



City Hall, 215 Sycamore St.  
Muscatine, IA 52761-3899  
(563) 264-1550  
Fax (563) 264-0750

**FINANCE & RECORDS**

**MEMO**

To: Gregg Mandsager, City Administrator

From: Nancy A. Lueck, Finance Director

Date: May 3, 2016

Re: Resolution to set Public Hearing on Amending the 2015/2016 City Budget  
(Amendment #2)

**Introduction and Background:**

Attached is the Resolution Setting a Public Hearing on Amendment #2 to the current year City budget. City Council approved the first amendment to the 2015/2016 budget on March 3, 2016. That action amended the budget to the Revised Estimate levels established at the budget review sessions.

This second amendment includes additional proposed amendments since that time. This proposed amendment will increase total budgeted expenditures for the City by \$791,200 and transfers out will increase by \$144,900. Budgeted revenues are proposed to be amended by \$144,500 and transfers in by \$144,900. Of the overall requested expenditure increase, enterprise fund amendments total \$562,100 (71.0% of the amendment total) and the capital projects amendment is \$132,700 (16.8%). Enterprise fund revenue amendments total \$129,500 with those revenues funding a portion of the expenditure increases. The most significant enterprise fund amendment is a \$211,000 request for the replacement of the track loader at the Transfer Station. There would be a significant cost of repairing the current loader to make it operational and this repair would not significantly extend the useful life of the the current loader. The balance of the amendments are in (1) the City's General Fund (\$81,900) and (2) Special Revenue Funds (\$14,500). The total amendment of \$791,200 is \$158,700 higher than the total of amendment #2 for the 2014/2015 fiscal year of \$632,500.

General Fund expenditures are proposed to be amended by a total of \$81,900. This is higher than the \$13,000 budget increase in amendment #2 to the 2014/2015 budget but less than the \$160,100 increase in the 2<sup>nd</sup> budget amendment for 2013/2014. The amendments include: (1) an increase of \$35,500 in general government legal and other administrative costs, (2) a \$5,000 increase in the Building and Grounds budget for increased building repair costs, and (3) a \$41,400 increase in the Fire department budget for increased overtime, repair and maintenance services, and capital outlay costs. A \$10,000 insurance reimbursement will fund a portion of the increased capital outlay costs for replacement of the thermal imagers in the Fire department budget. There were also offsetting increases and decreases in the Roadway Maintenance and Snow & Ice Control budgets due to the mild winter.

**The proposed General Fund expenditure amendments would result in a decrease in fund balance of \$71,900. It is, however, expected that there should be savings in various General Fund department budgets which will offset all or a portion of this amount. For the City's Governmental Funds (primarily the General Fund), expenditures are required to be within the budget for each functional area. This amendment allows for somewhat of a "cushion" for increased costs so the budgets for the various functions are not exceeded at year end.**

**"I remember Muscatine for its sunsets. I have never seen any  
on either side of the ocean that equaled them" — Mark Twain**

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

Enterprise Fund amendments are proposed for the Refuse Collection, Transfer Station, Ambulance, and Public Housing funds totaling \$562,100. The enterprise fund amendments include (1) \$101,300 in the Refuse Collection fund for increased temporary services, overtime, vehicle maintenance services, transfer station costs, and compost site chipping services, (2) \$197,900 in operating costs for the the Transfer Station fund for increased overtime, landfill fees and hauling costs due to increased waste volume, increased repair and maintenance costs, and increased rental fees for replacement equipment (3) \$211,000 also in the Transfer Station fund for the requested replacement of the track loader, (4) a \$35,500 increase in the Ambulance fund due to increased temporary wages, medical supplies, repair and maintenance services, and capital outlay (funded from a grant), and (5) a total of \$16,400 for increased operating and maintenance costs in the City's Clark House and Sunset Park public housing facilities. It should be noted that with the amendment, the Refuse Collection fund is expected to further increase its deficit balance at year-end. This deficit is expected to be eliminated in future fiscal years. Of the operating expenditure increase of \$197,900 in the Transfer Station fund, \$110,000 is expected to be funded from increased tipping fees. The requested increase of \$211,000 for the track loader for the Transfer Station would add to the current internal loan for recent equipment purchases at the Transfer Station. Staff will be reviewing the Transfer Station deficit with the Landfill Committee later this month.

Other significant increases are \$132,700 for the final costs of the Cedar Street project. This amount includes \$85,147 in concrete incentives required by the IDOT to be paid to the contractor. The balance of the increase is due to increased payments to MP&W for their work at the round-about. Section 8 Housing Assistance payments are projected to be up by \$5,000 over the original revised estimate; this will be 100% funded from increased HUD funds. The \$4,500 increase in Section 8 administrative expenses will be funded from the operating reserve. Police Forfeitures expenditures are also proposed to be amended by \$5,000 with this increase funded from available fund balance.

#### **Summary:**

As noted previously, the total proposed amendment of \$791,200 is \$158,700 more than the total amendment of \$632,500 in 2014/2015. The requested amendment of \$211,000 for replacement of the Transfer Station track loader accounts for this increase.

The General Fund amendment for 2015/2016 of \$81,900 is \$68,900 higher than the 2014/2015 amendment of \$13,000. As noted above, the amendment for the 2013/2014 General Fund budget was \$160,100.

The total 2<sup>nd</sup> amendments and the General Fund amendments in the past five years were as follows: (1) 2014/2015 total 2<sup>nd</sup> amendment of \$632,500 with \$13,000 in the General Fund, (2) 2013/2014 total 2<sup>nd</sup> amendment of \$1,115,800 with \$160,100 in the General Fund, (3) 2012/2013 total 2<sup>nd</sup> amendment of \$370,700 with \$93,300 in the General Fund, (4) for 2011/2012 the amendment totaled \$945,360 with \$65,500 in the General Fund, and (5) in 2010/2011 the 2<sup>nd</sup> amendment totaled \$374,200 with \$202,100 in the General Fund. In each of those years the actual balances for the General Fund exceeded the revised estimate projected fund balances at year end.

**Recommendation:**

Please include the attached resolution setting a public hearing for May 19, 2016 on the second amendment to the City's Fiscal Year 2015/2016 budget on the May 5 2016 Council agenda. Please contact me if you have any questions.

RESOLUTION NO. \_\_\_\_\_

RESOLUTION SETTING TIME AND PLACE FOR A PUBLIC HEARING  
CONCERNING AMENDMENT #2 TO THE CITY BUDGET  
FOR THE FISCAL YEAR ENDING JUNE 30, 2016  
FOR THE CITY OF MUSCATINE, IOWA

WHEREAS, a public hearing is required in order to amend the budget for the City of Muscatine for the fiscal year ending June 30, 2016,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MUSCATINE, IOWA that a public hearing be set for May 19, 2016 at 7:00 p.m. in the City Hall Council Chambers, 215 Sycamore Street, concerning Amendment #2 to the City budget for fiscal year ending June 30, 2016, and that the City Clerk be directed to publish Notice of Public Hearing in the Muscatine Journal, in the form required by the State of Iowa.

PASSED, APPROVED AND ADOPTED this 5th day of May, 2016.

BY THE CITY COUNCIL OF THE CITY OF  
MUSCATINE, IOWA

\_\_\_\_\_  
Diana Broderson, Mayor

ATTEST:

\_\_\_\_\_  
Gregg Mandsager, City Clerk

**NOTICE OF PUBLIC HEARING  
AMENDMENT OF CURRENT CITY BUDGET**

Form 633 C1

The City Council of Muscatine in MUSCATINE County, Iowa  
will meet at City Hall Council Chambers  
at 7 p.m on 5/19/2016  
(hour) (Date)

,for the purpose of amending the current budget of the city for the fiscal year ending June 30, 2016  
(year)  
by changing estimates of revenue and expenditure appropriations in the following functions for the reasons given.  
Additional detail is available at the city clerk's office showing revenues and expenditures by fund type and by activity.

	Total Budget as certified or last amended	Current Amendment	Total Budget after Current Amendment
<b>Revenues &amp; Other Financing Sources</b>			
Taxes Levied on Property	12,404,951	0	12,404,951
Less: Uncollected Property Taxes-Levy Year	0	0	0
<b>Net Current Property Taxes</b>	<b>12,404,951</b>	<b>0</b>	<b>12,404,951</b>
Delinquent Property Taxes	0	0	0
TIF Revenues	1,954,900	0	1,954,900
Other City Taxes	3,510,003	0	3,510,003
Licenses & Permits	373,400	0	373,400
Use of Money and Property	1,166,952		1,166,952
Intergovernmental	11,671,813	5,000	11,676,813
Charges for Services	13,704,550	126,000	13,830,550
Special Assessments	0		0
Miscellaneous	4,861,930	13,500	4,875,430
Other Financing Sources	4,590,000		4,590,000
Transfers In	15,956,899	144,900	16,101,799
<b>Total Revenues and Other Sources</b>	<b>70,195,398</b>	<b>289,400</b>	<b>70,484,798</b>
<b>Expenditures &amp; Other Financing Uses</b>			
Public Safety	8,763,800	46,400	8,810,200
Public Works	2,478,700	0	2,478,700
Health and Social Services	45,000	9,500	54,500
Culture and Recreation	3,359,950	0	3,359,950
Community and Economic Development	3,889,040	0	3,889,040
General Government	2,402,851	40,500	2,443,351
Debt Service	4,233,068	0	4,233,068
Capital Projects	5,112,000	132,700	5,244,700
<b>Total Government Activities Expenditures</b>	<b>30,284,409</b>	<b>229,100</b>	<b>30,513,509</b>
Business Type / Enterprises	22,959,285	562,100	23,521,385
<b>Total Gov Activities &amp; Business Expenditures</b>	<b>53,243,694</b>	<b>791,200</b>	<b>54,034,894</b>
Transfers Out	15,956,899	144,900	16,101,799
<b>Total Expenditures/Transfers Out</b>	<b>69,200,593</b>	<b>936,100</b>	<b>70,136,693</b>
<b>Excess Revenues &amp; Other Sources Over (Under) Expenditures/Transfers Out Fiscal Year</b>	<b>994,805</b>	<b>-646,700</b>	<b>348,105</b>
Beginning Fund Balance July 1	30,985,006	0	30,985,006
Ending Fund Balance June 30	31,979,811	-646,700	31,333,111

Explanation of increases or decreases in revenue estimates, appropriations, or available cash:

To appropriate additional revenues and available fund balances. Amendments include increased Fire and Ambulance personal services, supplies, and repair and maintenance services costs; increased legal and other administrative costs; increased refuse collection and transfer station operating and repair and maintenance costs; replacement of a track loader for the transfer station; final costs for the Cedar Street project; increased housing supplies and services costs; and increases in various other operating costs.

There will be no increase in tax levies to be paid in the current fiscal year named above related to the proposed budget amendment. Any increase in expenditures set out above will be met from the increased non-property tax revenues and cash balances not budgeted or considered in this current budget.

Gregg Mandsager  
City Clerk/ Finance Officer Name

City of Muscatine  
 FY 2015/2016 Proposed Budget Amendments  
 (Budget Amendment #2)  
 May 3, 2016

Fund/Department	Account	Expenditure Amendment	Comments	Revenues/ Transfers In Amendment
<b>General Fund</b>				
<b>Legal Services</b>				
City Attorney Fees	1000-01-1121-61220	\$ 20,000	Based on actual to date and estimate for May and June	\$ -
<b>Human Resources:</b>				
Labor Attorney Fees	1000-01-1132-61220	10,000	Based on actual to date and estimate for May and June	-
Advertising	1000-01-1132-65100	2,500	Based on actual to date and estimate for May and June	-
<b>IT:</b>				
Software Maintenance	1000-05-1146-61340	3,000	Add1 Email achieving and endpoint security software; total estimated cost is \$5,000. can absorb \$2,000	-
<b>Building and Grounds:</b>				
Building Equipment Repair	1000-40-1151-67330	5,000	Based on actual to date and estimate for remainder of year	-
<b>Fire Operations:</b>				
Overtime	1000-20-1321-43100	20,000	Based on actual to date and estimate for remainder of year	-
Equipment Repair Services	1000-20-1321-67320	5,000	Based on actual to date and estimate for remainder of year	-
Operating Equipment	1000-20-1321-74200	16,400	Replace two thermal imagers; partial insurance reimbursement	10,000
<b>Roadway Maintenance:</b>				
Fulltime Wages	1000-40-1621-41100	17,900	Less allocated to Snow & Ice	-
Overtime	1000-40-1621-43100	7,600	Less allocated to Snow & Ice	-
FICA	1000-40-1621-45100	1,600	Less allocated to Snow & Ice	-
Medicare	1000-40-1621-45150	400	Less allocated to Snow & Ice	-
IPERS	1000-40-1621-45200	2,300	Less allocated to Snow & Ice	29,700
<b>Snow &amp; Ice Control:</b>				
Fulltime Wages	1000-40-1622-41100	(17,900)	Reduced allocation based on actual Snow & Ice costs	-
Overtime	1000-40-1622-43100	(7,600)	Reduced allocation based on actual Snow & Ice costs	-
FICA	1000-40-1622-45100	(1,600)	Reduced allocation based on actual Snow & Ice costs	-
Medicare	1000-40-1622-45150	(400)	Reduced allocation based on actual Snow & Ice costs	-
IPERS	1000-40-1622-45200	(2,300)	Reduced allocation based on actual Snow & Ice costs	(29,700)
<b>Total - General Fund</b>		<u>\$ 81,900</u>		<u>\$ 10,000</u>
<b>Enterprise/Internal Service Funds</b>				
<b>Refuse Collection:</b>				
Temporary Part-Time Wages	5642-45-5642-42200	\$ 20,000	Based on actual to date and estimated through 6-30-16	\$ -
Overtime	5642-45-5642-43100	12,000	Based on actual to date and estimated through 6-30-16	-
FICA	5642-45-5642-45100	2,000	Based on actual to date and estimated through 6-30-16	-
Medicare	5642-45-5642-45150	500	Based on actual to date and estimated through 6-30-16	-
IPERS	5642-45-5642-45200	2,800	Based on actual to date and estimated through 6-30-16	-
Transfer Station Fees	5642-45-5642-62240	15,000	Based on actual to date and estimated through 6-30-16	-
Temp Services - Agencies	5642-45-5642-62410	5,000	Based on actual to date and estimated through 6-30-16	-
Inside Services	5642-45-5642-67110	8,000	Based on actual to date and estimated through 6-30-16	-
Outside Services	5642-45-5642-67130	16,000	Based on actual to date and estimated through 6-30-16	-
Brush Control Services Compost Site	5642-45-5643-62140	20,000	Based on actual to date and estimated through 6-30-16	-
Subtotal		<u>\$ 101,300</u>		<u>\$ -</u>
<b>Landfill:</b>				
Transfers Out - Closure Reserve	5652-45-5652-90500	\$ 4,400	Additional Transfer Required per Annual Engineering Report	\$ -
Transfers Out - Post-Closure Reserve	5652-45-5652-90500	7,800	Additional Transfer Required per Annual Engineering Report	-
Transfers In - Closure Reserve	5656-45-5656-39500	-	Additional Transfer Required per Annual Engineering Report	4,400
Transfers In - Post-Closure Reserve	5654-45-5654-39500	-	Additional Transfer Required per Annual Engineering Report	7,800
Subtotal		<u>\$ 12,200</u>		<u>\$ 12,200</u>

<b>Fund/Department</b>	<b>Account</b>	<b>Expenditure Amendment</b>	<b>Comments</b>	<b>Transfers In Amendment</b>
<b>Transfer Station:</b>				
Overtime	5658-45-5658-43100	\$ 7,500	Based on actual to date and estimated through 6-30-16	\$ -
Landfill Fees	5658-45-5658-62240	115,000	Increased waste volume based on actual to date and est'd add'l	-
Hauling Services	5658-45-5658-62520	39,000	Increased waste volume based on actual to date and est'd add'l	-
Rentals	5658-45-5658-63300	13,400	Based on actual to date and estimated through 6-30-16	-
Building Equipment Repairs	5658-45-5658-67200	23,000	Based on actual to date including loadout tunnel repairs	-
			Est'd revenue from increased tonnage 5658-45-5658-35225	110,000
Equipment - Track Loader	4828-45-4828-74200	211,000	Funded from Internal Loan	-
Subtotal		<u>\$ 408,900</u>		<u>\$ 110,000</u>
<b>Ambulance Operations:</b>				
Temporary Part-Time Ambulance	5811-20-5811-42300	13,500	Based on actual to date and estimated through 6-30-16	-
FICA	5811-20-5811-45100	800	Based on actual to date and estimated through 6-30-16	-
Medicare	5811-20-5811-45150	200	Based on actual to date and estimated through 6-30-16	-
IPERS	5811-20-5811-45200	1,400	Based on actual to date and estimated through 6-30-16	-
Medical Supplies	5811-20-5811-8500	8,500	Based on actual to date and estimated through 6-30-16	-
Repair & Maintenance Services	5811-20-5811-67130	7,600	Based on ambulance repairs to date and estimated thru 6-30-16	-
Operating Equipment	5811-20-5811-74200	3,500	Training manikan: grant funded 5811-20-5811-3852C	3,500
			Ambulance Fees - Amt Over Prior Year Accrual 5811-20-5811-35161	16,000
Subtotal		<u>\$ 35,500</u>		<u>\$ 19,500</u>
<b>Clark Houses:</b>				
Plumbing Supplies	9002-90-9020-44206	\$ 2,500	Based on actual to date and estimated through 6-30-16	\$ -
Pest Control Services	9002-90-9020-44303	1,200	Based on actual to date and estimated through 6-30-16	-
HVAC Services	9002-90-9020-44308	2,500	Based on actual to date and estimated through 6-30-16	-
Security Services	9002-90-9020-44305	500	Based on actual to date and estimated through 6-30-16	-
Boiler Repair Services	9002-90-9020-44309	1,100	Based on actual to date and estimated through 6-30-16	-
Building Repair Services	9002-90-9020-44310	4,000	Based on actual to date and estimated through 6-30-16	-
Collection Losses	9002-90-9020-45700	1,500	Based on actual to date and estimated through 6-30-16	-
		<u>\$ 13,300</u>		<u>\$ -</u>
<b>Sunset Park:</b>				
Pest Control Services	9006-90-9060-44303	\$ 1,300	Based on actual to date and estimated through 6-30-16	\$ -
Other Repair/Maintenance Services	9006-90-9060-44315	1,800	Based on actual to date and estimated through 6-30-16	-
Subtotal		<u>\$ 3,100</u>		<u>\$ -</u>
<b>Total Enterprise Funds</b>		<u>\$ 574,300</u>		<u>\$ 141,700</u>
<b>Special Revenue Funds</b>				
<b>Road Use Tax Fund:</b>				
Transfer for Increased Costs for Cedar Street	8200-00-8214-90400	\$ 132,700	For increased final costs for Cedar Street including concrete incentives (reduction in transfer for Snow & Ice should offset)	\$ -
Subtotal		<u>\$ 132,700</u>		<u>\$ -</u>
<b>Police Forfeitures:</b>				
Operating Equipment	8660-15-8660-74200	\$ 5,000	Based on actual to date and estimated additional: available balance	\$ -
<b>Section 8 Voucher Program:</b>				
General Office Supplies	9007-90-9070-41901	\$ 400	Based on actual to date and estimated through 6-30-16	\$ -
Printing Supplies	9007-90-9070-41902	950	Based on actual to date and estimated through 6-30-16	-
Telephone Charges	9007-90-9070-41904	250	Based on actual to date and estimated through 6-30-16	-
Postage and Freight	9007-90-9070-41905	1,400	Based on actual to date and estimated through 6-30-16	-
Publications	9007-90-9070-41906	200	Based on actual to date and estimated through 6-30-16	-
Computer Hardware/Software Maint.	9007-90-9070-41908	250	Based on actual to date and estimated through 6-30-16	-
Other Admin Expenses	9007-90-9070-41910	700	Based on actual to date and estimated through 6-30-16	-
Hsg Assistance Pmts	9007-90-9070-47150	5,000	Based on actual to date and estimated through 6-30-16	-
			HUD HAPS funding 9007-90-9070-36903	5,000
General Office Supplies	9007-90-9071-41901	100	Based on actual to date and estimated through 6-30-16	-
Printing Supplies	9007-90-9071-41902	100	Based on actual to date and estimated through 6-30-16	-
Telephone Charges	9007-90-9071-41904	150	Based on actual to date and estimated through 6-30-16	-
Subtotal - Section 8 Voucher Program		<u>\$ 9,500</u>		<u>\$ 5,000</u>
<b>Total Special Revenue Funds</b>		<u>\$ 147,200</u>		<u>\$ 5,000</u>
<b>Capital Projects Funds:</b>				

<b>Fund/Department</b>	<b>Account</b>	<b>Expenditure Amendment</b>	<b>Comments</b>	<b>Transfers In Amendment</b>
<b>Cedar Street Improvements:</b>				
Final Contract Payments and MP&W Reimbursements	No Ledger Entry	\$ 132,700	Includes concrete incentives required by IDOT contracts	
			Road Use Tax Transfer In (no ledger entry)	\$ 132,700
		<u>\$ 132,700</u>		<u>\$ 132,700</u>
<b>Total Budgeted Funds (Including Transfers Out)</b>		<u>\$ 936,100</u>		<u>\$ 289,400</u>
<b>Expenditure Breakout:</b>			<b>Revenue Breakout:</b>	
Expenditure Increase		\$ 791,200	Increased Revenues	\$ 144,500
Funding Transfer Increase		144,900	Increased Transfers In	144,900
Total		<u>\$ 936,100</u>		<u>\$ 289,400</u>