates were $24.47 for single coverage with an additional $41.85 if employees opted for family coverage. The monthly administrative fee was $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 opted for family coverage. The monthly administrative fee increased to $3.75 per contract in 2014. In 2015 dental insurance rates increased to $30.85 for single coverage with an additional $52.78 if the employee opted for family coverage. The monthly administrative fee remained at $3.75 per contract in 2015. The 2015/2016 budget allows for the dental insurance rates to increase by 5% effective January 1, 2016.

For the 2015/2016 year, City, employee, and retiree contributions are estimated at $157,400. The administrative fee is projected at $10,100 and claims at $143,000. An estimated fund balance of $5,252 is projected for June 30, 2016.

Dental Insurance Fund

Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 24,412	$ 17,491	$ 13,091	$ 3,552	$ 952
Revenues					
City Contributions	$ 59,349	$ 61,408	$ 66,500	$ 66,500	$ 73,800
Employee Contributions	59,762	62,516	69,100	68,700	73,900
Retiree Contributions	5,632	5,466	5,300	7,900	9,700
Interest	30	25	0	0	0
Total Revenues	$ 124,773	$ 129,415	$ 140,900	$ 143,100	$ 157,400
Funds Available	$ 149,185	$ 146,906	$ 153,991	$ 146,652	$ 158,352
Expenditures					
Dental Insurance Claims	$ 122,438	$ 133,946	$ 130,800	$ 136,000	$ 143,000
Administrative Fees	9,256	9,408	10,100	9,700	10,100
Total Expenditures	$ 131,694	$ 143,354	$ 140,900	$ 145,700	$ 153,100
Ending Balance, June 30	$ 17,491	$ 3,552	$ 13,091	$ 952	$ 5,252
Increase (Decrease) in Fund Balance	**$ (6,921)**	**$ (13,939)**	**$ 0**	**$ (2,600)**	**$ 4,300**

Function:	*Department:*
City Component Unit	**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 Director 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

Fiscal year 2013/2014 was the first full budget year for the expanded CVB operation and expenditures totaled $74,835 that year.

The original budget for 2014/2015 was $90,300 and the revised estimate has been increased to $90,700. The revised estimate includes increases and decreases in various areas of the budget with the most significant (1) a decrease of $8,400 in personal services due to a vacancy in the CVB Director position during the year, (2) an increase of $5,000 for marketing, and (3) an increase of $4,000 for assistance to groups to assist with their events.

The 2015/2016 budget for the CVB totals $108,800 which is $18,500 (20.5%) higher than the 2014/2015 budget. The most significant increases are (1) a $10,000 increase for marketing, (2) a $6,000 increase for assistance to groups hosting events, (3) an $1,100 increase for photography services, and (4) a $1,000 increase for promotional supplies.

PERFORMANCE MEASURES

Metrics Measured	Goal 2013/2014	Actual 2013/2014	Goal 2014/2015	Goal 2015/2016
Requests for Mailings	50	N/A	100	50
Facebook Likes	600	698	750	850
Website Visitors	5,000	7,553	10,000	20,000
Visitor Guides Distributed	5,000	5,000	5,000	6,000

RECENT ACCOMPLISHMENTS

The new CVB Director began employment on September 2, 2014. He immediately went to work picking up where his predecessor left off. The new CVB Director introduced himself to members of the city, county, regional, and state tourism industry, with important networking opportunities coming at the Quad Cities Convention and Visitors Bureau annual meeting, the Iowa Tourism Conference in Council Bluffs, and the Travel Iowa Marketplace in Des Moines.

At the Iowa Tourism Conference on October 22, 2014, the Muscatine CVB was one of 18 selected to present at the conference's "Sound Bites" session, with the opportunity to present something new in the area in a 3-minute, non-Power Point presentation to Iowa Welcome Center staff from around the state. The CVB Director presented Deep Lakes Park and was wearing articles of clothing and carrying items that represent activities you can do and will someday be able to do at the park.

On December 8, 2014, the marketing committee presented its marketing plan for the remainder of fiscal year 2015 to the CVB board.

OBJECTIVES TO BE ACCOMPLISHED IN 2015/2016

* To increase hotel/motel tax receipts by 5%.

* To increase visits to visitmuscatine.com by 5% and improve length of stay.

* To distribute a minimum of 7,000 visitors guides.

* To distribute a monthly newsletter.

Muscatine Convention and Visitors Bureau

Budget Fund Statement

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016
Beginning Balance, July 1	$ 0	$ 64,535	$ 66,135	$ 75,305	$ 90,965
Revenues					
City Hotel/Motel Tax Allocation (1)	$ 55,000	$ 83,925	$ 85,500	$ 103,760	$ 95,000
Transfer of CVB Funds from Chamber	48,880	0	0	0	0
County Contribution	0	2,500	5,000 (2)	2,500	2,500
Other Contributions	100	0	0	0	0
Interest	73	108	100	100	100
Total Revenues	$ 104,053	$ 86,533	$ 90,600	$ 106,360	$ 97,600
Funds Available	$ 104,053	$ 151,068	$ 156,735	$ 181,665	$ 188,565
Expenditures (3)	$ 39,518	$ 75,763	90,300	$ 90,700	108,800
Ending Balance, June 30	$ 64,535	$ 75,305	$ 66,435	$ 90,965	$ 79,765
Increase (Decrease) in Fund Balance	**$ 64,535**	**$ 10,770**	**$ 300**	**$ 15,660**	**$ (11,200)**

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 2014/2015 was $2,500.
3. Expenditures include changes in compensated absences and other post-employment benefits.

Function:
City Component Unit

Department:
Muscatine Convention and Visitors Bureau

Activity:

Muscatine Convention and Visitors Bureau

	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Percent Change
Expenditure Summary						
Personal Services	$ 18,431	$ 49,192	$ 53,800	$ 45,400	$ 54,200	0.74%
Commodities	1,075	2,319	4,700	2,900	5,500	17.02%
Contractual Services	8,600	19,624	28,000	38,600	45,200	61.43%
Capital Outlay	11,412	-	-	-	-	
Transfers	-	3,700	3,800	3,800	3,900	2.63%
Total Expenditures	$ 39,518	$ 74,835	$ 90,300	$ 90,700	$ 108,800	20.49%
Funding Sources						
Transfer of CVB Funds from Chamber	$ 48,880	$ -	$ -	$ -	$ -	
City Hotel/Motel Tax Allocation	55,000	83,925	85,500	103,760	95,000	11.11%
County Contribution	-	2,500	5,000	2,500	2,500	-50.00%
Other	173	108	100	100	100	0.00%
General Revenues	$ 104,053	$ 86,533	$ 90,600	$ 106,360	$ 97,600	7.73%

Personnel Schedule	Actual 2012/2013	Actual 2013/2014	Budget 2014/2015	Revised Estimate 2014/2015	Budget 2015/2016	Budget Amount 2015/2016
Full Time:						
CVB Director	-	1.00	1.00	1.00	1.00	
Part Time:						
CVB Director	0.50	-	-	-	-	
Total	0.50	1.00	1.00	1.00	1.00	$ 41,300
Employee Benefits						12,900
Total Personal Services						$ 54,200

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/Kent Feeds (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:

Year	City of Muscatine	Muscatine County
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.

Employer	Product/Service	Approximate Number of Employees *
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	372
Hy-Vee Food Stores	Grocery store	431
HNI Corporation (HON Company/Industries)	Office furniture and material	3,600
Monsanto Company	Herbicides and ABS plastics	400
Muscatine Community School District	Education	856
Muscatine Community College	Higher education	138
County of Muscatine	County government	200
City of Muscatine	City government	224
Muscatine Power & Water	Utility	290
Musco Sports Lighting, Inc.	Sports lights	320
Stanley Consultants, Inc.	Engineers and architects	281
Raymond-Muscatine Inc.	Industrial trucks and end loaders	287
Trinity-Muscatine	Medical services	488
Wal-Mart Superstores	Discount and grocery store	325

* Employment numbers reflect 2014 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:

Facility Name	Grades	Date of Construction	Enrollment
Muscatine High School	9-12	1974	1,511
Central Middle School	6-8	1938	579
West Middle School	6-8	1960	624
Colorado Elementary	K-5	1962	284
Franklin Elementary	K-5	1954	299
Grant Elementary	K-5	1954	321
Jefferson Elementary	K-5	1928	344
Madison Elementary	K-5	1954	301
McKinley Elementary	K-5	1960	327

(Continued)

Facility Name	Grades	Date of Construction	Enrollment
(Continued)			
Mulberry Elementary	K-5	1962	296
Washington Elementary	K-5	1971	316
Total			5,202

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 5 calendar years are as follows:

	2010	2011	2012	2013	2014
Single Family Homes					
Number of New Homes:	8	11	15	10	7
Valuation:	$1,113,325	$2,244,560	$2,144,865	$2,525,540	$1,030,200
Home Remodel & Improvements					
Number of Permits Issued:	207	256	325	259	255
Valuation:	$1,916,322	$1,983,475	$2,754,000	$1,784,904	$2,579,082
Multiple-Family Dwelling					
Number of New Buildings:	5	2	-	5	8
Valuation:	$982,320	$1,638,643	$0	$2,280,540	$1,731,440
Commercial/Industrial/Other					
Number of New Buildings:	1	4	6	5	26
Valuation:	$1,675,200	$9,494,636	$4,387,265	$15,021,973	$22,488,472
Commercial/Industrial/Other Additions & Alterations					
Number of Permits Issued:	88	127	47	76	55
Valuation:	$3,780,982	$9,907,203	$30,432,120	$12,490,299	$4,912,011
Total Permits:	309	400	393	355	351
Total Valuations:	$9,468,149	$25,268,517	$39,718,250	$34,103,256	$32,741,205

Historical Employment Statistics

Following are the historical unemployment rates for the years indicated for Muscatine County and the State of Iowa:

Calendar Year	Muscatine County	State of Iowa
2014	4.40%	4.40%
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%

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:

Year Ended 3/31	Retail Sales	Number of Permits
2014	$ 377,445,272	699
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
2007	351,046,365	708
2006	335,687,212	651
2005	313,698,848	642

Population by Age (2010 Census):

Age Group	***City of Muscatine***	***Muscatine County***	***State of Iowa***
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):

Household Income	# of Households	% of Households
Under $10,000	597	6.4%
$10,000 to $14,999	666	7.1%
$15,000 to $24,999	1,233	13.1%
$25,000 to $34,999	1,026	10.9%
$35,000 to $49,999	1,490	15.9%
$50,000 to $74,999	2,107	22.4%
$75,000 to $99,999	1,119	11.9%
$100,000 to $149,999	796	8.5%
$150,000 to $199,999	213	2.3%
$200,000 or more	151	1.6%

Median and Mean Household Incomes (2010 Census):

Median	$46,178
Mean	$56,279

Race (2010 Census):

White	20,087
Black or African American	535
Asian	187
American Indian or Alaska Native	108
Native Hawaiian and Other Pacific Islander	4
Some Other Race	1,454
Two or More Race	511
	22,886

Hispanic or Latino and Race (2010 Census):

Hispanic or Latino (of any race)	3,794
Not Hispanic or Latino	19,092
	22,886

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)	Aa2
Number of employees (excluding seasonal)	
Full-time equivalent	224
Area in square miles	18.5
City of Muscatine facilities and services:	
Miles of streets	117
Parks and Recreation:	
Parks	14
Park acreage	254
Recreation open areas	8
Recreation open area acreage	232
Golf course	1
Swimming pools	1
Softball and baseball diamonds	19
Soccer fields	8
Tennis courts	8
Cemetery:	1
Number of acres	80
Library:	1
Number of registered borrowers	20,204
Circulation	408,722
Art Center and Museum	1
Police protection:	
Number of stations	1
Number of sworn officers	41
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	5.15 million
Maximum daily capacity in gallons	16.9 million
Public transportation system:	1
Buses	11
Fixed routes served	3
Shuttle vehicles operated	3
Municipal airport:	1
Primary runway length	5,500 feet
Crosswind runway length	4,000 feet

Appendix C

GLOSSARY

Accrual Basis of Accounting: A method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows.

Activity: Specific or distinguishable type of work performed by a component of government for the purpose of accomplishing a function for which the government is responsible.

Appropriation: Legal authorization by the City Council to make expenditures and to incur obligations for specific purposes.

Assessed Valuation: A valuation set upon real estate or other property by a government as a basis for levying taxes.

Availability Criterion: Principle of the modified accrual basis of accounting according to which revenues may only be recognized when they are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Basis of Accounting: The timing of recognition, that is, when the effects of transactions or events should be recognized for financial reporting purposes. For example, the effects of transactions or events can be recognized on an accrual basis (that is, when the transactions or events take place), or on a cash basis (that is, when cash is received or paid).

Bond: A written promise to pay a specific sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity dates, together with periodic interest at a specified rate.

Budget: The financial plan for the operation of a program or organization, which includes an estimate of proposed expenditures for a given period, and the proposed means of financing those expenditures.

Budget Message: A general outline of the budget, which includes comments regarding the government's experience during the past period, its financial status at the time of the message, and recommendations regarding the financial policy for the coming period.

Budgetary Basis of Accounting: The method used to determine when revenues and expenditures are recognized for budgetary purposes.

Business-Type Activities: Activities of the City that are financed in whole, or in part, by fees charged to external parties for goods or services. These activities are accounted for as enterprise funds and include the Airport, Transit, Parking, Golf Course, Boat Harbor, Marina, Ambulance, Refuse Collection, Landfill, Transfer Station, Water Pollution Control, and Collection and Drainage funds.

Capital Improvements Program: An annually updated plan or schedule of projected expenditures for public facilities and improvements which includes estimated project costs, sources of funding, and timing of work over a five-year period. For financial planning and general management, the program is presented as a plan of work and proposed expenditures, and is the basis for appropriation requests and bond issues.

Capital Projects Expenditures: Expenditures for facilities, facility or other improvements, or equipment which are non- recurring in nature and have a total cost in excess of $25,000.

Capital Outlay/Capital Expenditure: Operating budget expenditures for assets which have a value of $300 or more and have a useful economic lifetime of more than one year.

Capital Projects Fund: Fund used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Commodities: Supplies required by the municipality in order to perform services to its citizens.

Community and Economic Development Function: Government function that provides for planning and development of the City including the social, physical and economic needs of the City. Activities included in this function are Community Development, Economic Development and the Municipal Housing Programs.

Contractual Services: Services other than employee services such as contractual arrangements and consultant services, which may be required by the municipality.

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

Debt Service Fund: A fund established to account for the accumulation of resources for and the payment of general long-term debt, principal, and interest.

Depreciation: An appropriation is expended when a capital asset is acquired or constructed. By definition, a capital asset has a service life expected to extend over more than one fiscal period. The process of allocating the cost of a capital asset to the periods during which the asset is used is called depreciation.

Encumbrances: Obligations in the form of purchase orders, and/or contracts, which are chargeable to an appropriation and for which a part of the appropriation is reserved.

Encumbrance Variance: Differences between amounts encumbered to a budget year and the actual amount paid for those obligations in the succeeding year.

Enterprise Fund: A fund established to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of a governing body is that the cost of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Expenditures: The cost of goods received or services rendered for the government unit. For the City of Muscatine, expenditures are charged against an appropriation when incurred, not when paid.

Fiscal Policy: The City of Muscatine's policy with respect to taxes, spending, and debt management as they relate to government services, programs, and capital investments.

Fiscal Year: A twelve-month period to which an annual operating budget applies. The City of Muscatine's fiscal year is from July 1 through June 30.

Fringe Benefits: Benefits paid by the City of Muscatine for social security, retirement, group health, life, dental, and long-term disability insurance. It also includes costs for worker's compensation and unemployment.

Function: A group of related activities aimed at providing a major service or regulatory program for which a government is responsible.

Fund: The fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equity or balances and changes therein which are segregated for the purpose of carrying out specific activities or obtaining certain objectives in accordance with special regulations, restrictions or limitations.

Fund Balance: Funds remaining after the application of available revenues and resources to support expenditures for the fund.

General Fund: A fund used to account for all financial resources except those required to be accounted for in another fund.

General Government Function: Function that provides for the operation of the government and assures the general administration of the municipality. Activities included in this function are mayor and council, legal services, city administrator, human resources, wellness program, finance, 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 allowed 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, and fire 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