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FINANCE & RECORDS

MEMO

To: Gregg Mandsager, City Administrator

From: Nancy A. Lueck, Finance Director

Date: May 13, 2011

Re: Resolution Approving Amendment #2 to the 2010/2011 City Budget

Introduction and Background:

Attached is the Resolution to approve Amendment #2 to the current year City budget. City Council approved the first amendment to the 2010/2011 budget on March 3, 2011. That action amended the budget to the Revised Estimate level 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 \$374,200 with budgeted transfers to increase by \$118,400 for a total expenditure change of \$492,600. City budgeted revenues are proposed to be amended by \$152,900, which includes \$132,500 of funding transfers in.

General Fund expenditures are proposed to be amended by \$201,100. The amendments include: (1) an increase of \$49,000 in the Snow & Ice Control budget due to the number of snow and ice events this past winter; (2) a total increase of \$30,000 in the Roadway Maintenance budget which includes \$22,000 for increased vehicle and equipment maintenance costs and \$8,000 for asphalt to fill potholes; (3) an increase of \$81,800 in the Fire operations budget which includes \$30,000 in increased overtime related to ambulance runs, \$31,800 for vehicle maintenance supplies and services, \$5,000 for increased retiree medical costs, and allows for \$14,300 in potential disability retirement payout costs; (4) an increase of \$10,500 in the Community Development department primarily for fuel, vehicle maintenance, and nuisance abatement costs; (5) an increase of \$6,000 in the Human Resources budget for increased labor attorney and advertising costs; (6) an increase in the Risk Management budget of \$4,000 for deductibles paid this year; (7) an increase of \$13,800 in Park activity budgets primarily for increased equipment and facility maintenance costs; and (8) \$7,000 for the City's share of the Muscatine-Louisa Island levee certification. General Fund revenues are proposed to be amended by \$121,900 which includes a \$3,500 donation for improvements to the Weed Park Rose Garden, \$79,000 in funding transfers from the Road Use Tax fund, \$30,000 from the Ambulance Fund, and \$9,400 from the Employee Benefit Fund.

The net effect of the proposed General Fund expenditure and revenue amendments shows a decrease in fund balance of \$80,200. 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 (primarily nuisance abatement costs in the Community Development and equipment maintenance costs in the Public Works budgets) so the budgets for the Community and Economic Development and Public Works functions are not exceeded at year end. If the full amount of the increase in the Public Works budgets is not needed, the corresponding transfer in from the Road Use Tax fund will be reduced and those funds will remain in the Road Use Tax Fund for future year street-related costs.

Enterprise Fund amendments are proposed for the Ambulance, Transit, Golf Course, and Public Housing funds. There are proposed amendments in the Special Revenue funds which include \$14,000 for the Section 8 Housing Voucher and Family Self-Sufficiency Programs, \$9,500 in the Art Center Trust funds, \$81,700 from the City's TIF funds, as well as funding transfers from the Road Use Tax and Employee Benefits Special Revenue funds.

Recommendation:

Please include the attached resolution to approve Amendment #2 to the City's FY 2010/2011 budget on the May 19, 2011 Council agenda. Please contact me if you have any questions.

Backup Information:

1. Resolution Approving Amendment #2 to FY 2010/2011 City Budget
2. Detail Budget Amendment Listing

70-653

CITY BUDGET AMENDMENT AND CERTIFICATION RESOLUTION

To the Auditor of MUSCATINE County, Iowa:

The City Council of Muscatine in said County/Counties met on May 19, 2011, at the place and hour set in the notice, a copy of which accompanies this certificate and is certified as to publication. Upon taking up the proposed amendment, it was considered and taxpayers were heard for and against the amendment.

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

RESOLUTION No. _____

A RESOLUTION AMENDING THE CURRENT BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2011

(AS AMENDED LAST ON 3-3-2011.)

Be it Resolved by the Council of the City of Muscatine

Section 1. Following notice published 5-7-11

and the public hearing held, May 19, 2011 the current budget (as previously amended) is amended as set out herein and in the detail by fund type and activity that supports this resolution which was considered at that hearing:

		Total Budget as certified or last amended	Current Amendment	Total Budget after Current Amendment
Revenues & Other Financing Sources				
Taxes Levied on Property	1	11,692,917	0	11,692,917
Less: Uncollected Property Taxes-Levy Year	2	0	0	0
Net Current Property Taxes	3	11,692,917	0	11,692,917
Delinquent Property Taxes	4	0	0	0
TIF Revenues	5	772,018	0	772,018
Other City Taxes	6	3,249,207	0	3,249,207
Licenses & Permits	7	292,200	0	292,200
Use of Money and Property	8	997,400	0	997,400
Intergovernmental	9	8,150,374	0	8,150,374
Charges for Services	10	12,105,100	0	12,105,100
Special Assessments	11	0	0	0
Miscellaneous	12	4,745,600	34,500	4,780,100
Other Financing Sources	13	19,290,121	118,400	19,408,521
Total Revenues and Other Sources	14	61,294,937	152,900	61,447,837
Expenditures & Other Financing Uses				
Public Safety	15	7,173,900	81,800	7,255,700
Public Works	16	2,317,900	86,000	2,403,900
Health and Social Services	17	17,800	0	17,800
Culture and Recreation	18	3,063,878	23,300	3,087,178
Community and Economic Development	19	2,979,808	106,200	3,086,008
General Government	20	2,083,419	10,000	2,093,419
Debt Service	21	3,399,472	0	3,399,472
Capital Projects	22	5,805,490	0	5,805,490
Total Government Activities Expenditures	23	26,841,667	307,300	27,148,967
Business Type / Enterprises	24	24,884,789	66,900	24,951,689
Total Gov Activities & Business Expenditures	25	51,726,456	374,200	52,100,656
Transfers Out	26	15,504,683	118,400	15,623,083
Total Expenditures/Transfers Out	27	67,231,139	492,600	67,723,739
Excess Revenues & Other Sources Over (Under) Expenditures/Transfers Out Fiscal Year	28	-5,936,202	-339,700	-6,275,902
Continuing Appropriation	29	0	N/A	0
Beginning Fund Balance July 1	30	19,656,392	0	19,656,392
Ending Fund Balance June 30	31	13,720,190	-339,700	13,380,490

Passed this 19 day of May, 2011
(Day) (Month/Year)

Signature
City Clerk/Finance Officer

Signature
Mayor

City of Muscatine
FY 2010/2011 Proposed Budget Amendments
(Budget Amendment #2)
May 2, 2011

Fund/Department	Account	Expenditure Amendment	Comments	Revenue Amendment
General Fund				
Human Resources:				
Legal Services	1000.1132.61240	\$ 5,000	Based on actual year-to-date and estimated through 6-30-11	\$ -
Advertising	1000.1132.65100	1,000	Based on actual year-to-date and estimated through 6-30-11	-
Risk Management:				
Damages (includes deductibles)	1000.1144.69500	4,000	Based on actual year-to-date and estimated through 6-30-11	-
Community Development:				
Unleaded Fuel	1000.1221.52720	2,000	Fuel cost increase based on actual year-to-date	-
Outside Printing	1000.1221.62370	500	Based on actual year-to-date for CIP and TIF documents	-
Nuisance Abatement Contractor	1000.1221.67470	7,000	Based on actual year-to-date and estimated through 6-30-11	-
Vehicle Maint - Inside Services	1000.1221.67110	800	Based on actual year-to-date expenditures	-
Vehicle Maint - Outside Parts	1000.1221.67150	200	Based on actual year-to-date expenditures	-
Fire Operations:				
Overtime	1000.1321.43100	30,000	Based on actual to date; funded by transfer from Ambulance	30,000
Retiree Medical Costs	1000.1321.61520	5,000	Based on actual to date; funded from Employee Benefits Levy	5,000
Non-Inventory Materials	1000.1321.53220	6,800	Based on actual year-to-date expenditures; fire truck repair parts	-
Vehicle Maint - Outside Services	1000.1321.67130	25,000	Based on actual year-to-date including aerial truck repairs	-
Operating Equipment	1000.1321.74200	700	Television and printer damages in lightning strike	-
Termination Pay	1000.1321.41100	9,100	Potential disability retirement prior to 6-30-11	-
Termination Holiday Pay	1000.1321.44400	800	Potential disability retirement prior to 6-30-11	-
Termination Benefits	1000.1321.46700	4,400	Potential disability retirement prior to 6-30-11; Emp Ben Levy	4,400
Park Maintenance:				
Agricultural Materials	1000.1423.52100	2,000	Re-seed Riverfront (flood damage repair)	-
Outside Services-Mat'l/Labor	1000.1423.67130	700	Based on actual year-to-date expenditures	-
Tires and Repairs	1000.1423.67140	700	Based on actual year-to-date expenditures	-
Outside Parts	1000.1423.67150	2,900	Based on actual year-to-date expenditures	-
Improvement Repair Services	1000.1423.67400	2,400	Increase to cover Riverview Center deck repair	-
Agricultural Materials	1000.1423.52100	2,000	Rose Garden - plants, mulch, etc. funded from Donation	2,000
Concrete	1000.1423.53330	1,500	Rose Garden - walkway improvements funded from Donation	1,500
Soccer Complex:				
Plumbing Supplies	1000.1427.53130	1,600	Concession stand sink to meet health requirements	-
Engineering/Levee Tax Levy:				
Aid to Agencies	1000.1751.68200	7,000	City portion Muscatine-Louisa Island levee certification (fund from Levee levy)	-
Roadway Maintenance:				
Asphalt	1000.1621.53310	8,000	Based on actual year-to-date and add'l for pothole repairs	-
Inside Service - Labor	1000.1621.67110	4,000	Based on actual year-to-date expenditures	-
Outside Services-Mat'l/Labor	1000.1621.67130	18,000	Based on actual year-to-date expenditures (Funded from Road Use Tax)	30,000
Snow & Ice Control:				
Fulltime Wages	1000.1622.41100	17,200	Based on actual year-to-date expenditures	-
FICA	1000.1622.45100	950	Based on actual year-to-date expenditures	-
Medicare	1000.1622.45150	250	Based on actual year-to-date expenditures	-
IPERS	1000.1622.45200	1,100	Based on actual year-to-date expenditures	-
Ice Control Chemicals	1000.1622.52230	(39,000)	Based on actual year-to-date expenditures	-
Diesel	1000.1622.52730	7,000	Based on actual year-to-date expenditures	-
Non-Employee Snow Removal	1000.1622.62470	21,500	Based on actual year-to-date expenditures	-
Inside Service - Labor	1000.1622.67110	21,000	Based on actual year-to-date expenditures	-
Inside Service - Inventory Mat'l	1000.1622.67120	2,500	Based on actual year-to-date expenditures	-
Outside Services	1000.1622.67130	500	Based on actual year-to-date expenditures	-
Tires and Repairs	1000.1622.67140	(500)	Based on actual year-to-date expenditures	-
Outside Parts	1000.1622.67150	16,500	Based on actual year-to-date expenditures (Funded from Road Use Tax)	49,000
Total - General Fund		\$ 202,100		\$ 121,900

Fund/Department	Account	Expenditure Amendment	Comments	Revenue Amendment
<u>Enterprise/Internal Service Funds</u>				
Ambulance Operations:				
Part-time Wages	5811.5811.42200	\$ 3,000	Based on actual year-to-date expenditures; inc'd ambulance runs	\$ -
Diesel Fuel	5811.5811.52730	6,000	Based on actual year-to-date expenditures; inc'd ambulance runs	-
Billing Services	5811.5811.61140	8,500	Based on actual year-to-date expenditures; inc'd ambulance runs	-
Operating Equipment Repair	5811.5811.67320	5,000	Based on actual year-to-date; includes radio lightning repairs	-
Transfer Out	5811.5811.90400	30,000	Transfer to General Fund for increased overtime	-
Subtotal		<u>\$ 52,500</u>		<u>\$ -</u>
Transit Operations:				
Outside Services	5211.5211.67130	\$ 16,000	Engine replacement Bus #241	-
Subtotal		<u>\$ 16,000</u>		<u>\$ -</u>
Golf Course Operations:				
Non-Inventory Supplies	5451.5451.53220	\$ 2,500	Based on actual year-to-date expenditures	\$ -
Outside Services-Mat'l/Labor	5451.5451.67130	2,000	Based on actual year-to-date expenditures	-
		<u>\$ 4,500</u>		<u>\$ -</u>
Golf Clubhouse Operations:				
Merchandise for Resale	5451.5452.52853	\$ 8,000	Based on actual year-to-date expenditures	\$ 8,000
Clark House:				
Fuel and Lubricants	8002.8020.44201	\$ 1,500	Based on actual year-to-date	\$ -
Tools and Minor Equipment	8002.8020.44203	1,000	Based on actual year-to-date	-
Appliance Repair Services	8002.8020.44218	500	Based on actual year-to-date	-
Vehicle Maint. Services	8002.8020.44236	400	Based on actual year-to-date	-
		<u>\$ 3,400</u>		<u>\$ -</u>
Sunset Park:				
Other Admin Expenses	8006.8060.41910	\$ 1,000	Based on actual year-to-date	\$ -
Cleaning Supplies	8006.8060.44201	400	Based on actual year-to-date	-
Other Maint. Materials	8006.8060.44215	(500)	Based on actual year-to-date	-
Plumbing Repair Service	8006.8060.44311	400	Based on actual year-to-date	-
Electrical Repair Services	8006.8060.44312	1,700	Based on actual year-to-date; parking lot lighting repairs	-
Sunset Park Children's Education Program:				
Wages and Benefits - Teacher	8006.8062.41100/45XXX	5,000	Funded by outside contributions	5,000
Supplies	8006.8062.41901	500	Funded by outside contributions	500
Computer Equipment	8006.8062.75400	4,000	Funded by outside contributions	4,000
Subtotal		<u>\$ 12,500</u>		<u>\$ 9,500</u>
Total Enterprise Funds		<u>\$ 96,900</u>		<u>\$ 17,500</u>
<u>Capital Projects Fund:</u>				
None				\$ -
Total Capital Projects Fund		<u>\$ -</u>		<u>\$ -</u>
<u>Special Revenue Funds</u>				
Road Use Tax				
Transfer for Roadway Maint.	8200.8211.90400	\$ 30,000	Funding for amendment to Roadway Maint.	\$ -
Transfer for Snow & Ice	8200.8212.90400	49,000	Funding for Amendment for Snow & Ice	-
Subtotal		<u>\$ 79,000</u>		<u>\$ -</u>
Employee Benefit Fund:				
Transfer to General Fund	8350.3911.90400	\$ 9,400	Transfer for Fire Retiree Medical and Retirement Sickleave payout (Fire)	
Art Center Trusts:				
General Trust				
Donations - Civil War Exhibit	3991.39976.62370	\$ 5,000	Brochure for exhibit; funded from donation	\$ 5,000
Alice Schaeffer Trust:				
Minor Equipment	3993.3993.52830	\$ 2,000	Available trust balance	\$ -
Brad Burns Trust:				
Art Acquisitions	3994.3994.74540	\$ 2,500	Available trust balance	\$ -

Fund/Department	Account	Expenditure Amendment	Comments	Revenue Amendment
Southend Tax Increment Fund:				
Economic Development Grant	8701.8701.68300	\$ 70,000	Economic development grant to Chamber for Bandag	\$ -
Financial Services	8701.8701.61150	2,700	Allocation of PFM Agreement (1/3)	-
Legal Consulting Services/Misc.	8701.8701.61240	4,000	Legal services for A&E Convenience TIF Rebate agreement	3,500
		<u>\$ 76,700</u>		<u>\$ 3,500</u>
Northeast Tax Increment Fund:				
Legal Consulting Services/Misc.	8702.8702.61240	5,000	Legal services for Oxbow/MCC Housing TIF Rebate agreement	5,000
Section 8 Voucher Program:				
Legal Expenses	8007.8070.41300	\$ 1,300	Based on actual year-to-date; HUD funded	\$ -
Housing Assistance Payments	8007.8070.47150	10,000	Based on actual year-to-date; HUD funded	-
		<u>\$ 11,300</u>		<u>\$ -</u>
Section 8 FSS Program				
Staff Training	8007.8071.41400	\$ 2,000	Staff training and certification	\$ -
Travel Expenses	8007.8071.41500	700	Staff training and certification	-
		<u>\$ 2,700</u>		<u>\$ -</u>
Total Special Revenue Funds		<u>\$ 193,600</u>		<u>\$ 13,500</u>
Total Budgeted Funds (Including Transfers Out)		<u>\$ 492,600</u>		<u>\$ 152,900</u>
Expenditure Breakout:			Revenue Breakout:	
Expenditure Increase		\$ 374,200	Increased Revenues	\$ 34,500
Funding Transfer Increase		118,400	Increased Transfers In	118,400
Total		<u>\$ 492,600</u>		<u>\$ 152,900</u>
Non-Budgeted Fund:				
Equipment Services Operations:				
Diesel Fuel	7625.7625.52730	\$ 40,000	Based on actual year-to-date; increased dept charges will fund	
			7625.7625.35440	\$ 40,000
Outside Services-Material/Labor	7625.7625.67130	50,000	Based on actual year-to-date; increased dept charges will fund	
			7625.7625.35450	50,000
		<u>\$ 90,000</u>		<u>\$ 90,000</u>
Total Budgeted and Non-Budgeted Funds		<u>\$ 582,600</u>		<u>\$ 242,900</u>