

City of Muscatine, Iowa



*Annual Budget
Fiscal Year 2023/2024*

ANNUAL BUDGET

CITY OF MUSCATINE, IOWA

**FOR THE FISCAL YEAR
JULY 1, 2023 - JUNE 30, 2024**

CITY OFFICIALS

Dr. Brad Bark
Mayor

City Council

Dennis Froelich	Jeff Osborne
Peggy Gordon	Nadine Brockert
John Jindrich	Angie Lewis
DeWayne Hopkins	

BUDGET PREPARED BY:

**Carol Webb, City Administrator
Nancy A. Lueck, Finance Director
LeAnna McCullough, Accounting Supervisor**

COVER:

Taylor Park Splashpad

The Taylor Park splashpad is one of the Southend Neighborhood Improvement projects. Funding of \$2 million from the Community Foundation of Greater Muscatine was designated for multiple park improvement projects in the south end of the community. Taylor Park projects include a splashpad, pickleball courts, restrooms, parking lot improvements, and a picnic shelter. Musser Park improvements include an all-inclusive playground, a picnic shelter, and a trail extension. This project also includes an all-inclusive playground at the Sunset Park Housing facility.

City of Muscatine

Mayor and City Council



Seated:

**Councilmember Dennis Froelich, Mayor Brad Bark,
and Councilmember Peggy Gordon**

Standing:

**Councilmembers Jeff Osborne, Nadine Brockert,
John Jindrich, Angie Lewis, and DeWayne Hopkins**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Muscatine
Iowa**

For the Fiscal Year Beginning

July 01, 2022

Christopher P. Morill

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, 2022. This was the 38th consecutive year the City received this award.

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

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

City of Muscatine
Information Directory

City of Muscatine Website
muscatineiowa.gov

City Administrator and Department Directors

<u>Director/Department</u>	<u>E-mail Address</u>	<u>Telephone</u>
Carol Webb City Administrator	cwebb@muscatineiowa.gov	563-264-1550
Melanie Alexander Art Center Director	malexander@muscatineiowa.gov	563-263-8282
Jodi Royal-Goodwin, Community Development Director	jroyal-goodwin@muscatineiowa.gov	563-262-4141
Nancy A. Lueck, Finance Director	nlueck@muscatineiowa.gov	563-264-1550
Jerry Ewers, Fire Chief	jewers@muscatineiowa.gov	563-263-9233
Robert Fiedler Library Director	rfiedler@muscatineiowa.gov	563-263-3065
Richard Klimes, Director of Parks and Recreation	rklimes@muscatineiowa.gov	563-263-0241
Tony Kies, Police Chief	akies@muscatineiowa.gov	563-263-9922
Brian Stineman, Public Works Director	bstineman@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. This plant is now part of the Kraft Heinz Company which was formed by the merger of Kraft Foods and Heinz.

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 business. 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 Iowa cities that continues to operate under such special authority.

The city is the county seat of Muscatine County and has a mayor-council form of government. Day-to-day operations of the city are carried out under the supervision of a City Administrator.

We remain proud of our heritage and the strong industrial base present today. **Mark Twain**, who lived in Muscatine in 1854, once wrote "*I remember Muscatine for its summer sunsets. I have never seen any on either side of the ocean that equaled them.*" Our noted sunsets, joined together with the rolling terrain, quiet neighborhoods and strong sense of family values gives Muscatine a special personality all its own.

See Appendix A for more information on the Muscatine community including demographic, employment, and other statistical information.

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INTRODUCTORY SECTION



Carol Webb
City Administrator
City Hall, 215 Sycamore St.
Muscatine, IA 52761-3840
Cwebb@muscatineia.gov
(563) 264-1550 Voice

TO: Mayor Brad Bark and Members of City Council

SUBJECT: Budget Message - FY 2023/2024

DATE: April 30, 2023

The budget for fiscal year 2023/2024 is hereby presented as adopted by City Council subsequent to the informational review process and required public hearings. 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 38th consecutive Distinguished Budget Presentation Award for the fiscal year 2022/2023 City Budget. The budget for fiscal year 2023/2024 will also be submitted for consideration for this award.

GOALS AND OBJECTIVES

The budget for 2023/2024 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 12, 2022 to discuss and establish goals and objectives for 2023/2024. The Core Values, Vision Statement, Mission Statement, and strategic goals for 2023/2024 and future years as adopted and prioritized by City Council are as follows:

Core Values

- Integrity
- Respect
- Innovation
- Excellence
- Professionalism
- Customer Service
- Fiscal Responsibility

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

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.

<i>OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024 AND FUTURE YEARS</i>

City Council adopted a Strategic Plan in December 2020 that outlines strategic goals for the City in the next two (2) to five (5) years. This Strategic Plan was re-affirmed by City Council as part of their annual goal-setting process for the 2023/2024 budget. The Strategic Plan includes five general areas as shown below. The City Council also identified potential initiatives, policies, and programs for 2023/2024 and future years that align with the City's strategic plan adopted in 2020. These immediately follow the Strategic Plan.

STRATEGIC PLAN

EXCELLENT CUSTOMER SERVICE

Provide excellent customer service to our residents, businesses, and visitors through effective citizen outreach and engagement, employee training, and improved organizational processes.

1. Conduct proactive outreach to citizens by providing timely and accurate information to the public through a variety of communication channels (e.g., website, social media, print newspaper, etc.).
2. Evaluate and modernize the City's tools and systems that customers use to interact with the City.
3. Empower employees with the tools needed to address customer needs at the lowest organizational level.
4. Provide customer service training to employees and ensure that customer service principles are integrated into employee performance goals and evaluations.
5. Develop and support a culture of process improvement within the City organization with a focus on LEAN principles.
6. Implement and capitalize on advanced technology to improve customer service.
7. Solicit input from the community to determine needs and desired services and facilities.

VIBRANT COMMUNITY

Enhance and improve the vitality of our community core and gateways including the Grandview Avenue Corridor, Park Avenue Corridor, Riverfront, and Downtown areas to support a thriving economy, vibrant neighborhoods, and a high quality of life and place.

1. Develop and implement subarea community plans for the Grandview Avenue Corridor, the Park Avenue Corridor, and the downtown in collaboration with key stakeholders, including residents, businesses, and industries, with a focus on revitalization and place making.
2. Complete planned roadway improvements, including the Grandview Avenue Corridor Revitalization Project and the 2nd Street Streetscape Project.
3. Initiate planning for the Park Avenue Corridor Revitalization Project.
4. Continue to implement components of the Riverfront Master Plan.
5. Support multi-jurisdictional cooperation for improvements to the Muscatine-Louisa County Levee projects.
6. Evaluate opportunities to leverage the Muscatine Municipal Airport and its location in the community.
7. Serve as a catalyst for a thriving downtown economy by partnering with downtown businesses and the Greater Muscatine Chamber of Commerce and Industry (GMCCI).
8. Develop wayfinding throughout the community to enable residents and visitors to locate assets and businesses throughout the community.
9. Create quality places that people want to work, live, and play in and that contribute to community health, happiness, and well-being.

HEALTHY COMMUNITY

Support a healthy community through the availability of quality affordable housing, outstanding recreational and cultural amenities, collaboration with community and healthcare partners, and opportunities for lifelong learning.

1. Complete and implement the Housing Plan in collaboration with a broad group of stakeholders and partners (including the Housing Collaborative and based on the Housing Demand Study), the HUD-approved Public Housing Plan, and other available documents and data.
2. Support the provision of a full range of housing types to meet the needs of a demographically diverse population.
3. Address vacant and nuisance properties to create new opportunities for housing and to support a vibrant community.
4. Support housing projects that increase the availability of quality housing that is affordable to a broad range of income levels by leveraging Tax Increment Financing and other incentives.
5. Leverage City-owned land to support affordable housing goals.
6. Explore innovative approaches to affordable housing development including land banking, revolving loan funds, and other tools.
7. Collaborate with community and healthcare partners to enhance services and improve the health and well-being of the community.
8. Continue to invest in and develop community recreational amenities that contribute to a healthy community and attract visitors.
9. Create and implement strategies to increase access to healthy food in the Grandview Avenue Corridor.

SAFE COMMUNITY

Provide exceptional public safety and community services to ensure a safe community in which residents may live, work, and play.

1. Meet or exceed community expectations regarding the quality of level of police, fire, and emergency services.

2. Invest in critical public safety infrastructure and equipment to maintain the expected level of service while managing capital costs.
3. Develop and implement master plans for public safety based on facility needs, call volume, population, and increasing demands for service.
4. Implement effective recruitment, training, and succession planning programs to ensure staff remain current in their fields and service levels are maintained or improved.
5. Implement technology tools, data collection, and assessment to streamline activities and improve efficiency and effectiveness of routine and emerging activities.
6. Continue to implement community policing principles and programs to build positive police-community relations
7. Continue to invest in active fire and injury prevention public education and code enforcement programs.
8. Continue active participation in state-level EMS and Fire organizations and partner with training institutions to further the quality of EMS practitioners and future employees.

RELIABLE PUBLIC INFRASTRUCTURE

The City will continue to update and implement its Capital Improvement Plan to ensure reliable, safe public infrastructure that meets community needs.

1. Continue to evaluate and prioritize capital investments utilizing multiple criteria such as fiscal wellbeing, desired service levels, state and federal mandates or legal requirements, and asset condition and operation.
2. Invest in master plans when appropriate and implement those plans as funding becomes available and is approved by City Council.
3. Implement asset management practices to maintain and replace aging assets while maintaining service levels.
4. Integrate placemaking into capital projects when feasible to create quality community spaces that are safe, attractive, and support community connectivity.
5. Implement capital projects and programs as identified in the Capital Improvement Plan.

Other Mayor and Council objectives include:

- Meet jointly with the County Board of Supervisors to discuss issues of shared interest.
- Conduct an annual planning meeting.
- Develop and implement an annual State of the City address.
- Continue to address policy issues of Council and community interest.

INITIATIVES, POLICIES, AND PROGRAMS FOR 2023/2024 AND FUTURE YEARS

The Mayor and City Council identified the following initiatives, programs, and projects for 2023/2024:

Customer Service

- Continue City Staff training (including leadership training and customer service training)
- Continue joint meetings with Muscatine Community School District and Muscatine County Board of Supervisors
- Study the parking system in the central business district and implement identified improvements

- Continue developing key metrics for City operations
- Continue implementation of SeeClickFix (citizen request tracking system) to improve response time to customer inquiries
- Develop a succession plan for key city staff positions
- Continue updating the City's website
- Implement online customer service improvements (e.g. eliminating paper processes, providing the ability for customers to transact business online, etc.)
- Invest resources in marketing and branding the City of Muscatine
- Conduct a staffing assessment, wage compensation study, and assess employee retention and attraction strategies
- Develop a balanced budget
- Continue pursuing grants to leverage City funds

Safe Community

- Continue Wayfinding implementation
- Continue keyless entry and other safety measures at City facilities
- Continue installing security cameras in City parks
- Continue pursuing a grade separation at Dick Drake Way
- Continue community policing efforts
- Continue efforts to recruit firefighters and EMS personnel

Vibrant Community

- Continue efforts on Downtown Revitalization
- Continue addressing nuisance properties and pursuing property demolitions
- Continue Small Business Forgivable Loan programs
- Evaluate opportunities for funding and pursuing more public art
- Continue efforts on Riverfront Amphitheater
- Update the Housing Study
- Develop an Economic Development Policy

- Update the City's Comprehensive Plan
- Continue efforts related to housing development, including Carver Corner

Reliable Public Infrastructure

- Continue work on Isett Avenue Reconstruction
- Complete the Grandview Avenue Reconstruction project
- Continue work on the West Hill Sewer Separation project
- Continue upgrades to City facilities
- Pursue the Houser/Fulliam Roundabout
- Pursue Fulliam Avenue Reconstruction
- Evaluate extending sewer to unserved areas in the City limits

Healthy Community

- Continue efforts to construct trails and improve the walkability of the community (e.g. sidewalk construction and maintenance)
- Continue the partnership with the School District for improvements at Kent-Stein Park
- Evaluate opportunities to add new amenities to Weed Park Pool

KEY BUDGET ISSUES

In developing the fiscal year 2023/2024 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. Due to continuing financial challenges, the goals in developing the 2023/2024 budget were to:

1. Maintain service levels
2. Provide departments with the resources needed to continue to provide services to residents
3. Provide funding for continued capital improvements
4. Propose reasonable tax rates and other funding options
5. Balance department budget requests with funding that is available
6. Further the City's Strategic Plan and City Council priorities

Recovery from the COVID-19 Pandemic

Due to the team effort of the City Council and City staff, as well as the recovering economy, CARES (Coronavirus Aid, Relief, and Economic Security) Act funding, and American Rescue Plan Act (ARPA) funding, the financial impacts of COVID-19 have not been as significant as originally projected. The most significant revenue concerns identified in prior years were in hotel/motel taxes, building permits,

and interest revenue. While these revenues were initially impacted, these revenues have recovered to near or even somewhat higher than those prior to the pandemic.

There still are, however, concerns going forward as described below, and City Council and City staff plan to continue to use caution going forward in fiscal year 2023/2024.

Increased Costs of Providing City Services

The 2023/2024 budget addressed the following increased costs of providing the same level of services to our residents:

1. Contractually required increases in compensation to union groups (3.0+%); non-union employees budgeted with a 3.0% increase
2. An additional increase in the Seasonal Pay Plan in an effort to attract workers for the numerous seasonal programs and facilities
3. Significant increases in the cost of operating supplies including fuel and parts
4. Supply chain issues – challenges in finding certain supplies, and increased costs of many supplies
5. Long lead-times for new vehicles and equipment

Utility Franchise Fee

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 and this fee has varied since it was implemented.

The 2019/2020 budget included an increase in the Utility Franchise Fee from the previous 2% to the maximum rate allowed of 5%. This increase was recommended in order for the City to maintain its service levels and to provide necessary capital equipment to departments. The 5% rate continued in 2020/2021 and in the original budget for 2021/2022. This assisted in maintaining the current service levels to residents while revenue reductions due to the COVID-19 pandemic continued.

Beginning in the fall of 2021, there were multiple news articles and news releases concerning projected increased prices for major home heating fuels for the coming winter. An Alliant Energy News Center report referenced a U.S. Energy Information Administration report which “projects natural gas expenditures in the Midwest will rise by nearly 50% compared to last winter” and notes “we expect natural gas prices to remain volatile over the coming months, with winter temperatures being a key driver of demand and prices”. The Alliant Energy’s News Center report further stated that “it is extremely difficult to accurately predict a realistic impact for customers” which directly correlates to the Utility Franchise Fees collected by the City. Projecting customer heating bills is further impacted since “customer heating bills are based on two elements: Cost of energy itself and the amount of energy customers use”.

City Council members indicated a desire to reduce the City’s Utility Franchise Fee rate to lessen the impact to residents from the projected increase in natural gas prices and in December of 2021 began the process to reduce the Utility Franchise Fee from 5% to 3%. After a required public hearing and consideration of the ordinance, this reduction was effective February 1, 2022.

Since natural gas prices are dependent on both the cost of natural gas and the amount of energy used, it is difficult to project the financial impact of a rate reduction to the City’s Utility Franchise Fee revenues.

The duration of the increased natural gas prices is also unknown. The franchise fee totaled \$456,312 in 2020/2021 at the 5% rate and \$518,879 for 2021/2022 with 7 months of that year at 5% and 5 months at 3%. The 2022/2023 revised estimate includes an estimated \$340,000 in utility franchise fees from a full year of the fees at the 3% rate and the 2023/2024 budget also includes an estimated \$340,000 from utility franchise fees at 3%. These are likely to be conservative estimates if the higher gas prices continue. With the utility franchise fee set at 3%, the City has latitude to increase the rate up to 5% to balance future year budgets, if needed.

State Legislation (Prior Years with Continuing Impacts)

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

1. Taxable valuations for commercial property and industrial property, which historically had been valued at 100% of actual value, were rolled back to 95% for 2014/2015 and to 90% for 2015/2016. Per this legislation the State was to provide a reimbursement to cities for the commercial and industrial rollback which was expected to offset a portion of the property taxes which would have been received if not for these rollbacks. This reimbursement, however, was capped at the 2016/2017 funding level.
2. Beginning in 2022/2023, however, the State began phasing out the reimbursement (the backfill) for the commercial and industrial rollback. This reduced the State reimbursement (in total across all funds) by \$76,970 in both 2022/2023 and 2023/2024. The reimbursement will continue to be phased out over the next six years until it is fully eliminated in fiscal year 2029/2030.
3. 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.
4. While the rollback factor for residential property was originally projected to incrementally increase in upcoming years from the 56.4094% in 2021/2022, it cannot increase above 60% per this legislation.
5. For the current fiscal year (2022/2023), however, there was no significant change in taxable valuations due to the residential rollback decreasing from 56.4094% to 54.1302%. In effect, the General Fund maximum levy of \$8.10 per \$1,000 of valuation yielded the same approximate tax dollars as the prior year.
6. For the upcoming fiscal year (2023/2024), taxable valuations increased by 8.36%. This was in part due to the residential rollback increasing from 54.1302% to 54.6501% (a .96% increase).
7. The 2013 legislation also created a new “multi-residential” property class which will be rolled back to residential levels by January 1, 2022 (valuations for the 2023/2024 budget), without backfill to local governments. This was phased in beginning in the 2016/2017 fiscal year. The rollback factor for these properties was 86.25% in 2016/2017, 82.50% in 2017/2018, 78.75% in 2018/2019, 75.00% in 2019/2020, 71.25% in 2020/2021, 67.50% in 2021/2022, and 63.75% in 2022/2023. The rollback factor decreased in 2023/2024 to the 54.6501% residential rollback.

This legislation has impacted the City’s taxable property valuations since fiscal year 2014/2015 and will continue to impact taxable valuations in future years.

Additionally, the state legislature passed a bill in 2022 that eliminated the Business Property Tax Credit and replaced it with the equivalent of a rollback on all commercial, industrial and railroad properties. While not all eligible properties applied for and received the previous tax credit, the new legislation places a rollback on the first \$150,000 of taxable value on all commercial, industrial and railroad properties that is equal to the residential rollback percentage (the value that exceeds \$150,000 will be subject to the commercial, industrial and railroad rollback of 90%).

The City's 2023/2024 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. After the 2023/2024 budget was adopted, the State legislature adopted additional "Property Tax Reform" legislation that will impact the City's budgets beginning in 2024/2025. The impact of this additional legislation will depend on property valuations in each of the upcoming years.

State COVID-19 Relief Funding

In October of 2020, the City received \$561,628 in COVID-19 Local Government Relief funds from the State. These funds were credited to the Emergency Tax Levy/ Emergency Fund, which had a balance of \$85,934. This brought the total in this fund to \$647,562. Due to concerns with revenue reductions in hotel/motel taxes, construction permits, interest, and other sources when the prior year (2022/2023) budget was prepared, the 2021/2022 revised estimate was based on transferring \$300,000 of the State COVID Relief funds to the General Fund in that fiscal year and \$261,600 in the 2022/2023 fiscal year to balance those years' budgets. Actual revenues in 2021/2022, however, exceeded the revised estimate amounts and actual expenditures were under the revised estimate amounts. The prior year revised estimate transfer of \$300,000 was not needed to balance that year's budget and those funds remained in the Emergency Tax Levy/ Emergency Fund. The balance in that fund was \$648,217 at the end of the 2021/2022 fiscal year.

In preparing the 2023/2024 budget, \$261,600 of the State COVID Relief funds were used to balance the 2022/2023 revised estimate and \$150,500 was used to balance the 2023/2024 budget. The prior year Emergency Fund balance of approximately \$86,000 is also budgeted to be transferred to the General Fund in 2022/2023. If those funds are not needed to balance those budgets, those funds (or a portion of those funds) will remain in the Emergency Tax Levy/ Emergency Fund.

American Rescue Plan Act (ARPA) Funding

The American Rescue Plan Act (ARPA) was signed into law on March 11, 2021. This Act provided \$1.9 trillion dollars of funding for families, governments, businesses, schools, non-profits, and others impacted by the COVID-19 public health crisis. The allocation for State and local governments totaled \$350 billion. The allocation for cities with populations less than 50,000 totaled \$19.5 billion. The City of Muscatine's allocation was \$3,533,377 with half of these funds (\$1,766,688) received in the 2021/2022 fiscal year and the balance received in 2022/2023.

The initial guidance on the uses of the American Rescue Plan funds to local governments was completed and available to local governments on May 10, 2021. Initial information on the eligible uses of the funding included:

1. Revenue replacement for the provision of government services to the extent the reduction in revenue is due to the COVID-19 public health emergency relative to revenues collected in the most recent fiscal year prior to the emergency
2. Premium pay for essential workers
3. Assistance to small businesses, households, and hard-hit industries, and economic recovery
4. Investments in water, sewer, and broadband infrastructure

The initial guidance provided that a calculation be done in order to use funds for revenue replacement. The final guidance allows governments to claim up to \$10 million for revenue replacement without the previously required calculation. The City plans to claim all of the ARPA allocation for revenue replacement, then allocate these funds for specific uses. ARPA funds are required to be expended or

obligated by the end of the 2024 calendar year, and obligated funds are required to be fully expended by the end of calendar year 2026.

Due to concerns with revenue reductions in hotel/motel taxes, construction permits, interest, and other sources when the prior year (2022/2023) budget was prepared, the 2021/2022 revised estimate was based on transferring \$222,000 of ARPA funds to the General Fund in that fiscal year and \$324,200 in the 2022/2023 fiscal year to balance those years' budgets. Actual revenues in 2021/2022, however, exceeded the revised estimate amounts and actual expenditures were under the revised estimate amounts. The prior year revised estimate transfer of \$222,000 was not needed to balance that year's budget and those funds remained in the American Rescue Plan Act Fund.

In preparing the 2023/2024 budget, \$217,200 of ARPA funds were used to balance the 2022/2023 revised estimate and \$327,100 was used to balance the 2023/2024 budget. If those funds are not needed to balance those budgets, those funds (or a portion of those funds) will remain in the ARPA fund and be allocated for other projects or programs.

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 City Council again tried to achieve in the 2023/2024 budget.

The City tax rate is budgeted to decrease from the current \$15.97054 per \$1,000 of valuation to \$15.67219 per \$1,000 for fiscal year 2023/2024, a decrease of 1.9%. The tax rate decrease was possible due primarily to the 8.36% increase in taxable valuations in 2023/2024.

The total property tax rate for the 2023/2024 budget of \$15.67219 per \$1,000 of taxable valuation is comprised of the following individual tax levies:

General Fund	\$8.10000 (maximum rate; no change)
Transit	.19459 (not levied in FY 22 or FY 23)
Tort Liability	.36075 (increase of 3.7%)
Employee Benefits	4.70493 (decrease of 6.9%)
Emergency Levy	.27000 (maximum rate; no change)
Debt Service	2.04192 (decrease of 7.2%)
Levee	.00000 (not levied in FY 22, FY 23, or FY 24)
	<u>\$15.67219</u>

The transit tax levy was eliminated for the 2021/2022 budget and was also not levied in 2022/2023. This was possible due to the accumulated balance in the Transit Fund and the CARES Act and related funding received for the Transit system in 2020/2021 and 2021/2022. This tax levy has been reinstated for 2023/2024. The Tort Liability levy increase is due to the budgeted increase in insurance premiums. Decreasing the Employee Benefits levy was possible due to the increase in valuations. The Debt Service levy was possible due to the decrease in bond and interest requirements for 2023/2024 and the increase in taxable valuations. The Emergency levy remained at its maximum rate and was needed to maintain City service levels.

While the total tax rate decreased by approximately \$.30 per \$1,000 of valuation (1.9%), other factors will impact the actual tax bills for various categories of properties. Rollback factors applied to several property categories will impact property taxes for these property owners. Residential property owners will see a .93% increase in city property taxes since the rollback factor applied to residential property increased

from 54.1302% to 54.6501% (by .96%) for the upcoming year. The County Assessor assigns the actual valuations to each property, which also impacts the taxes for each property. The average residential property in the City of Muscatine has an assessed value of \$123,456. The owner of the average residential property will see a decrease of \$10.00 in their city property taxes for 2023/2024 (if their taxable valuation remained the same).

With the rollback decreasing from 63.75% to 54.6501% for multi-residential properties, owners of multi-residential properties will likely see decreases in their city property taxes due to the decrease in the tax rate and the decrease in the rollback. The actual impacts, however, will depend on the change in the assessed valuation that is assigned by the County Assessor. The 90% rollback for commercial and industrial properties will continue in 2023/2024 and those properties will be impacted by the \$.30 decrease in the tax rate and the changes in valuations assigned by the County Assessor. Rollbacks on the various classes of properties are mandated by the State of Iowa and result in shifting the tax burden between different categories of property.

Significant Changes Implemented

Departments will continue to look for efficiencies and cost savings in their operations in 2023/2024 and future years. One of the City's goals for the upcoming year is to continue to develop a 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 recommendations included in the 2023/2024 budget 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 opposition 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 \$83,479,571 in 2023/2024 for all of the TIF areas. This value would generate \$676,185 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 \$15.67219/\$1,000 rate is \$1,308,308 – essentially lost city revenue that could be used to fund and maintain city operations and services. If that \$83.48 million was allocated toward regular valuations for all taxing entities, the county would generate over \$693,000 in taxes and the school over \$1,120,000 (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 2023/2024 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. For 2023/2024 the City is claiming \$2,643,500

in incremental taxes and approximately \$1,210,100 (31.4%) of incremental taxes were not claimed by the city for 2023/2024. 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 2023/2024 budgets, the City Council approved two resolutions in each of these years for internal advances of funds which allow the City to claim TIF funds for TIF administrative and economic development purposes. For 2023/2024, the first resolution provided for an internal advance of \$200,700 for staff time and other professional services involved in economic development activities and TIF administration which includes staff time of the City Administrator, Community Development Director, Assistant Community Development Director, Finance Director, Public Works Director, City Engineer, and Communication Manager positions. The other resolution was for an internal advance of \$43,000 for an economic development grant to the Greater Muscatine 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 each of the annual General Fund budgets from 2011/2012 through 2023/2024 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 City boundaries. This action has allowed the City to pursue using TIF funding for economic development or blight alleviation throughout the City.

Other Issues and Challenges for 2023/2024

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. These increases include:

1. Contractually required increases in compensation to union groups (3.0+ %); non-union employees are budgeted with a 3.0% increase
2. An increase in the Seasonal Pay Plan was implemented to attract workers for the numerous seasonal programs and facilities
3. There are significant increases in the cost of operating supplies including fuel and parts
4. There are also supply chain issues – challenges finding certain supplies and increased costs
5. There is also a long lead-time for ordering new vehicles and equipment

Municipalities are not immune to the same inflationary pressures that affect our residents and business community. Rising costs of fuel, 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 had an increase of 6.69% between December 2021 and December 2022 when the City began developing the 2023/2024 budget. This is less than the MCI increase of 10.82% between December 2020 and December 2021. The MCI has continued to increase since December of 2022, with the index increasing by an additional .62% between December of 2022 and April of 2023.

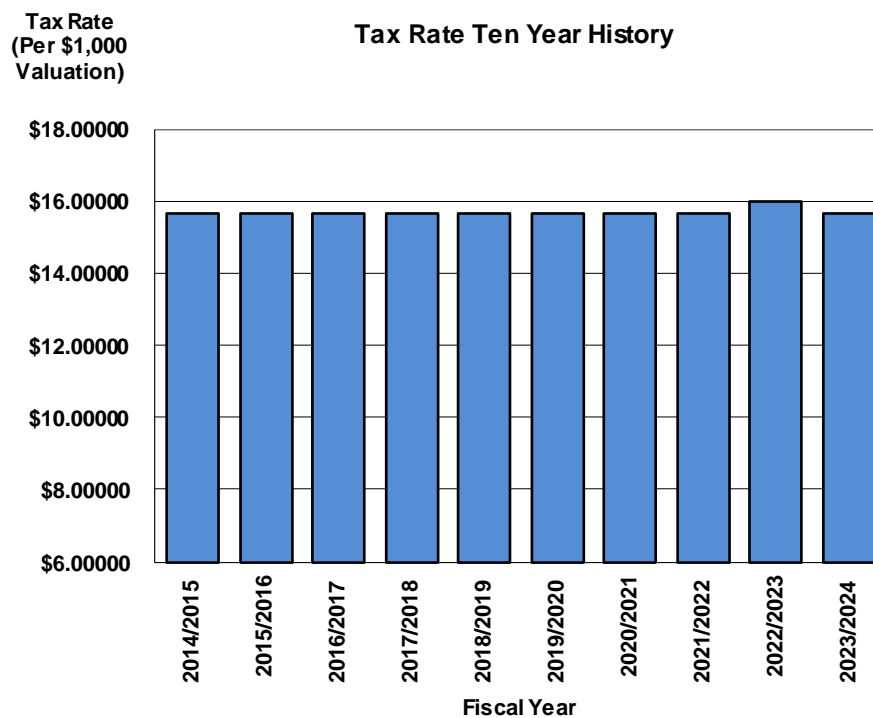
The 2015/2016 budget included an assigned funding allocation of \$12,300 to allow for merit increases for fulltime non-union employees. This was the first year of this program which allows for employees in this group to progress above the mid-point of their pay ranges based on merit performance in their positions. The 2016/2017 budget included \$12,300 for the 2nd year of this program. The budget amount was based on an estimated 30% of the fulltime employees in this group being eligible for merit pay of up to 1% of

their annual salary. The 2017/2018, 2018/2019, 2019/2020, 2020/2021, and 2021/2022 budgets each included \$50,000 to allow for merit increases in the non-union pay plan of up to 3% based on performance. While the 2020/2021 original budget included an allocation of \$50,000 for merit pay of up to 3%, this allocation was put on hold until midway through the fiscal year due to concerns with reduced revenue to the General Fund due to the COVID-19 pandemic. Due to financial constraints, the 2022/2023 budget included \$25,000 for merit increases of up to 1.5%. The \$50,000 merit pay allocation was restored for the 2023/2024 budget. This will again allow for merit increased of up to 3%.

TAX RATE AND TAX BASE

Tax Rate

Property taxes continue to be the major revenue source for the City of Muscatine. In 2023/2024, property taxes will represent 32.7% of total city operating revenues. This is an increase from the 31.1% in fiscal year 2022/2023. The total tax levy rate for fiscal year 2023/2024 will decrease by 1.9% to \$15.67219 per \$1,000 of valuation compared to the \$15.97054 per \$1,000 of valuation in 2022/2023. Prior to 2022/2023, the City had maintained a tax rate of \$15.67209 for ten (10) years. The following chart shows the property tax rates for the last nine (9) years and the budgeted rate for 2023/2024:



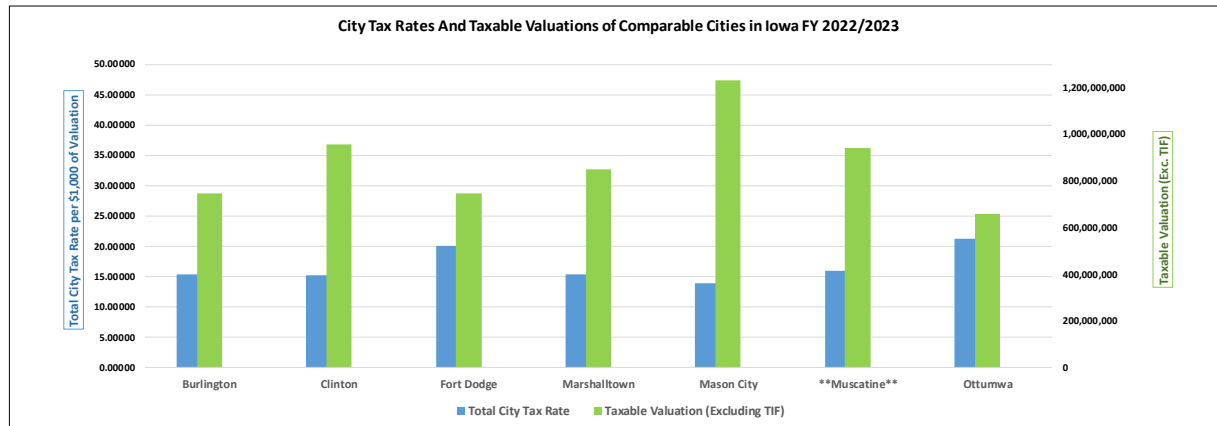
The tax rate for 2008/2009 was \$16.15095 per \$1,000 of valuation, it was lowered to \$15.55353 in 2009/2010, it increased slightly to \$15.77146 for 2010/2011, and that rate was maintained for 2011/2012. In 2012/2013 the rate was \$15.67209 and that rate was maintained for ten years through 2021/2022. For the current year (2022/2023) the tax rate was increased to \$15.97054 per \$1,000, an increase of 1.9%. The tax rate increase for 2022/2023 was needed in order to maintain City service levels while addressing budget challenges including: (1) there was no significant increase in taxable property valuations for that year, (2) the State began phasing out their reimbursement (the backfill) for the commercial and industrial rollback in 2022/2023, (3) the City had union contracts that provided for at least a 2.9% increase for the

upcoming year and compensation for non-union employees was also budgeted at a 2.9% increase, (4) a need to increase the compensation for seasonal employees to attract workers for the numerous seasonal facilities and programs of the City, (5) non-property tax City revenues continued to be negatively impacted by the COVID-19 pandemic (hotel/motel taxes, building permits, interest, etc.), (6) there have been significant increases in the cost of operating supplies including fuel, fertilizers and chemicals, vehicle and equipment parts, copy paper, etc., and (7) there were also supply chain issues which made locating supplies challenging and resulted in long lead-times for ordering vehicles and equipment.

The tax rate for 2023/2024 was reduced to \$15.67219 per \$1,000 of valuation (a 1.9% decrease). This decrease was possible primarily due to the 8.36% increase in taxable valuations for 2023/2024.

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 2022/2023 fiscal year. The information is not yet available for other cities for 2023/2024.

City tax levies for this group range from \$13.99746 per \$1,000 of valuation for Mason City to \$21.21996 for Ottumwa. The City of Muscatine’s rate of \$15.97054 is approximately in the middle of tax rates for these cities. Taxable valuations range from \$661,495,941 for Ottumwa to \$1,231,824,956 for Mason City. The City of Muscatine’s taxable valuation of \$942,190,675 is the 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	\$ 15.43637	\$ 15.28707	\$ 20.09897	\$ 15.36163	\$ 13.99746	\$ 15.97054	\$ 21.21996
Taxable Valuation (Exc. TIF)	\$ 749,170,650	\$ 955,584,718	\$ 749,045,489	\$ 850,101,492	\$ 1,231,824,956	\$ 942,190,675	\$ 661,495,941
Population (2020)	23,982	24,469	24,871	27,591	27,338	23,797	25,529

The total property tax rates for 2022/2023 include the County and School tax levy rates, in addition to the City's tax rate. The table below shows each comparable city's property tax rate as well as the total tax rate for property owners in those cities. While the City of Muscatine's tax rate of \$15.97054 per \$1,000 of valuation is in the middle of the rates of comparable cities, the City of Muscatine property owners' total tax rate of \$37.69583 per \$1,000 of valuation is the lowest in this group.

**City Tax Rates from Lowest to Highest and
Total Tax Rates of Comparable Cities**

	City Tax Rate	Total Tax Rate	Taxable Valuation
Mason City	\$ 13.99746	\$ 38.01889	\$ 1,231,824,956
Clinton	\$ 15.28707	\$ 46.39960	\$ 955,584,718
Marshalltown	\$ 15.36163	\$ 41.84081	\$ 850,101,492
Burlington	\$ 15.43637	\$ 40.61210	\$ 749,170,650
Muscatine	\$ 15.97054	\$ 37.69583	\$ 942,190,675
Fort Dodge	\$ 20.09897	\$ 47.76149	\$ 749,045,489
Ottumwa	\$ 21.21996	\$ 46.83523	\$ 661,495,941

Tax Base

Actual valuations for January 1, 2022 (valuations used for the 2023/2024 budget), increased by 10.88% as shown in the following chart. This increase was the highest in the last 10 years and exceeded the average increase over the last 10 years of 3.56%.

	<u>January 1, 2021</u>	<u>January 1, 2022</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Residential Property	\$ 980,567,908	\$ 1,127,518,065	\$ 146,950,157	14.99%
Commercial Property (1)	278,389,136	321,821,541	43,432,405	15.60%
Industrial Property	153,977,515	168,768,594	14,791,079	9.61%
Multi-Residential (1)	44,986,658	-	(44,986,658)	-100.00%
Railroads	1,226,743	1,242,992	16,249	1.32%
Utilities	3,310,083	2,227,762	(1,082,321)	-32.70%
Total Valuations	<u>\$ 1,462,458,043</u>	<u>\$ 1,621,578,954</u>	<u>\$ 159,120,911</u>	10.88%

1. Multi-residential properties were included with commercial properties until January 1, 2015. These properties include mobile home parks, manufactured home communities, land-leased communities, assisted living facilities, and properties with three or more separate living quarters. The valuations of these properties were rolled back over the last 7 years and beginning with the 1-1-22 valuations are now included in the residential property classification.

Taxable property valuations for 2023/2024 increased by 8.36% as shown below. The lower increase (compared to the increase in actual valuations) is due to the mandated rollback factors applied to the various categories of property.

	<u>January 1, 2021</u>	<u>January 1, 2022</u>	<u>Valuation Increase (Decrease)</u>	<u>Percent Increase (Decrease) in Taxable Value</u>	<u>Percent Increase (Decrease) in Actual Value</u>
Residential Property	\$ 526,660,756	\$ 609,990,675	\$ 83,329,919	15.82%	14.99%
Commercial Property	245,695,726	259,230,197	13,534,471	5.51%	15.60%
Industrial Property	137,278,903	147,657,328	10,378,425	7.56%	9.61%
Multi-Residential	27,661,053	-	(27,661,053)	-100.00%	-100.00%
Railroads	1,104,069	1,108,400	4,331	0.39%	1.32%
Utilities	3,310,083	2,227,762	(1,082,321)	-32.70%	-32.70%
Total Valuations	\$ 941,710,590	\$ 1,020,214,362	\$ 78,503,772	8.34%	10.88%
Less Military Exemptions	1,306,265	1,228,494	(77,771)	-5.95%	
Total Net Valuation	<u>\$ 940,404,325</u>	<u>\$ 1,018,985,868</u>	<u>\$ 78,581,543</u>	8.36%	

Growth in Tax Increment Financing (TIF) districts is not included in the actual and taxable valuations in the above charts.

The rollback of regular commercial and industrial valuations remained at 90% for 2023/2024. Multi-residential properties (those with 3 or more living quarters, assisted living facilities, land-leased communities, etc.), however, which had historically been included in commercial valuations, were then placed in a separate property class through the 2022/2023 year. Those valuations were rolled back from 90% to 86.25% in 2016/2017, to 82.50% in 2017/2018, to 78.75% in 2018/2019, to 75.00% in 2019/2020, to 71.25% in 2020/2021, to 67.50% for 2021/2022, to 63.75% for 2022/2023, and for 2023/2024 were rolled back to the residential rollback rate in effect for that year (54.6501%). Multi-residential properties will be included in the residential property classification beginning in 2023/2024.

Taxable residential property values increased by 15.82% due to several factors including (1) the change in the rollback factor for residential property increased from 54.1302% to 54.6501%, an increase of .96%, (2) the residential property classification now includes multi-residential properties that were formerly in a separate property classification, (3) re-valuations of residential properties by the County Assessor, and (4) new growth in residential valuations (including growth in properties formerly included in the multi-residential classification).

The other smaller categories of properties are railroads, which increased in valuation by .39%, and utilities, which decreased by 32.70%. Overall, these factors combined to result in the overall 8.36% increase in taxable valuations. It should be noted, however, the taxable valuation increase of 8.36% this year is the largest in recent years and well above the 2.83% average over the last ten years.

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.

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. Road Use Tax revenues are estimated at \$3,093,600 in 2023/2024. Road Use Tax revenues continue to reflect the \$.10 per gallon increase in fuel taxes approved by the state legislature effective March 1, 2015. The fuel tax increase was expected to increase the City's allocation of Road Use Taxes by approximately \$400,000 annually. This increase has allowed the City to accelerate the street improvements planned for recent and future years. Road Use Taxes are distributed to cities on a per-capita basis.

In 2023/2024 other State funding includes \$280,000 in Transit operating funds, \$320,000 in Airport capital grant funding, and \$350,000 in Iowa Reinvestment District funds.

The fiscal year 2023/2024 budget includes an estimated \$4,314,100 in federal funding for both operating and capital project costs. This includes: \$2,145,100 in funding for the Section 8 Housing rental assistance program, \$660,000 for operating and capital funding for the city's Public Housing Program, \$14,000 for the Home Ownership Education Program, \$798,800 in federal operating and capital funding for the Transit operation, \$585,000 for Airport capital projects, and \$111,200 in Police department grants.

CHARGES FOR SERVICES

For fiscal year 2023/2024, budgeted charges for services total \$16,744,700 and comprise 29.1% of total operating revenues of the city. Charges for services were 29.2% of the total operating revenues in the 2022/2023 budget. These charges primarily involve programs and activities in the city's Enterprise Funds. Fee increases are budgeted for sanitary sewer services, collection and drainage, refuse collection, and the golf course for fiscal year 2023/2024.

Sewer revenues including the separate collection and drainage charges are estimated at \$7,310,800 for 2023/2024. 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 2017/2018 the City contracted for a rate study and the resolution adopting the recommended rates was approved by City Council with those rates to be effective July 1, 2018 and annually thereafter for the next four years. The rate study recommended 3% annual increases in sewer rates and 2% annual increases in collection and drainage rates to be effective each July 1 from 2018 to 2022. The next sewer rate study was underway at the time the 2023/2024 budget was being developed. The 2023/2024 budget allowed for a 3% increase in sewer rates and a 2% increase in collection and drainage rates. The rate study recommendations were adopted after the budget was adopted and provide that (1) sewer rates will increase by 3% in each of the next five years from 2023/2024 to 2027/2028, and (2) collection and drainage rates will increase by 5% in each of the next four years and by 3% for the 5th year.

Transit fares were last increased for the 2015/2016 budget 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 \$135,000 for 2023/2024.

Boat harbor slip rental rates are based on boat length. In 2017 the long dock was replaced as part of a capital project funded by a Resource Enhancement and Protection (REAP) grant from the Iowa Department of Natural Resources (IDNR). Increased slip rentals were expected with completion of the dock renovation project. A fee survey was done by the Parks department early in 2018. Based on the survey results, annual fees were increased by \$50 for the 2018 season. Those rates will continue in 2023.

Golf course fees and sales are estimated at \$954,800 for 2023/2024. Golf fees were increased for the 2023 golf season by \$1.00 per round for all categories of greens fees, by \$25 for all categories of season passes, and by \$1.00 for each cart fee. The fee increase was needed to provide funds for capital improvements and equipment at the course as well as the increase in the seasonal pay plan rates.

Budgeted transfer station charges for services total \$2,099,400 for 2023/2024 based on an estimated 40,000 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 2023/2024 year. 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. Additional negotiated industrial contracts were approved in 2010 which assisted in generating new waste for this facility. These industrial agreement rates will continue in 2023/2024.

Budgeted landfill charges for services total \$1,159,400 for 2023/2024. The landfill rates are incorporated in the transfer station rates which are not budgeted to change for 2023/2024.

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 \$2,567,500 for 2023/2024. Rates are budgeted to increase for the 2023/2024 budget by \$1.00 per residential customer per month, with the regular residential rate increasing to \$23.00 and the senior rate increasing to \$18.00. The rate increase was needed in order to generate sufficient funds to replace refuse collection vehicles and for increased fuel and other operating costs.

The Fire department continues to provide ambulance services for the city and surrounding townships. Revenue from ambulance services is estimated at \$2,060,000 for the 2023/2024 budget. This revenue estimate includes an estimated \$290,000 in revenue from GEMT (Ground Emergency Medical Transportation) funding. This funding has increased the reimbursements for Medicaid patients beginning in the 2019/2020 fiscal year. The fee for the basic ambulance service is currently \$620, the rate for ALS 1 calls is \$735, the rate for ALS 2 calls is \$1,065, and the rate for SCT (Skilled Care Transports) is \$1,258. The Fire department reviews rates on an annual basis based on surveys of other area providers.

Parking fees are budgeted at \$125,000 for 2023/2024. Parking meter rates were last 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 2023/2024.

PROGRAMS AND SERVICES

The 2023/2024 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 237.61 for 2023/2024. This is a net increase of 3.84 in full-time equivalent positions compared to the original budget of 233.77 for 2022/2023. Changes in authorized positions for the 2022/2023 revised estimate and the 2023/2024 budget are as follows:

2022/2023 (Revised Estimate)

- There was a small decrease in part-time staffing at the Library due to a staff reorganization (.26 FTE decrease).
- An additional Housing Specialist position was added for the Housing Voucher Program and there was an increase in part-time hours in the housing divisions (1.07 FTE increase).
- These changes resulted in a .81 increase in FTE positions compared to the original 2022/2023 budget.

2023/2024 (Budget)

- There was a 4 hour/week increase in part-time custodian hours at the Art Center (.10 FTE increase).
- There was an increase in part-time staff hours at the Library (.20 FTE increase).
- There was an increase of one fulltime position at the Transfer Station with 50% of the new position allocated to Refuse Collection and 50% to the Transfer Station (1.00 FTE increase).
- The 29 hour/week Clerk at the Transfer Station was increased to fulltime (.27 FTE increase).
- The 29 hour/week Custodian at the Transfer Station was increased to fulltime (.27 FTE increase).
- The 29 hour/week Office Coordinator at the Fire department was increased to fulltime (.27 FTE increase).
- The Housing budgets include an additional fulltime Maintenance Repairperson position (1.00 FTE increase).
- There was decrease in part-time hours in the Housing budgets (.08 FTE decrease).
- These changes resulted in a 3.03 increase in FTE positions compared to the 2022/2023 revised estimate. Of this increase, .30 FTE is in the General Fund and 2.73 FTE is in enterprise/other funds.

The projected level of expenditures for the General Fund of \$24,901,528 for 2023/2024 is 6.2% (\$1,452,028) above the 2022/2023 budget of \$23,449,500. The overall increase in expenditures consists of (1) an increase of \$335,400 (2.6%) in salaries and wages, (2) an increase of \$151,500 (2.7%) in employee benefit costs, (3) an increase of \$62,100 (5.6%) in commodity costs, (4) an increase of \$253,600 (9.0%) in contractual services costs, (5) an increase of \$264,900 (33.6%) in capital outlay costs, and (6) an increase of \$384,528 (91.8%) in transfers and assigned funding.

The 2023/2024 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 2023/2024 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 Automated Traffic Enforcement (ATE) cameras at five intersections in the community. The Police department added a mobile ATE unit in November of 2016.

The Police department budget continues to include two School Resource Officer (SRO) positions with one in the high school and one in the junior high school, both of which receive 75% funding from the Muscatine Community School District. The two police officer positions assigned to the Drug Task Force will continue in 2023/2024. 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 2023/2024. Major Public Works projects scheduled for construction in 2023/2024 include completion of the Grandview Avenue phase of the Mississippi Drive Corridor project; engineering design for the Carver Corner Roundabout; the annual pavement management program; the annual new sidewalk construction program; and continuation of the West Hill Sewer Separation project.

The Refuse Collection budget continues the contracted single sort curbside recycling program which began in April, 2011. The City has also transitioned to an automated refuse collection program for residential waste. This program included 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 regular vehicles. Beginning in the spring of 2020, this division also eliminated the annual Spring Cleanup Week and replaced it with a year-round bulky waste pickup program on a call-in basis.

Recreation and cultural 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. This will include continuation of the building inspection and rental inspection programs, the nuisance abatement program, and several neighborhood improvement programs.

The city's Housing department operates the 100-unit Clark House Senior Facility, the 50-unit low and moderate income family Sunset Park Project, and the 50-unit Hershey Manor senior 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.

For fiscal year 2023/2024 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 as they can. These agencies provide valuable services to the entire community. For 2023/2024 the City Council chose to continue financial contributions to the Greater Muscatine Chamber of Commerce and Industry (Chamber), the Muscatine Humane Society, and Senior Resources. The Chamber contribution will be continued at their current funding level of \$43,000, the Muscatine Humane Society contribution will continue at \$90,000, and the Senior Resources subsidy will continue at \$30,000. The City also continued the marketing and tourism agreement with the Greater Muscatine Chamber of Commerce and Industry (GMCCI) with the annual funding allocation increasing from \$125,000 to \$135,000.

The 2015/2016 budget for the first time included an allocation of \$25,000 to the Muscatine Center for Social Action (MCSA) for their Homeless Prevention Program. The \$25,000 annual allocations continued through 2022/2023. For 2023/2024, MCSA requested an increase in their allocation to \$30,000 and that increased funding amount has been included in the 2023/2024 budget.

Operating expenditures budgeted for all city operations for 2023/2024 total \$54,608,721, which is an increase of \$2,376,442 (4.6%) from the fiscal year 2022/2023 level of \$52,232,279. Operating revenues for the city total \$57,531,281 for 2023/2024 compared to \$56,456,963 for 2022/2023, an increase of \$1,074,318 (1.9%). Capital project expenditures are estimated at \$15,500,200 for the 2022/2023 revised estimate and \$12,878,900 for the 2023/2024 budget.

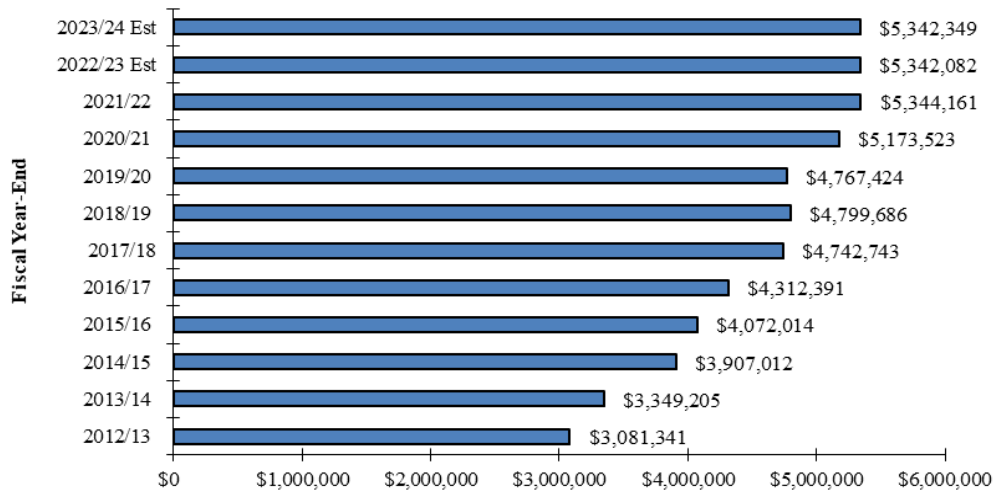
FUND BALANCE AND BUDGET POLICY ISSUES

The 2023/2024 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 annual comprehensive 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.

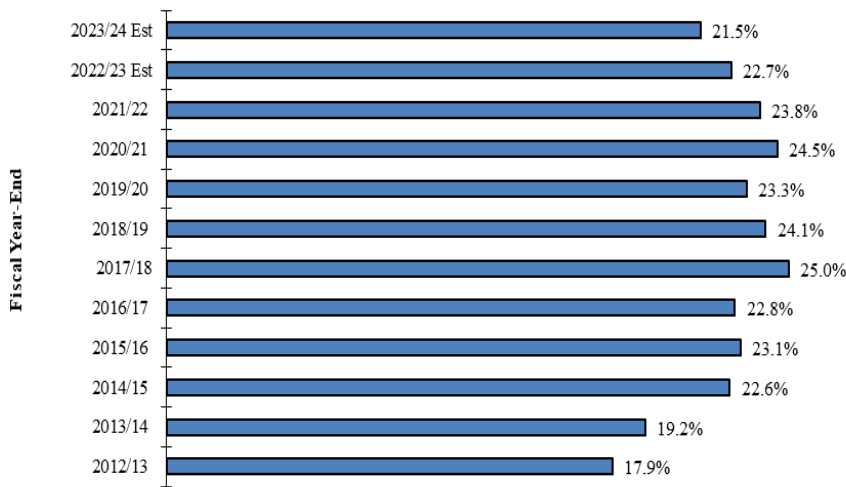
The city’s Operating Budget/Expenditure Policy provides that a balanced budget be presented each year for City Council consideration and approval. The policy defines balanced budget as one in which expenditures will not exceed estimated resources and revenues. This in effect provides that expenditures be less than the beginning fund balance of each fund plus revenues for the year. For 2023/2024, balanced budgets were presented to and approved by Council for all funds with the exception of the Marina Enterprise fund. The deficit in the Marina fund is due to the fuel inventory in that operation.

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 as shown in the following graphs.

General Fund Fund Balance History



Fiscal Year-End General Fund Balances as a Percent of Expenditures



The 2010/2011 General Fund ending balance was 13.6% of expenditures and this percentage has increased significantly since that year. It should be noted that the while the above graph shows the General Fund balance as a percent of expenditures decreasing in 2021/2022, the 2022/2023 revised estimate, and the 2023/2024 budget, the actual fund balance amount has remained the same which demonstrates that the City has adopted balanced budgets for those years.

The estimated ending General Fund balance of \$5,183,451 when the 2022/2023 budget was developed was 22.1% of budgeted General Fund expenditures which met the 16.7% minimum amount in the General Fund Balance policy. The 2022/2023 revised estimate ending fund balance of \$5,342,082 is 22.7% of expenditures. The revised estimate ending balance is \$158,631 higher than the original budget. This is

primarily due to the beginning fund balance on July 1, 2023 being \$161,156 higher than originally projected.

The estimated ending balance for 2023/2024 of \$5,342,349 is 21.5% of General Fund expenditures which again meets the minimum fund balance provision in the updated General Fund Balance Policy. There are no one-time uses of fund balance in excess of the minimum amount in the 2023/2024 budget. The 2023/2024 budget is “balanced” with budgeted revenues and transfers in \$267 higher than budgeted expenditures and transfers out. This demonstrates that the operating budget is sustainable and that fund balance did not need to be used to fund current operating expenditures. It should be noted, however, that one-time funding transfers into the General Fund of \$477,600 were used to achieve the balanced budget. These one-time transfers are (1) \$150,500 of State COVID Relief funds, and (2) \$327,100 of American Rescue Plan Act (ARPA) funds.

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 most recent bond rating received in April 2022 for the city’s May 2022 general obligation bond issue was Aa2 under Moody’s rating scale. This was the same rating as assigned for the 2020, 2018, 2016, and 2014 bond issues.

As discussed during the budget review process, the 2023/2024 budget is based on factors known at the time the budget was scheduled for a public hearing. As such, it does not reflect any legislative or other changes since the adoption of the budget. In the event there would be such changes, the following interim plan is proposed to be used:

- Provisions in the General Fund Balance Policy provide that “except for extraordinary circumstances, unassigned fund balance should not be used to fund any portion of ongoing and routine operating expenditures of the City”.
- The policy then provides that: “Extraordinary circumstances can include significant revenue fluctuations (i.e., State legislative changes limiting property taxes, limiting automated 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.”
- Having a strong General Fund balance and the Fund Balance Policy in place will allow time for staff and City Council to plan for how to address revenue reductions if they occur.
- The fund balance could be used in the short-term to backfill a portion of any lost revenues.

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 (CIP). In October of 2022, the City Council approved the resolution adopting the current Five-Year Capital Improvement Plan for fiscal years 2023/2024 through 2027/2028. 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 at <https://www.muscatineiowa.gov/DocumentCenter/View/28287/Capital-Improvement-Plan-FY-2024-2028?bidId=>. A listing of all of the projects in the Five-Year CIP is on pages 8-17 in the attached link. This list is ranked in "priority" order using the point system developed when the plan was being prepared. 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 2022/2023 revised estimate and the 2023/2024 budget are projects that 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, park facility and building improvements, and improvements at the airport.

Pavement Management Program/Street and Sidewalk 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 was extended in the 2018 referendum and is currently estimated at approximately \$668,000 annually. In 2023/2024, the Local Option Sales Tax funding for pavement management projects of \$668,000 will be supplemented with a \$332,000 allocation of Road Use Tax funds that total to a \$1,000,000 allocation for pavement management projects. The additional Road Use Tax funding is available as a result of the State legislature increasing the gasoline tax by \$.10 per gallon effective March 1, 2015.

The State transferred jurisdiction and maintenance responsibilities for the Mississippi Drive Corridor from the Mississippi River Bridge south to the Highway 61 Bypass to the City in September of 2014. The State provided \$13 million of funding that the City used to reconstruct and improve this corridor. Engineering design began in 2014/2015 and continued through 2016/2017 for the portion of this corridor from the Mississippi River bridge to Grandview Avenue. Construction for phase one of this project, from the Mississippi River bridge to Broadway, excluding the Mulberry Avenue intersection, began in the late spring of 2017 and this section has been completed. The CP Railroad contributed a total of \$4 million of funding for phase one of this project. Muscatine Power & Water is also contributing funds for the utility relocation work required by this project. The balance of the phase one project costs was funded from the Transfer of Jurisdiction funds. Construction began in 2019/2020 for Phase 2 of this project, the 2nd Street

and Mulberry Avenue roundabout, and the roundabout was completed in 2020/2021. Construction began in the spring of 2021 on Grandview Avenue, which is the third phase of the Corridor improvement project. The Grandview Avenue project is expected to be substantially completed by the end of the 2022/2023 fiscal year. Engineering design began in 2022/2023 and will continue in 2023/2024 for the Carver Corner Roundabout, the final phase of the Corridor project. Construction of the roundabout will be scheduled for a future year

The Mississippi Drive/Grandview Avenue Corridor project reconstructed and enhanced over three miles of the Highway 61 Business Route through Muscatine from the Mississippi River Bridge to the Highway 61 Bypass. This project was constructed in accordance with the City's Complete Streets Policy and included reconstruction of the roadway, installation of sidewalks, street lighting enhancements, lane reconfiguration, landscaping, gateway features, and burial of overhead utility lines.

The 2014/2015 budget included funding to begin a new sidewalk installation program with funding from Road Use Tax funds. Various new sidewalks have been installed since the inception of this program, many of which were in school zones. The most recent sidewalk project was for new sidewalks on 67th Street. Design for the 67th Street sidewalks began in 2020/2021 and was completed in the summer of 2022. The 67th Street Sidewalk construction was completed in 2022/2023. The 2023/2024 sidewalk allocation is for a new sidewalk on Devitt Street. The budget allows \$100,000 for this project (including engineering design). Funding for the 2023/2024 project is from American Rescue Plan Act (ARPA) funds.

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 is being constructed in multiple phases over the next six years and the total cost for all of the phases is projected to reach or exceed \$55 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 provided for three areas of work to be completed in calendar years 2015, 2016, and 2017. Bids for Phase 4 of the project were received in March of 2018. Phase 4 also consisted of three work areas to be constructed over the next three calendar years (2018, 2019, and 2020). Bids for Phase 5 were received in March of 2021 and this phase of the project was scheduled to be completed over two years (2021 and 2022). Contract work for Phase 5, however, is behind schedule, and is now expected to be completed by the end of calendar year 2023. Engineering design began in 2021/2022 and was completed in 2022/2023 for Phases 6-A and 6-B of this project. Bids for Phases 6-A and 6-B were received on May 9, 2023. The 2023/2024 funding amount reflects the final work on Phases 5-A and 5-B, a portion of the construction work on Phases 6-A and 6-B, construction engineering and inspection services and related costs, and engineering design work for the remaining phases of Phase 6.

The 80% allocation of Local Option Sales Tax funds was sufficient to fund project costs through Phase 5 of the West Hill project. In the long-term financing plan for the West Hill Sewer Separation project prepared by PFM, the City's financial consultant, State Revolving Fund (SRF) Loans were projected to be needed beginning in 2023 to fund all 5 phases of Phase 6 plus the work required at the Papoose Pumping Station at the end of the project. Based on available cost estimates, PFM estimated the SRF Loans needed to complete the financing of this project to total \$22,800,000. The interest rate for the SRF loan is

currently 2.0%. Up to three SRF loans are projected to be needed to fund the multiple contracts that will be required for Phase 6.

The previous 10-year local option sales tax period was scheduled to end on June 30, 2019 and a referendum was held on March 6, 2018 on the proposal to extend this tax for an additional 15 years to fund future sewer (80%) and street (20%) improvement projects. Voters again approved the extension of this tax with 88% voting in favor of the extension. The 80% allocation of the local option sales tax for sewer improvements will fund the remaining project costs and the projected debt service costs for the remaining phases of the West Hill Sewer Separation project

Other Projects

Other significant capital projects budgeted for 2023-2024 include:

Park Avenue West Bridge Replacement - During inspections of the bridges in the City, the Park Avenue West bridge was designated as a bridge that needed to be replaced. The 2023/2024 funding amount is for the engineering design for the new bridge. Construction is scheduled for 2025 with 100% of the construction costs to be funded from grant funds. Funding for the engineering design will be from future Road Use Tax funds or future bonding.

Soccer Fields 1-6 Irrigation System Improvements – During the development of the 2021/2022 budget, the Parks department requested the funds originally allocated for Soccer Field #3 improvements to be re-allocated and used to replace the irrigation systems on Fields 1-6. Engineering design for this project is underway in 2022/2023 and construction is scheduled for 2023/2024. The original bond funding amount will need to be supplemented with additional bond funding from the May 2024 bond issue to complete the financing of this project.

Weed Park Lagoon Bank Stabilization Project - Erosion has become a problem, especially on the north edge of the lagoon, posing a risk to the public who fish from these banks. The erosion will also cause the lagoon to prematurely fill with silt. This project will stabilize the water's edge by adding rip rap around the entire lagoon. The island in the upper section of the lagoon will also have rip rap added.

Substandard Building Demolition Projects – The City has identified a number of substandard buildings that may be required to be removed by the City as nuisance properties. These include buildings damaged by structure fires and other properties where the owners have not taken responsibility for the buildings. The City can assess the costs of demolition to the properties, but in many cases, it is doubtful that these costs will be recovered. The May 2022 bond issue provided \$200,000 of funding for demolition projects and an additional \$200,000 is budgeted to be included in the May 2024 bond issue.

Public Building Deferred Maintenance Projects - Since 2016, the City has been using bond proceeds to fund deferred building maintenance costs. The May 2022 bond issue included \$274,000 in funding for these projects and the budget allows for an additional \$200,000 to be included in the May 2024 bond issue for additional deferred building maintenance projects. The 2023/2024 funding amount is for carpet replacements in City Hall and the Fire department, and locker room expansion at the Police department.

Fire Engine - The May 2024 bond issue will include funding for a new front-line fire engine. This fire engine will replace a reserve engine that is 30 years old. The cost of the new fire engine is estimated at \$925,000.

Ambulance with Power Load - The May 2024 bond issue will include funding for a new front-line ambulance. This ambulance will replace a 2015 ambulance with over 202,000 miles. The cost of the new ambulance is estimated at \$276,000.

City Wayfinding Program - In January of 2023, the City entered into a contract with Corbin Design for \$75,950 to create a Wayfinding Masterplan for the City of Muscatine. The Wayfinding Master Plan is the first step in the development and implementation of a Wayfinding Program in the City, which will include monument signs at gateways to the City, directional signage to and between recreation and cultural amenities, and signage to specific business districts and/or neighborhoods. The program is proposed to be completed over five years with funding from future tax increment funds of \$150,000 per year, which includes the development of the wayfinding master plan.

Public Art – 2nd and Mulberry Roundabout - In December of 2020, the Public Art Advisory Commission released a Request for Qualifications targeted at artists with public art experience from Iowa and neighboring states. Seventeen artists expressed an interest in the project, and fifteen submitted applications. The Commission evaluated the applications and also consulted with City department heads, and narrowed the proposals to three. The Commission then held a public vote of the work of three artists being considered for the roundabout. Members of the Advisory Commission met on January 11, 2022 to review feedback from the survey and recommended the selection of the public art piece, Zenith by Nathan Pierce, as it garnered the largest percentage of votes. Fundraising then began for the sculpture as well as the installation costs. The donations received will be supplemented with American Rescue Plan Act (ARPA) funds to completed the financing of this project. This project is scheduled to begin in 2022/2023 and be completed in 2023/2024.

Art Center Japanese Garden Renovation - In 2019/2020, the Muscatine Art Center staff worked with Iowa State University landscape architect professor Heidi Hohmann, to gather documentation pertaining to the historic Japanese Garden at the Art Center and to create a plan for the garden. The Japanese Garden was installed by Laura Musser-McColm in 1930 and is a contributing feature for the property's National Register of Historic Places listing. Hohmann developed the Historic Landscape Preservation Plan, and the plan was used to secure two grants to fund its implementation. A third grant was received to hire a consultant to further research the garden. The plan balances the historic features of the garden with its current use as a public space, including ADA-accessibility. Grant awards include \$122,402 from the federal Paul Bruhn Historic Revitalization Fund administered through the Iowa Department of Cultural Affairs, \$100,000 from the Roy J. Carver Charitable Trust, and \$3,000 from Humanities Iowa. The project began in 2021/2022 and is scheduled to be completed in 2023/2024.

Public Works Fuel Tanks and Pumps - All departments of the City fuel their vehicles from the underground gasoline and diesel tanks at Public Works. The condition of the aging fuel tanks and fuel pumps has been noted in recent inspections of the system and insurance costs for these tanks have been increasing due to the age and condition of the tanks. The estimated cost of this project is \$514,000. Funding will be from the May 2024 bond issue.

Water Pollution Control Plant (WPCP) UV Disinfection System Project - The 2021/2022 WPCP budget included a \$100,000 allocation for a Facilities Plan to assist in identifying and prioritizing improvements needed at the WPCP. This study began in 2021/2022 and was completed in 2022/2023. This study ranked the UV Disinfection System as one of the highest priorities. The engineering design for the project is underway in 2022/2023 with project construction scheduled for 2023/2024. Funding for the project will be from the Plant Replacement Reserve.

Water Pollution Control Plant (WPCP) and Lift Stations Electrical Upgrades - The WPCP Facilities Plan completed in 2022/2023 identified electrical upgrades at the WPCP and the lift stations as priority projects. Engineering design for the upgrades is scheduled for 2023/2024 with project construction to follow in 2024/2025.

Lake Park Boulevard Watershed Study/Improvements - Several property owners on Lake Park Boulevard near the Mad Creek Bridge experience flooding in their garages or basements during flash flood events. A study was completed in 2021/2022 to evaluate alternate ways to address the flooding issues. Project design is scheduled to be completed in 2022/2023 for design costs for Alternate #1 of the recommendations in the study. The project costs for Alternate #1, estimated at \$135,000, are included in the 2023/2024 budget. Funding will be from Collection and Drainage funds.

Airport – Relocate Jet A Fuel Tank Project - The City was awarded a grant from the Iowa Department of Transportation in the amount of \$320,000 that will fund 80% of the cost of this project. The balance of the project costs will be funded from the May 2024 bond issue.

Airport – Lights, PAPIs, and REILs for Runway 12/30 and Parallel Taxiway Project - The City was awarded a grant from the Federal Aviation Administration (FAA) in the amount of \$585,000 that will fund 90% of the cost of this project. The local match for the project will be funded from the May 2024 bond issue.

City Comprehensive Plan

The City adopted its current comprehensive plan in September of 2013. The City's Five-Year Capital Improvement Plan (discussed above) was based on elements included in the comprehensive plan. The City's zoning ordinance update was also recently completed. Public forums were held to receive input from the community on the comprehensive plan, the zoning ordinance update, and the Five-Year Capital Improvement Plan. The City will be updating the Comprehensive Plan in 2023/2024 with funding from American Rescue Plan Act (ARPA) funds.

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. A list of the projects and their estimated May, 2024 bonding requirements is included in the Debt Service Fund section of this budget.

The City traditionally issues bonds every other year to assist in financing projects in the Capital Improvements Plan.

Long-Term Financing Plans for the City's Major Funds

The 2021/2022 budget for the first time included long-term financial plans for the City's General Fund and other major funds. These long-term financial plans have been updated for the 2023/2024 budget. Other major funds are the Debt Service, Employee Benefits, Local Option Sales Tax, Road Use Tax, Debt Service, Water Pollution Control, Transfer Station, and Refuse Collection funds. These plans include estimated revenues and expenditures for the four fiscal years following the upcoming budget year (2024/2025 through 2027/2028).

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 2023/2024 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 services 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 services 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 our elected representatives and the citizens of Muscatine.

It has been our honor and pleasure 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 2023/2024 budget together. A special thank you to LeAnna McCullough, Accounting Supervisor, and the rest of the Finance team, for their work on the budget preparation, compilation, and assistance with the publication of this document.

Respectfully submitted,

/s/ Carol Webb
City Administrator

/s/ Nancy A Lueck
Finance Director

CITY OF MUSCATINE FINANCIAL MANAGEMENT POLICIES

The following financial policies have been developed to provide guidance to the City's financial management system. The 2023/2024 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 accounting 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), that 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 automated 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, American Rescue Plan Act (ARPA) Fund, Municipal Housing Program Funds, HUD Legal Settlement Fund, Equipment Replacement Fund, Computer Replacement Fund, Employee Benefits Fund, Emergency Tax Levy Fund, Tax Increment Funds, Riverview Reinvestment District Fund, Community Development Block Grant Fund, Small Business Forgivable Loan Program Funds, and Police Forfeiture Fund. While the City continues to budget several of these funds as Special Revenue funds, the Emergency Tax Levy, Equipment Replacement, and Computer Replacement 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, Soccer Events, Ambulance, and Convention and Visitors Bureau (CVB) 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 special revenue funds. These funds are used to account for assets held by the City in a trustee or custodial capacity where both the principal and interest may be expended for purposes in the trust agreement. Budgeted trust funds which are now considered Special Revenue funds in fiscal year-end financial statements include the Library Trust Fund, the Art Center Trust Funds with the exception of the McWhirter-Gilmore Trust, the Parks Trust, and the Perpetual Care Interest Trust.

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, Soccer Events, Ambulance, Convention and Visitors Bureau, 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 2022/2023 and upcoming 2023/2024 fiscal years.

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

	<u>Operating Budget</u>	<u>Capital Improvements Budget</u>
October	<p>Finance Department prepares budget guidelines and preparation packet</p> <p>Goal setting session by City Council</p>	
November	<p>Finance Department distributes to departments budget manual and other materials</p>	
December	<p>Departments meet with Boards and Commissions and develop budget requests</p> <p>Budget requests submitted to Finance Department</p> <p>Budget discussions with City Administrator, Finance Director, and department heads begin</p>	
January	<p>Discussions with department heads, Finance Director, and City Administrator continue</p>	
February	<p>Proposed City Budget presented to City Council</p> <p>City Council in-depth review of department operating budgets</p>	
March	<p>Public Hearing #1 on proposed operating budget</p>	
April	<p>Public Hearing #2 on proposed Operating budget</p> <p>City Council approval of operating budget by resolution</p> <p>Certification of City Budget to County Auditor</p>	

	<u>Operating Budget</u>	<u>Capital Improvements Budget</u>
April		Community Development Department prepares guidelines and forms for revision to 5-year Capital Improvements Program
		Procedures for adding or revising capital improvement projects distributed to departments
May	Proposed budget amendments presented to City Council	
	Public hearing on proposed amendments	Capital Improvement requests submitted to Community Development Department
	City Council approval of amendments to current year budget by resolution	Proposed Capital Improvement package including possible funding sources forwarded to Planning & Zoning Commission
June		Discussion and review of proposed program by Commission
		Meetings of Planning & Zoning Commission and departments regarding projects, i.e., scope, need, and available funding
July		Planning & Zoning Commission recommendation to City Council
August		City Council discussion of proposed program
		Public hearing by City Council regarding capital improvement program
September		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 generally begins nine months prior to July 1st, the beginning of the City's fiscal year. The City Council held a special meeting on October 12, 2022 to discuss their overall goals and objectives and the Strategic Plan for the operation of the City. The new goals were formally adopted on November 3, 2022. Department directors incorporated funding in their department budgets or in related capital project funds to achieve the goals and objectives adopted by the City Council for the upcoming year.

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 six advisory commissions consisting of fifty-seven 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. 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 posted on the City's website.

Department requests for appropriations were submitted to the Finance Department for initial review by 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 26, 2023. The City Council received a budget notebook which included the budget overview 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 2023/2024. 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. 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 hearings for the budget.

In their 2019 session, the State legislature approved a property tax bill affecting local governments beginning with the fiscal year 2020/2021 budget. This bill left the current tax levy categories in place but established a "maximum property tax dollars" which is equal to 102% of the prior year's budget for certain levies. The bill allows cities to exceed the 2% level with a two-thirds majority vote of the Council after notice is published and public hearings are held. The ability to exceed the 2% tax revenue increase is still limited by the current caps on the General Fund, Emergency, Levee, and other tax levies. This requires all cities to hold two public hearings each year with the first being on the maximum property tax dollars for certain levies and the other

for the final property tax levy and adoption of the budget. The City held those hearings on April 6 and April 20, 2023 and the budget was adopted on April 20.

Notices of the hearings were made in the local newspaper, the City's website, and the City's social media sites. The notice for the 2nd public hearing included a summary of proposed expenditures and revenues and the proposed property tax rate. According to State law, the tax rate and the total expenditures cannot be increased after publication of the public hearing notice. During the public hearings, 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.

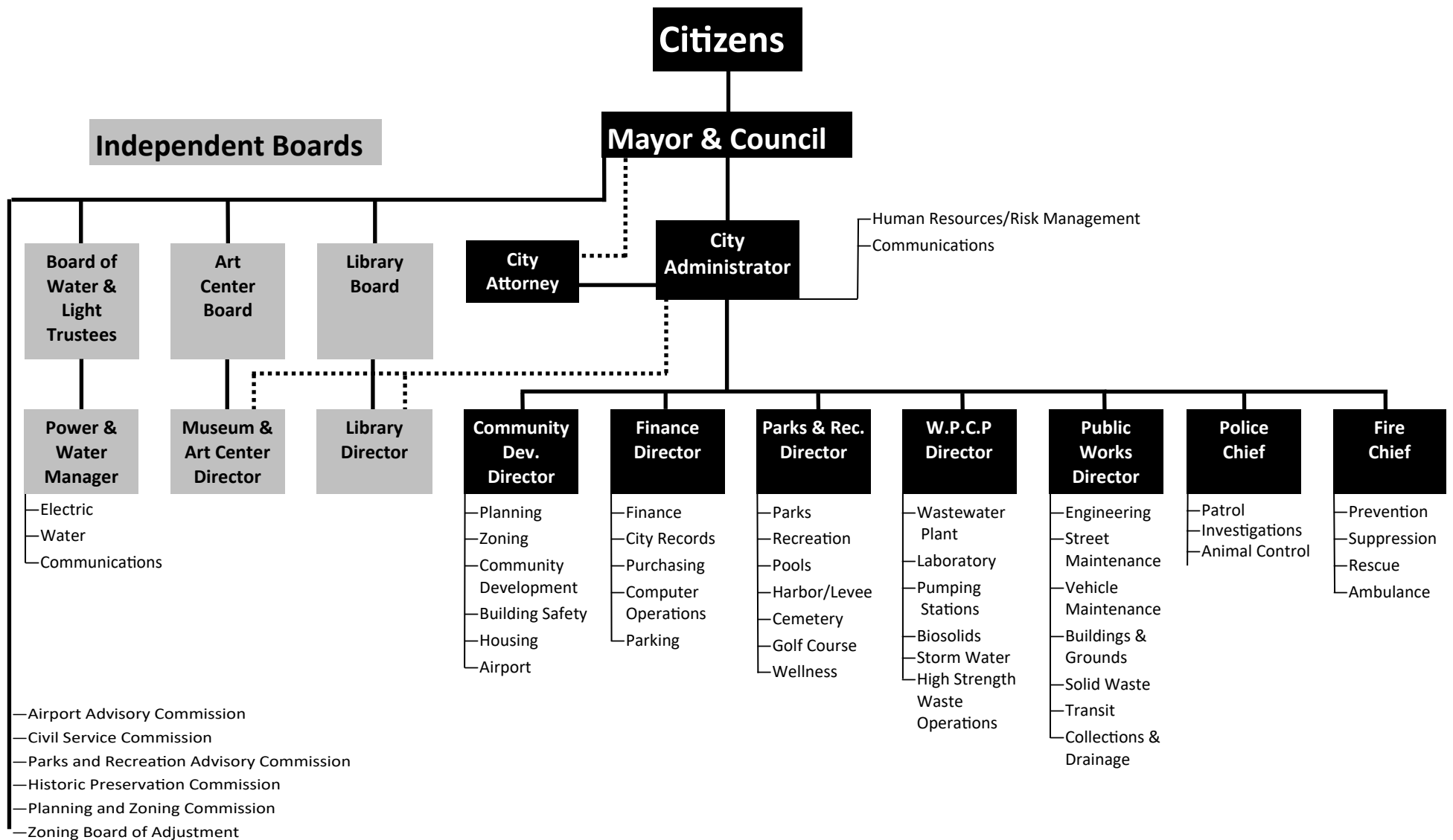
The City Council officially adopted the budget on April 20 and authorized the City Clerk by resolution to certify the budget to the County Auditor by April 30, which is the State's filing deadline. After certification, the budget was reviewed by staff and detailed information changed in light of City 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 ***Organizational Structure***

CITY OF MUSCATINE

ENTITY-WIDE BUDGET OVERVIEW 2023/2024

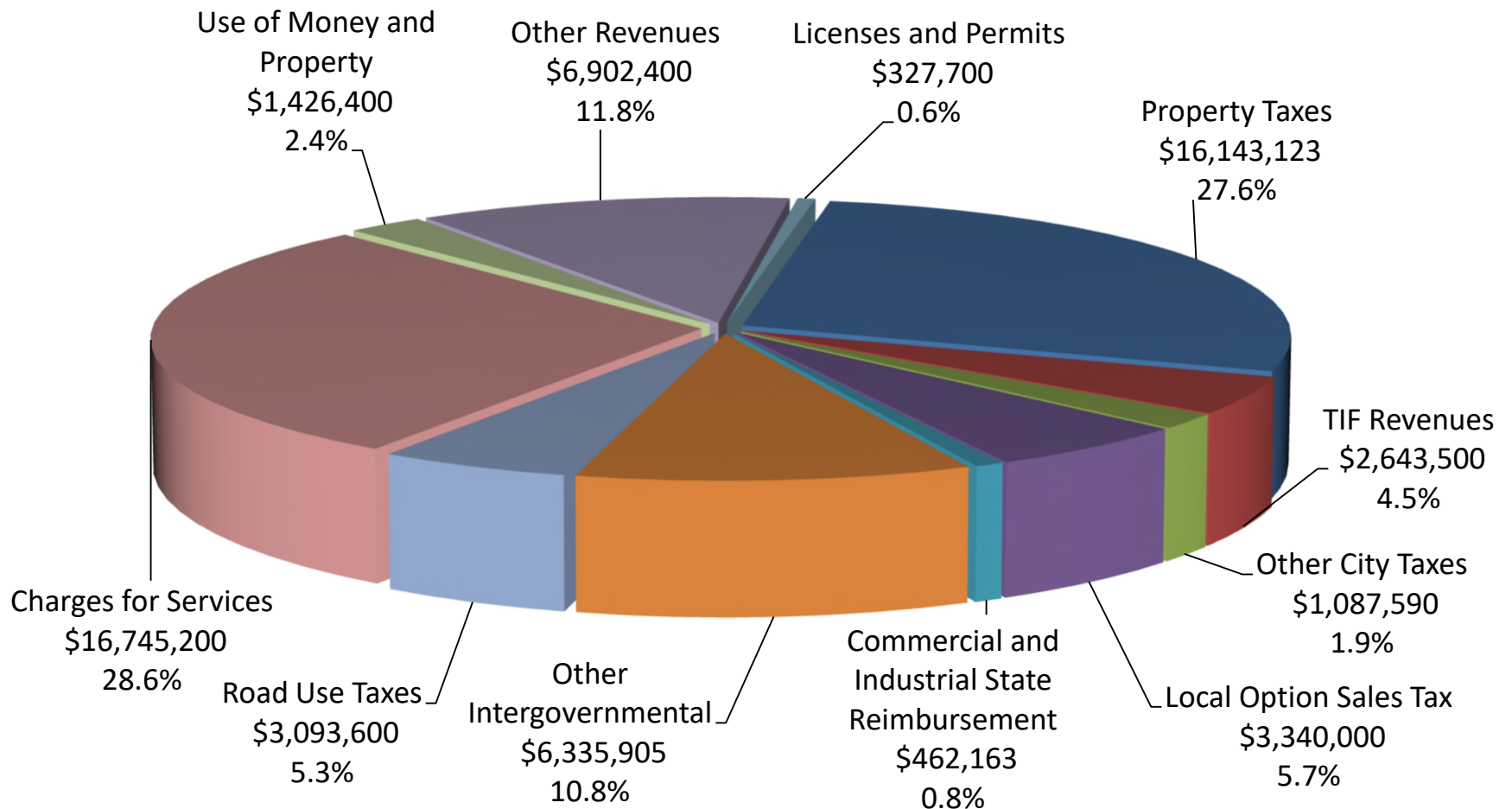
ALL CITY REVENUES AND EXPENDITURES - INCLUDING CAPITAL PROJECTS

PROPERTY TAX RATE INFORMATION

Where Does the Money Come From?

All City Funds Revenue Sources (Including Capital Projects)

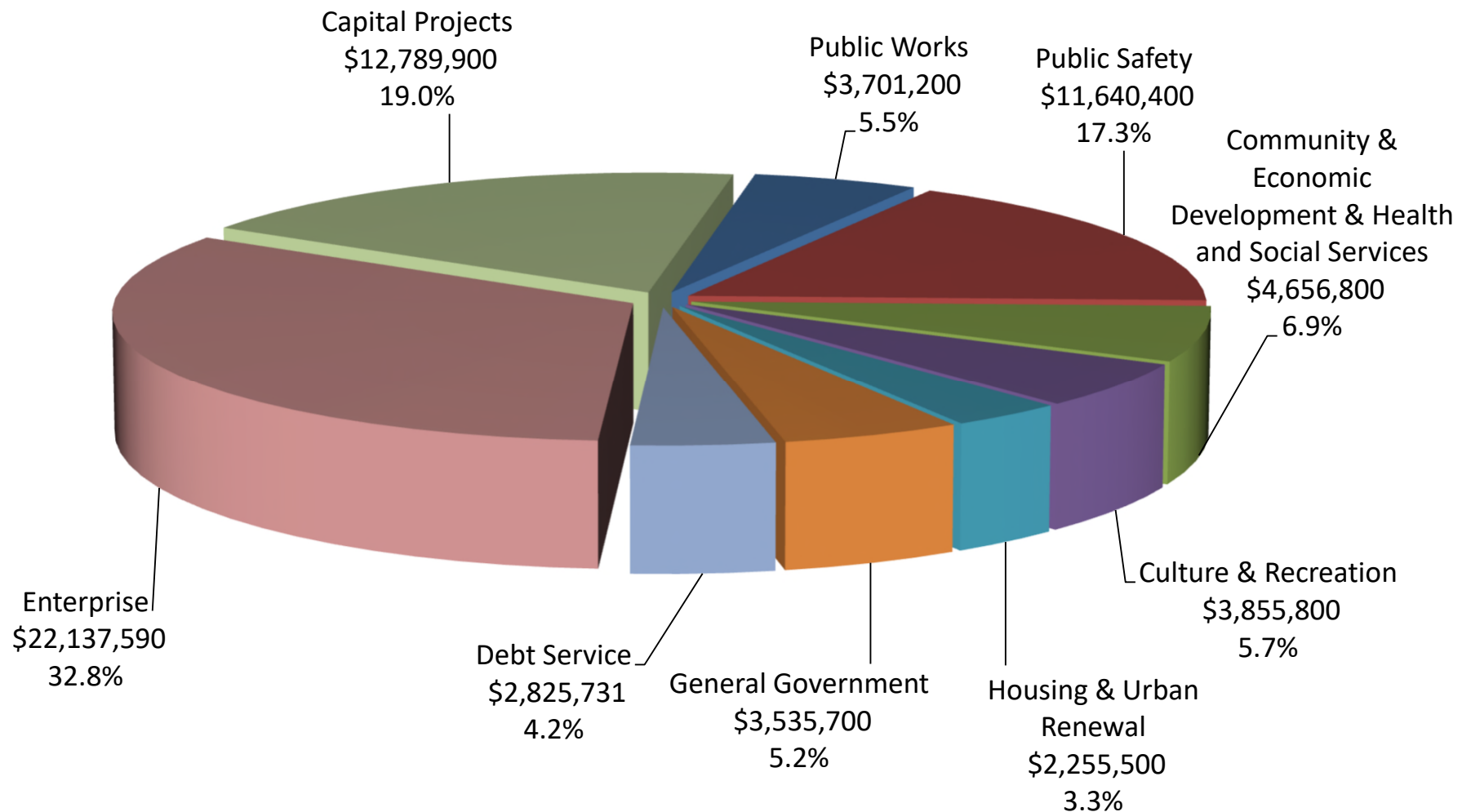
Budget 2023/2024 - \$58,507,581



How are the Funds Used?

All City Expenditures by Function (Including Capital Projects)

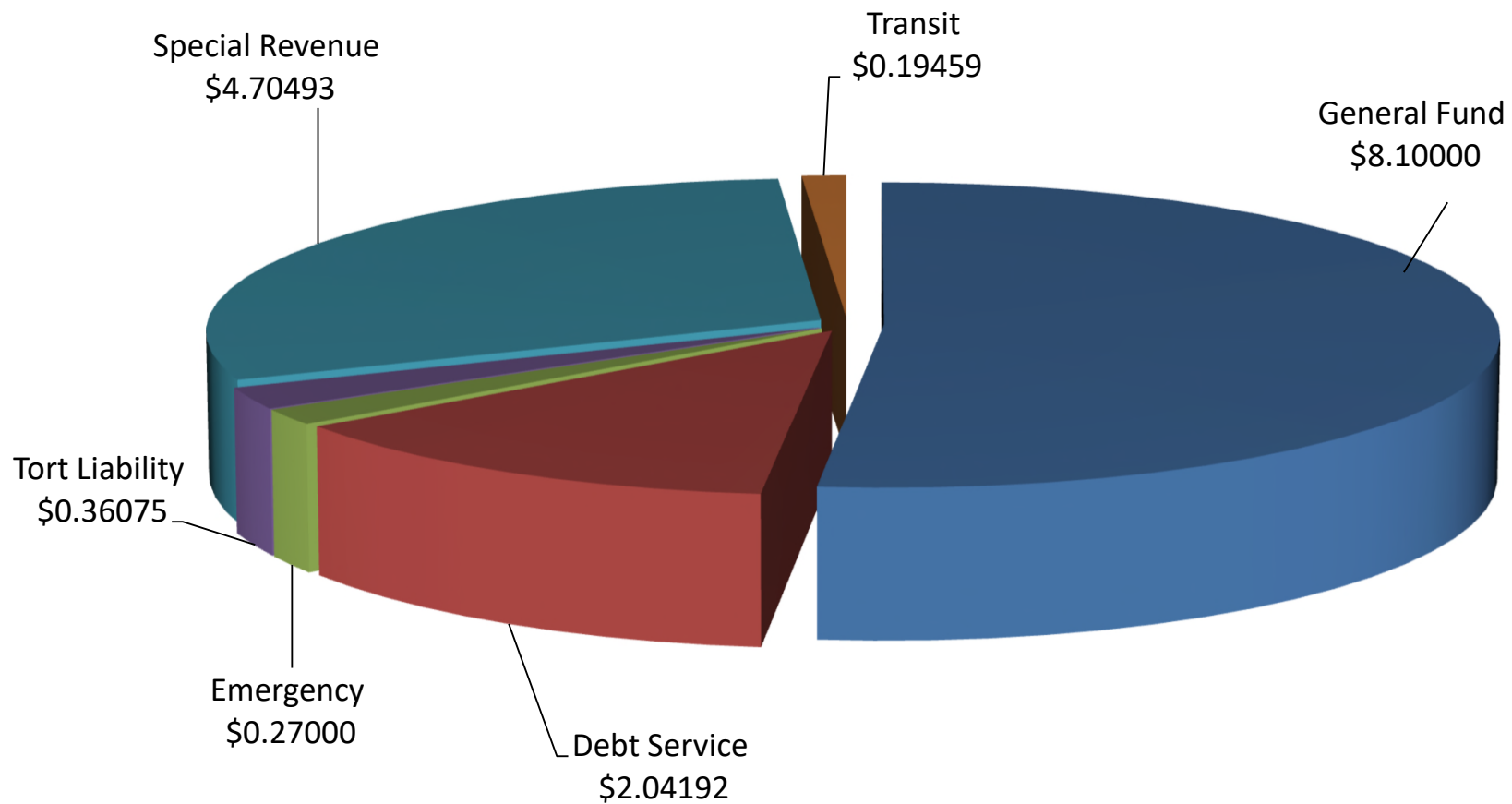
Budget 2023/2024 - \$67,398,621



City Tax Levy Rates by Type

FY 2023/2024

Total \$15.67219/\$1,000 Valuation



Where Do Each of Your Property Tax Dollars Go?



Above tax levy allocation reflects fiscal year 2022/2023 rates which total \$37.69583 per \$1,000 valuation. Tax levy rates for fiscal year 2023/2024 for the School and 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 Annual Comprehensive 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 2021/2022 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
- Road Use Tax Fund
- Debt Service Fund

Business-Type/Enterprise Funds:

- Water Pollution Control Fund
- Transfer Station Fund
- Refuse Collection

These funds are described and historical information is presented for these funds in their respective sections of this budget document. These funds are expected to continue to be the City's major operating funds for future year budgeting and financial reporting purposes.

City of Muscatine
Operating Funds - Major Funds and Non-Major Funds Combined
Budget Summary

	Major Governmental Funds					Major Business-Type/ Enterprise Funds			Other Non-Major Funds	Total
	General	Employee Benefits	Local Option Sales Tax	Road Use Tax	Debt Service	Water Pollution Control	Transfer Station	Refuse Collection		
Projected Beginning Balance, July 1, 2023	\$ 5,342,082	\$ 86,710	\$ 300,006	\$ 999,827	\$ 67,860	\$ 2,276,873	\$ 351,254	\$ 311,099	\$ 22,964,135	\$ 32,699,846
Revenues and Other Sources										
Property Taxes	\$ 8,825,144	\$ 4,794,257	\$ -	\$ -	\$ 2,248,596	\$ -	\$ -	\$ -	\$ 2,918,626	\$ 18,786,623
Other City Taxes	1,064,220	15,672	3,340,000	-	6,799	-	-	-	899	4,427,590
Licenses and Permits	308,100	-	-	-	-	1,600	-	-	18,000	327,700
Intergovernmental	973,308	266,533	-	3,093,600	122,001	-	-	-	4,481,226	8,936,668
Charges for Services	905,400	-	-	-	-	5,786,600	2,099,400	2,567,500	6,818,600	18,177,500
Use of Money and Property	233,000	-	100	-	1,000	4,000	60,700	200	1,127,400	1,426,400
Other Revenue	1,461,400	-	-	-	-	186,300	8,000	22,600	5,203,300	6,881,600
Other Financing Sources										
Transfers In	11,131,223	-	668,000	-	447,300	-	42,000	-	3,456,768	15,745,291
Total Revenues and Other Sources	\$ 24,901,795	\$ 5,076,462	\$ 4,008,100	\$ 3,093,600	\$ 2,825,696	\$ 5,978,500	\$ 2,210,100	\$ 2,590,300	\$ 24,024,819	\$ 74,709,372
Funds Available	\$ 30,243,877	\$ 5,163,172	\$ 4,308,106	\$ 4,093,427	\$ 2,893,556	\$ 8,255,373	\$ 2,561,354	\$ 2,901,399	\$ 46,988,954	\$ 107,409,218
Expenditures and Other Uses										
Public Safety	\$ 11,515,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,000	\$ 11,640,400
Public Works	3,701,200	-	-	-	-	-	-	-	-	3,701,200
Health and Social Services	55,000	-	-	-	-	-	-	-	-	55,000
Culture and Recreation	4,149,400	-	-	-	-	-	-	-	452,400	4,601,800
Community and Economic Development	1,212,500	-	-	-	-	-	-	-	4,898,800	6,111,300
General Government	3,482,700	-	-	-	-	-	-	-	53,000	3,535,700
Debt Service	-	-	-	-	2,825,731	-	-	-	-	2,825,731
Business Type/Internal Service	-	-	-	-	-	4,393,500	2,226,900	2,621,000	14,326,090	23,567,490
Other Financing Uses										
Transfers Out	785,328	5,163,172	4,008,100	3,750,600	-	1,651,640	-	-	6,477,251	21,836,091
Total Expenditures and Other Uses	\$ 24,901,528	\$ 5,163,172	\$ 4,008,100	\$ 3,750,600	\$ 2,825,731	\$ 6,045,140	\$ 2,226,900	\$ 2,621,000	\$ 26,332,541	\$ 77,874,712
Projected Ending Balance, June 30, 2024	\$ 5,342,349	\$ -	\$ 300,006	\$ 342,827	\$ 67,825	\$ 2,210,233	\$ 334,454	\$ 280,399	\$ 20,656,413	\$ 29,534,506

Increase (Decrease) in Fund Balance	\$ 267	\$ (86,710)	\$ -	\$ (657,000)	\$ (35)	\$ (66,640)	\$ (16,800)	\$ (30,700)	\$ (2,307,722)	\$ (3,165,340)
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Percent Change in Fund Balance	0.0%	-100.0%	0.0%	-65.7%	-0.1%	-2.9%	-4.8%	-9.9%	-10.0%	-9.7%
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Percent Ending Fund Balance of Expenditures	21.5%	0.0%	7.5%	9.1%	2.4%	36.6%	15.0%	10.7%	78.4%	37.9%
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Explanations of Significant Changes in Fund Balances of Major Funds

General Fund:

The fund balance of the General Fund is budgeted to increase by \$267 during fiscal year 2023/2024. The budgeted ending balance is 21.5% 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 2023/2024 with the ending balance of 21.5% of General fund expenditures more than meets the minimum fund balance target amount.

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 \$86,710 beginning fund balance for 2023/2024. The Employee Benefits tax levy for 2023/2024 was set at a rate which results in utilizing this beginning balance to fund the estimated employee benefit costs for 2023/2024. This resulted in the zero balance budgeted in this fund at the end of 2023/2024, 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. In 2018 voters approved continuation of this tax for an additional 15 years to fund future sewer (80%) and street (20%) improvement projects. Voters approved the extension of this tax with 88% voting in favor of the extension.

The balance in the Local Option Sales Tax fund is budgeted to be maintained at \$300,006 for 2023/2024. 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 \$55 million, is the final sewer separation project mandated in the City's Consent Order with the Environmental Protection Agency (EPA). Phase 6-A of the West Hill Sewer Separation project is scheduled for construction in calendar year 2023 and Phase 6-B is scheduled to begin in calendar year 2024. Transfers from this fund are made as needed to fund actual costs of the sewer projects.

Road Use Tax Fund:

Road Use Taxes are 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 Road Use Tax fund balance is projected to decrease by \$657,000 (65.7%) to \$342,827 at the end of 2023/2024. This amount represents the use of funds accumulated in the prior year being expended for street improvement projects in 2023/2024.

Debt Service Fund:

The City generally sets the debt service tax levy at a level to fund annual debt service requirements on tax-supported general obligation bond issues. The Debt Service fund balance has been increasing in recent years due to interest rates on new bond issues being less than budgeted and interest savings from the refunding of prior year bond issues. The balance in the Debt Service fund is budgeted to decrease by \$35 (.1%) for 2023/2024.

Water Pollution Control Fund:

The balance of the Water Pollution Control fund is budgeted to decrease by \$66,640 (2.9%) in 2023/2024. The 2023/2024 budgeted ending balance is 36.6% of fund expenditures for the year.

Transfer Station:

Based on budget assumptions, the Transfer Station fund is projected to have a beginning fund balance of \$351,254 in 2023/2024 and that balance is budgeted to decrease by \$16,800 to \$334,454 by the end of 2023/2024. This fund has had deficit ending balances in recent years due to capital outlay purchases. As capital purchases are critical to the efficient operation of the Transfer Station, the increased balance will be used for future capital outlay needs.

Refuse Collection:

The Refuse Collection fund is budgeted to decrease by \$30,700 (9.9%) in 2023/2024. The 2023/2024 budgeted ending balance is 10.7% of fund expenditures for the year.

The rates for both regular residential customers and the senior rates are budgeted to increase by \$1.00 per month effective July 1, 2023. The rate increase is needed in order to generate sufficient funds for future capital outlay needs.

Non-Major Funds:

The fund balance of non-major funds combined is expected to decrease by \$2,307,722 (9.7%) during 2023/2024. There are increases and decreases in the balances of the various non-major funds. The overall decrease, however, is primarily due to the \$1,619,400 decrease in the American Rescue Plan Act fund and a \$745,000 decrease in the Water Pollution Control Plant Replacement Reserve. The American Rescue Plan Act funds must be fully expended or obligated by December 31, 2024.

**BUDGET SUMMARY SCHEDULES -
OPERATING FUNDS**

**City of Muscatine
Operating Funds
Budget Summary**

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024
Beginning Balance, July 1	\$ 27,974,524	\$ 31,562,925	\$ 31,303,768	\$ 35,689,943	\$ 32,699,846
Revenues and Other Sources					
Property Taxes	\$ 16,844,769	\$ 17,275,521	\$ 17,539,562	\$ 17,533,562	\$ 18,786,623
Other City Taxes	4,757,747	5,202,513	4,267,799	4,607,599	4,427,590
Licenses and Permits	245,765	444,526	311,500	349,700	327,700
Intergovernmental	9,076,378	10,728,941	10,420,017	11,261,732	8,936,668
Charges for Services	16,652,429	17,303,819	17,844,900	17,877,000	18,177,500
Use of Money and Property	1,123,961	1,112,609	1,114,885	1,469,505	1,426,400
Other Revenue	6,355,420	7,119,311	6,306,400	6,494,100	6,881,600
Other Financing Sources					
Transfers In	12,486,680	13,157,041	15,179,397	15,100,272	15,745,291
Total Revenues and Other Sources	<u>\$ 67,543,149</u>	<u>\$ 72,344,281</u>	<u>\$ 72,984,460</u>	<u>\$ 74,693,470</u>	<u>\$ 74,709,372</u>
Funds Available	<u>\$ 95,517,673</u>	<u>\$ 103,907,206</u>	<u>\$ 104,288,228</u>	<u>\$ 110,383,413</u>	<u>\$ 107,409,218</u>
Expenditures and Other Uses					
Public Safety	\$ 10,590,823	\$ 11,040,380	\$ 11,416,500	\$ 11,650,600	\$ 11,635,400
Public Works	2,866,932	3,177,771	3,414,500	3,191,800	3,701,200
Health and Social Services	50,000	37,500	55,000	55,000	60,000
Culture and Recreation	3,588,182	4,323,136	4,283,250	4,382,300	4,601,800
Community and Economic Development	4,589,847	5,313,195	5,895,285	5,778,373	6,111,300
General Government	2,852,499	3,194,054	3,642,100	3,764,718	3,535,700
Debt Service	3,818,236	3,841,498	3,760,574	2,815,524	2,825,731
Business Type/Internal Service	18,723,123	20,060,655	21,108,570	24,322,380	23,567,490
Other Financing Uses					
Transfers Out	16,875,106	17,229,074	19,690,397	21,722,872	21,836,091
Total Expenditures and Other Uses	<u>\$ 63,954,748</u>	<u>\$ 68,217,263</u>	<u>\$ 73,266,176</u>	<u>\$ 77,683,567</u>	<u>\$ 77,874,712</u>
Ending Balance, June 30	<u>\$ 31,562,925</u>	<u>\$ 35,689,943</u>	<u>\$ 31,022,052</u>	<u>\$ 32,699,846</u>	<u>\$ 29,534,506</u>

**City of Muscatine
Operating Funds
Fund Statement**

Fund	Estimated Balance (Deficit) 7/1/23	Revenues	Expenditures	Estimated Balance (Deficit) 6/30/24
General	\$ 5,342,082	\$ 24,901,795	\$ 24,901,528	\$ 5,342,349
Enterprise:				
Airport Operations	31,550	99,350	130,900	0
Transit System	546,397	1,421,978	1,590,900	377,475
Parking System	61,381	180,300	192,700	48,981
Golf Course	61,663	955,100	995,700	21,063
Boat Harbor Operations	0	23,900	23,900	0
Marina Operations	(3,325)	10,800	12,000	(4,525)
Ambulance Operations	150,790	2,091,900	2,199,100	43,590
Convention & Visitors Bureau	105,183	125,100	135,000	95,283
Soccer Events	67,488	54,000	45,900	75,588
Refuse Collection	311,099	2,590,300	2,621,000	280,399
Landfill Operations	1,778,468	1,299,600	1,247,300	1,830,768
Landfill Surcharge Reserve Part I	0	20,000	20,000	0
Landfill Surcharge Reserve Part II	0	42,000	42,000	0
Landfill Post-Closure Reserve	1,223,637	53,600	0	1,277,237
Landfill Closure Reserve	1,783,048	152,500	0	1,935,548
Transfer Station Operations	351,254	2,210,100	2,226,900	334,454
Transfer Station Closure Reserve	33,825	0	0	33,825
Water Pollution Control	2,276,873	5,978,500	6,045,140	2,210,233
Collection and Drainage	298,928	1,543,800	1,648,600	194,128
WPCP Replacement Reserve	2,652,640	450,000	1,195,000	1,907,640
West Hill Sewer Reserve	4,996,010	406,000	0	5,402,010
Sewer Revenue Bond Sinking Fund	131,823	961,240	959,400	133,663
Sewer Extension and Improvement Reserve	1,522,982	390,000	0	1,912,982
Special Revenue:				
Employee Benefits	86,710	5,076,462	5,163,172	0
Emergency Levy	300,555	290,851	442,251	149,155
American Rescue Plan Act	1,834,023	20,000	1,639,400	214,623
Road Use Tax	999,827	3,093,600	3,750,600	342,827
Community Block Grant	25,226	0	13,600	11,626
Tax Increment - Downtown	8,948	243,700	243,700	8,948
Tax Increment - Southend	310,016	1,373,000	1,371,900	311,116
Tax Increment - Cedar Development	66,369	0	0	66,369
Tax Increment - Highway 38 NE	19,243	38,000	38,000	19,243
Tax Increment - Fridley Theatre	53,861	58,000	58,000	53,861
Tax Increment - Riverview Hotel Dev.	1,289	560,000	560,000	1,289
Tax Increment - North University	14,882	110,000	110,000	14,882
Tax Increment - White Distribution & Supply	12,733	66,000	66,000	12,733
Tax Increment - Hershey Building	3,003	72,000	72,000	3,003
Tax Increment - Oak Park	2,800	30,000	30,000	2,800
Tax Increment - Arbor Commons	0	24,000	24,000	0
Tax Increment - Colorado Lofts	0	70,000	70,000	0
Downtown Reinvestment District	0	350,000	350,000	0
Low & Moderate Income Reserve	0	9,500	0	9,500
Small Business Forgivable Loan Program	0	100,000	100,000	0
Small Business Forgive Loan Code Compliance	0	50,000	50,000	0
Small Business Forgive Loan 2nd St. Facade Program	0	100,000	100,000	0
Local Option Sales Tax	300,006	4,008,100	4,008,100	300,006
Equipment Replacement	86,179	407,300	421,000	72,479
Computer Replacement	10,913	50,000	60,000	913
Public Housing Operations	604,075	1,139,900	1,245,690	498,285
Section 8 Voucher Program	190,484	2,150,100	2,182,900	157,684
Home Ownership Program	26,062	72,700	72,600	26,162
Sunset Park Education Center	6,922	0	0	6,922
Public Housing Legal Settlement	149,922	2,500	0	152,422
Police Forfeiture Fund	13,439	5,000	5,000	13,439
Trust and Agency:				
Perpetual Care Fund	916,927	5,000	0	921,927
Perpetual Care Interest Trust	0	18,000	18,000	0
Cemetery Special Trusts	52,449	1,500	1,000	52,949
Library Trusts	57,138	46,900	27,400	76,638
Art Center Trusts	318,611	22,200	140,000	200,811
Parks and Recreation Trust	371,693	9,500	0	381,193
Debt Service:				
General Obligation	67,860	2,825,696	2,825,731	67,825
Internal Service/Other:				
Equipment Services	41,590	1,432,800	1,429,900	44,490
Dental Insurance	101,078	179,200	179,200	101,078
Health Insurance	1,921,217	4,636,000	4,772,600	1,784,617
Total *	\$ 32,699,846	\$ 74,709,372	\$ 77,874,712	\$ 29,534,506

*Includes interfund transactions.

**City of Muscatine
Operating Funds
Revenue Summary**

Fund	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024
General	\$ 21,487,247 *	\$ 22,578,388 *	\$ 23,449,946	\$ 23,531,721	\$ 24,901,795
Enterprise:					
Airport Operations	133,840	140,889	126,800	97,125	99,350
Transit System	1,097,676	1,381,009 *	1,399,600	1,852,800	1,421,978
Parking System	174,687	188,005	173,200	182,800	180,300
Golf Course	847,810 *	872,902 *	906,400	933,100	955,100
Boat Harbor Operations	82,832	23,769	26,700	23,600	23,900
Marina Operations	11,408	8,618	12,100	10,800	10,800
Ambulance Operations	2,005,570 *	2,105,175 *	2,071,500	2,086,900	2,091,900
Convention & Visitors Bureau	100,080	93,725	91,200	125,100	125,100
Soccer Events Fund	36,765	20,204	69,200	49,000	54,000
Refuse Collection	2,450,704	2,446,118	2,483,300	2,483,500	2,590,300
Landfill Operations	1,277,135	1,352,673	1,297,600	1,299,600	1,299,600
Landfill Surcharge Reserve Part I	19,514	21,084	20,000	20,000	20,000
Landfill Surcharge Reserve Part II	40,980	44,277	42,000	42,000	42,000
Landfill Post-Closure Reserve	47,119	53,603	47,200	53,600	53,600
Landfill Closure Reserve	140,701	152,506	140,700	152,500	152,500
Transfer Station Operations	2,237,977	2,286,339	2,207,600	2,210,100	2,210,100
Water Pollution Control	5,631,872	5,830,450 *	5,770,600	5,862,300	5,978,500
Collection and Drainage	1,456,803	1,482,665	1,509,700	1,513,900	1,543,800
WPCP Replacement Reserve	404,701	402,206	400,200	450,000	450,000
West Hill Sewer Reserve	409,336	404,432	402,000	406,000	406,000
Sewer Revenue Bond Sinking Fund	932,991	942,098	950,718	951,618	961,240
Sewer Extension and Improvement Reserve	365,903	415,267	365,500	390,000	390,000
Special Revenue:					
Employee Benefits	4,543,189	4,701,627	4,934,908	4,934,908	5,076,462
Emergency Levy	562,573	140,912	263,855	263,855	290,851
American Rescue Plan Act	0	1,768,375	1,766,700	1,816,700	20,000
Road Use Tax	3,504,858	3,190,810	3,110,300	3,057,900	3,093,600
Community Block Grant	50,011	31	0	0	0
Tax Increment - Downtown	241,596	212,970	217,500	217,000	243,700
Tax Increment - Southend	1,380,924	1,146,907	1,260,200	1,261,000	1,373,000
Tax Increment - Cedar Development	157	66	0	0	0
Tax Increment - Highway 38 NE	41,474	43,929	50,500	50,500	38,000
Tax Increment - Heinz	18	5	10	5	0
Tax Increment - Fridley Theatre	69,050	67,849	68,100	68,100	58,000
Tax Increment - Riverview Hotel Dev.	639,663	662,371	520,000	520,000	560,000
Tax Increment - North University	70,971	79,808	80,000	80,000	110,000
Tax Increment - White Distribution & Supply	53,210	53,875	54,000	54,000	66,000
Tax Increment - Hershey Building	0	95,596	76,000	70,600	72,000
Tax Increment - Oak Park	0	0	28,000	28,000	30,000
Tax Increment - Arbor Commons	0	0	0	0	24,000
Tax Increment - Colorado Lofts	0	0	0	0	70,000
Downtown Reinvestment District	92,702	246,584	200,000	350,000	350,000
Low & Moderate Income Reserve	0	0	0	0	9,500
Small Business Forgivable Loan Program	120,290	181,208	100,000	230,000	100,000
Small Business Forgive Loan Code Compliance	50,085	50,095	50,000	50,000	50,000
Small Business Forgive Loan 2nd St. Facade Program	100,000	100,023	100,000	100,000	100,000
Local Option Sales Tax	3,695,483	3,872,090	4,103,600	4,225,900	4,008,100
Equipment Replacement	221,578	272,108	257,300	257,300	407,300
Computer Replacement	88,414	50,115	40,000	40,000	50,000
Public Housing Operations	981,385	1,086,413	1,107,950	1,392,190	1,139,900
Section 8 Voucher Program	1,798,618	2,135,810	2,075,090	2,100,665	2,150,100
Home Ownership Program	34,805	22,441	45,100	63,600	72,700
Sunset Park Education Center	1,154	241	0	0	0
Public Housing Legal Settlement	0	147,422	0	2,500	2,500
Police Forfeiture Fund	6	2,782	5,000	5,000	5,000
Trust and Agency:					
Perpetual Care Fund	11,794	8,243	5,000	5,000	5,000
Perpetual Care Interest Trust	10,872	1,830	500	18,000	18,000
Cemetery Special Trusts	777	52	100	1,500	1,500
Library Trusts	39,073	48,180	32,500	35,900	46,900
Art Center Trusts	14,877	214,125	12,500	23,500	22,200
Parks Trust	0	361,793	0	9,900	9,500
Debt Service:					
General Obligation	2,853,389	2,908,196	2,771,283	2,771,783	2,825,696
Internal Service/Other:					
Equipment Services	1,064,944	1,228,080	1,348,100	1,467,600	1,432,800
Dental Insurance	159,733	161,835	173,200	171,100	179,200
Health Insurance	3,651,825	3,833,082	4,163,400	4,221,400	4,636,000
Total **	\$ 67,543,149	\$ 72,344,281	\$ 72,984,460	\$ 74,693,470	\$ 74,709,372

* Includes encumbrance adjustments.

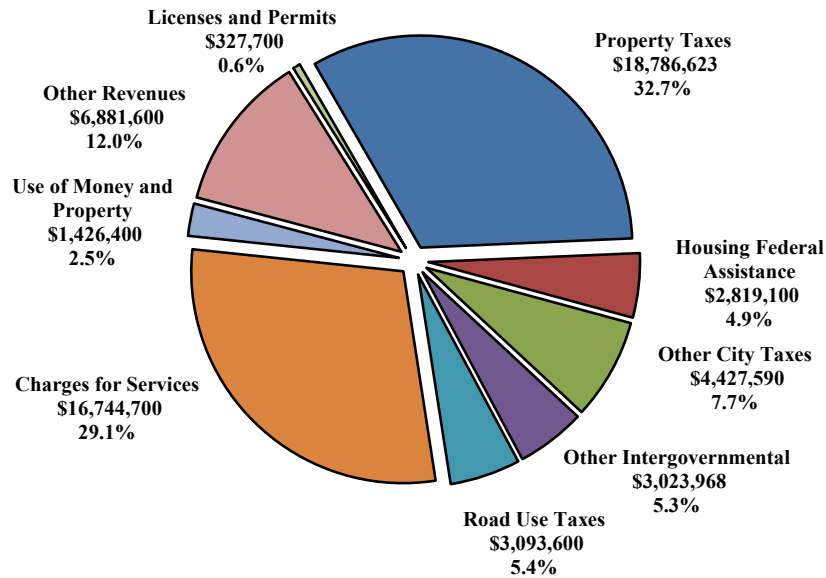
** Includes interfund transactions.

**City of Muscatine
Operating Funds
Expenditure Summary**

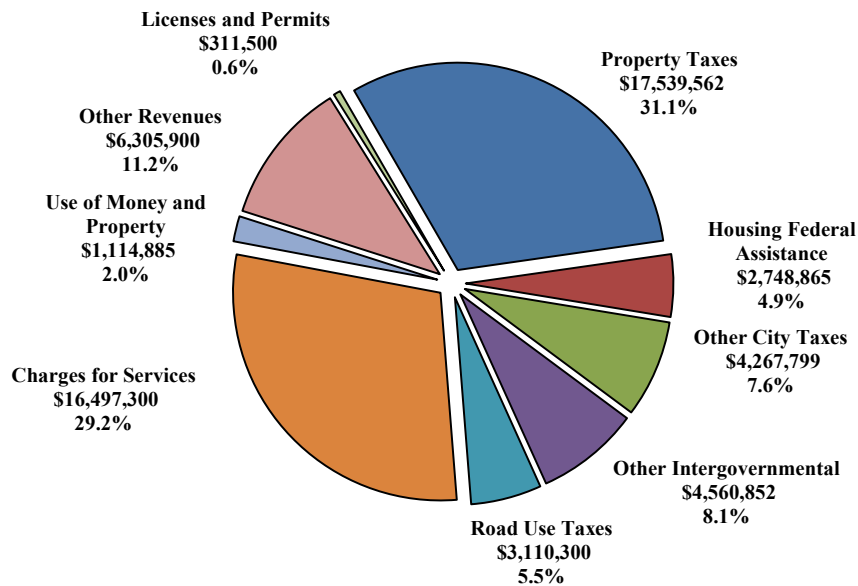
Fund	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Estimate 2022/2023	Budget 2023/2024
General	\$ 21,081,148	\$ 22,407,750	\$ 23,449,500	\$ 23,533,800	\$ 24,901,528
Enterprise:					
Airport Operations	110,444	103,561	126,800	126,300	130,900
Transit System	1,065,036	1,422,886	1,500,200	1,675,600	1,590,900
Parking System	177,751	161,389	188,500	190,500	192,700
Golf Course	800,343	800,855	899,100	946,500	995,700
Boat Harbor Operations	82,832	23,769	25,700	23,600	23,900
Marina Operations	10,852	6,648	12,100	12,000	12,000
Ambulance Operations	2,229,686	2,137,516	2,290,000	2,315,500	2,199,100
Convention & Visitors Bureau	128,800	128,900	125,000	125,000	135,000
Soccer Event Fund	20,781	35,056	67,800	21,600	45,900
Refuse Collection	2,459,702	2,435,350	2,355,700	2,379,800	2,621,000
Landfill Operations	1,202,830	1,111,080	1,323,800	1,393,300	1,247,300
Landfill Surcharge Reserve I	19,514	21,084	20,000	20,000	20,000
Landfill Surcharge Reserve II	40,980	44,277	42,000	42,000	42,000
Transfer Station Operations	2,023,209	2,290,304	2,211,500	2,242,500	2,226,900
Water Pollution Control	5,414,889	5,655,178	5,661,468	6,055,468	6,045,140
Collection and Drainage	1,393,654	1,442,097	1,971,200	2,075,500	1,648,600
WPCP Replacement Reserve	228,243	87,840	0	125,000	1,195,000
Sewer Revenue Bond Sinking Fund	931,220	940,760	949,820	949,820	959,400
Sewer Extension and Improvement Reserve	424,736	127,123	0	550,000	0
Special Revenue:					
Employee Benefits	4,534,058	4,772,602	4,997,312	4,990,287	5,163,172
Emergency Levy	0	140,257	611,517	611,517	442,251
American Rescue Plan Act	0	12,853	1,440,700	1,738,200	1,639,400
Road Use Tax	3,106,439	3,149,231	3,850,500	3,827,100	3,750,600
Community Block Grant	49,937	0	12,000	6,000	13,600
Tax Increment - Downtown	245,000	213,400	217,500	217,500	243,700
Tax Increment - Southend	1,510,590	1,194,381	1,160,000	1,428,100	1,371,900
Tax Increment - Highway 38 NE	39,825	41,932	50,500	48,300	38,000
Tax Increment - Heinz	3,512	0	4,900	4,900	0
Tax Increment - Fridley Theatre	62,239	59,681	68,000	60,000	58,000
Tax Increment - Riverview Hotel Development	639,448	662,315	520,000	520,000	560,000
Tax Increment - North University	66,706	76,560	80,000	76,400	110,000
Tax Increment - White Distribution & Supply	48,023	50,129	54,000	50,200	66,000
Tax Increment - Hershey Building	0	92,593	76,000	70,600	72,000
Tax Increment - Oak Park	0	0	28,000	25,200	30,000
Tax Increment - Arbor Commons	0	0	0	0	24,000
Tax Increment - Colorado Lofts	0	0	0	0	70,000
Riverview Reinvestment District	92,702	246,584	200,000	350,000	350,000
Small Business Forgivable Loan Program	37,353	320,000	100,000	292,736	100,000
Small Business Forgive Loan Code Compliance	20,000	85,000	50,000	75,180	50,000
Small Business Forgive Loan 2nd St. Facade Program	0	12,366	100,000	287,657	100,000
Local Option Sales Tax	2,942,254	3,484,091	4,103,600	5,324,900	4,008,100
Equipment Replacement	207,449	346,947	289,000	201,600	421,000
Computer Replacement	35,501	73,208	50,000	115,418	60,000
Public Housing Operations	825,918	956,420	1,079,670	1,495,660	1,245,690
Section 8 Voucher Program	1,877,866	2,058,345	2,093,385	2,119,800	2,182,900
Police Forfeiture Fund	0	278	5,000	5,000	5,000
Trust and Agency:					
Perpetual Care Interest Trust	10,872	1,830	500	18,000	18,000
Cemetery Special Trusts	1,143	519	1,000	1,000	1,000
Library Trusts	40,310	49,799	29,450	31,900	27,400
Art Center Trusts	9,832	366,213	136,000	36,500	140,000
Debt Service:					
General Obligation	2,887,016	2,900,738	2,810,754	2,815,524	2,825,731
Internal Service/Other:					
Equipment Services	1,046,942	1,315,044	1,343,500	1,460,600	1,429,900
Dental Insurance	165,612	139,977	173,200	170,200	179,200
Health Insurance	3,567,184	3,975,556	4,255,900	4,340,300	4,772,600
Total *	\$ 63,954,748	\$ 68,217,263	\$ 73,266,176	\$ 77,683,567	\$ 77,874,712

* Includes interfund transactions.

**All City Operating Revenues By Source
Budget 2023/2024
\$57,531,281**



**All City Operating Revenues By Source
Budget 2022/2023
\$56,456,963**

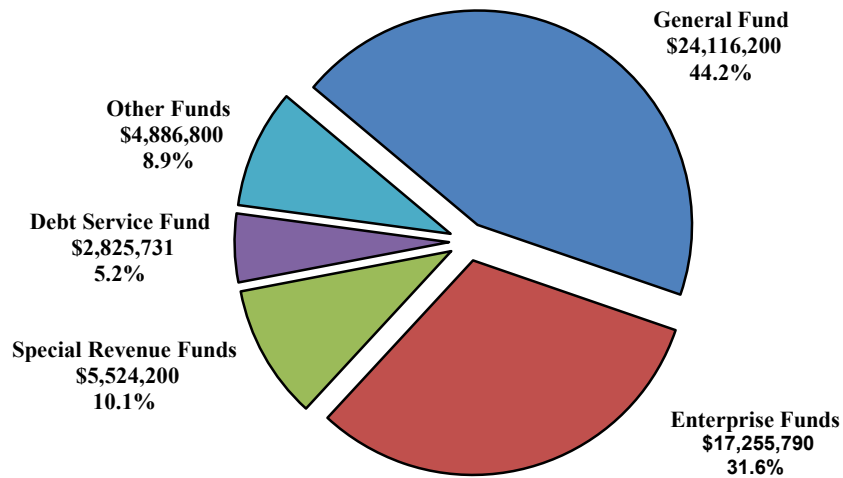


**All City Funds Operating Revenues
Reconciliation Information**

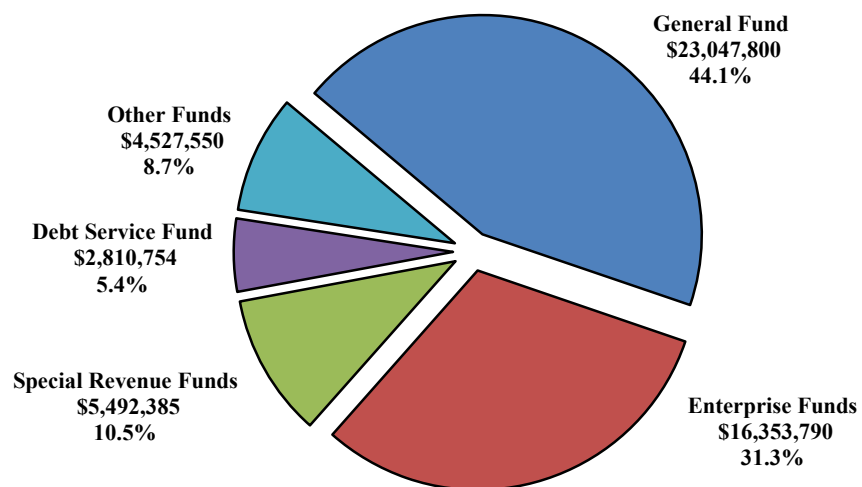
The revenue charts on the preceding page are shown net of interfund transfers. The following is a reconciliation of revenues per the summary statement to revenues net of transfers.

	2022/2023 Budget	2023/2024 Budget
Revenues per Summary Statement	\$ 72,984,460	\$ 74,709,372
Transfers In:		
General Fund		
Trust and Agency Funds	\$ 500	\$ 18,000
Special Revenue Funds	9,102,929	9,350,123
Health Insurance Fund	68,000	70,000
Tax Increment Funds	217,500	232,500
Enterprise Funds	1,578,200	1,460,600
Debt Service Fund		
Enterprise Funds	95,150	91,400
Tax Increment Funds	357,000	355,900
Equipment Replacement Fund		
General Fund	250,000	400,000
Computer Replacement Fund		
General Fund	40,000	50,000
Homeownership Program		
Community Block Grant	12,000	13,600
Small Business Forgivable Loan Programs		
Tax Increment Funds	250,000	250,000
Low & Moderate Income Reserve		
Tax Increment Funds	0	9,500
Convention and Visitors Bureau		
General Fund	91,200	125,000
Airport Operations Fund		
General Fund	20,500	3,650
Transit Operations Fund		
General Fund	0	206,678
Landfill Operations		
Landfill Surcharge Reserve	20,000	20,000
Landfill Surcharge Reserves		
Landfill Operations	62,000	62,000
Landfill Closure and Post-Closure Reserves		
Landfill Operations	187,900	206,100
Transfer Station		
Landfill Surcharge Reserve	42,000	42,000
Sewer Reserves		
Water Pollution Control Fund	400,000	400,000
Collection & Drainage Fund	350,000	350,000
Sewer Sinking Fund	950,618	960,240
West Hill Sewer Separation Project Reserve Fund	400,000	400,000
Local Option Tax Pavement Management Allocation		
Local Option Sales Tax	683,900	668,000
Total Transfers In	<u>15,179,397</u>	<u>15,745,291</u>
Non-Budgeted Fund		
Equipment Services Operations	<u>1,348,100</u>	<u>1,432,800</u>
Budgeted Revenues Net of Transfers	<u>\$ 56,456,963</u>	<u>\$ 57,531,281</u>

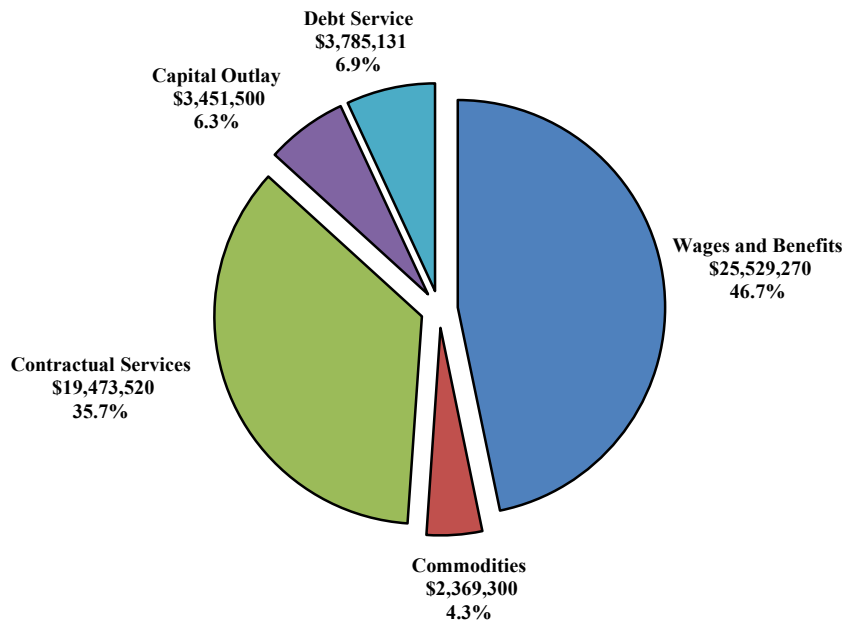
**All City Operating Expenditures By Fund
Budget 2023/2024
\$54,608,721**



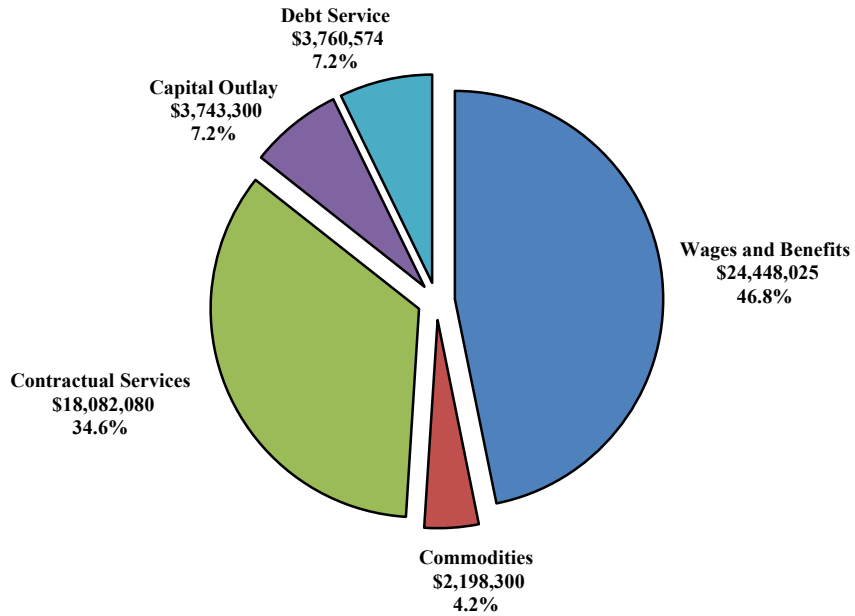
**All City Operating Expenditures By Fund
Budget 2022/2023
\$52,232,279**



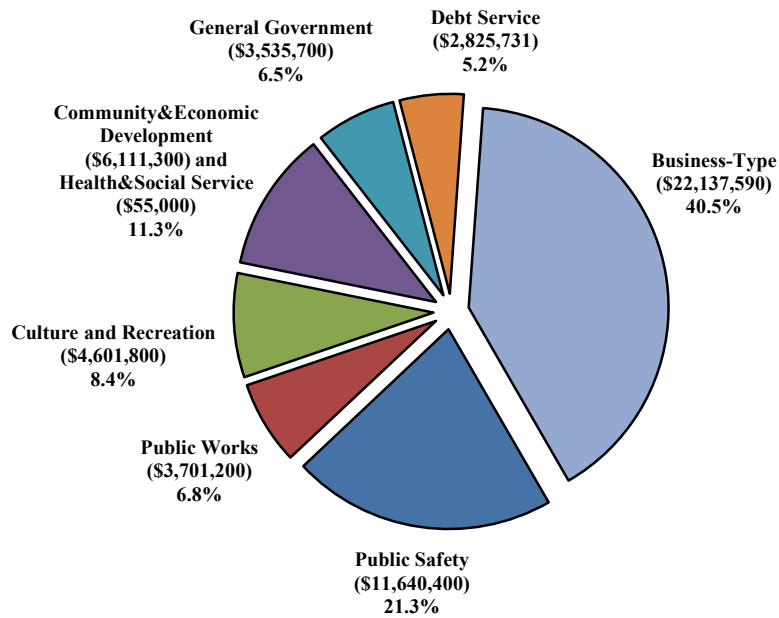
**All City Operating Expenditures By Type
Budget 2023/2024
\$54,608,721**



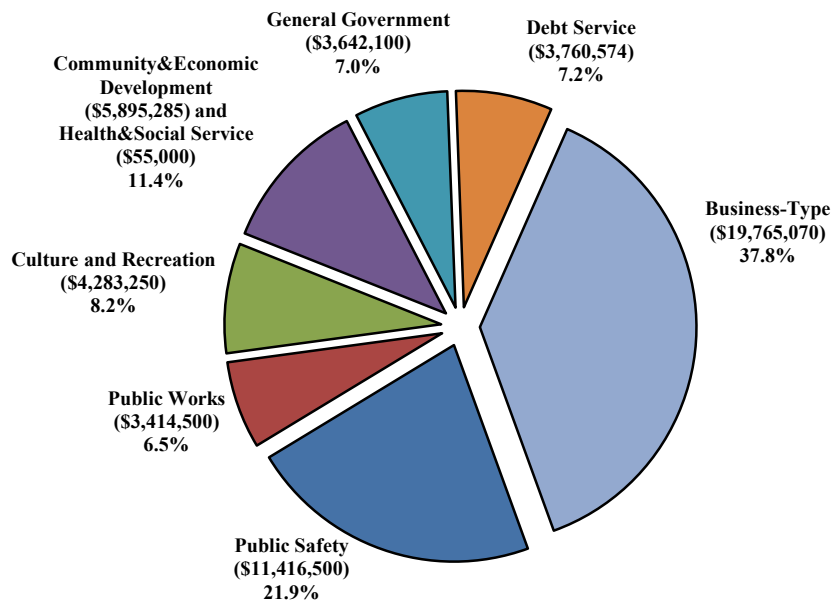
**All City Operating Expenditures By Type
Budget 2022/2023
\$52,232,279**



All City Operating Expenditures By Function *
Budget 2023/2024
\$54,608,721



All City Operating Expenditures By Function *
Budget 2022/2023
\$52,232,279



* Function descriptions and a matrix of expenditures by function follow these charts.

BUDGET FUNCTIONS

GENERAL GOVERNMENT:

Provides for the operation of the government and assures general administration of the municipality.

PUBLIC SAFETY:

Provides for services to reduce the amount and effects of external harm to individuals and damage to property, and in general to promote an atmosphere of personal security from external events.

CULTURE AND RECREATION:

Promotes the general well being of the City and encourages the fullest development of cultural and educational potentials of the citizens in the community. This function includes the activities of library, art center, parks and recreation, and cemetery.

PUBLIC WORKS:

Provides for safe and well-maintained infrastructure for the City. Activities include public works administration, roadway maintenance, snow and ice control, street cleaning, traffic control, and engineering.

COMMUNITY AND ECONOMIC DEVELOPMENT:

Provides for planning and development of the City including the social, physical, and economic needs of the City. Activities include Community Development, Economic Development, the Section 8 Housing Program, and Tax Increment Funds.

HEALTH AND SOCIAL SERVICES:

Provides for assistance to service agencies involved in providing health and social services to the community. The Economic Well Being activity is the only budget in this function.

DEBT SERVICE:

Provides for the accumulation of resources for and the payment of principal and interest on long-term debt of the City.

BUSINESS TYPE ACTIVITIES:

Provides for activities of the City that are financed in whole, or in part, by fees charged for goods or services. For budget purposes, these activities include the City's enterprise funds and internal service funds.

**All City Funds Operating Expenditures
Reconciliation Information**

The expenditure charts on the preceding pages are shown net of interfund transfers. The following is a reconciliation of expenditures per the summary statement to expenditures net of transfers.

	<u>2022/2023 Budget</u>	<u>2023/2024 Budget</u>
Expenditures per Summary Statement	\$ 73,266,176	\$ 77,874,712
Transfers Out:		
General Fund		
Transit Operations Fund	\$ 0	\$ 206,678
Airport Operations Fund	20,500	3,650
Equipment Replacement Fund	250,000	400,000
Computer Replacement Fund	40,000	50,000
Convention & Visitors Bureau	91,200	125,000
Trust and Agency Funds		
General Fund	500	18,000
Community Block Grant		
Homeownership Program	12,000	13,600
Special Revenue Funds		
General Fund	9,102,929	9,350,123
Capital Projects Fund	4,784,200	5,267,600
Tax Increment Funds	824,500	1,009,100
Transit Fund		
Capital Projects Fund	105,700	0
Ambulance Fund		
General Fund	1,578,200	1,460,600
Landfill Operations Fund		
Landfill Surcharge Reserve	62,000	62,000
Landfill Closure/Post-Closure Reserve	187,900	206,100
Landfill Surcharge Reserve		
Landfill Operations Fund	20,000	20,000
Transfer Station Fund	42,000	42,000
Water Pollution Control Fund		
Debt Service Fund	95,150	91,400
Sewer Reserves	1,550,618	1,560,240
Water Pollution Control Plant Replacement Reserve		
Capital Projects Fund	0	1,195,000
Collection & Drainage		
Sewer Reserves	550,000	550,000
Capital Projects Fund	305,000	135,000
Health Insurance Fund		
General Fund	<u>68,000</u>	<u>70,000</u>
Total Transfers Out	<u>\$ 19,690,397</u>	<u>\$ 21,836,091</u>
Non-Budgeted Fund		
Equipment Services Operations	<u>1,343,500</u>	<u>1,429,900</u>
Budgeted Expenditures Net of Transfers	<u><u>\$ 52,232,279</u></u>	<u><u>\$ 54,608,721</u></u>

City of Muscatine
Matrix of 2023/2024 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	\$ 89,700	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 89,700
Legal Services	117,500	0	0	0	0	0	0	0	117,500
City Administrator	509,000	0	0	0	0	0	0	0	509,000
Human Resources	220,100	0	0	0	0	0	0	0	220,100
Wellness Program	70,000	0	0	0	0	0	0	0	70,000
Finance and Records	837,200	0	0	0	0	0	0	0	837,200
Computer Operations	459,900	0	0	0	0	0	0	0	459,900
Risk Management	414,900	0	0	0	0	0	0	0	414,900
Building and Grounds	764,400	0	0	0	0	0	0	0	764,400
Police Operations	0	5,607,400	0	0	0	0	0	0	5,607,400
Animal Control	0	157,000	0	0	0	0	0	0	157,000
Fire Operations	0	5,746,000	0	0	0	0	0	0	5,746,000
Library	0	0	1,294,300	0	0	0	0	0	1,294,300
Cable Television Operations	0	0	21,200	0	0	0	0	0	21,200
Art Center	0	0	463,600	0	0	0	0	0	463,600
Park Administration	0	0	245,900	0	0	0	0	0	245,900
Park Maintenance	0	0	920,000	0	0	0	0	0	920,000
Kent Stein Park	0	0	287,200	0	0	0	0	0	287,200
Soccer Complex	0	0	302,600	0	0	0	0	0	302,600
Swimming Pools	0	0	230,800	0	0	0	0	0	230,800
Recreation	0	0	148,800	0	0	0	0	0	148,800
Cemetery	0	0	235,000	0	0	0	0	0	235,000
Community Development	0	0	0	1,034,500	0	0	0	0	1,034,500
Economic Development	0	0	0	178,000	0	0	0	0	178,000
Economic Well-Being	0	0	0	0	60,000	0	0	0	60,000
Public Works Administration	0	0	0	0	0	252,200	0	0	252,200
Roadway Maintenance	0	0	0	0	0	1,549,100	0	0	1,549,100
Traffic Control	0	0	0	0	0	207,000	0	0	207,000
Snow and Ice Control	0	0	0	0	0	610,400	0	0	610,400
Street Cleaning	0	0	0	0	0	523,900	0	0	523,900
Engineering	0	0	0	0	0	558,600	0	0	558,600

(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	130,900	130,900
Transit Operations	0	0	0	0	0	0	0	1,591,900	1,591,900
Parking System	0	0	0	0	0	0	0	192,700	192,700
Golf Course	0	0	0	0	0	0	0	995,700	995,700
Boat Harbor Operations	0	0	0	0	0	0	0	23,900	23,900
Marina Operations	0	0	0	0	0	0	0	12,000	12,000
Ambulance Operations	0	0	0	0	0	0	0	738,500	738,500
Convention and Visitors Bureau	0	0	0	0	0	0	0	135,000	135,000
Soccer Events Operations	0	0	0	0	0	0	0	45,900	45,900
Public Housing	0	0	0	0	0	0	0	1,245,690	1,245,690
Refuse Collection	0	0	0	0	0	0	0	2,621,000	2,621,000
Landfill Operations	0	0	0	0	0	0	0	979,200	979,200
Transfer Station	0	0	0	0	0	0	0	2,226,900	2,226,900
Collection and Drainage	0	0	0	0	0	0	0	963,600	963,600
Water Pollution Control	0	0	0	0	0	0	0	4,393,500	4,393,500
Sewer Sinking Fund	0	0	0	0	0	0	959,400	0	959,400
Special Revenue Funds:									
Equipment Replacement	0	120,000	274,000	27,000	0	0	0	0	421,000
American Rescue Plan Act	3,000	0	0	381,800	0	0	0	0	384,800
Southend Tax Increment	0	0	0	616,000	0	0	0	0	616,000
Highway 38 NE Tax Increment	0	0	0	38,000	0	0	0	0	38,000
Fridley Theatre Tax Increment	0	0	0	58,000	0	0	0	0	58,000
Riverview Hotel Development Tax Increme	0	0	0	560,000	0	0	0	0	560,000
North Univeristy Tax Increment	0	0	0	110,000	0	0	0	0	110,000
White Distribution & Supply Tax Increment	0	0	0	66,000	0	0	0	0	66,000
Hershey Building Tax Increment	0	0	0	72,000	0	0	0	0	72,000
Oak Park Tax Increment	0	0	0	30,000	0	0	0	0	30,000
Arbor Commons Tax Increment	0	0	0	14,500	0	0	0	0	14,500
Colorado Lofts Tax Increment	0	0	0	70,000	0	0	0	0	70,000
Riverview Reinvestment District	0	0	0	350,000	0	0	0	0	350,000
Small Business Forgivable Loan	0	0	0	100,000	0	0	0	0	100,000
Small Business - Code Compliance	0	0	0	50,000	0	0	0	0	50,000
Small Business - 2nd Street Façade	0	0	0	100,000	0	0	0	0	100,000
Section 8 Housing	0	0	0	2,182,900	0	0	0	0	2,182,900
Home Ownership Program	0	0	0	72,600	0	0	0	0	72,600
Police Forfeiture Fund	0	5,000	0	0	0	0	0	0	5,000
Computer Replacement Fund	50,000	0	10,000	0	0	0	0	0	60,000
Debt Service Fund	0	0	0	0	0	0	2,825,731	0	2,825,731
Internal Service/Other Funds:									
Health Insurance Fund	0	0	0	0	0	0	0	4,702,600	4,702,600
Dental Insurance Fund	0	0	0	0	0	0	0	179,200	179,200
Trust and Agency Funds:									
Library Trusts	0	0	27,400	0	0	0	0	0	27,400
Cemetery Trust	0	0	1,000	0	0	0	0	0	1,000
Art Center Trusts	0	0	140,000	0	0	0	0	0	140,000
Total	\$ 3,535,700	\$ 11,635,400	\$ 4,601,800	\$ 6,111,300	\$ 60,000	\$ 3,701,200	\$ 3,785,131	\$ 21,178,190	\$ 54,608,721

City of Muscatine
Fulltime Employee Trends

General Fund

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Budget 2022-23	Actual 2022-23	Budget 2023-24
City Administrator	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Wellness Program	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Human Resources	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Risk Management	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Finance	5.70	5.70	5.70	5.70	5.70	5.70	5.83	5.95	5.95	5.95	5.95
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	4.35	4.35	4.35	6.23	6.73	6.73	6.73	6.73	6.73	6.73	6.83 (1)
Police	43.73	43.73	43.73	43.73	43.73	43.73	43.73	43.73	43.73	43.73	43.73
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	37.50	37.50	41.50	41.50	41.50	43.00	44.75	47.50	47.50	47.50	47.50
Library (FTE)	14.71	14.33	13.76	14.19	13.62	13.22	12.79	13.66	13.16	12.90	13.10 (2)
Art Center (FTE)	4.52	4.70	4.70	4.70	4.70	4.97	4.97	4.97	4.97	4.97	4.97
Park Administration	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Park Maintenance *	6.00	5.80	5.80	5.80	5.80	5.80	5.93	6.05	6.05	6.05	6.05
Kent Stein Park *	1.12	1.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22
Soccer Complex *	1.13	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23	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 *	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Community Development	6.93	7.44	7.42	7.42	7.42	7.58	7.81	8.13	8.37	8.37	8.37
Street Cleaning	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90
Roadway Maintenance	11.43	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	1.00	1.00	1.00	1.00	2.13	2.19	2.75	3.75	3.75	3.75	3.75
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	152.85	154.16	157.57	159.88	160.94	162.53	164.90	170.08	169.82	169.56	169.86

City of Muscatine
Fulltime Employee Trends

Enterprise / Other Funds

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Budget 2022-23	Actual 2022-23	Budget 2023-24
Parking System	2.90	2.90	2.90	2.90	2.90	2.90	2.65	2.40	2.40	2.40	2.40
Golf Course *	3.00	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 *	3.03	3.03	3.03	3.03	3.03	3.03	3.03	3.03	3.03	3.03	3.03
Refuse Collection	9.56	9.56	8.98	8.98	9.84	10.02	9.48	9.53	9.53	9.48	10.17 (3)
Landfill	0.25	0.25	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Transfer Station	3.42	3.42	3.15	3.15	3.11	3.08	3.08	3.08	3.66	3.66	4.30 (4)
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	8.75	8.75	8.75	8.48	8.48	7.48	7.48	7.48	7.48	7.48	7.75 (5)
Pumping Stations	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Laboratory Operations	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Biosolids Operations	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
High Strength Waste	0.00	0.00	0.00	0.00	0.00	2.00	2.00	2.00	2.00	2.00	2.00
Collection and Drainage	6.53	6.53	6.53	6.53	6.28	6.03	6.28	6.28	6.28	6.28	6.28
Storm Water Operations	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58
Ambulance Operations	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.50 (6)
Housing (FTE)	12.25	11.77	10.71	10.28	10.28	9.10	9.24	9.21	9.14	10.26	11.14 (7)
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	67.52	66.04	64.48	63.78	64.35	64.07	63.67	63.44	63.95	65.02	67.75
Grand Total	220.37	220.20	222.05	223.66	225.29	226.60	228.57	233.52	233.77	234.58	237.61

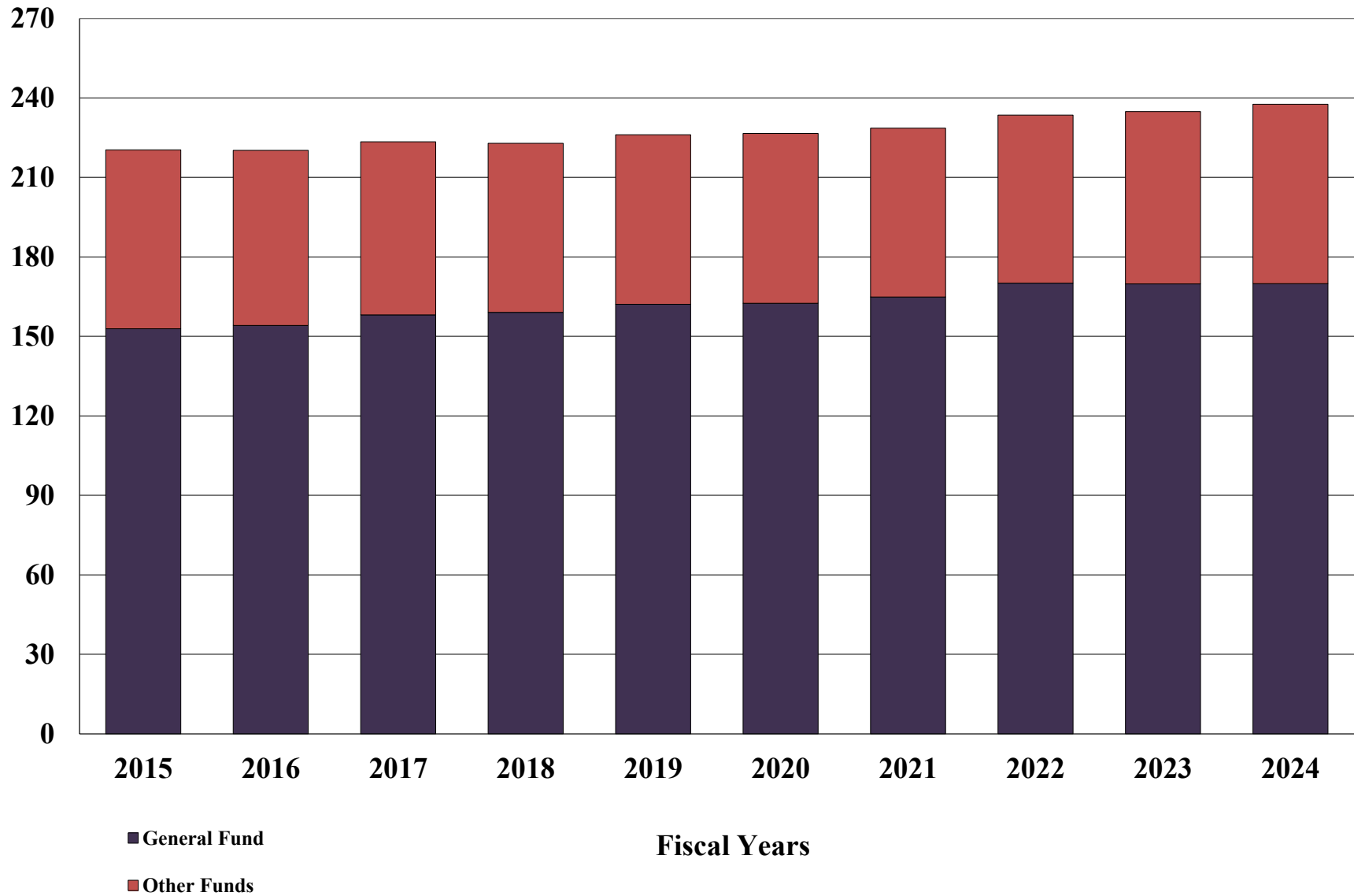
* These departments have a substantial number of part time employees, primarily seasonal employees.

Position Changes for the 2022/2023 Revised Estimate and 2022/2023 Budget:

1. The 2023/2024 Building & Grounds budget includes an additional 4 hours per week for a Custodian at the Art Center.
2. The 2022/2023 and 2023/2024 Library personnel budget has been reorganized due to changing needs of the Library
3. The 2023/2024 Refuse Collection budget includes the addition of 50% of a new fulltime position shared with the Transfer Station.
The current 50% allocation of a 29 hour/week Clerk to Refuse Collection was increased to 50% of a fulltime position for 2023/2024.
4. The 2023/2024 Transfer Station budget includes the addition of 50% of a new fulltime position shared with Refuse Collection.
The current 50% allocation of a 29 hour/week Clerk to the Transfer Station was increased to 50% of a fulltime position for 2023/2024.
5. The 2023/2024 Water Pollution Control Plant Operations budget includes changing a 29 hour/week Custodian to a fulltime Maintenance Worker I.
6. The 2023/2024 Ambulance budget includes changing a 29 hour/week Office Coordinator into a fulltime position. The fulltime position will be allocated 50% to Fire and 50% to Ambulance; the previous allocation was 19 hours/week to Fire and 10 hours/week to Ambulance.
7. The 2022/2023 and 2023/2024 Housing budgets include an additional full time Housing Specialist for the Section 8 Housing program, and an additional Maintenance Repairperson for Public Housing.

Fulltime Employee Trends Ten Year History

Number of Employees



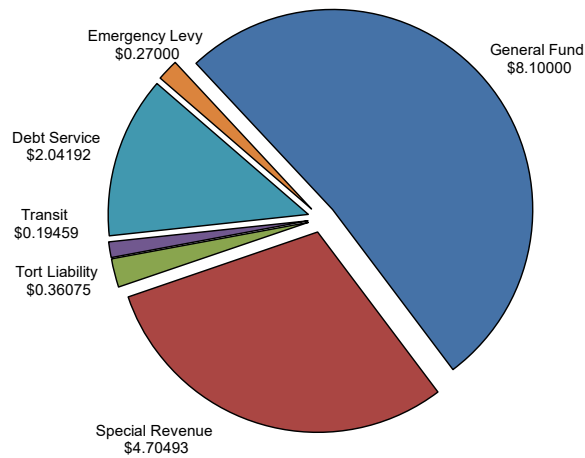
PROPERTY TAX SCHEDULES

City of Muscatine

Property Tax Levies by Type - Fiscal Years 2022/2023 and 2023/2024

	2022/2023 Budget		2023/2024 Budget		Percent of Levy Increase (Decrease)	Change in Dollars Levied	Percent Change in Dollars Levied
	Collections	Levy Per \$1,000 of Assessed Valuation	Collections	Levy Per \$1,000 of Assessed Valuation			
General Fund	\$ 7,617,275	\$ 8.10000	\$ 8,280,759	\$ 8.10000	0.00%	\$ 663,484	8.71%
Transit System	-	-	198,930	0.19459		198,930	
Tort Liability	327,195	\$ 0.34793	368,800	0.36075	3.68%	41,605	12.72%
Special Revenue: Emergency Levy	253,909	0.27000	276,025	0.27000	0.00%	22,116	8.71%
Special Revenue: Police and Fire Retirement	\$ 1,532,831	\$ 1.62997	\$ 1,521,577	\$ 1.48836	(8.69%)	\$ (11,254)	(0.73%)
FICA/IPERS	840,599	0.89387	874,304	0.85522	(4.32%)	33,705	4.01%
Other Employee Benefits	2,377,257	2.52791	2,414,048	2.36135	(6.59%)	36,791	1.55%
Reductions	-	-	-	-		-	
Subtotal	\$ 4,750,687	\$ 5.05175	\$ 4,809,929	\$ 4.70493	(6.87%)	\$ 59,242	1.25%
Debt Service	2,231,130	2.20086	2,255,395	2.04192	(7.22%)	24,265	1.09%
Levee Improvements	-	-	-	-		-	
Total	\$ 15,180,196	\$ 15.97054	\$ 16,189,838	\$ 15.67219	(1.87%)	\$ 1,009,642	6.65%
Agricultural Land	5,366	3.11320	5,475	3.00375	-3.52%	109	2.03%
Grand Total	<u>\$ 15,185,562</u>	<u>\$ 15.97054</u>	<u>\$ 16,195,313</u>	<u>\$ 15.67219</u>	<u>(1.87%)</u>	<u>\$ 1,009,751</u>	<u>6.65%</u>
		\$ 3.11320		\$ 3.00375			

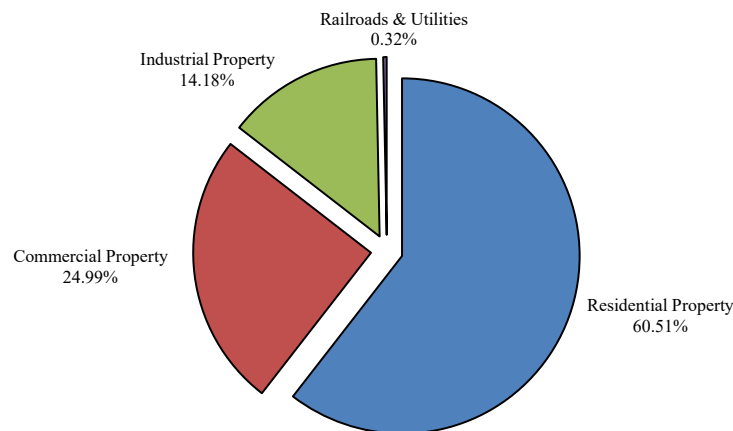
**City Tax Levy Rates By Type
Budget 2023/2024
\$15.67219
per \$1,000 Valuation**



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

	<u>January 1, 2021</u>	<u>January 1, 2022</u>	<u>Valuation Increase (Decrease)</u>	<u>Percent Increase (Decrease) in Taxable Value</u>	MEMO ONLY <u>Percent Increase (Decrease) in Actual Value</u>
Residential Property (1)	\$ 526,660,756	\$ 609,990,675	\$ 83,329,919	15.82%	14.99%
Commercial Property (2)	245,695,726	259,230,197	13,534,471	5.51%	15.60%
Industrial Property (3)	137,278,903	147,657,328	10,378,425	7.56%	9.61%
Multi-Residential (4)	27,661,053	-	(27,661,053)	-100.00%	-100.00%
Railroads (5)	1,104,069	1,108,400	4,331	0.39%	1.32%
Utilities (6)	3,310,083	2,227,762	(1,082,321)	-32.70%	-32.70%
Total Valuations	\$ 941,710,590	\$ 1,020,214,362	\$ 78,503,772	8.34%	10.88%
Less Military Exemptions	1,306,265	1,228,494	(77,771)	-5.95%	
Total Net Valuation	<u>\$ 940,404,325</u>	<u>\$ 1,018,985,868</u>	<u>\$ 78,581,543</u>	8.36%	
MEMO ONLY					
Total if Gas and Electric Utilities were Included	<u>\$ 943,579,044</u>	<u>\$ 1,022,315,903</u>	<u>\$ 78,736,859</u>	8.37%	

1. Residential taxable valuations realized an increase in the rollback factor from 54.1302% to 54.6501% for January 1, 2022 (an increase of .96% in taxable valuations).
2. Commercial valuations for January 1, 2013 were rolled back from 100% to 95%. For January 1, 2014 they were rolled back to 90%. These valuations were 90% for January 1, 2015, but they no longer include multi-residential properties which were then reported in a separate class. The commercial rollback remained at 90% for the January 1, 2016, January 1, 2017, January 1, 2018, January 1, 2019, January 1, 2020, and January 1, 2021 valuations. For the January 1, 2022 valuations, the rollback remained at 90%; however, the first \$150,000 of each commercial, industrial, and railroad properties were rolled back to the residential rollback of 54.6501%.
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%. These valuations remained at 90% for January 1, 2015, January 1, 2016, January 1, 2017, January 1, 2018, January 1, 2019, January 1, 2020, and January 1, 2021. For the January 1, 2022 valuation, the rollback remained at 90%; however, the first \$150,000 of each commercial, industrial, and railroad properties were rolled back to the residential rollback of 54.6501%.
4. Multi-residential properties were included with commercial properties until January 1, 2015. These properties include mobile home parks, manufactured home communities, land-leased communities, assisted living facilities, and properties with three or more separate living quarters. These properties were rolled back from 90% to 86.25% for January 1, 2015 and continued to be rolled back 3.75% each year until the January 1, 2022 valuations when the rollback became equal to the rollback for residential properties of 54.6501%. These properties are now included in the residential property category beginning with the January 1, 2022 valuations.
5. Railroad property values for January 1, 2013 were rolled back from 100% to 95%. For January 1, 2014 they were rolled back to 90%. These valuations remained at 90% for January 1, 2015 and continued at 90% for January 1, 2016 through January 1, 2021. For the January 1, 2022 valuations, the rollback remained at 90%; however, the first \$150,000 of each commercial, industrial, and railroad properties were rolled back to the residential rollback of 54.6501%.
6. 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.

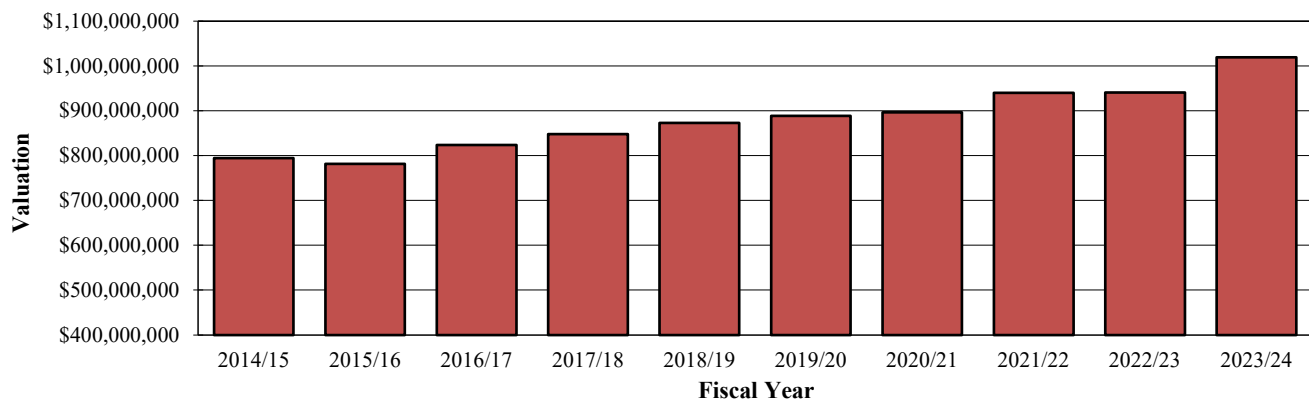


2022 Taxable Valuations by Type
(Valuations Used for 2023/2024 Tax Levy)

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

Fiscal Year	Real Property	Public Utilities	Military Exemption	Total	Agricultural Land
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
2016/17	820,617,559	4,669,990	1,721,595	823,565,954	1,126,416
2017/18	844,902,037	4,613,164	1,680,836	847,834,365	1,111,462
2018/19	869,313,485	4,886,272	1,617,336	872,582,421	1,179,436
2019/20	884,775,094	5,394,181	1,542,716	888,626,559	1,512,053
2020/21	892,367,084	5,365,456	1,464,932	896,267,608	1,192,058
2021/22	936,724,370	4,693,121	1,370,986	940,046,505	1,723,626
2022/23	937,296,438	4,414,152	1,306,265	940,404,325	1,786,350
2023/24	1,016,878,200	3,336,162	1,228,494	1,018,985,868	1,822,608

Taxable Property Valuation
Ten Year History

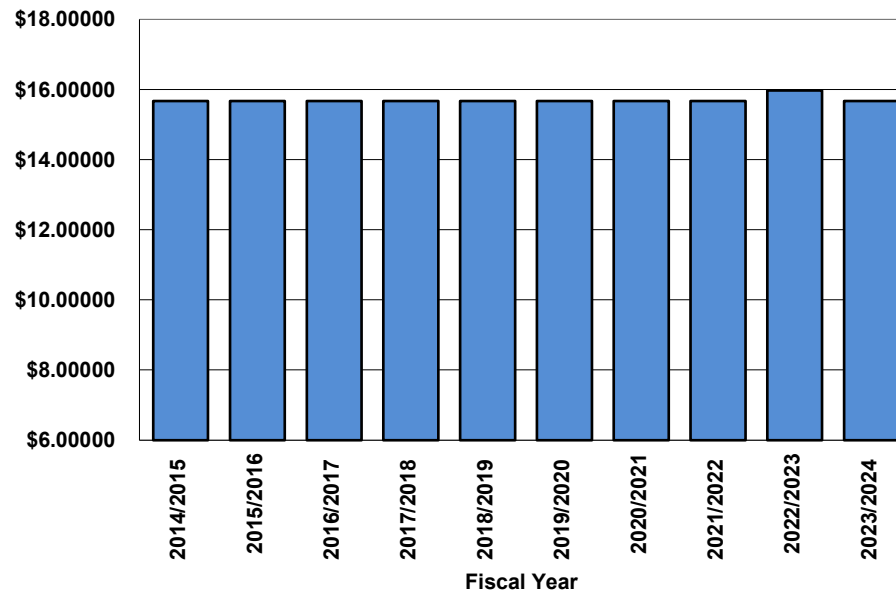


City of Muscatine
City Tax Rate History
Fiscal Years 2014/2015 through 2023/2024

<u>Fiscal Year</u>	<u>Tax Rate (Per \$1,000 Valuation)</u>	<u>Percent Change</u>
2014/2015	15.67209	0.00%
2015/2016	15.67209	0.00%
2016/2017	15.67209	0.00%
2017/2018	15.67209	0.00%
2018/2019	15.67209	0.00%
2019/2020	15.67209	0.00%
2020/2021	15.67209	0.00%
2021/2022	15.67209	0.00%
2022/2023	15.97054	1.90%
2023/2024	15.67219	-1.87%

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

Tax Rate Ten Year History



Tax Levies by Entity

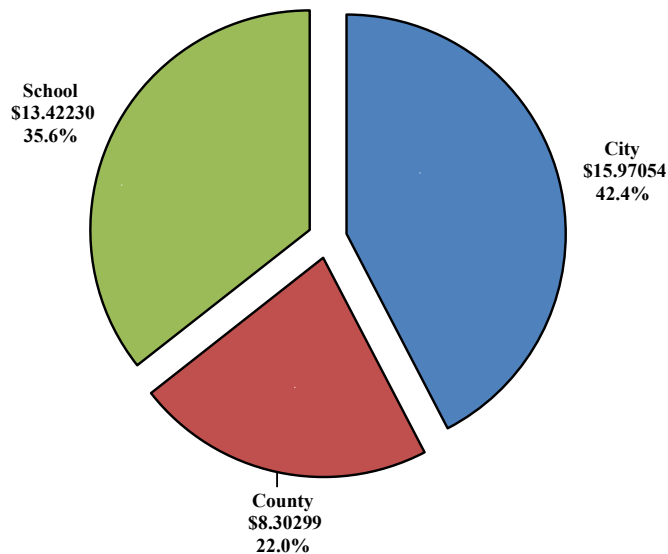
Historical Comparison

Certified Levies Per \$1,000 of Valuation

	<u>City</u>	<u>County</u>	<u>School</u>	<u>Total</u>
2014/2015	\$ 15.67209	\$ 9.09808	\$ 15.42605	\$ 40.19622
2015/2016	15.67209	9.36435	15.80950	40.84594
2016/2017	15.67209	9.44359	15.53914	40.65482
2017/2018	15.67209	9.07348	14.91989	39.66546
2018/2019	15.67209	8.67942	14.82884	39.18035
2019/2020	15.67209	9.30678	13.83172	38.81059
2020/2021	15.67209	8.96278	13.51952	38.15439
2021/2022	15.67209	8.79772	13.52853	37.99834
2022/2023	15.97054	8.30299	13.42230	37.69583
Percent of 2022/2023 Total Levy	42.4%	22.0%	35.6%	100.0%
2023/2024*	15.67219	N/A	N/A	N/A

* Tax levy rates for 2023/2024 for Muscatine County and the Muscatine Community School district are not yet available.

Tax Levy Rates By Entity Fiscal Year 2022/2023 \$37.69583 per \$1,000 Valuation



MAJOR REVENUE SOURCES SCHEDULES

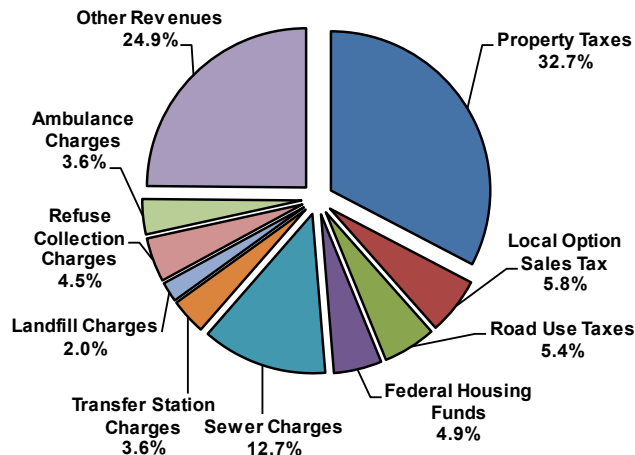
City of Muscatine
Major Revenue Sources
Fiscal Year 2023/2024 Budget

General Information

The City of Muscatine budgeted operating revenues of \$57,531,281 for 2023/2024 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 2023/2024 budgeted operating revenues, 75.1% 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.

	2023/2024 Budget	Percent of Total
Property Taxes	\$ 18,786,623	32.7%
Local Option Sales Tax	3,340,000	5.8%
Road Use Taxes	3,093,600	5.4%
Federal Housing Funds	2,805,100	4.9%
Sewer Charges	7,310,800	12.7%
Transfer Station Charges	2,094,400	3.6%
Landfill Charges	1,159,400	2.0%
Refuse Collection Charges	2,583,300	4.5%
Ambulance Charges	2,060,000	3.6%
Other Revenues	14,298,058	24.9%
Total Operating Revenues	\$ 57,531,281	100.0%

**Operating Revenues
Budget 2023/2024**



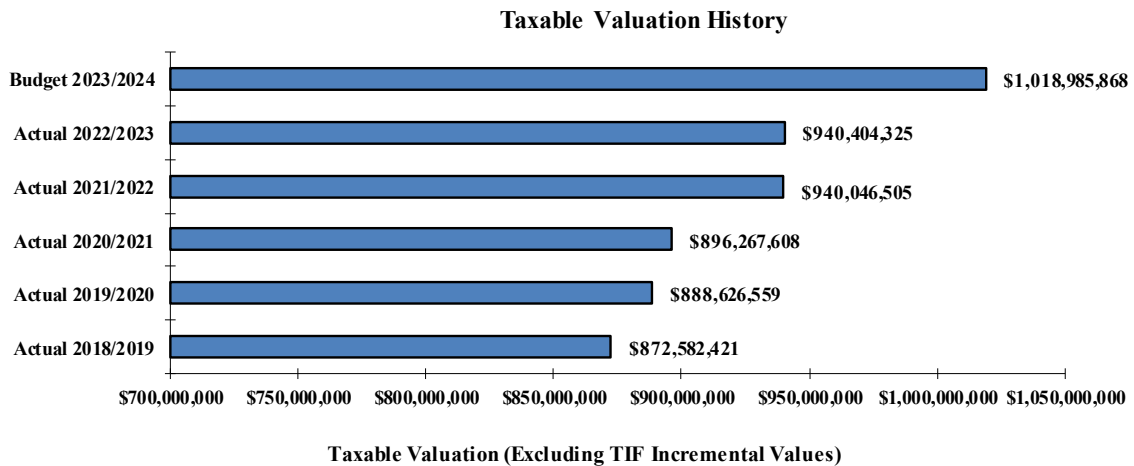
Property Taxes
FY 2023/2024 Budget \$18,786,623

General Information

Property taxes comprise 32.7% 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 2023/2024. 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



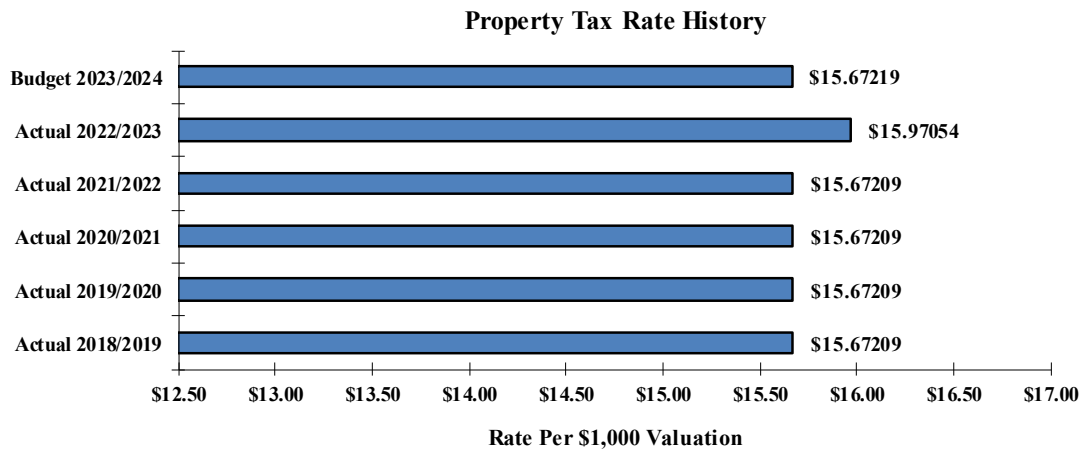
Taxable valuations are received from the County Auditor each year. Changes in taxable valuation occur due to new growth or improvements to existing properties, changes in property values by the County Assessor, changes in the State "rollback" factors for the different categories of property, and other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

The taxable property valuation for fiscal year 2023/2024 is \$1,018,985,868, which is \$78,581,543 (8.36%) more than the fiscal year 2022/2023 valuation of \$940,404,325. The increase is due to re-valuations by the County Assessor, new growth, and changes in taxable valuations due to changes in the rollback factors for residential and multi-residential properties. Growth in Tax Increment Financing (TIF) districts is not included in these taxable valuation amounts.

The rollback of regular commercial and industrial valuations remained at 90% for 2023/2024. Multi-residential properties (those with 3 or more living quarters, assisted living facilities, land-leased communities, etc.), however, which had been included in the commercial property category, are now a separate property class. Those valuations were rolled back from 90% to 86.25% in 2016/2017, to 82.50% in 2017/2018, to 78.75% in 2018/2019, to 75.00% in 2019/2020, to 71.25% in 2020/2021, to 67.50% for 2021/2022, to 63.75% for 2022/2023, and are now rolled back to the residential rollback

which is 54.6501% for 2023/2024. The taxable valuation for multi-residential properties is now included with residential properties. Industrial property valuations increased by 7.56%, commercial values increased by 5.51%, and residential properties which now include the former multi-residential properties, increased 15.82% for 2023/2024. The other smaller categories of properties are railroads, which increased in valuation by .39%, and utilities, which decreased by 32.7%. Overall, these factors combined resulted in the 8.36% overall increase in taxable valuations.

Property Tax Rates



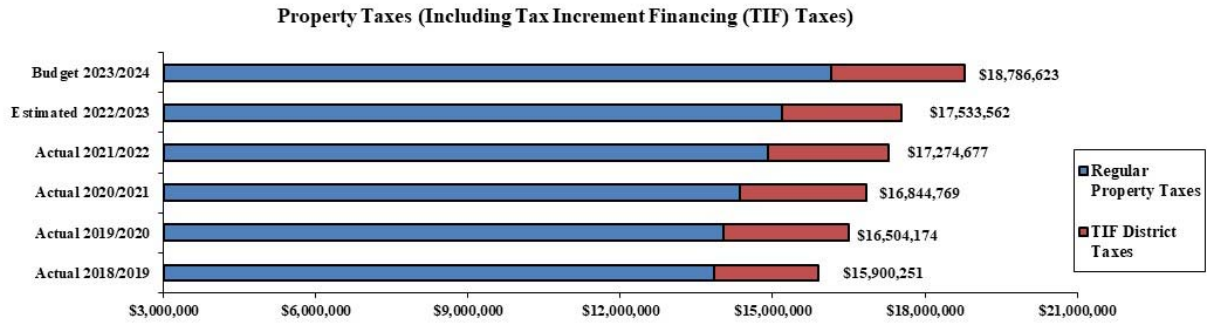
The City's tax rate for 2023/2024 is comprised of six different categories as provided for by the State of Iowa. These include the General Fund, Emergency, Transit System, Tort Liability, Employee Benefits, and Debt Service.

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 \$.27 for the Emergency tax levy. The City is at the maximum rate for General Fund and Emergency levy, but is at 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 2023/2024 decreased to \$15.67219 (2.87%) per \$1,000 of valuation. There were increases in the transit and tort liability levies, and decreases in the employee benefits and debt service tax levy rates. The overall decrease was possible due to the increase in property valuations.

Property Tax Revenue



Property taxes estimated for 2023/2024 total \$18,786,623, including \$16,143,123 from regular property tax and \$2,643,500 from tax increment financing (TIF) taxes. This is a 6.3% increase in regular property taxes and a 7.15% increase in total taxes including TIF taxes.

Local Option Sales Tax
FY 2023/2024 Budget \$3,340,000

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.

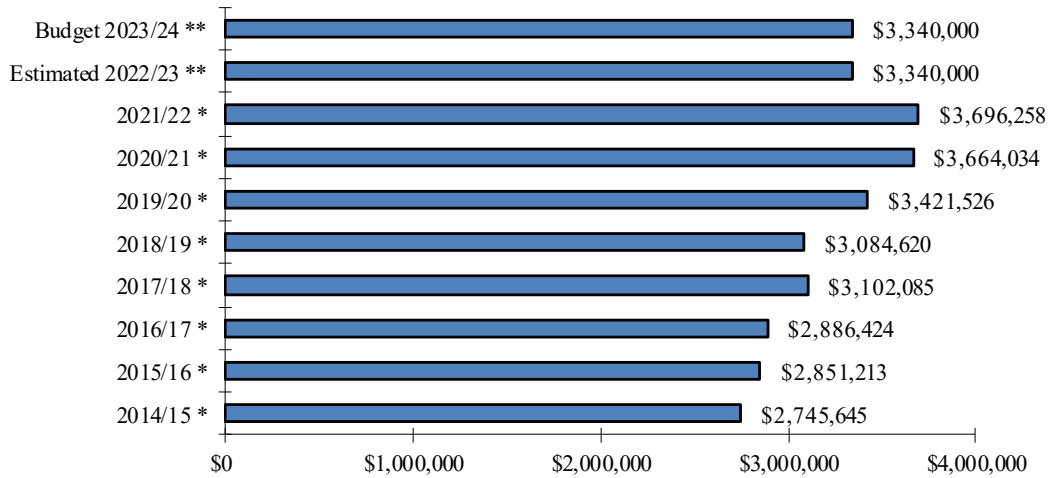
The previous 10-year local option sales tax period was scheduled to end on June 30, 2019 and a referendum was held on March 6, 2018 to extend the tax for an additional fifteen years (through June 30, 2034) with 80% of the tax proceeds to be used for storm and sanitary sewer projects and 20% for the City’s pavement management program. Voters again approved the extension of this tax with 88% voting in favor of the extension.

Basis of Local Option Tax Estimate

Through the 2021/2022 fiscal year the Iowa Department of Revenue made estimated local option sales tax payments to the City. The following fiscal year the City received an additional payment which reconciled 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. Beginning in 2022/2023 the State is distributing the actual local option sales tax payments on a monthly basis. The amount shown for both 2022/2023 and 2023/2024 have been estimated conservatively at the State’s projected levels.

Local Option Tax Revenue Trends

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



** Both the 2022/23 and 2023/24 amounts have been conservatively estimated at the State's preliminary allocation level.

Road Use Tax
FY 2023/2024 Budget \$3,093,600

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.

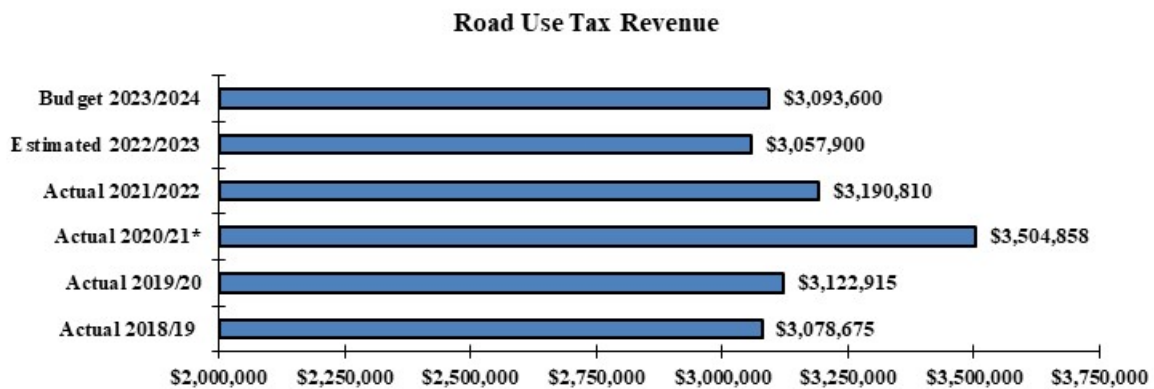
Basis of Road Use Tax Estimate

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 disbursements 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 the current year and 2023/2024. 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.

Road use tax revenues are estimated at \$3,057,900 in 2022/2023 and \$3,093,600 in 2023/2024. Revenues are generally based on IDOT estimates for road use taxes. Actual road use tax revenue 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 has estimated the 2022/2023 road use tax at \$128.50 per capita and 2023/2024 at \$130.00 per capita.



Road Use Taxes (Per Capita Basis)



* The State increased the allocation in 2020/2021 to assist cities with the impact from the COVID-19 pandemic.

Federal Housing Funds
FY 2023/2024 Budget \$2,805,100

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 2023 HUD increased the maximum number of units to 380. 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.

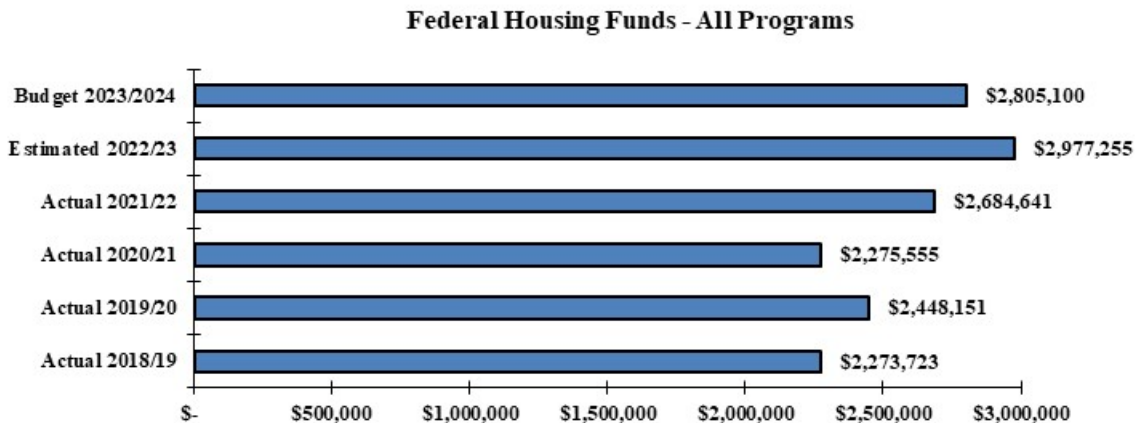
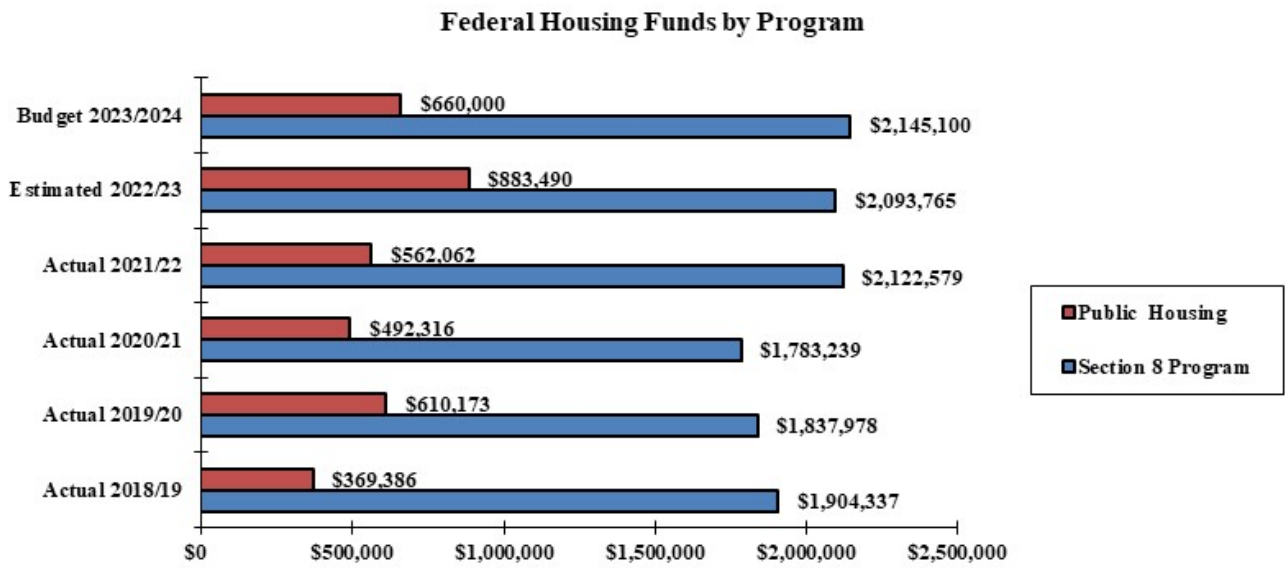
For calendar year 2012 HUD made additional changes in how the Section 8 Voucher program funds are distributed to housing agencies. HUD now holds each housing authority's HAPS reserve. According to information from HUD, this was not intended to reduce the number of families and individuals receiving rent 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 2023 funding, the City has not been provided sufficient HUD funds to provide housing assistance to the maximum number of individuals or families possible (380). 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 computed based on rent revenue of the housing program, allowable expense levels, utility expenses, and other factors. In 2018/2019 \$206,938 of HUD operating subsidy was received, in 2019/2020 the amount was \$348,041, in 2020/2021 the amount was \$257,940, and in 2021/2022 the amount was \$434,394. The subsidies have been estimated at \$367,200 for 2022/2023 and \$360,000 for 2023/2024.

Since 2000/2001 HUD has been allocating funds to Public Housing programs under the Capital Funds program. The City drew down the 2018 allocation of \$254,018 in 2019/2020, the 2019 allocation of \$226,663 in 2020/2021, \$38,753 of the 2019 allocation in 2021/2022, and \$60,354 of the 2020 allocation in 2021/2022. Housing agencies are given two years to obligate each year's capital funding allocation. The 2022/2023 revised estimate reflects drawing down the grant balance of the 2020 and the 2021 grant, which totals \$516,290. The 2023/2024 budget reflects drawing down the 2022 allocation of approximately \$300,000.

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 2022/2023 and the budgeted amounts for 2023/2024. The second chart shows the total HUD funds received and estimated to be received for the housing programs for the same years.



Sewer Charges for Services
FY 2023/2024 Budget \$7,310,800

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 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.

There were several multi-year sewer rate increases since the revised rate structure was implemented. The most recent rate study was completed in March of 2023. The recommended rates were adopted by ordinance which set rates to be effective July 1, 2023 and annually thereafter for the next four years (through July 1, 2027). The rate study recommended 3% annual increases in sewer rates. The rate study recommended four years of 5% increases followed by a one year 3% increase in collection and drainage rates to be effective each July 1 from 2023 to 2027.

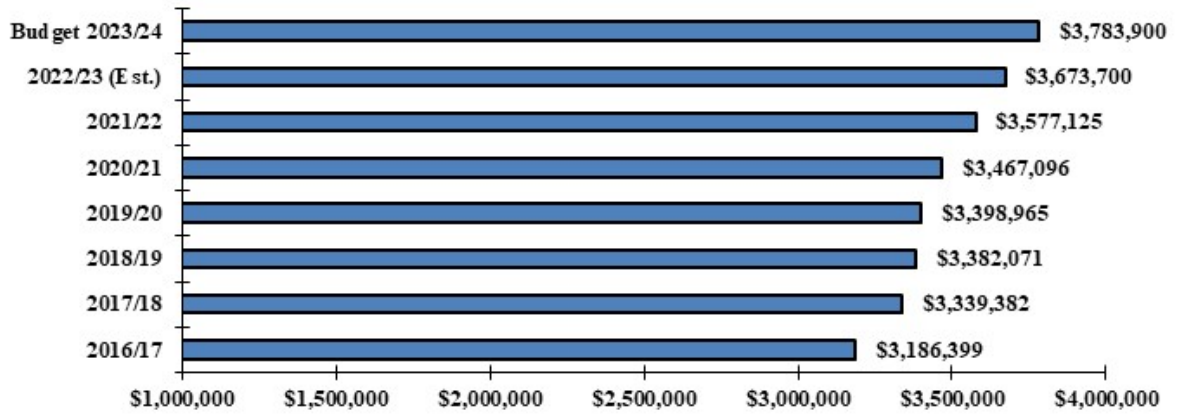
Basis of Revenue Estimates

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.

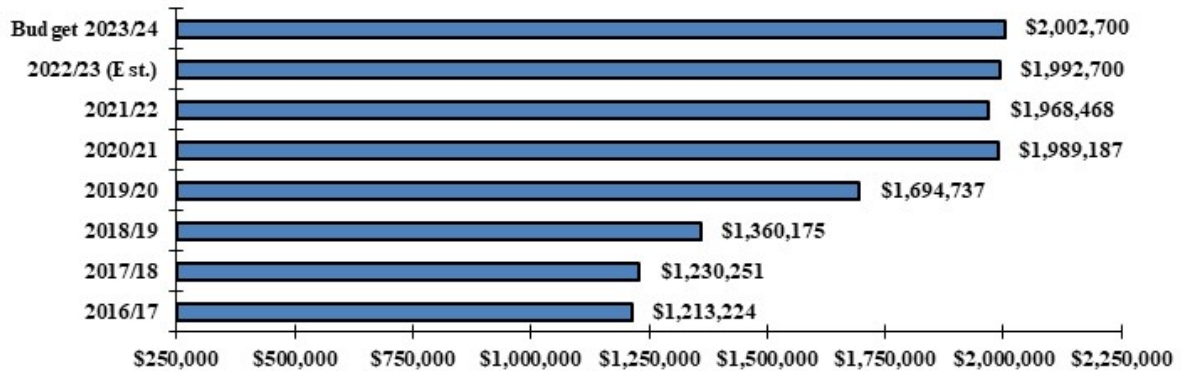
Residential and commercial sewer usage remains fairly constant each year. Industrial usage, however, has varied. Industrial sewer revenue and usage decreased in prior years primarily due to reduced volumes from the City's major industrial customer, Heinz (now Kraft-Heinz). As noted above, under the current rate structure the City contracts with Heinz for a guaranteed minimum of sewer revenue. This began in 2003/2004 and will continue through December 31, 2023 per the most recent contract extension with Kraft-Heinz. Staff will be working with Kraft-Heinz to extend this contract for an additional five years. The charts below reflect the sewer service charges for the last six fiscal years, the estimated amounts for 2022/2023 and the projections for 2023/2024. The High Strength Waste Facility was completed in 2019/2020. Revenues from this operation are estimated at \$170,000 for 2022/2023 and \$180,000 for 2023/2024.

Sewer Revenue Trends

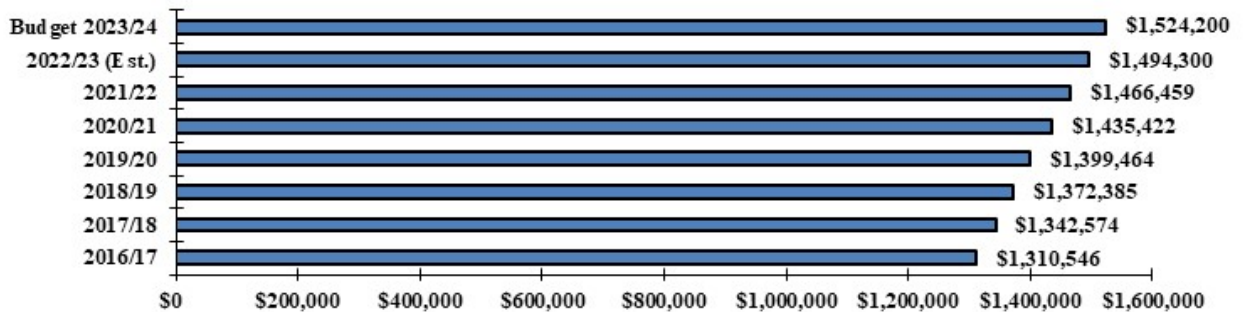
Residential and Muscatine Power and Water Billed Commercial Sewer Revenue



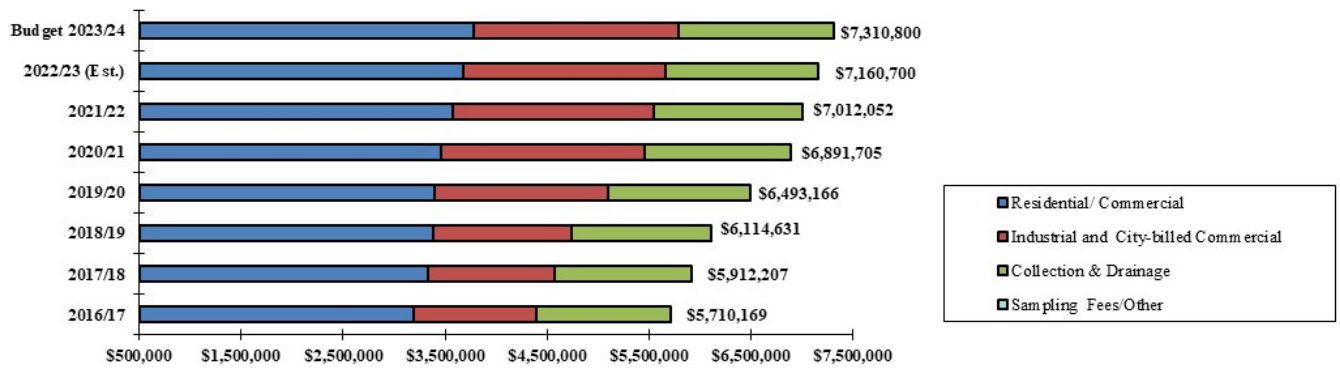
Industrial and City-Billed Commercial Sewer Revenue



Collection and Drainage Revenues



Sewer Revenues - All Types



Transfer Station Charges for Services
FY 2023/2024 Budget \$2,094,400

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

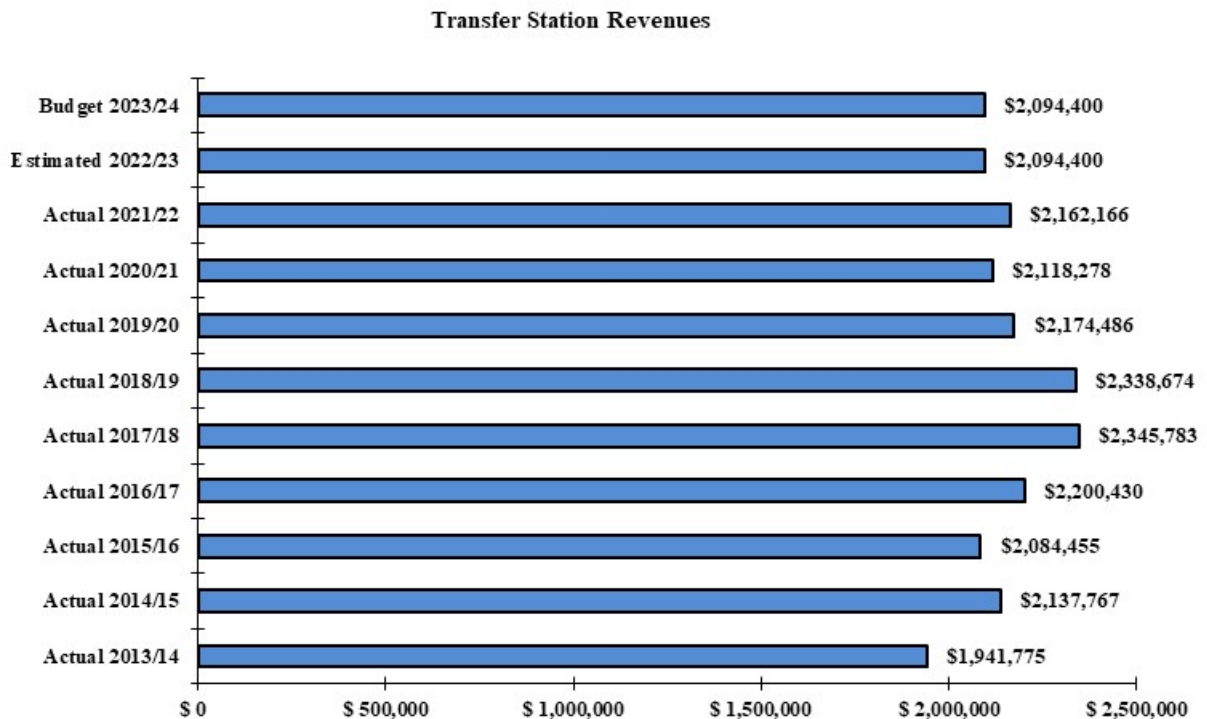
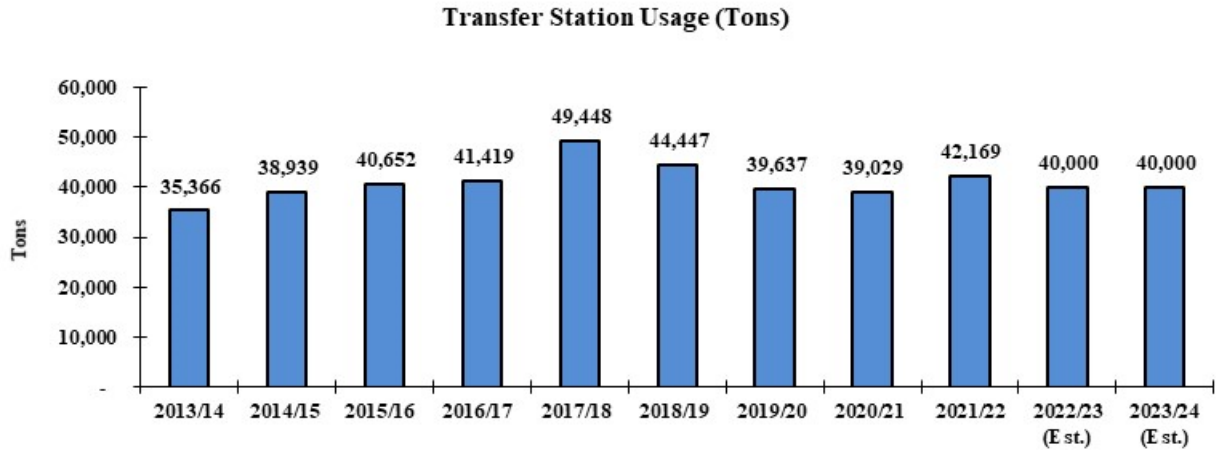
The City sets a "per ton" fee for the disposal of refuse at the Transfer Station. This fee is reviewed annually as part of the budget process. Analysis of the fees required is based on estimated volumes of refuse and estimated operating and capital expenditure needs. Consideration is also given when 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 increased from \$41.00 per ton to \$60.00 per ton for 2009/2010 and that rate will continue through 2023/2024. 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 qualified for a discounted industrial rate of \$50/ton of which \$30 of this rate was 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. These negotiated industrial contracts as well as the original industrial contracts were all extended through June 30, 2015, and further extended through June 30, 2020. Agreements have been reached to extend three of the industrial waste agreements for an additional five (5) years through June 30, 2025. Under the new agreements the regular industrial contracts decreased by \$2.50 per ton to \$42.50 per ton and the rates for the negotiated agreements did not change.

The actual Transfer Station waste tonnage was 35,366 in 2013/2014, 38,939 in 2014/2015, 40,652 in 2015/2016, 41,419 in 2016/2017, 49,448 in 2017/2018, 44,447 in 2018/2019, 39,637 in 2019/2020, 39,029 in 2020/2021, and 42,169 in 2021/2022. The higher waste tonnage in 2017/2018 was due to debris from the 2017 tornado, wind storm, and hail storm. The 2022/2023 revised estimate and 2023/2024 budget are each based on a projected 40,000 tons of waste.

Transfer Station Revenue Trends

The following charts show Transfer Station usage and revenues since 2013/2014:



Landfill Fees
FY 2023/2024 Budget \$1,159,400

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

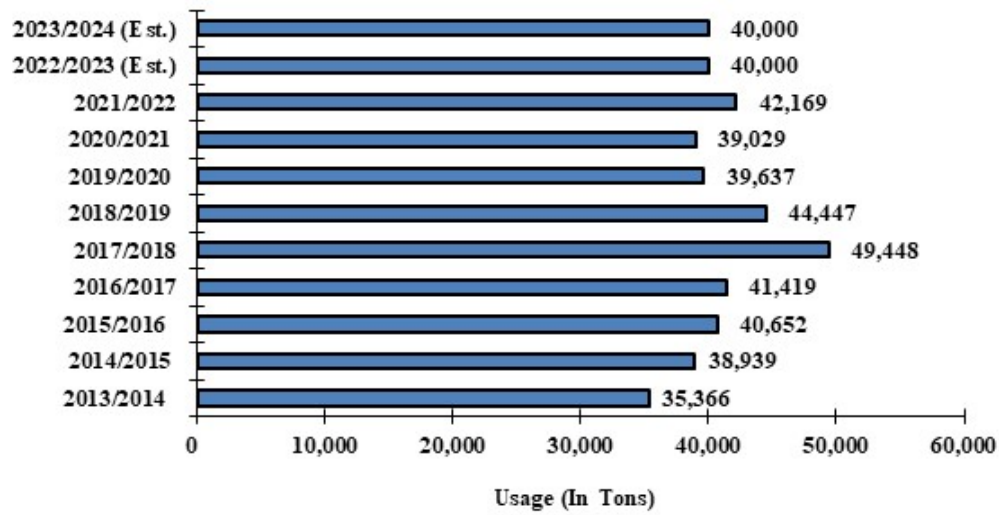
The landfill waste volume was 35,366 in 2013/2014, 38,939 in 2014/2015, 40,652 in 2015/2016, 41,419 in 2016/2017, 49,448 in 2017/2018, 44,447 in 2018/2019, 39,637 in 2019/2020, 39,029 in 2020/2021, and 42,169 in 2021/2022. The 2017/2018 increase was due to the debris from the 2017 tornado, wind storm, and hail storm. The 2022/2023 revised estimate and the 2023/2024 budget are each based on 40,000 tons of waste. The Transfer Station rate increased from \$41 to \$60 per ton effective July 1, 2009 with \$40 of this rate paid to the Landfill fund. This rate increase was needed due to the significant cost of developing new cells at the landfill. For 2016/2017, 2017/2018, and 2018/2019, \$32.00 of the full \$60.00 Transfer Station rate was paid to the Landfill. This change was possible since the Landfill deficit has been eliminated and sufficient funds had been accumulated for the next landfill cell. For 2019/2020 the landfill portion of the Transfer Station rate decreased to \$30.00 per ton for the full rate tonnage and the \$30.00 rate has been continued in the 2022/20223 and 2023/2024 budgets. This change was needed to continue to fund capital expenditures at the Transfer Station.

The City negotiated several new industrial contracts in 2011 with revenues from these new contracts directed to the Landfill fund deficit. All of the industrial contracts were first extended through June 30, 2015 and were further extended through June 30, 2020. Under those contracts the original industrial waste contracts were reduced by \$5/ton from \$50/ton to \$45/ton and the negotiated contracts were each reduced by \$2.50/ton. Agreements have been reached to extend three of the industrial waste agreements for an additional five (5) years through June 30, 2025. Under the new agreements the regular industrial contracts decreased by \$2.50 per ton to \$42.50 per ton and the rates for the negotiated agreements did not change.

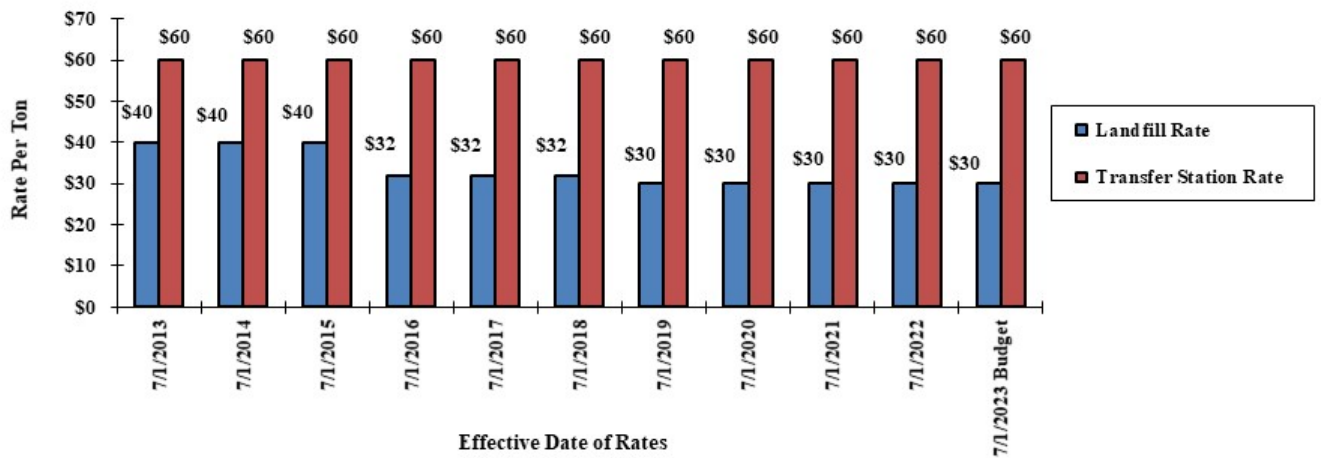
Landfill Revenue Trends

The following two charts show the tons of waste disposed of at the Landfill and the rates charged. As noted previously, the rates customers pay at the Transfer Station also fund Landfill costs. Both the Transfer Station rate and the rate the Transfer Station pays the Landfill are reflected in the second chart.

Landfill Usage History



Transfer Station and Landfill Rates (Per Ton)



Refuse Collection Charges for Services
FY 2023/2024 Budget \$2,583,300

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

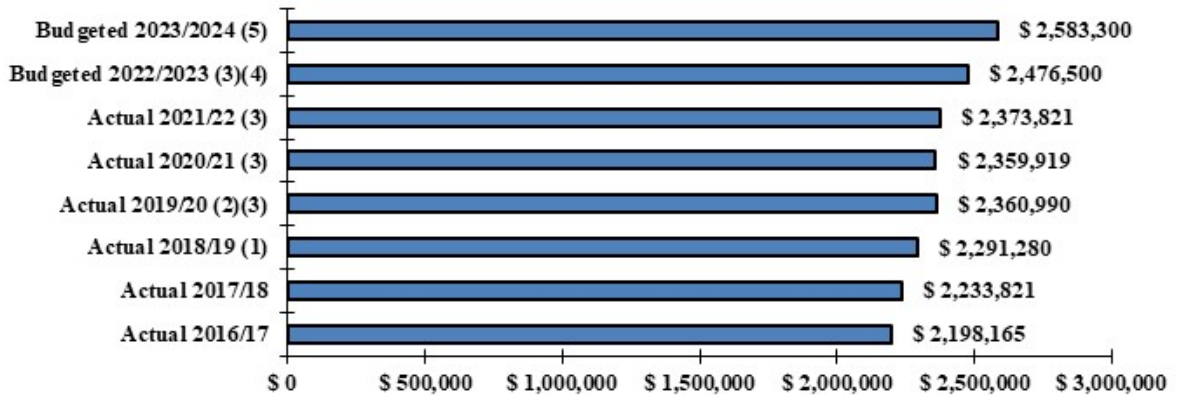
The monthly residential refuse rates were set at \$20.00 for regular residential and \$15.00 for senior citizens on April 1, 2011 when the contracted single sort curbside recycling program was implemented. Commercial account charges are based on the frequency of pickups and the amount of refuse collected. The rates for both regular residential customers and the senior rates increased by \$.50 per month effective July 1, 2018. The rate increase was needed in order to generate funds to replace one of the regular refuse collection vehicles in 2019/2020. The rates for residential customers increased by another \$.50 per customer per month effective July 1, 2019. This increase was needed to accumulate funds for another automated refuse collection vehicle in 2020/2021. The rate increases were also necessary since the monthly rate for the curbside recycling program increases each year, which impacts the funds available for the regular refuse collection service. The 2022/2023 budget included a \$1.00 per residential customer per month increase. This increase was recommended due to the increased costs of providing the refuse collection service including increased fuel costs, increased wage and benefit costs, and increased costs of replacement vehicles. Residential refuse collection rates are again budgeted to increase by \$1.00 per month per customer for 2023/2024. This increase is needed due to increased costs of replacing refuse collection vehicles.

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 those customers have the option of using private refuse haulers.

Refuse Collection Revenue Trends

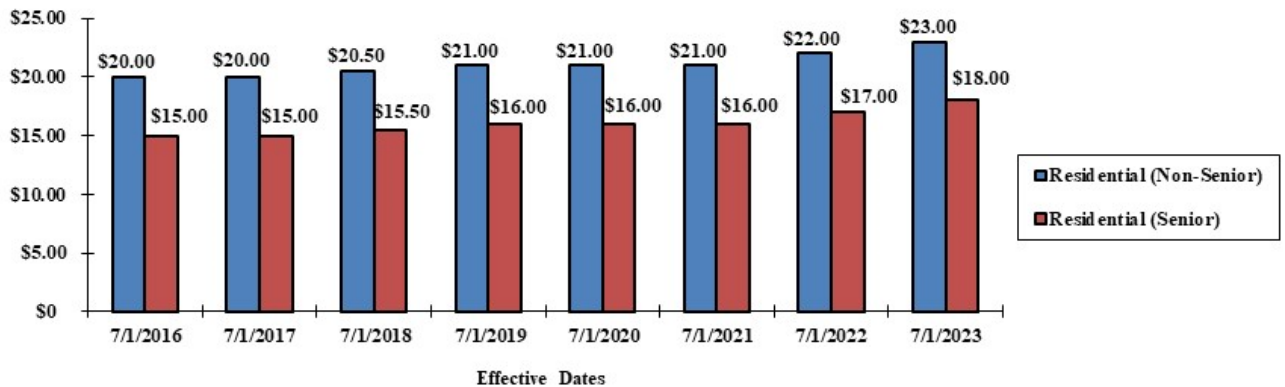
Refuse Collection revenues for the last six years, the estimated revenue for 2022/2023, and the budgeted revenue for 2023/2024 are shown in the following chart. The second chart shows the refuse collection rates since 2016/2017.

Refuse Collection Revenues



1. Includes a rate increase of \$.50 per month for regular and senior citizens effective July 1, 2018.
2. Includes a rate increase of \$.50 per month for regular and senior citizens effective July 1, 2019.
3. A non-resident fee was implemented at the Compost Site in November, 2019.
4. Includes a rate increase of \$1.00 per month for regular and senior citizens effective July 1, 2022.
5. Includes a rate increase of \$1.00 per month for regular and senior citizens effective July 1, 2023.

Refuse Collection Rate History (Rates Per Month)



Ambulance Charges for Services
FY 2023/2024 Budget \$2,060,000

General Information

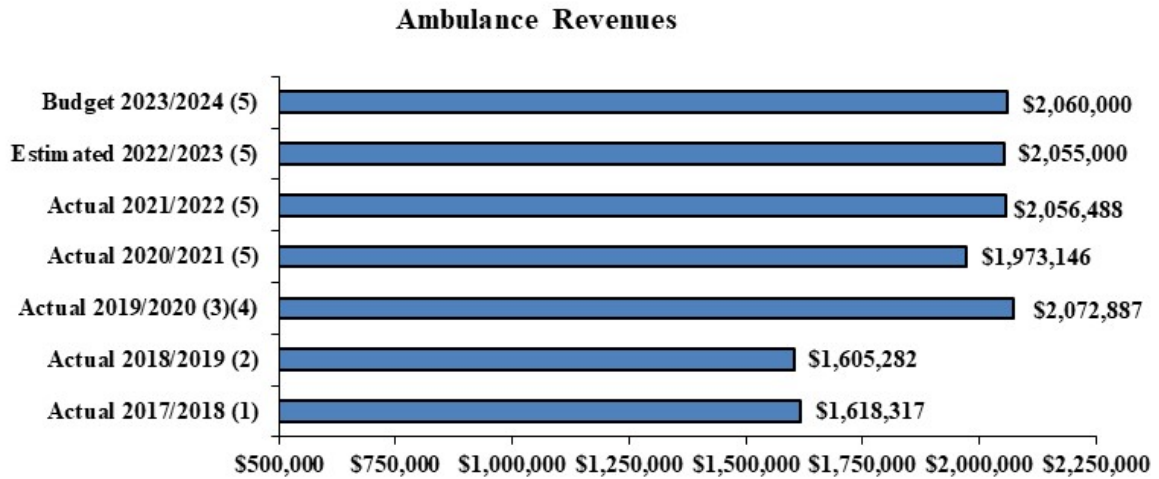
Through June 30, 2000, ambulance service for the City of Muscatine and surrounding townships was provided by a private ambulance service under contracts between the City and each respective township, and the ambulance service. The agreement with the previous ambulance provider expired on June 30, 2000.

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 50-55% 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. Conservative estimates are used which generally result in collections on prior year accounts exceeding the amounts accrued. These additional amounts or any reductions to the accrued amounts are reflected in the revenue amount the following year. 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. Effective July 1, 2017 the BLS rate was increased to \$588, the ALS1 rate to \$698 the ALS2 to \$1,011, and the Skilled Care Transport to \$1,194. The mileage rate increased to \$15 per loaded mile.
2. Effective July 1, 2018 the BLS rate was increased to \$595, the ALS1 rate to \$706 the ALS2 to \$1,023, and the Skilled Care Transport to \$1,208. The mileage rate increased to \$16 per loaded mile.
3. Additional ambulance revenues are being received since calendar year 2020 from GEMT (Ground Transportation Medical Transportation) funding. This funding increased reimbursements for Medicaid patients.
4. Effective July 1, 2019 the BLS rate was increased to \$607, the ALS1 rate to \$720 the ALS2 to \$1,043, and the Skilled Care Transport to \$1,232. The mileage rate was maintained at \$16 per loaded mile.
5. Effective July 1, 2020 the BLS rate was increased to \$620, the ALS1 rate to \$735 the ALS2 to \$1,065, and the Skilled Care Transport to \$1,258. The mileage rate increased to \$17 per loaded mile in 2020. These rates remained the same for 2021, 2022 and 2023.

LONG-TERM FINANCIAL PLANS -

MAJOR FUNDS

City of Muscatine

Long-Term Financial Plans for Major Funds

The 2021/2022 Budget was the first budget that included long-term financial plans for each of the City's major funds. These plans have been updated for the 2022/2023 and 2023/2024 Budgets.

For the City's most recently completed fiscal year (2021/2022), the City's major operating funds were determined to be the funds listed below and these funds are expected to continue to be the City's major funds in upcoming years:

Governmental Funds:

- General Fund
- Debt Service Fund
- Employee Benefits Special Revenue Fund
- Local Option Sales Tax Special Revenue Fund
- Road Use Tax Fund

Business-Type/Enterprise Funds:

- Water Pollution Control Fund
- Transfer Station Fund
- Refuse Collection

Long-Term Financial Plans – General Information

1. Each of the long-term financial plans include three years of actual historical information (fiscal years 2019/2020, 2020/2021, and 2021/2022), the revised estimate for the current year (2022/2023), the approved budget for 2023/2024, and projections for the following four years (2024/2025 through 2027/2028). The 2018/2019 fiscal year was the last full fiscal year prior to the COVID-19 pandemic.
2. The assumptions used for each fund are listed in the footnotes to these schedules.
3. The General, Debt Service, and Employee Benefits Fund long-term plans have been updated to reflect action taken by the State legislature to phase out the State reimbursement for the Commercial and Industrial Rollback that the City had been receiving each year. These reimbursements will be reduced by 12.5% each year over the next eight years until they are eliminated.
4. The American Rescue Plan Act (ARPA) was enacted and effective on March 11, 2021. The City of Muscatine's ARPA allocation is over \$3.5 million and the General Fund long-term plan reflects using a portion of these funds to offset revenue losses in the General fund due to the COVID-19 pandemic in fiscal years 2022/2023 and 2023/2024.
5. These schedules generally reflect current tax rates for governmental funds and current (or already approved) rates for enterprise funds for the future years in these schedules. The City contracts for multi-year sewer rates studies and reviews all rates for enterprise funds as part of the annual budget process. The Water Pollution Control Plan is based on the sewer rate increases recommended in the rate study completed in March of 2023.
6. While the General Fund and Employee Benefits Fund show funding gaps in future years based on the assumptions used in these schedules, actual results will likely vary based on actual increases in taxable valuations, and actual changes in other revenues and expenditures.
7. The Transfer Station enterprise fund shows operating deficits beginning in 2023/2024 based on assumptions used in the Plan. One of the significant assumptions is that revenues are based on 40,000 tons of waste each year. Waste volumes vary each year and waste volumes were impacted by the

pandemic in 2019/2020 and 2020/2021. It is anticipated that waste volumes should increase in upcoming years, but the amount of the increases and timing is not easily determined.

8. The Refuse Collection enterprise fund shows operating deficits for the last two years of the Plan, primarily due to capital outlay items in the department's replacement schedule. The need and timing of these purchases will be reviewed as part of upcoming budgets and refuse rates can be adjusted, if needed, to provide funds for needed capital purchases.
9. These Long-Term Financial Plans are for planning purposes only and do not represent budgets for the upcoming years. These schedules include numerous assumptions and estimates that will vary from year to year. These schedules will be updated as part of each future annual budget.
10. Special Note on the Utility Franchise Fee – the City reduced the Utility Franchise Fee rate from 5% to 3% effective February 1, 2022 due to significant increases in gas prices. Actual franchise fees will be higher than the estimates in the General Fund long-term plan if the higher gas prices continue. If gas rates return to the previous lower rates, the City Council can consider increases in the franchise fee rate up to 5% by giving a 90-day notice to Alliant Energy, the provider of natural gas service to the community.

City of Muscatine
Major Governmental Fund Long-Term Financial Plans
Actual 2019/2020, 2020/2021, and 2021/2022, Revised Estimate 2022/2023, Budget 2023/2024, and Projected 2024/2025 through 2027/2028

General Fund

	Actual 2019/2020	Actual 2020/2021	Actual 2021/2022	Revised Estimate 2022/2023	Budget 2023/2024	Preliminary Projections				Revenue/ Expenditure/ Other Footnotes
						Preliminary Projection 2024/2025	Preliminary Projection 2025/2026	Preliminary Projection 2026/2027	Preliminary Projection 2027/2028	
General Fund										
Revenues and Transfers In										
Taxes:										
General, Ag Land, & Mobile Home Property Taxes	\$ 7,198,681	\$ 7,378,114	\$ 7,672,837	\$ 7,669,756	\$ 8,307,634	\$ 8,473,800	\$ 8,643,300	\$ 8,816,200	\$ 8,992,500	(1)
Tort Liability Levy	283,477	286,436	319,665	328,300	368,800	379,900	391,300	403,000	415,100	(2)
Transit System Levy	50,575	108,628	-	0	198,930	198,930	198,930	198,930	198,930	(3)
Hotel/Motel Taxes	398,588	374,449	593,267	550,000	550,000	550,000	550,000	550,000	550,000	(4)
Cable Franchise Tax	143,166	132,287	124,022	124,000	124,000	124,000	124,000	124,000	124,000	(5)
Utility Franchise Fees	440,654	456,312	518,879	340,000	340,000	340,000	340,000	340,000	340,000	(6)
ST - Taxes	8,515,141	8,736,226	9,228,670	9,012,056	9,889,364	10,066,630	10,247,530	10,432,130	10,620,530	
Licenses and Permits:										
Construction Permits	168,177	167,473	299,939	240,000	200,000	225,000	250,000	275,000	300,000	(7)
Other Licenses and Permits	137,519	58,301	128,926	90,100	108,100	108,100	108,100	108,100	108,100	
ST - Licenses and Permits	305,696	225,774	428,865	330,100	308,100	333,100	358,100	383,100	408,100	
Fines and Forfeitures:										
Automated Traffic Enforcement Fines	479,861	565,265	474,695	475,000	475,000	500,000	500,000	500,000	500,000	
Court Fines	135,565	132,337	159,857	150,000	150,000	150,000	150,000	150,000	150,000	
Other Fines and Forfeitures	34,966	53,259	37,077	27,200	26,400	26,400	26,400	26,400	26,400	
ST - Fines and Forfeitures	650,392	750,861	671,629	652,200	651,400	676,400	676,400	676,400	676,400	
Intergovernmental:										
State Commercial and Industrial Reimbursement	330,880	336,424	329,784	281,161	281,161	281,161	281,161	281,161	281,161	(8)
Phase-Out of Backfill (FY 23 through FY 30)	0	0	0	0	(40,166)	(80,332)	(120,498)	(160,664)	(200,830)	(8)
Business Tax Credit Reimbursement	0	0	0	0	224,613	224,613	224,613	224,613	224,613	
Library County and Illinois Contracts	134,729	135,089	137,939	138,600	142,800	147,100	151,500	156,000	160,700	
Police Grants	285,945	313,959	357,550	389,700	311,400	311,400	311,400	311,400	311,400	
Art Center State Grant	13,000	10,000	18,000	15,000	15,000	15,000	15,000	15,000	15,000	
Housing - Payment in Lieu of Taxes	33,140	32,791	33,980	34,000	34,000	35,000	36,100	37,200	38,300	
Non-Recurring Grants/Reimbursements										
FEMA and State Match Reimbursements	113,149	6,300	31,594	22,400	0	0	0	0	0	
Federal Grant - SCBAs	0	243,104	15,546	0	0	0	0	0	0	
Other Grants and Reimbursements	4,814	0	4,633	14,500	4,500	4,500	4,500	4,500	4,500	
ST - Intergovernmental	915,657	1,077,667	929,026	895,361	973,308	938,442	903,776	869,210	834,844	
Charges for Essential Services										
Nuisance Reimbursements/Administrative Fees	75,688	118,313	134,712	135,000	135,000	135,000	135,000	135,000	135,000	
Cemetery Burial Charges	45,790	57,065	40,965	45,000	45,000	45,000	45,000	45,000	45,000	
Engineering Services	112,710	105,840	137,450	165,200	207,900	214,100	220,500	227,100	233,900	
Police Services Agreement	53,276	54,608	56,110	57,700	59,500	61,300	63,100	65,000	67,000	
Fire Department - Various Fees	103,871	108,168	99,679	98,500	100,700	100,700	100,700	100,700	100,700	
Housing Accounting Fees	64,600	66,500	68,400	70,400	72,500	74,700	76,900	79,200	81,600	
Housing Management Fee	4,494	12,372	13,465	13,500	13,500	13,500	13,500	13,500	13,500	
Various Other Fees	40,017	43,566	49,378	47,100	46,500	46,500	46,500	46,500	46,500	
ST - Charges for Essential Services	500,446	566,432	600,159	632,400	680,600	690,800	701,200	712,000	723,200	

						Preliminary Projections				Revenue/ Expenditure/ Other Footnotes
	Actual 2019/2020	Actual 2020/2021	Actual 2021/2022	Revised Estimate 2022/2023	Budget 2023/2024	Preliminary Projection 2024/2025	Preliminary Projection 2025/2026	Preliminary Projection 2026/2027	Preliminary Projection 2027/2028	
Charges for Optional Services (Parks, Art Center, Misc.)	137,414	161,047	212,928	220,700	224,800	224,800	224,800	224,800	224,800	
Use of Money and Property:										
Interest Income	\$ 97,991	\$ 13,260	\$ 5,983	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	(10)
Parks Shelters, Riverview Center, Pearl City St.	24,725	43,265	49,291	46,000	46,000	46,000	46,000	46,000	46,000	
Lease - Cemetery Cell Towers	21,558	23,562	24,199	24,200	24,200	24,200	24,200	24,200	24,200	
Lease - Public Safety Cell Tower	26,946	29,977	30,988	31,000	31,000	31,000	31,000	31,000	31,000	
Other - Commissions, Rentals, etc.	22,115	34,163	30,703	30,300	31,800	31,800	31,800	31,800	31,800	
ST - Use of Money and Property	193,335	144,227	141,164	231,500	233,000	233,000	233,000	233,000	233,000	
Other Revenues:										
Cemetery Lot and Niche Sales	\$ 16,516	\$ 44,096	\$ 32,263	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000	
Parks Administrative Fees	26,900	27,700	12,200	12,500	12,900	13,300	13,700	14,100	14,500	
Public Works Administrative Fees	70,300	72,400	74,500	76,600	78,900	81,300	83,700	86,200	88,800	
General Administrative Fees	399,200	398,300	397,300	405,200	417,300	429,800	442,700	456,000	469,700	
Information Technology Administrative Fee	39,000	41,000	43,000	45,100	47,300	48,700	50,200	51,700	53,300	
Communications Admin Fee (Exc. TIF Portion)	59,600	62,800	65,600	68,000	71,600	73,700	75,900	78,200	80,500	
Support Foundation Contributions	22,585	24,423	29,588	32,200	33,800	34,800	35,800	36,900	38,000	
Friends of the Art Center Contributions	22,259	25,053	28,105	28,800	30,100	31,000	31,900	32,900	33,900	
Various Other Contributions and Reimbursements	255,300	266,585	146,868	149,900	91,100	91,100	91,100	91,100	91,100	
ST - Other Revenue	911,660	962,357	829,424	845,300	810,000	830,700	852,000	874,100	896,800	
Transfers In:										
Employee Benefits Fund	\$ 4,131,873	\$ 4,534,057	\$ 4,772,602	\$ 4,990,287	\$ 5,163,172	\$ 5,318,100	\$ 5,477,600	\$ 5,641,900	\$ 5,811,200	
Emergency Levy	0	0	140,257	349,917	290,751	296,600	302,500	308,600	314,800	
Road Use Tax	2,709,941	2,598,645	2,866,770	3,011,400	3,418,600	3,079,000	3,109,800	3,140,900	3,172,300	
Perpetual Care Interest	19,326	10,872	1,831	18,000	18,000	18,000	18,000	18,000	18,000	(10)
Health Insurance Fund (Wellness)	54,842	56,516	55,778	68,000	70,000	72,100	74,300	76,500	78,800	
Ambulance Enterprise Fund	1,195,700	1,437,800	1,485,600	1,578,200	1,460,600	1,504,400	1,549,500	1,596,000	1,643,900	
Tax Increment/Economic Dev Admin and Legal	164,200	158,974	169,223	174,500	189,500	195,200	201,100	207,100	213,300	
Tax Increment Economic Development	38,000	43,000	43,000	43,000	43,000	43,000	43,000	43,000	43,000	
Transfer from Capital Project - Fire Equipment	0	22,793	0	0	0	0	0	0	0	
ST - Transfers	8,313,882	8,862,657	9,535,061	10,233,304	10,653,623	10,526,400	10,775,800	11,032,000	11,295,300	
Total Revenues and Transfers In	\$ 20,443,623	\$ 21,487,248	\$ 22,576,926	\$ 23,052,921	\$ 24,424,195	\$ 24,520,272	\$ 24,972,606	\$ 25,436,740	\$ 25,912,974	(9)
<u>Expenditures and Transfers Out</u>										
Salaries and Wages	\$ 10,877,634	\$ 11,266,782	\$ 11,345,379	\$ 12,561,400	\$ 13,094,100	\$ 13,486,900	\$ 13,891,500	\$ 14,308,200	\$ 14,737,400	(1)
Employee Benefits - Pension and Insurance	4,583,475	4,983,733	5,884,320	5,502,100	5,720,300	5,891,900	6,068,700	6,250,800	6,438,300	(2)
Commodities	960,329	904,257	1,090,407	1,197,350	1,164,950	1,199,900	1,235,900	1,273,000	1,311,200	(3)
Contractual Services	2,469,190	2,587,228	2,659,315	3,051,850	3,064,850	3,156,800	3,251,500	3,349,000	3,449,500	(4)
Capital Outlay	1,115,859	819,515	1,008,421	789,100	1,054,100	800,000	800,000	800,000	800,000	(5)

						Preliminary Projections				Revenue/ Expenditure/ Other Footnotes
	Actual 2019/2020	Actual 2020/2021	Actual 2021/2022	Revised Estimate 2022/2023	Budget 2023/2024	Preliminary Projection 2024/2025	Preliminary Projection 2025/2026	Preliminary Projection 2026/2027	Preliminary Projection 2027/2028	
Transfers Out:										
Computer Replacement Fund	50,000	50,000	50,000	40,000	50,000	50,000	50,000	50,000	50,000	(6)
Equipment Replacement Fund	200,000	202,000	250,000	250,000	400,000	250,000	250,000	250,000	250,000	(7)
Transit Tax Levy	51,982	113,807	0	0	206,678	206,678	206,678	206,678	206,678	(8)
Airport Subsidy	200	0	0	0	3,650	30,000	30,000	30,000	30,000	(9)
CVB Fund Transfer	123,738	99,647	93,612	125,000	125,000	135,000	135,000	135,000	135,000	(10)
Other	43,648	54,180	26,296	17,000	17,900	18,400	19,000	19,600	20,200	(11)
Total Expenditures and Transfers Out	\$ 20,476,055	\$ 21,081,149	\$ 22,407,750	\$ 23,533,800	\$ 24,901,528	\$ 25,225,578	\$ 25,938,278	\$ 26,672,278	\$ 27,428,278	
Fund Balance Increase/(Funding Gap) before State and Federal Funding for COVID Relief	\$ (32,432)	\$ 406,099	\$ 169,176	\$ (480,879)	\$ (477,333)	\$ (705,306)	\$ (965,672)	\$ (1,235,538)	\$ (1,515,304)	
State COVID Relief Funds	0	0	0	261,600	150,500	150,500	0	0	0	(1)
American Rescue Plan Federal Funding (Estimate)	0	0	0	217,200	327,100	To be det.	0	0	0	(2)
Fund Balance Increase/(Funding Gap) with State and Federal Funding	\$ (32,432)	\$ 406,099	\$ 169,176	\$ (2,079)	\$ 267	\$ (554,806)	\$ (965,672)	\$ (1,235,538)	\$ (1,515,304)	(3)
Note Funding Gaps Based on Assumptions Used										

Revenue Footnotes and Assumptions:

1. The City of Muscatine is at the General Fund tax levy limit of \$8.10 per \$1,000 of valuation. As a result, any growth in general property tax revenue will be due to new growth or increases in taxable valuation. The growth in property tax revenue shown is based on estimated 2.0% annual increases in taxable valuation for FY 25 through FY 28.
2. Tort Liability Tax Levy - assumes 3% annual increases in this levy.
3. Transit Tax Levy - will be based on funding needs in the Transit fund; passed through the General Fund to Transit.
4. Hotel/motel tax - assumes recent hotel/motel tax revenues continue at close to pre-pandemic level.
5. Cable Franchise Fee - no annual increase or decrease is expected.
6. Utility Franchise Fee - assumes continuation of the 3% rate and gas prices returning to closer to previous rates (higher prices, however, may continue).
7. Building Permit revenues were negatively impacted by the COVID-19 pandemic. Assumes annual increases to closer to pre-pandemic levels.
8. After the City's FY 2021/2022 budget was adopted, legislation was adopted that will phase out the State Commercial and Industrial Reimbursement over eight years (FY 23 - FY 30) at 12.5% per year.
9. Most other revenue sources are shown as either flat amounts for FY 25 through FY 28 or with 3% annual increases.
10. Interest on the General Fund balance and Perpetual Care interest have increased beginning in 2022.

Expenditure Footnotes and Assumptions:

1. Salaries and Wages - allows for 3% annual increases which include union, non-union, and step changes.
2. Employee Benefits - assumes 3% annual increases in General Fund employee benefits for FY 25 through FY 28.
3. Commodities - assumes 3% annual increases in commodities.
4. Contractual Services - assumes 3% annual increases in contractual services.
5. Estimated annual capital outlay from operating budgets; excludes any extraordinary purchases.
6. Computer Replacement Fund - \$50,000 annual funding transfer; no annual increases reflected.
7. Equipment Replacement Fund - returned to previous allocation of \$250,000 for future years.
8. Transit Tax Levy Transfer - will equal Transit Tax levy revenues above; no net impact on General Fund balance.
9. Airport Subsidy - average of 5 years prior to the CARES Act funding in FY 20, FY 21, and FY 22.
10. CVB Fund Transfer - FY 25 through FY 28 shown at requested level for FY 24 and FY 25 for remaining years.
11. Other Transfers - primarily Communications Admin fee for Public Works - assumes 3% annual increase.

Actual 2019/2020	Actual 2020/2021	Actual 2021/2022	Revised Estimate 2022/2023	Budget 2023/2024	Preliminary Projections				Revenue/ Expenditure/ Other Footnotes
					Preliminary Projection 2024/2025	Preliminary Projection 2025/2026	Preliminary Projection 2026/2027	Preliminary Projection 2027/2028	

Funding Gaps and State and Federal Funding (Preliminary Estimates)

1. In October of 2020, the City received \$561,628 in COVID-19 Local Government Relief funds from the State. These funds were credited to the Emergency Tax Levy / Emergency Fund. In FY 23, \$261,600 is budgeted to be transferred to the General Fund, \$150,500 is budgeted to be transferred in FY 24, and the final \$150,500 is shown in FY 25.
2. On March 11, 2021 the American Rescue Plan of 2021 was signed into law. This Act provides funding to all cities, counties, and States to assist the country in recovering from the impacts of the COVID-19 pandemic. The City's allocation totals \$3,533,376.69 with the first half of this allocation received in FY 22 and the other half received in FY 23. These funds are required to be expended or obligated by the end of the 2024 calendar year. The amounts shown in FY 23 and FY 24 are the amounts needed to balance the General Fund budget. No transfer is currently reflected in FY 25 since the funds must be obligated by December 31, 2024.
3. While significant funding gaps are shown in FY 25, FY 26, FY 27, and FY 28, assumptions used for this Plan can vary significantly from year to year. This 5-Year Plan/Forecast will be updated annually.

City of Muscatine
Major Governmental Fund Long-Term Financial Plans
Actual 2019/2020, 2020/2021, and 2021/2022, Revised Estimate 2022/2023, Budget 2023/2024, and Projected 2024/2025 through 2027/2028

Debt Service Fund

						Preliminary Projections			
	Actual 2019/2020	Actual 2020/2021	Actual 2021/2022	Revised Estimate 2022/2023	Budget 2023/2024	Preliminary Projection 2024/2025	Preliminary Projection 2025/2026	Preliminary Projection 2026/2027	Preliminary Projection 2027/2028
Debt Service Fund									
Revenues									
Taxes:									
General, Ag Land, & Mobile Home Property Taxes	\$ 2,507,287	\$ 2,321,731	\$ 2,370,432	\$ 2,238,119	\$ 2,255,395	\$ 2,460,427	\$ 2,528,829	\$ 2,590,993	\$ 2,652,920 (1)
(Memo Only - Percent Change in Property Taxes Based on the Assumptions in this Preliminary Plan)						(9.09% Inc.)	(2.78% Inc.)	(2.46% Inc.)	(2.39% Inc.)
Intergovernmental:									
State Commercial and Industrial Reimbursement	106,112	91,478	90,987	80,514	80,514	80,514	80,514	80,514	80,514
Phase-Out of Backfill (FY 23 through FY 30)	-	-	-	-	(11,502)	(23,004)	(34,506)	(46,008)	(57,510) (2)
Business Property Tax Credit Reimbursement	-	-	-	-	52,989	52,989	52,989	52,989	52,989
Interest	17,471	1,896	927	1,000	1,000	1,000	1,000	1,000	1,000
Transfers In:									
Tax Increment Funds	206,250	347,734	352,900	357,000	355,900	354,700	353,400	352,000	355,500 (3)
Water Pollution Control Fund	92,500	90,550	92,950	95,150	91,400	92,650	93,650	90,250	92,700 (3)
Total Revenues	\$ 2,929,620	\$ 2,853,389	\$ 2,908,196	\$ 2,771,783	\$ 2,825,696	\$ 3,019,276	\$ 3,075,876	\$ 3,121,738	\$ 3,178,113
Expenditures									
Paying Agent Costs	\$ 2,900	\$ 2,700	\$ 3,000	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500 (4)
Bonds	2,630,000	2,475,000	2,555,000	2,295,000	2,375,000	2,090,000	2,160,000	1,795,000	1,850,000 (4)
Interest	341,691	409,316	342,738	517,024	447,231	375,776	307,126	240,463	186,413 (4)
Estimated Costs for New Issues:									
Bonds and Interest - Estimated Spring 2024 Issue	-	-	-	-	-	550,000	605,250	687,000	688,750 (5)
Bonds and Interest - Estimated Spring 2026 Issue	-	-	-	-	-	-	-	395,775	449,450 (6)
Total Expenditures	\$ 2,974,591	\$ 2,887,016	\$ 2,900,738	\$ 2,815,524	\$ 2,825,731	\$ 3,019,276	\$ 3,075,876	\$ 3,121,738	\$ 3,178,113
Fund Balance Increase/(Funding Gap)	\$ (44,971)	\$ (33,627)	\$ 7,458	\$ (43,741)	\$ (35)	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	182,741	137,770	104,143	111,601	67,860	67,860	67,860	67,860	67,860
Ending Fund Balance (Actual or Estimated)	\$ 137,770	\$ 104,143	\$ 111,601	\$ 67,860	\$ 67,825	\$ 67,860	\$ 67,860	\$ 67,860	\$ 67,860

Footnotes and Assumptions:

- Debt service tax levies for FY 25 through FY 28 are those needed to pay projected principal and interest payments included in this long-term plan. This may require increases in the debt service tax levy rate and will depend on taxable property valuations each year, the actual amounts of the May 2024 and May 2026 bond issues, and interest rates on those bond issues.
- After the City's FY 2021/2022 budget was adopted, legislation was adopted that will phase out the State Commercial and Industrial Reimbursement over eight years (FY 23 - FY 30) at 12.5% per year.
- Transfers from Tax Increment and Water Pollution Control funds are based on currently outstanding debt issues.
- Principal and interest on outstanding bond issues at the time the FY 24 Budget was adopted.
- Preliminary estimate of debt service requirements based on a \$5.1 million 10-year bond issue in May of 2024 (PFM estimates).
- Information is not yet available for the bond issue in May of 2026; amount shown is a place-holder for actual bond issue debt requirements.

Comments:

Actual debt service tax levy increases will depend on increases in taxable valuations, the actual bond issue amounts for the May 2024 and May 2026 bond issues, and interest rates on those issues. The City can choose to use a portion of the fund balance to lessen the impact on the debt service tax levy, if needed.

City of Muscatine
Major Governmental Funds Long-Term Financial Plans
Actual 2019/2020, 2020/2021, and 2021/2022, Revised Estimate 2022/2023, Budget 2023/2024, and Projected 2024/2025 through 2027/2028

Employee Benefits Fund

						Preliminary Projections			
	Actual 2019/2020	Actual 2020/2021	Actual 2021/2022	Revised Estimate 2022/2023	Budget 2023/2024	Preliminary Projection 2024/2025	Preliminary Projection 2025/2026	Preliminary Projection 2026/2027	Preliminary Projection 2027/2028
<u>Employee Benefits Fund</u>									
Revenues									
Taxes:									
General, Ag Land, & Mobile Home Property Taxes	\$ 4,080,502	\$ 4,356,826	\$ 4,515,201	\$ 4,766,720	\$ 4,809,929	\$ 4,906,100	\$ 5,004,200	\$ 5,104,300	\$ 5,206,400 (1)
Intergovernmental:									
State Commercial and Industrial Reimbursement	179,345	186,363	186,425	168,188	168,188	168,188	168,188	168,188	168,188
Phase-Out of Backfill (FY 23 through FY 30)	-	-	-	-	(23,751)	(41,676)	(66,978)	(92,280)	(117,582) (2)
Business Property Tax Credit Reimbursement	-	-	-	-	122,096	122,096	122,096	122,096	122,096 (3)
Total Revenues	\$ 4,259,847	\$ 4,543,189	\$ 4,701,626	\$ 4,934,908	\$ 5,076,462	\$ 5,154,708	\$ 5,227,506	\$ 5,302,304	\$ 5,379,102
<u>Expenditures and Transfers Out:</u>									
Transfers Out for General Fund Employee Benefit Costs	\$ 4,131,873	\$ 4,534,057	\$ 4,772,602	\$ 4,990,287	\$ 5,163,172	\$ 5,318,067	\$ 5,477,609	\$ 5,641,937	\$ 5,811,195 (4)
Total Expenditures and Transfers Out	\$ 4,131,873	\$ 4,534,057	\$ 4,772,602	\$ 4,990,287	\$ 5,163,172	\$ 5,318,067	\$ 5,477,609	\$ 5,641,937	\$ 5,811,195
Fund Balance Increase/(Funding Gap)	\$ 127,974	\$ 9,132	\$ (70,976)	\$ (55,379)	\$ (86,710)	\$ (163,359)	\$ (250,103)	\$ (339,633)	\$ (432,093) (6)
Beginning Fund Balance	75,959	203,933	213,065	142,089	86,710	-	-	-	- (5)
Ending Fund Balance (Deficit) (Actual/Estimated)	\$ 203,933	\$ 213,065	\$ 142,089	\$ 86,710	\$ -	\$ (163,359)	\$ (250,103)	\$ (339,633)	\$ (432,093) (6)

Footnotes and Assumptions:

1. Growth in property tax revenue assuming the Employee Benefits Tax Levy rate would remain the same. Growth in taxable valuation assumptions based on estimated 2.0% increase for FY 25 thru FY 28.
2. After the City's FY 2021/2022 budget was adopted, legislation was adopted that will phase out the State Commercial and Industrial Reimbursement over eight years (FY 23 - FY 30) at 12.5% per year.
3. Beginning in 2023/2024, the State is transitioning the previous Business Property Tax Credits into an assessment limitation. This assessment limitation applies to the residential rollback to the first \$150,000 of taxable valuation of commercial, industrial, and railroad properties for the purposes of property taxation. The State has appropriated up to \$125 million as a backfill to prevent an immediate reduction in local government revenues. For the long-term financial plans, it is assumed this amount will remain the same for the years shown.
4. Assumes 3% annual increases in General Fund employee benefits for fiscal years 2024/2025 through 2027/2028.
5. While zero beginning balances are shown for each of the years from 2024/2025 through 2027/2028, there would normally be a beginning balance due to savings in employee benefits due to vacancies. These amounts would reduce the annual funding gaps.
6. While increasing funding gaps are shown each fiscal year from 2024/2025 through 2027/2028, cities in Iowa can increase the Employee Benefits tax levy to fund actual General Fund employee benefit costs. The actual funding gaps will be based on actual pension and insurance rates which can vary significantly from year to year (especially Police and Fire pension contribution rates and health insurance rates).

Comments:

While fiscal years 2024/2025 through 2027/2028 show operating deficits based on the assumptions used in this schedule, actual results will likely vary based on actual increases in taxable valuations, actual pension contribution and health insurance rates, and any beginning balances that would be available due to prior year vacancies. The City can consider offsetting increases in the employee benefit tax levy rate with decreases in other levy rates.

City of Muscatine
Major Governmental Fund Long-Term Financial Plans
Actual 2019/2020, 2020/2021, and 2021/2022, Revised Estimate 2022/2023, Budget 2023/2024, and Projected 2024/2025 through 2027/2028

Local Option Sales Tax Fund

						Preliminary Projections			
	Actual 2019/2020	Actual 2020/2021	Actual 2021/2022	Revised Estimate 2022/2023	Budget 2023/2024	Preliminary Projection 2024/2025	Preliminary Projection 2025/2026	Preliminary Projection 2026/2027	Preliminary Projection 2027/2028
<u>Local Option Sales Tax Fund</u>									
Revenues									
Taxes:									
Local Option Sales Tax - State Scheduled Payments	\$ 2,936,861	\$ 3,208,926	\$ 3,414,808	\$ 3,240,050	\$ 3,340,000	\$ 3,390,100	\$ 3,441,000	\$ 3,492,600	\$ 3,545,000 (1)
Local Option Sales Tax - Prior Year Reconciliation	28,658	484,665	455,108	281,450	-	-	-	-	- (1)
Use of Money and Property:									
Interest	3,224	1,731	2,174	100	100	500	500	500	500
Total Revenues	\$ 2,968,743	\$ 3,695,322	\$ 3,872,090	\$ 3,521,600	\$ 3,340,100	\$ 3,390,600	\$ 3,441,500	\$ 3,493,100	\$ 3,545,500
<u>Expenditures and Transfers Out</u>									
Transfers Out:									
West Hill Sewer Separation Project	\$ 2,684,352	\$ 2,203,375	\$ 2,709,151	\$ 3,916,300	\$ 2,672,100	\$ 2,712,500	\$ 2,753,200	\$ 2,794,500	\$ 2,836,400 (2)
Pavement Management Projects	593,104	738,718	774,940	704,300	668,000	678,100	688,300	698,600	709,100 (2)
Total Expenditures	\$ 3,277,456	\$ 2,942,093	\$ 3,484,091	\$ 4,620,600	\$ 3,340,100	\$ 3,390,600	\$ 3,441,500	\$ 3,493,100	\$ 3,545,500
Fund Balance Increase/(Funding Gap)	\$ (308,713)	\$ 753,229	\$ 387,999	\$ (1,099,000)	\$ -	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	566,491	257,778	1,011,007	1,399,006	300,006	300,006	300,006	300,006	300,006 (3)
Ending Fund Balance (Actual or Estimated)	\$ 257,778	\$ 1,011,007	\$ 1,399,006	\$ 300,006	\$ 300,006	\$ 300,006	\$ 300,006	\$ 300,006	\$ 300,006 (3)

Footnotes and Assumptions:

1. Through the 2021/2022 fiscal year the Iowa Department of Revenue made estimated local option sales tax payments to the City. The following fiscal year the City received an additional payment which reconciled actual local option sales tax amounts to the estimates previously remitted to the City. Beginning in the 2023/2024 year, the State is remitting actual monthly local option tax receipts to the City each month. Local option tax revenue for 2024/2025 through 2027/2028 reflect estimated annual 1.5% increases with no reconciliation amounts.
2. The most recent local option sales tax referendum was held on March 6, 2018 and voters approved the extension of this tax for an additional 15 years to fund future sewer (80%) and street (20%) improvement projects. The 15 year extension (through June 30, 2034) was again approved by voters with 88% voting in favor of the extension. Transfers out are based on 80% of the local option tax being transferred to the West Hill Sewer Separation project and 20% to the Pavement Management project fund.
3. A \$300,000 ending balance is the approximate amount of the accrued Local Option Tax at the end of each fiscal year. (If this would be transferred to the West Hill Sewer project or Pavement Management project, there would be a deficit cash balance at fiscal year end.)

Comments:

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 West Hill Sewer Separation project is the final project mandated by the Consent Order and it is being done in multiple phases to meet the mandated deadline. The Pavement Management Program provides for street and alley resurfacing projects and full depth concrete patching projects each fiscal year. Local option taxes are the primary funding source for the West Hill Sewer Separation project. Road Use Taxes supplement the local option sales tax allocation for the annual Pavement Management program.

City of Muscatine
Major Governmental Fund Long-Term Financial Plans
Actual 2019/2020, 2020/2021, and 2021/2022, Revised Estimate 2022/2023, Budget 2023/2024, and Projected 2024/2025 through 2027/2028

Road Use Tax Fund

						Preliminary Projections			
	Actual 2019/2020	Actual 2020/2021	Actual 2021/2022	Revised Estimate 2022/2023	Budget 2023/2024	Preliminary Projection 2024/2025	Preliminary Projection 2025/2026	Preliminary Projection 2026/2027	Preliminary Projection 2027/2028
Road Use Tax									
Revenues									
Intergovernmental:									
Road Use Tax	\$ 3,122,915	\$ 3,504,858	\$ 3,190,810	\$ 3,057,900	\$ 3,093,600	\$ 3,105,500	\$ 3,129,300	\$ 3,153,100	\$ 3,165,000 (1)
Total Revenues	\$ 3,122,915	\$ 3,504,858	\$ 3,190,810	\$ 3,057,900	\$ 3,093,600	\$ 3,105,500	\$ 3,129,300	\$ 3,153,100	\$ 3,165,000
Per Capita Road Use Tax Actual/Estimated	\$ 131.11	\$ 147.28	\$ 134.08	\$ 128.50	\$ 130.00	\$ 130.50	\$ 131.50	\$ 132.50	\$ 133.00 (1)
Expenditures and Transfers Out									
Transfers Out:									
General Fund Public Works Operations	\$ 2,709,941	\$ 2,598,646	\$ 2,866,770	\$ 3,011,400	\$ 3,418,600	\$ 3,079,000	\$ 3,109,800	\$ 3,140,900	\$ 3,172,300 (2)
Pavement Management Capital Project	449,262	406,396	159,389	295,700	332,000	100,000	100,000	100,000	100,000 (3)
New Sidewalk Program	-	18,858	123,072	310,000	-	100,000	100,000	75,000	15,000 (4)
Other Capital Projects	455	82,539	-	210,000	-	-	-	-	- (5)
Total Expenditures	\$ 3,159,658	\$ 3,106,439	\$ 3,149,231	\$ 3,827,100	\$ 3,750,600	\$ 3,279,000	\$ 3,309,800	\$ 3,315,900	\$ 3,287,300
Fund Balance Increase/(Funding Gap)	\$ (36,743)	\$ 398,419	\$ 41,579	\$ (769,200)	\$ (657,000)	\$ (173,500)	\$ (180,500)	\$ (162,800)	\$ (122,300)
Beginning Fund Balance	1,365,772	1,329,029	1,727,448	1,769,027	999,827	351,748	334,748	259,248	124,048
Ending Fund Balance (Actual or Estimated)	\$ 1,329,029	\$ 1,727,448	\$ 1,769,027	\$ 999,827	\$ 342,827	\$ 178,248	\$ 154,248	\$ 96,448	\$ 1,748

Footnotes and Assumptions:

1. Road Use Tax revenues are generally based on Iowa Department of Transportation (IDOT) per capita estimates. The per capita amounts shown for FY 23 through FY 27 are estimates from the IDOT. Based on actual receipts in prior years, however, these are likely conservative estimates.
2. Road Use Tax transfers to the General Fund for Public Works operations have generally been increased by 1.0% annually for 2024/2025 through 2027/2028. Since the 2023/2024 transfer included \$400,000 in extraordinary capital outlay items, the base amount for 2023/2024 was reduced by that amount prior to computing increases for future years.
3. Transfers for the Pavement Management Program are amounts estimated to be available based on the revenue assumptions used.
4. Assumes the annual \$100,000 allocation for new sidewalks continues in upcoming years.
5. Any additional Road Use Tax funding for other street projects not yet known.

Comments:

Based on revenue and expenditure assumptions, the Road Use Taxes available for the Pavement Management and Sidewalk Programs are expected to decrease over the upcoming years as shown above.

City of Muscatine
Major Business-Type Funds Long-Term Financial Plans
Actual 2019/2020, 2020/2021, and 2021/2022, Revised Estimate 2022/2023, Budget 2023/2024, and Projected 2024/2025 through 2027/2028

<u>Water Pollution Control Fund</u>						<u>Preliminary Projections</u>			
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Revised</u>	<u>Budget</u>	<u>Preliminary</u>	<u>Preliminary</u>	<u>Preliminary</u>	<u>Preliminary</u>
	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>Estimate</u>	<u>2023/2024</u>	<u>Projection</u>	<u>Projection</u>	<u>Projection</u>	<u>Projection</u>
				<u>2022/2023</u>		<u>2024/2025</u>	<u>2025/2026</u>	<u>2026/2027</u>	<u>2027/2028</u>
<u>Water Pollution Control Fund</u>									
Revenues									
Charges for Services:									
Sewer Charges - Residential and Commercial	\$ 3,398,965	\$ 3,467,096	\$ 3,577,125	\$ 3,673,700	\$ 3,783,900	\$ 3,897,400	\$ 4,014,300	\$ 4,134,700	\$ 4,258,700 (1)
Sewer Charges - Industrial	1,433,375	1,480,917	1,592,471	1,622,700	1,622,700	1,671,400	1,721,500	1,773,100	1,826,300 (1)
Charges for Fats, Oils, and Grease (FOG)	245,436	418,398	255,598	200,000	200,000	200,000	200,000	200,000	200,000 (2)
Charges for High Strength Waste	15,926	89,872	120,399	170,000	180,000	180,000	180,000	180,000	180,000 (2)
Wastewater Discharge Permits	2,375	1,600	1,350	1,600	1,600	1,600	1,600	1,600	1,600 (2)
Analytical (Lab) Charges	104,779	96,235	101,164	100,000	100,000	100,000	100,000	100,000	100,000 (2)
Use of Money and Property:									
Interest	29,725	4,310	2,164	4,000	4,000	4,000	4,000	4,000	4,000 (2)
Other Revenues:									
Miscellaneous Revenue	107,991	73,444	168,747	90,300	86,300	86,300	86,300	86,300	86,300 (2)
Total Revenues	\$ 5,338,572	\$ 5,631,872	\$ 5,819,018	\$ 5,862,300	\$ 5,978,500	\$ 6,140,700	\$ 6,307,700	\$ 6,479,700	\$ 6,656,900
Expenditures and Transfers Out									
Operating Budgets									
Operating Expenditures	\$ 2,926,670	\$ 3,434,999	\$ 3,391,602	\$ 3,614,600	\$ 3,860,600	3,976,400	4,095,700	4,218,600	4,345,200 (3)
Capital Outlay	178,349	129,099	388,031	570,300	300,700	400,000	400,000	400,000	400,000 (4)
Transfers Out:									
Administrative Fees	204,500	211,200	218,000	224,800	232,200	239,200	246,400	253,800	261,400 (5)
Plant Replacement Reserve	400,000	400,000	400,000	400,000	200,000	200,000	200,000	200,000	200,000 (6)
Sewer Bond Sinking Fund	922,970	932,015	941,515	950,618	960,240	970,360	980,875	991,017	1,002,448 (6)
West Hill Sewer Long-Term Financing Reserve	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000 (6)
Debt Service Fund	92,500	90,550	92,950	95,150	91,400	92,650	93,650	90,250	92,700 (6)
Project Funds	109,389	17,026	11,648	-	-	-	-	-	-
Total Expenditures	\$ 5,034,378	\$ 5,414,889	\$ 5,643,746	\$ 6,055,468	\$ 5,845,140	\$ 6,078,610	\$ 6,216,625	\$ 6,353,667	\$ 6,501,748
Fund Balance Increase/(Funding Gap)	\$ 304,194	\$ 216,983	\$ 175,272	\$ (193,168)	\$ 133,360	\$ 62,090	\$ 91,075	\$ 126,033	\$ 155,152 (7)
Beginning Fund Balance	1,773,592	2,077,786	2,294,769	2,470,041	2,276,873	2,410,233	2,472,323	2,563,398	2,689,431
Ending Fund Balance (Actual or Estimated)	\$ 2,077,786	\$ 2,294,769	\$ 2,470,041	\$ 2,276,873	\$ 2,410,233	\$ 2,472,323	\$ 2,563,398	\$ 2,689,431	\$ 2,844,583

Footnotes and Assumptions:

1. The most recent sewer rate study was completed in the spring of 2023 and sewer rates were set for the following five years (FY 2023/2024 through 2027/2028) with 3% annual increases.
2. The remaining revenue amounts have been continued at the 2023/2024 budgeted amounts; actual changes to be determined, if any.
3. Assumes 3% annual increases in operating expenditures for 2024/2025 through 2027/2028.
4. Allows for \$400,000 of annual capital outlay purchases from operating budgets in 2024/2025 through 2027/2028.
5. Assumes 3% annual increases in administrative fees for 2024/2025 through 2027/2028.
6. The transfers to the Plant Replacement Reserve will decrease from \$400,000 to \$200,000 based on the recommendations in the 2023 Rate Study. The remaining transfers are either flat or reflect actual debt service-related amounts.
7. Based on revenue and expenditure assumptions, small operating surpluses are projected for 2024/2025 through 2027/2028 fiscal years.

Comments:

This long-term financial plan reflects the assumptions listed above for revenues, expenditures, and transfers.

City of Muscatine
Major Business-Type Funds Long-Term Financial Plans
Actual 2019/2020, 2020/2021, and 2021/2022, Revised Estimate 2022/2023, Budget 2023/2024, and Projected 2024/2025 through 2027/2028

Transfer Station Fund

							Preliminary Projections			
	Actual 2019/2020	Actual 2020/2021	Actual 2021/2022	Revised Estimate 2022/2023	Budget 2023/2024	Preliminary Projection 2024/2025	Preliminary Projection 2025/2026	Preliminary Projection 2026/2027	Preliminary Projection 2027/2028	
Transfer Station Fund										
Revenues and Transfers In										
Charges for Services:										
Transfer Station Tipping Fees - Regular Waste	\$ 2,151,697	\$ 2,091,764	\$ 2,138,287	\$ 2,069,900	\$ 2,069,900	\$ 2,069,900	\$ 2,069,900	\$ 2,069,900	\$ 2,069,900	(1)
Transfer Station Other Waste Fees	22,789	32,426	29,056	29,500	29,500	29,500	29,500	29,500	29,500	(1)
Use of Money and Property:										
Recycling Center Rental Fees	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	(1)
Interest	536	529	355	700	700	700	700	700	700	(1)
Other Revenues:										
Miscellaneous Revenue	12,021	12,278	14,364	8,000	8,000	8,000	8,000	8,000	8,000	(1)
Transfers In:										
Landfill Surcharge Reserve	41,619	40,980	44,277	42,000	42,000	42,000	42,000	42,000	42,000	(1)
Total Revenues	\$ 2,288,662	\$ 2,237,977	\$ 2,286,339	\$ 2,210,100	\$ 2,210,100	\$ 2,210,100	\$ 2,210,100	\$ 2,210,100	\$ 2,210,100	
Expenditures and Transfers Out										
Operating Budgets										
Operating Expenditures	\$ 1,941,050	\$ 1,961,890	\$ 2,149,092	\$ 2,185,200	\$ 2,196,400	2,262,300	2,330,200	2,400,100	2,472,100	(2)
Capital Outlay	94,539	17,278	137,112	53,000	26,000	75,000	75,000	75,000	75,000	(3)
Transfers Out:										
Administrative Fees	3,700	3,900	4,100	4,300	\$ 4,500	4,600	4,700	4,800	4,900	(4)
Payments on Internal Loan for Capital Purchases	72,696	40,141	0	-	-	-	-	-	-	
Total Expenditures	\$ 2,111,985	\$ 2,023,209	\$ 2,290,304	\$ 2,242,500	\$ 2,226,900	\$ 2,341,900	\$ 2,409,900	\$ 2,479,900	\$ 2,552,000	
Fund Balance Increase/(Funding Gap)	\$ 176,677	\$ 214,768	\$ (3,965)	\$ (32,400)	\$ (16,800)	\$ (131,800)	\$ (199,800)	\$ (269,800)	\$ (341,900)	(5)
Beginning Fund Balance (Deficit)	(3,826)	172,851	387,619	383,654	351,254	334,454	202,654	2,854	(266,946)	
Ending Fund Balance (Actual or Estimated)	\$ 172,851	\$ 387,619	\$ 383,654	\$ 351,254	\$ 334,454	\$ 202,654	\$ 2,854	\$ (266,946)	\$ (608,846)	(5)

Footnotes and Assumptions:

1. Revenue estimates based on 40,000 tons of waste annually at the current \$60 per ton regular rate and the current industrial waste contract rates; actual tonnage has varied in recent years.
2. Assumes 3% annual increases in operating expenditures for 2024/2025 through 2027/2028.
3. Allows for \$75,000 of annual capital outlay purchases from operating budgets in 2024/2025 through 2027/2028.
4. Assumes 3% annual increases in administrative fees for 2024/2025 through 2027/2028.
5. Based on the estimated waste volume and revenue and expenditure assumptions, deficit fund balances are projected for 2026/2027 and 2027/2028.

Comments:

This long-term financial plan reflects the assumptions listed above including 40,000 tons of waste annually at the current rates. Waste volumes vary from year to year with the actual waste volumes at 44,447 tons for 2018/2019, 39,637 tons for 2019/2020, 39,029 tons in 2020/2021, and 42,169 tons in 2021/2022. The waste volume decreases in several of those years were partially due to the COVID-19 pandemic. It is anticipated that the waste volume will increase over the years shown in this plan; however, it is difficult to project these increases on an annual basis.

City of Muscatine
Major Business-Type Funds Long-Term Financial Plans
Actual 2019/2020, 2020/2021, and 2021/2022, Revised Estimate 2022/2023, Budget 2023/2024, and Projected 2024/2025 through 2027/2028

	<u>Refuse Collection Fund</u>								
	Actual 2019/2020	Actual 2020/2021	Actual 2021/2022	Revised Estimate 2022/2023	Budget 2023/2024	Preliminary Projection 2024/2025	Preliminary Projections		
							Preliminary Projection 2025/2026	Preliminary Projection 2026/2027	Preliminary Projection 2027/2028
Refuse Collection Fund									
Revenues and Transfers In									
Charges for Services:									
Refuse Collection Charges	\$ 2,340,676	\$ 2,334,984	\$ 2,352,439	\$ 2,449,200	\$ 2,556,000	\$ 2,556,000	\$ 2,556,000	\$ 2,556,000	\$ 2,556,000 (1)
Yard Waste Bag Sales	15,395	14,566	13,120	15,800	15,800	15,800	15,800	15,800	15,800 (1)
Compost Site Non-Resident and Commercial Fees	4,919	10,369	8,262	11,500	11,500	11,500	11,500	11,500	11,500 (1)
Use of Money and Property:									
Interest	1,153	434	77	200	200	200	200	200	200
Other Revenues:									
Miscellaneous Revenue	36,540	49,371	27,944	6,800	6,800	6,800	6,800	6,800	6,800 (1)
Transfers In:									
Landfill Surcharge Reserve	41,619	40,980	44,277	-	-	-	-	-	-
Total Revenues	\$ 2,440,302	\$ 2,450,704	\$ 2,446,119	\$ 2,483,500	\$ 2,590,300	\$ 2,590,300	\$ 2,590,300	\$ 2,590,300	\$ 2,590,300
Expenditures and Transfers Out									
Operating Budgets									
Operating Expenditures	\$ 1,963,079	\$ 2,072,162	\$ 2,101,614	\$ 2,196,200	\$ 2,261,500	2,329,300	2,399,200	2,471,200	2,545,300 (2)
Capital Outlay	185,696	252,460	192,360	83,500	256,000	246,000	56,000	250,000	85,000 (3)
Transfers Out:									
Administrative Fees	91,000	94,100	97,100	100,100	103,500	106,600	109,800	113,100	116,500 (4)
Forward Surcharge Funds to Transfer Station	41,619	40,980	44,277	-	-	-	-	-	-
Total Expenditures	\$ 2,281,394	\$ 2,459,702	\$ 2,435,351	\$ 2,379,800	\$ 2,621,000	\$ 2,681,900	\$ 2,565,000	\$ 2,834,300	\$ 2,746,800
Fund Balance Increase/(Funding Gap)	\$ 158,908	\$ (8,998)	\$ 10,768	\$ 103,700	\$ (30,700)	\$ (91,600)	\$ 25,300	\$ (244,000)	\$ (156,500) (5)
Beginning Fund Balance (Deficit)	46,721	205,629	196,631	207,399	311,099	280,399	188,799	214,099	(29,901)
Ending Fund Balance (Actual or Estimated)	\$ 205,629	\$ 196,631	\$ 207,399	\$ 311,099	\$ 280,399	\$ 188,799	\$ 214,099	\$ (29,901)	\$ (186,401) (5)

Footnotes and Assumptions:

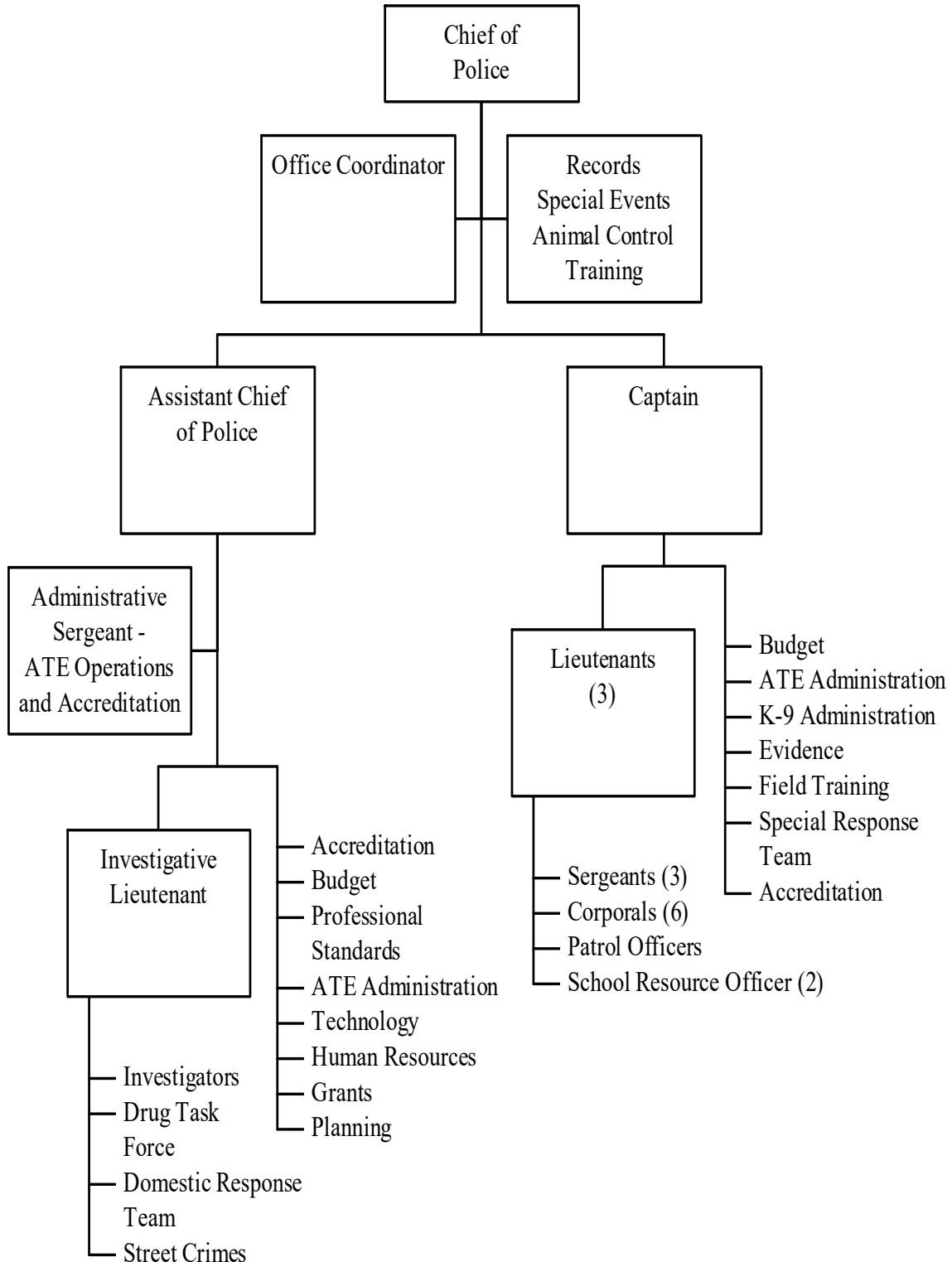
1. Revenue estimates based on FY 24 residential, senior, and commercial rates and customers. It is anticipated that these rates will need to be periodically increased to cover increased operating costs and future capital outlay needs.
2. Assumes 3% annual increases in operating expenditures for 2024/2025 through 2027/2028.
3. Capital outlay amounts from department Future Capital Outlay Projections budget schedule, as adjusted by the Finance department for refuse vehicles every other year.
4. Assumes 3% annual increases in administrative fees for 2024/2025 through 2027/2028.
5. Based on the above assumptions, including capital outlay items projected to be needed in 2024/2025 through 2027/2028, deficit fund balances are projected for 2026/2027 and 2027/2028 if rates would not be adjusted.

Comments:

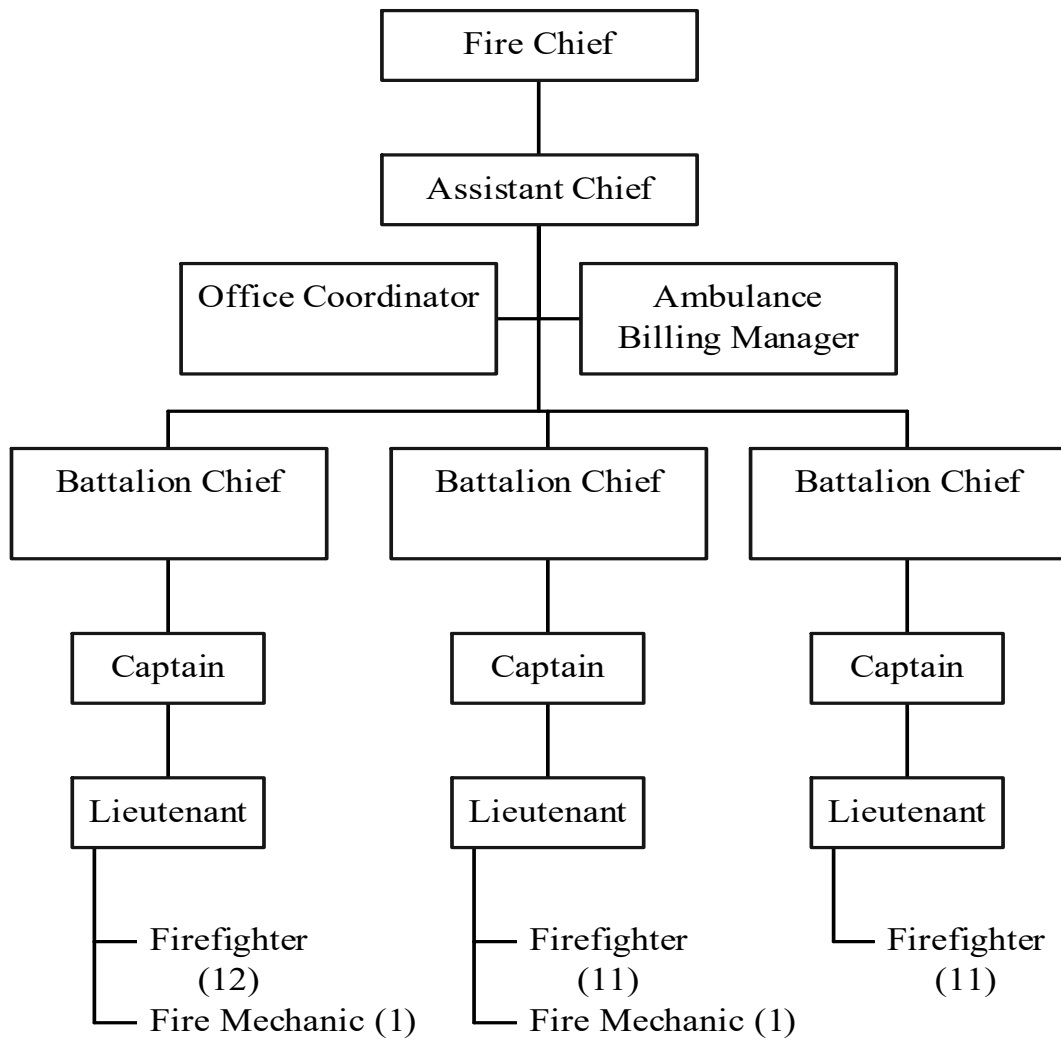
This long-term financial plan reflects the assumptions listed above including annual increases in operating expenditures and projected future capital outlay needs. While revenues are shown for all years in this schedule using the FY 24 rates, it is expected that periodic rate adjustments will be needed.

DEPARTMENT ORGANIZATIONAL CHARTS

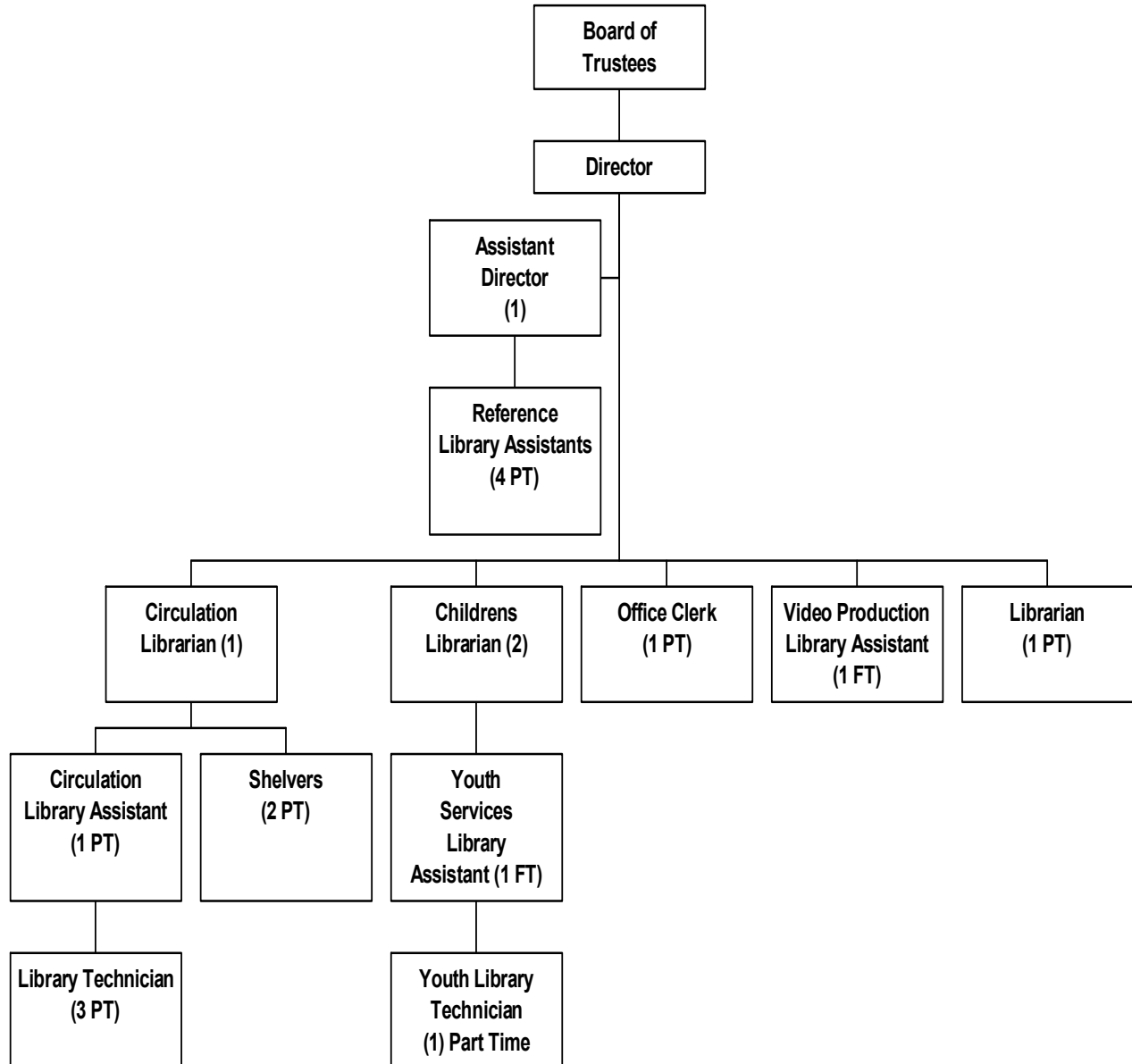
CITY OF MUSCATINE POLICE DEPARTMENT



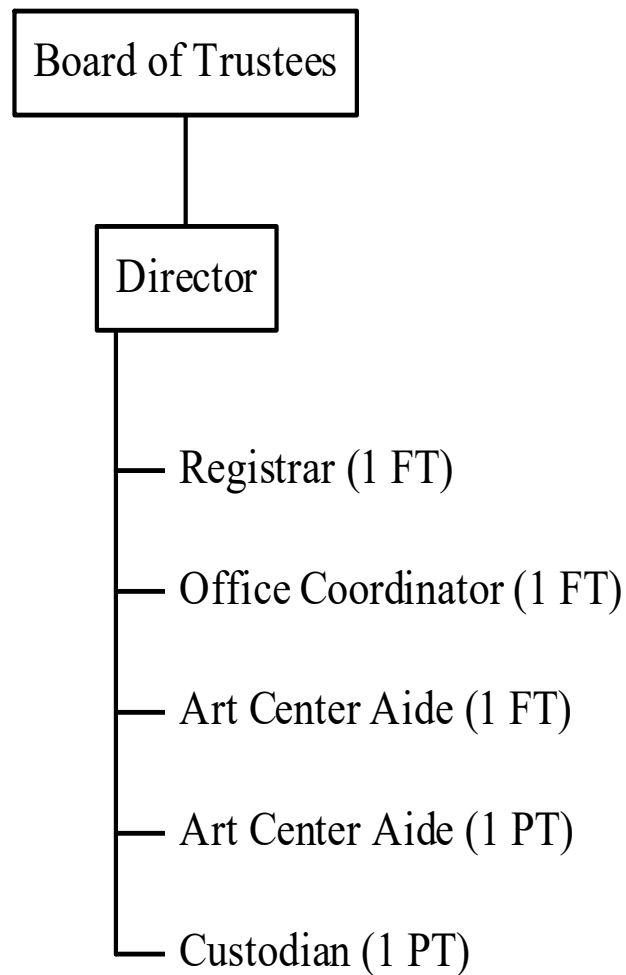
CITY OF MUSCATINE FIRE DEPARTMENT



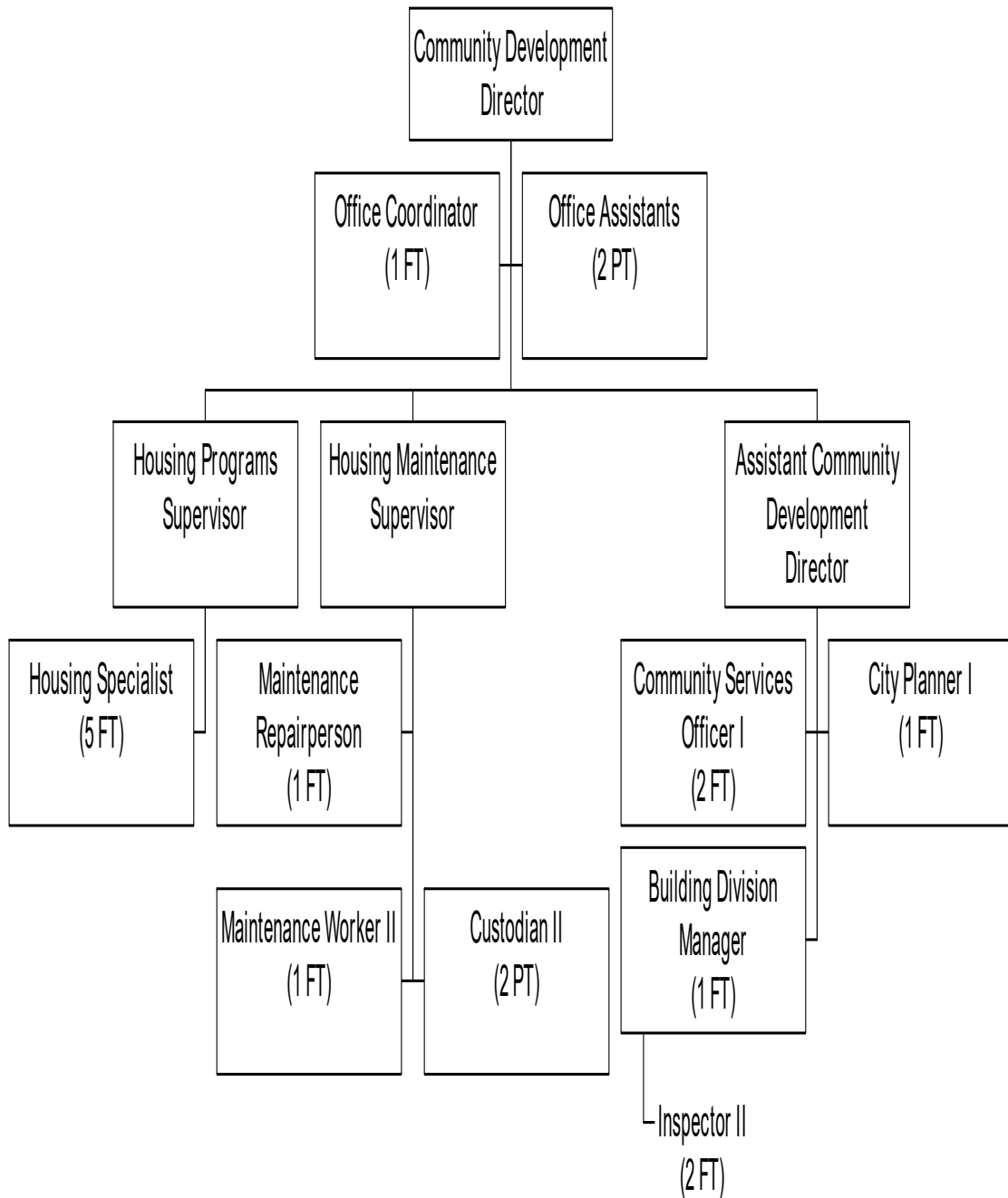
CITY OF MUSCATINE LIBRARY



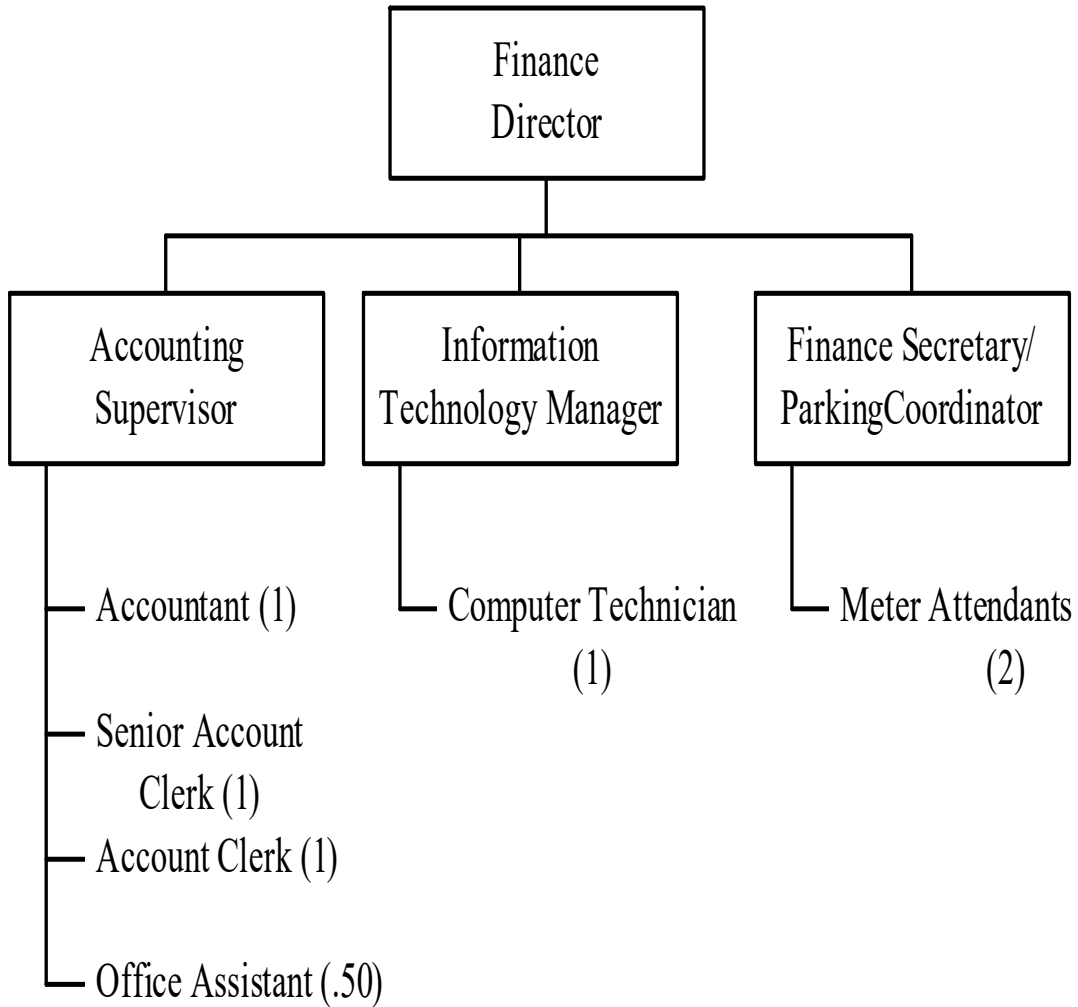
CITY OF MUSCATINE ART CENTER



CITY OF MUSCATINE COMMUNITY DEVELOPMENT DEPARTMENT

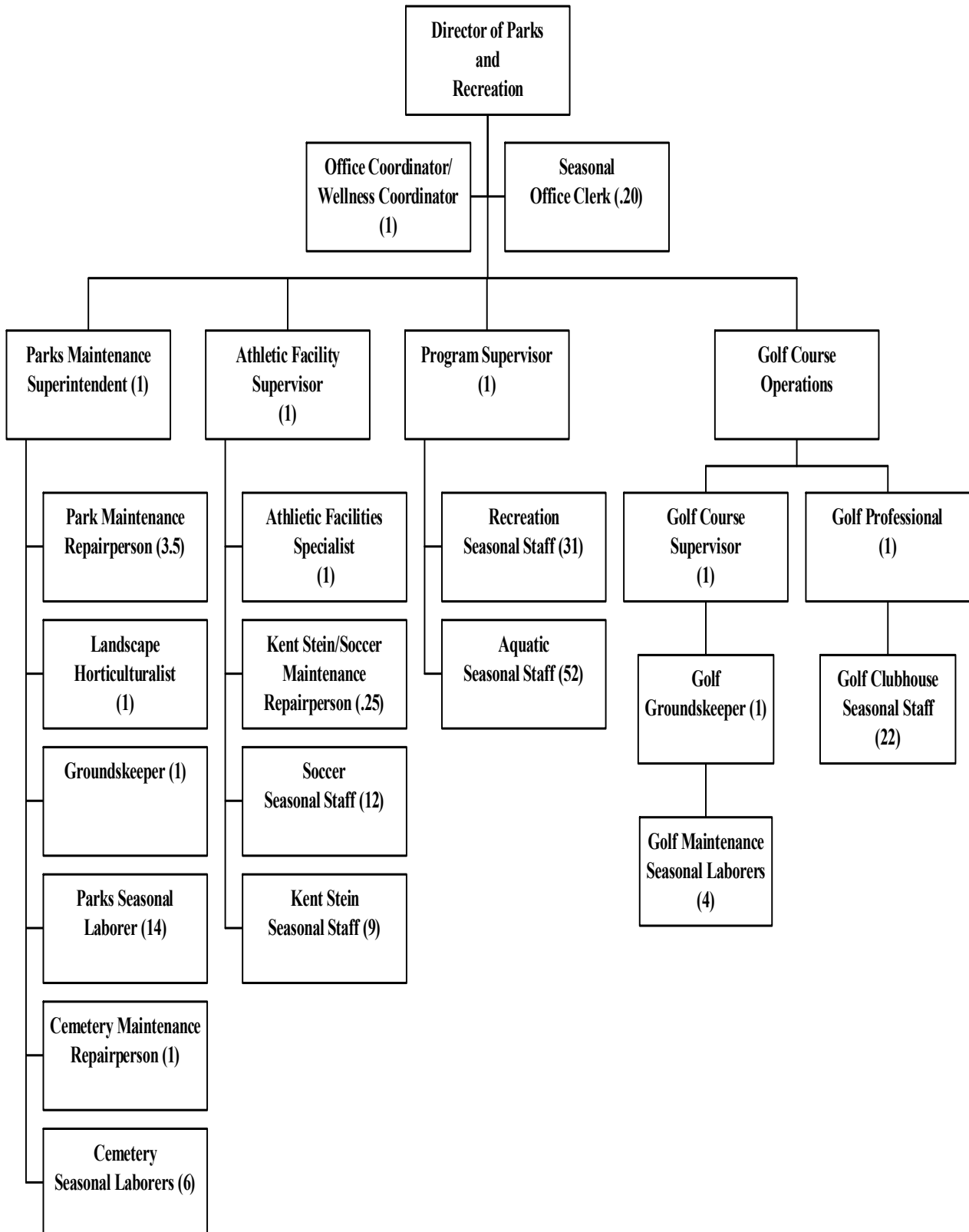


CITY OF MUSCATINE FINANCE DEPARTMENT



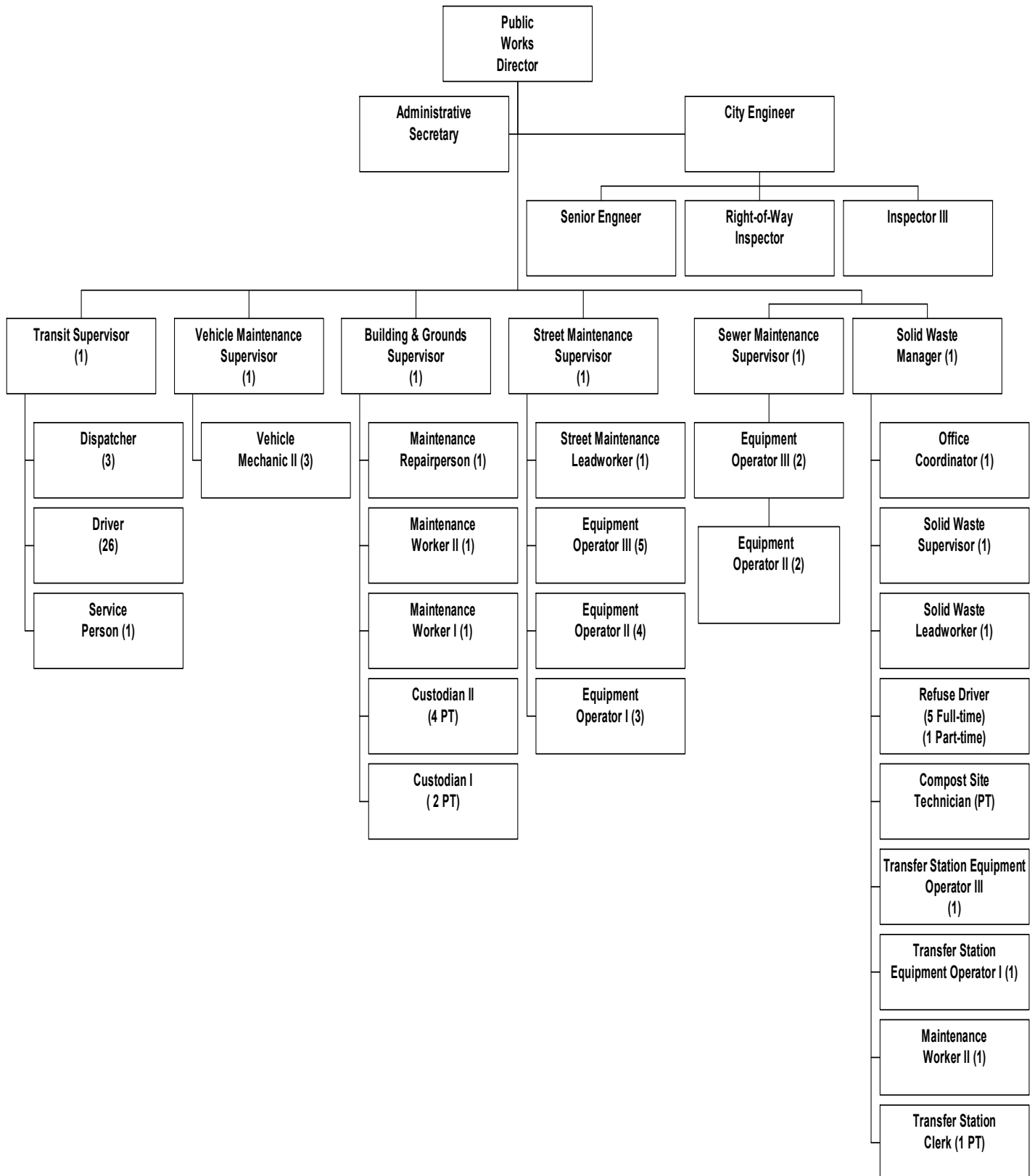
CITY OF MUSCATINE

PARKS AND RECREATION DEPARTMENT

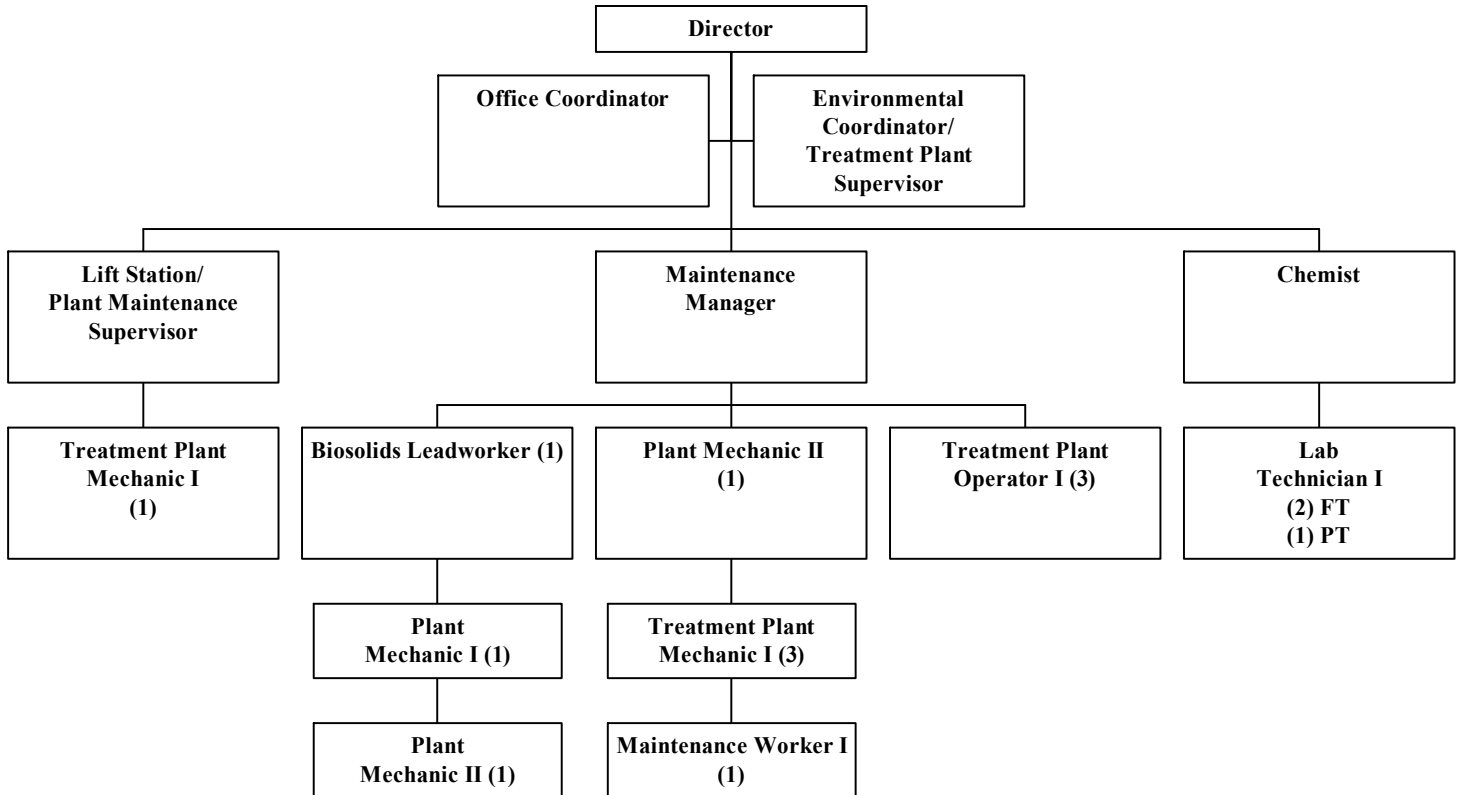


CITY OF MUSCATINE

PUBLIC WORKS DEPARTMENT



CITY OF MUSCATINE WATER POLLUTION CONTROL DEPARTMENT



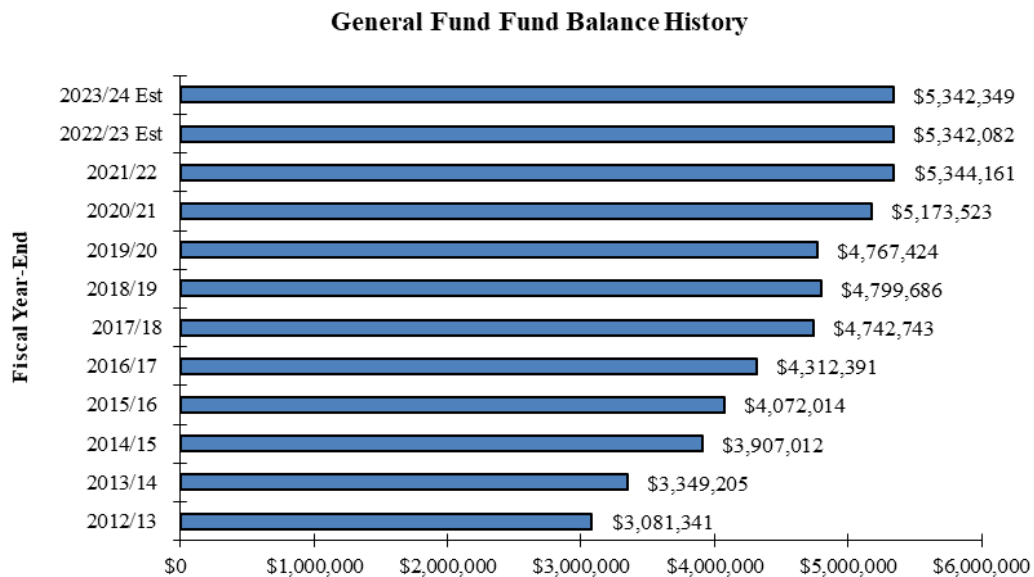
GENERAL FUND

GENERAL FUND

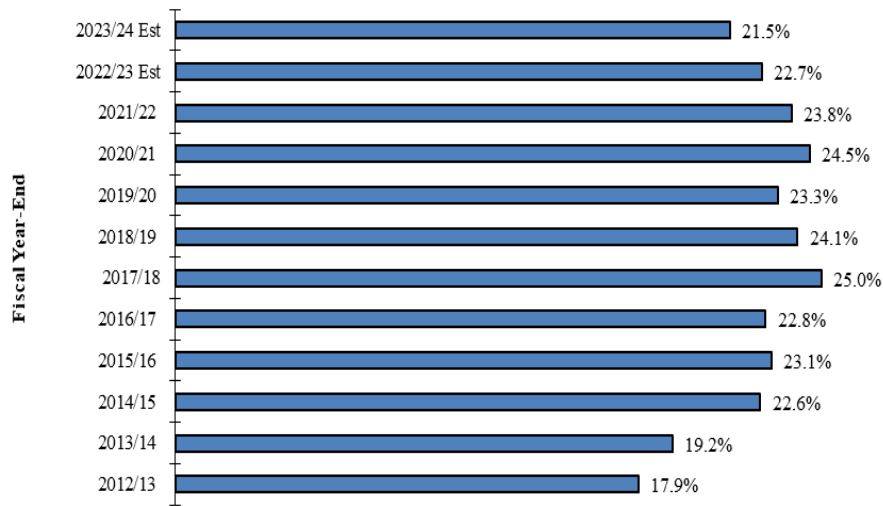
The General Fund for the City of Muscatine accounts for all transactions of the City which pertain to the general administration and services traditionally provided to citizens, except those specifically accounted for elsewhere. Services within the General Fund include police and fire protection, street 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 services 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. In November of 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 Policy further states that 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. The ending balance for 2023/2024 is budgeted at \$5,342,349 which is 21.5% of budgeted General Fund expenditures. The updated policy and the recent year budgets demonstrate City Council's commitment towards the goal of increasing and maintaining 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 may exceed the amount budgeted. The following charts show a history of the General Fund balances:



Fiscal Year-End General Fund Balances as a Percent of Expenditures



Key Budget Items

As discussed in the Budget Message, in developing the fiscal year 2023/2024 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. Due to continuing financial challenges, the goals in developing the 2023/2024 budget were to:

1. Maintain service levels
2. Provide departments with the resources needed to continue to provide services to residents
3. Provide funding for continued capital improvements
4. Propose reasonable tax rates and other funding options
5. Balance department budget requests with funding that is available
6. Further the City's Strategic Plan and City Council priorities

Property Tax Rate and Other Budget Challenges

The City tax rate is budgeted to decrease from the current \$15.97054 per \$1,000 of valuation to \$15.67219 per \$1,000 for fiscal year 2023/2024, a decrease of 1.9%. The tax rate decrease was possible due to the 8.36% increase in taxable valuations for the upcoming year. The tax rate decrease for the 2023/2024 fiscal year nearly offset the tax rate increase implemented for the current year (2022/2023) when the taxable valuation change was nearly flat. Other budget challenges included:

1. The State began phasing out their reimbursement (the backfill) for the commercial and industrial rollback in 2022/2023. This reimbursement will be phased out over eight years. This reduced the State reimbursement (in total across all funds) by \$76,970 in 2023/2024.
2. The City has union contracts that provide for at least a 3.0% increase for the upcoming year. Compensation for non-union employees is also budgeted at 3.0%.
3. A need to increase the compensation for seasonal employees to attract workers for the numerous seasonal facilities and programs of the City.
4. Significant increases in the cost of operating supplies including fuel, fertilizers and chemicals, vehicle and equipment parts, copy paper, etc.

5. The City has had supply chain issues which make locating certain items challenging and has resulted in long lead-times for ordering vehicles and equipment.

General Fund Expenditure Assumptions

1. The 2023/2024 budget continues the current service levels provided to residents.
2. The budget funds union and non-union wage increases and also increases in the Seasonal Pay Plan.
3. Health insurance rates increased by 10% effective January 1, 2023 and the budget for 2023/2024 allows for the rates to increase by an additional 5% effective January 1, 2024.
4. For the 2023/2024 budget, fulltime equivalent (FTE) year-round staffing in the General Fund is budgeted to remain at approximately the same level as the 2022/2023 year. A modest increase in part-time hours in the Building and Grounds division was nearly offset by a decrease in part-time hours at the Library. No new position requests were included in the budget due to financial constraints.

Balancing the General Fund Budget

The increased property valuations for 2023/2024 allowed for the property tax rate to be reduced for the upcoming year. With the phase-out of the State backfill, combined with increasing costs of providing services, the budget was balanced by:

1. Using the balance of the State COVID Relief funds received in the previous fiscal year (\$261,600 in the Revised Estimate and \$150,500 in the 2023/2024 Budget).
2. Spending down the prior year balance of \$86,162 in the Emergency Levy fund in the Revised Estimate.
3. Using American Rescue Plan Act (ARPA) funds to balance the General Fund budget (\$217,200 in the Revised Estimate and \$327,100 in the 2023/2024 Budget).
4. If the full amount of ARPA funds allowed for is not needed to balance the General Fund budget, these funds will remain in the ARPA fund to be used for other one-time projects or programs.

Departments in the General Fund continue to strive to improve the efficiency of their operations to negate the necessity for any service level reductions. Programs of the General Fund and changes associated with them are outlined in the respective departmental activity budgets which follow.

General Fund

Fund Statement

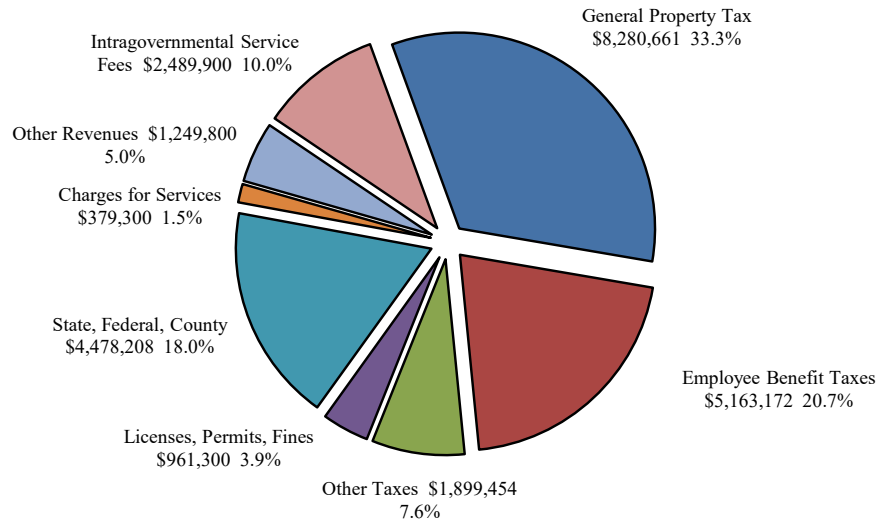
	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 4,767,424	\$ 5,173,523	\$ 5,183,005	\$ 5,344,161	\$ 5,342,082
Revenues	21,485,724	22,576,926	22,777,984	22,966,759	24,424,195
Transfer from State COVID Relief/ Emergency Fund	0	0	261,600 *	261,600 *	150,500 *
Transfer Prior Year Balance in Emergency Levy Fund	0	0	86,162	86,162	0
Transfer from ARPA Fund	0	0	324,200	217,200 *	327,100 *
Encumbrance Variance	<u>1,524</u>	<u>1,462</u>	<u>0</u>	<u>0</u>	<u>0</u>
Funds Available	\$ 26,254,672	\$ 27,751,911	\$ 28,632,951	\$ 28,875,882	\$ 30,243,877
Expenditures	<u>21,081,149</u>	<u>22,407,750</u>	<u>23,449,500</u>	<u>23,533,800</u>	<u>24,901,528</u>
Ending Balance, June 30	<u>\$ 5,173,523</u>	<u>\$ 5,344,161</u>	<u>\$ 5,183,451</u>	<u>\$ 5,342,082</u>	<u>\$ 5,342,349</u>
Increase (Decrease) in Fund Balance	\$ 406,099	\$ 170,638	\$ 446	\$ (2,079)	\$ 267
Minimum Fund Balance per policy adopted in November, 2013 (16.7% of General Fund Expenditures)	\$ 3,521,000	\$ 3,742,000	\$ 3,916,000	\$ 3,530,000	\$ 4,159,000
Amount Over (Under) Fund Balance Policy Minimum of 16.7%	\$ 1,652,523	\$ 1,602,161	\$ 1,267,451	\$ 1,812,082	\$ 1,183,349
Ending Balance as a Percent of General Fund Expenditures	<u>24.5%</u>	<u>23.8%</u>	<u>22.1%</u>	<u>22.7%</u>	<u>21.5%</u>

* American Rescue Plan Act (ARPA) funds are budgeted to be used to balance the General Fund budget in the 2022/2023 Budget, 2022/2023 Revised Estimate, and Fiscal Year 2023/2024 Budget. In the event these funds are not needed to balance the budgets, these funds will remain in the ARPA fund and will be used for other projects.

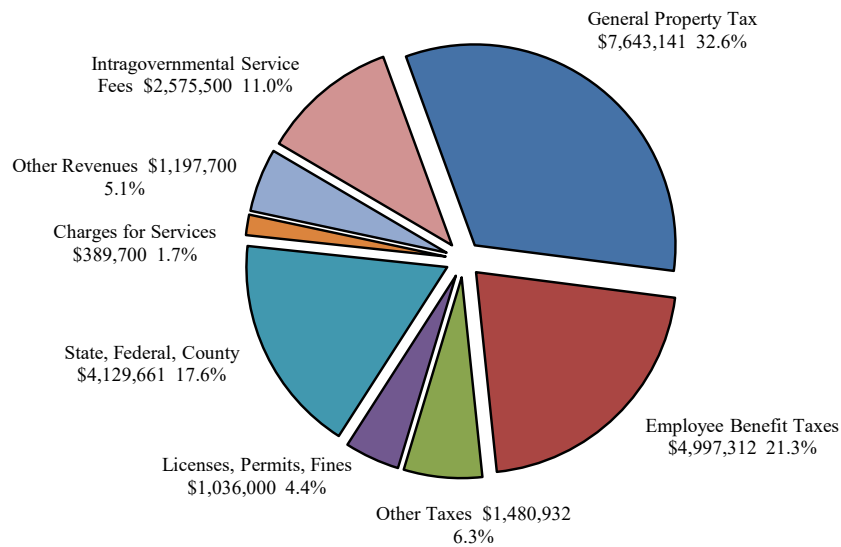
Explanation of Increases or Decreases in Fund Balances:

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. There were no one-time expenditures budgeted to be funded from the General Fund balance in the 2018/2019, 2019/2020, 2020/2021, 2021/2022, 2022/2023, or 2023/2024 budgets.

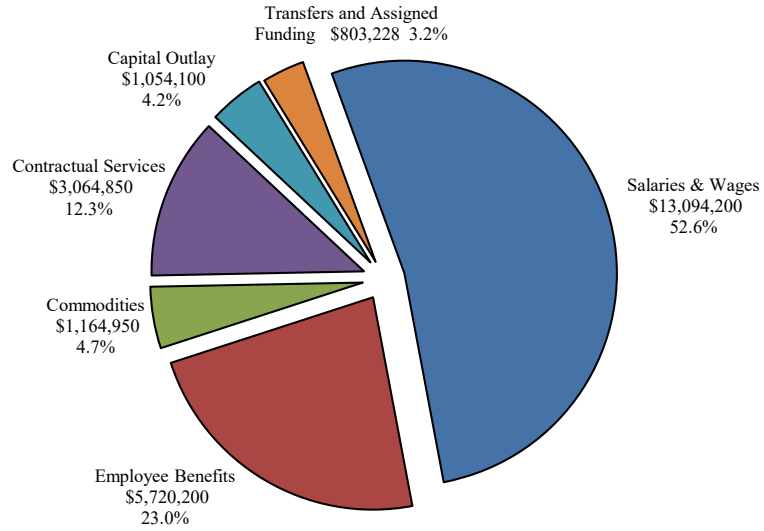
**General Fund Revenues By Source
Budget 2023/2024
\$24,901,795**



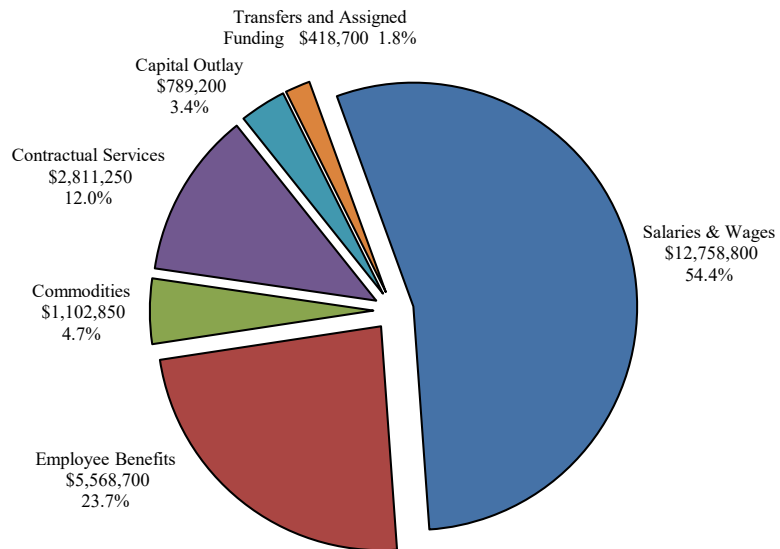
**General Fund Revenues By Source
Budget 2022/2023
\$23,449,946**



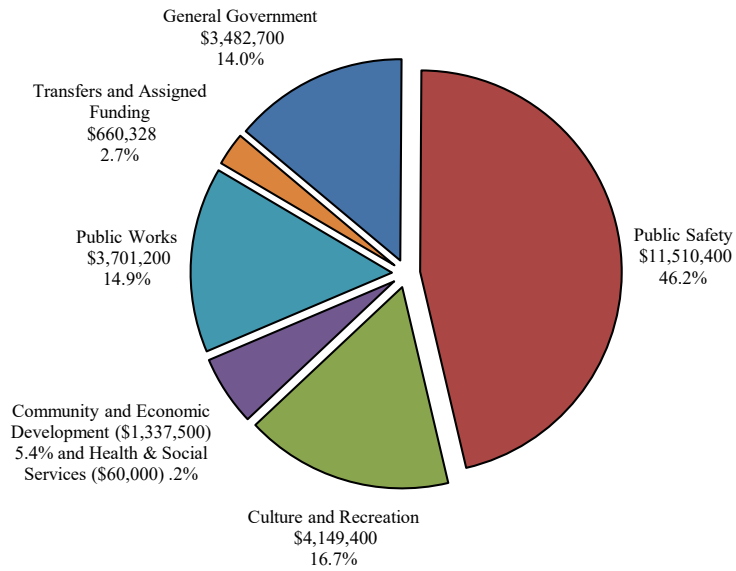
**General Fund Expenditures By Type
Budget 2023/2024
\$24,901,528**



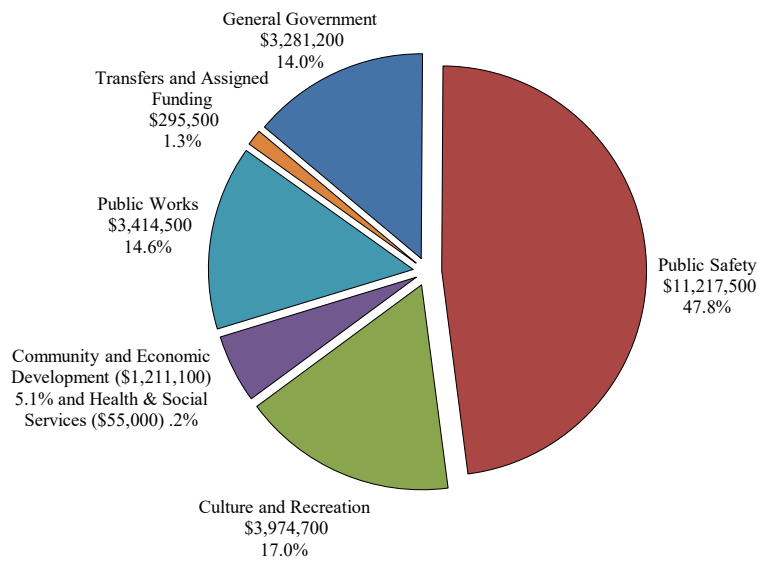
**General Fund Expenditures By Type
Budget 2022/2023
\$23,449,500**



**General Fund Expenditures By Function
Budget 2023/2024
\$24,901,528**



**General Fund Expenditures By Function
Budget 2022/2023
\$23,449,500**



General Fund
Revenues by Type

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change from 2022/2023 Budget
Taxes	\$ 8,736,226	\$ 9,228,670	\$ 8,774,156	\$ 9,012,056	\$ 9,889,364	12.7%
Licenses and Permits	225,774	428,865	291,900	330,100	308,100	5.5%
Fines and Forfeitures	750,861	671,629	743,300	652,200	651,400	-12.4%
Intergovernmental Revenue	834,563	929,026	875,461	895,361	973,308	11.2%
Charges for Services	750,115	813,087	888,400	853,100	905,400	1.9%
Use of Money and Property	144,227	141,164	128,700	231,500	233,000	81.0%
Miscellaneous Revenues	1,181,301	829,424	780,900	845,300	810,000	3.7%
Transfers In	8,862,657	9,535,061	10,967,129	10,712,104	11,131,223	1.5%
Total	<u>\$ 21,485,724</u>	<u>\$ 22,576,926</u>	<u>\$ 23,449,946</u>	<u>\$ 23,531,721</u>	<u>\$ 24,901,795</u>	6.2%

**General Fund
Revenue Summary**

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change From 2022/2023 Budget
Direct and Indirect						
Property Tax Revenues						
General Property Taxes	\$ 7,320,484	\$ 7,617,821	\$ 7,617,275	\$ 7,617,275	\$ 8,253,786	8.36%
Ag Land Tax	3,628	5,177	5,366	5,366	5,475	2.03%
Tort Liability Levy	286,436	318,479	327,195	327,195	367,599	12.35%
Transit System Levy	108,628	0	0	0	198,284	
Mobile Home Tax	19,833	21,385	20,500	21,400	21,400	4.39%
Special Revenue:						
Emergency Levy (Current Year)	0	140,257	263,755	263,755	290,751	10.24%
Emergency Levy (Prior Year Balance)	0	0	86,162	86,162	0	
Police Retirement	733,380	757,231	748,014	744,641	739,847	-1.09%
Fire Retirement	749,255	837,628	789,989	775,215	781,730	-1.05%
Police and Fire Medical Insurance	56,698	60,367	60,366	60,366	60,366	0.00%
Police and Fire Retiree Medical Costs	70,956	48,419	45,000	45,000	45,000	0.00%
Long-term Disability Insurance	13,171	13,674	14,429	14,302	14,702	1.89%
Workers Compensation Insurance	38,394	43,697	44,863	42,105	44,050	-1.81%
Unemployment Insurance	54,908	56,214	60,091	59,271	61,366	2.12%
Health Insurance	1,969,099	2,062,992	2,277,158	2,270,095	2,449,089	7.55%
Life Insurance	13,280	13,302	14,108	13,825	14,289	1.28%
Dental Insurance	46,559	45,279	54,304	50,884	53,811	-0.91%
Post Employment Health Plan	72,933	65,251	45,603	86,624	24,618	-46.02%
FICA/IPERS	715,424	768,548	843,387	827,959	874,304	3.67%
Subtotal	\$ 12,273,066	\$ 12,875,721	\$ 13,317,565	\$ 13,311,440	\$ 14,300,467	7.38%
Non-Property Tax Revenues/Reimbursements						
Hotel/Motel Taxes	\$ 374,449	\$ 593,267	\$ 375,000	\$ 550,000	\$ 550,000	46.67%
Cable Franchise Tax	132,287	124,022	132,000	124,000	124,000	-6.06%
Utility Franchise Fees	456,312	518,879	270,000	340,000	340,000	25.93%
Utility Tax Replacement Excise Tax:						
General	32,424	28,454	25,715	25,715	26,973	4.89%
Tort Liability	1,265	1,186	1,105	1,105	1,201	8.69%
Transit	480	0	0	0	646	
Commercial/Industrial State Reimbursement:						
General	315,369	316,586	269,581	269,581	228,345	-15.30%
Tort Liability	12,306	13,198	11,580	11,580	9,952	-14.06%
Transit	4,667	0	0	0	2,698	
Other State Contributions - Moneys & Credits	4,082	4,633	4,600	4,500	4,500	-2.17%
Business Property Tax Credit Reimbursement:						
General	0	0	0	0	210,201	
Tort Liability	0	0	0	0	9,362	
Transit	0	0	0	0	5,050	
Subtotal	\$ 1,333,641	\$ 1,600,225	\$ 1,089,581	\$ 1,326,481	\$ 1,512,928	38.85%

**General Fund
Revenue Summary**

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change From 2022/2023 Budget
Intergovernmental Revenues						
Road Use Tax	\$ 2,598,645	\$ 2,866,770	\$ 3,169,900	\$ 3,011,400	\$ 3,418,600	7.85%
Subtotal	\$ 2,598,645	\$ 2,866,770	\$ 3,169,900	\$ 3,011,400	\$ 3,418,600	7.85%
Licenses and Permits						
Beer, Liquor, and Cigarettes	\$ 10,162	\$ 59,778	\$ 36,500	\$ 36,500	\$ 36,500	0.00%
Animal	3,211	6,004	2,500	3,200	3,200	28.00%
Miscellaneous	4,930	6,465	5,000	5,000	5,000	0.00%
Subtotal	\$ 18,303	\$ 72,247	\$ 44,000	\$ 44,700	\$ 44,700	1.59%
Cemetery Fees						
Lot and Niche Sales	\$ 44,096	\$ 32,263	\$ 25,000	\$ 27,000	\$ 27,000	8.00%
Lease of Property-Cell Towers	23,562	24,199	23,900	24,200	24,200	1.26%
Burial Fees	57,065	40,965	45,000	45,000	45,000	0.00%
Miscellaneous Charges	19,663	15,671	11,000	15,000	15,000	36.36%
Commissions	20,244	17,774	15,000	16,000	16,000	6.67%
Maintenance Fees (Cemetery Steps)	400	400	400	400	400	0.00%
Reimbursement of Damages	0	0	0	7,500	0	
Perpetual Care Interest	10,872	1,831	500	18,000	18,000	3500.00%
Subtotal	\$ 175,902	\$ 133,103	\$ 120,800	\$ 153,100	\$ 145,600	20.53%
Community Development Fees						
Rental Housing Inspection Fees/Registrations	\$ 20,497	\$ 30,198	\$ 60,000	\$ 32,000	\$ 50,000	-16.67%
Section 8 Housing Inspection Fees	7,840	14,320	8,200	8,200	8,200	0.00%
Construction Permits	167,473	299,939	170,000	240,000	200,000	17.65%
Health Licenses	5,441	7,363	4,000	0	0	-100.00%
Zoning Fees	550	1,750	1,000	1,000	1,000	0.00%
Board of Adjustment Fees	2,650	2,200	1,000	1,500	1,000	0.00%
Site Plan Review Fees	500	900	500	600	500	0.00%
Municipal Infractions Penalties	0	455	500	500	1,000	100.00%
Nuisance Reimbursements/Administrative Fees	118,313	134,712	120,000	135,000	135,000	12.50%
Sale of Property	22,850	790	1,000	1,000	1,000	0.00%
Donations - Special Programs	0	10,250	0	0	0	
Insurance Reimbursement	22,636	0	0	0	0	
Miscellaneous	1,103	947	500	600	500	0.00%
Subtotal	\$ 369,853	\$ 503,824	\$ 366,700	\$ 420,400	\$ 398,200	0.41%

**General Fund
Revenue Summary**

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change From 2022/2023 Budget
Parks and Recreation Revenues						
Parks - General						
Shelters	\$ 9,310	\$ 8,585	\$ 10,000	\$ 10,000	\$ 10,000	0.00%
Pearl City Station Rentals	11,430	13,135	10,500	11,000	11,000	4.76%
Riverview Center Rentals	22,525	27,571	20,000	25,000	25,000	25.00%
Dog Park Permits	4,595	3,348	4,000	3,500	3,500	-12.50%
Maintenance Fees	610	615	0	600	600	
Equipment/Miscellaneous Sales	2,148	0	0	0	0	
Concession Commission	0	0	200	200	200	0.00%
FEMA - Federal and State Shares	1,715	5,251	0	0	0	
Reimbursement of Damages	34,761	0	0	0	0	
Donations	13,802	14,927	0	16,000	6,000	
Reimbursement of Expenses	0	0	0	4,900	0	
Iowa DNR Tree Grant	0	0	0	10,000	0	
Other	100	47	0	0	0	
Transfers In						
Administration Fees	27,700	12,200	12,500	12,500	12,900	3.20%
Subtotal	\$ 128,696	\$ 85,679	\$ 57,200	\$ 93,700	\$ 69,200	20.98%
Kent Stein Park						
Maintenance Fees (Inc. Bruner Field)	\$ 26,182	\$ 11,527	\$ 20,000	\$ 20,000	\$ 20,000	0.00%
Commission on Concessions	9,066	4,302	7,000	5,000	5,500	-21.43%
Mowing Reimbursement - Housing	7,750	7,600	7,500	7,700	7,700	2.67%
Storage Building Rental	1,200	1,200	1,200	1,200	1,200	0.00%
Insurance Reimbursements	10,100	2,818	0	0	0	
Other	36	0	0	100	0	
Subtotal	\$ 54,334	\$ 27,447	\$ 35,700	\$ 34,000	\$ 34,400	-3.64%
Soccer Complex Operations						
Maintenance Fees	\$ 27,450	\$ 29,979	\$ 31,000	\$ 31,500	\$ 31,500	1.61%
Commission on Concessions	2,034	2,272	2,500	2,000	2,300	-8.00%
Insurance Reimbursements	36,663	0	0	0	0	
Other	961	0	0	0	0	
Subtotal	\$ 67,108	\$ 32,251	\$ 33,500	\$ 33,500	\$ 33,800	0.90%
Recreation						
Entry Fees/Admissions	\$ 645	\$ 930	\$ 1,500	\$ 1,000	\$ 1,500	0.00%
Lessons	20,927	23,029	32,000	23,000	25,000	-21.88%
League and Tournament Fees	3,542	5,444	7,000	5,000	5,500	-21.43%
Sales Tax	248	381	400	400	400	0.00%
Commissions	0	0	500	0	500	0.00%
Donations	1,918	985	1,700	1,700	1,700	0.00%
Other	23	69	300	100	100	-66.67%
Subtotal	\$ 27,303	\$ 30,838	\$ 43,400	\$ 31,200	\$ 34,700	-20.05%

**General Fund
Revenue Summary**

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change From 2022/2023 Budget
Aquatic Center						
Admissions	\$ 32,997	\$ 89,363	\$ 84,000	\$ 87,000	\$ 88,000	4.76%
Season Passes	8,485	10,485	10,700	10,500	10,500	-1.87%
Lessons	7,449	9,448	11,600	10,000	10,000	-13.79%
Group Sales	11,520	16,850	16,200	16,900	17,000	4.94%
Room Rental	250	825	700	900	900	28.57%
Locker Rental	132	532	500	600	600	20.00%
Commission on Concessions	1,167	3,568	4,500	4,000	4,200	-6.67%
Donations	0	1,295	0	0	0	
Miscellaneous Sales	110	270	300	400	400	33.33%
Other	24	158	100	100	100	0.00%
Subtotal	\$ 62,134	\$ 132,794	\$ 128,600	\$ 130,400	\$ 131,700	2.41%
Subtotal - Parks and Recreation	\$ 339,575	\$ 309,009	\$ 298,400	\$ 322,800	\$ 303,800	1.81%
Library Revenues						
Fines and Charges	\$ 3,124	\$ 3,197	\$ 3,000	\$ 1,500	\$ 200	-93.33%
County Contributions	123,592	126,097	129,900	126,400	130,200	0.23%
Illinois Contracts	11,497	11,842	12,200	12,200	12,600	3.28%
Printing Charges	3,802	4,251	3,000	3,000	3,000	0.00%
FEMA Reimbursement	1,214	0	0	0	0	
Other	14	1	100	0	0	-100.00%
Subtotal	\$ 143,243	\$ 145,388	\$ 148,200	\$ 143,100	\$ 146,000	-1.48%
Art Center Revenues						
Class Fees	\$ 4,603	\$ 3,407	\$ 4,500	\$ 4,500	\$ 4,500	0.00%
Building Rentals	0	110	0	200	200	
State Grant	10,000	18,000	15,000	15,000	15,000	0.00%
Support Foundation Contributions	24,423	29,588	32,200	32,200	33,800	4.97%
Friends of the Art Center Contributions	25,053	28,105	28,100	28,800	30,100	7.12%
Other Contributions (American Queen)	0	0	0	500	1,500	
Other	217	716	300	300	300	0.00%
Subtotal	\$ 64,296	\$ 79,926	\$ 80,100	\$ 81,500	\$ 85,400	6.62%
Public Works Services						
Repair and Maintenance Services	\$ 16,558	\$ 17,484	\$ 17,000	\$ 17,000	\$ 17,000	0.00%
Rental of Equipment	70	120	200	200	200	0.00%
Sale of Equipment	3,020	17,440	1,000	1,000	1,000	0.00%
Miscellaneous Sales	2,904	2,517	2,500	2,500	2,500	0.00%
FEMA Reimbursements-Federal and State Shares	4,585	20,727	0	0	0	
Reimbursement for Salt	8,548	5,009	4,000	4,000	4,000	0.00%
Reimbursement of Damages	52,381	0	0	6,200	0	
Other	4,282	5,830	0	0	0	
Transfers In:						
Engineering Services	105,840	137,450	210,000	165,200	207,900	-1.00%
Administrative Fees	72,400	74,500	76,600	76,600	78,900	3.00%
Subtotal	\$ 270,588	\$ 281,077	\$ 311,300	\$ 272,700	\$ 311,500	0.06%

**General Fund
Revenue Summary**

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change From 2022/2023 Budget
Police Operations:						
Police Grants	\$ 313,959	\$ 357,550	\$ 395,700	\$ 389,700	\$ 311,400	-21.30%
Court Fines	132,337	159,857	150,000	150,000	150,000	0.00%
Automated Traffic Enforcement Fines	565,265	474,695	565,000	475,000	475,000	-15.93%
Parking Violations	23,710	22,010	21,000	21,000	21,000	0.00%
Tobacco Checks/Violations	3,450	0	2,000	2,800	2,800	40.00%
Alarm System Charges	3,000	2,900	3,700	3,000	3,000	-18.92%
Alarm Permits	475	475	600	600	600	0.00%
False Alarm Charges	1,050	1,200	2,000	1,200	1,200	-40.00%
Police Services Agreement	54,608	56,110	57,700	57,700	59,500	3.12%
Animal Ordinance Fees and Fines	2,595	3,275	2,500	3,500	3,500	40.00%
Printing Charges	4,434	3,863	4,500	4,000	4,000	-11.11%
Contributions - Mentor Program	0	2,743	0	100	0	
Other Contributions	938	2,270	0	500	0	
Lease - Public Safety Cell Tower	29,977	30,988	31,000	31,000	31,000	0.00%
Reimbursements/Miscellaneous Income	35,503	57,677	45,000	45,000	45,000	0.00%
Subtotal	\$ 1,171,301	\$ 1,175,613	\$ 1,280,700	\$ 1,185,100	\$ 1,108,000	-13.48%
Fire Operations						
Fire Hazmat Agreements	\$ 26,623	\$ 26,623	\$ 26,600	\$ 26,800	\$ 26,800	0.75%
Fire Open Burn Permits	1,150	975	1,100	1,100	1,100	0.00%
Fire Inspection Fees	19,277	6,625	15,000	8,500	10,000	-33.33%
Fire Plan Review Fees	535	6,182	2,500	2,500	2,500	0.00%
Fire Assessment Fees	225	210	200	200	200	0.00%
Confined Space Fees	39,275	34,775	36,000	36,000	36,000	0.00%
Fireworks Fees	2,700	2,200	1,200	2,000	2,000	66.67%
Fire Protection Contracts	22,233	23,064	22,500	22,500	23,200	3.11%
Federal Grant - SCBAs	243,104	15,546	0	0	0	
Fire Reports	651	135	500	300	300	-40.00%
Fire Citations	125	375	800	400	400	-50.00%
Alarm Permits	600	991	600	600	600	0.00%
False Alarm Charges	50	150	600	600	600	0.00%
Donations	1,103	0	0	300	0	
Reimbursement of Damages	0	0	0	28,100	0	
Reimbursement of Expenses/Other	1,465	6,484	3,500	6,000	4,000	14.29%
Transfer from Aerial Project Fund	22,793	0	0	0	0	
Subtotal	\$ 381,909	\$ 124,335	\$ 111,100	\$ 135,900	\$ 107,700	-3.06%

**General Fund
Revenue Summary**

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change From 2022/2023 Budget
Other General Revenues						
Interest Income	\$ 13,260	\$ 5,983	\$ 1,000	\$ 100,000	\$ 100,000	9900.00%
Payment in Lieu of Taxes	32,791	33,980	36,900	34,000	34,000	-7.86%
Housing Accounting Fees	66,500	68,400	70,400	70,400	72,500	2.98%
Housing Management Fee	12,372	13,465	13,500	13,500	13,500	0.00%
FEMA Reimbursements	0	5,616	0	22,400	0	
ICAP Grant	0	1,000	0	0	0	
Other Charges	19,089	18,743	19,000	19,000	19,000	0.00%
Transfers In:						
Administrative Fees	398,300	397,300	405,200	405,200	417,300	2.99%
Health Insurance Fund (Wellness)	56,516	55,778	68,000	68,000	70,000	2.94%
Health Insurance Administrative Fee	3,000	3,000	3,000	3,000	3,000	0.00%
Information Technology Administrative Fee	41,000	43,000	45,100	45,100	47,300	4.88%
Communications Admin Fee (Exc. TIF Portion)	62,800	65,600	68,000	68,000	71,600	5.29%
Ambulance Enterprise Fund	1,205,200	1,253,000	1,345,600	1,345,600	1,228,000	-8.74%
Ambulance Enterprise Fund - Additional	232,600	232,600	232,600	232,600	232,600	0.00%
Tax Increment/Economic Dev Admin Fees	158,974	169,223	174,500	174,500	189,500	8.60%
Tax Increment Economic Development	43,000	43,000	43,000	43,000	43,000	0.00%
Emergency Fund - State COVID Relief	0	0	261,600	261,600	150,500	-42.47%
American Rescue Plan Act Funds (ARPA)	0	0	324,200	217,200	162,100	-50.00%
Add'l American Rescue Plan Act (ARPA)	0	0	0	0	165,000	
Subtotal	<u>\$ 2,345,402</u>	<u>\$ 2,409,688</u>	<u>\$ 3,111,600</u>	<u>\$ 3,123,100</u>	<u>\$ 3,018,900</u>	-2.98%
Total	<u><u>\$ 21,485,724</u></u>	<u><u>\$ 22,576,926</u></u>	<u><u>\$ 23,449,946</u></u>	<u><u>\$ 23,531,721</u></u>	<u><u>\$ 24,901,795</u></u>	6.19%

General Fund
Expenditures by Type

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change from 2021/2022 Budget
Personal Services	\$ 16,250,517	\$ 17,229,699	\$ 18,327,500	\$ 18,063,500	\$ 18,814,400	2.7%
Commodities	904,257	1,090,407	1,102,850	1,197,350	1,164,950	5.6%
Contractual Services	2,587,226	2,659,315	2,811,250	3,051,850	3,064,850	9.0%
Capital Outlay	819,515	1,008,421	789,200	789,100	1,054,100	33.6%
Transfers and Assigned Funding	<u>519,634</u>	<u>419,908</u>	<u>418,700</u>	<u>432,000</u>	<u>803,228</u>	91.8%
Total	<u>\$ 21,081,149</u>	<u>\$ 22,407,750</u>	<u>\$ 23,449,500</u>	<u>\$ 23,533,800</u>	<u>\$ 24,901,528</u>	6.2%

General Fund
Summary of Expenditures

Function/Activity	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change from FY 2023 Budget
General Government						
Mayor and Council	\$ 84,647	\$ 83,566	\$ 91,400	\$ 83,700	\$ 89,700	-1.9%
Legal Services	138,739	144,319	117,000	117,500	117,500	0.4%
City Administrator	412,991	446,528	463,800	456,100	509,000	9.7%
Human Resources	192,444	165,570	188,800	251,000	220,100	16.6%
Wellness Program	56,940	55,778	68,000	68,000	70,000	2.9%
Finance and Records	691,864	736,096	771,400	777,000	837,200	8.5%
Information Technology	348,351	426,360	440,700	441,500	459,900	4.4%
Risk Management	252,214	318,839	376,200	367,800	414,900	10.3%
Building and Grounds	683,339	816,925	763,900	775,200	764,400	0.1%
Subtotal	<u>\$ 2,861,529</u>	<u>\$ 3,193,981</u>	<u>\$ 3,281,200</u>	<u>\$ 3,337,800</u>	<u>\$ 3,482,700</u>	6.1%
Public Safety						
Police Operations	\$ 5,084,423	\$ 5,309,111	\$ 5,567,200	\$ 5,586,100	\$ 5,607,400	0.7%
Animal Control	157,229	143,812	155,000	155,000	157,000	1.3%
Fire Operations	5,199,212	5,420,878	5,495,300	5,548,300	5,746,000	4.6%
Subtotal	<u>\$ 10,440,864</u>	<u>\$ 10,873,801</u>	<u>\$ 11,217,500</u>	<u>\$ 11,289,400</u>	<u>\$ 11,510,400</u>	2.6%
Culture and Recreation						
Library	\$ 1,117,660	\$ 1,242,341	\$ 1,238,700	\$ 1,238,700	\$ 1,294,300	4.5%
Cable Television Operations	19,277	24,196	20,600	20,600	21,200	2.9%
Art Center	430,279	431,650	443,900	450,700	463,600	4.4%
Park Administration	211,610	228,232	236,000	239,200	245,900	4.2%
Park Maintenance	823,067	869,080	908,900	1,001,800	920,000	1.2%
Kent Stein Park	271,122	250,336	278,800	280,800	287,200	3.0%
Soccer Complex	280,535	260,903	288,100	285,100	302,600	5.0%
Aquatic Center	103,698	115,065	213,800	269,400	230,800	8.0%
Recreation	86,480	188,682	142,800	143,400	148,800	4.2%
Cemetery	179,629	175,623	203,100	215,700	235,000	15.7%
Subtotal	<u>\$ 3,523,357</u>	<u>\$ 3,786,108</u>	<u>\$ 3,974,700</u>	<u>\$ 4,145,400</u>	<u>\$ 4,149,400</u>	4.4%
Health and Social Services						
Economic Well-Being	\$ 50,000	\$ 37,500	\$ 55,000	\$ 55,000	\$ 60,000	9.1%
Subtotal	<u>\$ 50,000</u>	<u>\$ 37,500</u>	<u>\$ 55,000</u>	<u>\$ 55,000</u>	<u>\$ 60,000</u>	9.1%

General Fund
Summary of Expenditures

Function/Activity	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change from FY 2023 Budget
Community and Economic Development						
Community Development	\$ 880,013	\$ 949,382	\$ 1,066,900	\$ 1,086,400	\$ 1,159,500	8.7%
Economic Development	142,647	139,207	144,200	178,000	178,000	23.4%
Subtotal	<u>\$ 1,022,660</u>	<u>\$ 1,088,589</u>	<u>\$ 1,211,100</u>	<u>\$ 1,264,400</u>	<u>\$ 1,337,500</u>	10.4%
Public Works						
Public Works Administration	\$ 212,503	\$ 225,705	\$ 236,200	\$ 243,000	\$ 252,200	6.8%
Roadway Maintenance	1,446,120	1,777,439	1,819,400	1,655,900	1,549,100	-14.9%
Traffic Control	496,785	175,166	229,600	221,900	207,000	-9.8%
Snow and Ice Control	195,286	400,994	454,500	444,200	610,400	34.3%
Street Cleaning	190,101	190,052	207,900	212,600	523,900	152.0%
Engineering	326,137	408,415	466,900	414,200	558,600	19.6%
Subtotal	<u>\$ 2,866,932</u>	<u>\$ 3,177,771</u>	<u>\$ 3,414,500</u>	<u>\$ 3,191,800</u>	<u>\$ 3,701,200</u>	8.4%
Transfers and Assigned Funding						
Transit System Subsidy	\$ 113,807	\$ 0	\$ 0	\$ 0	\$ 206,678	
Airport Subsidy	0	0	20,500	0	3,650	-82.2%
Equipment Replacement						
Allocation	202,000	250,000	250,000	250,000	400,000	60.0%
Assigned Funding - Non-Union Merit	0	0	25,000	0	50,000	100.0%
Subtotal	<u>\$ 315,807</u>	<u>\$ 250,000</u>	<u>\$ 295,500</u>	<u>\$ 250,000</u>	<u>\$ 660,328</u>	123.5%
Total	<u><u>\$ 21,081,149</u></u>	<u><u>\$ 22,407,750</u></u>	<u><u>\$ 23,449,500</u></u>	<u><u>\$ 23,533,800</u></u>	<u><u>\$ 24,901,528</u></u>	6.2%

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 are adopted by formal ordinance, resolution, or motion. The presiding officer of the City Council is the Mayor. The City Council is responsible for appointing the Boards and Advisory Commissions of the City. There are ten (10) 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 2022/2023 revised estimate is \$7,700 less than the original budget. There was a \$8,000 decrease in consultant services, and a net \$300 increase in other line items.

The 2023/2024 budget is \$1,700 (1.9%) less than the 2022/2023 budget. This decrease is primarily due to a \$2,500 reduction in consultant services, an \$1,100 increase in audit costs, and a net \$300 decrease in other budget line items.

PERFORMANCE MEASURES

	Actual 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
Regular Council Meetings	24	24	24	24	24
In-Depth Meetings	10	9	11	12	12
Budget Meetings	8	8	8	8	8
Other Meetings	2	2	5	4	4
Joint Meetings:					
County Board of Supervisors	0	2	1	3	3

RECENT ACCOMPLISHMENTS

- The City provided 14 small business forgivable loans in FY2021/2022, awarding over \$284,000 to support small business expansion and improvements.
- An evaluation of animal/pet policies was completed and changes to City Code were adopted in April 2022. (**Safe Community**)

- Several City services and processes were reviewed and improvements implemented including: electronic document signatures; SmartGov, a customer portal for building and construction activities and permits; a streamlined agenda process and software; recruitment software that streamlines the hiring process and enables online applications; SeeClickFix - an improved customer request tracking system; and Springbrook financial software system conversion to the Cloud for more efficient financial operations
- Installation of recreational amenities at Taylor, Musser, and Kent Stein Parks was initiated and is approximately 60% complete. The remainder of the project (installation of playground equipment, restroom at Taylor Park, completion of water feature, etc.) will be completed in 2023. **(Healthy Community)**
- Three TIF agreements were authorized: Love's Travel Stop (approved by City Council in June 2022), the conversion of the former McKee Button Factory to office space by Kent Corporation (development agreement completed September 1 2022), and the Merge Carver Corner Development was awarded workforce housing tax credits in 2022 and a development/TIF agreement is pending. **(Vibrant Community)**
- The snow emergency policy, plan, and ordinance were updated and the ordinance was adopted by City Council in September 2022. Snow Emergency signage has been installed and the pushback policy is being implemented. **(Safe Community)**
- The City participated in various meetings as the Levee project progressed. The levee improvements are expected to be completed in 2024. **(Safe Community)**
- Phase 5 of the West Hill Sewer Separation Project construction is underway and Phase 6 is currently under design. **(Reliable Public Infrastructure)**
- City staff presented a plan for utilization of the first tranche of ARPA funds during the FY 2022/2023 budget meetings and proposed projects for the second tranche of ARPA funds on October 13, 2022. **(Vibrant Community)**
- Construction on Grandview Avenue is nearing completion. Mainline paving is complete and the street is open to traffic. **(Reliable Public Infrastructure)**
- The City invested funds in the development of a preliminary design of the riverfront amphitheater. The project is currently awaiting additional funding. **(Vibrant Community)**
- Options for redevelopment of Carver Corner were presented at the February 10 In-Depth City Council meeting. Based on direction from Council, the City Administrator re-engaged Merge in their plan for redeveloping Carver Corner. City Council approved a concept plan, authorized a future development/TIF rebate agreement, and adopted a resolution of support for workforce housing tax credits at the April 14 City Council meeting. Merge is currently in the development plan review process. **(Vibrant Community)**
- A property maintenance code was adopted by City Council in May 2022. A list of priority properties was identified and cited with 60-day windows to address issues. Implementation is ongoing. Staff continues to identify properties that require demolition due to unsafe conditions. **(Vibrant Community)**
- Meetings with the County Supervisors, School Board, and the City Council were held on March 30 and September 27, 2022. **(Excellent Customer Service)**

- Staff distributed a memo to City Council describing the annexation process and history of annexation in Muscatine (completed September 2022). City Council decided to focus on voluntary annexations only going forward. **(Vibrant Community)**
- City Council adopted an updated compensation policy in April 2022. The compensation study is planned for FY 2024. **(Excellent Customer Service)**
- Staff presented options for appeals to City Council at its December 2022 In-Depth meeting. Staff is currently following up on Council's input and will bring a proposal forward at a later date. **(Excellent Customer Service)**
- A Request for Proposals was issued in October 2022 for the development of a Wayfinding Master Plan. A preferred consultant was identified and a contract is pending. **(Vibrant Community)**
- The City Council allocated ARPA funds to assist in funding the reconstruction of Fulliam Avenue from Houser Street to Kindler Avenue. The project design will be initiated in 2023. **(Reliable Public Infrastructure)**
- A Railroad Crossing Elimination Planning Grant Application was submitted to the U.S Dept of Transportation in October 2022 for design of a railroad crossing grade separation at Dick Drake Way. An announcement of award is pending. **(Safe Community)**

<p><i>OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024 AND FUTURE YEARS</i></p>
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The City Council conducted a goal setting session in October 2022. The Council identified major accomplishments of the City in 2021/2022, reviewed the most important issues, concerns, and trends facing the City in 2023, and identified potential initiatives, policies, and programs for 2023/2024 that align with the City's strategic plan adopted in 2020.

The Mayor and City Council identified the following initiatives, programs, and projects for 2023/2024:

Customer Service

- Continue City Staff training (including leadership training and customer service training)
- Continue joint meetings with Muscatine Community School District and Muscatine County Board of Supervisors
- Study the parking system in the central business district and implement identified improvements
- Continue developing key metrics for City operations
- Continue implementation of SeeClickFix (citizen request tracking system) to improve response time to customer inquiries
- Develop a succession plan for key city staff positions
- Continue updating the City's website

- Implement online customer service improvements (e.g. eliminating paper processes, providing the ability for customers to transact business online, etc.)
- Invest resources in marketing and branding the City of Muscatine
- Conduct a staffing assessment, wage compensation study, and assess employee retention and attraction strategies
- Develop a balanced budget
- Continue pursuing grants to leverage City funds

Safe Community

- Continue Wayfinding implementation
- Continue keyless entry and other safety measures at City facilities
- Continue installing security cameras in City parks
- Continue pursuing a grade separation at Dick Drake Way
- Continue community policing efforts
- Continue efforts to recruit firefighters and EMS personnel

Vibrant Community

- Continue efforts on Downtown Revitalization
- Continue addressing nuisance properties and pursuing property demolition
- Continue Small Business Forgivable Loan programs
- Evaluate opportunities for funding and pursuing more public art
- Continue efforts on Riverfront Amphitheater
- Update the Housing Study
- Develop an Economic Development Policy
- Update the City's Comprehensive Plan
- Continue efforts related to housing development, including Carver Corner

Reliable Public Infrastructure

- Continue work on Isett Avenue Reconstruction

- Complete the Grandview Avenue Reconstruction project
- Continue work on the West Hill Sewer Separation project
- Continue upgrades to City facilities
- Pursue the Houser/Fulliam Roundabout
- Pursue Fulliam Avenue Reconstruction
- Evaluate extending sewer to unserved areas in the City limits

Healthy Community

- Continue efforts to construct trails and improve the walkability of the community (e.g. sidewalk construction and maintenance)
- Continue the partnership with the School District for improvements at Kent-Stein Park
- Evaluate opportunities to add new amenities to Weed Park Pool

Function:
General Government

Department:
Legislative and Council

Activity:

Mayor and City Council

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 41,721	\$ 41,800	\$ 42,100	\$ 41,900	\$ 41,900	-0.48%
Commodities	858	1,811	2,400	2,400	2,500	4.17%
Contractual Services	42,068	37,563	46,900	37,100	45,300	-3.41%
Capital Outlay	-	2,392	-	2,300	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 84,647</u>	<u>\$ 83,566</u>	<u>\$ 91,400</u>	<u>\$ 83,700</u>	<u>\$ 89,700</u>	-1.86%
Funding Sources						
General Revenues	<u>\$ 84,647</u>	<u>\$ 83,566</u>	<u>\$ 91,400</u>	<u>\$ 83,700</u>	<u>\$ 89,700</u>	-1.86%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Part Time Positions:						
Mayor	1	1	1	1	1	
Councilmembers	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	
Total	8	8	8	8	8	\$ 37,800
Employee Benefits						<u>4,100</u>
Total Personal Services						<u>\$ 41,900</u>

Function:
General Government

Department:
Legislative and Council

Activity:
Legal Services

GENERAL INFORMATION

The City Attorney is retained by the City on a part-time basis and paid on an hourly basis. In August of 2022, after a Request for Qualifications (RFQ) process, the City transitioned the City Attorney functions to Hopkins & Huebner, P.C. Brent Hinders of that firm, is now serving as the City Attorney at a rate of \$225 per hour. The part-time City Attorney is available to the City Administrator and City staff on an "as needed" basis for legal assistance.

The City also has an agreement with the County Attorney's office for city prosecutor services that was effective July 1, 2014 at an annual cost of \$40,000. Having the County Attorney prosecute City cases allowed for a structural change in how these cases are prosecuted and with that change additional court fine revenue is being received by the City.

CURRENT TRENDS AND ISSUES

The 2022/2023 revised estimate for Legal Services of \$117,500 is \$500 more than the original budget. The 2022/2023 revised estimate allows for \$75,000 in City Attorney costs, \$40,000 in City Prosecutor services provided by the County Attorney's office, and \$2,500 to reimburse the County for the cost of serving papers for City court cases. The \$500 increase is due to the increased cost of serving papers for the City court cases. Actual legal costs vary from year to year due to projects and issues that arise.

The 2023/2024 legal services budget is \$117,500, which is the same as the 2022/2023 revised estimate. The budget allocation includes \$40,000 for the County Attorney's Office for City Prosecutor services, an estimated \$2,500 for serving papers, and an estimated \$75,000 for City Attorney hours for general legal services. Actual legal costs can vary from this estimate since many projects and issues that need legal assistance cannot be anticipated. Legal services costs for capital projects and enterprise funds are charged to those projects or funds. Legal costs for employment-related projects or issues, including union negotiations, are accounted for in the Human Resources budget.

GOAL STATEMENT

To provide legal services per the City Code to ensure 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 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
City Attorney Hours (excluding Human Resources hours) *	784	788	808	600	600

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

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024

- To continue to assist the City in a variety of legal matters, including labor and employment issues, contracts, preparation of City Council documents, periodic attendance at City Council meetings, real estate transactions, zoning/annexation matters, and other legal issues as they arise.

Function:
General Government

Department:
Legislative and Council

Activity:
Legal Services

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	138,739	144,319	117,000	117,500	117,500	0.43%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 138,739</u>	<u>\$ 144,319</u>	<u>\$ 117,000</u>	<u>\$ 117,500</u>	<u>\$ 117,500</u>	0.43%
Funding Sources						
General Revenues	<u>\$ 138,739</u>	<u>\$ 144,319</u>	<u>\$ 117,000</u>	<u>\$ 117,500</u>	<u>\$ 117,500</u>	0.43%

Function:
General Government

Department:
City Administrator

Activity:
City Administrator

GENERAL INFORMATION

The City Administrator is responsible for the overall management and administrative coordination of activities of the City of Muscatine. All departments under the City Council report to and are responsible to the City Administrator. All Council matters from the various departments, boards, and commissions are presented by the City Administrator to the City Council with specific recommendations. Upon approval by the City Council of various programs and policies, it is the responsibility of the City Administrator for their implementation according to Council direction.

The City Administrator is also responsible for the preparation of the annual budget for review and adoption by the City Council. Additionally, the City Administrator interacts with both public and private entities to promote community-based projects.

CURRENT TRENDS AND ISSUES

The 2022/2023 revised estimate is \$7,700 less than the original budget. Personal services costs are \$1,900 less, commodities are \$200 less, and contractual services are \$5,600 less than the original budget. The contractual services overall decrease is primarily due to decreases in consultant services (\$3,500) and travel and education (\$1,700).

The 2023/2024 budget is \$45,200 (9.8%) higher than the original 2022/2023 budget due to (1) a \$16,400 increase in personal services costs, (2) a \$600 decrease in commodities, and (3) a \$29,400 increase in contractual services. The increase in contractual services is primarily due to the \$33,400 increase in annual software maintenance costs. This budget includes the first annual maintenance costs for various software systems implemented during the past year including CivicClerk (\$8,300), See Click Fix (\$15,500), See Click Fix PubWorks (\$5,000), and allows for MuniCode (\$2,500) and CPPay (\$1,500) not yet implemented. The initial fees for these software systems were funded from American Rescue Plan Act (ARPA) funds. This budget continues funding of \$10,900 for the annual cost of the OpenGov software.

This budget again includes the Communications Manager, which was a position added for the 2015/2016 budget. While 100% of the cost of this position is accounted for in this budget, this position oversees communications in all City departments and transfers from five other funding sources provide 5/6 of the funding for this position. The other funding sources that share equally in the cost of this position are the Water Pollution Control, Refuse Collection, Collection and Drainage, Public Works Administration (Road Use Tax funded), 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, workforce, 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 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
City Council Agenda Items Presented for Approval	471	369	523	500	500
City Council Agenda Items Approved	470	368	522	498	498
Staff Meetings Held	20	36	42	40	40
Greater Muscatine Chamber of Commerce and Industry (GMCCI) Board Meetings	0	4	4	4	4
Quad City Area Managers Meetings (Bi-State)	0	12	10	11	11
International City/County Management Association (ICMA)	0	1	1	1	1
League of Cities (Board, Committees, Mid-Sized Cities, Annual and Special Meetings)	0	2	2	2	2
GMCCI Committee Meetings	0	0	0	8	0

Communications Metrics

	January 1 – December 31, 2020	January 1 – December 31, 2021*	January 1- December 31 2022	Estimated 2023
City of Muscatine Social Media Followers				
Facebook Page Likes	8,388	8,994	9,590	10,200
Facebook Average Weekly Reach	3,689	8,684	8,820	9,000
Twitter Followers	1,505	1,512	1,524	1,600
Twitter Average Weekly Impressions	5,302	2,784	1,865	2,000
Instagram Followers	1,392	1,457	1,520	1,600
Instagram Average Weekly Impressions	3,549	3,191	2,769	3,200
YouTube Subscriptions	307	356	416	450
YouTube Average Weekly Watch Time	9:49	10:40	10:15	10:30
Linked-In Followers	185	213	286	350

- * Facebook algorithms for metrics were changed during 2021 moving from “likes” to “followers” which also changed how “reach” or “impressions” was calculated.
- * Twitter also saw significant changes due to policy changes beginning in January 2021.

RECENT ACCOMPLISHMENTS

- City staff presented a plan for utilization of the first tranche of ARPA funds during the FY 2022/2023 budget meetings and proposed projects for the second tranche of ARPA funds on October 13, 2022.
- Options for redevelopment of Carver Corner were presented at the City Council February 10, 2022 In-Depth meeting. Based on direction from Council, the City Administrator re-engaged Merge Urban Development Group (Merge) in their plan for redeveloping Carver Corner. City Council approved a concept plan, authorized a future development/TIF rebate agreement, and adopted a resolution of support for workforce housing tax credits at the April 14 City Council meeting. Merge is currently in the development plan review process.
- The City invested funds in the development of a preliminary design of the riverfront amphitheater. The project is currently waiting on funding.
- The City continued to support various economic development projects including Love's Travel Stop, the conversion of the former McKee Button Factory to office space by Kent Corporation, and the Merge Carver Corner Development. The City also supported the Mulberry Health Clinic Project through financial contributions from ARPA funds.
- A Request for Proposals was issued in October 2022 for the development of a Wayfinding Master Plan. A preferred consultant was identified and a contract was approved in January 2023.
- An evaluation of animal/pet policies was completed and changes to City Code were adopted in April 2022.
- An RFP (Request for Proposals) was issued for a City Attorney and the hiring process was completed in August 2022. The contract was awarded to Hopkins & Huebner, P.C.
- The Rules of Council were updated and adopted by City Council in September 2022.
- An agenda management system (Civic Clerk) and an agenda process manual were finalized and implemented in August 2022.
- City Council adopted an updated employee compensation policy in April 2022. A compensation study is planned for 2023.
- Staff presented options for managing nuisance appeals to City Council at its December 2022 In-Depth meeting. Staff is currently considering Council's input and will bring a proposal forward in 2023.
- The City Administrator and the Administrative Secretary continued the Iowa City Clerk Training Program, completing over 100 credit hours each since starting the program. The Administrator and Secretary anticipate completing the Clerk Training Program in 2023.
- The Administrative Secretary continued to digitize public records as time allowed and created an index with hyperlinks to ordinances and resolutions previously adopted. The indexed City Code is available on the City's website.
- Muscatine Connect, powered by SeeClickFix, a citizen's communication tool from CivicPlus, was launched in December 2022.
- Public relations tools created for the Mayor's weekly video presentation continue to be utilized to promote Muscatine, including a video series created in cooperation with the Muscatine Community College video center, the creation of a Muscatine In Focus Facebook page, and redesigned OurCity Facebook and YouTube pages.

- A marketing branch of Collaborate Muscatine continued promotional efforts in coordination with the Greater Muscatine Chamber of Commerce & Industry, Muscatine School District, Muscatine Community College, and Muscatine County.
- Staff continued efforts to increase user accessibility and ADA compliance of the City of Muscatine website that began with the 2019 redesign and continues with the 2023 redesign.
- GoToMeeting (virtual meeting) continues to be offered with the Muscatine City Council and various other boards and commissions as needed.
- The Communications Director provided updates during the construction season as work progressed on a variety of projects including the Grandview Avenue Reconstruction Project, West Hill Sanitary & Storm Sewer Separation Project Phase 5, Park Avenue 4-to-3 Lane Conversion Project, Southend Improvement Projects, and additional roadway maintenance projects.
- Staff continued to increase use of video on the various social media channels including using short five-second videos to introduce stories.
- The City of Muscatine issued 198 press releases promoting the positives of living and working in Muscatine while also keeping the public informed of key issues facing the city, updates on construction and weather, the success of various programs offered by the city, and the success of our staff.
- The Fire Department (with 8 news releases), the Police Department (15 news releases), and Parks and Recreation (44 news releases) were assisted in the promotion of their information and programs. The Art Center (13 news releases), Musser Library (7 news releases), and the Muscatine County Public Health Department (1 news release) were supported with editing and distribution of news releases. In addition, four blogs were published highlighting various departments and/or information regarding city services, city development, and city goals.
- Eleven newsletters were published which featured the City Administrator Report of Monthly Department Activity. In addition, 20 articles were posted on LinkedIn geared to a more professional reader.

<p><i>OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024 AND FUTURE YEARS</i></p>
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- Initiate study of the downtown business district parking system. **(Vibrant, Safe Community, Excellent Customer Service)**
- Develop and publish a City Performance Dashboard that includes key performance indicators aligned with priority areas outlined in the City's Strategic Plan and in the City Council's adopted goals. **(Excellent Customer Service)**
- Develop a Boards and Commissions management program including onboarding, boards and commissions manual, and appointment of Council liaisons. **(Excellent Customer Service)**
- Implement MuniCode, an online codification system. **(Excellent Customer Service)**
- In partnership with Human Resources, conduct a compensation study and department assessments and adjust the City's compensation program and structure in alignment with the Council-adopted compensation policy and City goals. **(Excellent Customer Service)**

- Implement City Council's preferred option for managing nuisance appeals. **(Vibrant, Safe Community)**
- Complete the development of a Wayfinding Master Plan. **(Vibrant, Healthy Community)**
- Support the development of Carver Corner, including the Merge Development, the conversion of the former McKee Button Factory to office space by Kent Corporation, and associated roadway improvements. **(Vibrant Community, Reliable Public Infrastructure)**
- Continue efforts to partner with the Muscatine Community School District (MCSD) and the Parks and Recreation Department for development of a MCSD Baseball Field at Kent-Stein Park. **(Vibrant, Healthy Community)**
- Develop a succession plan for the City's critical staff positions. **(Excellent Customer Service)**
- Improve the ability for residents and customers to transact business via the City's website. **(Excellent Customer Service)**
- Continue developing City staff through training and professional development. **(Excellent Customer Service)**
- Continue to enhance the City of Muscatine website by making it more user friendly (easier to find information) and provide the information that residents need. **(Excellent Customer Service)**
- Research, develop, and implement an electronic mechanism to promote internal staff communication. **(Excellent Customer Service)**
- Work with the City Administrator, Finance Director, and Information Technology Manager to explore the development of tools to enhance the user experience with the City of Muscatine website. **(Excellent Customer Service)**
- Develop a marketing and branding plan for the City of Muscatine (subject to funding). **(Excellent Customer Service)**
- Continue to use social media to promote the positives of living and working in Muscatine including increased use of video in postings. **(Excellent Customer Service)**
- Continue efforts to promote transparency of the City of Muscatine. **(Excellent Customer Service)**
- Continue to work with the Greater Muscatine Chamber of Commerce & Industry, Muscatine School District, Muscatine Community College, Muscatine Power & Water, Unity Point-Trinity Muscatine, the GMCCI Tourism and Hospitality Committee, and the Collaborate Muscatine marketing group to develop, prioritize, and implement a marketing plan for the City of Muscatine. **(Excellent Customer Service, Vibrant Community)**
- Highlight stories that demonstrate the positive direction and momentum for the Muscatine community. **(Excellent Customer Service, Vibrant Community)**
- Look for ways to network with area Communication practitioners in similar size municipalities and those in our region. **(Excellent Customer Service, Vibrant Community)**

Function:
General Government

Department:
City Administrator

Activity:
City Administrator

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 348,188	\$ 401,299	\$ 420,000	\$ 418,100	\$ 436,400	3.90%
Commodities	1,427	2,002	3,400	3,200	2,800	-17.65%
Contractual Services	63,376	43,227	40,400	34,800	69,800	72.77%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 412,991</u>	<u>\$ 446,528</u>	<u>\$ 463,800</u>	<u>\$ 456,100</u>	<u>\$ 509,000</u>	9.75%
Funding Sources						
Funding Transfers for						
Communications Manager	\$ 78,500	\$ 82,000	\$ 85,000	\$ 85,000	\$ 89,500	5.29%
General Revenues	<u>334,491</u>	<u>364,528</u>	<u>378,800</u>	<u>371,100</u>	<u>419,500</u>	10.74%
Total	<u>\$ 412,991</u>	<u>\$ 446,528</u>	<u>\$ 463,800</u>	<u>\$ 456,100</u>	<u>\$ 509,000</u>	9.75%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time Positions:						
City Administrator	1.00	1.00	1.00	1.00	1.00	
Communications Manager	1.00	1.00	1.00	1.00	1.00	
Administrative Secretary	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	
Total Full Time	3.00	3.00	3.00	3.00	3.00	\$ 307,600
Employee Benefits						<u>128,800</u>
Total Personal Services						<u>\$ 436,400</u>

Function:
General Government

Department:
City Administrator

Activity:
Human Resources

GENERAL INFORMATION

The Human Resources division consists of an allocation of 75% of the Human Resources Manager position and a 50% allocation of the Office Assistant position. The other 25% of the Human Resources Manager position is included in the Risk Management activity budget. The Human Resources division is responsible for the development of a uniform program for all City departments in the areas of hiring, training, risk management, and other personnel related issues. This division also assists departments with the administration of labor contracts and personnel guidelines. The City operates under the Iowa Civil Service Code, which encompasses all employees except department heads, supervisors, confidential and library employees, and part-time employees as specified by the State Code.

Continued updating of the City's Equal Employment Opportunity Plan and Employee Personnel Manual, as well as the sponsoring of workshops and training sessions are responsibilities of the Human Resources Manager. The Human Resources Manager also serves as secretary to the Civil Service Commission and assists the Commission with the implementation of the State Code on Civil Service requirements.

CURRENT TRENDS AND ISSUES

The 2022/2023 revised estimate is over the original budget by \$62,200. This increase is primarily due to adding an allocation of \$60,000 for consultant services for a compensation study and pay plan analysis for non-bargaining unit employees. An additional \$12,000 has been included in the revised estimate for consultant services to conduct a department organization assessment. An additional \$12,000 has been included in one enterprise fund budget for another department organization assessment.

The 2023/2024 budget is \$31,300 higher than the original 2022/2023 budget. This overall increase is due to (1) a \$13,000 increase in wages and benefits, which reflects the new Office Assistant opting for family health insurance while the previous employee had single coverage, (2) a \$100 increase in commodities, and (3) an \$18,200 increase in contractual services. The contractual services increase includes a \$10,000 increase for City-wide employee training and \$7,900 for the first annual maintenance cost for the new online Application and Tracking Software system. The initial fees for this software was funded from American Rescue Plan Act (ARPA) funds.

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 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
Full-time Positions Hired	25	18	30	25	25
Permanent Part-time Positions Hired	18	24	18	20	20
Retirements	9	12	12	10	10
Personnel Actions Processed	374	460	383	400	400
Employment Applications Received	341	350	282	1,054*	1,000
Civil Service Examinations Administered	13	11	12	20	15
Employee Training Programs	6	5	6	5	5
Civil Service Commission Meetings	5	5	4	4	4

* Increased applications are being received with the implementation of the Acquire TM software.

RECENT ACCOMPLISHMENTS

The Human Resources (HR) division has been active in a variety of areas this year. All of this year's objectives are either complete or in process.

The applicant tracking software has been implemented and is proving to be a worthwhile asset. The process of posting positions, accepting and screening applications, communicating with applicants, and onboarding new employees has been streamlined as a result of this implementation. The number of qualified applicants has improved as well. HR staff will continue to make improvements in the use of the system in order to provide efficient service to hiring departments.

HR staff has been working with the City Administrator on a variety of HR initiatives including updating the city's compensation philosophy and updating policies. Additionally, a week-long leadership training being attended by all management staff has led to the update of the organizational mission and values. The HR Manager has led this initiative and is working with operating departments to distribute this information to all employees. HR staff has also been assisting supervisors with implementation of the concepts learned during the training.

HR continues to work in all areas related to employee matters that support the operating departments. This includes, but is not limited to, creating all action forms for hiring, promotions, pay increases, terminations, and reclassifications. The department assists supervisors and department heads with policy interpretation, performance issues, and other matters related to employee issues.

This division is also responsible for handling worker's compensation claims, benefit enrollments and changes, bargaining unit negotiations, maintenance of personnel and medical files, the City's drug testing program, tracking of leave, uniform orders, and coordinating training.

<i>OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024</i>
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- To continue efforts to evaluate and update job descriptions, the compensation plans, and training schedules. **(Vibrant Community and Excellent Customer Service)**
- Design a training schedule to ensure use of the concepts learned in the leadership training. **(Excellent Customer Service)**
- Develop process improvements to streamline HR's payroll responsibility. **(Vibrant Community and Excellent Customer Service)**
- Update the administrative manual to provide clearer guidance on policy implementation. **(Excellent Customer Service)**

Function:
General Government

Department:
City Administrator

Activity:
Human Resources

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 134,921	\$ 129,916	\$ 138,600	\$ 137,100	\$ 151,600	9.38%
Commodities	498	264	1,400	1,400	1,500	7.14%
Contractual Services	57,026	35,390	48,800	112,500	67,000	37.30%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 192,445</u>	<u>\$ 165,570</u>	<u>\$ 188,800</u>	<u>\$ 251,000</u>	<u>\$ 220,100</u>	16.58%
Funding Sources						
General Revenues	<u>\$ 192,445</u>	<u>\$ 165,570</u>	<u>\$ 188,800</u>	<u>\$ 251,000</u>	<u>\$ 220,100</u>	16.58%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time Position Allocations:						
Human Resources Manager	0.75	0.75	0.75	0.75	0.75	
Office Assistant	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	
Total	1.25	1.25	1.25	1.25	1.25	\$ 102,800
Employee Benefits						<u>48,800</u>
Total Personal Services						<u>\$ 151,600</u>

Function:
General Government

Department:
Parks and Recreation

Activity:
Wellness Program

GENERAL INFORMATION

The City's Employee Wellness Program has been funded annually from the City's Health Insurance Fund. Wellness program activities vary a great deal and have included blood screening, physical fitness evaluations, flu shots, recreational activities, and alcohol and drug awareness programs. All full-time and part-time employees are eligible to participate. Spouses are also encouraged to participate. Other programs initiated by the Wellness Program include Smoke Stoppers, Weight Watchers, personal safety classes, stress management, and other health-related seminars and clinics. An ongoing emphasis of the wellness program is to promote a healthy lifestyle for employees and their families.

The program also provides ongoing employee blood pressure screenings 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 Human Resources staff 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 2022/2023 is the same as the original budget. The budget for 2023/2024 is \$2,000 (2.9%) more than the 2022/2023 budget due to increased personal services costs. The budget for 2023/2024 continues the wellness and health screening programs currently offered through the Wellness program and 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.

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 2020	Actual 2021	Actual 2022	Estimated 2023	Estimated 2024
Employee Wellness Opportunities	14	14	14	14	14
Employee Wellness Participants	285	283	247	290	300
Employee Assistance Program Participation Levels	8.04%	N/A (1)	8.48%	9.0%	9.5%
Condition Support Program (previously called Disease Management Program) Participants	60	32	31	55	60

1. The Employee Assistance Program Participation Levels for 2021 were not available due to Genesis discontinuing their program.

RECENT ACCOMPLISHMENTS

Employee wellness continues to be important to City employees as demonstrated through their participation and continued interest in the wellness offerings as follows:

	THRIVE	Flu Shots	Wellness Screen- ings	Weight Loss Programs	Hearing Tests	Lifestyle Programs	Fitness Scholar- ships	Turkey Trot	Blood Drive
Participants	27	45	53	24	13	38	6	1	6

The top four categories of health insurance claims in 2022 were Obstetrical, Heart and Vessels conditions, Bones/Muscles/Ligaments and Digestive. The Wellness Program includes programs to address these claims such as Fitness Reimbursements, 100K Your Way, and through Daily Habits in the Wellness Center. The top claims each year are considered when building the following year's program.

Biometric Screenings continue to be the most well-attended activity and is a cornerstone of the Wellness Program. Participation in this year's screenings remained consistent with previous years at 53 attendees. Employees, spouses and retirees were eligible to receive exams and consultations that give them the information they need to make proactive choices about their health. The results of these screenings can often help providers catch signs of health conditions early. Group data is made available to us which is also considered when activities and challenges are chosen for the following year.

A COVID-19 Booster and two Flu Shot Clinics were held with 67 vaccines administered. Vouchers were made available for employees who were unable to attend the in-person clinics to allow them the opportunity to get vaccinated at their convenience. The COVID-19 Booster Clinic was a new program in 2022.

Fitness reimbursement scholarships, hearing tests, 100K Your Way, the Turkey Trot, a blood drive, and multiple challenges through the Wellness Center continue to be offered.

Wellness was added to the City's core values and behaviors to demonstrate commitment to the wellbeing of City staff. The behavior stated is "We support the wellness of our workforce and our community by providing opportunities to move more, eat well, feel better."

<i>OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024</i>
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- To introduce one new program in calendar year 2023 through examining employee wellness trends and the top four health insurance claims. **(Healthy Community)**
- To increase overall Wellness Program participation in calendar year 2023 by 15% through new and expanded programming. **(Excellent Customer Service)**
- To increase participation in the Wellness Center in 2023/2024 by 25% through meeting with new full-time employees as part of onboarding and visiting remote locations to assist employees with registration. **(Healthy Community)**

Function:
General Government

Department:
Parks and Recreation

Activity:
Wellness Program

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 38,995	\$ 41,263	\$ 42,800	\$ 43,100	\$ 44,800	4.67%
Commodities	440	90	2,300	2,300	2,300	0.00%
Contractual Services	17,505	14,425	22,900	22,600	22,900	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 56,940</u>	<u>\$ 55,778</u>	<u>\$ 68,000</u>	<u>\$ 68,000</u>	<u>\$ 70,000</u>	2.94%
Funding Sources						
Health Insurance Funds	<u>\$ 56,940</u>	<u>\$ 55,778</u>	<u>\$ 68,000</u>	<u>\$ 68,000</u>	<u>\$ 70,000</u>	2.94%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time Position Allocation:						
Office Coordinator	0.50	0.50	0.50	0.50	0.50	\$ 27,800
Employee Benefits						17,000
Total Personal Services						<u>\$ 44,800</u>

Function:
General Government

Department:
Finance

Activity:
Finance and Records

GENERAL INFORMATION

The Finance department is responsible for managing all financial operations of the City of Muscatine. The primary function of the department is to maintain the City's financial records in accordance with generally accepted governmental accounting principles and to prepare the necessary financial data for the City Council, boards and commissions, 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 2022/2023 Revised Estimate for the Finance department is over the original budget by \$5,600. This overall increase is due to increased personal services costs due to merit increases and increased health insurance costs. Commodities were increased by \$600 in the Revised Estimate and contractual services were decreased by \$600.

The 2023/2024 budget is 8.5% (\$65,800) more than the original 2022/2023 budget. This overall increase includes (1) a \$37,200 increase in employee wage and benefit costs, (2) a \$27,600 increase in annual financial software maintenance costs with \$26,600 of the increase due to the increased annual costs for the Cloud version of the software, (3) a \$4,800 increase for the bi-annual election in 2023/2024, (4) a \$4,000 decrease since there is no bi-annual OPEB actuarial study in 2023/2024, and (5) a \$200 net overall increase 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 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
Finance:					
GFOA Certificate of Achievement for Excellence in Financial Reporting	Yes	Yes	Yes	Submit Application	Submit Application
GFOA Budget Award	Yes	Yes	Yes	Yes	Submit Application
Moody's Investor Services Bond Rating	Aa2	Aa2	Aa2	Aa2	Aa2
City Vendors Checks Issued	4,810	4,397	4,517	4,500	4,500
City Vendor ACH Payments	192	197	197	200	200
Housing Programs Checks Issued	1,616	1,552	1,495	1,500	1,500
Housing Vendor ACH Payments	491	459	497	500	500
Payroll Checks Issued	1,427	1,294	1,050	1,100	1,100
Payroll Direct Deposit Transactions	7,902	8,012	8,563	8,600	8,600
Accounts Payable Transactions	25,191	24,798	22,506	23,000	23,000
City Receipt Transactions	12,626	12,479	11,099	11,500	11,500
Housing Receipt Transactions	2,407	2,386	2,296	2,400	2,400
Interest Earned	\$657,132	\$97,460	\$44,359	\$700,000	\$700,000
Records:					
Public Documents Recorded	471	429	526	530	530
Council Minutes Prepared	52	50	54	54	54
Notices Published	40	80	83	85	85
Purchasing:					
Purchase Orders Processed	2,657	2,899	2,981	3,000	3,000

RECENT ACCOMPLISHMENTS

Awards. The City received GFOA's Distinguished Budget Presentation Award for the 2022/2023 Budget. This was the 38th consecutive year the City received this award. The City was awarded its 28th consecutive Certificate of Achievement for Excellence in Financial Reporting for the Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2021.

GASB Statement Implementation. GASB Statement No. 87, *Leases*, was implemented by Finance staff in fiscal year 2021/2022 as required by this Statement. This Statement had a significant impact on how leases are accounted for in fiscal year-end statements and implementation involved significant staff as well as auditor time.

American Rescue Plan Act (ARPA) Funding. The City received the first tranche of ARPA funds in August of 2021 and the final tranche in August of 2022. These payments totaled \$3,533,377. The Finance Director completed the first required annual report in April of 2021; the next annual report will be completed by April 30, 2023. The City Administrator and Finance Director prepared a schedule showing the proposed uses of the ARPA funds to City Council at the October In Depth meeting. There was consensus approval of these

projects/programs. This list included funds to balance the upcoming General Fund budget, if needed. If not needed, those funds can be redirected to other projects/programs.

Conversion of Springbrook Financial Software to the Cloud. In the last several years, the City's IT division has been implementing various systems and enhancement to improve the security of the City's computer systems. Migrating the City's financial software to the Cloud further enhances the security of this system. One of the projects approved for ARPA funding was the conversion of the City's financial software to the Cloud version. From the initial kickoff meeting in early August to the "Go Live" date of October 31, 2022, Finance staff spend numerous hours testing the Cloud version in each area of the software. Overall, the conversion was successful, with only a few items requiring additional support services from Springbrook staff.

IONWave Electronic Bidding Software. This is another project that will be funded from ARPA funds. On April 21, 2022, Governor Reynolds signed Senate File 2279 into law. This law affected bidding of public improvement projects in the State of Iowa, effective July 1, 2022. Senate File 2279 amended Iowa Code sections 26.7 & 26.10 to allow public entities to accept electronic bids for public improvement projects. The new law allows the governmental entity to determine the format in which the electronic bids will be received. Bids accepted electronically must still be accompanied by appropriate bid security and must otherwise comply with the requirements of Iowa Code Chapter 26. City Council approved the agreement with IONWave at the December 15, 2022 meeting. Training and implementation will be scheduled for the first quarter of 2023.

Economic Development Incentive Programs (TIF and Tax Abatement). The City entered into two Development Agreements this past year: (1) City Council approved the Development Agreement with Love's Travel Stops & Country Stores Inc. at the June 9, 2022 Council meeting. This project includes the construction of a Love's Travel Stop at the northeast corner of the U.S. 61/Grandview Avenue intersection which includes (1) the construction of a new public lift station and associated infrastructure that will serve the new Love's as well as the portion of the city roughly bound by U.S. 61, Grandview Avenue, and Mittman Road, and (2) construction of a new public street providing access off the north side of the new Love's, from the U.S. 61 Bypass. The lift station and new road would open other property in this area for future developments. The TIF rebate and the grant would reimburse Love's for the upsizing of the lift station to serve a larger area as well as for the access road; and (2) On September 1, 2022, City Council approved the Development Agreement with the Kent Corporation for the rehabilitation and renovation of the former McKee Button Factory building for use as office space for its business operations.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024:

- * To submit the City's budget for consideration for the Distinguished Budget Presentation Award from the Governmental Finance Officers Association (GFOA). **(Strategic Plan – Excellent Customer Service – Outreach to Citizens)**
- * To submit the City's annual comprehensive financial report for consideration for the Certificate of Achievement for Excellence in Financial Reporting from GFOA. **(Strategic Plan – Excellent Customer Service – Outreach of Citizens)**
- * To implement Governmental Accounting Standards Board (GASB) Statements as they become effective. GASB Statements No. 91, 94, and 96 will be effective for the fiscal year ending June 30, 2023. GASB Statement No. 99 will be effective for the fiscal year ending June 30, 2024, Statement No. 100 will be effective for the year ending June 30, 2024, and Statement No. 101 will be effective for the year ending June 30, 2025. The GASB Statement expected to have the most significant impact to the City of

Muscatine is GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.
(Strategic Plan – Excellent Customer Service – Outreach to Citizens)

- * To assist in determining funding sources for capital projects identified in the Five-Year Capital Improvement Plan. **(Strategic Plan – Reliable Public Infrastructure and Vibrant Community)**
- * To work with the City Administrator, elected officials, and City departments to complete and account for the projects/programs funded from ARPA (American Rescue Plan Act) funds and do the required ongoing reporting for these funds. **(Strategic Plan – Reliable Public Infrastructure and Vibrant Community)**
- * To work with staff of other departments to implement the IONWave electronic bidding software system. **(Strategic Plan – Excellent Customer Service and Reliable Public Infrastructure)**
- * To continue to work on and work with other departments to close out prior year grants including the Community Attractions and Tourism (CAT) grant for the Pearls of Progress project, the Airport Zoning Ordinance Update grant, the Park Avenue 4-Lane to 3-Lane Conversion grants, and the Grandview Avenue grant. **(Strategic Plan – Reliable Public Infrastructure and Vibrant Community)**
- * To review and draft proposed updates to various City policies including the Purchasing Manual, change order policy, and vacation/sick leave policies. **(Strategic Plan – Excellent Customer Service – Process Improvements)**

Function:
General Government

Department:
Finance

Activity:

Finance and Records

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 594,119	\$ 635,237	\$ 663,800	\$ 669,400	\$ 701,000	5.60%
Commodities	9,754	9,158	10,800	11,400	10,900	0.93%
Contractual Services	87,991	90,636	96,800	96,200	124,100	28.20%
Capital Outlay	-	1,065	-	-	1,200	
Debt Service	-	-	-	-	-	
Total Expenditures	<u>\$ 691,864</u>	<u>\$ 736,096</u>	<u>\$ 771,400</u>	<u>\$ 777,000</u>	<u>\$ 837,200</u>	8.53%
Funding Sources						
Licenses and Permits	\$ 18,303	\$ 72,247	\$ 44,000	\$ 44,700	\$ 44,700	1.59%
Housing Accounting Fees	66,500	68,400	70,400	70,400	72,500	2.98%
General Revenues	<u>607,061</u>	<u>595,449</u>	<u>657,000</u>	<u>661,900</u>	<u>720,000</u>	9.59%
Total Funding Sources	<u>\$ 691,864</u>	<u>\$ 736,096</u>	<u>\$ 771,400</u>	<u>\$ 777,000</u>	<u>\$ 837,200</u>	8.53%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time Positions/Position Allocations:						
Finance Director	0.95	0.95	0.95	0.95	0.95	
Accounting Supervisor	1.00	1.00	1.00	1.00	1.00	
Accountant	1.00	1.00	1.00	1.00	1.00	
Senior Account Clerk	1.00	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	<u>0.38</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	
Total Full Time	5.83	5.95	5.95	5.95	5.95	\$ 483,300
Employee Benefits						<u>217,700</u>
Total Personal Services						<u>\$ 701,000</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Folding Machine	1	Yes	<u>\$ 1,200</u>

Function:
General Government

Department:
Finance

Activity:
Information Technology

GENERAL INFORMATION

The Information Technology (IT) 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.

CURRENT TRENDS AND ISSUES

The revised estimate for 2022/2023 is \$800 more than the original budget due to increased employee health insurance costs.

The 2023/2024 budget is \$19,200 more than the original 2022/2023 budget. The overall increase is due to (1) an increase of \$9,200 in personal services costs, and (2) an increase of \$10,000 in the annual funding transfer to the Computer Replacement Fund. The prior year budget reduced the funding transfer to the Computer Replacement Fund from \$50,000 to \$40,000 as part of balancing that year's budget. The 2023/2024 budget restores the annual \$50,000 funding transfer.

The contracted IT staff augmentation service continues to be included in this budget at an estimated cost of \$31,200. The budget also continues funding for the annual costs of the enhanced malware software and other system security software.

The Information Technology budgets in recent years have included \$50,000 in transfers to the Computer Replacement Fund to fund computer hardware replacements including networking systems 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 citizens.

PERFORMANCE MEASURES

	Actual 2019/2020	Actual 2020/2021	Estimated 2021/2022	Estimated 2022/2023	Estimated 2023/2024
Personal Computers Maintained	212	223	221	220	220
Network Maintained*	3	3	3	3	3
Training Sessions	6	10	30	25	25

RECENT ACCOMPLISHMENTS

Highlights of accomplishments of the IT division during the past year include:

- Implemented a new copier at City Hall that supports color printing, copying, and scanning.
- Established a new Scam of the Week (bi-weekly) quick training email sent to all users of the City's email system. Past topics have included such things as cryptocurrency, student loan relief cons, Google Translate phishing, healthcare reimbursement scams, etc.
- Assisted the golf course staff in the roll-out of the new golf simulator.
- Maintained a high level of network wide patch compliance. Compliance as of December 2, 2022 was at 98.11%.
- Installed a computer with a VLAN connection for the cemetery maintenance building.
- Upgraded all Fire department client computers to the current version of the ambulance billing software.
- Acquired an additional 2-in-1 notebook for the Right-of-Way program.
- Developed a new user experience for the public computers at the Musser Public Library. These changes include more access to open-source software, games, streaming and educational content, and related on-line access.
- Repurposed eight laptops at Sunset Park that had previously been used for the afterschool program to allow for adult education.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024

- To migrate all POTS (Plain Old Telephone System) lines from all city facilities to a VoIP service provided by Muscatine Power and Water. The estimated five-year cost savings by the conversion is \$74,057. **(Excellent Customer Service)**
- To continue to implement the latest version of the desktop operating system. This includes employing TPM version 2.0 for all City owned workstations. This project will take multiple years to complete, but should be finished prior to the end of life for the current desktop operating system which is scheduled for October 14, 2025.

- To facilitate the installation of a new standby generator at City Hall. This project, funded through American Rescue Plan Act (ARPA) funds, will allow the City's digital network infrastructure to remain operational in the event of an extended power outage. However, for this installation the entire network will need to be shut down while the necessary electrical connections take place. This task will require project management and coordination from the IT staff. **(Reliable Public Infrastructure)**
- To consult with the system integrators on the implementation of the new City Hall access control system. The system controller will be installed on the existing VM farm and will need ongoing maintenance from a system perspective. Although decisions regarding system programming, user access, overrides, etc. had not identified responsible staff, the IT Manager is currently operating under the assumption that a large portion of the obligation will fall on the IT staff. **(Safe Community)**
- To extend the City's wireless mesh network to include the Water and Resource Recovery Facility and the Muscatine Municipal Golf Course Clubhouse. **(Excellent Customer Service)**

Function:
General Government

Department:
Finance

Activity:
Information Technology

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 220,631	\$ 229,012	\$ 237,100	\$ 237,900	\$ 246,300	3.88%
Commodities	1,219	1,515	1,800	1,800	1,800	0.00%
Contractual Services	69,571	92,215	161,800	161,800	161,800	0.00%
Capital Outlay	6,930	53,618	-	-	-	
Transfers	50,000	50,000	40,000	40,000	50,000	25.00%
Total Expenditures	<u>\$ 348,351</u>	<u>\$ 426,360</u>	<u>\$ 440,700</u>	<u>\$ 441,500</u>	<u>\$ 459,900</u>	4.36%
Funding Sources						
IT Administrative Fees	\$ 41,000	\$ 43,000	\$ 45,100	\$ 45,100	\$ 47,300	4.88%
General Revenues	307,351	383,360	395,600	396,400	412,600	4.30%
Total Funding Sources	<u>\$ 348,351</u>	<u>\$ 426,360</u>	<u>\$ 440,700</u>	<u>\$ 441,500</u>	<u>\$ 459,900</u>	4.36%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
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	\$ 167,300
Employee Benefits						79,000
Total Personal Services						<u>\$ 246,300</u>

Capital Outlay Funding Transfer	
Item:	Amount
Funding Transfer to Computer Replacement Fund	<u>\$ 50,000</u>

Function:
General Government

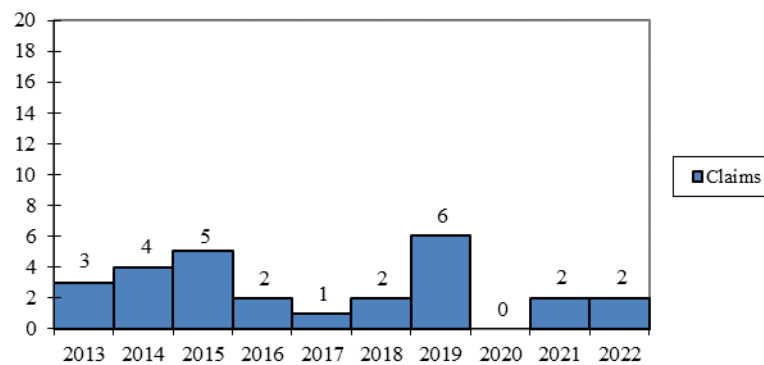
Department:
City Administrator

Activity:
Risk Management

GENERAL INFORMATION

This budget includes the City's Risk Management Program, Insurance Program, and Employee Safety Program. The budget allocates funding for the Human Resources Manager's time for Risk Management and Safety Program responsibilities. The City's Wellness Program is also involved in developing and sharing safety information with City employees. There were two lost time workers compensation claims recorded for the City during calendar year 2022. The history of lost time claims for the past ten years is as follows:

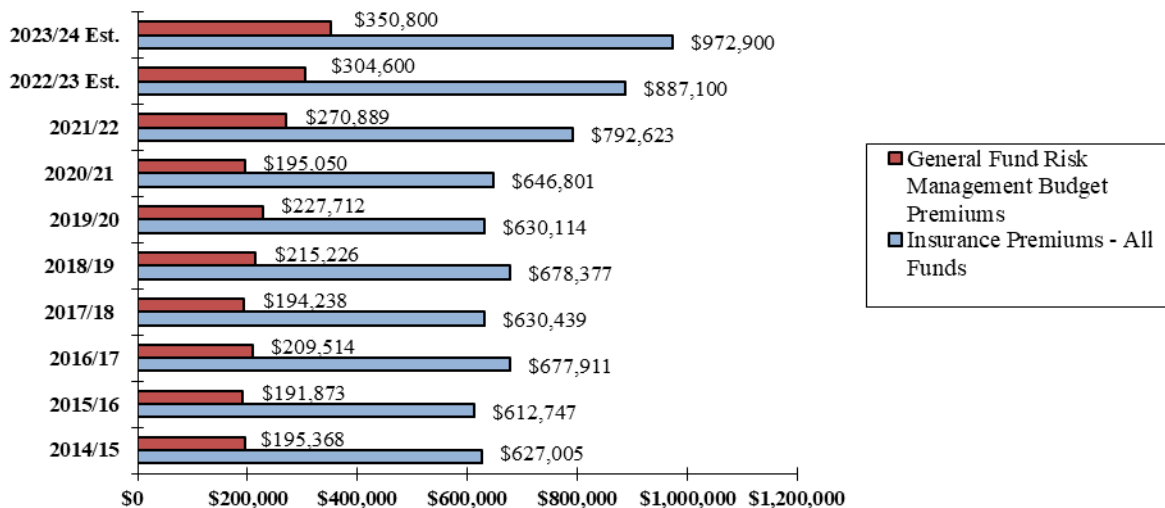
Lost Time Workers Compensation Claims



The goal for 2023/2024 is to have no 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 2014/2015 through the budgeted costs for 2023/2024 as well as total City insurance premiums are shown in the following graph:

Insurance Premium History



CURRENT TRENDS AND ISSUES

The City changed insurance carriers to the Iowa Community Assurance Pool (ICAP) for most of the City's insurance policies on July 1, 2014, which resulted in substantial savings to the City. The City changed Workers Compensation carriers to the Iowa Municipalities Workers' Compensation Association beginning July 1, 2015. These policies have remained in effect since that time and will continue in 2023/2024.

The 2022/2023 revised estimate for the Risk Management budget is \$8,400 less than the original budget primarily due to actual insurance premiums being \$8,700 less than the budgeted amount. There was also a net \$300 increase in other line items which offset a portion of the insurance savings.

The 2023/2024 Risk Management budget is \$38,700 (10.3%) higher than the original 2022/2023 budget due to (1) a \$37,500 increase in estimated insurance costs, (2) a \$1,700 increase in personal services costs, and (3) a net \$500 decrease in other line items.

The estimated insurance costs included in the Risk Management budget total \$350,800 for 2023/2024. This is a \$37,500 (12.0%) increase from the original 2022/2023 budget of \$313,300. The City's Insurance Agent of Record provided the insurance projections for the upcoming year. Increases of 15% are projected for the ICAP policies, 25% increases are projected for the excess liability coverages for the dredge operation, and 10% to 15% increases are projected for most other policies. The increases in the ICAP policies are directly related to the claims of governmental entities covered by ICAP. Claims in the ICAP cities include those from the August 10, 2020 derecho windstorm that resulted in significant damages through a wide area of the state.

The total insurance premiums (excluding employee health, dental, and life insurance) for the entire City are estimated at \$972,900 for 2023/2024. This is an \$88,000 (9.9%) increase from the original 2022/2023 budget of \$884,900 and an \$85,800 (9.7%) increase from the 2022/2023 revised estimate of \$887,100. Of the \$972,900 total budgeted insurance costs, \$350,800 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 2023/2024 budget includes an estimated \$18,200 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 budget for 2023/2024 includes a \$.36075 per \$1,000 valuation Tort Liability tax levy which is a 3.7% increase from the 2022/2023 tax rate of \$.34793. The Tort Liability tax levy provides funding of \$18,000 for the fine arts insurance premiums 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 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
Workers Compensation Experience Modification Factor	.72	.89	.91	.92	.83
Insurance Premiums Paid - All Funds	\$630,114	\$646,801	\$792,623	\$887,100	\$972,900
Risk Management Insurance Premiums	\$227,712	\$195,050	\$270,889	\$304,600	\$350,800
Accident Review Committee Meetings	11	11	11	11	11

RECENT ACCOMPLISHMENTS

A new online training program was implemented through the City's worker's compensation carrier. A total of 420 sessions have been completed by City employees. Employees have attended training on a variety of topics, including blood borne pathogens, work zone safety, fall protection, and other training modules. The online training system also tracks licenses and certifications, which will assist departments with compliance.

The Insurance Committee conducted a request for proposals for insurance brokers. Three responses were received and all three respondents were interviewed. The current broker, Arthur J. Gallagher (AJG), was recommended and approved by City Council.

During this year, the risk management staff worked with operating departments to provide needed policy updates and safety tools. This included meeting with supervisors to review policies and ensure they receive items that meet their needs. A magnetic manhole lifter was purchased and required signage for electrical hazard and needed lockout/tagout kits was updated. Meetings with supervisors will continue as they are proving valuable for improving the risk management program.

Annual reviews were conducted with a loss control specialist from IMWCA (the City's workers compensation carrier) and ICAP (the City's property and casualty carrier). Both agencies were pleased with risk management efforts. The recommendations for corrections have been or will be made. The risk management function enjoys positive relationships with the loss control specialist. This is helpful to the City from an underwriting standpoint. The City's risk manager has been invited to present the safety incentive program at IMWCA's 2023 conference.

<i>OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024</i>
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- To ensure all required employees complete drug testing training. **(Safe Community)**
- To review and update the process for “safety buck” distribution and redemption to accomplish this more efficiently.
- To create a training schedule to ensure compliance with OSHA and other regulatory requirements. **(Safe Community)**
- To create guidance for departments in handling the Human Resources aspects of accident and safety policy violations to create city wide consistency. **(Safe Community)**

Function:
General Government

Department:
City Administrator

Activity:
Risk Management

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 34,653	\$ 35,935	\$ 37,100	\$ 37,500	\$ 38,800	4.58%
Commodities	5,935	3,939	9,100	9,100	9,100	0.00%
Contractual Services	211,626	278,965	330,000	321,200	367,000	11.21%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 252,214</u>	<u>\$ 318,839</u>	<u>\$ 376,200</u>	<u>\$ 367,800</u>	<u>\$ 414,900</u>	10.29%
Funding Sources						
Tort Liability Taxes	\$ 195,051	\$ 270,889	\$ 313,300	\$ 304,700	\$ 350,800	11.97%
General Revenues	<u>57,163</u>	<u>47,950</u>	<u>62,900</u>	<u>63,100</u>	<u>64,100</u>	1.91%
Total Funding Sources	<u>\$ 252,214</u>	<u>\$ 318,839</u>	<u>\$ 376,200</u>	<u>\$ 367,800</u>	<u>\$ 414,900</u>	10.29%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time Position Allocation:						
Human Resources Manager	0.25	0.25	0.25	0.25	0.25	\$ 27,700
Employee Benefits						<u>11,100</u>
Total Personal Services						<u>\$ 38,800</u>

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 2022/2023 is \$11,300 more than the original budget due to (1) a \$10,000 increase for the repair of the HVAC system at the Police department, (2) a \$3,800 increase in supply costs, primarily due to inflationary increases in these costs, (3) a \$2,400 increase in employee health insurance costs, (4) a decrease of \$6,700 in capital outlay costs, and (5) a net \$1,800 increase in other line items. The decrease in capital outlay was due to the actual cost for the Public Works gates coming in under the original budget.

The 2023/2024 budget is \$500 (.1%) more than the original 2022/2023 budget. This overall increase is due to: (1) personal services costs increased by \$26,000 (5.2%), (2) commodities increased by \$1,500, (3) contractual services increased by \$1,800, and (4) capital outlay decreased by \$28,800. Significant building repair and upgrade projects are accounted for in a separate capital project fund.

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 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
Buildings Maintained	9	8 (2)	8	8	8
Heating, Ventilation, and Air Conditioning (HVAV) and Other Service Contracts	13	7 (3)	8	8	7
Staff Custodians (Full Time and Part Time)	6	6	6	6	6
Grounds Maintained	5	5	5	5	5
Janitorial Supplies Purchased	\$16,607	\$18,491	\$18,432	\$18,500	\$18,500
Major Maintenance Projects (Above \$2,000) (1)	26	30	26	30	30

1. Major maintenance projects include those accounted for in the Deferred Maintenance Capital Project fund.
2. The former Library was sold in 2020/2021.
3. Building and Grounds staff combined the contracts for generators and security/alarm systems in 2020/2021.

RECENT ACCOMPLISHMENTS

Building and Grounds had another busy year. Activities include:

- Continuing to provide city departments with necessary supplies including hand sanitizer, disinfectant wipes, and disinfectant spray.
- Several large projects were completed in-house including painting the old Morgan building, remodeling the old Kum and Go building into a garage for Public Safety, installing a mid-rail on the Fire Department patio, and moving the washer and dryer from the basement to the third floor of the Public Safety Building.
- Improvements at the South Fire Station included installation of plumbing and electrical work for the new washer, electrical work for a treadmill, and sealing walls.
- Replacing the heat exchanger at City Hall.
- Installation of new lighting, insulation, and a ceiling in the old Police Department garage.
- Fabrication and installation of shelving at the library.
- A ladder safety cover was fabricated and installed.
- Ceiling tiles were replaced in the Public Works engineering area, restrooms, and hallways.
- Several circuits were installed in City buildings.
- Staff replaced several motors, painted several offices, repaired several humidifiers.
- Staff removed trees and ground stumps.
- Over 50 backflow preventers were tested for Parks, Transfer Station, and Building and Grounds buildings.

- Routine maintenance included cleaning, mowing, weed eating, spraying, fertilizing, and snow and ice removal at city buildings and the Transit bus shelters. Maintenance activities were documented in PubWorks.
- Staff maintained current certifications.

Deferred maintenance and other projects this year included:

- Storm repair – Art Center
- Concrete – former Kum & Go property
- Exterior renovations and garage doors – former Kum & Go building
- Automatic gate – Airport
- Ice damage repair – Art Center porch
- Electric gate – Public Works lower lot
- Flag pole replacement – Public Safety
- Camera pole installed – Library
- Carpet in main offices and tile in break room – Public Works
- Carpet – Housing/Community Development department
- Gas canopy repair – Public Works

Projects initiated or scheduled include:

- Radiant heaters and hanging furnaces – Public Works
- Concrete repair – City Hall porch
- Remodel showers – Fire department 3rd floor
- Automatic gate installation – Public Works upper lot
- Access Control – City Hall
- Access Control – Public Works and Public Safety
- Generator – Public Works
- Generator – City Hall
- Hangar roof replacements – Airport
- Commercial hood system – Fire department
- Plumbing improvements – Art Center

Staff continues to ensure buildings are in good mechanical shape, are visually more appealing and require less maintenance. This division will continue to focus on cost-efficiencies by utilizing in-house expertise to the extent possible and ensuring contractors are accountable for repairs. With the help of City Council, this division will continue to make progress in these areas.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024

- To complete the deferred maintenance projects. **(Reliable Public Infrastructure)**
 1. Art Center plumbing improvements
 2. Public Works radiant heater and hanging furnaces
 3. City Hall concrete porch repair
 4. Commercial hood system – Fire department
 5. Airport hangar roof replacement
 6. Remodel third floor showers – Fire department
- To maintain current staff certifications and continue finding training opportunities for staff. **(Excellent Customer Service)**
- To continue to work with other departments to maximize efficiencies and resources.
- To complete landscaping at the Art Center and Airport buildings. **(Vibrant Community)**
- To utilize or find Asset Management Software to track progress on preventative maintenance and corrective maintenance. **(Reliable Public Infrastructure)**

Function:
General Government

Department:
Public Works

Activity:
Building and Grounds

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 468,474	\$ 488,416	\$ 505,000	\$ 507,400	\$ 531,000	5.15%
Commodities	51,279	62,307	55,000	58,800	56,500	2.73%
Contractual Services	134,456	135,117	164,300	176,100	166,100	1.10%
Capital Outlay	29,131	131,085	39,600	32,900	10,800	-72.73%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 683,340</u>	<u>\$ 816,925</u>	<u>\$ 763,900</u>	<u>\$ 775,200</u>	<u>\$ 764,400</u>	0.07%
Funding Sources						
Charges for Supplies	\$ 7,001	\$ 7,472	\$ 6,000	\$ 6,000	\$ 6,000	0.00%
Sale of Equipment	-	489	-	-	-	
FEMA Reimbursement	-	4,924	-	-	-	
Road Use Taxes	-	118,433	38,100	31,500	-	
General Revenues	<u>676,339</u>	<u>685,607</u>	<u>719,800</u>	<u>737,700</u>	<u>758,400</u>	5.36%
Total Funding Sources	<u>\$ 683,340</u>	<u>\$ 816,925</u>	<u>\$ 763,900</u>	<u>\$ 775,200</u>	<u>\$ 764,400</u>	0.07%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
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	
Maintenance Worker I	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	
Total Full Time	3.50	3.50	3.50	3.50	3.50	
Part Time Positions:						
Custodian II	2.13	2.11	2.11	2.11	2.20	
Custodian I	<u>1.13</u>	<u>1.13</u>	<u>1.13</u>	<u>1.13</u>	<u>1.13</u>	
Total	6.76	6.74	6.74	6.74	6.83	\$ 369,200
Employee Benefits						<u>161,800</u>
Total Personal Services						<u>\$ 531,000</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Window Air Conditioners	3	Yes	\$ 1,500
Large Commercial-Grade Refrigerator - Fire	1	Yes	5,000
Commercial Ice Maker - Fire	1	Yes	4,300
			<u>\$ 10,800</u>

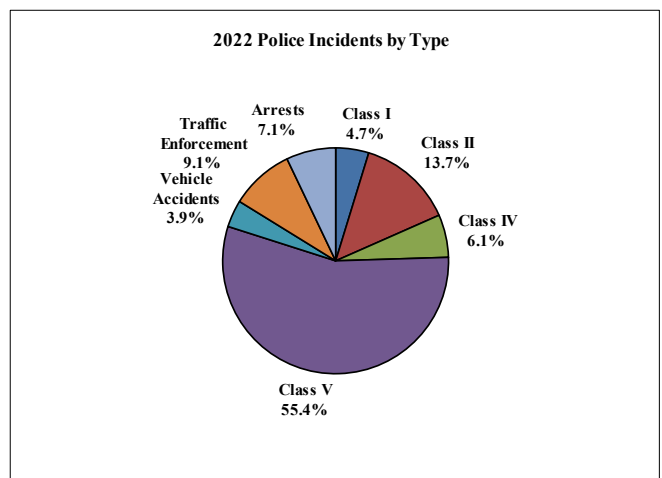
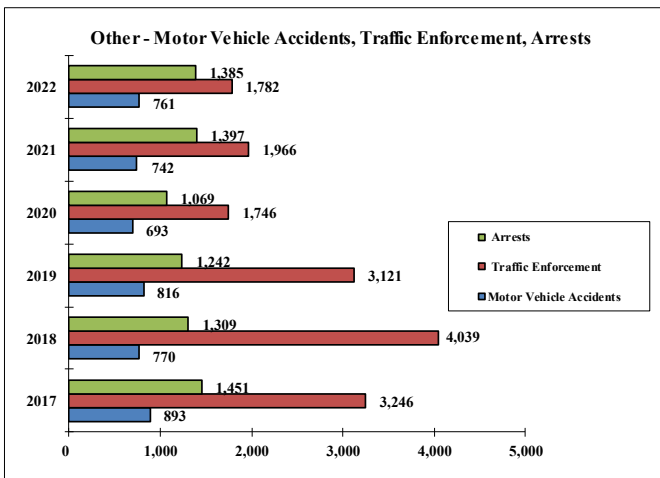
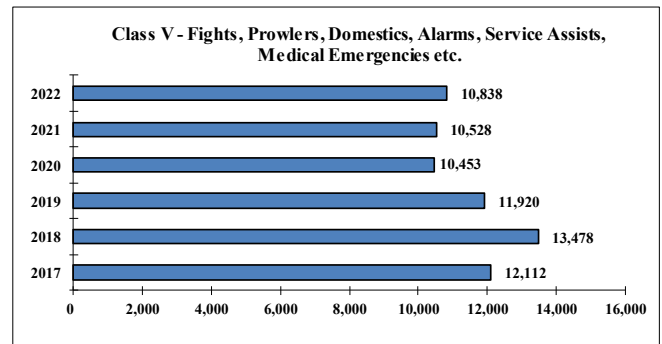
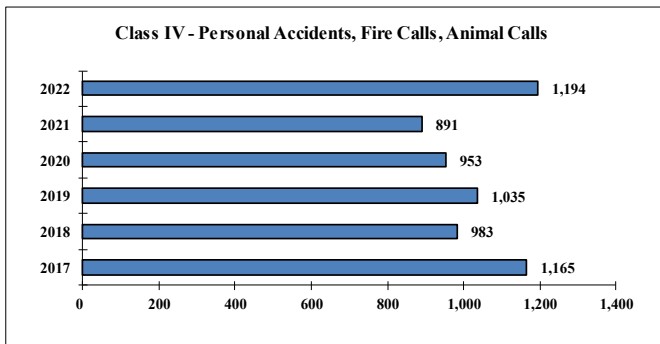
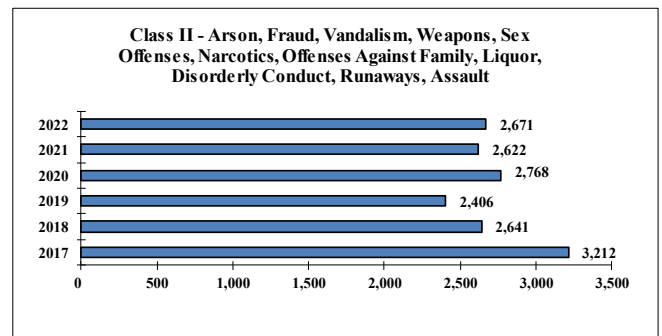
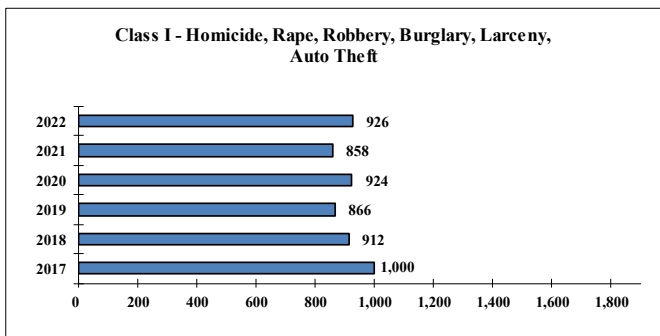
Function:
Public Safety

Department:
Police

Activity:
Police Operations

GENERAL INFORMATION

The Muscatine Police department currently includes forty-one (41) sworn officers, two (2) fulltime civilian positions, and one 29 hours per week civilian clerk position. 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 2022/2023 is \$18,900 more than the original budget. This overall increase is due to the net effect of the following: (1) personal services costs are projected to be \$58,300 less than the original budget primarily due to vacancy savings and new employees starting at lower steps in the pay plan, (2) commodities are projected to be \$20,000 more than the original budget primarily due to increased fuel costs, (3) contractual services are \$57,800 more than the original budget primarily due to increased professional services, training costs for new officers, and repair and maintenance costs, and (4) capital outlay is \$600 less than the original budget

The 2023/2024 budget is \$40,200 (.7%) more than the original 2022/2023 budget. Personal services costs increased by \$53,300, commodities increased by \$20,000 due to increased fuel costs, contractual services decreased by \$58,500, and capital outlay increased by \$25,400. The decrease in contractual services is primarily due to the final expenditures funded from a Justice Department Law Enforcement Mental Health Act grant being incurred in the current 2022/2023 fiscal year. While there is a total of \$39,400 of capital outlay items budgeted in the Police operating budget, the Equipment Replacement fund includes \$120,000 of funding for two new police patrol vehicles (Tahoes).

The 2023/2024 budget continues to include expenditures which will be funded from various police grants. The HIDTA (High Intensity Drug Trafficking Area) grant is budgeted to continue in 2023/2024 with grant expenditures of \$80,600; \$29,000 of Governor's Highway Safety funds are budgeted to be expended; and funding of \$34,600 is estimated to be received for the City/County Drug Task Force. The budget continues funding for the two School Resource Officer positions with one at the high school and the other at the middle school. These positions are 75% (\$165,700) 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 2019	Actual 2020	Actual 2021	Actual 2022	Estimated 2023
Police Calls for Service	19,472	18,019	19,408	20,996	21,000
Overtime Hours Worked	3,634	1,949	3,845	4,283	3,900
Traffic Enforcement	3,121	1,746	1,966	1,782	2,000
Arrests	1,242	1,069	1,397	1,385	1,400
Parking Tickets Issued	1,598	1,285	2,118	1,438	1,500
Uniform Crime Report Clearance Rate	45%	54%	57%	55%	55%
Investigations Assigned	184	190	253	258	250
Investigations Cleared	71%	72%	85%	85%	85%
Automatic Traffic Enforcement (ATE):					
Red Light Violation Citations	2,450	3,052	2,732	2,828	2,750
Speed on Green Violation Citations	7,541	9,681	7,943	9,349	8,650
ATE Violations – City Residents	3,229	3,686	3,508	3,832	3,550
ATE Violations – Non-Residents	6,762	9,047	7,167	8,345	7,850
Department Revenue – Fiscal Year Basis	\$1,107,738 (FY19/20)	\$1,168,706 (FY20/21)	\$1,172,358 (FY21/22)	\$1,181,600 (FY22/23)	\$1,104,500 (FY23/24)

RECENT ACCOMPLISHMENTS

The patrol division is the backbone of the department and often the first contact the public has with the department. It is patrol officers who perform the essential park and walk program, getting out of the cars for 30 minutes on every shift and making public contacts. There are several patrol officers that participated in greeting the kids with glow necklaces on Halloween, participated in “Shop with a Cop,” and supported several other programs the department organizes like defensive tactics for women and Run, Hide, Fight. The department’s open house was held this year and was largely supported by patrol members.

The department continues to collaborate with local businesses on many projects. This collaboration helps make projects obtainable, while providing a huge service to the public. Code Blue, Coffee with a Cop and Shop with a Cop are all examples of this year’s business collaborations.

The department continues to support Project ABLE (Active Bystandership for Law Enforcement) in 2022, providing training for all department personnel. ABLE training is geared toward de-escalation and peer intervention. It uses scenario-based training to teach officers how to intervene when a situation is escalating out of control. It is designed to protect the community while empowering officers to intervene with their peers.

There is a 9 to 10-month lag time between hiring replacement officers, training them, and having them operate solo to count towards staffing levels. Even though the department can technically be fully staffed (as it is now), the department is actually operating three (3) officers short, as the two new officers hired in December of 2022 will be in training and will not count towards staffing levels until August of 2023. This situation gets compounded when there are officers who are injured and have to be on extended leave and/or light duty while they recover.

This constant shortage creates stress and morale issues for members of the agency. In 2022, several department members had to work many hours of overtime to be able to support our programs and keep patrol at minimum shift levels. Access to time off gets restricted due to the staffing shortages and the amount of mandatory overtime increases. The department manages these issues the best it can and has not asked for an

increase in officer staffing for several years. With a retirement expected in February of 2023, the department will begin the year short five officers on patrol.

MSORT, (Muscatine's multi-jurisdictional tactical team), sent twelve (12) members to this year's National Tactical Operators conference held in Milwaukee. This conference provides excellent training and networking opportunities that serve these officers well throughout their career. MSORT participated in an equipment and tactics meet and greet with representatives from three counties and four cities. This event demonstrated how the MSORT tools purchased by the member agencies are effectively used to ensure the safety of citizens and our officers when an incident arises. There were four (4) incidents in which MSORT was utilized this year, which resulted in the seizure of eight (8) firearms and five (5) felony arrests for this year.

Community policing and problem-oriented policing are two concepts which are constantly re-enforced within the agency. The department actively seeks the public's assistance with policing efforts and seizes any opportunity to interact with the community, including participation in numerous community events. Programs like Code Blue continue to be a huge success and foster positive relations with the community. The Iowa Crime Free Multi-Housing program is designed to increase safety and reduce crime by working with the housing managers on property improvements, tenant education, and improved police relations. Currently we have two complexes participating in this program and we look to continue to add to this in 2023.

The department still participates in the juvenile diversion program but no longer has an active role in the classes. This is due to the diversion class moving to an on-line format in 2020 (due to Covid-19) followed up by a decision to permanently keep classes on-line. The program is designed to allow first-time low-level offenders to avoid being introduced into the justice system, while working to change their behavior through redirection and education. It is essentially a onetime "do over" allowing juveniles to make that first critical mistake and learn from it rather than be punished for it.

The School Resource Officers (SROs) managed the new drug trailer, rolling it out for several events including "Almost Friday Fest". The inside of the trailer is set up to simulate a juvenile's bedroom. It is filled with drug propaganda and paraphernalia. Its purpose is to allow parents to walk through and gain an understanding of things to look for in their own home that may indicate their child is experimenting with drugs.

The department closed its firing range last year and completed necessary lead mitigation. It has been a struggle maintain training requirements but the department continues a temporary solution by partnering with the West Liberty Gun Club. The gun club has agreed to let department members use their range for a nominal fee. As the search for a new firing range location continues, the department is partnering with the Muscatine County Sheriff's Office to help create a joint range/training facility.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024

- 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 (HIDTA) program; and two School Resource Officers, both funded 75% by the school system. **(Strategic Plan – Safe Community)**
- To maintain problem and community oriented policing strategies as a focal point for policing tactics, while continuing to build community relations through trust and respect. This is to be accomplished and measured by programs participated in and implemented in the 2023 calendar year. **(Strategic Plan – Safe Community)**

- To continue efforts to recruit and maintain a diversified workforce, while hiring the most qualified candidates. The department's current work force is considered to be 20% diversified. Maintaining this level of diversity has become a continual challenge as the applicant pool continues to shrink along with the continual turnover rate within the department. **(Strategic Plan – Excellent Customer Service)**
- To maintain a highly effective investigative unit which includes the Major Crimes Unit, Street Crimes Unit (SCU) and Muscatine County Drug Task force officers. The investigative unit had a very high clearance rate in 2022. The goal is to maintain that performance throughout 2023. The department will continue to support the SCU division through 2023 which improves quick response to solving street level crimes. **(Strategic Plan – Safe Community)**
- To pursue grants and other outside funding opportunities that are compatible with department goals and objectives as well as the needs of the community. The department had good success in obtaining grant funding during 2022. The goal will be to seek out a similar amount of grant awards for 2023 that will align with both city and department objectives and help to further advance the quality of life and safety within the community. **(Strategic Plan – Safe Community)**
- To continue planning for the new police range. A few properties have been identified as suitable locations. Staff will continue working with the hired consulting firm to secure the property and begin development of the facility.

Function:
Public Safety

Department:
Police

Activity:
Police Operations

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 4,630,436	\$ 4,709,760	\$ 5,034,900	\$ 4,976,600	\$ 5,088,200	1.06%
Commodities	126,779	160,996	158,400	178,400	178,400	12.63%
Contractual Services	292,963	353,892	359,900	417,700	301,400	-16.25%
Capital Outlay	32,752	84,463	14,000	13,400	39,400	181.43%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 5,082,930</u>	<u>\$ 5,309,111</u>	<u>\$ 5,567,200</u>	<u>\$ 5,586,100</u>	<u>\$ 5,607,400</u>	0.72%
Funding Sources						
Grants	\$ 313,959	\$ 357,550	\$ 395,700	\$ 389,700	\$ 311,400	-21.30%
Parking Violations	23,710	22,010	21,000	21,000	21,000	0.00%
Court Fines	132,337	159,857	150,000	150,000	150,000	0.00%
Automated Traffic Enforcement Fines	565,265	474,695	565,000	475,000	475,000	-15.93%
Fruitland Agreement	54,608	56,110	57,700	57,000	59,500	3.12%
Alarm System Charges	3,000	2,900	3,700	3,000	3,000	-18.92%
Utility Franchise Fees	228,156	259,440	135,000	165,000	165,000	22.22%
General Revenues	<u>3,761,895</u>	<u>3,976,550</u>	<u>4,239,100</u>	<u>4,325,400</u>	<u>4,422,500</u>	4.33%
Total Funding Sources	<u>\$ 5,082,930</u>	<u>\$ 5,309,111</u>	<u>\$ 5,567,200</u>	<u>\$ 5,586,100</u>	<u>\$ 5,607,400</u>	0.72%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
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	24.00	24.00	24.00	24.00	24.00	
Office Coordinator	1.00	1.00	1.00	1.00	1.00	
Clerk	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	
Total Full Time	43.00	43.00	43.00	43.00	43.00	
Part Time Position:						
Clerk	<u>0.73</u>	<u>0.73</u>	<u>0.73</u>	<u>0.73</u>	<u>0.73</u>	
Total	43.73	43.73	43.73	43.73	43.73	\$ 3,182,300
Employee Benefits						<u>1,905,900</u>
Total Personal Services						<u>\$ 5,088,200</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Copier	1	Yes	\$ 10,000
Squad Car Video/DVR Units	2	Yes	11,400
Radar Units	2	Yes	7,000
Drone	1	No	11,000
			<u>\$ 39,400</u>

Additional Capital Outlay - Equipment Replacement Fund			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Police Patrol Vehicles (Tahoes)	2	Yes	<u>\$ 120,000</u>

Function:
Public Safety

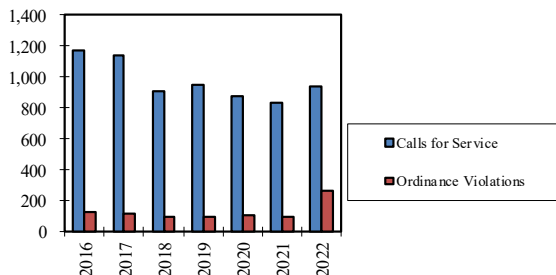
Department:
Police

Activity:
Animal Control

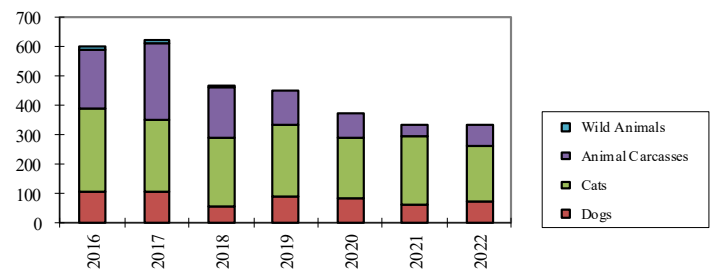
GENERAL INFORMATION

The Animal Control activity is under the supervision of the Police department. This budget finances the activities involved in policing the City's Animal Control Ordinance as specified in the City Code. This Ordinance includes regulations to control dangerous and exotic animals and any other animals which are housed by citizens. The Muscatine Humane Society provides shelter facilities for animals picked up by the City.

Calls for Service and Ordinance Violations



Animals to Humane Society



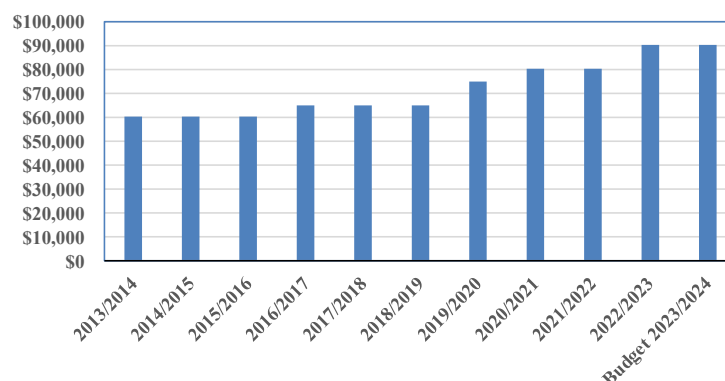
CURRENT TRENDS AND ISSUES

The 2022/2023 revised estimate is the same as the original budget. The 2023/2024 budget is \$2,000 (1.3%) more than the original 2022/2023 budget due to an increase in personal services costs.

This budget continues to include an allocation to the Muscatine Humane Society for housing animals picked up by the Animal Control Officer. The allocation for the current 2022/2023 fiscal year was increased from \$80,000 to \$90,000. The Humane Society requested their allocation be continued at \$90,000 for the upcoming 2023/2024 fiscal year. The increases in both years were requested by the Humane Society in order to provide funding for the Humane Society to replace animal kennels.

Following is a history of the City's allocations to the Muscatine Humane Society:

Allocations to the Muscatine Humane Society



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 2019	Actual 2020	Actual 2021	Actual 2022	Estimated 2023
Calls for Service	941	860	817	919	900
Ordinance Violations	95	100	90	264	200
Bite Cases	72	80	86	73	75
Animals taken to Humane Society:					
Dogs	90	83	65	74	75
Cats	243	204	228	189	200
Animal Carcasses	119	83	40	73	80
Wild Animals	0	0	0	0	0
Irresponsible Owner	N/A*	N/A	N/A	2	To be det.
Dangerous/Vicious Animals	N/A	N/A	N/A	15	To be det.
Animal at Large	N/A	N/A	N/A	44	To be det.
Pet Licenses Issued	N/A	N/A	N/A	648	To be det.
Failure to Vaccinate	N/A	N/A	N/A	53	To be det.
Failure to License	N/A	N/A	N/A	56	To be det.
County Calls for Service	1	1	2	0	1
Fruitland Calls for Service	11	11	13	17	10
Animal Control Revenue – Fiscal Year Basis	\$1,860 (FY 19/20)	\$2,595 (FY 20/21)	\$3,275 (FY21/22)	\$3,500 (FY22/23)	\$3,500 (FY 23/24)

*Measures noted with an “N/A” are new and will be tracked going forward

RECENT ACCOMPLISHMENTS

There were 919 calls for animal control service in 2022, which resulted in 264 violations being issued. There were 17 additional calls for service in the City of Fruitland and the Animal Control Officer (ACO) assisted Muscatine County in one call for service. It should be noted that the ACO was involved in one animal neglect case which resulted in 93 criminal charges being filed in District Court. The revenue generated from the aforementioned investigation remains at the state level and is not realized as municipal revenue.

In 2022, there were 189 cats and 74 dogs transported to the Muscatine Humane Society. Compared to previous years, animal carcasses nearly doubled from 2021 resulting in 73 animal carcasses retrieved. A total of 336 transports in 2022 were completed which was slightly higher than the 333 from the previous year.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024

- To continue to meet or exceed the amount of enforcement actions taken within the city in 2022 by being proactive in enforcement efforts and sensitive to citizen complaints. **(Safe Community)**
- To continue to maintain positive working relationships with those agencies in which the Animal Control Officer interacts. **(Excellent Customer Service)**
- To continue to look for opportunities for public interaction in a non-enforcement setting with pet education and/or services offered to the public, including organizing a “Chip Your Pet Day”. **(Excellent Customer Service)**
- To explore new opportunities to have pet licensing more attainable with the intent of gaining higher compliance rates. **(Safe Community, Excellent Customer Service)**
- To improve current citation payment methods by including on-line payments. **(Excellent Customer Service)**

Function:
Public Safety

Department:
Police

Activity:
Animal Control

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 74,221	\$ 59,094	\$ 57,100	\$ 57,200	\$ 59,500	4.20%
Commodities	1,919	2,283	3,500	3,400	3,500	0.00%
Contractual Services	81,089	82,435	94,000	94,000	94,000	0.00%
Capital Outlay	-	-	400	400	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 157,229</u>	<u>\$ 143,812</u>	<u>\$ 155,000</u>	<u>\$ 155,000</u>	<u>\$ 157,000</u>	1.29%
Funding Sources						
Animal Enforcement Fines	\$ 2,595	\$ 3,275	\$ 2,500	\$ 3,500	\$ 3,500	40.00%
General Revenues	<u>154,634</u>	<u>140,537</u>	<u>152,500</u>	<u>151,500</u>	<u>153,500</u>	0.66%
Total Funding Sources	<u>\$ 157,229</u>	<u>\$ 143,812</u>	<u>\$ 155,000</u>	<u>\$ 155,000</u>	<u>\$ 157,000</u>	1.29%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time Position:						
Animal Control Officer	1.00	1.00	1.00	1.00	1.00	\$ 49,400
Employee Benefits						<u>10,100</u>
Total Personal Services						<u>\$ 59,500</u>

Function:
Public Safety

Department:
Fire

Activity:
Fire Operations

GENERAL INFORMATION

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

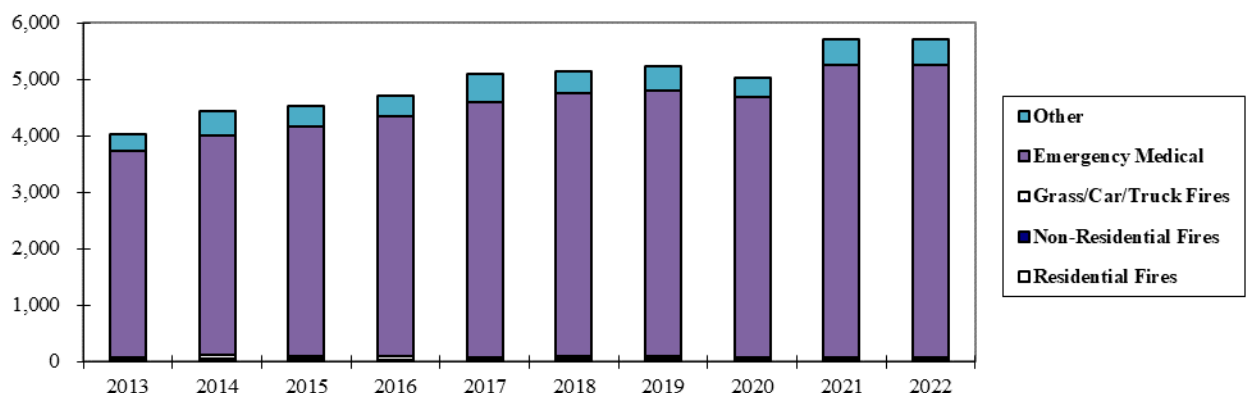
Following an independent analysis of the community's Emergency Medical Services (EMS) system, the City began full EMS delivery on July 1, 2000. As a result of that action, the City has successfully implemented a comprehensive EMS response capability and at the same time continues to respond to a wide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

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

The ambulance service is accounted for in a separate ambulance operations budget included in the enterprise funds section of this budget.

Following are charts and graphs showing fire department responses over the last ten years.

Fire Department Response History





CURRENT TRENDS AND ISSUES

The revised estimate for 2022/2023 is over the original budget in total by \$53,000. This overall increase is due to (1) an increase of \$2,800 in personal services costs primarily due to increased overtime, (2) a \$21,700 increase in commodities primarily for increased fuel and supply costs, (3) a \$21,600 increase in contractual services primarily due to increased equipment repair and maintenance costs, and (4) a \$6,900 increase in capital outlay.

The 2023/2024 Fire department budget is \$250,700 (4.6%) higher than the 2022/2023 budget. This increase includes: (1) personal services costs increased by \$130,900 (2.5%) compared to the original 2022/2023 budget; (2) commodities increased by \$16,100 which includes increased fuel and supply costs, (3) contractual services increased by \$25,000 due primarily to increased equipment repair and maintenance costs, and (4) capital outlay increased by \$78,700.

The 2023/2024 budget continues to include a transfer from the Ambulance Fund to the Fire department budget to fund an allocation of the fire positions used in providing ambulance services. The original 2022/2023 budget included a funding transfer of \$1,578,200, which was 30.5% of the personal services costs in the original budget. The funding transfer from the Ambulance Fund in the 2023/2024 budget is \$1,460,600, which is 27.5% of the Fire department personal services costs budgeted for 2023/2024. As approximately 90% of Fire department calls are medical, this percentage allocation is appropriate and at the same time maintains an adequate balance in the Ambulance fund.

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 2019	Actual 2020	Actual 2021	Actual 2022	Estimated 2023
All Calls for Services	5,238	5,034	5,709	5,909	6,000
Fire Training Hours	3,812	5,490	6,846	6,790	6,500
False Alarms	151	129	176	203	175
Fire Education Presentation Staff Hours	250	97	56	156	200
Number of Residents Attending Public Education Programs	2,180	199 *	300 *	2,800	3,000
Fire Inspections - Total	514	433	506	300	500
Inspections - Initial	268	213	265	176	300
Re-inspections	246	220	241	128	200
Burn Permits Issued	1,122	1,238	1,067	1,095	1,200
Outdoor Fireplace Permits	1,051	1,175	1,006	1,045	1,120
Open and Other Burning Permit	62	63	61	40	70
Fireworks Operational Permits Issued	10	12	10	10	10
Fireworks Permit Fees Collected	\$2,200	\$2,400	\$2,000	\$2,000	\$2,000

*The reduction in attendance in 2020 and 2021 was due to the COVID-19 pandemic.

RECENT ACCOMPLISHMENTS

- Hosted and instructed State certification training and testing for Driver/Operator certification at the IFSAC/ProBoard standard. This was conducted in-house with no cost for the classroom portion of the course.
- Coordinated and implemented increased community presence through the annual public safety open house, trunk or treat activities, and additional community events – leading to thousands of individual interactions with the public.
- Held two academies for seven new hires, resulting in nearly 1,200 hours of recruit training.
- Held two entry-level firefighter application/assessment processes to maintain a current Civil Service list for new hires and added several staff on as part time ambulance attendants.
- Held a promotional assessment for the ranks of Lieutenant, Captain, and Battalion Chief. This assessment included a formal assessment center which utilized chief officers from other fire departments as evaluators for a practical testing coordinated by an industry expert. This style of advancement testing has been used in the state for many years and has received excellent reviews from departments that utilize this assessment center testing model.
- Utilized an outside leadership consultant to help develop leadership abilities of department members and lead to more effective management and service delivery. This has resulted in measurable improvement in department morale during the past year.

- Successfully obtained grant funding to provide a gear washer for station 2, which enhances our ability to clean gear of the staff at that station and our new recruits during training. This decreases contamination which may lead to health issues later in a firefighter's career.
- Utilizing a think tank model, the department has made changes to daily work schedules which have resulted in better rested staff. Open discussion with the hospital has also resulted in changes in late night interfacility transfers that have enhanced patient and firefighter safety.
- The department experienced an increase in run volume of 3.5% from 2021 and 9.8% over the 5-year average; call volume has increased by about 900 calls or 16.9% from 5 years ago. These numbers include a 4.1% increase in building fires and 9.2% decrease in all fires compared to 2021. Based on a 5-year average there was an increase of 23.8% in building fires and a decrease of 17.4% in all fires. The trend since 2012 shows a slight increase in building fires and a slight decrease in all fires.
- Continued to develop a peer support program to provide additional support to our members. The group has been utilized to assist our members and consists of specially trained fire staff, local fire chaplains and a therapy K9. The program has also initiated an integration of a partnership with the Muscatine Police Department Peer Support program to increase training opportunities, share lessons learned, provide a cross-agency option for service delivery, and enhance support for both departments
- Provided over 100 out-of-department training opportunities to staff, covering topics from billing to hazardous materials response; this includes 27 no-cost training events.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024

- The department's inspection program will undergo a thorough review. Over the years external influences such as call volume and COVID-19 precautions have caused the number of inspections to drop precipitously. This decrease has caused prevention to be far less effective. This review will not only include statistics related to inspections and fire prevention; it will include several options to address the situation so that fire prevention is again a major activity of the Department. Options will include consideration of costs and income potentials as well as the need to implement activities that will have a positive effect on community safety as a whole. **(Excellent Customer Service and Safe Community)**
- As the department looks to future service delivery needs and options a plan relating to vehicle (apparatus) use and location will be key to providing the highest level of service with the resources available. Prior to June 30, 2024 that plan will be developed based on statistics relating to call volume, vehicle use, and expected staffing patterns. Results may lead to adjustments in resource use that will provide more efficient service delivery. **(Excellent Customer Service, Safe Community, and Healthy Community)**
- By the end of calendar year 2023 the department will implement a working plan to address recruitment and retention of fire and EMS staff. This plan is in the first stages of development and addresses industry-wide challenges with consistent staffing. An internal focus group will be utilized to obtain ideas from line staff as this is the target of our initial efforts. Strengths of the department will be highlighted and marketed and areas for improvement will be evaluated and addressed as opportunities arise. The department plan will be shared with the police department to enhance the recruitment and retention of all public safety personnel in the City. **(Excellent Customer Service, Safe Community, and Healthy Community)**

- The department will create a more safety conscious culture. Eliminating all injuries and accidents within the department is likely unattainable, but decreasing the number and severity is a realistic and purposeful goal. Actions focused on improving the culture will include assessment of the current situation, brainstorming areas for improvement, planning and implementing identified actions that will improve the department's level of safety, and an initial evaluation of effectiveness of the plan. The process will include a request for assistance from Human Resources and the City Safety Committee as well as a review of industry reference materials. A plan of action will be developed prior to January 1, 2024 and initial implementation will occur before the end of the fiscal year. **(Safe Community and Excellent Customer Service)**

Function:
Public Safety

Department:
Fire

Activity:
Fire Operations

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 4,584,667	\$ 5,009,025	\$ 5,183,400	\$ 5,186,200	\$ 5,314,300	2.53%
Commodities	100,388	120,910	120,300	142,000	136,400	13.38%
Contractual Services	228,452	229,925	179,200	200,800	204,200	13.95%
Capital Outlay	285,705	61,018	12,400	19,300	91,100	634.68%
Transfers	-	-	-	-	-	
Total Expenditures	\$ 5,199,212	\$ 5,420,878	\$ 5,495,300	\$ 5,548,300	\$ 5,746,000	4.56%
Funding Sources						
Fire Protection Contracts and Hazmat Agreements	\$ 48,856	\$ 49,687	\$ 49,100	\$ 49,300	\$ 50,000	1.83%
Ambulance Staff Funding Transfer	1,205,200	1,253,000	1,345,600	1,345,600	1,228,000	-8.74%
Additional Ambulance Funding Transfer (GEMT) *	232,600	232,600	232,600	232,600	232,600	0.00%
Confined Space Fees	39,275	34,775	36,000	36,000	36,000	0.00%
Fire Inspection Fees & Permits	23,887	16,192	20,000	14,300	15,800	-21.00%
Other Fees	1,426	1,651	2,500	1,900	1,900	-24.00%
Donations	1,103	-	-	300	-	
Federal Grant	343,104	15,546	-	-	-	
Other Reimbursements	1,465	6,484	3,500	6,000	4,000	14.29%
Reimbursement of Damages	-	-	-	28,100	-	
Utility Franchise Fees	228,156	259,440	135,000	165,000	165,000	22.22%
Transfer from Aerial Project	22,793	-	-	-	-	
General Revenues	3,051,347	3,551,504	3,671,000	3,669,200	4,012,700	9.31%
Total Funding Sources	\$ 5,199,212	\$ 5,420,878	\$ 5,495,300	\$ 5,548,300	\$ 5,746,000	4.56%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time Positions:						
Chief	1.00	1.00	1.00	1.00	1.00	
Office Coordinator	-	-	-	-	0.50	
Assistant Chief	1.00	1.00	1.00	1.00	1.00	
Battalion Chief	3.00	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	31.25 *	34.00 *	34.00	34.00	34.00	
Total Full Time	44.25	47.00	47.00	47.00	47.50	
Part Time Position:						
Office Coordinator	0.50	0.50	0.50	0.50	-	
Total	44.75	47.50	47.50	47.50	47.50	\$ 3,246,300
Employee Benefits						2,068,000
Total Personal Services						\$ 5,314,300
* Three Firefighter positions were added in the original 2020/2021 budget due to the continued high number of ambulance runs including inter-facility transfers. Hiring of the new positions was deferred due to General Fund revenue shortfalls due to the COVID-19 pandemic. One of these positions was filled effective April 1, 2021, and the other two positions were filled in 2021/2022.						

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Breathing Air Compressor	1	Yes	\$ 68,000
Smoke Machine	1	Yes	3,300
Air Lifting Bags	2	Yes	19,800
			<u>\$ 91,100</u>

Function:
Culture and Recreation

Department:
Library

Activity:
Library Operations

GENERAL INFORMATION

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

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

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

Musser Public Library is currently part of RiverShare, an 8-member Quad City area library consortium that shares a catalog. Patrons may request to borrow material from any of the 8 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 County residents to use the Library without an additional fee. The amount approved by the County for 2022/2023 is \$126,414. The Library has negotiated similar agreements with townships in Illinois including New Boston, Eliza, Drury, and Buffalo Prairie, which generated \$12,198 in revenues. The Library budget for 2023/2024 reflects continuing these agreements with estimated revenues totaling \$142,800.

CURRENT TRENDS AND ISSUES

The revised estimate for 2022/2023 of \$1,238,700 is the same in total as the original budget. Personal services are \$42,300 less than the original budget due to vacancies and new employees starting at lower steps in the pay plan; commodities are \$300 higher; contractual services are \$4,900 higher; and the revised estimate for library materials is \$37,100 higher than the original budget. 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.

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 2023/2024 is \$1,294,300 which is \$55,600 (4.5%) more than the original 2022/2023 budget. This increase is due to (1) a \$49,700 increase in personal services costs, (2) a \$1,700 decrease in commodities, (3) a \$3,900 increase in contractual services, and (4) a \$3,700 increase in library materials.

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 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
LIBRARY PATRONS	21,387	19,887	20,100	20,500	20,700
CIRCULATION:					
Adult Books	38,721	39,670	41,902	43,200	44,500
Young Adult	2,493	2,721	3,171	3,250	3,350
Juvenile Books	42,004	48,222	60,535	62,350	64,200
Magazines	2,392	1,904	2,178	2,250	2,300
DVDs	44,513	34,805	33,405	31,500	32,500
Audio	7,428	6,662	7,092	7,200	7,300
Video Games	1,473	1,057	1,365	1,400	1,450
Other	700	558	563	550	550
Internet	10,776	5,687	6,493	6,700	6,900
WiFi Usage	72,674	64,693	56,941	55,000	56,500
Databases	204,741	157,676	137,784	141,200	145,500

	Actual 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
CIRCULATION (CONT):					
E Audio	5,205	5,137	5,447	5,600	5,750
E Book	13,542	10,409	8,176	8,400	8,650
E Magazines	11,750	7,978	3,240	3,350	3,450
E Music	13,736	13,679	16,879	17,000	17,500
TOTAL	472,148	400,858	385,171	388,950	400,400
PROGRAMMING:					
Juvenile Programs	273 in- person; 93 virtual	16 in-person; 233 virtual	344	355	365
Juvenile Audience	8,775 in- person; 3,208 virtual	294 in- person 2,481 virtual	12,076	12,450	12,800
Young Adult Programs	13	2	6	10	15
Young Adults Audience	158	28	36	50	75
Adult Programs	18	22	17	20	25
Adult Audience	538	90	341	350	360
Technology Classes	7	12	9	10	15
Tech Audience	7	12	9	15	20
OTHER MEASURES:					
Facebook Likes	5,681	5,734	5,882	6,255	6,500
Website Visits	58,422	92,053	121,459	122,500	130,000
Rivershare Holds	32,182	42,597	32,484	33,500	35,000
Inter-Library Loans	693	675	843	800	850
Homebound Visits	296	508	445	500	550
Homebound Circulation	3,221	2,373	1,537	1,650	1,750
Reference Questions	2,455	2,232	3,298	3,000	3,250
Building Usage	140,692	82,224	106,490	110,000	115,000
Meeting Room Usage	9,215	2,293	7,222	8,000	8,500

RECENT ACCOMPLISHMENTS

The Library underwent numerous changes over the last six months, significantly impacting staffing and operations. New staff came on board in the first quarter of the fiscal year, filling the roles of Director, Assistant Director, and a Children's Librarian along with bringing on 3 new Library Board of Trustees members. It has been a transitional period for staff, while at the same time it has allowed the library to evaluate services and develop goals for moving forward in a positive direction.

The primary goal of the library is to provide the citizens of Muscatine with the highest level of service as it relates to community needs. Respectively, that includes providing access to information across all demographics, producing innovative and educational programming to all age groups, encouraging and improving literacy and personal growth across all domains, serving as stewards of our shared history, and providing one of the premier gathering places where the entire community can join together to share, collaborate and plan for the future.

Priorities for the first six months of FY 2022/2023 were focused on smoothing out the transition amongst staff, new staff, and Trustees on-boarding/training, improving communications and relationships with City Hall and other stakeholders, and perhaps most critically, establishing a framework from which to move forward while continuing to provide excellent service to the residents of the community. In the second half of the fiscal year, we will build on these processes to include setting standards and expectations for library staff helping to ensure consistent and reliable services.

More concretely, the Library is focusing on refreshing the materials collection through the use of software, to identify used, worn, and old materials and replace them with new items as part of our Sustainable Shelves program with our book vendor, Baker & Taylor.

With the replacement of one of the Children's Librarians, we have introduced a number of new programs targeting kids, teens, and adults, and we will continue to expand these offerings over time.

We have also been working closely with the Friends of the Library to bring that group back online to provide support and positive advocacy, and for promoting the various library services offered.

We are continuing to build out programs on Channel-5 and explore new ways to reach and engage the community while also searching for long-term funding solutions to ensure the Channel's continued success.

In terms of building improvements, we collaborated with Muscatine Power & Water (MPW) to install an electric vehicle charging station in our East parking lot that accommodates up to two vehicles and serves as a welcoming anchor to both residents and visitors to Muscatine. And since we are a library, MPW agreed to allow the first hour of charging to be free.

We continue to look for ways to incorporate LEAN principles throughout our workflows and via project management for various processes. This includes developing a comprehensive employee manual for library services, reviewing all library policies and adding/amending where needed, and creating an extensive Disaster/Recovery plan. We are also in the early stages of developing a sweeping Marketing plan with the intention of broadening our presence in the community and becoming a leader in the large library community. Encapsulating all these goals is generating a strategic 3-5 year long range plan that will set the stage for the next chapter in Musser Public Library's long and storied history.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024

- Create a comprehensive disaster and emergency plan for the Library. **(Safe Community)**
- Install a flag pole with a light on Library property. **(Vibrant Community)**
- Develop and implement a vertically integrated Marketing plan. **(Customer Service)**
- Evaluate and look to improve existing metrics, reports, and outputs to all stakeholders. **(Customer Service)**
- Full website refresh. **(Vibrant Community)**
- Establish foundational employee standards and expectations, including the Communication Agreement being implemented by the City. **(Customer Service)**
- Comprehensive analysis and revisions to existing Library policies. **(Customer Service)**
- Set standards for Channel 5, identify additional funding sources, and introduce new programs, including partnering with the Chamber of Commerce to share a live stream of our roof camera 24/7 to the public. **(Customer Service)**
- Move to a fine-free model for all patrons in order to remove barriers to community members while implementing a Material Recovery plan for long overdue items. **(Customer Service)**
- Define a comprehensive programming framework in order to evaluate and determine success for programs offered for all ages. **(Healthy Community)**
- Roll out a new Public Access Catalog overlay (VEGA) in conjunction with member libraries in RiverShare consortium. **(Customer Service)**
- Continue implementation and integration of staff training and education including development of an Employee Manual in addition to the existing Staff Intranet. **(Customer Service)**
- Identify and implement new LEAN opportunities where applicable to improve existing services across the entire spectrum of Library offerings. **(Customer Service)**
- Begin/continue the Sustainable Shelves project to keep the collection fresh and up-to-date. **(Vibrant Community)**

Function:
Culture and Recreation

Department:
Library

Activity:
Library Operations

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 842,394	\$ 1,000,136	\$ 973,600	\$ 931,300	\$ 1,023,300	5.10%
Commodities	11,121	8,172	13,500	13,800	11,800	-12.59%
Contractual Services	136,806	116,986	141,600	146,500	145,500	2.75%
Capital Outlay	94,746	117,047	110,000	147,100	113,700	3.36%
Transfers	32,593	-	-	-	-	
Total Expenditures	<u>\$ 1,117,660</u>	<u>\$ 1,242,341</u>	<u>\$ 1,238,700</u>	<u>\$ 1,238,700</u>	<u>\$ 1,294,300</u>	4.49%
Funding Sources						
Library Revenues	\$ 19,651	\$ 19,291	\$ 18,300	\$ 16,700	\$ 15,800	-13.66%
County Contributions	123,592	126,097	129,900	126,400	130,200	0.23%
Hotel/Motel Tax	93,612	148,317	93,750	137,500	137,500	46.67%
General Revenues	880,805	948,636	996,750	958,100	1,010,800	1.41%
Total Funding Sources	<u>\$ 1,117,660</u>	<u>\$ 1,242,341</u>	<u>\$ 1,238,700</u>	<u>\$ 1,238,700</u>	<u>\$ 1,294,300</u>	4.49%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
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	1.00	
Librarian	2.00	2.00	2.00	3.00	3.00	
Library Assistant	4.00	4.00	4.00	2.00	2.00	
Total Full Time	<u>8.00</u>	<u>8.00</u>	<u>8.00</u>	<u>7.00</u>	<u>7.00</u>	
Part Time Positions:						
Library Technician	1.80	1.80	1.80	1.88	1.93	
Library Assistant	1.81	1.99	2.00	2.51	2.50	
Librarian	-	-	-	0.67	0.70	
Library Shelves	0.81	0.58	0.60	0.49	0.60	
Other Technicians	0.04	0.00	0.00	0.00	0.00	
Other Assistant	0.33	0.67	0.75	0.36	0.38	
Total Part Time	<u>4.79</u>	<u>5.04</u>	<u>5.16</u>	<u>5.90</u>	<u>6.10</u>	
Total	12.79	13.04	13.16	12.90	13.10	\$ 771,600
Employee Benefits						251,700
Total Personal Services						<u>\$ 1,023,300</u>

Capital Outlay	
Item	Amount
Library Books, Videos, Serials, Database Subscriptions, etc.	<u>\$ 113,700</u>

Function:
Culture and Recreation

Department:
City Administrator

Activity:
Cable Television Operations

GENERAL INFORMATION

In July 1979 the City Council awarded a 15-year cable television franchise to ATC and Muscatine Cablevision Corporation. In 1984 the City approved the transfer of the franchise from ATC and Muscatine Cablevision to Heritage Cablevision. This franchise was later transferred to TCI, then AT&T and then Mediacom. The original franchise required a franchise fee to be paid to the City of Muscatine in the amount of 3% of its annual gross receipts. The original franchise agreement expired in 1994 and it was renewed for another 15 years on September 7, 1994. The new agreement provided for an increase in the franchise fee paid to the City to 5% of the annual gross receipts. In addition, Muscatine Power & Water (MP&W) began offering cable television services in 1999. MP&W also pays a cable franchise fee to the City. In December 2002, MP&W purchased the local Mediacom operation and became the sole cable provider in the City. Under the current arrangement with Muscatine Power & Water, the City receives approximately \$124,000 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's) 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 2022/2023 is the same as the original budget.

The 2023/2024 budget is \$21,200, which is \$600 (2.9%) more than the 2022/2023 budget due to the \$600 increase in the contract with Muscatine Community College (MCC) for cable broadcasting services which increases the contract from \$19,700 to \$20,300 for the upcoming year. The budget also includes \$400 for the City's portion of the Government Access Channel program listing on the cable channel guide, and \$500 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 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
Cable Franchise Fees	\$143,166	\$132,287	\$124,022	\$124,000	\$124,000
City Council Meetings Broadcast	35	35	35	35	35
Joint Meeting Broadcast	0	2	3	3	3
State of the City Address Broadcast	0	1	1	1	1
Budget Review Sessions Broadcast	0	8	8	0	0

Local Access Channels Provided by Muscatine Power & Water (MPW)

Civic-TV (MPW Cable Channel 2) - public access to meetings (i.e., Muscatine City Council, Muscatine School Board, Muscatine County Board of Supervisors).

MPL 5 (MPW Cable Channel 5) - Educational and informative content from Musser Public Library.

Public Access (MPW Cable Channel 9) - Forum for ideas, information, and creative expression originating at the grass roots level. This channel also posts reruns of City Council meetings and is a potential access point for the new Mayor's Show.

RECENT ACCOMPLISHMENTS

Muscatine Community College (MCC) provided significant support to the City Council by continuing to offer hybrid meetings (a combination of in-person and virtual meetings) in order to maintain open public meetings during the COVID-19 pandemic, as well as after COVID-19 diminished and residents became accustomed to a virtual option. This support has been critical to ensuring transparency and maintaining compliance with open meetings laws.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024

- To continue providing cable television access to Muscatine's residents through Muscatine Power & Water. **(Excellent Customer Service)**
- To continue providing Muscatine with public access channels that showcase the many and varied activities and interests in Muscatine. **(Excellent Customer Service)**
- To continue finding new ways to bring information and programming to the residents of Muscatine. **(Excellent Customer Service and Vibrant Community)**

Function:
Culture and Recreation

Department:
City Administrator

Activity:
Cable Television Operations

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	19,277	19,146	20,600	20,600	21,200	2.91%
Capital Outlay	-	5,050	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 19,277</u>	<u>\$ 24,196</u>	<u>\$ 20,600</u>	<u>\$ 20,600</u>	<u>\$ 21,200</u>	2.91%
Funding Sources						
Cable Franchise Fees	<u>\$ 19,277</u>	<u>\$ 24,196</u>	<u>\$ 20,600</u>	<u>\$ 20,600</u>	<u>\$ 21,200</u>	2.91%

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 only use 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 2022/2023 is \$6,800 more than the original budget. Personal services costs are \$4,500 more than the original budget primarily due merit increases and increased health insurance costs. Commodities decreased by \$500 in the revised estimate and contractual services increased by \$2,800. The increase in contractual services includes a \$500 increase in the fine arts insurance premium, a \$1,300 increase in professional services, and a \$400 increase in printing services.

The 2023/2024 budget is \$19,700 (4.4%) higher than the 2022/2023 budget. Personal services costs increased by \$16,400 (4.1%), commodities decreased by \$700, and contractual services increased by \$4,000. Of the contractual services increase, \$3,000 was due to an increase in the fine arts insurance premiums allocated to the Art Center. The 2023/2024 budgeted expenditures again include those funded from the \$15,000 annual grant from the Iowa Department of Cultural Affairs.

Funding from the Art Center Support Foundation and Friends of the Art Center will continue to be received in 2022/2023 and 2023/2024 for the additional costs associated with the staff reorganization implemented in 2010/2011. Budgeted contributions from those organizations total \$61,000 in 2022/2023 and \$63,900 in 2023/2024.

Again in 2023/2024 one-fourth (1/4) of the Hotel/Motel tax has been appropriated to support the Museum/Art Center operations. This amount is estimated at \$137,500.

GOAL STATEMENT

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

PERFORMANCE MEASURES

Fiscal Year Basis	Actual 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
Attendance	12,451	8,050	21,039	17,000	17,000
Number of Classes Offered	165	159	194	165	165
Art Center Events Hosted	21	15	15	16	16
Exhibitions	24	17	19	19	17
Group Tours & Programs	64	43	93	78	65
City Calendar Website Posts	74	78	24	24	24
Facebook Posts	2,458	2,211	2,158	2,250	2,250
Newspaper Stories - Muscatine Journal and Quad City Times	74	57	112	100	100

RECENT ACCOMPLISHMENTS

General Operations

The Muscatine Art Center staff strives to provide memorable experiences for the public and visitors and is devoted to the ongoing care of the collection which is held in trust for future generations. In 2022, the organization earned reaccreditation from the American Alliance of Museums, making the Muscatine Art Center one of only 165 or so museums with a staff size of 5 or fewer fulltime employees to be accredited out of the estimated 33,000 museums in the United States. Staffing at the Muscatine Art Center includes four full-time employees and six part-time employees, some of whom work as few as two hours per week. The budget includes a combination of funding sources to continue staffing at this level in 2023/2024. The Muscatine Art Center Support Foundation Fund provides 25% of the salary and 50% of the benefits for the Registrar. Another 10 hours per week of the Registrar's time and 10 hours per week of the Program Coordinator's time are funded through the Friends of the Muscatine Art Center. 25% of Hotel/Motel Taxes for the City of Muscatine are directed towards the Muscatine Art Center's operating budget. An annual competitive grant through the Cultural Leadership Partner (CLP) program (Iowa Department of Cultural Affairs) covers a portion of wages for part-time employees. Without this funding, the Muscatine Art Center would not be able to maintain weekend and Thursday evening hours.

Additional Funding

Muscatine Art Center staff continuously seeks out grant opportunities. During the 2021/2022 fiscal year, the staff secured the following grants:

\$15,000	Iowa Department of Cultural Affairs – Cultural Leadership Partners
\$4,200	Iowa Department of Cultural Affairs – Humanities Grant for “Captivated by Japan” Exhibition
\$18,000	Iowa Department of Cultural Affairs (American Rescue Plan) – Market Research Study
\$15,500	Iowa Department of Cultural Affairs (CARES Act) – Nature Connects/LEGO Marketing

\$100,000	Roy J. Carver Charitable Trust – Japanese Garden Rehabilitation
\$3,134	Mary Jo and Richard Stanley Human Conditions (CFGM) – Multicultural Performance Series
\$1,600	Arts Dollars (Quad City Arts) – Visiting Artists Stipends for Summer Mini Camps for Kids

Staff also administered projects and completed grant reports for projects funded in previous fiscal years:

\$122,402	Paul Bruhn Heritage Preservation Grant – Japanese Garden Rehabilitation (awarded FY 21-22)
\$3,000	Humanities Iowa – Research on Japanese Garden (awarded FY 21-22)
\$5,000	Travel Iowa – Marketing for Nature Connects/LEGO (awarded FY 21-22)
\$2,000	Muscatine Charities – Additional Part-Time Hours for Nature Connects/LEGO (awarded FY 21-22)
\$1,000	Greater Muscatine Chamber of Commerce & Industry – Marketing for Nature Connects/LEGO (awarded FY 21-22)
\$15,000	Iowa Department of Cultural Affairs – Cultural Leadership Partners (awarded FY 21-22)
\$1,600	Arts Dollars (Quad City Arts) – Visiting Artists Stipends for Summer Mini Camps for Kids (awarded FY 21-22)

Muscatine Art Center operations would not be possible without financial assistance from the Friends of the Muscatine Art Center and the Muscatine Art Center Support Foundation Fund. The Friends of the Muscatine Art Center is a non-profit organization with a Board of Directors. Nearly all of the Friends' income is directed towards covering its obligation for Art Center wages. The organization also offsets the cost for busing when classes from Muscatine schools travel to the Muscatine Art Center for field trips. The Muscatine Art Center Support Foundation Advisory Committee oversees assets held at the Community Foundation of Greater Muscatine for the Support Foundation. Funds through the Support Foundation enable the Muscatine Art Center to present exhibitions, purchase archival materials for collections, make improvements to collections storage conditions, market exhibitions, and enhance the property such as the 2021 landscape improvements and sculpture installation on the former Jayne House property. The budget set for 2022 (calendar year) was nearly \$160,000 including \$50,000 allocated to building concept design.

Exhibitions

Exhibitions of note for 2021/22 in the Stanley Gallery included the traveling exhibitions: *Alterations: tailored solutions to climate change* by Nancy Judd of Recycle Runway, *Frida Kahlo: Through the Lens of Nickolas Muray*, *Sean Kenney's Nature Connects Made with LEGO bricks*, and *Where Children Sleep*. In 2022/23, the staff curated exhibitions include *Captivated by Japan*, *Incredible Minds: Muscatine Authors*, and *Great Leaders of the Indian Nations: McKenney and Hall Prints from the Permanent Collection*. Traveling exhibitions for 2022/23 are *Elephant & Piggie in We Are Art*, *Hyperrealistic Sculptures of Marc Sijan*, and *Birds in Art*. Staff contracted artist/illustrator Sean Fitzgibbon to exhibit "What Follows is True" and photographer Bob Campagna to exhibit "Portraits of Hope". For both of these exhibitions, staff had curatorial responsibilities such as selecting artifacts from the permanent collection, conducting research, and writing text. Each fiscal year, the staff also works with local schools to present a student art exhibition, partners with the Muscatine County Arts Council on the juried *Art Array* exhibition, spotlights a component of the local history collection, and seasonally rotates decorations in the historic house.

Programs

In 2021/22, 9,015 individuals participated in a Muscatine Art Center program, event, class, tour, or outreach activity organized by the Program Coordinator. This represented about 43% of the Muscatine Art Center's visitation for the fiscal year. Programs fall into several categories: Classes/Lectures (offered to the public), Public Events, and Tours/Other Programs (arranged for specific groups). The number of public classes/lectures and the number of tours/programs for specific groups were particularly high in 2021/22 and in the first five months of 2022/23. Large events are slightly down compared to pre-pandemic levels as crowded indoor events have been problematic. The staff initially focused on outdoor performances as a way to reach

audiences that have been reluctant to gather indoors. The E. Bradford Burns performance space (located below the new *Expressive Spirit* sculpture) was a popular location – Step Afrika (in partnership with Hancher Auditorium), Eulenspiegel Puppet Theater, Community Stage (in partnership with the Muscatine County Arts Council), the Mad Creek Mudcats, Soten Taiko (Japanese Taiko Drum Group), Quad Cities Ballet Folklorico, and Los Cometas Mariachi have used the outdoor space since it was dedicated in September 2021. The quarterly newsletter contains details on all public programs, events, and classes.

The increase in group tours and group programs was due, in part, to interest in visiting during exhibitions such as *Sean Kenney's Nature Connects Made with LEGO bricks* (FY 21-22) and *Elephant and Piggie in We Are Art* (22-23). For example, in response to *Elephant and Piggie*, 17 groups of students (mostly kindergarten through first grade from Muscatine schools and surrounding school districts) have booked fieldtrips as of December 1st, and additional fieldtrips are expected before the exhibition closes on February 5th. Other collaborations with Muscatine schools have resulted in additional fieldtrips and in-school presentations. The SPARK (summer school) program resulted in 16 experiences led by Muscatine Art Center staff over summer 2022, and the new Grant Elementary Lead Lab will result in 7 outreach programs this school year. In addition, the Muscatine Art Center Program Coordinator prepares lessons and teaches studio classes each month for three different age groups of homeschool students. Other youth groups such as daycares, out-of-town summer camps, Flickinger Learning Center, the Muscatine Y, the Salvation Army, and Parents as Teachers had customized experiences at the Muscatine Art Center in the last year. Staff led tours and/or activities for a variety of adult groups and groups with special needs. Fieldtrips, youth programs, and adult tours typically require not just the Program Coordinator's time to prepare and lead the experience but also up to two additional staff members and/or several volunteers to facilitate a portion of the onsite activity such as giving tours of the historic house, presenting a studio project, and showing groups through the exhibitions.

The total number of programs provided in 2021/22 was over 300. The Program Coordinator has responsibility for ensuring public programs are marketed, contract studio instructors are scheduled, studio supplies are appropriately stocked and ordered, and registrations are documented. For classes such as Mini Masters, Thursday Night Makerspace, homeschool, school fieldtrips, school outreach, and youth group programs, the Program Coordinator creates lesson plans, orders supplies, coordinates with organizers, schedules fellow staff members and volunteers to help, and teaches the lesson. The Program Coordinator's responsibilities also include creating virtual backpack flyers, drafting 4 pages of each quarterly newsletter, and developing press releases and additional marketing items for public program. To accommodate the program schedule, the Program Coordinator works irregular hours.

Organizational Priorities

Having earned reaccreditation from the American Alliance of Museums, the Muscatine Art Center is focused on carrying out action steps outlined in the Board of Trustees adopted Institutional Plan (July 2022). The concerns that are most pressing in 2023-24 include succession planning, adding a Marketing and Communications position so that all four fulltime staff positions can become better aligned with professional standards, and categorizing professional positions in to appropriate pay grades. Three professional employees are preparing to retire within the next 1.5 to 3.5 years. One full time employee with 34+ years, one part time employee with 34+ years, and one full time employee with 16+ years at the Muscatine Art Center and 30 total years with the City are due to retire. This leaves a small window to adjust the staffing structure and job descriptions in advance of posting job openings. There is an internal plan for two current employees to change positions as part of the succession plan.

The Muscatine Art Center's ability to maintain accreditation will be dependent upon implementing the Institutional Plan adopted by the Board of Trustees in July 2022. Since 1995, Muscatine Art Center leadership has recognized the critical need of adding to the facility to improve storage for collections and enhance functionality through features such as a loading dock and freight elevator. Various solutions have been proposed over the decades, but poor timing such as the financial crisis of 2007-08 and the need to address

deferred maintenance stalled the project. A permanent solution to the collections storage issue, along with addressing the need for improvement to visitor amenities, will need to be in place by the next time the Muscatine Art Center is reviewed for accreditation. The building addition is included in the City of Muscatine's current draft of the new Capital Improvement Plan.

Addressed in the Institutional Plan is the implementation of the Historic Landscape Preservation Plan for the Japanese Garden. While tree removal has been delayed (now scheduled for early January 2023), the Muscatine Art Center staff has been working behind-the-scenes to ensure that the project meets the Department of the Interior's standards for cultural landscapes. Archaeological work was completed in the summer of 2022. Staff is working with the landscape firm Aunt Rhodie's and consultant Associate Professor Heidi Hohmann to finalize the planting plan. The staff also coordinates with the State Historic Preservation Office, submitting quarterly grant reports to the agency and the National Park Service. A grant update has also been filed with the Roy J. Carver Charitable Trust. The target completion date is now September 30, 2023.

For the Muscatine Art Center to implement the Institutional Plan, staff will take on additional grant writing and fundraising responsibilities. There are opportunities to apply for large federal, state, and regional grants. However, the staff workload, particularly that of the Director, must allow for the time commitment to work on these large grant applications and to manage grant reporting.

Public Art

The Muscatine Public Art Advisory Commission was established in July 2019. Five community members appointed by the Muscatine City Council serve up to two terms of three years each. The Muscatine Art Center Director and a member of the Parks and Rec staff serve as staff liaisons to the Advisory Committee. The group meets quarterly and as needed. The sculpture installation for Mulberry and Second is entering a more active phase. A contract with artist Nathan Pierce is expected to go to City Council in early 2023. Once the contract is approved, Pierce would begin construction of *Zenith* with a target installation in summer 2023. In addition to moving forward with the sculpture for the roundabout, Friends of the Fairport Fish Hatchery extended its mural on the retaining wall at Houser and Hershey. The new section of mural was finished in fall 2022, and the group plans to have a ribbon cutting in spring 2023.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024

- To develop an Employee Succession Plan, preparing the organization for the retirement of individuals with decades of experience. **(Strategic Plan – Excellent Customer Service, Vibrant Community and Reliable Public Infrastructure)**
- To implement the Muscatine Art Center's Institutional Plan, carrying out action steps to position the organization for future reaccreditation. **(Strategic Plan – Excellent Customer Service and Reliable Public Infrastructure)**
- To implement recommendations from the Historic Landscape Preservation Plan for the Japanese Garden and to administer the grants received for the project. **(Strategic Plan – Vibrant Community and Reliable Public Infrastructure)**
- To enhance the marketing of programs, exhibitions, and other services provided by the Muscatine Art Center and to spotlight the permanent collection, historic estate, and local history stories preserved on behalf of current audiences and future generations. **(Strategic Plan – Excellent Customer Service and Vibrant Community)**
- To pursue additional grant funding while managing current grant awards, filing grant reports, and closing out grant projects upon completion. **(Strategic Plan – Fiscal Responsibility)**

Function:
Culture and Recreation

Department:
Art Center

Activity:
Art Center Operations

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 363,988	\$ 385,704	\$ 400,700	\$ 405,200	\$ 417,100	4.09%
Commodities	4,173	10,127	11,200	10,700	10,500	-6.25%
Contractual Services	57,878	35,819	32,000	34,800	36,000	12.50%
Capital Outlay	4,240	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 430,279</u>	<u>\$ 431,650</u>	<u>\$ 443,900</u>	<u>\$ 450,700</u>	<u>\$ 463,600</u>	4.44%
Funding Sources						
Art Center Revenues	\$ 4,603	\$ 3,517	\$ 4,500	\$ 4,700	\$ 4,700	4.44%
Art Center Grant	10,000	18,000	15,000	15,000	15,000	0.00%
Support Foundation Contribution	25,053	29,588	32,200	32,200	33,800	4.97%
Friends of the Art Center Contribution	24,423	28,105	28,100	28,800	30,100	7.12%
Other Contributions	217	716	300	800	1,800	500.00%
Hotel/Motel Tax	93,612	148,317	93,750	137,500	137,500	46.67%
General Revenues	<u>272,371</u>	<u>203,407</u>	<u>270,050</u>	<u>231,700</u>	<u>240,700</u>	-10.87%
Total Funding Sources	<u>\$ 430,279</u>	<u>\$ 431,650</u>	<u>\$ 443,900</u>	<u>\$ 450,700</u>	<u>\$ 463,600</u>	4.44%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
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	
Art Center Aide	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	
Total Full Time	<u>4.00</u>	<u>4.00</u>	<u>4.00</u>	<u>4.00</u>	<u>4.00</u>	
Part Time Positions:						
Art Center Aide	0.65	0.65	0.65	0.65	0.65	
Custodian	<u>0.32</u>	<u>0.32</u>	<u>0.32</u>	<u>0.32</u>	<u>0.32</u>	
Total Part Time	<u>0.97</u>	<u>0.97</u>	<u>0.97</u>	<u>0.97</u>	<u>0.97</u>	
Total	4.97	4.97	4.97	4.97	4.97	\$ 306,800
Employee Benefits						<u>110,300</u>
Total Personal Services						<u>\$ 417,100</u>

Function:
Culture and Recreation

Department:
Parks and Recreation

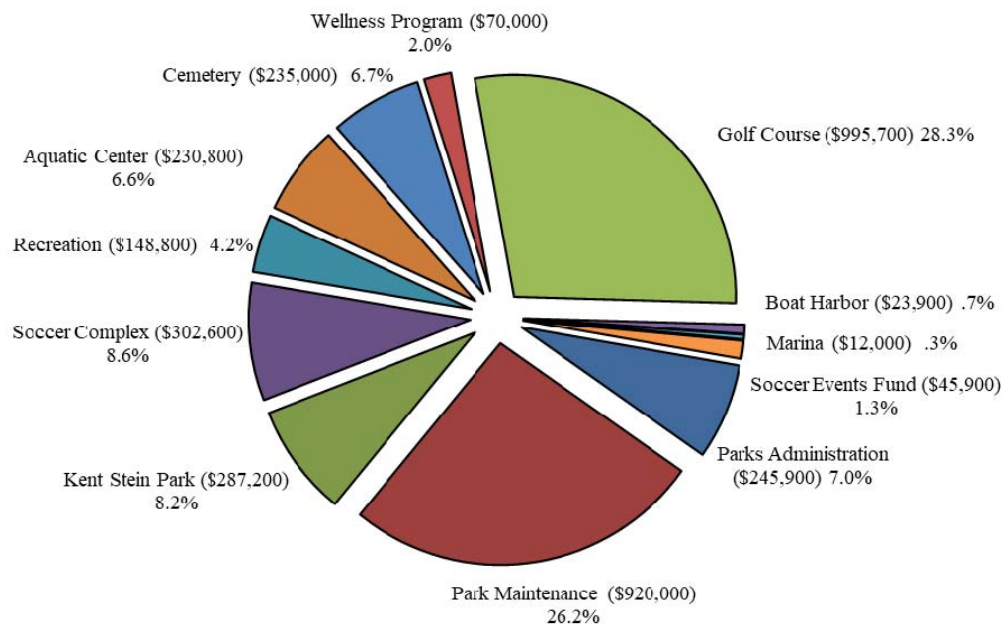
Activity:
Park Administration

GENERAL INFORMATION

The Parks and Recreation department is responsible for providing leisure time activities and maintaining green space and facilities for the citizens of Muscatine. The department administers programs for outdoor and indoor recreation activities that occur in the City's park facilities, the Weed Park Aquatic Center, and in various buildings owned by the public school system.

The Parks and Recreation Administration budget includes the costs related to the overall coordination of the parks and recreation programs. The office staff includes the positions of director and office coordinator. A part-time clerk is also utilized during peak times of the year. The Director also supervises the Boat Harbor, Marina, Golf Course, and Soccer Events enterprise fund 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 operations. The amount of the administrative fee is \$12,900 for 2023/2024. The Director also initiates and oversees capital improvements in the City's parks, golf course, and cemetery and provides administrative support for the Recreation Advisory Commission. Following is a chart of the 2023/2024 budgeted expenditures by activity for the Parks and Recreation department.

Parks and Recreation Department
Fiscal Year 2023/2024 Budget by Activity (\$3,517,800)



CURRENT TRENDS AND ISSUES

The budgets for all of the Park divisions include increased wage rates for seasonal employees. An updated Seasonal Pay Plan was requested and is budgeted to be effective April 1, 2023. As such, it will have an impact on both the 2022/2023 revised estimate and the 2023/2024 budget. The impact on the Park Administration revised estimate is \$300; the 2023/2024 impact is also estimated at \$300. The goal of the requested pay plan update is to offer more competitive wages in an effort to recruit and retain qualified seasonal staff.

The 2022/2023 revised estimate is \$3,200 more than the original budget. Personal services increased by \$2,500 due to wage adjustments and the seasonal pay plan update. Contractual services increased by \$700.

The 2023/2024 budget is \$9,900 (4.2%) higher than the 2022/2023 budget. Personal services costs increased by \$9,800 (4.5%), which includes the seasonal pay plan update, and contractual services increased by \$100.

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 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
Recreation Advisory Commission Meetings	4	7	7	7	7
Department Expenditures - All Divisions	\$2,737,602	\$2,923,037	\$3,011,287	\$3,507,100	\$3,517,800
Internet Receipts Issued	435	658	630	650	650
Office Receipts Issued	1,024	1,276	1,206	1,200	1,200
Pearl City Station Rentals *	72	86	126	100	100
Riverview Center Rentals *	68	80	109	100	100
Shelters/Rose Garden Rentals	204	302	328	300	300
Parks Adopted (Calendar Year Basis)	29 (2020)	31 (2021)	31 (2022)	31 (2023)	31 (2024)
Dog Park Passes	246	275	237	250	250

* Fluctuations in rentals of riverfront facilities is due to floods.

RECENT ACCOMPLISHMENTS

- In the spring of 2022, the City Council approved raising the seasonal wage scale. Unfortunately, this did not help secure a full seasonal workforce as some divisions did not spend up to 30% of their seasonal wage budget due to worker shortage.
- Department supervisory staff had an opportunity to participate in 40 hours of Leadership Communication training to improve teamwork.
- The City's Deer Hunt Program was successful again this year. We will be exploring the use of public property for hunting next year.
- City staff developed a concept design for a potential indoor sports dome to be located at the City owned Soccer West area.
- In collaboration with the Muscatine Community School District, City staff is working on a plan to gift the school district diamond #1 in Kent Stein Park and Bruner Field in exchange for the district developing a new ball diamond for the City.
- The concessionaire informed the department in November of 2022 that they will not be doing the concession stands in 2023 at Kent Stein Park, Soccer Complex and Aquatic Center.
- Security cameras will be installed at select park sites. This will be funded by American Rescue Plan Act (ARPA) funds.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024

- Recruit and retain seasonal and fulltime staff for each division by attending job fairs in collaboration with marketing efforts of the City Communications Manager and Human Resources staff. **(Strategic Plan – Customer Service and Healthy Community) (Mission and Values – Safety and Fiscal Responsibility)**
- Conduct weekly staff meetings and set the expectation that each division perform documented monthly training to improve safety and efficiency. **(Strategic Plan – Customer Service and Safe Community) (Mission and Values – Safety and Fiscal Responsibility)**
- Coordinate requests to conduct special events on City of Muscatine public property. **(Strategic Plan – Customer Service and Vibrant Community) (Mission and Values – Safety, Wellness and Excellence)**
- To administer the City Deer Management Program in accordance with the Iowa Department of Natural Resources (IDNR) and City Code. **(Strategic Plan – Customer Service and Safe Community) (Mission and Values – Safety and Wellness)**
- To continue to collaborate and assist all City departments as requested. **(Strategic Plan – Reliable Public Infrastructure and Safe Community) (Mission and Values – Fiscal Responsibility and Integrity)**

- To administer Kent Stein Park, Soccer Complex, Aquatic Center, Golf Course, Boat Harbor, Cemetery, and the Recreation division within approved budgets. **(Strategic Plan – Customer Service, Healthy Community and Vibrant Community) (Mission and Values – Professionalism, Fiscal Responsibility, and Excellence)**
- To continue to promote a positive and active Employee Wellness Program using the current health condition indicators from our City Health Reports. **(Strategic Plan – Customer Service and Healthy Community) (Mission and Values – Safety and Wellness)**
- To continue to meet monthly or as needed with the Parks and Recreation Advisory Commission. **(Strategic Plan – Customer Service and Vibrant Community) (Mission and Values – Fiscal Responsibility, Respect, and Innovation)**
- To continue the Community Reforestation and Tree Management Plans as funding and staff time allows. **(Strategic Plan – Vibrant Community, Healthy Community, and Safe Community) (Mission and Values – Safety and Fiscal Responsibility)**
- To continue to administer the City-wide park building rentals, recreation programs, and special events. **(Strategic Plan – Customer Service and Vibrant Community) (Mission and Values – Wellness, Innovation, and Fiscal Responsibility)**
- To conduct the College Search Kickoff in July for college bound soccer players. **(Strategic Plan – Customer Service and Vibrant Community) (Mission and Values – Integrity and Fiscal Responsibility)**
- To continue to administer and act as the project manager for the Southend Community Improvement Fund Projects. **(Strategic Plan – Reliable Public Infrastructure and Vibrant Community) (Mission and Values – Safety, Innovation, and Excellence)**
- To continue to assist the Muscatine Community School District with their requested infrastructure improvements to diamond #1 and Bruner Field. **(Strategic Plan – Reliable Public Infrastructure) (Mission and Values – Respect and Innovation)**
- To work collaboratively with community public and private interests in developing an indoor sports dome on City property. **(Strategic Plan – Customer Service and Reliable Public Infrastructure) (Mission and Values – Wellness and Innovation)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Park Administration

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 197,477	\$ 210,105	\$ 217,300	\$ 219,800	\$ 227,100	4.51%
Commodities	977	1,964	1,900	1,900	1,900	0.00%
Contractual Services	13,156	16,163	16,800	17,500	16,900	0.60%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 211,610</u>	<u>\$ 228,232</u>	<u>\$ 236,000</u>	<u>\$ 239,200</u>	<u>\$ 245,900</u>	4.19%
Funding Sources						
Park Revenues	\$ 66,235	\$ 58,552	\$ 45,000	\$ 55,200	\$ 50,300	11.78%
Administrative Fee	27,700	12,200	12,500	12,500	12,900	3.20%
General Revenues	<u>117,675</u>	<u>157,480</u>	<u>178,500</u>	<u>171,500</u>	<u>182,700</u>	2.35%
Total Funding Sources	<u>\$ 211,610</u>	<u>\$ 228,232</u>	<u>\$ 236,000</u>	<u>\$ 239,200</u>	<u>\$ 245,900</u>	4.19%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time Positions/Position Allocations:						
Director of Parks and Recreation	1.00	1.00	1.00	1.00	1.00	
Office Coordinator	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	
Total Full Time	1.50	1.50	1.50	1.50	1.50	
Temporary Part Time Position:						
Office Clerk	<u>0.20</u>	<u>0.20</u>	<u>0.20</u>	<u>0.20</u>	<u>0.20</u>	
Total	1.70	1.70	1.70	1.70	1.70	\$ 160,600
Employee Benefits						<u>66,500</u>
Total Personal Services						<u>\$ 227,100</u>

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Park Maintenance

GENERAL INFORMATION

The function of the Park Maintenance division is to provide parks and facilities for the recreational pursuit of the residents of Muscatine. Fifteen (15) of the City's sixteen (16) 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, Weed Park, and the recent addition of the Dog 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 budgets for all of the Park divisions include increased wage rates for seasonal employees. An updated Seasonal Pay Plan was requested and is budgeted to be effective April 1, 2023. As such, it will have an impact on both the 2022/2023 revised estimate and the 2023/2024 budget. The impact to the Park Maintenance budget for the 2022/2023 revised estimate is \$11,300; the 2023/2024 impact is estimated at \$24,100. The goal of the requested pay plan update is to offer more competitive wages in an effort to recruit and retain qualified seasonal staff.

The 2022/2023 revised estimate is over the original budget by \$92,900. Personal services costs are \$22,500 more than the original budget due to two employee retirement payouts that were not included in the original budget and the seasonal pay plan adjustment. Commodities increased by \$16,400 from the original budget which includes increased fuel, fertilizer and chemical, and building repair supplies. Contractual services increased by \$9,300 and capital outlay increased by \$44,700. The capital outlay increase in the revised estimate includes \$24,000 to replace the air conditioner at Riverview Center, \$10,000 to repair the Riverfront clock, \$5,800 to replace doors at Pearl City Station, and \$4,900 for a sprayer with that cost to be reimbursed by an outside agency.

The 2023/2024 budget is \$11,100 (1.2%) more than the original 2022/2023 budget. Personal services costs increased by \$19,700 which includes the seasonal pay plan adjustment, commodities increased by \$2,300, contractual services increased by \$1,600, and capital outlay decreased by \$12,500. The 2023/2024 Equipment Replacement Fund budget also includes \$122,000 in funding to replace two pickup trucks (\$70,000) and a wide area mower (\$52,000) for the Parks Maintenance activity.

GOAL STATEMENT

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

PERFORMANCE MEASURES

Focus Maintenance Items:	Actual 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
Parks (A)	18	18	18	18	18
Park Acres (B)	247	247	247	247	247
Park Shelters	18	18	18	20 (1)	20
Miles of Trail	15	15	15.1	15.2 (2)	15.2
Playgrounds	12	12	12	14 (3)	14
Buildings	13	13	13	13	13
Basketball Courts	6	6	6	6	6
Tennis/Pickleball Courts (C)	8	8	8	14 (4)	14
Dog Park (D)	1	1	1	1	1
Skate Parks (E)	1	1	1	1	1
Sand Volleyball Courts	3	3	3	3	3
Disc Golf Course	1	1	1	1	1
Right-of-Way Miles	16.6	16.6	16.6	16.6	16.6
Aquatic Center	1	1	1	1	1
Interactive Fountain	1	1	1	2 (5)	2
Boat Ramps	4	4	4	4	4
Special Gardens	3	3	3	3	3
Street Tree Miles	140	140	140	140	140

1. New shelters were added at Taylor Park and Kent Stein Park in 2022/2023; the shelter at Musser Park was replaced.
2. The trail extension at Musser Park and Kent Stein/Soccer was completed in 2022/2023.
3. All-inclusive playgrounds are being added to the existing playgrounds at Musser and Taylor Parks.
4. Six (6) pickleball courts were added at Taylor Park in 2022/2023.
5. A new Splash Pad will be added at Taylor Park in 2022/2023.

- A. According to the National Recreation and Park Association 2021 Agency Performance Review, the typical Midwestern community has one park per 1,520 residents. Muscatine has one park per 1,321 residents.
- B. According to the National Recreation and Park Association 2021 Agency Performance Review, the typical Midwestern community has 12 acres of parkland per 1,000 residents. Muscatine has 23 acres of parkland per 1,000 residents.
- C. According to the National Recreation and Park Association 2021 Agency Performance Review, 65% of Midwestern agencies maintain tennis facilities.

- D. According to the National Recreation and Park Association 2021 Agency Performance Review, Dog Parks have a 70.2% prevalence in Midwestern communities.
- E. According to the National Recreation and Park Association 2021 Agency Performance Review, Skate Parks have a 58.7% prevalence in Midwestern communities.

RECENT ACCOMPLISHMENTS

This past season was once again a huge year for special events throughout the City parks. The Parks and Recreation department coordinated and supported several events including: Keep Muscatine Beautiful Almost Friday Fest (May-Sept), United Way's Day of Caring, Walnut Park Baptist Church Ice Cream Social, It Takes a Village Car Show, Watermelon Stampede, It Takes A Village Animal Rescue & Resources Event, HNI Picnic, Melon City Criterium, Calvary Church Event, Ballet Des Moines, Winnebago Meetup, Food Truck Fight, Love Like Loudon 5K Race, Keep Muscatine Beautiful Octobrewfest, Walk to End Alzheimer's, the Vintage Market, and American Queen Voyages.

This year the Park Maintenance division planted 106 trees as part of several tree initiatives. The City received a \$5,000 grant from Trees Forever for the Alliant Energy Branching Out grant in which trees were planted at Fuller Park in the spring. This was an Eagle Scout project in which the trees were all planted by volunteers in coordination with the Eagle Scout at Fuller Park. The City received a 2022 spring \$5,000 Community Forestry Grant from the Iowa DNR, with a \$5,000 match from HNI Corporation. This tree planting project had a combination of volunteers from HNI as well as volunteers from another Eagle Scout. HNI volunteers helped plant trees at the Riverfront and the Eagle Scout project was completed at Weed Park. The City received a 2022 fall \$5,000 Derecho Community Forestry Grant and a \$5,000 Emerald Ash Borer Community Forestry Grant from the Iowa DNR. Trees from this grant were planted at Taylor Park, Kent Stein Park, Musser Park and the parking lot across from City Hall. Volunteers for this tree planting project were provided by Ruan Transportation, the Rotary Club of Muscatine, and Muscatine Community College (MCC) students. The City partnered with Vision Center P.C. on a new tree initiative in which Vision Center is selling a new line of glass frames that are earth friendly. Each time they sell one of these frames, Vision Center will purchase a tree sapling and donate it to the City of Muscatine Parks and Recreation Department. Vision Center employees will then come out once in the spring and once in the fall to plant the saplings in one of the air-pots, and allow the trees to mature before transplanting them into the City parks system. Vision Center kicked off their campaign by donating and planting a swamp white oak on the Muscatine Riverfront this fall. City staff met with the Lions Club to initiate a new tree program through the Lions Club International Foundation (LCIF), with the assistance of Councilmember Brockert. Staff has been working with LCIF on filling out their questionnaire on tree planting needs throughout our parks system, with a goal of planting fifty trees in five parks or facilities in our parks system in the spring of 2023.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024

- Complete the platform repairs to the playgrounds at Oak Park and Eversmyer Park. (Subject to funding) **(Strategic Plan - Safe Community and Healthy Community)**
- Continue to provide the downtown streets with quality hanging flower baskets, to hang baskets prior to Memorial Day weekend, and keep them growing through the end of September. **(Strategic Plan - Vibrant Community)**
- Continue to implement the downtown banner program and to change banners as requested by Administration. **(Strategic Plan - Vibrant Community)**

- Continue to expand our community tree canopy and tree initiative programs. **(Strategic Plan – Healthy Community and Safe Community)**
- Continue to help coordinate and support special events taking place throughout the park system and to meet with the coordinator of each organization prior to the event. **(Strategic Plan – Excellent Customer Service and Vibrant Community)**
- Continue to recruit, train, and retain quality seasonal staff for the 15 identified seasonal positions in the Park Maintenance budget. **(Strategic Plan – Excellent Customer Service)**
- Provide a safer park system and a reduction in vandalism through the use of security cameras in identified areas in our parks. **(Strategic Plan – Safe Community)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Park Maintenance

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 635,674	\$ 662,950	\$ 739,600	\$ 762,100	\$ 759,300	2.66%
Commodities	88,224	106,048	81,300	97,700	83,600	2.83%
Contractual Services	93,282	67,143	75,500	84,800	77,100	2.12%
Capital Outlay	-	23,043	12,500	57,200	-	
Transfers	5,887	9,896	-	-	-	
Total Expenditures	<u>\$ 823,067</u>	<u>\$ 869,080</u>	<u>\$ 908,900</u>	<u>\$ 1,001,800</u>	<u>\$ 920,000</u>	1.22%
Funding Sources						
General Revenues	\$ 756,175	\$ 833,333	\$ 880,300	\$ 949,400	\$ 885,100	0.55%
Grants	-	-	-	10,000	-	
Donations	13,802	14,927	-	16,000	6,000	
Insurance Reimbursement	34,761	-	-	-	-	
Road Use Taxes	18,329	20,820	28,600	26,400	28,900	1.05%
Total Funding Sources	<u>\$ 823,067</u>	<u>\$ 869,080</u>	<u>\$ 908,900</u>	<u>\$ 1,001,800</u>	<u>\$ 920,000</u>	1.22%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time Positions:						
Park Maintenance Superintendent	0.80	0.80	0.80	0.80	0.80	
Maintenance Repairperson	2.50	2.50	3.50	3.50	3.50	
Maintenance Worker I	1.00	1.00	-	-	-	
Groundskeeper	0.63	0.75	0.75	0.75	0.75	
Landscape Horticulturalist	1.00	1.00	1.00	1.00	1.00	
Total Full Time	<u>5.93</u>	<u>6.05</u>	<u>6.05</u>	<u>6.05</u>	<u>6.05</u>	
Seasonal Part Time Positions:						
Seasonal Equipment Operator	1.61	1.61	1.61	1.61	1.61	
Seasonal Groundskeeper	1.03	1.03	1.03	1.03	1.03	
Seasonal Lead Groundskeeper	2.14	2.14	2.14	2.14	2.14	
Seasonal Equipment Operator (Right-of-Way Mowing)	0.75	0.75	0.75	0.75	0.75	
Total Seasonal Part Time	<u>5.53</u>	<u>5.53</u>	<u>5.53</u>	<u>5.53</u>	<u>5.53</u>	
Total	11.46	11.58	11.58	11.58	11.58	\$ 552,600
Employee Benefits						206,700
Total Personal Services						<u>\$ 759,300</u>

Capital Outlay - Equipment Replacement Fund			
Item	Quantity	Replacement	Amount
Pickup Trucks	2	Yes	\$ 70,000
Wide Area Mower	1	Yes	52,000
			<u>\$ 122,000</u>

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Kent Stein Park Operations

GENERAL INFORMATION

The Kent Stein Park operation consists of a high-density use area for baseball and softball activities. There is 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.

CURRENT TRENDS AND ISSUES

The budgets for all of the Park divisions include increased wage rates for seasonal employees. An updated Seasonal Pay Plan was requested and is budgeted to be effective April 1, 2023. As such, it will have an impact on both the 2022/2023 revised estimate and 2023/2024 budget. The impact to the Kent Stein operation for the 2022/2023 revised estimate is \$5,200; the 2023/2024 impact will be approximately \$11,100. The goal of the requested pay plan update is to offer more competitive wages in an effort to recruit and retain qualified seasonal staff.

The revised estimate for 2022/2023 is over the original budget by \$2,000. Personal services costs decreased by \$8,100 due to new fulltime employees starting at lower rates in the pay plan and a reduction in health insurance costs due to new employees electing single health coverage instead of the family coverage budgeted for the retiring employees. Commodities for 2022/2023 increased by \$10,700 which includes increased fuel, operating, and maintenance supply costs. Contractual services decreased by \$600.

The 2023/2024 budget is \$8,400 (3.0%) more than the original 2022/2023 budget. Personal services increased by \$5,200 (2.5%), commodities increased by \$7,000 due to continuing higher costs for fuel and supplies, contractual services decreased by \$2,300, and capital outlay decreased by \$1,500.

GOAL STATEMENT

To provide the residents of the community with softball and baseball facilities for recreational and school participation and to provide these facilities for regional events to promote economic development.

PERFORMANCE MEASURES

Calendar Year Basis	Actual 2020	Actual 2021	Actual 2022	Estimated 2023	Estimated 2024
Ball Diamonds Maintained	20	20	20	20	20
Total Hours of Usage (1)	5,564	6,135	5,701	6,500	7,000
Number of Tournaments (2)	29	20	13	20	22
Number of Leagues/Camps (3)	21	33	34	34	34
Concession Revenue	\$7,383	\$4,177	\$4,300	\$5,000	\$5,500
Total Revenues	\$37,497	\$20,198	\$27,868	\$34,000	\$34,400

- (1) Total hours of usage are scheduled usage only and does not account for drop-in usage.
- (2) The number of tournaments reflects the number of days tournaments are held.
- (3) Due to the COVID-19 pandemic, Kent Stein Park opened in June instead of April in 2020.

RECENT ACCOMPLISHMENTS

Kent Stein Park was open April 1st through November 6th in 2022. Staff continued to maintain the additional signage and sanitation practices throughout the park and continued to maintain and improve the park by performing daily, weekly, and monthly tasks. Staff replaced forty-five field light bulbs throughout the entire complex and provided additional ball diamond preparations throughout the tournament season. Staff serviced fields during scheduled events in a timely matter. A grant was received for tree replacement in the center island of the main parking area.

Staff continues to fill in the outfields and common areas with dirt and re-seed the area for better drainage. This gives guests a safer way to maneuver around the facility. During the general work hours, staff continues to remove dead and hazard trees in the park.

Kent Stein Park infield playing surfaces continue to be improved by adding ag-lime and grading the infields approximately every two weeks or as needed. Staff continues to look for ways to improve productivity. A new mound system was installed throughout the park to assist with maintaining the right pitching distances for all user groups. The mound system consists of moist clay bricks and packing clay to assure users a safe and playable opportunity while using the facility.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024

- To upgrade the appearance of the park by removing the black cinders along the road and replacing them with permeable asphalt (subject to funding). **(Strategic Plan – Reliable Public Infrastructure)**
- To continue to strive for positive relationships with all representatives of associations by conducting pre- and post-event meetings and conducting after-event reviews to identify positive outcomes and opportunities for improvement so they can be addressed prior to the next event. **(Strategic Plan – Excellent Customer Service)**
- To improve the parking lot west of diamond #5 with an asphalt surface (subject to funding). **(Strategic Plan – Reliable Public Infrastructure)**

- Develop a turf care plan to evaluate, adjust the field maintenance, and perform turf care programs on a weekly basis to strive for the best and safest playable turf surface. **(Strategic Plan – Safe Community)**
- To continue to support and assist other departments and City divisions as requested throughout the year. **(Strategic Plan – Excellent Customer Service)**
- To continue to recruit and train ten quality seasonal and full-time staff as needed throughout the year. **(Strategic Plan - Excellent Customer Service)**
- To improve the parking area by diamonds 16 and 17 (subject to funding) **(Strategic Plan – Reliable Public Infrastructure)**
- To improve the safety of the ball diamonds by adding material to the bottom of all fence lines. Staff will continue to evaluate throughout the year and keep the high level of care provided to the user groups. **(Strategic Plan – Safe Community and Reliable Public Infrastructure)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Kent Stein Park Operations

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 187,552	\$ 169,304	\$ 206,700	\$ 198,600	\$ 211,900	2.52%
Commodities	44,354	53,537	53,300	64,000	60,300	13.13%
Contractual Services	8,653	6,595	8,800	8,200	6,500	-26.14%
Capital Outlay	30,563	20,900	10,000	10,000	8,500	-15.00%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 271,122</u>	<u>\$ 250,336</u>	<u>\$ 278,800</u>	<u>\$ 280,800</u>	<u>\$ 287,200</u>	3.01%
Funding Sources						
Park Revenues	\$ 36,484	\$ 17,029	\$ 28,200	\$ 26,300	\$ 26,700	-5.32%
Housing Reimbursement	7,750	7,600	7,500	7,700	7,700	2.67%
Insurance Reimbursement	10,100	2,818	-	-	-	
General Revenues	<u>216,788</u>	<u>222,889</u>	<u>243,100</u>	<u>246,800</u>	<u>252,800</u>	3.99%
Total Funding Sources	<u>\$ 271,122</u>	<u>\$ 250,336</u>	<u>\$ 278,800</u>	<u>\$ 280,800</u>	<u>\$ 287,200</u>	3.01%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time Positions/Position Allocations:						
Park Maintenance Superintendent	0.10	0.10	0.10	0.10	0.10	
Athletic Facilities Supervisor	0.50	0.50	0.50	0.50	0.50	
Athletic Facilities Specialist	0.50	0.50	0.50	0.50	0.50	
Maintenance Repairperson	<u>0.12</u>	<u>0.12</u>	<u>0.12</u>	<u>0.12</u>	<u>0.12</u>	
Total Full Time	<u>1.22</u>	<u>1.22</u>	<u>1.22</u>	<u>1.22</u>	<u>1.22</u>	
Seasonal Part Time Positions:						
Lead Groundskeeper	0.75	0.75	0.75	0.75	0.75	
Seasonal Equipment Operator/ Groundskeeper	<u>1.98</u>	<u>1.98</u>	<u>1.98</u>	<u>1.98</u>	<u>1.98</u>	
Total Seasonal Part Time	<u>2.73</u>	<u>2.73</u>	<u>2.73</u>	<u>2.73</u>	<u>2.73</u>	
Total	3.95	3.95	3.95	3.95	3.95	\$ 165,000
Employee Benefits						<u>46,900</u>
Total Personal Services						<u>\$ 211,900</u>

Capital Outlay	
Item	Amount
Parking Lot Drainage Improvements Near Diamonds 16 and 17	<u>\$ 8,500</u>

Capital Outlay - Equipment Replacement Fund			
Item	Quantity	Replacement	Amount
Rough Mower	1	Yes	<u>\$ 50,000</u>

Function:
Culture and Recreation

Department:
Parks & Recreation

Activity:
Soccer Complex Operations

GENERAL INFORMATION

In 1992 the City Council was approached by the Muscatine Civic Improvement Foundation which shared with them their intent to privately develop a six-field soccer complex within the City of Muscatine. Further, it was their intention that once the field was developed, it would be given to the City of Muscatine who in turn would be responsible for the scheduling and ongoing maintenance of the facility.

Following a number of public hearings and reviews of this proposal, the City Council agreed to accept the gift and the responsibility for maintenance and scheduling of the facility. The original soccer complex consisted of six fields, two with lighting; administration, concession, and locker room facilities; a separate maintenance facility and storage area; and adequate parking to accommodate users. Two additional fields located adjacent to the original complex were developed and given to the City in 1994. In 2020, the Houser Street Expansion project was completed, which added four fields and a parking lot on the other side of Houser Street. 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 budgets for all of the Park divisions include increased wage rates for seasonal employees. An updated Seasonal Pay Plan was requested and is budgeted to be effective April 1, 2023. As such, it will have an impact on both the 2022/2023 revised estimate and 2023/2024 budget. The impact on the Soccer 2022/2023 revised estimate is \$4,700, the 2023/2024 impact will be approximately \$5,700. The goal of the requested pay plan update is to offer more competitive wages in an effort to recruit and retain qualified seasonal staff.

The management of the soccer complex, including scheduling and maintenance activities, is the responsibility of the City through the Parks and Recreation department. Funding for the maintenance activities associated with the facility is partially from the City's General Fund and partially from other entities within the community who are the primary users of the facility. The Park Maintenance Superintendent has oversight responsibilities for this facility and 10% of his wages and benefit costs are allocated to this budget. In 2019/2020, a new Athletic Facilities Supervisor position was added and allocated 50% to Kent Stein Park and 50% to the Soccer Complex. This new supervisory position oversees both of these operations as well as the Dog Park. With the addition of this position, the Maintenance Worker I position that was allocated 50% to each of these budgets was eliminated. A 12.5% allocation of the Maintenance Repairperson to Soccer continues to be included in this budget. A seasonal Lead Groundskeeper and 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 2022/2023 revised estimate is \$3,000 less than the original budget. Personal services costs decreased by \$10,700. This decrease is due to (1) new fulltime employees starting at lower steps in the pay plan, (2) a reduction in insurance costs due to new employees electing single health rather than the family coverage budgeted for previous employees, and (3) a reduction in seasonal staff hours due to the purchase of an automated GPS field painter. The personal services decreases are partially offset by increases in the seasonal pay plan rates, a \$7,600 increase in commodities, and a \$100 increase in contractual services.

The 2023/2024 budget is \$14,500 (5.0%) more than the 2022/2023 budget due to the net effect (1) an \$8,200 decrease in personal services costs, (2) a \$7,600 increase in commodities, (3) a \$100 increase in contractual services, and (4) a \$15,000 increase in capital outlay for the purchase of a ride-on blower. The personal services costs in 2023/2024 budget maintain the decrease in seasonal staff hours due to field painting being automated as well as the increased wages in the new seasonal pay plan.

The Soccer Complex is entering its 30th 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 2020 (1)	Actual 2021	Actual 2022	Estimated 2023	Estimated 2024
Number of Fields Maintained	12	12	12	12	12
Hours of Use for Games	617	1,948	2,014	2,200	2,200
Number of Tournaments (2)	3	13	9 (3)	13	13
Concession Commissions	\$810	\$1,865	\$2,272	\$2,000	\$2,300
Total Revenues	\$13,362	\$33,411	\$30,326	\$33,500	\$33,800
Number of Leagues/Camps	11	24	24	24	24
Soccer West Usage	343	1,123	879	1,000	1,000

1. In 2020 the Soccer Complex was not opened to the public until June due to the Governor's proclamations related to the COVID-19 pandemic.
2. The number of tournaments reflects the number of days those tournaments are held.
3. Down one tournament in 2022 due to the College Search Kickoff being cancelled that year; it is scheduled to be back in 2023.

RECENT ACCOMPLISHMENTS

The facility was open to the public April 1st through November 6, 2022. Staff continued to maintain the additional signage and sanitation practices throughout the complex.

Parks staff utilized the Musco lighting system to provide a light show at Soccer West for the third annual Halloween Truck or Treat event, which had record attendance of more than 1,500 people.

This past season was a good season for growing turf, as it was not too wet and was not too hot. Staff was able to sustain quality turf throughout the season. All of the fields were aerified, deep tined, seeded, and fertilized in the fall to help promote quality turf and a safe playing environment as a part of our 2022 turf management plan.

Staff top-dressed all fields in the Soccer complex. The top-dress process involves spreading sand out over the field and making several passes over the sand with a rotary spreader. Top-dressing is beneficial for the maintenance program in many ways including infiltration and nutrition retention.

<i>OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024</i>
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- Complete the fields #1 through #6 irrigation system replacement capital project by the end of the 2023 soccer season by completing the design, material list, and sending it out for bid to area contractors. **(Strategic Plan - Reliable Public Infrastructure)**
- Continue to improve the quality of turf on Soccer West during the 2023 season while maintaining the excellent quality of turf at the main complex and maximizing usage of both areas. **(Strategic Plan – Excellent Customer Service and Safe Community)**
- Continue to strive for positive relationships with all representatives of associations by conducting regular meetings prior to their events and following up with the organizations after the event to identify strengths and opportunities for improvement. **(Strategic Plan - Excellent Customer Service)**
- Continue to support and assist other departments as requested throughout the 2023-2024 fiscal year. **(Strategic Plan - Excellent Customer Service)**
- Continue to recruit and train quality staff at the beginning of the 2023 season and provide monthly training throughout the year. **(Strategic Plan - Excellent Customer Service)**
- Develop a 2023-24 Turf Care Plan and evaluate, adjust the field maintenance, and perform turf care programs on a weekly basis to strive for the best quality and safest playable surface possible. **(Strategic Plan – Reliable Public Infrastructure and Safe Community)**
- Continue to improve the maintenance of existing and new equipment during the 2023/2024 fiscal year. Work with the maintenance repair person and properly document equipment repairs after they have been completed. **(Strategic Plan – Reliable Public Infrastructure)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Soccer Complex Operations

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 163,925	\$ 147,133	\$ 186,000	\$ 175,300	\$ 177,800	-4.41%
Commodities	81,560	87,227	95,350	102,950	102,950	7.97%
Contractual Services	5,426	8,355	6,750	6,850	6,850	1.48%
Capital Outlay	29,624	18,188	-	-	15,000	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 280,535	\$ 260,903	\$ 288,100	\$ 285,100	\$ 302,600	5.03%
Funding Sources						
Park Revenues	\$ 30,445	\$ 32,251	\$ 33,500	\$ 33,500	\$ 33,800	0.90%
Insurance Reimbursement	36,663	-	-	-	-	
General Revenues	213,427	228,652	254,600	251,600	268,800	5.58%
Total Funding Sources	\$ 280,535	\$ 260,903	\$ 288,100	\$ 285,100	\$ 302,600	5.03%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time Positions/Position Allocations:						
Park Maintenance Superintendent	0.10	0.10	0.10	0.10	0.10	
Athletic Facilities Supervisor	0.50	0.50	0.50	0.50	0.50	
Athletic Facilities Specialist	0.50	0.50	0.50	0.50	0.50	
Maintenance Repairperson	0.13	0.13	0.13	0.13	0.13	
Total Full Time	1.23	1.23	1.23	1.23	1.23	
Seasonal Part Time Positions:						
Lead Groundskeeper	0.60	0.60	0.60	0.60	0.60	
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 Seasonal Part Time	2.10	2.10	2.10	2.10	2.10	
Total	3.33	3.33	3.33	3.33	3.33	\$ 134,700
Employee Benefits						43,100
Total Personal Services						\$ 177,800

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Ride-on Blower	1	No	\$ 15,000

Function:
Culture and Recreation

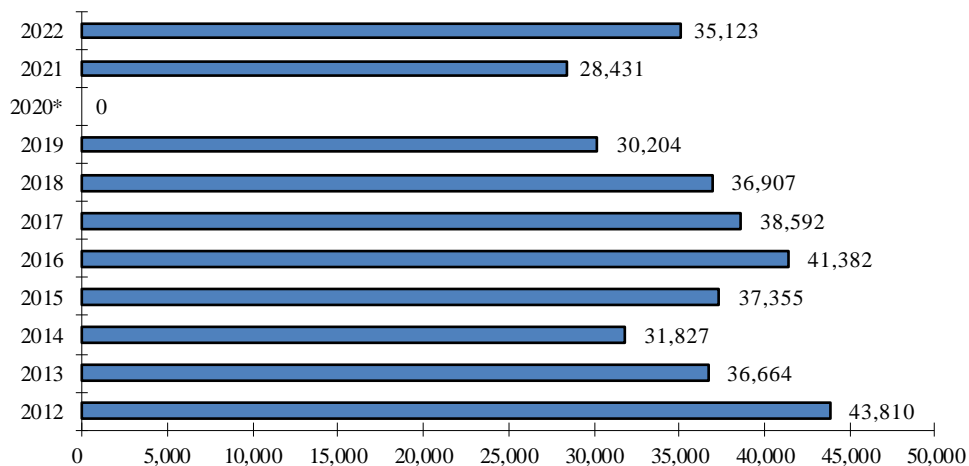
Department:
Parks and Recreation

Activity:
Aquatic Center

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 28,400 to 43,800 as shown in the following graph. 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 2015 attendance increased to 37,355 and in 2016 attendance increased to 41,382 due to minimal rain days. Attendance decreased to 38,592 in 2017 due to a cool summer and decreased again to 36,907 in 2018. The attendance further decreased to 30,204 in 2019 due to a very cool summer. The Aquatic Center did not open for the 2020 season due to the COVID-19 pandemic. The attendance in 2021 was still impacted by COVID-19 concerns, and it decreased to 28,431. In 2022, attendance increased to 35,123. 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 Aquatic Center was not open for the 2020 season due to the COVID-19 pandemic.

CURRENT TRENDS AND ISSUES

The budgets for all of the Park divisions include increased wage rates for seasonal employees. An updated Seasonal Pay Plan was requested and is budgeted to be effective April 1, 2023. As such, it will have an impact on both the 2022/2023 revised estimate and the 2023/2024 budget. The impact on the Aquatic Center for the 2022/2023 revised estimate is approximately \$4,200; the 2023/2024 impact is estimated at \$15,700.

The goal of the requested pay plan update is to offer more competitive wages in an effort to recruit and retain qualified seasonal staff.

The revised estimate for 2022/2023 is \$55,600 more than the original budget. Personal services costs are \$3,000 more than the original budget due to the new seasonal pay plan. Contractual services increased by \$300 and capital outlay increased by \$52,300 for several necessary maintenance items not in the original budget. These capital outlay items include \$8,800 for the open plume slide pump replacement; \$7,500 for replacement of a water heater, \$16,200 for replacement of an air conditioning unit, \$12,800 for the SCS slide and tube replacement project, and an additional \$7,000 to replace two lifeguard chairs instead of the one originally budgeted.

The 2023/2024 budget is \$17,000 (8.0%) more than the original 2022/2023 budget. Personal services costs increased by \$15,600 due to the seasonal pay plan update. Contractual services increased by \$300 and capital outlay increased by \$1,100. The 2023/2024 budget includes a \$5,900 capital outlay allocation to replace another lifeguard chair.

The 2023/2024 year will be the 20th full budget year for the Aquatic Center. There has been a trend of increasing maintenance costs as this facility ages.

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 2020*	Actual 2021	Actual 2022	Estimated 2023	Estimated 2024
Aquatic Center Attendance (B)	0	28,431	35,123	35,500	36,000
Swim Lesson Enrollment (A)	0	292	352	370	380
Season Passes Sold	0	73	71	75	75
Number of Pool Rentals	0	82	81	85	90
Special Events Attendance (A)	0	993	661	1,000	1,200
Scholarship Pass Recipients	0	166	162	165	170

* The Aquatic Center did not open for the 2020 season due the COVID-19 pandemic.

- A. According to the National Recreation and Park Association 2022 Agency Performance Review, 70% of agencies offer aquatic programming.
- B. According to the National Recreation and Park Association 2022 Agency Performance Review, outdoor swimming pools have a 53% prevalence in Parks and Recreation agencies.

RECENT ACCOMPLISHMENTS

The Muscatine Aquatic Center had excellent attendance for the 2022 season. Over 35,000 people enjoyed the facility resulting in a 19% increase in attendance over the previous season. Favorable weather resulted in several days of perfect swimming conditions and only one closure due to rain.

Lifeguard recruitment continued to be a challenge in 2022. Eleven new lifeguards were hired for the season, three of which were certified during a class held at the Aquatic Center in June. The Aquatic Center achieved an overall staff retention rate of 58% which helped us build on past training, mentor new lifeguards, and provide a safe and enjoyable environment for Aquatic Center guests.

The swimming lesson program continues to be a key offering and is well-attended, particularly by younger children. The program was restructured in 2021 to allow for more semi-private instruction as our patrons were following the national trend toward smaller class sizes and private lessons. Due to the reorganization of classes and qualified instructors, swimming lesson enrollment grew by sixty students for a total of 352 participants and a 20.5% increase over 2021.

Due to the overwhelming success of Infant/Toddler Swim in 2021, the program was expanded this season in response to citizen requests for more opportunities. Every Tuesday the Aquatic Center was opened an hour early to give guardians and children under five years old an opportunity to use the facility in a calmer environment. Musser Public Library staff were treasured partners this summer as they supported the program with on-site story time prior to the pool opening. The program saw 613 participants over the eight-week program.

After-hours pool parties and Multi-Purpose Room rentals increased significantly in 2022. The Aquatic Center was able to host eighty-one of the eighty-eight pool parties scheduled. Multi-purpose room rentals increased from eleven rentals in 2021 to thirty rentals in 2022.

Several crucial projects were completed at the facility after the season ended. The entrance roof to the Aquatic Center sustained structural damage that was repaired. The waterslides underwent a complete restoration to prolong the life of the slides and improve the aesthetics of the facility. Replacement of the pool deck caulking was also completed this fall.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024

- To increase the staff retention rate to at least 60% for the 2023 season. **(Excellent Customer Service)**
- To increase swim lesson participation by 50 students through increased advertising for the 2023 season. **(Excellent Customer Service and Healthy Community)**
- To add one new special event in the 2023 season with the intent to vary our program mix and increase attendance. **(Excellent Customer Service and Healthy Community))**
- To increase the number of after-hour and Multi-Purpose Room rentals at the Aquatic Center by 10% through increased advertising for the 2023 season. **(Excellent Customer Service and Healthy Community)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Aquatic Center

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 44,582	\$ 146,643	\$ 169,900	\$ 172,900	\$ 185,500	9.18%
Commodities	13,922	27,608	22,700	22,700	22,700	0.00%
Contractual Services	6,661	14,431	16,400	16,700	16,700	1.83%
Capital Outlay	21,315	-	4,800	57,100	5,900	22.92%
Transfers	-	-	-	-	-	
Total Expenditures	\$ 86,480	\$ 188,682	\$ 213,800	\$ 269,400	\$ 230,800	7.95%
Funding Sources						
Swimming Pool Revenues	\$ 62,134	\$ 132,794	\$ 128,600	\$ 130,400	\$ 131,700	2.41%
General Revenues	24,346	55,888	85,200	139,000	99,100	16.31%
Total Funding Sources	\$ 86,480	\$ 188,682	\$ 213,800	\$ 269,400	\$ 230,800	7.95%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
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	\$ 168,700
Employee Benefits						16,800
Total Personal Services						\$ 185,500

Capital Outlay			
Item	Quantity	Replacement	Amount
Lifeguard Chair	1	Yes	\$ 5,900

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Recreation

GENERAL INFORMATION

The Recreation division provides leisure time activity programs for the residents 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 budgets for all of the Park divisions include increased wage rates for seasonal employees. An updated Seasonal Pay Plan was requested and is budgeted to be effective April 1, 2023. As such, it will have an impact on both the 2022/2023 revised estimate and the 2023/2024 budget. The impact on the Recreation activity revised estimate is approximately \$700. The 2023/2024 budget impact is estimated at \$3,200. The goal of the requested pay plan update is to offer more competitive wages in an effort to recruit and retain qualified seasonal staff.

The 2022/2023 revised estimate is \$600 more than the original budget. The increase in the revised estimate is all in personal services costs and includes the seasonal pay plan update.

The 2023/2024 budget is \$6,000 (4.2%) more than the original 2022/2023 budget. The increase in the 2023/2024 budget is all due to increased personal services costs including a full fiscal year of seasonal wages with the new pay plan.

GOAL STATEMENT

To provide the residents 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 2020	Actual 2021	Actual 2022	Estimated 2023	Estimated 2024
Adult Programs Offered (Including Leagues)	30	23	23	23	24
Children's Programs Offered	47	41	38	39	40
Adult Program Participants	1,095	1,665	1,980	2,000	2,100
Children's Programs Participants	1,550	2,730	2,556	2,800	3,000
New Programs Offered	13	1	1	3 *	1
Volleyball League Teams	20	36	30	33	36

1. The new programs offered in 2022 were the Melon City Bike Rodeo and Family Bike Ride.
 - A. According to the National Recreation and Park Association 2022 Agency Performance Review, 50% of agencies program running or cycling races (Turkey Trot).
 - B. According to the National Recreation and Park Association 2022 Agency Performance Review, 62% of agencies program natural and cultural history activities (Cemetery Walk).
 - C. According to the National Recreation and Park Association 2022 Agency Performance Review, 71% of agencies program racquet sports (Tennis).
 - D. According to the National Recreation and Park Association 2022 Agency Performance Review, 37% of agencies with comparable jurisdiction populations program preschool-targeted activities (Tot Lot, BlastBall, Sport Shorts, Sport Starters, Smart Start Basketball).

RECENT ACCOMPLISHMENTS

National recreation trends show that community-wide themed special events and social recreation events are two of the most popular categories of programming with 90% and 88% of agencies offering these types of activities, respectively. This current trend toward low-commitment programming is evident in Muscatine as the Recreation division served over 3,600 participants at special events in 2022. Half of this attendance was seen at the Trunk or Treat event which saw amazing turnout from both attendees and volunteers. Five of seven recurring special events had an increase in participation this year over 2021 attendance. Most notably, the Easter Egg Hunt served 550 participants, the Cemetery Walk had its best-ever attendance of 103, and the Fall Festival participation increased to 430 in 2022. The Division will consider reorganizing the programming mix in 2023 according to this recreation trend toward low-commitment activities and events.

Participation in longer-term activities remained consistent with previous years. Four Adult Volleyball Leagues were held keeping 270 participants active in the summer and winter months. Gymnastics and Tee-Ball remain our highest-attended youth recreation programs with 375 and 105 participants, respectively. A national trend toward private lessons and smaller classes inspired a reorganization of our Tennis Lesson program. Semi-private lessons were offered instead of group classes which resulted in a participation increase over the 2021 program. Pre-school programming continues to be popular with Winter BlastBall, Summer BlastBall, Sport Shorts, and Sport Starters programs all garnering high attendance, or sold-out classes in some cases. The Walking Club continues to run with a variety of challenges throughout the year and saw approximately 3,800 participants, mainly from our older adult population.

The Recreation Division is grateful to be able to partner with several local organizations and volunteer groups who contribute to the success of our programs. Examples of programs run in partnership this year included the Melon City Bike Rodeo and Family Bike Ride, the Intern Sand Volleyball League, the Cemetery Walk, Trunk or Treat, the Turkey Trot Fun Run, and the Weed Park Festival of Lights.

The Parks and Recreation department continues to offer the Soccer Skills Clinic, Boys Basketball Clinic, Baseball Pitching Clinic, Snowpile Treasure Hunt, Baseball Fundamentals, Softball Skills Clinic, Tot Lot, Girls Volleyball Clinic, Muskie Youth Soccer Camp, Little Muskies Football, Flag Football, Girls Basketball Clinic, Youth Volleyball Clinic, Smart Start Basketball, Candy Cane Hunt, and Elves Workshop.

<i>OBJECTIVES TO BE ACOMPLISHED IN 2023/2024</i>

- Offer one new community special event in calendar year 2023. **(Healthy Community and Excellent Customer Service)**
- Focus on improving program quality in order to increase revenue by 15% over fiscal year 2022/2023. **(Excellent Customer Service)**
- Attend one special interest group meeting through the Iowa Park and Recreation Association and two in-person conferences in calendar year 2023. **(Excellent Customer Service)**
- Analyze national recreation trends and our actual 2022 metrics to reorganize the program mix to include two new programs in calendar year 2023. **(Healthy Community and Excellent Customer Service)**
- Sustain positive relationships with local agencies and associations to provide at least nine (9) recreation programs and special events in calendar year 2023. **(Healthy Community and Excellent Customer Service)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Recreation

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 95,257	\$ 104,926	\$ 131,800	\$ 132,400	\$ 137,800	4.55%
Commodities	3,956	6,074	5,400	5,400	5,400	0.00%
Contractual Services	4,485	4,065	5,600	5,600	5,600	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 103,698</u>	<u>\$ 115,065</u>	<u>\$ 142,800</u>	<u>\$ 143,400</u>	<u>\$ 148,800</u>	4.20%
Funding Sources						
Recreation Fees	\$ 27,303	\$ 30,838	\$ 43,400	\$ 31,200	\$ 34,700	-20.05%
General Revenues	<u>76,395</u>	<u>84,227</u>	<u>99,400</u>	<u>112,200</u>	<u>114,100</u>	14.79%
Total Funding Sources	<u>\$ 103,698</u>	<u>\$ 115,065</u>	<u>\$ 142,800</u>	<u>\$ 143,400</u>	<u>\$ 148,800</u>	4.20%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
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	<u>23.00</u>	<u>23.00</u>	<u>23.00</u>	<u>23.00</u>	<u>23.00</u>	
Total	24.00	24.00	24.00	24.00	24.00	\$ 107,800
Employee Benefits						<u>30,000</u>
Total Personal Services						<u>\$ 137,800</u>

Function:
Culture and Recreation

Department:
Parks and Recreation

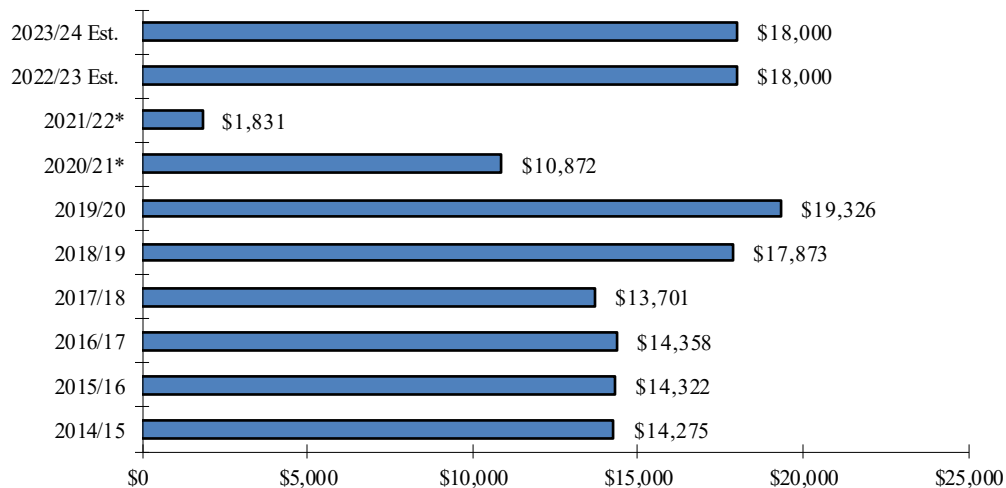
Activity:
Cemetery

GENERAL INFORMATION

Greenwood Cemetery is a municipally owned and operated cemetery in the City of Muscatine. The Cemetery is a division of the Department of Parks and Recreation. Located on Lucas Street, the cemetery has adequate burial space for at least the next seventy-five (75) years.

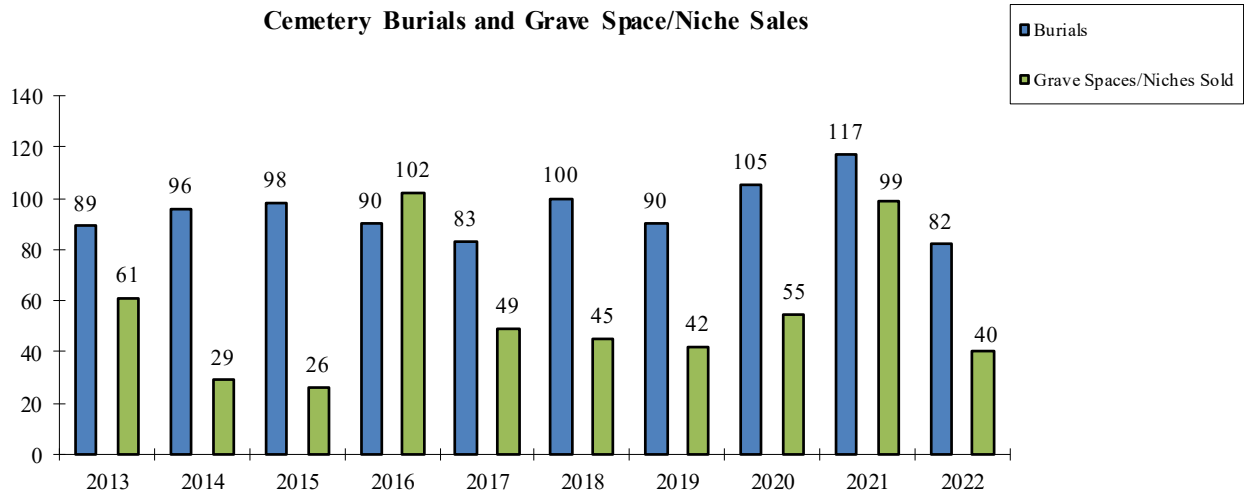
Interest earnings from the Perpetual Care Fund are utilized to help support the operation of the cemetery. A percentage of all grave sales by State law are placed in the fund with the interest earnings available to support cemetery operating and improvement costs. The interest transfers from the Perpetual Care Fund to the General Fund from fiscal year 2014/2015 through 2021/2022 and the estimated amounts for 2022/2023 and 2023/2024 are follows:

Perpetual Care Interest Revenue



* The Perpetual Care interest revenue decreases in 2020/2021 and 2021/2022 were due to the significant decrease in interest rates during those years.

The principal balance in the Perpetual Care Fund on June 30, 2022 was \$911,927 but as noted previously, this amount cannot be utilized for cemetery operations, only interest earned on the balance can 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 \$62,600 is expected to be needed to cover the operating costs of the cemetery for 2022/2023 and \$89,400 is the estimated subsidy for 2023/2024. The decline in interest rates since the start of the COVID-19 pandemic has reduced interest revenue in the Perpetual Care Fund, which is a contributing factor for these increased subsidies. While interest rates have been increasing in recent months, a subsidy is still needed to cover increasing expenditures.

The budgets for all of the Park divisions include increased wage rates for seasonal employees. An updated Seasonal Pay Plan was requested and is budgeted to be effective April 1, 2023. As such, it will have an impact on both the 2022/2023 revised estimate and the 2023/2024 budget. The impact on the Cemetery revised estimate is \$3,800; the 2023/2024 impact is estimated at \$11,800. The goal of the pay plan update is to offer more competitive wages in an effort to recruit and retain qualified seasonal staff.

The 2022/2023 revised estimate is over the budgeted amount by \$12,600. Personal services costs decreased by \$1,400 due to the new fulltime employee starting at a lower step in the pay plan. Commodities increased by \$4,200 due to increased fuel and maintenance supply costs. Contractual services increased by \$9,800 due to increased utility and maintenance services costs.

The 2023/2024 budget is \$31,900 (15.7%) higher than the 2022/2023 budget due to a \$13,500 (8.2%) increase in personal services costs, which includes the seasonal pay plan adjustment. Commodities increased by \$1,400, contractual services increased by \$1,500, and capital outlay increased by \$15,500. The capital outlay allocation of \$15,500 is for a new truck bed for the truck used for removal of dirt at the Cemetery. The Equipment Replacement fund includes funding totaling \$102,000 for the purchase of a utility vehicle (\$35,000) and a mini-excavator (\$67,000) for the Cemetery.

GOAL STATEMENT

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

PERFORMANCE MEASURES

Fiscal Year Basis	Actual 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
Burials:					
Casket	56	64	42	54	54
Cremains	26	51	32	36	36
County	2	4	0	0	0
Total Burials	84	119	74	90	90
Grave Spaces Sold	34	78	66	60	60
Columbarium Niches Sold	2	12	6	7	7
Acres Maintained	80	80	80	80	80
Perpetual Care Interest (Fiscal Year Ending June 30)	\$19,326	\$10,872	\$1,831	\$18,000	\$18,000
General Fund Subsidy (Fiscal Year Ended June 30)	\$52,200	\$3,727	\$42,520	\$62,600	\$89,400

RECENT ACCOMPLISHMENTS

The Cemetery operation experienced a turnover of full-time staff in the maintenance operation and the contracted office operations in 2022. With the turnover in the maintenance operation, other Parks staff had the opportunity to cross train between divisions in Parks and Recreation to help support the needs of the Cemetery. For the office side of the operation, there was a learning curve with full-time City staff learning the entire operations of the Cemetery. A new contract was approved for the office operation and the retail sales agreement, and a good relationship is being built with the new staff.

The Cemetery steps opened for the year in March and will remain open until the first measurable snow fall. Staff worked hard this year on spraying weeds, string trimming on both sides of the steps to keep weeds and grasses from encroaching, and blowing leaves and debris from the steps as needed. The donation bricks for the steps were also treated and maintained throughout the year.

With the assistance of the American Legion, the flagpole in the Veterans plots was retrofitted to allow for the movement of the flag during half-staff proclamations from the Governor's office.

Both the spring and fall cleanup weeks were a success. Staff also worked hard at preparing the Cemetery for the Memorial Day celebrations, the Cemetery Walk that was held in September, and Veterans Day celebrations in the Cemetery.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024

- To provide maintenance on a weekly, monthly and yearly basis to the cemetery steps for the safety of users. **(Strategic Plan - Healthy Community, Safe Community, Reliable Public Infrastructure)**
- To continue to pour foundations three times/year. **(Strategic Plan – Excellent Customer Service)**
- To continue foundation repairs throughout the Cemetery in coordination with the foundation pours. **(Strategic Plan – Reliable Public Infrastructure)**
- To build and install an additional columbarium (subject to funding). **(Strategic Plan – Reliable Public Infrastructure and Excellent Customer Service)**
- To perform repairs to the exterior of the Chapel being funded with American Rescue Plan Act (ARPA) funds. **(Strategic Plan – Reliable Public Infrastructure)**
- To continue cross training of other park division staff in the Cemetery operation, specifically with identifying grave spaces and digging for both full burials and for cremations. **(Strategic Plan - Excellent Customer Service, Vibrant Community)**
- To continue to recruit and train quality seasonal staff. **(Strategic Plan - Excellent Customer Service)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Cemetery Operations

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 142,414	\$ 131,041	\$ 164,100	\$ 162,700	\$ 177,600	8.23%
Commodities	20,152	21,557	21,400	25,600	22,800	6.54%
Contractual Services	17,063	16,025	17,600	27,400	19,100	8.52%
Capital Outlay	-	7,000	-	-	15,500	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 179,629</u>	<u>\$ 175,623</u>	<u>\$ 203,100</u>	<u>\$ 215,700</u>	<u>\$ 235,000</u>	15.71%
Funding Sources						
Cemetery Revenues	\$ 165,030	\$ 131,272	\$ 120,300	\$ 135,100	\$ 127,600	6.07%
Perpetual Care Interest	10,872	1,831	500	18,000	18,000	3500.00%
General Revenues	<u>3,727</u>	<u>42,520</u>	<u>82,300</u>	<u>62,600</u>	<u>89,400</u>	8.63%
Total Funding Sources	<u>\$ 179,629</u>	<u>\$ 175,623</u>	<u>\$ 203,100</u>	<u>\$ 215,700</u>	<u>\$ 235,000</u>	15.71%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time Positions:						
Maintenance Repairperson	1.00	1.00	1.00	1.00	1.00	
Seasonal Part Time Positions:						
Seasonal Equipment Operator	<u>2.46</u>	<u>2.46</u>	<u>2.46</u>	<u>2.46</u>	<u>2.46</u>	
Total	3.46	3.46	3.46	3.46	3.46	\$ 130,000
Employee Benefits						47,600
Total Personal Services						<u>\$ 177,600</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Truck Bed	1	Yes	<u>\$ 15,500</u>

Capital Outlay - Equipment Replacement Fund			
Item	Quantity	Replacement	Amount
Utility Vehicle	1	Yes	\$ 35,000
Mini-Excavator	1	Yes	67,000
			<u>102,000</u>

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 that provide social service programs. The agency allocations for the past five (5) years and the budgeted subsidies for 2023/2024 are as follows:

<u>Agency</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>	<u>Budget 2023/2024</u>
Senior Resources*	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 30,000
MCSA Homeless Prevention Program	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>30,000</u>
	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 55,000</u>	<u>\$ 60,000</u>

* 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 including the Meals on Wheels program have been held in check in recent years. The budget allocations to Senior Resources were \$25,000 for fiscal years 2018/2019 through 2021/2022. For 2022/2023 Senior Resources requested and received an increase in their subsidy to \$30,000. Senior Resources requested their subsidy be maintained at \$30,000 for 2023/2024 and that amount has been included in the budget.

For the 2015/2016 budget, the City received a request for funding from the Muscatine Center for Social Action (MCSA) for their Homeless Prevention Navigator/Homeless Prevention Program. The 2015/2016 budget included a one-time commitment of \$25,000 for this program. MCSA requested and received continued funding for this program of \$25,000 in each of the fiscal years from 2016/2017 through 2022/2023. For 2023/2024 MCSA requested an increase in their allocation to \$30,000 and that amount has been included in the budget.

Function:
Health and Social Services

Department:
Legislative and Council

Activity:
Economic Well-Being

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	50,000	37,500	55,000	55,000	60,000	9.09%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 50,000</u>	<u>\$ 37,500</u>	<u>\$ 55,000</u>	<u>\$ 55,000</u>	<u>\$ 60,000</u>	9.09%
Funding Sources						
General Revenues	<u>\$ 50,000</u>	<u>\$ 37,500</u>	<u>\$ 55,000</u>	<u>\$ 55,000</u>	<u>\$ 60,000</u>	9.09%

Function:
Community and Economic Development

Department:
Community Development

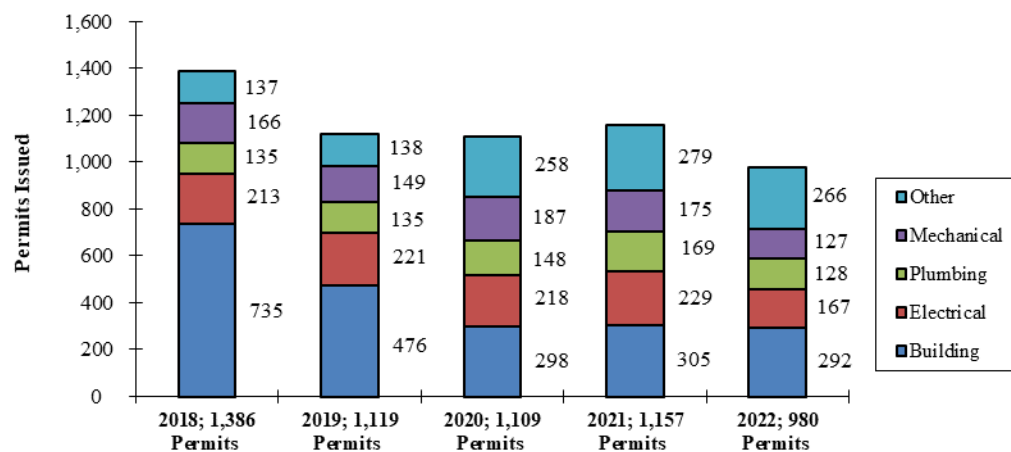
Activity:
Community Development

GENERAL INFORMATION

The Community Development department is responsible for administering the zoning ordinance, building codes, the comprehensive plan, the capital improvements program, subdivisions, zoning changes, annexation reviews, and a variety of other planning and environmental functions. The department conducts building and site plan and site review for all building permit applications with respect to both building and zoning requirements including lot size, area, height, and the site plan review criteria. Also, compliance with handicap and energy code regulations is reviewed in accordance with state and local requirements. Inspections of all rental housing units are performed on a regular basis, and the department conducts nuisance abatement activities in accordance with both state and local law.

During the past five calendar years, the following building-related permits were issued by the department with follow-up inspections:

Building-Related Permits by Year



Three (3) full time inspectors in this department currently perform on-site building and zoning inspections. The rental housing inspection program normally results in approximately 1,300 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.

CURRENT TRENDS AND ISSUES

The 2022/2023 revised estimate is \$19,500 more than the original budget. This increase is due to the net effects of: (1) a reduction of \$26,000 in personal services costs due to staffing changes, (2) a \$6,800 increase in commodities, (3) a \$36,700 increase in contractual services, and (4) a \$2,000 increase in capital outlay for body-worn cameras for the various inspectors in the department. The increase in commodities includes \$5,500 in supplies for the Heart & Soul program which will be funded from a grant, and increased fuel costs. The increase in contractual services is primarily due to an increase in nuisance abatement costs. These costs are billed to the property owners, and if not paid are assessed against the properties.

The 2023/2024 budget is \$92,600 (8.7%) more than the original 2022/2023 budget. This overall increase is due to the net effects of: (1) personal services costs are \$19,700 (2.5%) higher than the original 2022/2023 budget, (2) commodities are \$3,500 higher, and (3) contractual services are \$69,400 higher. The contractual services increase includes \$25,500 for the City's share of the shared grant writer position and \$42,000 for increased nuisance abatement costs. Nuisance abatement costs are billed to property owners, and if not paid are assessed as a lien on the properties.

GOAL STATEMENT

The goal of the Community Development department is to improve conditions where the residents of Muscatine live, work, and shop through implementation of planning and community development processes and initiatives that address the social, physical, and economic needs of the City's residents through programs that establish minimum standards to safeguard health, safety, and public welfare through building design and construction, promote quality housing options, foster economic opportunity, and encourage positive community engagement.

PERFORMANCE MEASURES

	Actual 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
Building/Construction Permits & Inspection Services:					
Construction Permits: Building, Electrical, Mechanical and Plumbing Permits Issued	780	906	807	625	650
Sign Permits	33	26	39	25	25
Demolition Permits	8	12	19	5	10
Right of Way Permits: Curb Cut, Excavation and Sidewalk Permits Issued	318	212	202	214	200
Number of New Commercial Buildings	8	3	15	12	6
New Commercial Project Values	\$ 7,156,034	\$ 370,400	\$ 15,965,358	\$ 25,565,595	\$ 23,600,000
Number of Remodel/Rehab Commercial Buildings	206	114	172	150	120
Remodel/Rehab Commercial Project Values	\$ 15,391,539	\$ 7,308,968	\$ 25,936,831	\$ 15,812,095	\$ 8,000,000
Number of New Residential Buildings	35	43	26	15	20
Number of New Residential Units	7	114	52	6	90
New Residential Project Values	\$ 1,595,579	\$ 15,924,554	\$ 12,343,396	\$ 2,166,495	\$ 22,500,000
Number of Remodel/Rehab Residential Buildings	505	630	601	384	350
Remodel/Rehab Residential Project Values	\$ 2,380,672	\$ 3,250,179	\$ 4,275,617	\$ 2,560,468	\$ 1,925,000
Permit Fees	\$ 168,177	\$ 167,473	\$ 299,939	\$ 240,000	\$ 200,000
Construction Inspections	1,947	1,397	1,677	1,485	1,200
Site Plan Review Meetings	4	7	15	5	5
Building Plan/Permit Reviews	173	247	462	303	250
Certificates of Occupancy	11	23	28	6	12
Rental Housing Services:					
Rental Housing Inspections - Total	1,362	730	1,300	801	1,330
Initial/triennial Inspections	779	390	800	470	800
Reinspections	506	288	450	284	480
2nd Reinspections	18	12	25	15	20
3rd & Subsequent Reinspections	3	0	0	2	0
Exterior Reinspections	39	4	13	10	10
Complaint Inspections	17	36	12	20	20
Rental Housing Fees	\$ 68,855	\$ 20,497	\$ 30,198	\$ 32,000	\$ 50,000

	Actual 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
Code Enforcement Services:					
Nuisance Complaints - Total	1,398	2,000	1,989	1,365	1,325
Grass/Weeds Noticed	464	641	738	540	500
Grass/Weeds Contracted	102	132	184	240	200
Snow Noticed	98	178	84	90	75
Snow Contracted	30	70	35	38	25
Property Conditions Noticed	836	775	1,167	735	750
Property Conditions Contracted	238	204	272	222	200
Nuisance Citations/Assessment Fees	\$ 75,688	\$ 118,313	\$ 134,712	\$ 135,000	\$ 135,000
Properties on Full-Time Mow List	37	33	24	14	14
Properties on Full-Time Snow List	18	24	14	10	10
Vehicles Towed/Impounded	23	28	19	5	5
Properties Posted	160	174	134	142	130
Writ of Possessions	11	17	7	11	10
Environmental Health Services:					
Swimming Pools/Spas and Tattoo Establishments Inspections (Discontinued)	28	31	23	0	0
Planning & Zoning Services:					
Planning & Zoning Commission Meetings	9	7	9	7	6
Development Plan	0	0	2	2	2
Rezoning Requests	3	1	1	1	1
Right-of-Way Easement Requests	2	1	3	1	1
Right-of-Way Vacation Requests	6	5	3	1	3
Subdivision Requests	5	3	4	3	3
Zoning Board of Adjustment Meetings	8	5	7	10	6
Conditional Use Requests	9	0	3	3	3
Variance Appeal Request	12	9	10	9	10

RECENT ACCOMPLISHMENTS

The past year has been focused on creating vibrant communities throughout the City. While we continued to partner with the Iowa Economic Development Authority on the Mulberry Neighborhood Project and implementing programs that support the businesses and quality of life in the Grandview Corridor, the Department has also initiated programs to improve the physical environment throughout the City. Such activities have included the vacant and commercial property maintenance standard. Implementation of this standard allowed us to address the most dangerous, substandard buildings, resulting in the demolition of 8 properties. Eight additional properties received a second and final notice and are in some stage of contracting for demolition by the City or owner. Eleven additional properties received their first notice to correct violations, with three property owners providing appropriate mitigation plans.

Ongoing programs have also continued to be changed or adapted to promote community vitality. Changes to the Small Business Forgivable Loan program include expanding eligibility to existing businesses that

will occupy vacant buildings or provide a higher level of service. As a result, over a 9-month period, the loan review committee awarded eight Small Business Forgivable Loans and five Code/ADA Improvement Loans, expending all available funds for the first time since the inception of the programs. In addition, 18 businesses along Grandview Avenue were provided \$10,000 forgivable loans under the Emergency Assistance Programs. In addition, 21 tax abatements, including 10 blighted homes and 2 commercial properties were approved in the Grandview Corridor.

Staff collaborated with the Community Grant Writer on eight grant applications, three of which have funding allocations bringing more than \$6 million of funding into the City and one invitation to submit a full application. The other half of the applications have unknown funding status. We are also currently working on three additional applications. Staff directly applied for and received a \$200,000 grant to support the development of two upper-story housing units in the downtown. In addition, staff worked with Bi-State Regional Council to apply to the Downtown Revitalization Program for \$1 million to support façade improvements, and contracted with Impact 7G to prepare a grant application for the U.S. Department of Housing and Urban Development's Healthy Homes Program.

Working with the Housing Council, we continue to educate the public on housing market issues at all income levels within community. The primary event for this has been the Housing Summits and the 3D Housing Press Conference, but they have also included presentations to smaller groups. The Director also presented at the Iowa Housing Summit and an Iowa Finance Authority working group on promoting housing partnerships.

New or revised codes have been a theme for 2022, including the adoption and/or implementation of commercial and vacant property maintenance codes, weeds and grass, junk vehicles, and cargo containers. The intent of these code changes is to provide better customer service, clarify what constitutes a violation or addressing new conditions. In late 2022, Department staff coordinated and participated in training by the City's legal consultants on the use of citations and fines as enforcement tools.

The permitting and nuisance abatement modules of SmartGov were implemented during FY 2021/2022. The need to develop tools within the system for housing inspections delayed the launch of this module until this fall, which also delayed the post-pandemic restart of rental inspections. Staff is now working to transition inspections of voucher assisted units from Housing Pro to the SmartGov platform to continue providing consistent and streamlined processes for landlords. Building staff initiated the review of the 2021 International Building Codes to prepare necessary code revisions in early 2023.

A Downtown Assessment was completed by the Iowa Economic Development Authority's Downtown Resource Center. The assessment identified many positive attributes of downtown Muscatine and made recommendations to promote visitors to the area and encourage movement in the area. Suggestions ranged from creating public gathering spaces to parking placement and policies. Staff is currently evaluating how to use this information to engage downtown businesses, business owners, and residents. This information is also being considered in developing new programs.

A new coordinator was hired for Heart & Soul, which allowed the collection of data to restart and facilitated development of the Leadership Team. Volunteers have now completed Phase I and kicked off Phase II with the required training on Heart & Soul interview tactics and processes.

Following the 2020 U.S. Census, staff completed ward and redistricting in advance of the November 2022 elections, as required by law and in the face of delays in releasing the data at the federal and state levels.

<i>OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024</i>
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- To develop Muscatine Heart & Soul statements based on broad community input to guide programming and decisions. **(Strategic Plan - Customer Service; Vibrant Community; Healthy Community)**
- To continue the implementation of neighborhood revitalization initiatives in the Grandview Corridor and Mulberry Neighborhood in coordination with other departments and community partners. **(Strategic Plan - Customer Service; Vibrant Community; Healthy Community; Public Safety; Public Infrastructure)**
- To complete the Comprehensive Plan revision. **(Strategic Plan - Vibrant Community; Healthy Community; Safe Community)**
- To pursue funding to address community needs and support planning and implementation initiatives. **(Strategic Plan - Vibrant Community; Healthy Community)**
- To work with the County to obtain title to properties that have unsold tax certificates and which the City continues to maintain through the nuisance abatement process, or assist in furthering City goals, such as supporting housing development. **(Strategic Plan - Vibrant Community; Healthy Community; Safe Community)**
- To utilize and promote tools to support housing and economic investment. **(Strategic Plan - Vibrant Community; Healthy Community)**
- To implement a pilot program for owner-occupied property maintenance. **(Strategic Plan - Vibrant Community)**
- To submit a CLG (Certified Local Government) application for the Mulberry Historic District. **(Strategic Plan - Vibrant Community)**

Function:

Community and Economic Development

Department:

Community Development

Activity:**Community Development**

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 648,228	\$ 707,796	\$ 796,300	\$ 770,300	\$ 816,000	2.47%
Commodities	5,115	8,972	9,400	16,200	12,900	37.23%
Contractual Services	195,001	224,940	261,200	297,900	330,600	26.57%
Capital Outlay	31,669	7,674	-	2,000	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 880,013</u>	<u>\$ 949,382</u>	<u>\$ 1,066,900</u>	<u>\$ 1,086,400</u>	<u>\$ 1,159,500</u>	8.68%
Funding Sources						
Community Development Revenues	\$ 369,853	\$ 503,824	\$ 366,700	\$ 408,400	\$ 368,200	0.41%
General Revenues	<u>510,160</u>	<u>445,558</u>	<u>700,200</u>	<u>678,000</u>	<u>791,300</u>	13.01%
Total Funding Sources	<u>\$ 880,013</u>	<u>\$ 949,382</u>	<u>\$ 1,066,900</u>	<u>\$ 1,086,400</u>	<u>\$ 1,159,500</u>	8.68%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time Positions/Position Allocations:						
Community Development Director	0.70	0.70	0.70	0.70	0.70	
Assistant Community Development Director	1.00	1.00	1.00	1.00	1.00	
Building Division Manager	0.00	0.25	1.00	1.00	1.00	
Inspector II	1.67	1.67	1.67	1.67	1.67	
City Planner I	1.00	1.00	1.00	1.00	1.00	
Office Coordinator	1.00	1.00	1.00	1.00	1.00	
Community Services Officer II	1.00	1.00	1.00	1.00	1.00	
Comm Services Officer/Hsg Specialist	0.06	0.00	0.00	0.00	0.00	
Community Services Officer I	0.25	0.50	0.50	0.50	0.50	
Total Full Time	<u>6.68</u>	<u>7.12</u>	<u>7.87</u>	<u>7.87</u>	<u>7.87</u>	
Part-Time Positions:						
Inspector II	0.62	0.47	0.00	0.00	0.00	
Office Assistant	0.51	0.38	0.50	0.50	0.50	
Total	<u>7.81</u>	<u>7.97</u>	<u>8.37</u>	<u>8.37</u>	<u>8.37</u>	\$ 577,200
Employee Benefits						<u>238,800</u>
Total Personal Services						<u>\$ 816,000</u>

Capital Outlay - Equipment Replacement Fund			
Item	Quantity	Replacement	Amount
Building Inspector Vehicle	1	Yes	<u>\$ 27,000</u>

Function:
Community and Economic Development

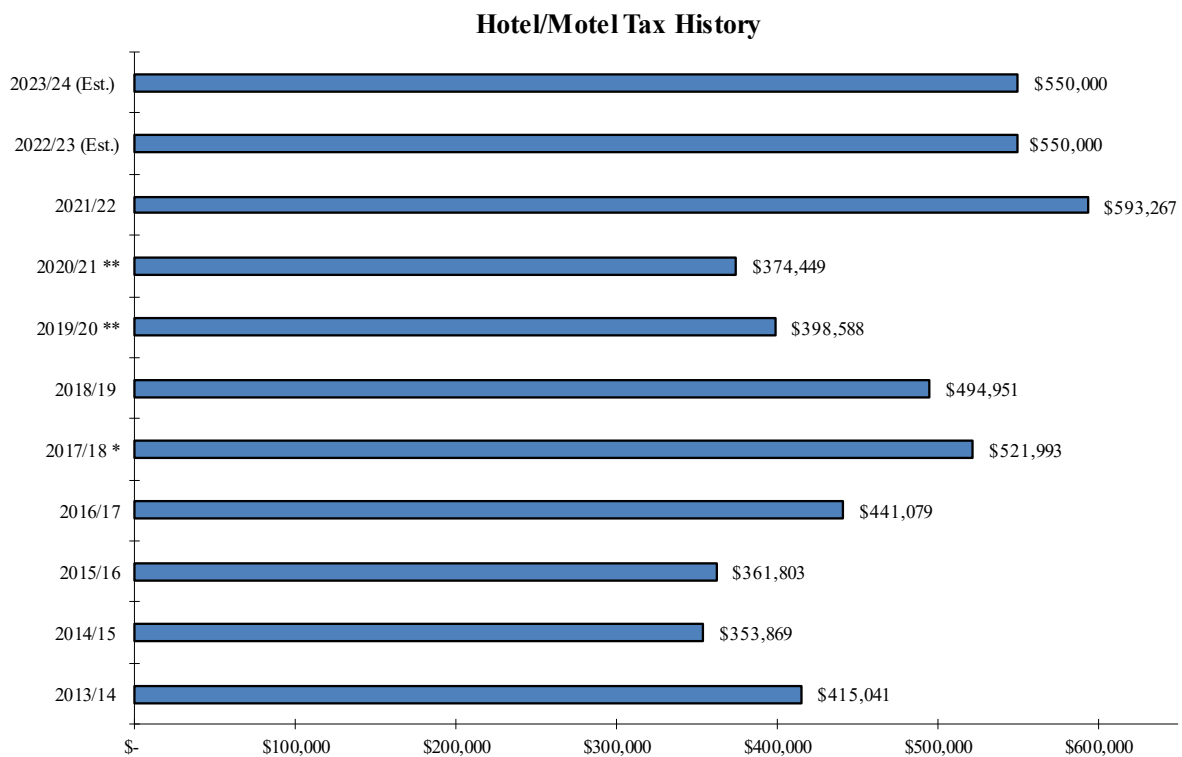
Department:
Legislative and Council

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/Tourism activity, which is now a part of GMCCI.

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 2022/2023 and 2023/2024:



* Hotel/motel tax receipts in 2017/2018 included \$46,907 received for prior years.

** The lower amounts for 2019/2020 and 2020/2021 were due to the COVID-19 pandemic.

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 relocated to an office in the lower level of City Hall. The City provided accounting services for the CVB operation and the CVB's funds were accounted for as a discretely presented component unit of the City through the 2014/2015 fiscal year. As of June 30, 2015, the non-profit CVB was dissolved and the CVB became an enterprise fund 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 and the City agreed that the annual allocations to the CVB would be 25% of the prior fiscal year's actual hotel/motel tax receipts. The City must designate at least 50% of the hotel/motel taxes for eligible purposes in order to meet State Code requirements and the City more than meets these requirements with the 25% allocations to the Library, Art Center, and CVB.

The State Code specifically requires the following:

"Each County or City which levies the tax shall spend at least 50% of the revenues derived therefrom for the acquisition of sites for, or constructing, improving, enlarging, equipping, repairing, operating, or maintaining recreation, convention, cultural or entertainment facilities including but not limited to memorial buildings, halls and monuments, civic center, convention buildings, auditoriums, coliseums, and parking areas for facilities located at those recreation, convention, cultural, or entertainment facilities; for the payment of principal and interest, when due, on bonds, or other evidence of indebtedness issued by the County or City for those recreation, convention, cultural, or entertainment facilities; or for the promotion and encouragement of tourist and convention business in the City or County and surrounding areas."

CURRENT TRENDS AND ISSUES

In 2020, the City and Greater Muscatine Chamber of Commerce and Industry (GMCCI) entered into an agreement for GMCCI to provide the City with Tourism and Marketing services. This agreement assigns to GMCCI the responsibility for enhancing the economic development of the City and County of Muscatine by marketing and promoting it as a destination for visitors and tourism. Specific tactics are outlined in the agreement that was implemented in the 2020/2021 fiscal year and continued in 2021/2022. GMCCI requested the agreement be extended for the next two fiscal years (2022/2023 and 2023/2024) with the funding allocation originally set at \$125,000 each year. The City continues to maintain its CVB enterprise fund and these payments will be made to GMCCI from the CVB enterprise fund. The City will transfer \$125,000 from the Economic Development budget into the CVB enterprise fund in both 2022/2023 and 2023/2024 to fund the annual payments under the agreement. During the 2023/2024 budget process, GMCCI requested a \$10,000 increase (to \$135,000) in funding for the tourism program in 2023/2024. City Council approved this request and the additional allocation will be funded from the accumulated balance in the CVB enterprise fund.

The 2022/2023 budget includes \$43,000 in funding to the Greater Muscatine Chamber of Commerce and Industry (GMCCI), with \$3,000 of this amount designated for hosting visitors from Muscatine's various sister cities or other international visitors. This allocation is for general economic development services and is in addition to the allocation for Tourism and Marketing. The 2022/2023 budget also included an estimated \$10,000 for TIF-related legal and professional services.

The revised estimate for the Economic Development budget is \$33,800 higher than the original budget. The original budget was based on transferring \$91,200 to the CVB enterprise fund based on the lower estimated hotel/motel taxes expected at the time the budget was adopted. The revised estimate now includes a transfer of \$125,000 to the CVB fund (an increase of \$33,800). Hotel/motel taxes are estimated at \$550,000 in both the revised estimate and 2023/2024 budget.

The 2023/2024 Economic Development budget totals \$178,000 which is the same as the revised estimate for 2022/2023. This includes a \$125,000 transfer to the CVB enterprise fund to fund the Marketing and Tourism services of GMCCI, a \$43,000 allocation to GMCCI for general economic development services, and \$10,000 for economic development-related legal services. As noted previously, GMCCI requested an additional \$10,000 for their Marketing and Tourism program and that amount will be funded directly from the available fund balance in the City's CVB enterprise fund.

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.

RECENT DEPARTMENT/ACTIVITY ACCOMPLISHMENTS

The City Council adopted a Tax Increment Financing (TIF) Policy in December of 2022 to establish a framework for the provision of tax increment incentives for economic development.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024

- To partner with GMCCI to develop and implement a program to utilize \$250,000 of American Rescue Plan Act (ARPA) funds obligated by City Council to support business recovery and economic development. **(Vibrant Community)**
- Continue to partner with GMCCI and local lending institutions to provide small business forgivable loans to qualifying businesses. **(Vibrant Community)**
- Continue to proceed with the design of a riverfront amphitheater (subject to funding). **(Vibrant Community)**
- Continue monthly economic development committee meetings with key community stakeholders. **(Vibrant Community)**
- Continue to seek opportunities to leverage tax abatement and tax increment agreements to support housing and business development. **(Vibrant Community)**

Function:

Community and Economic Development

Department:

Legislative and Council

Activity:**Economic Development**

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	43,000	45,596	53,000	53,000	53,000	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	<u>99,647</u>	<u>93,612</u>	<u>91,200</u>	<u>125,000</u>	<u>125,000</u>	37.06%
Total Expenditures	<u>\$ 142,647</u>	<u>\$ 139,208</u>	<u>\$ 144,200</u>	<u>\$ 178,000</u>	<u>\$ 178,000</u>	23.44%
Funding Sources						
Hotel/Motel Tax	\$ 99,647	\$ 93,612	\$ 91,200	\$ 125,000	\$ 125,000	37.06%
Tax Increment Funds for Economic Development	<u>43,000</u>	<u>45,596</u>	<u>53,000</u>	<u>53,000</u>	<u>53,000</u>	0.00%
Total Funding Sources	<u>\$ 142,647</u>	<u>\$ 139,208</u>	<u>\$ 144,200</u>	<u>\$ 178,000</u>	<u>\$ 178,000</u>	23.44%

Function:
Public Works

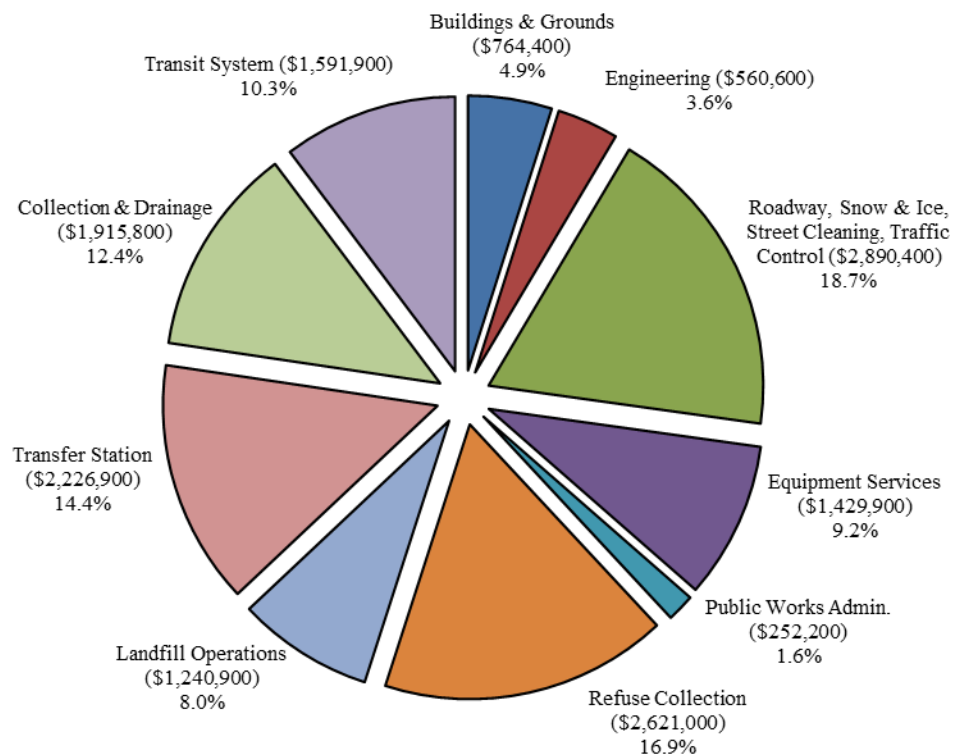
Department:
Public Works

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 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 2023/2024 fiscal year.

2023/2024 Public Works Budgets by Activity
\$15,494,000



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 2023/2024 these fees total \$78,900 and this amount has been included as revenue to the General Fund.

CURRENT TRENDS AND ISSUES

The 2022/2023 revised estimate is \$6,800 higher than the original budget. Personal services costs are \$8,600 higher due to wage adjustments and part-time hours used to cover for the vacation and other leaves of the Administrative Secretary, and contractual services are \$1,800 less than the original budget.

The 2023/2024 budget is \$16,000 (6.8%) higher in total than the 2022/2023 budget. This increase includes (1) an increase of \$14,000 in personal services costs, (2) a \$900 increase in commodities, (3) an \$1,800 decrease in contractual services, (4) a \$2,000 increase in capital outlay, and (5) a \$900 increase in transfers.

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 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
Operating Expenditures - All Public Works Activities	\$12,453,537	\$12,689,105	\$13,901,341	\$14,996,400	\$15,494,000
Full Time Employees - All Public Works Activities	44	44	46	46	46
Part Time Employees - All Public Works Activities	36	36	43	43	43
Infrastructure Projects Under Construction	5	4	6	8	4
Infrastructure Projects Completed	2	1	4	5	7

RECENT ACCOMPLISHMENTS

Summaries of Public Works department activities are more specifically described in the separate division narratives.

The Public Works department was very busy this year. Several major projects were underway for most of the summer. The Grandview Avenue Reconstruction project continued this year. This is a continuation of the

Mississippi Drive Corridor Reconstruction project that began in 2016 and includes similar streetscaping and lane configurations from Pearl Street to Houser Street. This is a multi-year project that is nearing final completion. The mainline paving has been completed but there will be sidewalk and landscaping work that will carry over into the spring of 2023. The West Hill Sewer Separation Phase 5 project continued this summer with the contractor finishing work on 8th Street from Broadway to Lucas. They worked in the ravine between Lucas and Climer over the winter months and are finishing storm and sanitary work on Climer between 8th and Logan Street and on Lucas Street between Busch and Green Street. This project was projected to be completed by the end of the 2022 construction season, but it appears that it will continue into next year and will hopefully be completed by the fall of 2023.

There were several staffing changes this year in the Public Works department, including the Engineering and Roadway Maintenance divisions. The previous construction inspector left the city and was replaced by the Right of Way inspector. This created an opening that has been filled by an Equipment Operator. The longtime Roadway Maintenance Supervisor retired after three decades of service to the city. He was replaced by the previous Lead Worker which created opportunities for promotions and hiring new employees. The department is working on training these staff members for their new positions including introduction to the “Communication Contract” and the City Mission and Value Statements that have been created by senior level staff as part of their recent training.

The Public Works department is continuing to help work on several big initiatives within the city including planning and design of a riverfront amphitheater, Grandview area revitalization initiatives, South End Community Improvement projects, the city wayfinding initiative, and the 6th Street neighborhood projects. All of these and more are very exciting and should provide lasting impacts to the community.

This year Public Works made a major change to snow removal operations by returning to posted snow routes and implementing a more community-friendly snow emergency policy. The previous alternate side of the street parking during snow emergencies proved to be inefficient and confusing to the public. Instead, Public Works recommended and the City Council approved a posted snow routes policy where no parking is allowed on posted snow routes when a snow emergency has been declared. In addition, a snow pushback policy was created that will utilize the former alternate side of the street parking methods after main snow removal operations have been completed. This will provide ample notice to the public to move their vehicles so snow can be pushed back to the curb in their neighborhoods.

Supply issues continue to be our main concern this year. With the after-effects of the COVID-19 pandemic we have seen delays and shortages of parts and equipment. Multiple vehicles have been on order for over a year and it appears we will continue waiting. Supply issues have impacted construction projects and forced delays which were unanticipated during design and bidding. Several of the projects have taken longer than anticipated which has been frustrating for the community. Staff have managed through these delays and learned to plan ahead and expect cost increases for future projects.

As always, Public Works continues to take the lead on multiple infrastructure improvement projects throughout the community in addition to overseeing day to day operations of the Transfer Station, Landfill, Refuse Collection, Building and Grounds, MuscaBus, Vehicle Maintenance, Collection and Drainage, Engineering, Roadway Maintenance, Snow and Ice Control, Street Cleaning, and Traffic Control. These activities are vital to the community and while often overlooked when done well, are front and center when things go wrong. One of our goals is to prevent things from going wrong and fix them as soon as possible when they do.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024

- To inventory all assets and list all attributes of them in PubWorks asset management software across all public works divisions. **(Strategic Plan – Excellent Customer Service)**
- To complete design and begin funding-raising for the riverfront amphitheater. **(Strategic Plan – Vibrant Community)**
- To purchase and install AED devices in the Public Works and Transfer Station main buildings. **(Strategic Plan – Safe Community)**
- To provide training to staff for AED, CPR, and fire extinguishers. **(Strategic Plan – Safe Community)**
- Work with staff to create and document standard operating procedures for all divisions. **(Strategic Plan – Reliable Public Infrastructure, Excellent Customer Service)**
- To complete construction of the Grandview Avenue Reconstruction project. **(Strategic Plan – Reliable Public Infrastructure)**
- To continue to work with partner organizations to design, fund, and construct a demountable flood wall for the riverfront from Mulberry Avenue to Broadway Street. **(Strategic Plan – Reliable Public Infrastructure, Safe Community)**
- To seek grant funding for the design and construction of green infrastructure projects. **(Strategic Plan – Reliable Public Infrastructure, Safe Community)**
- To continue succession planning for the replacement of retirement or close to retirement age staff. **(Strategic Plan – Excellent Customer Service)**
- To implement a plan for usage of the recently acquired former Iowa DOT facility on Lake Park Blvd. **(Strategic Plan – Excellent Customer Service)**
- To implement a vehicle replacement program to provide safe and reliable vehicles for all city staff. **(Strategic Plan – Excellent Customer Service)**
- To review and evaluate the current customer request process, and evaluate options for making improvements to this process. **(Strategic Plan – Excellent Customer Service)**

Function:
Public Works

Department:
Public Works

Activity:
Public Works Administration

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 185,733	\$ 196,336	\$ 201,200	\$ 209,800	\$ 215,200	6.96%
Commodities	969	1,526	4,000	4,000	4,900	22.50%
Contractual Services	10,101	8,723	14,000	12,200	12,200	-12.86%
Capital Outlay	-	2,720	-	-	2,000	
Transfers	15,700	16,400	17,000	17,000	17,900	5.29%
Total Expenditures	<u>\$ 212,503</u>	<u>\$ 225,705</u>	<u>\$ 236,200</u>	<u>\$ 243,000</u>	<u>\$ 252,200</u>	6.77%
Funding Sources						
Road Use Taxes	\$ 140,103	\$ 151,205	\$ 159,600	\$ 166,400	\$ 173,300	8.58%
Administrative Fees	72,400	74,500	76,600	76,600	78,900	3.00%
Total Funding Sources	<u>\$ 212,503</u>	<u>\$ 225,705</u>	<u>\$ 236,200</u>	<u>\$ 243,000</u>	<u>\$ 252,200</u>	6.77%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time Position/Position Allocations:						
Public Works Director	1.00	1.00	1.00	1.00	1.00	
Administrative Secretary	<u>0.33</u>	<u>0.33</u>	<u>0.33</u>	<u>0.33</u>	<u>0.33</u>	
Total Full Time	1.33	1.33	1.33	1.33	1.33	\$ 157,900
Employee Benefits						<u>57,300</u>
Total Personal Services						<u>\$ 215,200</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Computer and Additional Monitor	1	Yes	<u>\$ 2,000</u>

Function:
Public Works

Department:
Public Works

Activity:
Roadway Maintenance

GENERAL INFORMATION

The Roadway Maintenance activity includes the repair and maintenance of all roadways in the City of Muscatine except the U.S. 61 By-Pass and a small portion of Business Route U.S. 61 which are maintained by the State of Iowa. There is a total of over 128 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, painting for traffic control, replacing curbs and gutters, repairing City streets, and repairing sidewalks.

CURRENT TRENDS AND ISSUES

The 2022/2023 revised estimate is \$163,500 less than the original budget. This overall decrease is due to an \$81,200 decrease in personal services costs, an \$800 increase in contractual services, and an \$83,100 decrease in capital outlay. Personal services costs are under budget due to savings from vacancies during the year in two equipment operator positions and the new employees starting at lower steps in the pay plan. The decrease in capital outlay is primarily due to the actual cost of the rubber tire loader coming in \$84,400 under the budgeted amount.

The 2023/2024 budget is \$270,300 (14.9%) less than the 2022/2023 budget. Personal services costs decreased by \$16,300 (1.7%); contractual services increased by \$11,000; and capital outlay decreased by \$265,000. The capital outlay allocation for 2023/2024 totals \$195,000 and includes a new air compressor (\$30,000), a new dump truck (\$90,000), and concrete/asphalt grinding (\$75,000).

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 in the Park Maintenance budget are budgeted at \$3,730,100 for 2023/2024. Of this amount, \$3,418,600 will be funded from Road Use Taxes and \$311,500 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 cleanup projects.

PERFORMANCE MEASURES

	Actual 2020	Actual 2021	Actual 2022	Estimated 2023	Estimated 2024
Centerline Miles of Streets Maintained	128	128	128	128	128
Hot Mix/Cold Mix Used (tons)	30,000 (1)	18,496 (1)	278	400	400
Pothole Patching (16" squares)	N/A	10,600 (2)	1,861	2,000	2,000
Crack Sealing (feet)	N/A	22,611	535 (3)	15,000	15,000
Modified Subbase Supplied – square yards (City Projects)	30,400 SY	30,500 SY	16,000 SY	30,000 SY	30,000 SY

Note:

1. The 2020 and 2021 measurements for Hot Mix/Cold Mix used was in pounds, not tons.
2. The pothole tracking method changed in April 2022.
3. Street crews worked on projects other than crack sealing in calendar year 2022.

The following projects used the modified subbase this year:

- Robin Road (coring and subgrade repair for asphalt overlay)
- Grandview Avenue Reconstruction
- West Hill Sewer – Phase 5 (subbase was provided for this sewer project)

(All of these projects included pavement, sidewalks, ADA Ramps, and curb/gutter)

RECENT ACCOMPLISHMENTS

The Roadway Maintenance division experienced major changes in the last year. The long tenured Roadway Maintenance Supervisor retired and a division employee was promoted into the supervisor position in mid-October 2022. The division's current equipment operators are relatively new in their positions. Two additional operators were hired to replace vacancies created through retirements and promotions. The division has focused on crucial on-the-job training over the last few months and will continue to do so over the next year. As the seasons change, so do the duties and operations.

This division has two new Equipment Operator IIIs, one of which is responsible for signs and the other is managing a crew and will be training as a road grader operator. The sign department is installing signs for the new snow emergency ordinance.

A GIS layer was added for rock alleys to better track progress on grading and maintaining alleys and to support the new operators in becoming more comfortable and knowledgeable regarding which alleys need to be graded.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024

- To start on the first phase of the Fulliam Avenue Reconstruction project. **(Reliable Public Infrastructure)**
- To continue to do on-the-job training with new employees on operations and procedures. **(Excellent Customer Service)**

- To work on rebuilding non-hard surfaced alleys and reestablish the crown of the alleys to promote proper drainage to help maintain the longevity of a good smooth surface. **(Reliable Public Infrastructure)**
- To continue to improve work scheduling for Roadway Maintenance projects and routine maintenance work. **(Reliable Public Infrastructure)**
- To crack seal 25 blocks following the Full-Depth Patching work. **(Reliable Public Infrastructure)**

Function:
Public Works

Department:
Public Works

Activity:
Roadway Maintenance

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 923,180	\$ 966,185	\$ 971,400	\$ 890,200	\$ 955,100	-1.68%
Commodities	76,139	110,034	147,100	147,100	147,100	0.00%
Contractual Services	292,798	311,433	240,900	241,700	251,900	4.57%
Capital Outlay	154,003	389,786	460,000	376,900	195,000	-57.61%
Transfers	-	-	-	-	-	
Total Expenditures	\$ 1,446,120	\$ 1,777,438	\$ 1,819,400	\$ 1,655,900	\$ 1,549,100	-14.86%
Funding Sources						
Road Use Taxes	\$ 1,362,320	\$ 1,719,150	\$ 1,798,700	\$ 1,629,000	\$ 1,528,400	-15.03%
Street Revenues	16,558	17,484	17,000	17,000	17,000	0.00%
Insurance Reimbursement	52,381	-	-	6,200	-	
FEMA Reimbursement	4,585	20,727	-	-	-	
Other	10,276	20,077	3,700	3,700	3,700	0.00%
Total Funding Sources	\$ 1,446,120	\$ 1,777,438	\$ 1,819,400	\$ 1,655,900	\$ 1,549,100	-14.86%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
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	4.00	4.00	4.00	4.00	
Equipment Operator II	5.00	3.00	3.00	3.00	2.00	
Equipment Operator I	1.00	2.00	2.00	2.00	3.00	
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	11.43	11.43	11.43	11.43	11.43	\$ 606,600
Employee Benefits						348,500
Total Personal Services						\$ 955,100

Capital Outlay			
Item:	Quantity	Replacement	Amount
Asphalt/Concrete Grinding			\$ 75,000
Air Compressor	1	Yes	30,000
Dump Truck	1	Yes	90,000
			\$ 195,000

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 2022/2023 is \$7,700 less than the original budget. Personal services costs are \$400 more than the original budget and capital outlay is \$8,100 less than budgeted primarily due to the actual costs for the new Snow Emergency Route signs being less than budgeted.

The 2023/2024 budget is \$22,600 (9.8%) less than the original 2022/2023 budget. Personal services costs increased by \$2,900 (3.1%) and capital outlay decreased by \$25,500. The capital outlay allocation for 2023/2024 totals \$23,500 and includes a new truck-mounted post puller (\$7,500) and funds for replacing approximately 820 traffic signs (\$16,000).

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 collaborate with Muscatine Power and Water to develop, maintain, and operate the street and traffic light system.

PERFORMANCE MEASURES

	Actual 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
Number of Street Signs Maintained	6,298	6,358	6,379	6,400	6,400
Number of New Signs Installed	274	371	334	350	350
Lineal Feet of Street Striping	341,754	327,263	326,075	330,000	330,000
Number of Stop Bars Painted	340	321	138	320	320
Number of Arrows Painted	442	442	405	405	405
Number of Handicapped Stalls Marked	97	105	0	70	70
Number of Regular Parking Stalls Painted	2,656	2,668	450	2,600	2,600
Number of Crosswalks Painted	250	232	150	250	250
Number of Railroad Crossings Painted	36	34	32	32	32
Traffic Committee Meetings	16	12	10	12	12
Number of Signs Removed	1	0	0	0	0
Number of Sign Posts Maintained	4,436	4,446	4,430	4,450	4,450
Number of Speed Humps Painted	2	0	0	0	0

RECENT ACCOMPLISHMENTS

The street striping program started August 1 and ended early September after completing the painting contract. City crews started a week after the contractor and focused on painting school crosswalks, other crosswalks, and stop bars in the busiest intersections. Parking stalls in the old Kum & Go parking lot and at Riverside Park were painted. It continues to be a challenge to find traffic paint. Painting numbers have decreased overall this year compared to previous years, primarily due to limited staffing.

Sign replacements continue throughout the year, along with replacing damaged signs/posts. Staff also coordinates and places signs and no parking cones for multiple events and construction sites.

The division regularly updates information related to signage (sign age, condition, and replacement) in the City's GIS system. GIS maps needed by the division are also kept current (leaf routes, street closures, street sweeping/cleaning, transit maps, refuse collection maps, and specialty maps for other departments).

Public Works meets bi-monthly for traffic issues that arise, review projects for proper traffic control, and requests for street closures.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024

- Continue to update GIS layers to include a grader route for operators grading non-hard surfaced (rock) alleys, as well as keeping the current layers of culverts, street sweeping, street paint striping, sign replacements and sign/post repairs. **(Vibrant Community, Reliable Public Infrastructure)**
- Continue to replace old and outdated signs/posts to work toward the standard of replacing signs older than 15 years, which is the standard set forth by the FHWA. **(Safe Community)**
- Establish goals for replacing old aged out signs using our seven sign zones throughout the city and determine what percentage of old signs can be replaced in a year. **(Safe Community)**

Function:
Public Works

Department:
Public Works

Activity:
Traffic Control

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 81,946	\$ 80,510	\$ 92,200	\$ 92,600	\$ 95,100	3.15%
Commodities	10,818	16,442	14,400	14,400	14,400	0.00%
Contractual Services	72,650	69,727	74,000	74,000	74,000	0.00%
Capital Outlay	24,687	8,487	49,000	40,900	23,500	-52.04%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 190,101</u>	<u>\$ 175,166</u>	<u>\$ 229,600</u>	<u>\$ 221,900</u>	<u>\$ 207,000</u>	-9.84%
Funding Sources						
Road Use Taxes	<u>\$ 190,101</u>	<u>\$ 175,166</u>	<u>\$ 229,600</u>	<u>\$ 221,900</u>	<u>\$ 207,000</u>	-9.84%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time Positions:						
Equipment Operator III	1.00	1.00	1.00	1.00	1.00	\$ 57,800
Employee Benefits						37,300
Total Personal Services						<u>\$ 95,100</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Traffic Signs	820	Yes	\$ 16,000
Truck-Mounted Post Puller	1	Yes	7,500
			<u>\$ 23,500</u>

Function:
Public Works

Department:
Public Works

Activity:
Snow and Ice Control

GENERAL INFORMATION

The Snow and Ice Control 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.

CURRENT TRENDS AND ISSUES

The 2022/2023 revised estimate is \$10,300 less than the original budget. Personal services costs are under the original budget by \$100, contractual services are under by \$12,100, and capital outlay is over by \$1,900. Through the 2021/2022 fiscal year, the City partnered with the City of Davenport to purchase road salt by the barge load; beginning in 2022/2023 the City is purchasing its salt supply from the Iowa Department of Transportation (IDOT). The reduction in contractual services is due to no longer needing to budget for the unloading of salt barges.

The 2023/2024 budget is \$155,900 (34.3%) more than the original 2022/2023 budget due primarily to an increased allocation for capital outlay. Capital outlay purchases include a snow package for a dump truck (\$155,000) and a cover for the salt dome (\$35,000). The 2023/2024 budget includes \$220,000 for road salt.

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:

	<u>Cost</u>	<u>Snow Events</u>
2000/2001	\$41,503	24
2001/2002	17,250	10
2002/2003	10,560	12
2003/2004	27,976	13
2004/2005	9,200	9
2005/2006	14,038	9
2006/2007	17,615	9
2007/2008	55,805	23
2008/2009	60,225	25
2009/2010	37,870	21
2010/2011	64,670	15
2011/2012	12,120	12
2012/2013	25,245	11
2013/2014	51,495	26
2014/2015	48,455	14
2015/2016	26,075	11
2016/2017	8,833	11
2017/2018	39,570	19

2018/2019	\$84,630	20
2019/2020	30,580	17
2020/2021	83,905	20
2021/2022	24,280	13

The 2022/2023 revised estimate and 2023/2024 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 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
Number of Storms	17	20	13	19	19
Tons of Salt Used (includes 50/50 mix)	2,000	2,137	1,421	2,700	2,700
Tons of Sand Used	200	797	0	500	500
Gallons Calcium Chloride Used	2,000	5,000	0	4,000	4,000
Brine Used	N/A	5,000	2,901	20,000	20,000

RECENT ACCOMPLISHMENTS

Muscatine experienced 13 snow events in the winter of 2021/2022, which was down from 20 snow events the previous winter. The division applied 1,371 tons of salt, 50 tons of 50/50 sand/salt mix and 2,901 gallons of salt brine to city roadways. Overall, 2021/2022 was a light winter for snow events. Salt is still in storage from last year and another 2,000 tons has been ordered through Iowa DOT for this fiscal year. More salt will be delivered when there is space available in the salt dome. The city has experienced two snow events so far this winter – one was 2.5” of very light snow which mostly melted upon landing and another event on November 16, 2022, with 2” of light snow. Salt routes were run for each event.

The division procured one new single axle truck from Bonnell Industries. Prices for necessary equipment have substantially increased over the last three years and availability is still low so it is expected that it will be challenging to procure the equipment needed in the upcoming year(s).

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024

- To continue to evaluate and increase the use of brine applications during winter operations. **(Safe Community)**
- To continue discussions across all Public Works divisions regarding goals and procedures to further train the new equipment operators and to articulate the standards for the City of Muscatine’s snow fighters. **(Safe Community and Excellent Customer Service)**

- Provide training to individuals from other departments that are willing to help during winter operations (i.e. driving snow plow trucks, operation of snow plows, salt application, and loaders with snow plows, and the different snow routes that are used during winter operations). **(Safe Community and Excellent Customer Service)**
- Continue to train employees as well as the public about the changes to the City Code and policies regarding snow removal operations and the updated snow emergency policy. **(Safe Community and Excellent Customer Service)**
- Implement the new snow push back policy/plan with the goal of pushing back the snow on one side of the street within 24 hours. **(Safe Community and Excellent Customer Service)**

Function:
Public Works

Department:
Public Works

Activity:
Snow and Ice Control

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 134,551	\$ 66,569	\$ 84,800	\$ 84,700	\$ 84,700	-0.12%
Commodities	233,097	253,244	239,800	239,800	239,800	0.00%
Contractual Services	121,841	63,073	108,400	96,300	95,900	-11.53%
Capital Outlay	7,296	18,108	21,500	23,400	190,000	783.72%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 496,785</u>	<u>\$ 400,994</u>	<u>\$ 454,500</u>	<u>\$ 444,200</u>	<u>\$ 610,400</u>	34.30%
Funding Sources						
Road Use Taxes	\$ 488,237	\$ 395,985	\$ 450,500	\$ 440,200	\$ 606,400	34.61%
Reimbursement of Expenses	8,548	5,009	4,000	4,000	4,000	0.00%
Total Funding Sources	<u>\$ 496,785</u>	<u>\$ 400,994</u>	<u>\$ 454,500</u>	<u>\$ 444,200</u>	<u>\$ 610,400</u>	34.30%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
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	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	
Total	N/A	N/A	N/A	N/A	N/A	\$ 45,000
Employee Benefits						39,700
Total Personal Services						<u>\$ 84,700</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Snow Package for Dump Truck	1	Yes	\$ 155,000
Salt Dome Cover	1	No	35,000
			<u>\$ 190,000</u>

Function:
Public Works

Department:
Public Works

Activity:
Street Cleaning

GENERAL INFORMATION

The Street Cleaning activity involves the operation of the City's street sweepers and the leaf collection program. The street cleaning operation functions primarily on streets with curbs and gutters and in the downtown commercial areas. Two (2) employees are involved in the operation utilizing two (2) machines. One machine is operated in the Central Business District, alleys, and narrow locations with the other machine used in other areas of the City. During the winter season the equipment operators supplement the snow and ice removal crews. The City's Street Cleaning operation is hindered substantially in its effectiveness as a result of the amount of on-street parking permitted throughout the City, and the elimination of the night sweeping program because of machine noise. Further, the addition of new curb and guttered hard surface streets adds to the miles of streets which require street sweeping.

The City has four leaf vacuum units in addition to four leaf boxes that 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 2022/2023 revised estimate is over the original budget by \$4,700. There was a \$3,200 increase in personal services costs due to increased overtime and an increase in the cost of employee health insurance. Commodities increased by \$1,500 due to the increase in fuel prices.

The 2023/2024 budget is \$316,000 (152.0%) more than the 2022/2023 budget. Personal services costs increased by \$9,700 (5.6%), commodities increased by \$1,500 for increased fuel costs, contractual services increased by \$24,800, and capital outlay increased by \$280,000. The 2023/2024 capital outlay allocation is for a new street sweeper for \$280,000. The 2023/2024 budget also restores the funding allocation for temporary employment agency services to assist with the leaf pickup program. The last several years seasonal employees were used to assist crews with the leaf pickup program instead of using temporary employment agency services.

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 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
Miles of Streets Cleaned with Sweeper	88	88	88	88	88
Employee Hours for Leaf Program	926	1,537	1,339	1,675	0
Temporary Employment Agency Hours for Leaf Program	1,345	0	0	0	1,600
Fall Leaf Loads	220	218	138	204	200
Spring Leaf Loads	10	10	5	7	7

RECENT ACCOMPLISHMENTS

Spring street sweeping began in March and continued until October. All regular routes were swept at least twice, and after rain routes were swept as needed. The current street sweepers/vacuums are nearing the end of their useful lives and replacement of one of the sweepers has been included in the 2023/2024 budget. Spring leaf pickup started April 4th and all eight zones and call-in lists were completed by April 20.

This year's fall leaf collection had its share of challenges. Limited staffing, an unusually large amount of leaves, equipment issues, and two snow events slowed the process.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024

- Train and retrain all Equipment Operator II's on both the vacuum sweeper and mechanical sweeper. **(Vibrant Community)**
- Utilize new processes and procedures for minor maintenance and lubrication of the sweepers. **(Vibrant Community)**
- Evaluate the leaf collection program for any necessary improvements. **(Vibrant Community)**

Function:
Public Works

Department:
Public Works

Activity:
Street Cleaning

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 141,814	\$ 145,600	\$ 172,700	\$ 175,900	\$ 182,400	5.62%
Commodities	5,339	8,397	7,900	9,400	9,400	18.99%
Contractual Services	48,133	36,055	27,300	27,300	52,100	90.84%
Capital Outlay	-	-	-	-	280,000	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 195,286</u>	<u>\$ 190,052</u>	<u>\$ 207,900</u>	<u>\$ 212,600</u>	<u>\$ 523,900</u>	152.00%
Funding Sources						
Road Use Taxes	<u>\$ 195,286</u>	<u>\$ 190,052</u>	<u>\$ 207,900</u>	<u>\$ 212,600</u>	<u>\$ 523,900</u>	152.00%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time Positions/Position Allocations:						
Equipment Operator II	<u>1.90</u>	<u>1.90</u>	<u>1.90</u>	<u>1.90</u>	<u>1.90</u>	
Total Full Time	1.90	1.90	1.90	1.90	1.90	\$ 107,200
Employee Benefits						<u>75,200</u>
Total Personal Services						<u>\$ 182,400</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Street Sweeper	1	Yes	<u>\$ 280,000</u>

Function:
Public Works

Department:
Public Works

Activity:
Engineering Operations

GENERAL INFORMATION

Through most of the 2019/2020 fiscal year, the Engineering division consisted of the City Engineer and the Assistant City Engineer. The City contracts for outside engineering services for the design of major projects and had been contracting for project management and inspection services for specific projects. The costs of the contracted engineering services are charged directly to each project. The City Engineer and Assistant City Engineer also charged a portion of their time to the City's various capital projects. Road Use Taxes fund the staff hours not directly charged to projects.

In April of 2020, a fulltime Right-of-Way Inspector position was added to this budget with 75% of this position allocated to the Engineering budget and 25% to the Collection and Drainage budget.

In 2020/2021, when the Assistant City Engineer was promoted to City Engineer, the Assistant City Engineer position was replaced with an Inspector III position. In the 2021/2022 budget a Senior Engineer position was added to manage construction projects. As mentioned above, the City has used independent contractors as Construction Project Managers/Inspectors and this arrangement is being phased out and replaced with staff positions. The City Engineer is responsible for managing the remaining contractual project manager/inspector. The costs of the managers/inspectors are charged directly to the capital projects that they are working on. In the future, the plan is to have the project management/inspections done in-house.

CURRENT TRENDS AND ISSUES

The revised estimate for 2022/2023 is \$52,700 less in total than the original budget. Personal services costs are \$65,000 less than the original budget due to position vacancies. This decrease is partially offset by a \$900 increase in commodities, a \$5,200 increase in contractual services, and a \$6,200 increase in capital outlay. The capital outlay increase is for a laptop computer for the City Engineer (\$1,800), covers for the beds of the staff trucks (\$2,400), and body cameras for the inspectors (\$2,000).

The budget for 2023/2024 is \$91,700 (19.6%) more than the original 2022/2023 budget. Personal services costs are \$12,400 (2.9%) higher than the original 2022/2023 budget, commodities increased by \$2,200, contractual services increased by \$14,600, and capital outlay increased by \$62,500. The contractual services increase is primarily for increased training and certification of staff and the cost to upgrade the CAD software. The capital outlay allocation of \$62,500 includes \$40,000 to purchase and equip a truck for the Senior Engineer and \$22,500 for a GPS Rover Unit for the Inspector III.

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

	Actual 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
Right-of-Way Permits Processed	254	350	364	400	400
Permits Closed	N/A	315	284	350	400
Utility Locates Processed	4,908	4,954	3,501	4,000	4,000
Percent and Amount of Billed Time to Projects (City Engineer)	29.1% \$42,148	59.4% \$73,747	33.7% \$46,249	30% \$43,700	30% \$46,200
Percent and Amount of Billed Time to Projects (Assistant City Engineer/Senior Engineer)	58.2% \$66,389	N/A (Position not filled)	N/A (Position not filled)	80% \$43,600 (Part of Year)	80% \$89,300
Percent and Amount of Billed Time to Projects (Inspector III)	N/A	67.5% \$31,008	88.5% \$86,606	80% \$77,900	80% \$82,400

RECENT ACCOMPLISHMENTS

- Construction on Grandview Avenue is nearing completion. Mainline paving is complete and the street is open to traffic.
- Construction on Park Avenue is complete and the project is now under final audit.
- As the sponsor for the Mississippi River Levees (Mad Creek Levee and Muscatine Island Levee), staff participated in the annual levee inspections and assisted City Departments with addressing items the USACE (US Army Corps of Engineers) deemed deficient.
- Staff continued a very positive working relationship with the Muscatine Power & Water (MP&W) management team by continuing to meet on a regular basis to discuss potential issues before they become problems.
- Provided construction management on the West Hill Sewer Separation Project - Phase 5.
- Served as City Lead for the design of the West Hill Sewer Separation Project - Phase 6.
- Continued implementing SUDAS as the City's Design and Construction Standards and continued to train contractors on SUDAS.
- Attended MAGIC (Muscatine Area Geographic Information Consortium) Board meetings in a technical staff role.
- Attended Muscatine Trails Committee meetings.

- Tracked contractors performing work within the City's Rights-of-way by reviewing permit applications and inspecting open permits. Staff also tracked contractors who did not request a permit by comparing permit requests with Utility Locate Requests. During the 2022/2023 fiscal year, the Engineering division inspected and closed 304 permits within the City's rights-of-way. Most of these were trenches cut into the street that, otherwise, would have been repaired without inspection.
- Participated in Site Plan Review meetings for new developments in the City and within a two-mile radius as well as monitor work performed within the City's rights-of-way associated with these private developments.
- Performed daily inspections of private developments intended to be dedicated to the City after construction.
- Attended Public Works staff meetings.
- Assisted the Streets division with design and bidding of the Fulliam Avenue Reconstruction project.
- Served as the point of contact for the designs and/or construction of:
 - Muscatine Police Department / Muscatine County Sheriff's Department Training Facility
 - Riverside Park Amphitheater
 - South End Community Improvement Projects (HAWK Crossing, Taylor Park improvements, Musser Park improvements, and the Kent Stein to Sunset Park connector)
 - Redundant Force Main from Musser Park to the Water Pollution Control Plant
 - 67th Avenue Sidewalk
 - MuscaBus Wash Bay
 - Isett Avenue Corridor Reconstruction Project
 - Lake Park Boulevard Storm Water Improvements
 - West Hill Sewer Separation Project
 - Transfer Station Tipping Floor
 - Grandview Avenue
 - City Hall Front Porch Repairs
 - Fulliam Avenue Reconstruction Project
 - West Hill Ravine Grading Plan

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024

- To close out the Grandview Avenue Reconstruction project. **(Strategic Plan – Reliable Public Infrastructure, Vibrant Community)**
- To complete and close out the MuscaBus Vehicle Wash Bay Project. **(Strategic Plan – Reliable Public Infrastructure, Excellent Customer Service)**
- To serve as liaison for the Project Management Team for:
 - West Hill Sewer Separation Project, Phase 6 Construction – 2023 - 2025
 - Grandview Avenue Reconstruction Project Closeout – 2023 – 2024
 - South End Community Improvement Projects (Kent Stein Connector Trail) – 2023 – 2024
 - Riverside Amphitheater Schematic Design and Fundraising – 2023 – 2024
 - Police Department Shooting Range and Training Facility – 2023 - 2024
 - Street Maintenance Full Depth Concrete Patching Project – 2023 - 2024
 - Street Maintenance Asphalt Overlay Project – 2023 - 2024

- Street Maintenance Sidewalk Program – 2023 - 2024
- Fulliam Reconstruction Project, Houser to Kindler, Construction – 2023 – 2026
- East Hill Multiuse Facility, Design – 2023 – 2024
- Isett Avenue Corridor Planning and Design – 2023 – 2025
- Park Avenue West Bridge Replacement Design – 2023 – 2024

(Strategic Plan - Reliable Public Infrastructure)

- To continue to attend the Traffic staff meetings.
- To be 25% to 30% chargeable to Capital Improvement Projects for the City Engineer.
- To be 80% chargeable to Capital Improvement Projects for the Construction Inspector.
- To continue to monitor excavation within the City's Rights-of-Way, including private developments that require access to public rights-of-way. **(Strategic Plan – Reliable Public Infrastructure, Safe Community)**
- To continue to maintain the good working relationship with Muscatine Power & Water by continuing to meet with key individuals from each organization to discuss current and potential projects.
- To continue to mark all of the Utility Locates for the City.
- To continue to coordinate the Levee inspections and necessary repairs. **(Strategic Plan – Reliable Public Infrastructure, Safe Community)**
- To address the traffic congestion on Isett Avenue by utilizing a traffic study of the Isett corridor from Washington and Cypress to Isett and Lake Park Boulevard and pursue funding. **(Strategic Plan – Reliable Public Infrastructure, Safe Community)**
- To design a bridge replacement for the bridge over Mad Creek on Park Avenue West per the latest bridge inspection report. **(Strategic Plan – Reliable Public Infrastructure, Safe Community)**

Function:
Public Works

Department:
Public Works

Activity:
Engineering Operations

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 290,776	\$ 328,004	\$ 432,300	\$ 367,300	\$ 444,700	2.87%
Commodities	3,845	4,203	6,600	7,500	8,800	33.33%
Contractual Services	16,155	19,431	28,000	33,200	42,600	52.14%
Capital Outlay	15,361	56,777	-	6,200	62,500	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 326,137</u>	<u>\$ 408,415</u>	<u>\$ 466,900</u>	<u>\$ 414,200</u>	<u>\$ 558,600</u>	19.64%
Funding Sources						
Engineering Fees	\$ 105,840	\$ 105,840	\$ 210,000	\$ 165,200	\$ 207,900	-1.00%
Road Use Tax	220,297	302,575	256,900	249,000	350,700	36.51%
Total Funding Sources	<u>\$ 326,137</u>	<u>\$ 408,415</u>	<u>\$ 466,900</u>	<u>\$ 414,200</u>	<u>\$ 558,600</u>	19.64%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time Positions:						
City Engineer	1.00	1.00	1.00	1.00	1.00	
Assistant City Engineer	0.25	0.00	0.00	0.00	0.00	
Senior Engineer	0.00	1.00	1.00	1.00	1.00	
Right-of-Way Inspector	0.75	0.75	0.75	0.75	0.75	
Inspector III	0.67	1.00	1.00	1.00	1.00	
Total Full Time	2.67	3.75	3.75	3.75	3.75	
Part Time:						
Interns	-	-	-	0.27	0.27	
Total	2.67	3.75	3.75	4.02	4.02	\$ 313,200
Employee Benefits						131,500
Total Personal Services						<u>\$ 444,700</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Truck	1	No	\$ 40,000
GPS RTK Rover Unit for Inspector III	1	No	22,500
			<u>\$ 62,500</u>

Function:
Transfers

Department:
City Administrator

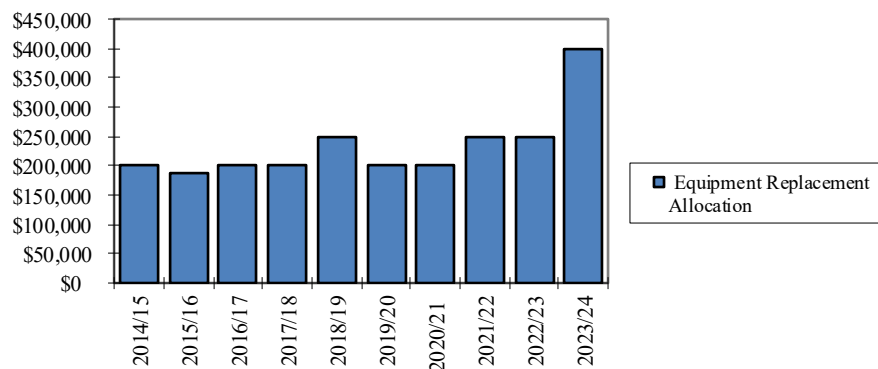
Activity:
Equipment Replacement Transfer

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 \$188,000 in 2015/2016 to the \$400,000 budgeted for 2023/2024. 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 Fund. As such, it does not include the funding transfer in 2015/2016 specifically designated for the purchase of a new ambulance at a total cost of \$148,500.



CURRENT TRENDS AND ISSUES

Since the 2014/2015 fiscal year, the General Fund annual allocations to the Equipment Replacement Fund have generally been between \$200,000 and \$250,000. The budgeted transfer for 2022/2023 is \$250,000 and for 2023/2024 the transfer increased to \$400,000.

Purchases from the Equipment Replacement Fund in 2022/2023 total \$201,600. This includes \$159,000 for three new Police patrol vehicles, \$28,600 for a police staff vehicle, and \$14,000 for a zero-turn mower for the cemetery.

Purchases from the Equipment Replacement Fund in 2023/2024 total \$421,000. This includes \$120,000 for two new Police patrol vehicles, \$27,000 for a Community Development Building Inspector vehicle, \$67,000 for a mini-excavator for the Cemetery, \$35,000 for a utility vehicle for the cemetery, \$70,000 for two Park Maintenance trucks, \$52,000 for a wide area mower for Park Maintenance, and \$50,000 for a rough mower for Kent Stein Park. The balance in the Equipment Replacement Fund on June 30, 2024 is estimated at \$72,480.

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 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	<u>202,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>400,000</u>	60.00%
Total Expenditures	<u>\$ 202,000</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 400,000</u>	60.00%
Funding Sources						
General Revenues	<u>\$ 202,000</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 400,000</u>	60.00%

Function:
Transfers

Department:
City Administrator

Activity:
Transit Subsidy

GENERAL INFORMATION

The Muscatine City Transit System has provided public transportation for all citizens of the community since 1981. State law permits the City to levy up to \$.95 per \$1,000 of assessed valuation for Public Transportation outside the \$8.10 General Fund limitation. Tax monies are transferred to the Transit System Enterprise Fund to support transit operations.

CURRENT TRENDS AND ISSUES

The 2020/2021 budget included a tax levy of \$.11987 per \$1,000 of valuation for public transportation which generated \$113,807 (including the utility replacement excise tax and the commercial/industrial State reimbursement).

For the 2021/2022 budget, the transit tax levy was eliminated. Elimination of the transit levy for 2021/2022 was possible due to the accumulated balance in the Transit Fund and the CARES Act funding received for the Transit operation in 2020/2021 and 2021/2022. With the elimination of the transit levy, the City was able to maintain the same total tax levy rate as the prior fiscal year.

The 2022/2023 budget also did not include a transit tax levy. This is again due to the accumulated balance in the Transit fund due to the CARES Act and other additional federal funding.

The 2023/2024 budget includes a tax levy of \$.19459 per \$1,000 of valuation for public transportation which will generate \$206,678 (including the utility replacement excise tax, the commercial/industrial State reimbursement, and the business property tax credit reimbursement). The increased tax rate is needed due to rising fuel and maintenance costs, and to lessen the projected decrease in the Transit fund balance in 2023/2024.

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 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	<u>113,807</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>206,678</u>	
Total Expenditures	<u>\$ 113,807</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 206,678</u>	
Funding Sources						
Transit Tax Levy	\$ 108,660	\$ -	\$ -	\$ -	\$ 198,284	
Utility Tax Replacement						
Excise Tax	480	-	-	-	646	
Commercial and Industrial						
State Reimbursement	4,667	-	-	-	2,698	
Business Property Tax						
Credit Reimbursement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,050</u>	
Total Funding Sources	<u>\$ 113,807</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 206,678</u>	

Function:
Transfers

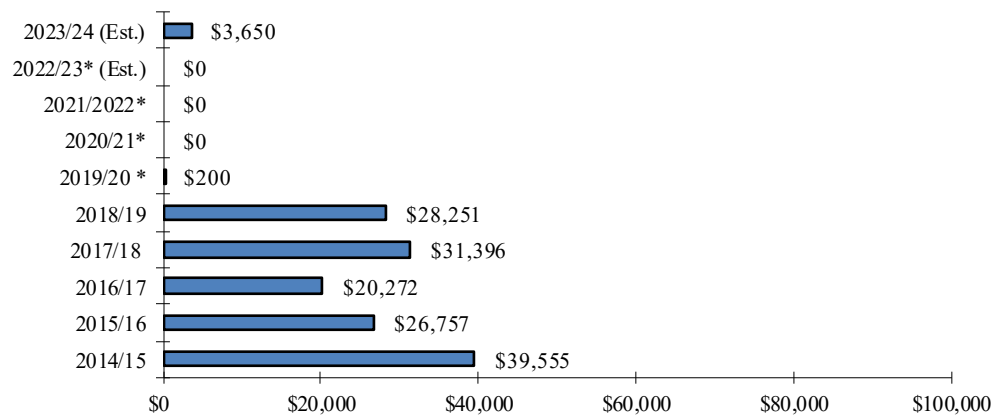
Department:
City Administrator

Activity:
Airport Operations Subsidy

GENERAL INFORMATION

The Municipal Airport operation has been designated as an Enterprise Fund for budgeting purposes. As such, it has been necessary to make subsidy transfers from the General Fund as expenses incurred generally exceed revenues received from the operation. A summary of General Fund transfers since fiscal year 2014/2015 follows:

General Fund Airport Subsidies



* The small subsidy for 2019/2020 and zero subsidies for 2020/2021, 2021/2022, and 2022/2023 are due to CARES (Coronavirus, Aid, Relief, and Economic Security) Act and other additional federal funding awarded to the Airport to fund operating costs.

The General Fund subsidy has ranged from zero to \$39,555 during the past ten years. The subsidies for 2019/2020, 2020/2021, 2021/2022 and the estimated 2022/2023 and 2023/2024 budget were minimal or zero due to CARES (Coronavirus Aid, Relief, and Economic Security) Act and other additional federal funding the Airport was awarded to be used to fund Airport operating costs. The fluctuations in the subsidies for the other years was due to costs of repair and maintenance of airport facilities and navigational equipment, and capital outlay costs.

CURRENT TRENDS AND ISSUES

The 2022/2023 revised estimate subsidy is zero compared to the original budget of \$20,500. The budgeted subsidy for fiscal year 2023/2024 is \$3,650, which is a \$16,850 (82.2%) decrease from the original 2022/2023 budgeted subsidy.

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 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	-	-	20,500	-	3,650	-82.20%
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,500</u>	<u>\$ -</u>	<u>\$ 3,650</u>	-82.20%
Funding Sources						
General Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,500</u>	<u>\$ -</u>	<u>\$ 3,650</u>	-82.20%

Function:
Transfers

Department:
City Administrator

Activity:
Assigned Funding Allocations

GENERAL INFORMATION

Governmental Accounting Standards Board Statement 54 was effective for the City's fiscal year ended June 30, 2011. This Statement provided for clearer, more structured fund balance classifications and clarified the definitions of each fund classification. 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 funding assignments in 2013/2014 and 2014/2015 were for the COPS grant future funding commitment. The funding assignments for the COPS grant were expended in fiscal year 2015/2016.

Merit Allowance Funding Assignment

The 2015/2016 budget included an assigned funding allocation of \$12,300 to allow for merit increases for fulltime non-union employees. This was the first year of this program which allowed 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 was based on an estimated 30% of the employees in this group being eligible for merit pay of up to 1% of their annual salary. While these funds were budgeted in the Assigned Funding allocation for 2015/2016, actual merit increases were reflected in the respective department budgets. The 2016/2017 budget also included \$12,300 to allow for merit increases up to 1% for fulltime non-union employees. The 2017/2018 budget included \$50,000 to allow for merit increases in the non-union pay plan. This amount allowed for merit increases of up to 3% and included funds to allow for several positions to be placed on different grades in the pay plan based on market surveys. The 2018/2019, 2019/2020, and 2020/2021 budgets again included \$50,000 to allow for merit increases up to 3% for employees in the non-union pay plan. Due to concerns with General Fund revenues due to the COVID-19 pandemic, City Council deferred the 2020/2021 merit funding allocation until mid-way through the fiscal year. With the merit increases not effective until January 4, 2021, approximately \$25,000 of the \$50,000 merit allocation was used in the 2020/2021 fiscal year. The 2021/2022 budget again included \$50,000 to allow for merit increases up to 3% for employees in the non-union pay plan.

The 2022/2023 budget included \$25,000 to allow for merit increases up to 1.5% for employees in the non-union pay plan. The decreased allocation was due to limited funding being available in the General Fund for the 2022/2023 fiscal year. While these funds were budgeted in the Assigned Funding allocation in 2022/2023, the revised estimate in this budget is zero since actual merit increases have been reflected in the respective department budgets.

The 2023/2024 budget includes \$50,000 to allow for merit increases up to 3% for employees in the non-union pay plan. Since the employees receiving merit pay have not yet been determined, the budget estimate is again being reflected as an assigned funding allocation for 2023/2024.

Function:
Transfers

Department:
City Administrator

Activity:

Assigned Funding Allocation

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	-	-	25,000	-	50,000	100.00%
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 50,000</u>	100.00%
Funding Sources						
General Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 50,000</u>	100.00%

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 currently includes a terminal building, four (4) corporate hangars, twenty (20) T-hangars, three (3) new box 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. Early in 2012 the lease for the farm land surrounding the airport was re-negotiated which increased the annual airport farm revenue to \$34,000 beginning in 2012/2013. The original 10-year lease was set to expire at the end of calendar year 2022, but was extended through calendar year 2023.

The Airport 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, LLC for both the Airport Management and FBO activities. The amount paid to Carver Aero for airport management fees for both 2022/2023 and 2023/2024 is \$46,500. Carver Aero, as fixed base operator (FBO), will make payments to the City of \$12,900 in 2022/2023 and \$13,000 in 2023/2024.

The City has completed a variety of improvements at the Municipal Airport in recent years. These improvements have been made in conjunction with the receipt of Federal Aviation Administration (FAA) or State grants. In October of 2016 the City was awarded funding for the design of new hangars and for apron expansion. The design work and phase one of the apron expansion project was completed in the 2017/2018 fiscal year. In August of 2019, the City awarded the contract for three (3) box hangars and phase two of the apron expansion. Funding is partially from two State grants and the balance of \$346,000 was funded from the May 2020 bond issue. This project was completed in October of 2020. The Airport Zoning Ordinance update is also in progress with 85% State funding and a 15% local match.

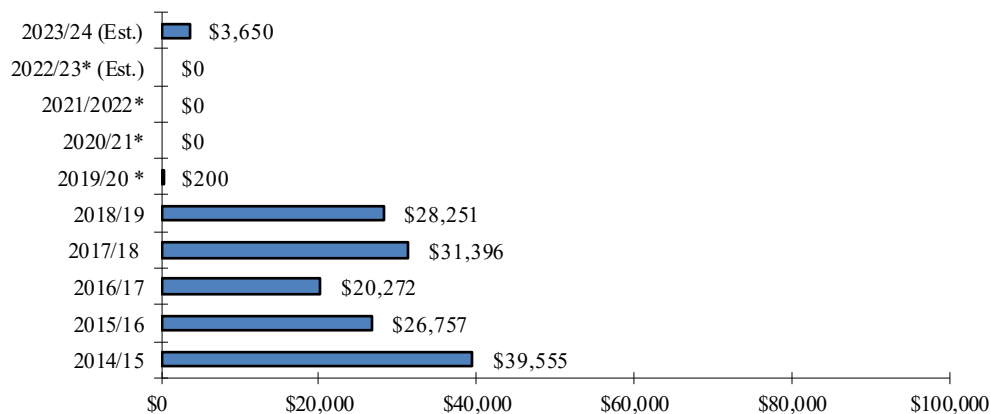
Engineering design was completed in 2019/2020 for the reconstruction of Taxiway A. Construction was substantially completed in calendar year 2021 and the contract was closed out in June of 2022. Federal Aviation Administration (FAA) funding was originally set at 90% of project costs. After the fiscal year 2020/2021 budget was adopted, the City received notification that the 10% local share would be waived due to an increased FAA funding allocation related to the COVID-19 pandemic.

Projects to be undertaken this fiscal year include Phase I of the Fuel System Relocation project (with 80% State funding), and the purchase of snow removal equipment (with 90% FAA funding). Projects for 2023/2024 include (1) lights, PAPIs, and REILS for Runway 12/30 and the parallel taxiway (90% FAA funding), and (2) Phase II of the Fuel System Relocation project (with 80% State funding). These projects will be accounted for in separate capital project funds.

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 generally less than expenditures for the operation, a General Fund subsidy is normally required annually to balance the budget. A history of the General Fund Airport subsidies is shown in the following graph:

General Fund Airport Subsidies



* The small subsidy for 2019/2020 and zero subsidies for 2020/2021, 2021/2022, and 2022/2023 are due to CARES (Coronavirus, Aid, Relief, and Economic Security) Act and other additional federal funding awarded to the Airport to fund operating costs.

The subsidies for 2019/2020, 2020/2021, 2021/2022 and the estimated 2022/2023 and 2023/2024 budget were minimal or zero due to CARES (Coronavirus Aid, Relief, and Economic Security) Act and other additional federal funding the Airport was awarded to be used to fund Airport operating costs. The fluctuations in the subsidies for the other years were due to costs of repair and maintenance of airport facilities and navigational equipment, and capital outlay costs.

The original 2022/2023 budget included a \$20,500 General Fund subsidy and the revised estimate subsidy is estimated at zero. This decreased subsidy is due to deferring the \$20,000 budget allocation in 2021/2022 for repainting the former HNI hangar. The planned painting process was determined to not be viable and this project has been moved forward to a future fiscal year capital project.

The budgeted subsidy for fiscal year 2023/2024 is \$3,650. The receipt of CARES (Coronavirus Aid, Relief, and Economic Security) Act and ARPA (American Rescue Plan Act) funding the Airport received in prior fiscal years resulted in an estimated beginning balance of \$31,550 in the Airport fund for 2023/2024. This was the primary factor in the lower subsidy in 2023/2024.

Airport expenditures for 2023/2024 are budgeted at \$130,900. This is a \$4,100 (3.2%) increase from the original 2022/2023 budget.

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 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
Hangars Maintained	20	20	23	23	23
Hangar Spaces Rented	20	20	23	22	22
Airport Advisory Meetings	8	6	7	7	6
Hangar Rentals	\$28,861	\$31,738	\$38,471	\$39,500	\$40,000
FBO Lease	\$11,817	\$12,172	\$12,540	\$12,900	\$13,000
Fuel Commissions	\$7,385	\$8,129	\$7,720	\$7,500	\$7,500
Farm Lease Revenue	\$34,000	\$34,000	\$34,000	\$34,000	\$34,000
General Fund Subsidy	\$200	\$0	\$0	\$0	\$3,650

RECENT ACCOMPLISHMENTS:

The availability of CARES and ARPA funding significantly reduced the general fund subsidies to the airport for the past few years. Staff continues to look for opportunities to increase revenue or decrease expenses at the airport.

The new box hangars were completed in 2020 and rented at market rates; however, the resulting movement of current T-hangar lessees has left one on-going vacancy in the oldest row of hangars. These hangars have been too small for planes owned by those that have responded to notices of availability. A grant was received from the Iowa Department of Transportation (IDOT) to expand a section of the taxiway where the centerline distances were too close to existing structures on the path to the runway. This project was completed in the fall of 2022.

In addition to the Federal Aviation Administration's (FAA's) \$150,000 annual entitlement allocations, the Muscatine Airport has been allocated approximate \$159,000 annually for five years under the Bipartisan Infrastructure Law. The Airport Commission worked with Bolton & Menk, the current airport consultant, to establish a five-year plan to use these resources for priority improvements, including modernizing lighting systems, relocating the fuel system, purchasing appropriate snow removal equipment (SRE), and constructing a dedicated storage building to allow for the rehabilitation of an existing underutilized corporate hangar, and ultimately expanding hangar row 4 with additional T-hangars.

Based on the project prioritization, grant applications were submitted to the IDOT and the FAA for relocating the fuel system and purchasing SRE (Snow Removal Equipment), respectively. The City has been awarded the IDOT grant and was notified by FAA to prepare for a grant for the SRE in 2023. With rare exceptions, FAA and IDOT grants require a 10-20% match for eligible expenses, which was considered in the process of prioritizing possible funding requests. In addition to these state and federally funded projects, the Building and Grounds division is currently working with a contractor to make roofing repairs to the Row 2 hangars.

To continue to access federal funds, the airport is required to have secured consultant services for identified projects every 5 years. Bolton & Menk was selected as the Muscatine Municipal Airport's Consultant in 2017 following a request for qualifications (RFQ). To comply with federal requirements a new RFQ was released in November of 2022 and Bolton & Menk was again selected to continue to provide consultant services for the airport

Under the guidance of Bolton & Menk, staff has secured services to process a frequency change for the Automated Weather Observation System (AWOS). Currently the Muscatine and Knoxville AWOS systems utilize the same frequency, and pilots report typically receiving only Knoxville weather reports until they are within 2 miles when approaching the Muscatine Airport from the north or west.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024:

- To complete Phase I of the Fuel System Relocation project. (**Strategic Plan – Reliable Public Infrastructure**)
- To purchase grant-funded snow removal equipment. (**Strategic Plan – Reliable Public Infrastructure**)
- To complete three (3) activities that promote awareness of the airport and the benefit it provides to the community. (**Strategic Plan - Vibrant Community**)

Airport Operations

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 0	\$ 23,396	\$ 0	\$ 60,725	\$ 31,550
Revenues					
Fixed Base Operator Fee	\$ 12,172	\$ 12,540	\$ 13,000	\$ 12,900	\$ 13,000
Hangar Rentals	31,738	38,471	40,000	39,500	40,000
Reimbursement of Costs	1,301	1,658	1,200	1,600	1,200
Farm Leases	34,000	34,000	34,000	34,000	34,000
Fuel Commissions	8,129	7,720	7,500	7,500	7,500
Federal FAA Grants (CARES Act and American Rescue Plan Act)	46,500	46,500	10,600	1,625	0
Transfers In					
General Fund Subsidy	<u>0</u>	<u>0</u>	<u>20,500</u>	<u>0</u>	<u>3,650</u>
Total Revenues	<u>\$ 133,840</u>	<u>\$ 140,889</u>	<u>\$ 126,800</u>	<u>\$ 97,125</u>	<u>\$ 99,350</u>
Funds Available	\$ 133,840	\$ 164,285	\$ 126,800	\$ 157,850	\$ 130,900
Expenditures	<u>110,444</u>	<u>103,560</u>	<u>126,800</u>	<u>126,300</u>	<u>130,900</u>
Ending Balance, June 30	<u><u>\$ 23,396</u></u>	<u><u>\$ 60,725</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 31,550</u></u>	<u><u>\$ 0</u></u>
Increase (Decrease) in Fund Balance	\$ 23,396	\$ 37,329	\$ 0	\$ (29,175)	\$ (31,550)

Function:
Business Type

Department:
Community Development

Activity:
Airport Operations

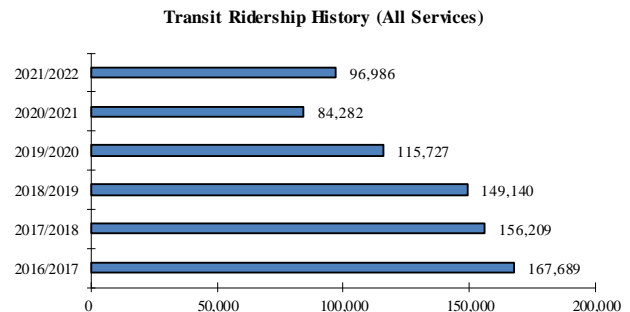
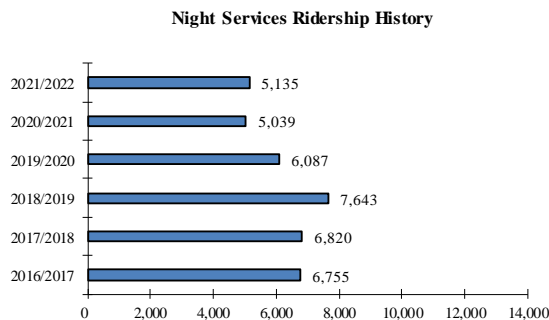
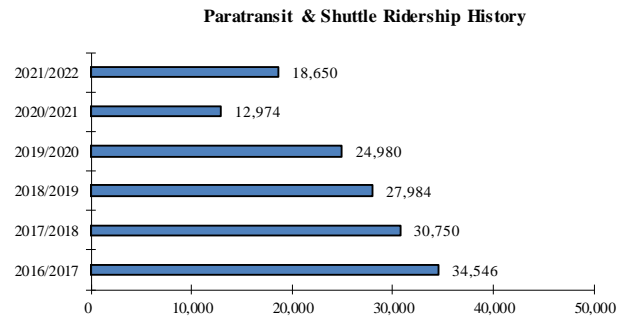
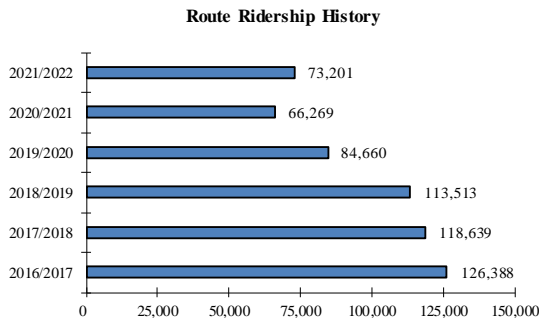
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	8,114	1,503	7,400	5,200	5,400	-27.03%
Contractual Services	92,030	91,458	108,500	110,200	114,300	5.35%
Capital Outlay	-	-	-	-	-	
Transfers	<u>10,000</u>	<u>10,600</u>	<u>10,900</u>	<u>10,900</u>	<u>11,200</u>	2.75%
Total Expenditures	<u>\$ 110,144</u>	<u>\$ 103,561</u>	<u>\$ 126,800</u>	<u>\$ 126,300</u>	<u>\$ 130,900</u>	3.23%
Funding Sources						
Airport Revenues	\$ 133,840	\$ 140,889	\$ 106,300	\$ 97,125	\$ 95,700	-9.97%
General Fund Operating Subsidy	<u>-</u>	<u>-</u>	<u>20,500</u>	<u>-</u>	<u>3,650</u>	-82.20%
Total Funding Sources	<u>\$ 133,840</u>	<u>\$ 140,889</u>	<u>\$ 126,800</u>	<u>\$ 97,125</u>	<u>\$ 99,350</u>	-21.65%

TRANSIT SYSTEM

GENERAL INFORMATION:

The City Transit System (MuscaBus) operates with eleven (11) small buses, all equipped with wheelchair lifts and one conversion van. Personnel supporting the transit system are a full-time Transit Supervisor, 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, and an evening service for individuals to travel to employment and employment-related destinations. Since 2007 there has been a fourth fixed route each weekday during peak travel times. 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 2016/2017 on a fiscal year basis is in the following graphs. The decreases in 2019/2020 and 2020/2021 are primarily due to the COVID-19 pandemic which reduced ridership demand and transit services offered beginning in March of 2020.



The City receives both Federal and State operating funding for the transit operation. The 2022/2023 revised estimate includes \$5,300 of federal funding from the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) and \$218,600 from the American Rescue Plan Act (ARPA). These grants were awarded to provide relief funds to state, local, and tribal governments that were negatively impacted by the COVID-19 pandemic. Federal operating assistance is estimated at \$526,500 for 2022/2023.

Federal capital support has also been used, primarily to purchase buses. The 2022/2023 revised estimate includes \$86,300 in regular federal capital grants, which is the estimated federal share (80%) of the cost of one new bus, and \$359,200 in CARES Act Funds for 100% of the cost of two new buses. These buses were ordered in previous years but have not yet been received due to availability issues. The 2022/2023 revised

ordered in previous years but have not yet been received due to availability issues. The 2022/2023 revised estimate also includes \$244,300 in federal capital grants, which is the estimated federal share (85%) of the cost of the two new buses budgeted in 2022/2023. These bus purchases are subject to the award of this federal funding.

The 2023/2024 budget includes \$268,800 in federal capital grants, which is the estimated federal share (85%) of the cost of two additional new buses. As in prior years, these bus purchases are subject to the award of this federal funding.

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 2022/2023 it is anticipated that the City will receive \$283,100 in State operating funding for the Transit operation and in 2023/2024 an estimated \$280,000 is expected.

The State of Iowa allows cities to levy up to \$.95 per \$1,000 of assessed value to support a transportation system. For fiscal year 2020/2021 the City's transit levy rate was set at \$.11987/\$1,000 of valuation which generated \$113,807 (including the State reimbursement for the commercial and industrial property rollback). For 2021/2022, the transit tax levy was eliminated. Elimination of the transit levy for 2021/2022 was due to the accumulated balance in the Transit Fund and the CARES and CRSSA funding received in 2020/2021 and 2021/2022. The 2022/2023 budget also did not include a transit tax levy. This is again due to the accumulated balance in the Transit fund due to the additional federal funding awarded.

The 2023/2024 budget includes a tax levy of \$.19459 per \$1,000 of valuation for public transportation which will generate \$206,678 (including the utility replacement excise tax, the commercial/industrial State reimbursement, and the business property tax credit reimbursement). The increased tax rate is budgeted due to increased fuel and bus maintenance costs, and to lessen the projected decrease in the Transit fund balance in 2023/2024.

On July 1, 2015 fares for the regular routes increased from \$.75 per ride to \$1.00 and fares for the shuttle service increased from \$1.00 to \$2.00. Monthly flash pass fees also increased from \$28 to \$32. These rates will continue in the 2023/2024 budget. 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 2022/2023 are \$175,400 more than the original budget primarily due to a \$141,400 increase in capital outlay. The original 2022/2023 budget included funding of \$218,000 for two light duty buses (85% grant funded). The revised estimate totals \$359,400 and includes \$287,400 for two buses with 85% grant funding, \$17,000 for make-ready costs for the new buses, and \$55,000 for a new camera system for all 12 buses. Other changes in the revised estimate include a decrease of \$1,600 in personal services costs, a \$22,500 increase in commodities (primarily for increased fuel costs), and a \$13,100 increase in contractual services (primarily for increased bus maintenance costs).

The 2023/2024 budget is \$91,700 (6.1%) more than the original 2022/2023 budget. This increase is due to (1) a \$27,300 (3.4%) increase in personal services costs, (2) a \$22,500 increase in commodities (primarily for increased fuel costs), (3) a \$9,100 increase in contractual services (primarily for increased bus maintenance costs), (4) a \$700 increase in administrative fees, (5) a \$137,800 increase in capital outlay, and (6) a \$105,700 decrease in transfers. The budgeted capital outlay allocation of \$355,800 in the operating budget is for dispatch software (\$35,400), tablets to run the software (\$4,200), and the purchase of two buses (\$316,200). The bus purchases are subject to grant funding which is estimated at \$268,800 (85%) in federal funding.

The original 2022/2023 budget included a \$105,700 transfer to the Vehicle Wash Bay capital project fund. This was the amount of the required matching funds for the original \$422,559 federal transit grant for the Vehicle Wash Bay. In addition to the federal grant and the grant matching funds from the Transit fund, the City contributed \$200,000 in funding from the May 2022 bond issue which was the original estimated amount to complete the financing of this project. Bids for the project, however, came in much higher than the original estimate; this project is currently on hold and Transit staff will be applying for additional grant funds for this project.

Transit charges for services which includes fares, passes, and waivers, is estimated at \$135,000 for 2023/2024. The fare revenue has fluctuated in recent years due in part to changes in payments from Managed Care Organizations (MCO's), insurance providers in the state of Iowa. There were numerous changes that were effective in November 2017 that led to changes in ridership beginning in December 2017. The MCO's have changed their authorizations for transportation, removing the funding for passengers living in Supported Community Living (SCL). MuscaBus staff continues to work with the providers of the SCL's to ensure the passengers continue to have transportation and to retain Muscabus ridership. The COVID-19 pandemic also contributed to lower fares and ridership in 2019/2020, 2020/2021, and 2021/2022. Ridership and fares are expected to continue increasing again in 2022/2023 and 2023/2024.

The Transit fund shows a balance at the end of 2023/2024 of \$376,475. This ending balance would be needed if there are further increases in fuel or bus maintenance costs, and would also allow for matching funds for additional bus purchases if additional 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 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
Buses Used and Maintained	12	12	12	12	12
Fixed Bus Routes (Weekdays)	3 (4 for 9 hrs of the day) M-F	3 (4 for 9 hrs of the day) M-F	3 (4 for 9 hrs of the day) M-F	3 (4 for 9 hrs of the day) M-F	3 (4 for 9 hrs of the day) M-F
Fixed Bus Routes (Saturdays)	2	2	2	2	2
Fixed Route Passengers	84,660	66,269	73,201	87,700	92,000
Paratransit Passengers	24,980	12,974	18,650	18,750	19,000
JARC for Work (Night Service)	5,384	4,998	5,135	4,900	5,000
New Freedom (Night Service)	703	41	0	0	0
Total Passengers (1)	115,727	84,282	96,986	111,350	116,000

1. The decreases in passengers in 2019/2020, 2020/2021, and 2021/2022 are due to the COVID-19 pandemic. Passenger numbers are expected to start increasing in 2022/2023.

RECENT ACCOMPLISHMENTS:

MuscaBus had an increase in ridership in 2021/2022. The fixed route service was up 10% (6,932 rides) over the previous year. The paratransit shuttle was up 44% (5,676 rides) and the JARC (evening service) was up 3% (137 rides). In 2022/2023, ridership continues to see an increase. MuscaBus provided approximately 1,700 free rides to kids K-12th grade over the summer months of June, July, and August. This service is proposed to be continued this coming summer.

On April 18, 2022, the Federal Transit Administration (FTA) lifted the mask mandate. Drivers and passengers were no longer required to wear a mask on the bus. The department has made masks optional, with some passengers and drivers choosing to continue wearing masks. The FTA ended their transit COVID-19 response program information collection project on October 1, 2022. Monthly data was required to be provided on how many drivers had contracted the virus, how many recovered from the virus, and how many were vaccinated.

MuscaBus was able to participate in several community events this past year. MuscaBus provided transportation to the Junior Police Academy June 8th, the Community Block Party at Discovery Park on September 9th, and the Parks & Recreation Cemetery Walk on September 25th. The department also had the Jefferson fifth grade Biz Town students ride the route buses on October 14th. Staff participated in the Parks and Recreation Trunk or Treat event on October 30th and the MCSA Wellness Fair on December 1st.

The Transit Supervisor has continued to participate in the Traffic Meetings, Healthy Hometown Committee, Bi-State Region 9, Iowa Public Transit Association (IPTA) Board meetings, and the Muscatine Consortium. The supervisor had the opportunity to give a presentation about MuscaBus to the Muscatine Consortium on June 15th. The supervisor also was asked to be on a panel for the Iowa Passenger Transportation Summit to talk about our COVID response on August 11th. The department reached out to the Salvation Army and WIC to provide more information about MuscaBus. Free tickets were provided to many area agencies that help disadvantaged individuals in need of transportation. MuscaBus also contributed marketing material to the IPTA that highlighted our passengers. Staff attended the IPTA Legislative Conference March 7th and 8th in Des Moines and the virtual IPTA mid-year meeting.

The bids were received for the drive through wash bay, but the bids were all above the project budget. The FTA has extended the expiration date of the grant to allow for an application for a State grant due in May of 2023 that may fund the difference between the FTA grant and the lowest bid. A SMART grant was also submitted in November to help fund software to upgrade the technology in the transit system.

Supply chain issue continue to be a problem. The Transit division still has not received the bus that was ordered in October of 2020 and the dealer does not have a delivery date at this time. The low-floor buses that were ordered in January of 2022 have an estimated delivery date of January or February of 2023. The IDOT is in the process of advocating to the federal level for assistance in obtaining buses at a quicker pace. Digital radios were installed on all buses in February of 2022.

The MuscaBus drivers and staff have completed the Operator Development Course. The TSA provided First Observer Plus Training to all staff on August 10, 2022. On September 22nd many of the drivers attended the Iowa Bus Human Trafficking Awareness Virtual Event hosted by Truckers Against Trafficking (TAT). The department has experienced increased employee turnover this past year, with five employees resigning and seven new drivers joining the department. The FTA has added the requirement of Entry Level Driver Training to obtain a CDL. Three of the new drivers have completed this new training facilitated by the transit supervisor and a driver trainer. On July 8-9, 2022, the department had an employee recognized as driver of the year by the IPTA at the annual Rodeo held in Cedar Rapids. The driver was also recognized at the City Council meeting on July 21. The department had two drivers participate in the Rodeo. On July 22, 2022, MuscaBus held Driver Appreciation Day to show how thankful the department is to have the current staff.

OBJECTIVES TO BE ACCOMPLISHED 2023/2024:

- To research having a professional evaluation of the route system to determine the optimal coverage of the community. **(Strategic Plan - Excellent Customer Service)**
- To obtain technology to improve the rider experience for scheduling shuttle trips, a driver app tracking all the trips provided, and a rider app that tracks the route buses. **(Strategic Plan – Excellent Customer Service)**
- Apply for a Public Transit Infrastructure Grant, to be submitted to the Iowa DOT by May 1, 2023 to supplement the funding shortfall for the vehicle wash bay.

Transit System

Fund Statement

	<u>Actual</u> <u>2020/2021</u>	<u>Actual</u> <u>2021/2022</u>	<u>Budget</u> <u>2022/2023</u>	<u>Revised</u> <u>Estimate</u> <u>2022/2023</u>	<u>Budget</u> <u>2023/2024</u>
Beginning Balance, July 1	\$ 378,435	\$ 517,458	\$ 467,775	\$ 369,197	\$ 546,397
Revenues	<u>1,097,676</u>	<u>1,380,719</u> (2)	<u>1,399,600</u> (2)	<u>1,852,800</u> (2)	<u>1,421,978</u> (3)
Funds Available	\$ 1,476,111	\$ 1,898,177	\$ 1,867,375	\$ 2,221,997	\$ 1,968,375
Expenditures (1)	<u>1,065,036</u>	<u>1,528,980</u>	<u>1,500,200</u> (5)	<u>1,675,600</u>	<u>1,591,900</u>
Ending Balance, June 30	<u><u>\$ 411,075</u></u>	<u><u>\$ 369,197</u></u>	<u><u>\$ 367,175</u></u> (5)	<u><u>\$ 546,397</u></u>	<u><u>\$ 376,475</u></u>

Increase (Decrease) in					
Fund Balance	\$ 32,640	\$ (148,261)	\$ (100,600)	\$ 177,200	\$ (169,922)

1. Expenditures include changes in compensated absences.
2. The 2021/2022 and 2022/2023 budgets did not include a Transit tax levy; the levies were not needed due to available CARES Act and CRSSA grant funding.
3. The budget for 2023/2024 includes a \$198,930 Transit tax levy which is estimated to yield \$206,678.

Explanation of Decrease in Fund Balance:

The balance in this fund has been fluctuating primarily due to capital purchases, primarily transit buses, bus maintenance costs, and grant funding.

Transit System

Summary of Revenues

	<u>Actual</u> <u>2020/2021</u>	<u>Actual</u> <u>2021/2022</u>	<u>Budget</u> <u>2022/2023</u>	<u>Revised</u> <u>Estimate</u> <u>2022/2023</u>	<u>Budget</u> <u>2023/2024</u>
Transit Charges	\$ 96,452	\$ 126,378	\$ 140,000	\$ 128,000	\$ 135,000
Transit Grants					
Operating Subsidies:					
Federal Operating Grant	\$ 239,033	\$ 0	\$ 420,000	\$ 526,500	\$ 530,000
State Vehicle Use Tax	278,906	314,489	260,000	283,100	280,000
Federal CARES Act Funding	360,740	431,448	0	0	0
CRSSA Funding	0	506,797	174,600	5,300	0
ARPA Funding	0	0	218,600	218,600	0
Other Operating Grants	6,975	858	0	0	0
Capital Grants:					
Federal Funds - Buses	0	0	185,300	244,300	268,800
Prior Year Federal Capital Grants for Buses (80%)	0	0	0	86,300	0
Prior Year CARES Grant for Buses	0	0	0	359,200	0
Subtotal - Grants	<u>\$ 885,654</u>	<u>\$ 1,253,592</u>	<u>\$ 1,258,500</u>	<u>\$ 1,723,300</u>	<u>\$ 1,078,800</u>
General Fund Support:					
Transit Tax Levy	113,807	0 (1)	0 (1)	0	206,678 (2)
Sale of Vehicles	1,040		1,000	1,000	1,000
Interest	723	473	100	500	500
Insurance Reimbursement	0	0	0	0	0
Other	<u>0</u>	<u>276</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 1,097,676</u>	<u>\$ 1,380,719</u>	<u>\$ 1,399,600</u>	<u>\$ 1,852,800</u>	<u>\$ 1,421,978</u>

1. The 2021/2022 and 2022/2023 budgets did not include a Transit tax levy; the levies were not needed due to available CARES Act and CRSSA grant funding.
2. The budget for 2023/2024 includes a \$198,930 Transit tax levy which is estimated to yield \$206,678.

Function:
Business Type

Department:
Public Works

Activity:
Transit System

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 712,444	\$ 755,568	\$ 801,900	\$ 800,300	\$ 829,200	3.40%
Commodities	69,335	107,964	113,200	135,700	135,700	19.88%
Contractual Services	149,356	170,900	238,600	251,700	247,700	3.81%
Capital Outlay	109,161	370,053	218,000	359,400	355,800	63.21%
Transfers	21,400	22,100	128,500	128,500	23,500	-81.71%
Total Expenditures	<u>\$ 1,061,696</u>	<u>\$ 1,426,585</u>	<u>\$ 1,500,200</u>	<u>\$ 1,675,600</u>	<u>\$ 1,591,900</u>	6.11%
Funding Sources						
Transit Charges	\$ 96,452	\$ 126,378	\$ 140,000	\$ 128,000	\$ 135,000	-3.57%
Transit Grants	524,914	315,347	865,300	1,499,400	1,078,800	24.67%
CARES Act Funding	360,740	431,448	-	-	-	
CRSSA Fundng	-	506,797	174,600	5,300	-	
ARPA Fundng	-	-	218,600	218,600	-	
Transit Tax Levy	113,807	-	-	-	206,678	
Sale of Vehicles	1,040	-	1,000	1,000	1,000	0.00%
Interest	723	473	100	500	500	400.00%
Other	-	276	-	-	-	
Total Funding Sources	<u>\$ 1,097,676</u>	<u>\$ 1,380,719</u>	<u>\$ 1,399,600</u>	<u>\$ 1,852,800</u>	<u>\$ 1,421,978</u>	1.60%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
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	<u>1.20</u>	<u>1.20</u>	<u>1.20</u>	<u>1.20</u>	<u>1.20</u>	
Part Time Positions:						
Transit Driver	11.19	11.12	11.08	11.12	11.08	
Transit Dispatcher	1.98	2.09	2.09	2.09	2.09	
Transportation Serviceperson	0.63	0.59	0.63	0.59	0.63	
Total Part Time	<u>13.80</u>	<u>13.80</u>	<u>13.80</u>	<u>13.80</u>	<u>13.80</u>	
Total	15.00	15.00	15.00	15.00	15.00	\$ 658,000
Employee Benefits						<u>171,200</u>
Total Personal Services						<u>\$ 829,200</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Light-Duty Buses	2	Yes	\$ 316,200
Dispatch Software	1	No	35,400
Tablets and Brackets for the Dispatch Software	12	No	4,200
			<u>\$ 355,800</u>

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 1,399 parking spaces in the downtown commercial area distributed as follows:

	<u>On-Street</u>		<u>Lot #1</u>	<u>Lot #2</u>	<u>Lot #4</u>	<u>Lot #6</u>	<u>Lot #7</u>	<u>Lot #8</u>		
	<u>General</u>	<u>Sycamore</u>	<u>Chestnut</u>	<u>W. 2nd</u>	<u>Sycamore</u>	<u>W. 3rd</u>	<u>E. 3rd</u>	<u>Cedar</u>		
		<u>4th to 5th St.</u>	<u>Street</u>	<u>Street</u>	<u>Street</u>	<u>Street</u>	<u>Street</u>	<u>Street</u>	<u>Levee</u>	<u>Totals</u>
Free Parking	167	0	0	16	13	0	0	5	465	666
				(4 hour)	(3 hour)			(3 hour)	(24 hour)	
2 Hour Meters	264	0	0	5	0	0	0	0	0	269
Handicapped	15	0	1	1	3	1	0	2	18	41
10 Hour Meters	48	0	19	15	39	0	9	0	0	130
Leased/Reserved	0	19 L	7 L	4 L	40 L	24 R	149 L	50 L	0	293
Totals	494	19	27	41	95	25	158	57	483	1,399

The four largest off street lots are located on 3rd Street across from City Hall (Lot 7), adjacent to Mississippi Drive at Sycamore (Lot 4), 2nd and Pine streets (Lot 2), and at the corner of 3rd and Cedar streets (Lot 8). 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 ensure 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 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 had been allocated to this budget and this allocation was reduced to 25% beginning midway through the 2020/2021 fiscal year. This reduced allocation was due to reduced revenues to the Parking fund beginning in March of 2020 due to the COVID-19 pandemic. The Parks department continues to have responsibility for maintenance and landscaping in the downtown area.

Numerous modifications were implemented in the Parking operation in past years. An Administrative Review Panel was formed to hear 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 hour 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.

At the October 19, 2017 City Council meeting, Council passed a resolution changing parking restrictions on 2nd Street from “Free parking up to 3 hours once per day in each space” to “Free parking up to 2 hours once per day in each block”. The purpose of this change was to increase the turnover of vehicles in on-street parking spaces on 2nd Street.

CURRENT TRENDS AND ISSUES:

Revenues in the Parking fund were impacted by the COVID-19 pandemic beginning in March of 2020. While the 2019/2020 budget reflected a \$10,100 decrease in the Parking fund balance to \$63,371, the actual fund balance decrease was \$27,942 to \$45,529. For the first several months of the pandemic, most downtown businesses were mandated to be closed temporarily or had their businesses significantly impacted by the pandemic. The pandemic also resulted in a significant number of downtown workers working from home, which also impacted leased parking revenues.

During the 2021/2022 budget review, it was noted that significant structural changes or expenditure reductions needed to be made to respond to the revenue reductions from the pandemic. Without those changes, the Parking fund balance was expected to be in a deficit position by the end of the 2021/2022 year. Structural changes implemented for the 2020/2021 Revised Estimate and the 2021/2022 Budget reflected the following cost allocation reductions to address the revenue shortfalls.

	Rev. Estimate Exp. Impact	2021/2022 Exp. Impact
Eliminate the 25% allocation of the Office Assistant to the Parking budget beginning 1-4-21	\$ (7,700)	\$ (16,600)
Reduce the allocation of the Parks Groundskeeper to the Parking budget from 50% to 25% beginning 1-4-21	(9,900)	(21,300)
Reduce the General Administrative Fee (both fiscal years)	(12,800)	(13,500)
Eliminate the allocation of the contracted snow removal contract (both fiscal years)	(7,500)	(7,500)
Eliminate the allocation of the parking lot striping contract (both fiscal years)	(1,000)	(1,000)
Other expenditures reductions	(1,600)	(1,500)
	<u>\$ (40,500)</u>	<u>\$ (61,400)</u>

With the above changes and with downtown businesses recovering from the pandemic, parking revenues have increased, and the Parking fund has remained in a positive position.

The 2022/2023 Revised Estimate for the Parking fund is over the original budget by \$2,000. This overall increase is due to the net effects of (1) a \$5,800 savings in personal services costs due to changing from two 28 hour/week meter attendants to one 28 hour/week and one 26 hour/week position, and savings from a vacancy in one of the Meter Attendant positions with the new employee starting at a lower step in the pay plan, (2) a \$1,000 increase in printing services (for paper tickets), (3) a \$6,700 increase in capital outlay, and (4) a \$100 increase in liability insurance costs. The capital outlay increase is due to (1) carrying forward the \$1,900 allocation for replacement meters from the previous year's budget, (2) replacement of the two hand-held ticket devices, and (3) the purchase of two body cameras for the meter attendants. There were supply chain issues in fiscal year 2021/2022 that delayed ordering of the new meters that year. The ticket devices were having more frequent performance issues, with the meter attendants needing to issue paper tickets when the devices were not functioning. The new devices are to address this issue.

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The requested budget for 2023/2024 is \$4,200 (2.2%) higher than the 2022/2023 budget. This increase is due to (1) a \$3,200 (2.0%) increase in personal services costs, (2) a \$200 increase in contractual services, (3) a \$300 increase in capital outlay, and (4) a \$500 increase in Administrative Fees. The capital outlay allocation of \$2,200 is for electronic meter replacements.

Based on the revenue and expenditure assumptions used for the budget, the parking fund balance is projected to decrease by \$7,700 to \$61,381 in the Revised Estimate and decrease by \$12,400 to \$48,981 in the fiscal year 2023/2024 budget. Finance and Parking staff will continue to monitor parking revenues and expenditures in the upcoming year and it expected that the fund balance decreases will likely be less than shown in the budget.

PERFORMANCE MEASURES:

	Actual 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
Metered Parking Spaces	399	399	399	399	399
Leased Parking Spaces	193	193	193	193	193
Reserved Parking Spaces (1)	100	100	100	100	100
Free Parking Spaces	666	666	666	666	666
Handicapped Parking Spaces	41	41	41	41	41
Total Parking Spaces	1,399	1,399	1,399	1,399	1,399
Overtime Parking Tickets Issued (2)	7,456	9,291	8,337	8,400	8,400
Overtime Tickets Paid or Dismissed	5,644	7,389	6,202	6,500	6,500
Percent Paid or Dismissed	75.70%	79.53%	74.39%	77.38%	77.38%
Handicapped Tickets Issued (2)	7	27	36	39	39
Handicapped Tickets Paid or Dismissed	5	21	36	39	39
Percent Paid or Dismissed	71.43%	77.78%	100%	100%	100%
Other Parking Tickets Issued (2)	1,344	2,005	1,659	1,700	1,700
Other Tickets Paid or Dismissed	898	1,404	1,066	1,100	1,100
Percent Paid or Dismissed	66.82%	70.02%	64.26%	64.71%	64.71%
Overall Collection Rate	74.34%	77.84%	72.81%	75.34%	75.34%
Leased Parking Spaces Available	193	193	193	193	193
Spaces Leased	193	184	181	186	186
Percentage Leased	100%	95.34%	93.78%	96.37%	96.37%
Fines Collected by County Treasurer	\$19,150	\$24,864	\$27,475	\$28,000	\$28,000
Courtesy Tickets Issued	386	390	47	55	55
Tickets for Over 2-Hour Once per Day in Each Block Time Limit on 2 nd Street	716	695	924	975	975

1. Reserved spaces include those reserved for the Clark House and CBI Bank and Trust.
2. The number of parking tickets issued decreased beginning in mid-March of 2020 and continuing through 2020/2021 due to the COVID-19 pandemic.

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.

RECENT ACCOMPLISHMENTS/ISSUES:

The COVID-19 pandemic had a significant impact on downtown businesses and downtown parking. In mid-March of 2020, the Governor of Iowa ordered all food and beverage facilities to suspend their indoor food and beverage services, and other non-essential businesses were mandated to be closed to the public in an effort to reduce the spread of the coronavirus. While most businesses were allowed to re-open in early June, the Governor had restrictions on indoor seating in food and beverage establishments. Initially there was less traffic in the downtown area, which may have been in part due to the number of individuals working from

home. While there are still concerns with COVID-19 and its variants, businesses are now open in the downtown area with limited restrictions. There has been increased downtown traffic, and parking revenues have been increasing to closer to the pre-pandemic levels.

Leased parking spaces were near 100% occupancy prior to the pandemic which began in mid-March of 2020. During the 2020/2021 fiscal year, the number of spaces leased was negatively impacted by the number of downtown workers that were working from home. The demand for the leased spaces increased in 2021/2022 (to 93.78% leased) and further increased in 2022/2023 (to 96.37% leased). Several of the lots are currently at 100% occupancy which is similar to the rate prior to the pandemic.

There were changes in Parking Meter Attendants this year with the previous employees moving to fulltime positions in other departments. One of the new employees started work in May and the other in October and are both fully trained. The Finance Department Account Clerk has taken the lead role in training new meter attendants which has resulted in more consistent training.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024:

- * 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. **(Strategic Plan – Excellent Customer Service – Process Improvements)**
- * To meet with parking meter vendors to gather information on meter enhancements which would allow for acceptance of debit/credit card payments at the meters. Cost of new meters, transaction costs for accepting these payments, and impact on meter rates would be evaluated. **(Strategic Plan – Excellent Customer Service – Process Improvements)**
- * To review Parking processes for additional “Lean” efficiencies. **(Strategic Plan – Excellent Customer Service – Process Improvements)**
- * To present an overview of the Parking operation to City Council for their review and study.

Parking System

Fund Statement

	<u>Actual</u> <u>2020/2021</u>	<u>Actual</u> <u>2021/2022</u>	<u>Budget</u> <u>2022/2023</u>	<u>Revised</u> <u>Estimate</u> <u>2022/2023</u>	<u>Budget</u> <u>2023/2024</u>
Beginning Balance, July 1	\$ 45,529	\$ 42,465	\$ 44,365	\$ 69,081	\$ 61,381
Revenues					
Parking Fees (2)	\$ 67,213	\$ 57,785	\$ 75,000	\$ 76,000	\$ 76,000
Parking Permits	42,260	47,690	45,000	48,000	48,000
Meter Hoods	693	5,503	1,000	3,500	1,000
Fines	64,142	76,911	52,000	55,000	55,000
Interest	201	100	100	200	200
Miscellaneous	178	16	100	100	100
Total Revenues	<u>\$ 174,687 (3)</u>	<u>\$ 188,005</u>	<u>\$ 173,200</u>	<u>\$ 182,800</u>	<u>\$ 180,300</u>
Funds Available	\$ 220,216	\$ 230,470	\$ 217,565	\$ 251,881	\$ 241,681
Expenditures (1)	<u>177,751 (4)</u>	<u>161,389 (4)</u>	<u>188,500 (4)</u>	<u>190,500 (4)</u>	<u>192,700 (4)</u>
Ending Balance, June 30	<u><u>\$ 42,465</u></u>	<u><u>\$ 69,081</u></u>	<u><u>\$ 29,065</u></u>	<u><u>\$ 61,381</u></u>	<u><u>\$ 48,981</u></u>

Increase (Decrease) in					
Fund Balance	\$ (3,064)	\$ 26,616	\$ (15,300)	\$ (7,700) (5)	\$ (12,400)

- Expenditures include changes in compensated absences.
- 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. These rates have been continued in the 2023/2024 budget.
- Parking revenues were impacted by the COVID-19 pandemic beginning in March of 2020 and continuing in 2020/2021.
- The 2020/2021 revised estimate, the 2021/2022 budget, and the 2022/2023 budget, reflected employee allocation reductions, administrative fee reductions, and other allocated cost reductions to address the reductions in parking revenues due to the COVID-19 pandemic. These reductions have been continued in the 2023/2024 budget.
- The 2022/2023 revised estimate shows an annual operating deficit of \$7,700; as revenues have been estimated conservatively, the actual deficit will likely be less than shown. An operating deficit of \$12,400 is also shown for fiscal year 2023/2024 based on budget assumptions

Explanation of Changes in Fund Balances:

Parking revenues were significantly impacted due to temporary business closures beginning in March of 2020 due to the COVID-19 pandemic. While most businesses have re-opened, parking revenues continue at a reduced level in the downtown area. Parking revenues were also impacted due to a significant number of individuals working from home, at least initially. Since January 1, 2021, the budget includes cost allocation reductions to address the revenue decreases.

Function:
Business Type

Department:
Finance

Activity:
Parking System

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 154,142	\$ 132,126	\$ 159,100	\$ 153,300	\$ 162,300	2.01%
Commodities	3,842	3,783	2,800	2,800	2,800	0.00%
Contractual Services	7,854	10,464	10,300	11,400	10,500	1.94%
Capital Outlay	1,651	-	1,900	8,600	2,200	15.79%
Transfers	13,700	13,900	14,400	14,400	14,900	3.47%
Total Expenditures	\$ 181,189	\$ 160,273	\$ 188,500	\$ 190,500	\$ 192,700	2.23%
Funding Sources						
Parking Fees	\$ 110,166	\$ 128,754	\$ 121,000	\$ 127,500	\$ 125,000	3.31%
Parking Fines	64,142	59,135	52,000	55,000	55,000	5.77%
Interest	201	100	100	200	200	100.00%
Miscellaneous	178	16	100	100	100	
Total Funding Sources	\$ 174,687	\$ 188,005	\$ 173,200	\$ 182,800	\$ 180,300	4.10%

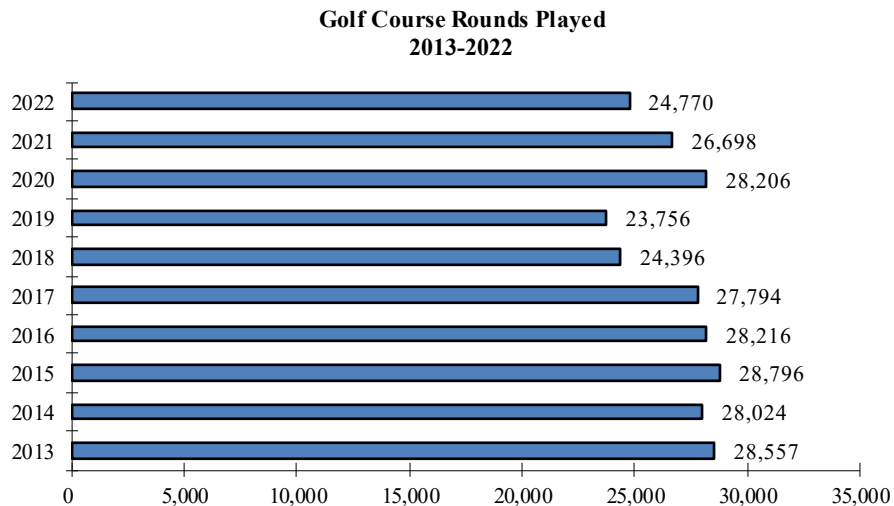
Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time Positions/Position Allocations:						
Finance Director	0.05	0.05	0.05	0.05	0.05	
Parking Meter Repairperson	0.10	0.10	0.10	0.10	0.10	
Groundskeeper	0.38	0.25	0.25	0.25	0.25	
Finance Secretary/Parking Coordinator	0.50	0.50	0.50	0.50	0.50	
Office Assistant	0.13	-	-	-	-	
Total Full Time	1.16	0.90	0.90	0.90	0.90	
Part Time Positions:						
Meter Attendant	1.26	1.25	1.46	1.35	1.39	
Total	2.42	2.15	2.36	2.25	2.29	\$ 118,100
Employee Benefits						44,200
Total Personal Services						\$ 162,300

Capital Outlay			
Item:	Quantity	Replacement	Amount
Electronic Meters	12	Yes	\$ 2,200

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, has fluctuated during the last 10 years. There were 28,557 rounds played in 2013. Play decreased to 28,024 (by 1.9%) in 2014. Play increased to 28,796 (by 2.8%) in 2015, decreased to 28,216 (2.0%) in 2016, decreased to 27,794 (1.5%) in 2017, decreased to 24,396 (by 12.2%) in 2018, and decreased to 23,756 (2.6%) in 2019. Play increased in 2020 to 28,206 (18.7%), decreased in 2021 to 26,698 (5.7%), and decreased in 2022 to 24,770. 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%. Rates were increased for the 2017 golf season and remained the same for the 2018 season. Rates increased by \$1.00 per round for greens fees and by \$25 for season passes for the 2019 season. Rates were again increased for the 2020 golf season by \$1.00 per round and by \$25 for season passes. Greens fee rates increased by \$1.00 per round for the 2021 season; there was no change in the season pass fees for 2021. Green fee rates increased by \$1.00 per round for the 2022 season and the season passes were increase by \$25.00. Green fee rates are budgeted to increase by \$1.00 per round for the 2023 season and the season passes are budgeted to increase by \$25.00. Cart rental fees are also budgeted to increase by \$1.00 per rental for the 2023 season.

<u>WEEK DAYS</u>	<u>2017-2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Budget 2023</u>
Adults						
9 holes	\$ 16.00	\$ 17.00	\$ 18.00	\$ 19.00	\$20.00	\$21.00
18 holes	\$ 20.00	\$ 21.00	\$ 22.00	\$ 23.00	\$24.00	\$25.00
Senior Citizens						
9 holes	\$ 15.00	\$ 16.00	\$ 17.00	\$ 18.00	\$19.00	\$20.00
18 holes	\$ 18.00	\$ 19.00	\$ 20.00	\$ 21.00	\$22.00	\$23.00
Junior						
9 holes	\$ 5.00	\$ 6.00	\$ 7.00	\$ 8.00	\$ 9.00	\$ 10.00
18 holes	\$ 5.00	\$ 6.00	\$ 7.00	\$ 8.00	\$ 9.00	\$ 10.00

<u>WEEK DAYS</u>	<u>2017-2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Budget 2023</u>
Adults 1-3 p.m.						
9 holes	\$ 11.00	\$ 12.00	\$ 13.00	\$ 14.00	\$15.00	\$16.00
18 holes	\$ 13.00	\$ 14.00	\$ 15.00	\$ 16.00	\$17.00	\$18.00
Senior Citizens 1-3 p.m.						
9 holes	\$ 10.00	\$ 11.00	\$ 12.00	\$ 13.00	\$14.00	\$15.00
18 holes	\$ 12.00	\$ 13.00	\$ 14.00	\$ 15.00	\$16.00	\$17.00

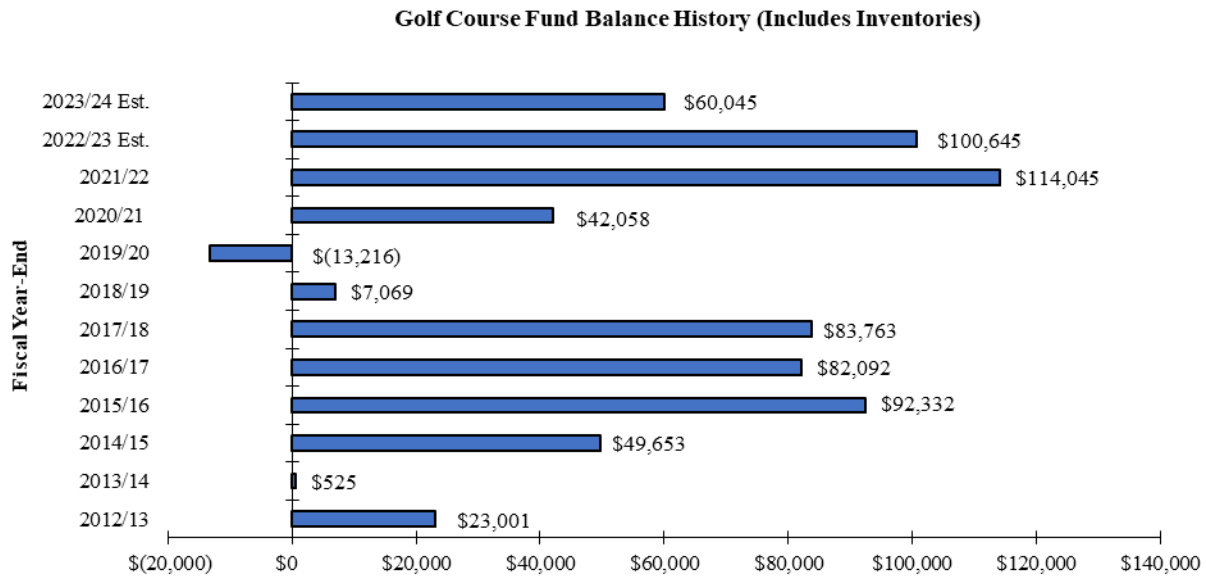
WEEKENDS AND HOLIDAYS

18 Holes						
Adult	\$ 22.00	\$ 23.00	\$ 24.00	\$ 25.00	\$26.00	\$27.00
Senior Citizens	\$ 20.00	\$ 21.00	\$ 22.00	\$ 23.00	\$24.00	\$25.00
Juniors	\$ 6.00	\$ 7.00	\$ 8.00	\$ 8.00	\$ 9.00	\$10.00

SEASON PASSES

Adults	\$ 605.00	\$ 630.00	\$655.00	\$655.00	\$680.00	\$ 705.00
Juniors	\$ 90.00	\$ 115.00	\$140.00	\$140.00	\$165.00	\$ 190.00
Senior Citizens	\$ 515.00	\$ 540.00	\$565.00	\$565.00	\$590.00	\$ 615.00
College Student Pass	\$ 325.00	\$ 350.00	\$375.00	\$375.00	\$400.00	\$ 425.00
Family Pass	\$ 985.00	\$1,010.00	\$1,035.00	\$1,035.00	\$1,060.00	\$1,085.00

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. The lower fund balances since 2012/2013 are in part due to the fairway irrigation system project which was completed in 2013. The total cost of this project was \$330,164 and it was 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, 2015/2016, 2016/2017, and 2017/2018 budgets continued to include the lower \$45,000 payment on the internal loan. The final loan payment in the amount of \$45,200 was made in 2018/2019. The fund balance history is shown below.



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.

The budgets for all of the Park divisions include increased wage rates for seasonal employees. An updated Seasonal Pay Plan was requested and is budgeted to be effective April 1, 2023. As such, it will have an impact on both the 2022/2023 revised estimate and the 2023/2024 budget. The impact on the Golf Clubhouse 2022/2023 revised estimate is \$4,200 and the 2023/2024 impact is estimated at \$8,200. The goal of the pay plan update is to offer more competitive wages in an effort to recruit and retain qualified seasonal staff.

Revised estimate expenditures for the Golf Clubhouse are \$11,200 more in total than the original budget. This overall increase is due to the net effect of (1) a \$9,400 increase in personal services costs which includes the seasonal pay plan update and Golf Pro lesson compensation pay that was not included in the original budget, (2) a \$6,600 increase in contractual services primarily due to leasing more golf carts, and (3) a \$4,800 decrease in capital outlay. The capital outlay decrease is due to the department deferring the driving range mats to the 2023/2024 budget.

The budgeted expenditures for 2023/2024 are \$5,300 (1.3%) more than the original 2022/2023 budget. Personal services costs increased by \$22,400, which includes the seasonal pay plan update and the Golf Pro lesson compensation, contractual services increased by \$1,900, and capital outlay decreased by \$19,000. The capital outlay allocation of \$5,000 is for the new driving range mats. 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 Maintenance Operations

As discussed in the previous section, a new seasonal pay plan is budgeted to be implemented in the spring of 2023. The impact on the Golf Maintenance budget for the 2022/2023 revised estimate is \$5,200 and the 2023/2024 impact is estimated at \$10,600.

The 2022/2023 revised estimate is \$36,200 more than the original budget. This overall increase is due to (1) an \$18,100 increase in personal services costs, which includes the seasonal pay plan update and an employee changing from single to family health insurance coverage, (2) an \$11,400 increase in commodities due to increased fuel, fertilizer, pesticide, and other costs, (3) a \$3,400 increase in contractual services, and (4) a \$3,300 increase in capital outlay due to the increased cost for the new rough mower.

The 2023/2024 budget is \$91,300 (19.2%) more than the original 2022/2023 budget and continues the higher costs noted above for the revised estimate. Personal services costs increased by \$32,300, which includes the seasonal pay plan update and employee health insurance change, commodities increased by \$11,400, contractual services increased by \$2,400, capital outlay increased by \$44,000, and transfers increased by \$1,200. The capital outlay allocation of \$96,000 includes funds for the purchase of a used triplex mower (\$30,000), an irrigation system control board (\$35,000), and a used utility vehicle (\$31,000).

Summary Information

Based on budget assumptions, it is estimated that the fund balance in the Golf Course fund, including inventory, at the end of 2022/2023 will be \$100,645 and the fund balance at the end of 2023/2024 is estimated to decrease to \$60,045. The decrease is primarily due to the increased allocation for capital outlay. A number of factors can continue to impact revenues at the course, especially the weather.

As noted previously, rates are budgeted to increase for the 2023 golf season. Daily greens fees are budgeted to increase by \$1.00 per round, season passes are budgeted to increase by \$25.00, and cart rental fees are budgeted to increase by \$1.00. The fee increases are being recommended due to the increases in fuel, fertilizer, pesticide, and other operating supply cost, as well as the new seasonal pay plan and the cost of replacement equipment needed for the golf course operation.

The 2023 season will be the 18th 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 2019	Actual 2020	Actual 2021	Actual 2022	Estimated 2023
Golf Maintenance Operations:					
Top Dressed Greens	8	9	9	10	10
Stimped Greens	18	17	18	16	16
Aerified Greens	3	2	2	2	2
Acres Maintained	170	170	170	170	170
Acres Mowed Per Week	257	257	257	257	257
New Trees Planted	2	9	125	5	20
Bluebirds Fledged	11	12	11	9	10
Rolled Greens	42	40	46	44	45
Verti-cut Greens	6	6	7	7	7

According to the National Recreation and Park Association 2021 Agency Performance Review, 57% of Midwestern agencies maintain golf courses.

	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Estimated 2023
Clubhouse Operations					
Round Played	23,756	28,206	26,698	24,770	24,900
Events	54	24	29	27	28
Leagues	9	7	5	5	5
Season Passes Sold	220	185	201	197	205
Driving Range Tokens Sold	3,908	4,580	5,022	4,957	5,000
Gift Cards Sold	\$41,976	\$49,284	\$53,998	\$55,520.50	\$54,500
Lesson Hours	111	72	30	98	110
Total Beer Sales (Units)	34,491	37,436	37,383	39,009	39,000
Total Food and Beverages (Units)	23,498	22,492	26,773	26,094	26,150
Simulator Usage (\$)	\$1,160	\$775	\$100	\$408	\$3,000
Merchandise Sales (\$)	\$43,558	\$47,547	\$47,373	\$57,635.87	\$59,000

According to the National Recreation and Park Association 2021 Agency Performance Review, 67% of Midwestern agencies offer golf programming.

RECENT ACCOMPLISHMENTS:**Golf Maintenance Operations**

The golf course opened for the season on March 17, 2022, as the winter brought light to moderate snow, but it stayed on the ground all winter which put a strain on the snow mold control that was used. Fortunately, there was not any snow mold damage and the grass was in good shape to open the season. There were several wind storms during the winter that brought down branches and debris which took staff a lot of time to clean up in the spring. April and May were cold and rainy months which affected play in a negative way. There were three major irrigation breaks on the golf course which slowed being able to pressurize the irrigation system. Breaks were fixed and a valve was put in place to thoroughly drain these areas so breaks should not happen in

the future. June and July were good months and the course was very busy. August and September were dry months and staff had to use the irrigation system more than usual, but it did a great job in keeping the golf course in good shape and being able to target water for where it was needed. October was a normal month and staff was able to accomplish a lot of aerification and spraying of the golf course for weeds. In November, staff cut some trees down and blew out the irrigation system. The golf course closed on December 5 and the course is in very good shape for next spring.

Staff has looked at plans for the renovation of #9 and #15 greens along with adding a cart path from #15 tee to #15 green. Staff is looking at the cart path addition because it stays wet around the #15 tee area. Moving the cart path forward would help keep carts out of wet areas. Staff will continue to look at these areas for future renovation.

Golfers have suggested adding a few tees on the longer holes to make them shorter and more enjoyable along with removing several bunkers. Staff has looked at some of the holes where tees might be added without having to add the expense of putting in irrigation. Staff may test a couple of these spots in the spring with the idea that, if successful, will consider making this a permanent change.

Once again, this year staff attended the Iowa Turf grass Conference and Trade Show and considered ideas on how to make the golf course the best it can be. Some ideas were brought back and staff started utilizing these ideas on the greens this year with many positive comments.

Staff has worked together to develop a new plan for the driving range mats. Staff decided that when new mats are purchased, there will be one continuous mat on the concrete poured behind the driving range tee. More people can utilize one continuous mat, generating more revenue on days when using the regular driving range tee is not available. Staff will continue to look at different mats to hopefully find an affordable one that makes the most sense for the golf course.

Staff has started to remove some of the dead and dying trees on the golf course and this work will continue through the winter. There are twenty-eight trees in the tree nursery that need to get planted on the golf course in the next several seasons so staff will be aggressive on getting the dead trees out in order to plant some new ones. Hopefully in the next several seasons the majority of dead trees will be cut out. Staff will continue looking at ideas on how to protect some of the holes on the golf course going forward to make sure they play the way they were intended. With the advancement in technology of golf equipment, some of these holes play different than what was designed so staff is hoping to plant some trees to make the hole play like it was designed.

Again this year, the Golf division struggled getting enough quality staff throughout the season. The golf course relies heavily on the quality of the staff to provide a safe and quality facility.

Golf Course Clubhouse

Overall, it was a successful year at the Muscatine Municipal Golf Course. The weather to begin the year was not great so it was a late start to the year and that hurt the number of rounds played. It is hard to make up for all of the lost rounds from March and April. Even with the slow start to the season, there was an increase in merchandise sales and food and beverage sales as a whole.

Local businesses have started to utilize the course more. They all stated that they have not been able to do employee events since the start of the COVID-19 pandemic, but now feel comfortable hosting employee events again. Every employee event that was hosted was successful for both the business and the golf course. The Golf Course staff looks forward to continuing those partnerships and growing these events.

The Golf Course hosted multiple other events throughout the season as well. There was a very busy outing schedule from July through October. All of the outings went well and will hopefully return for the 2023 season. Outings bring significant revenue to the course and customers are very appreciative of the services the course is able to provide to them. Junior golf saw an increase in participation. There were five young people in 2021 and the number increased to twenty-seven in 2022.

Once again, it has been a challenge to find enough quality people to staff the clubhouse, food and beverage, and for outside services. This winter and spring, staff will continue making it a priority to seek out qualified staff for the season.

OBJECTIVES TO BE COMPLETED IN 2023/2024:

Golf Maintenance Operations

- To continue to develop a plan for the renovation of the #9 and #15 greens to make them more enjoyable to golfers. **(Strategic Plan – Excellent Customer Service)**
- To repair some existing cart paths and add an extension to #15 cart path because it tends to stay wet longer, so that there is less downtime for golf carts. **(Strategic Plan – Excellent Customer Service)**
- To look at adding some additional tees specifically #4 and #11 to make it more enjoyable for golfers of all skill sets to enjoy the golf course. **(Strategic Plan – Excellent Customer Service)**
- To continue to work within the approved budget.
- To continue to listen to golfer suggestions, input, and ideas that may help improve the Golf Course. **(Strategic Plan – Excellent Customer Service)**
- To replace trees that die or have a negative impact on the playability of the golf course to make it more enjoyable for the average golfer. **(Strategic Plan – Excellent Customer Service)**
- To explore new mowing strategies to give the golfers optimal results while saving money on fuel and labor expense. **(Strategic Plan – Excellent Customer Service)**
- To explore putting a solar light above the entrance sign to make it easier to see from the road at night. **(Strategic Plan – Excellent Customer Service)**
- To look at a new driving range mat structure that will allow for golfers to use the mats during bad weather so the driving range can be kept open. **(Strategic Plan – Excellent Customer Service)**
- To look at putting a new shelter on #13 tee with a dynamic landscaping plan to give golfers some place to go in inclement weather. **(Strategic Plan – Excellent Customer Service)**
- To look for quality seasonal employees to keep the golf course in the best possible condition while also serving the needs of the golfers. **(Strategic Plan- Excellent Customer Service)**

Golf Course Clubhouse

- To promote a culture that is based around excellent customer service. Formal and informal weekly trainings will be extremely pivotal in this plan so all employees know the expectations for the service levels that we offer at the course. **(Strategic Plan – Integrity, Respect, Excellence)**
- To maintain a golf shop that sees sales to grow year over year. A 5-7% yearly increase would be a realistic start. Marketing the shop on social media and through email/texts will increase as new items hit the floor to help build excitement and grow the customer base. **(Strategic Plan – Excellence, Innovation, Fiscal Responsibility)**
- To grow the game of golf in the community by bringing new golfers out and making them feel welcome and comfortable. This will include clinics based around families and beginners. Also, to find times on the tee sheet where it is not so busy and promote families getting out and enjoying the course. **(Strategic Plan – Wellness, Respect)**

Golf Course Operations

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance (Deficit), July 1	\$ (44,452)	\$ 3,016	\$ 43,716	\$ 75,063	\$ 61,663
Revenues	<u>847,563</u>	<u>872,330</u> (2)	<u>906,400</u>	<u>933,100</u> (3)	<u>955,100</u> (4)
Funds Available	<u>\$ 803,111</u>	<u>\$ 875,346</u>	<u>\$ 950,116</u>	<u>\$ 1,008,163</u>	<u>\$ 1,016,763</u>
Expenditures:					
Golf Course Maintenance					
Operations	\$ 424,980	\$ 449,411	\$ 476,700	\$ 512,900 (5)	\$ 568,000 (5)
Golf Clubhouse Operations	<u>375,115</u>	<u>350,872</u>	<u>422,400</u>	<u>433,600</u> (5)	<u>427,700</u> (5)
Total Expenditures (1)	<u>\$ 800,095</u>	<u>\$ 800,283</u>	<u>\$ 899,100</u>	<u>\$ 946,500</u>	<u>\$ 995,700</u>
Ending Balance, June 30	\$ 3,016	\$ 75,063	\$ 51,016	\$ 61,663	\$ 21,063
Allowance for Inventory	<u>39,042</u>	<u>38,982</u>	<u>39,042</u>	<u>38,982</u>	<u>38,982</u>
Net Balance, June 30	<u><u>\$ 42,058</u></u>	<u><u>\$ 114,045</u></u>	<u><u>\$ 90,058</u></u>	<u><u>\$ 100,645</u></u>	<u><u>\$ 60,045</u></u>
Increase (Decrease) in Fund Balance	\$ 47,468	\$ 72,047	\$ 7,300	\$ (13,400)	\$ (40,600)

1. Expenditures include changes in compensated absences.
- 2.. Golf fees were increased for the 2022 golf season by \$1.00 per round for greens fees and by \$25 for season passes.
3. Golf fees are budgeted to increase for the 2023 golf season by \$1.00 per round for greens fees, \$25 for season passes, and by \$1.00 for each golf cart rental.
4. The 2023/2024 budget reflects a full fiscal year with the rate increases budgeted for the 2023 golf season.
- 5 The 2022/2023 Revised Estimate and the 2023/2024 Budget include \$9,400 and \$18,800, respectively, for increased wages and related benefits from implementation of a new Seasonal Pay Plan in the spring of 2023.

Golf Course

Summary of Revenues

	Actual		Actual		Budget		Revised		Budget	
	2020/2021		2021/2022		2022/2023		Estimate		2023/2024	
Season Passes	\$	121,470 (1)	\$	125,145 (2)	\$	129,700	\$	132,400 (3)	\$	134,700 (4)
Greens Fees		247,452 (1)		249,151 (2)		278,000		271,500 (3)		278,000 (4)
Interest		226		150		0		300		300
Rental of Buildings		0		50		0		0		0
Lessons		1,780		3,405		3,500		5,700		6,000
Golf Cart Rental		230,718		240,365		236,000		252,000 (3)		264,000 (4)
Pull Cart Rental		962		477		800		800		800
Driving Range Fees		20,372		21,174		23,000		24,000		24,000
Simulator Fees		305		332		800		1,500		2,500
Catering Fee		0		75		0		0		-
Beer Sales		96,150		98,263		100,000		100,100		100,500
Food and Beverage Sales		46,562		47,503		50,000		50,000		50,000
Merchandise Sales		49,528		53,504		50,000		60,000		60,000
Miscellaneous Sales		1,485		591		2,000		2,000		2,000
Rebate - Soft Drink Supplier		2,000		2,000		2,000		2,000		3,000
Sales Tax		27,256		27,663		30,200		28,800		28,900
Donation		270		1,576		0		1,600		0
Federal Grant (FEMA-COVID)		135		0		0		0		0
Miscellaneous		832		906		400		400		400
Total Revenues	\$	847,503	\$	872,330	\$	906,400	\$	933,100	\$	955,100

1. Golf fees were increased for the 2021 golf season by \$1.00 per round for greens fees; season pass fees remained the same.
2. Golf fees increased for the 2022 golf season by \$1.00 per round for greens fees and by \$25 for season passes.
3. Golf fees are budgeted to increase for the 2023 golf season by \$1.00 per round for greens fees, \$25 for season passes, and by \$1.00 for each golf cart rental.
4. The 2023/2024 budget reflects a full fiscal year with the rate increases budgeted for the 2023 golf season.

Function:
Business Type

Department:
Parks and Recreation

Activity:
Golf Maintenance Operations

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 214,612	\$ 227,385	\$ 260,800	\$ 278,900	\$ 293,100	12.38%
Commodities	67,383	79,474	81,800	93,200	93,200	13.94%
Contractual Services	44,949	41,201	45,600	49,000	48,000	5.26%
Capital Outlay	32,000	68,130	52,000	55,300	96,000	84.62%
Transfers	62,000	35,400	36,500	36,500	37,700	3.29%
Total Expenditures	<u>\$ 420,944</u>	<u>\$ 451,590</u>	<u>\$ 476,700</u>	<u>\$ 512,900</u>	<u>\$ 568,000</u>	19.15%
Funding Sources						
Golf Funds	<u>\$ 420,944</u>	<u>\$ 451,590</u>	<u>\$ 476,700</u>	<u>\$ 512,900</u>	<u>\$ 568,000</u>	19.15%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
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	\$ 209,200
Employee Benefits						83,900
Total Personal Services						<u>\$ 293,100</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Triplex Mower (Used)	1	Yes	\$ 30,000
Irrigation System Control Board	1	Yes	35,000
Utility Vehicle (Used)	1	Yes	31,000
			<u>\$ 96,000</u>

Function:
Business Type

Department:
Parks and Recreation

Activity:
Golf Clubhouse Operations

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 172,619	\$ 139,017	\$ 184,800	\$ 194,200	\$ 207,200	12.12%
Commodities	106,422	112,822	109,600	109,600	109,600	0.00%
Contractual Services	96,074	99,032	104,000	110,600	105,900	1.83%
Capital Outlay	-	-	24,000	19,200	5,000	-79.17%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 375,115</u>	<u>\$ 350,871</u>	<u>\$ 422,400</u>	<u>\$ 433,600</u>	<u>\$ 427,700</u>	1.25%
Funding Sources						
Golf Fees and Sales	<u>\$ 375,115</u>	<u>\$ 350,871</u>	<u>\$ 422,400</u>	<u>\$ 433,600</u>	<u>\$ 427,700</u>	1.25%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time:						
Golf Professional	1.00	1.00	1.00	1.00	1.00	
Part Time:						
Clubhouse Supervisor	1.35	1.35	1.35	1.35	1.35	
Cashier	0.77	0.75	0.75	0.75	0.75	
Laborer/Ranger	<u>0.35</u>	<u>0.37</u>	<u>0.37</u>	<u>0.37</u>	<u>0.37</u>	
Total Part Time	<u>2.47</u>	<u>2.47</u>	<u>2.47</u>	<u>2.47</u>	<u>2.47</u>	
Total	3.47	3.47	3.47	3.47	3.47	\$ 153,700
Employee Benefits						<u>53,500</u>
Total Personal Services						<u>\$ 207,200</u>

Capital Outlay		
Item	Replacement	Amount
Range Mats	Yes	<u>\$ 5,000</u>

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 2022/2023 revised estimate is \$2,100 less than the original budget. Personal services decreased by \$200 and contractual services decreased by \$1,900. The contractual services decrease is due to discontinuing using Dockwa to market the boat harbor and marina. Dockwa was used on a trial basis in 2022, but while there was some increased usage of the marina for fuel sales, there was no increase in the number of slip rentals that was expected.

The 2023/2024 budget is \$1,800 (7.0%) less than the 2022/2023 budget. Personal services costs decreased \$100 (0.6%) and contractual services decreased by \$1,700. The contractual services decrease is due to discontinuing the use of Dockwa to market the boat harbor.

The Boat Harbor continues to see fluctuations in slip rentals each year. The river conditions, including multiple floods in 2018 and 2019, as well as increased fuel prices and other factors, contributed to the decline in those years. The Boat Harbor fund ended the 2016/2017 fiscal year with a fund balance deficit of \$6,863 (excluding the storm damages reimbursed by insurance). In 2017/2018 a General Fund subsidy transfer of \$13,734 was made to eliminate the deficit balance in this fund. A General Fund subsidy was again needed to eliminate the deficit balance of \$16,910 in 2018/2019. There was an increase in slip rentals in the 2019/2020 season partly due to favorable river levels in the summer of 2020 and indoor recreational activities being cancelled due to the COVID-19 pandemic. However, a general fund subsidy of \$638 was still needed to eliminate the deficit in 2019/2020. A General Fund subsidy was again needed to eliminate the deficit balance of \$2,718 in 2020/2021 and a \$9,896 subsidy was needed in 2021/2022.

The number of boat slip rentals and the corresponding revenue is dependent on river conditions each year, fuel prices, 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, decreased to forty-five (45) in 2014, and further decreased to thirty-four (34) in 2015. The number of slip rentals increased to thirty-nine (39) in 2016, decreased to thirty-one (31) in 2017, and further decreased to twenty-six (26) in 2018. In 2019, twenty-two (22) slips were rented. The 2013 and 2014 decreases were due to high water levels early in the season. In 2017 the long dock was replaced as part of a capital project funded by a Resource Enhancement and Protection (REAP) grant from the Iowa Department of Natural Resources (IDNR). Increased slip rentals were expected with completion of the dock renovation project, however, the four floods in 2018 contributed to the continued lower number of rentals. The 2019 season saw record floods again, with the river levels being above flood stage for over ninety days. In 2020, twenty-nine (29) boat slips were rented, in the 2021 season, twenty-eight (28) slips were rented, and in the 2022 season, twenty-seven (27) slips were rented.

The Parks department conducted a survey of area boat harbors and based on the survey, slip rental rates were increased for the 2015 boating season. A non-resident fee was also implemented beginning in 2015. Another fee survey was done by the Parks department early in 2018. Based on the survey results, the fees

were increased for the 2018 season. These fees are budgeted to continue for the 2023 and 2024 boating seasons. The history of rates is shown in the following chart:

TYPE OF BOAT

		<u>2015-2017</u>		<u>2018-2024</u>	
	<u>2010-2014</u>	<u>Residents</u>	<u>Non-Residents</u>	<u>Residents</u>	<u>Non-Residents</u>
17 feet or less	\$ 338.00	\$350.00	\$ 400.00	\$ 400.00	\$ 450.00
18 to 25 feet	439.00	450.00	500.00	500.00	550.00
26 to 32 feet	539.00	550.00	600.00	600.00	650.00
33 feet and up	887.00*	991.00*	1,040.00 *	1,091.00 *	1,140.00 *

* Plus a surcharge of \$5.00 per foot over 40 feet.

GOAL STATEMENT:

To establish and maintain a usable and aesthetically compatible riverfront area for the use of the general public in the City including a municipal harbor and launching ramp.

PERFORMANCE MEASURES:

Calendar Year Basis	Actual 2020	Actual 2021	Actual 2022	Estimated 2023	Estimated 2024
Boat Slips Rented*	29	28	27	35	35
Boat Slips Available*	58	58	58	58	58
Percent Rented	50%	48%	47%	60%	60%
Courtesy Boat Slips Available	13	13	13	13	13

* Includes the Long Dock and House Boat slips.

RECENT ACCOMPLISHMENTS:

The wooden docks were treated in 2022 with water seal protection to help provide longevity to the wooden portions of the docks. Staff also replaced several worn hinges on all of the docks. In response to the requests of several boat slip renters, bumpers were added to the front of several docks to improve the safety to both the boats and the docks. Lights were replaced on the pedestals to provide safety for the boaters when entering and exiting the docks in the dark.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024:

- To continue to improve weed control along the banks of the harbor by spraying the weeds on a bi-weekly basis. **(Strategic Plan – Reliable Public Infrastructure)**
- To better educate harbor users and enforce Boat Harbor usage policies by keeping the rule signs visible at all times and informing the boaters of the rules and policies when they rent slips for the season. **(Strategic Plan - Excellent Customer Service)**

- To continue to market the boat harbor and increase the number of slip rentals. **(Strategic Plan - Excellent Customer Service and Vibrant Community)**
- To continue to provide support to the Water Pollution Control Plant staff for the harbor dredging operation to be completed in 2023. **(Strategic Plan - Excellent Customer Service)**
- To continue to provide safe and secure docks for the users of the harbor by monitoring the camera system as needed, and walking the docks on a weekly basis looking for any items of concern. **(Strategic Plan - Safe Community)**

Boat Harbor Operations

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 500	\$ 0	\$ 0
Revenues					
Boat Slip Rentals	\$ 20,508	\$ 13,871	\$ 26,500	\$ 23,300	\$ 23,700
Overnight Slip Rentals	0	0	200	300	200
Insurance Reimbursement	59,600	0	0	0	0
Other	6	2	0	0	0
Transfer from General Fund:					
Subsidy to Eliminate Deficit	<u>2,718 (2)</u>	<u>9,896 (2)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 82,832</u>	<u>\$ 23,769</u>	<u>\$ 26,700</u>	<u>\$ 23,600</u>	<u>\$ 23,900</u>
Funds Available	\$ 82,832	\$ 23,769	\$ 27,200	\$ 23,600	\$ 23,900
Expenditures (1)	<u>82,832</u>	<u>23,769</u>	<u>25,700</u>	<u>23,600</u>	<u>23,900</u>
Ending Balance, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 1,500</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
Increase (Decrease) in Fund Balance	\$ -	\$ -	\$ 1,000	\$ 0	\$ 0

1. Expenditures include changes in compensated absences.
2. Transfers from the General Fund eliminated the deficit balances at the end of 2020/2021 and 2021/2022.

Function:
Business Type

Department:
Parks and Recreation

Activity:
Boat Harbor Operations

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 16,649	\$ 17,010	\$ 17,500	\$ 17,300	\$ 17,400	-0.57%
Commodities	465	104	800	800	800	0.00%
Contractual Services	4,049	4,809	5,900	4,000	4,200	-28.81%
Capital Outlay	59,600	-	-	-	-	
Transfers	1,500	1,500	1,500	1,500	1,500	0.00%
Total Expenditures	<u>\$ 82,263</u>	<u>\$ 23,423</u>	<u>\$ 25,700</u>	<u>\$ 23,600</u>	<u>\$ 23,900</u>	-7.00%
Funding Sources						
Boat Harbor Revenues	\$ 20,508	\$ 13,871	\$ 26,500	\$ 23,300	\$ 23,700	-10.57%
Overnight Slip Rentals	-	-	200	300	200	
Insurance Reimbursement	59,600	-	-	-	-	
Other	6	2	-	-	-	
Transfer from General Fund	2,718	9,896	-	-	-	
Total Revenues	<u>\$ 82,832</u>	<u>\$ 23,769</u>	<u>\$ 26,700</u>	<u>\$ 23,600</u>	<u>\$ 23,900</u>	-10.49%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time:						
Maintenance Repairperson	0.25	0.25	0.25	0.25	0.25	\$ 14,400
Employee Benefits						3,000
Total Personal Services						<u>\$ 17,400</u>

MARINA OPERATIONS

GENERAL INFORMATION:

The operation of the gas barge on the City's riverfront began in the spring of 1995. This operation sells fuel, oil, and ice to area boaters on the Mississippi River. This operation is set up to operate on a break-even basis; however, in many years revenues have not been sufficient to fund expenditures and subsidies from the General Fund were needed to eliminate the operating deficits. Fuel and other sales are impacted each year by river conditions, floods, and the weather.

CURRENT TRENDS AND ISSUES:

The budgets for all of the Park divisions include increased wage rates for seasonal employees. An updated Seasonal Pay Plan was requested and is budgeted to be effective April 1, 2023. As such, it will have an impact on both the 2022/2023 revised estimate and the 2023/2024 budget. The impact on the Marina Operation in the 2022/2023 revised estimate is \$100; the 2023/2024 impact will also be \$100. The goal of the requested pay plan update is to offer more competitive wages in an effort to recruit and retain qualified seasonal staff.

The 2022/2023 revised estimate and 2023/2024 budget allow for fuel purchases and fuel sales to continue at recent year levels. The 2022/2023 revised estimate is \$100 less than the original budget. The 2023/2024 budget is also \$100 (.8%) less than the original 2022/2023 budget. Personal services are \$100 more and commodities are \$200 less than the 2022/2023 budget. The budget projection shows this operation having a fund balance of \$1,225 on June 30, 2023 and a minimal fund balance of \$25 on June 30, 2024. As in previous years, if there are funding shortfalls, 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 2020	Actual 2021	Actual 2022	Estimated 2023	Estimated 2024
Gallons of Gasoline Sold	2,136	1,630	1,504	1,750	1,750
Gallons of Diesel Fuel Sold	255	118	416	265	265
Hours Open	165	167	167	180	180

RECENT ACCOMPLISHMENTS:

The gas dock was operational from Memorial Day to Labor Day in 2022. Staff continues to look at hiring and properly training seasonal staff for the operations of the gas dock. Staff was available at the gas dock to help serve the boaters on scheduled hours for the gas dock operation, as well as by appointments that were made with the Parks office. Repairs were made to the gangway and to the hand railing on the dock to provide a safer environment for both the general public and staff.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024:

- To continue to search for quality seasonal staff to fill the gas dock attendant position, and to provide training for both the safe operation of the gas dock and the proper documentation of fuel sales. **(Strategic Plan – Excellent Customer Service)**
- To provide services to boaters during regular gas dock hours, as well as providing services by appointments made through the Parks office. **(Strategic Plan – Excellent Customer Service)**
- To continue to operate within state and federal regulations and to ensure that the Spill Prevention, Control, and Countermeasures Plan is updated prior to the start of the season and followed throughout the season. **(Strategic Plan – Safe Community)**
- To continue to market the gas dock using social media and through press releases prior to the season opening, and continuing throughout the season. **(Strategic Plan – Excellent Customer Service and Vibrant Community)**

Marina Operations

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance (Deficit), July 1	\$ (4,651)	\$ (4,095)	\$ (3,895)	\$ (2,125)	\$ (3,325)
Revenues					
Fuel Sales	\$ 8,167	\$ 8,613	\$ 12,000	\$ 10,700	\$ 10,700
Miscellaneous	22	5	100	100	100
FEMA Reimbursement (COVID)	50	0	0	0	0
Transfer from General Fund: Subsidy to Eliminate Deficit	<u>3,169</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 11,408</u>	<u>\$ 8,618</u>	<u>\$ 12,100</u>	<u>\$ 10,800</u>	<u>\$ 10,800</u>
Funds Available	\$ 6,757	\$ 4,523	\$ 8,205	\$ 8,675	\$ 7,475
Expenditures	<u>10,852</u>	<u>6,648</u>	<u>12,100</u>	<u>12,000</u>	<u>12,000</u>
Ending Balance (Deficit), June 30	\$ (4,095)	\$ (2,125)	\$ (3,895)	\$ (3,325)	\$ (4,525)
Allowance for Inventory	<u>4,095</u>	<u>4,550</u>	<u>4,651</u>	<u>4,550</u>	<u>4,550</u>
Net Balance, June 30	<u>\$ 0</u>	<u>\$ 2,425</u>	<u>\$ 756</u> (1)	<u>\$ 1,225</u> (1)	<u>\$ 25</u> (1)

Increase (Decrease) in Net Fund Balance	\$ 556	\$ 1,970	\$ 0	\$ (1,200)	\$ (1,200)
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Explanation of Changes in Fund Balances:

1. Although minimal fund balances are projected with the allowance for inventory, any shortfalls are proposed to be funded from transfers from the General Fund on an annual basis.

Function:
Business Type

Department:
Parks and Recreation

Activity:
Marina Operations

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 1,722	\$ 1,820	\$ 2,500	\$ 2,500	\$ 2,600	4.00%
Commodities	7,891	4,017	8,600	8,500	8,400	-2.33%
Contractual Services	1,239	811	1,000	1,000	1,000	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 10,852</u>	<u>\$ 6,648</u>	<u>\$ 12,100</u>	<u>\$ 12,000</u>	<u>\$ 12,000</u>	-0.83%
Funding Sources						
Fuel Sales	\$ 8,167	\$ 8,613	\$ 12,000	\$ 10,700	\$ 10,700	-10.83%
Miscellaneous Revenue	72	5	100	100	100	0.00%
Subsidy to Eliminate Deficit	<u>3,169</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Funding Sources	<u>\$ 11,408</u>	<u>\$ 8,618</u>	<u>\$ 12,100</u>	<u>\$ 10,800</u>	<u>\$ 10,800</u>	-10.74%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Part Time:						
Seasonal Laborer	0.09	0.09	0.09	0.09	0.09	\$ 2,300
Employee Benefits						<u>300</u>
Total Personal Services						<u>\$ 2,600</u>

SOCCER EVENTS FUND

GENERAL INFORMATION:

The College Search Kickoff (CSK) event was gifted to the City through the Parks and Recreation department in 2018. The event creator and owner gifted this event with the understanding that if the City ever chooses to not run the event, then the event would be returned to the owner. Tournament sanctioning documents were completed and the Iowa Soccer Association approved the event ownership change. An enterprise fund was created in 2018 to track the revenues and expenditures for this event.

CURRENT TRENDS AND ISSUES:

The College Search Kickoff event held in July of 2018 was the first time this event was run by the Parks and Recreation department. Seventy-two (72) teams participated in the event and one hundred and fifty-seven (157) college coaches were registered for the event. An event coordinator with a soccer background was hired and all divisions of the Parks and Recreation department worked together to bring this inaugural City-run event together. In 2019, sixty (60) teams participated, which was twelve less than the prior year. One hundred sixty-three (163) college coaches were registered, up six from the prior year. In 2020, the event was cancelled due to the COVID-19 pandemic. In 2021, sixty (60) teams participated, and one hundred fifty-eight (158) college coaches were registered. The 2022 tournament was cancelled due to not having enough game officials and team registrations.

The budgets for all of the Park divisions include increased wage rates for seasonal employees. An updated Seasonal Pay Plan was requested and is budgeted to be effective April 1, 2023. As such, it will have an impact on both the 2022/2023 revised estimate and the 2023/2024 budget. The impact on the Soccer Events 2022/2023 revised estimate and the 2023/2024 budget are both \$700. The goal of the requested pay plan update is to offer more competitive wages in an effort to recruit and retain qualified seasonal staff.

The 2022/2023 revised estimate is \$46,200 less than the original budget due to the tournament being cancelled in 2022.

The 2023/2024 budget totals \$45,900 and is \$21,900 (32.3%) less than the 2022/2023 original budget. The lower budget amount is due to converting this event from a Thursday through Sunday event to a Saturday and Sunday event. Revenues include \$50,000 in event fees and \$4,000 in merchandise sales.

As this event is scheduled for late July each year, there will be a fund balance at the end of each fiscal year, which represent fees collected in the prior fiscal year for the event to be held in July each year.

GOAL STATEMENT:

To effectively and efficiently manage the College Search Kickoff soccer event for the Muscatine community by utilizing local facilities and attracting state and regional participation.

PERFORMANCE MEASURES:

Calendar Year Basis:	Actual 2020 (1)	Actual 2021	Actual 2022 (2)	Estimated 2023	Estimated 2024
Boys Teams Registered	0	24	0	24	24
Girls Teams Registered	0	36	0	48	48
College Coaches Registered	63	158	69	200	200

1. The 2020 College Search Kickoff was cancelled due to mandates from the Governor related to the COVID-19 pandemic.
2. The 2022 College Search Kickoff was cancelled due to not have enough officials and not having enough teams registered.

RECENT ACCOMPLISHMENTS:

The 2022 College Search Kickoff was cancelled due to not having enough game officials and not having enough teams registered.

The 2023 College Search Kickoff format will focus on a Saturday/Sunday event utilizing the main complex and Soccer West. If there are enough teams the Parks department will explore expanding back to the Thursday through Sunday format.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024:

- To administer the College Search Kickoff Showcase soccer event to take place in July 2023. **(Strategic Plan - Excellent Customer Service)**
- To obtain all necessary permits and sanctioning documents from the Iowa Soccer Association. **(Strategic Plan - Excellent Customer Service)**
- To recruit boys and girls teams by mass emails monthly and by direct phone calls quarterly. **(Strategic Plan - Excellent Customer Service)**
- To recruit college coaches monthly to attend the event. **(Strategic Plan - Excellent Customer Service)**
- To recruit high-level game officials. **(Strategic Plan - Excellent Customer Service)**

Soccer Events (1)

Fund Statement

	<u>Actual</u> <u>2020/2021</u>	<u>Actual</u> <u>2021/2022</u>	<u>Budget</u> <u>2022/2023</u>	<u>Revised</u> <u>Estimate</u> <u>2022/2023</u>	<u>Budget</u> <u>2023/2024</u>
Beginning Balance, July 1	\$ 38,956	\$ 54,940	\$ 59,140	\$ 40,088	\$ 67,488
Revenues					
Event Fees (2)	\$ 36,672	\$ 13,930 (3)	\$ 63,000	\$ 45,000	\$ 50,000
Merchandise Sales	0	6,222	6,200	4,000	4,000
Interest	93	52	0	0	0
Total Revenues	<u>\$ 36,765</u>	<u>\$ 20,204</u>	<u>\$ 69,200</u>	<u>\$ 49,000</u>	<u>\$ 54,000</u>
Funds Available	\$ 75,721	\$ 75,144	\$ 128,340	\$ 89,088	\$ 121,488
Expenditures	<u>\$ 20,781</u>	<u>\$ 35,056 (3)</u>	<u>\$ 67,800</u>	<u>\$ 21,600</u>	<u>\$ 45,900</u>
Ending Balance, June 30	<u>\$ 54,940 (2)</u>	<u>\$ 40,088 (2)</u>	<u>\$ 60,540 (2)</u>	<u>\$ 67,488 (2)</u>	<u>\$ 75,588 (2)</u>

Increase (Decrease) in Fund Balance	\$ 15,984	\$ (14,852)	\$ 1,400	\$ 27,400	\$ 8,100
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1. This fund was established in May 2018 to account for the College Search Kickoff soccer event that was gifted to the City.
2. Event fees are collected in the fiscal year prior to the event which is held in July each year. This results in the fund balance at the end of each fiscal year.
3. The 2022 tournament was cancelled due to not having enough game officials and not having enough teams registered.

Function:
Business Type

Department:
Parks and Recreation

Activity:
Soccer Events

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 2,867	\$ 1,685	\$ 11,500	\$ 12,200	\$ 12,200	6.09%
Commodities	4,539	7,164	13,000	4,800	7,800	-40.00%
Contractual Services	13,375	26,207	43,300	4,600	25,900	-40.18%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 20,781</u> (1)	<u>\$ 35,056</u> (2)	<u>\$ 67,800</u>	<u>\$ 21,600</u> (2)	<u>\$ 45,900</u>	-32.30%
Funding Sources						
Entry Fees	\$ 36,672 (1)	\$ 13,930 (2)	\$ 63,000	\$ 45,000 (2)	\$ 50,000	-20.63%
Merchandise Sales	-	6,222	6,200	4,000	4,000	-35.48%
Interest	93	52	-	-	-	
Total Funding Sources	<u>\$ 36,765</u>	<u>\$ 20,204</u>	<u>\$ 69,200</u>	<u>\$ 49,000</u>	<u>\$ 54,000</u>	-21.97%
1. The 2020 tournament was cancelled due to the COVID-19 pandemic. 2. The 2022 tournament was cancelled due to not having enough game officials and not having enough teams registered.						

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Part Time:						
Program Aides	0.40	0.40	0.40	0.40	0.40	\$ 11,100
Employee Benefits						1,100
Total Personal Services						<u>\$ 12,200</u>

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 costs.

Effective for the 2007/2008 year, the City made a number of changes to employee allocations to address the decrease 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 and then annually on July 1 in each of the years from 2010 through 2020. The rates effective July 1, 2019, were set at \$607 for BLS calls, \$720 for ALS1 calls, \$1,043 for ALS2 calls, and \$1,232 for SCT (Skilled Care Transport) calls. The mileage rate was \$16 per loaded mile. The rates effective July 1, 2020, were set at \$620 for BLS calls, \$735 for ALS1 calls, \$1,065 for ALS2 calls, and \$1,258 for SCT (Skilled Care Transport) calls. The mileage rate increased to \$17 per loaded mile in 2020. These rates remained the same

for 2021 and 2022. 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 2023/2024, 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 22.5% for 2017/2018, it increased to 24.5% for 2018/2019, and further increased to 25% for 2019/2020. Due to additional revenues in the Ambulance fund from the GEMT (Ground Emergency Medical Transportation) funds, the 2020/2021 transfer was increased to 31.1% of the Fire department personal services costs and the 2021/2022 transfer was 30.2%.

The 2022/2023 and 2023/2024 budgets continue 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. The funding transfer for 2022/2023 is \$1,578,200, which is 30.4% of the Fire department personal services costs. The funding transfer from the Ambulance Fund in the 2023/2024 budget is \$1,460,600, which is 27.5% of the Fire department personal services costs budgeted for 2023/2024. As approximately 90% of Fire department calls are medical, this percentage allocation is appropriate and at the same time maintains an adequate balance in the Ambulance fund.

Beginning July 1, 2019, additional revenues from GEMT (Ground Emergency Medical Transportation) funds are being received for Medicaid patients. The GEMT revenues are estimated at \$232,600 for both the 2022/2023 revised estimate and the 2023/2024 budget.

The revised estimated expenditures for 2022/2023 are \$25,500 more in total than the original budget. Personal services costs are under the original budget by \$25,300 due to a lower allocation for part-time ambulance attendant hours. Commodities are over by \$13,400 primarily due to increased fuel and medical supply costs; contractual services are over by \$6,200 primarily due to increased insurance costs; and capital outlay is over by \$31,200 due to the need to replace a power ambulance cot and increased costs of new IV pumps.

The budgeted expenditures for 2023/2024 are \$90,900 (4.0%) less than the original 2022/2023 budget. This overall decrease is due to the net effect of (1) an \$8,700 decrease in personal services costs which includes a decrease in part-time ambulance attendant hours, (2) a \$17,400 increase in commodities due to increased fuel and medical supply costs, (3) a \$4,100 increase in contractual services primarily due to increased insurance costs, (4) a \$12,300 increase in capital outlay, and (5) a \$116,000 decrease in transfers. The decrease in transfers is due to the limited funding available in the Ambulance fund. The capital outlay allocation for 2023/2024 of \$29,300 includes \$17,500 for cot scales, \$9,000 for a pediatric software system, and \$2,800 for a difficult airway trainer.

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 90% of all response requests within the "Urban Zone" and less than 15 minutes on not less than 90% of all response requests within the "Suburban/Rural Zone."

PERFORMANCE MEASURES

	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Estimated 2023
Urban Zone Medical Responses	2,737	2,721	3,138	3,110	3,025
Suburban/Rural Zone Medical Responses	514	441	555	520	525
Out of Territory Medical Responses	60	58	65	62	50
Interfacility Transfers	1,429	1,404	1,465	1,505	1,400
Total EMS Calls	4,740	4,624	5,223	5,197	5,000
EMS Calls as % of Total Fire Calls	90.5%	91.9%	90.8%	85.8% (2)	86.0% (2)
EMS Training Hours	1,481	2,473	4,259 (3)	4,797 (3)	4,250 (3)
Urban Response Time Compliance (8:59 minutes or less on at least 90% of calls)	90.7%	90.1%	88.8% (1)	92.6%	92.0%
Suburban/Rural Response Time Compliance (14:59 minutes or less on at least 90% of calls)	94.6%	94.8%	95.0%	95.7%	95.0%

1. Response time in 2021 was impacted by the Grandview Avenue and Park Avenue construction projects.
2. Public assistance calls without injury were reclassified as fire-related calls to comply with national standards; including those calls, the total EMS calls are 5,050 and the percentage is 88.0%.
3. Beginning in 2021, EMS training hours include paramedic school attendance hours.

RECENT ACCOMPLISHMENTS:

- Continued cardiac enzyme blood testing and remain the only ambulance service in Iowa with this type of testing capabilities; test results are used to help determine transport destinations for cardiac patients.
- Purchased and placed into service one new Type I (truck chassis) ambulance and two new Type III (van chassis) ambulances to provide better service and improved comfort for patients. One purchase was due to unacceptable lead times for a refurbishment of a used ambulance and the other two ambulances were earlier purchases that were delayed due to supply chain issues.
- Purchased and placed in service IV pumps to provide the proper equipment for specialized IV medication use pre-hospital.
- Replaced and updated the medical report tablet computers, providing current technology and ensuring patient signature capture and report completion continue to be as efficient as possible.
- Worked with the local hospital to provide a safer, more efficient, and effective process for addressing interfacility transports during overnight hours. This maintains the safety of our patients and staff while providing for needed transports.
- Continued tactical EMS support of the multi-jurisdictional Special Response Team (SWAT); our staff continue to obtain training and education and share that with our staff and with our law enforcement partners.

- Once again provided support to the Iowa EMS Association (IEMSA) with their annual Honoring Our Own memorial ceremony at the annual IEMSA conference.
- Experienced an increase of 3.5% in total call volume; a slight decrease in medical calls (2.1% - due to reclassification of public assists without injury), and monthly call volume records for a total of eight months; including the six highest calls per month average in department history.
- Experienced a decrease in out-of-town drop-offs; 7.7% below 2021 and 2.5% below the 5-year average.
- Continued utilization of the part time ambulance attendant program to assist during staffing shortages, assist during staff attendance at paramedic program sessions, and to provide more interaction with potential future fulltime employees and community members. One part time attendant was hired as fulltime staff this past year.
- Continued the educational process to transition department EMT Basics to the Paramedic level certifications; this has been a recruitment tool for the department as well as a way to develop paramedics within our agency.
- Began providing assistance to Meals on Wheels; staffing a route roughly 50 times and delivering about 750 meals.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024:

- Prior to June 30, 2024 the department will assess the needs of the community and review various public education programs such as Stop the Bleed program and the Community Heart saver hands-only CPR that will help meet those needs. From that assessment we will develop a plan to provide these courses to the public at a cost equal to the expense of verification cards. (*Strategic Plan – Healthy Community; City values of Safety, Wellness, and Excellence*)
- The department will conduct a feasibility study for the addition of a Bike EMT program. The purpose of the bike EMT program is to allow EMS personnel access to community events and show a presence in the community as EMT providers. They will take part in various community events at all times of the year. This presence will allow EMS personnel to be available to answer questions concerning department and City operations and will enhance public education outreach. If feasible, a plan for implementation will be developed prior to the spring of 2024, with the intent of including this program in the following fiscal year's budget. (*Strategic Plan – Healthy Community and Excellent Customer Service; City values of Safety, Innovation, and Excellence*)
- The Department will work with community partners to provide enhanced resources to locations that are susceptible to delayed medical care, which is critical in sudden cardiac arrest events. The resources sought include AED placement. The target areas will be apartment complexes or locations with a large number of at-risk populations. Funding will be sought utilizing community partners and grant funding. The department will work with community partners to establish policies and procedures with property owners for continued care and maintenance of these items. The overall goal is to make AEDs more assessable to at risk populations that may see extended EMS response times. The assessment and plans will be developed prior to the spring of 2024 and will include expected implementation timelines. (*Strategic Plan – Healthy Community; City values of Safety and Wellness*)

Ambulance Operations

Fund Statement

	<u>Actual</u> <u>2020/2021</u>	<u>Actual</u> <u>2021/2022</u>	<u>Budget</u> <u>2022/2023</u>	<u>Revised</u> <u>Estimate</u> <u>2022/2023</u>	<u>Budget</u> <u>2023/2024</u>
Beginning Balance, July 1	\$ 635,847	\$ 411,731	\$ 263,631	\$ 379,390	\$ 150,790
Revenues					
Ambulance Fees	\$ 1,628,395	\$ 1,674,413	\$ 1,750,000	\$ 1,765,000	\$ 1,770,000
Ambulance Fees - GEMT Funds (Began in 2019/2020)	370,331	401,791	290,000 (2)	290,000 (2)	290,000 (2)
Ambulance Fees (Prior Year Amount Over (Under) Accrual)	(25,580)	(19,716)	0	0	0
Township Subsidies	31,400	31,400	31,400	31,400	31,400
Interest	847	148	100	500	500
Reimbursement of Damages	0	15,776	0	0	0
Other	0	400	0	0	0
Total Revenues	<u>\$ 2,005,393</u>	<u>\$ 2,104,212</u>	<u>2,071,500</u>	<u>\$ 2,086,900</u>	<u>2,091,900</u>
Funds Available	\$ 2,641,240	\$ 2,515,943	2,335,131	\$ 2,466,290	2,242,690
Expenditures (1)	<u>2,229,509</u>	<u>2,136,553</u>	<u>2,290,000</u>	<u>2,315,500</u>	<u>2,199,100</u>
Ending Balance, June 30	<u><u>\$ 411,731</u></u>	<u><u>\$ 379,390</u></u>	<u><u>\$ 45,131</u></u>	<u><u>\$ 150,790</u></u>	<u><u>\$ 43,590</u></u>
Increase (Decrease) in Fund Balance	\$ (224,116)	\$ (32,341)	\$ (218,500)	\$ (228,600)	\$ (107,200)

- Expenditures include changes in compensated absences.
- The GEMT (Ground Emergency Medical Transportation) funds for Medicaid patients began in 2019/2020. Estimated revenues are shown for 2022/2023 and 2023/2024.

Explanation of Changes in Fund Balances:

Fluctuations in the Ambulance fund balance are primarily due to the capital outlay purchases each year.

Function:
Business Type

Department:
Fire

Activity:
Ambulance Operations

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 171,407	\$ 213,177	\$ 209,200	\$ 183,900	\$ 200,500	-4.16%
Commodities	145,611	146,586	155,500	168,900	172,900	11.19%
Contractual Services	225,659	263,725	282,400	288,600	286,500	1.45%
Capital Outlay	206,269	1,110	17,000	48,200	29,300	72.35%
Transfers	<u>1,482,500</u>	<u>1,531,700</u>	<u>1,625,900</u>	<u>1,625,900</u>	<u>1,509,900</u>	-7.13%
Total Expenditures	<u>\$ 2,231,446</u>	<u>\$ 2,156,298</u>	<u>\$ 2,290,000</u>	<u>\$ 2,315,500</u>	<u>\$ 2,199,100</u>	-3.97%
Funding Sources						
Ambulance Fees	\$ 1,973,146	\$ 2,056,488	\$ 2,040,000	\$ 2,055,000	\$ 2,060,000	0.98%
County Subsidy	31,400	31,400	31,400	31,400	31,400	0.00%
Interest	847	148	100	500	500	400.00%
Other	<u>-</u>	<u>16,176</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Funding Sources	<u>\$ 2,005,393</u>	<u>\$ 2,104,212</u>	<u>\$ 2,071,500</u>	<u>\$ 2,086,900</u>	<u>\$ 2,091,900</u>	0.98%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time:						
Ambulance Billing Manager	1.00	1.00	1.00	1.00	1.00	
Office Coordinator	-	-	-	-	0.50	
Part Time:						
Ambulance Attendants	0.43	1.30	1.30	0.81	0.70	
Office Coordinator	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>-</u>	
Total	1.68	2.55	2.55	2.06	2.20	\$ 143,100
Employee Benefits						<u>57,400</u>
Total Personal Services						<u>\$ 200,500</u>

Capital Outlay			
Item:	Quantity	Replacement	Amount
Cot Scales	5	Yes	\$ 17,500
Pediatric Software System	1	No	9,000
Difficult Airway Trainer	1	No	2,800
			<u>\$ 29,300</u>

MUSCATINE CONVENTION AND VISITORS' BUREAU (CVB)

GENERAL INFORMATION/HISTORY:

There have been a number of changes in the operation of the Convention and Visitors Bureau (CVB) since 2013. The 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 nonprofit entity and in July of 2013 they officially became an entity separate from the Chamber. A CVB Board was established and the CVB Director relocated to an office in the lower level of City Hall. The City provided accounting services for the CVB operation and through June 30, 2015 the CVB's funds were 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 agreed that the annual allocations to the CVB would be 25% of the prior fiscal year's actual hotel/motel tax receipts.

As of July 1, 2015, the CVB dissolved their nonprofit entity, became part of the City, and a new CVB Board was appointed. The CVB was then accounted for as an enterprise fund of the City. In March of 2017 the City contracted with the Greater Muscatine Chamber of Commerce and Industry for staffing of the CVB.

CURRENT TRENDS AND ISSUES:

In 2020, the City and Greater Muscatine Chamber of Commerce and Industry (GMCCI) entered into an agreement for GMCCI to provide the City with Tourism and Marketing services. This agreement assigns to GMCCI the responsibility for enhancing the economic development of the City and County of Muscatine by marketing and promoting it as a destination for visitors and tourism. Specific tactics are outlined in the agreement that was implemented in the 2020/2021 fiscal year and continued into 2021/2022. GMCCI requested this agreement be extended for fiscal years 2022/2023 and 2023/2024. The annual funding amounts for 2022/2023 and 2023/2024 were originally set at \$125,000. For the 2023/2024 year, however, GMCCI requested their allocation be increased to \$135,000 and that higher amount was included in the final budget.

The City has continued to maintain its CVB enterprise fund and the payments to GMCCI are made from the CVB enterprise fund. The City continued transferring 25% of the prior year hotel/motel tax receipts from the Economic Development budget in the General Fund to the CVB enterprise fund through 2021/2022. Beginning in the 2022/2023 revised estimate, the transfer was changed to the amount of the original agreement with GMCCI of \$125,000.

The fund balance in the CVB fund is unspent funds from prior years and interest on the fund balance. The estimated fund balance as of June 30, 2024 is \$95,283.

Muscatine Convention and Visitors Bureau (CVB)

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 168,978	\$ 140,258	\$ 104,958	\$ 105,083	\$ 105,183
Revenues					
Interest	\$ 433	\$ 113	\$ 0	\$ 100	\$ 100
Transfers In					
General Fund - Hotel/Motel Tax	<u>99,647 (1)</u>	<u>93,612 (1)</u>	<u>91,200 (1)</u>	<u>125,000 (2)</u>	<u>125,000 (2)</u>
Total Revenues	<u>\$ 100,080</u>	<u>\$ 93,725</u>	<u>\$ 91,200</u>	<u>\$ 125,100</u>	<u>\$ 125,100</u>
Funds Available	\$ 269,058	\$ 233,983	\$ 196,158	\$ 230,183	\$ 230,283
Expenditures	<u>128,800</u>	<u>128,900</u>	<u>125,000</u>	<u>125,000 (2)</u>	<u>135,000 (3)</u>
Ending Balance, June 30	<u><u>\$ 140,258</u></u>	<u><u>\$ 105,083</u></u>	<u><u>\$ 71,158</u></u>	<u><u>\$ 105,183</u></u>	<u><u>\$ 95,283</u></u>
Increase (Decrease) in Fund Balance	\$ (28,720)	\$ (35,175)	\$ (33,800)	\$ 100	\$ (9,900)

1. The City hotel/motel tax allocation through 2021/2022 was 25% of the actual hotel/motel tax receipts from the previous fiscal year.
2. Beginning in the 2022/2023 revised estimate, the transfer was changed to the funding amount in the agreement with GMCCI (\$125,000).
3. In 2023/2024, GMCCI requested their allocation be increased to \$135,000 and that amount was included in the final budget.

Function:
Business Type

Department:
Muscatine Convention and Visitors Bureau

Activity:

Muscatine Convention and Visitors Bureau

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	125,000	125,000	125,000	125,000	135,000	8.00%
Capital Outlay	-	-	-	-	-	
Transfers	3,800	3,900	-	-	-	
Total Expenditures	<u>\$ 128,800</u>	<u>\$ 128,900</u>	<u>\$ 125,000</u>	<u>\$ 125,000</u>	<u>\$ 135,000</u>	8.00%
Funding Sources						
City Hotel/Motel Tax						
Allocation	\$ 99,647	\$ 93,612	\$ 91,200	\$ 125,000	\$ 125,000	37.06%
Interest	433	113	-	100	100	
Total Funding Sources	<u>\$ 100,080</u>	<u>\$ 93,725</u>	<u>\$ 91,200</u>	<u>\$ 125,100</u>	<u>\$ 125,100</u>	37.17%

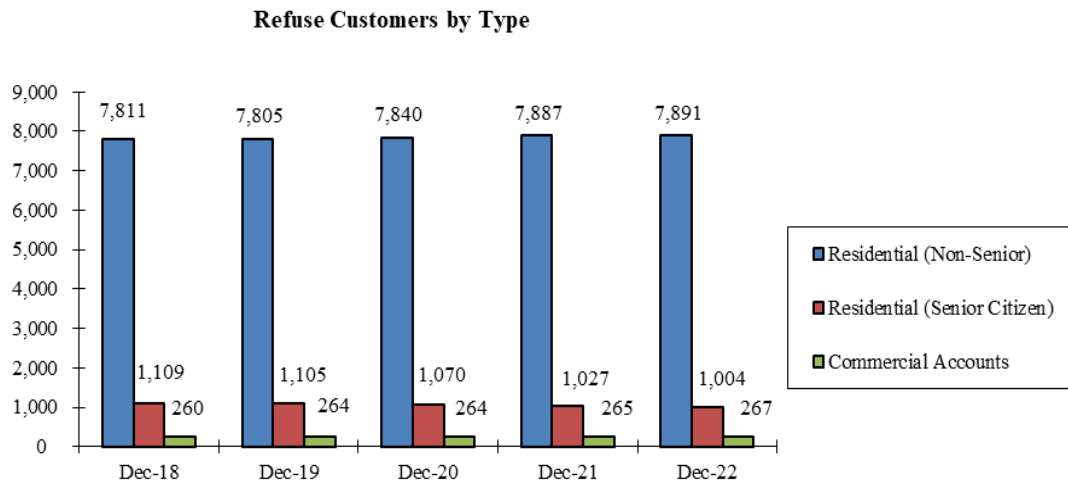
SOLID WASTE MANAGEMENT FUNDS

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 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:



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 provided 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.

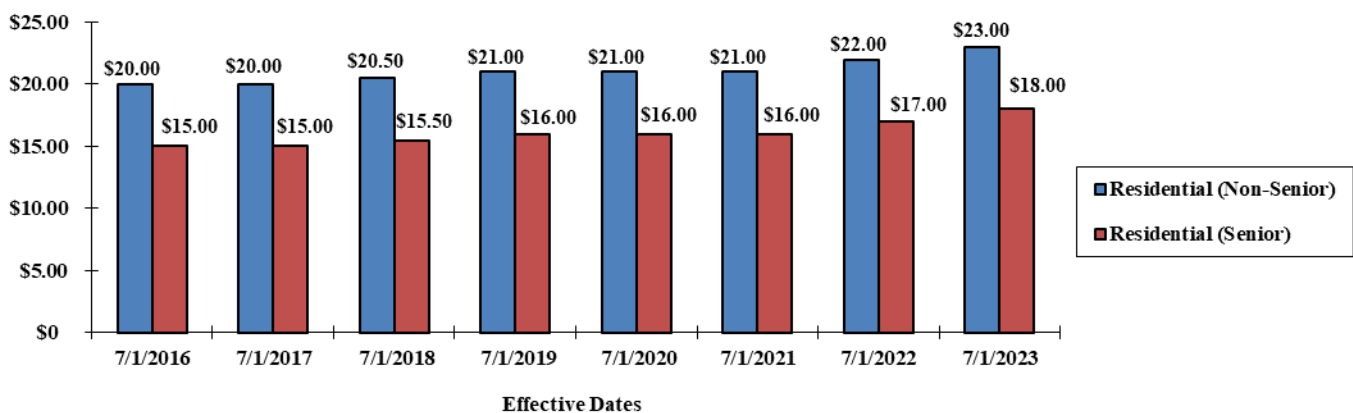
The original contract with Allied Waste (now Republic Services) was scheduled to end on March 31, 2016. In December 2015 City Council approved a 5-year extension to this contract. For the first year of the new contract, the rate remained at \$3.43 per customer per month. For the 2nd through the 5th year of the new contract the per-customer per-month rate increases to \$3.53, \$3.64, \$3.75, and \$3.86. The \$3.64 rate went into effect April 1, 2018, the \$3.75 rate went into effect April 1, 2019, and the \$3.86 rate went into effect April 1, 2020. Republic Services agreed to a one-year extension to this contract at the rate of \$3.86 per customer per month through March 31, 2022. In February of 2022, the City approved a 5-year extension to the contract for the curbside recycling program. The extension provides for a reduction in the per customer cost in the first

two years of the contract to \$3.60 per customer per month effective April 1, 2022 through June 30, 2023, and to \$3.73 from July 1, 2023 through June 30, 2024. The rate for the 3rd year will be \$3.86 effective July 1, 2024, the rate for the 4th year \$3.99 effective July 1, 2025, and rate for the 5th year \$4.13 effective July 1, 2026.

In calendar year 2016 the Refuse Collection activity was performed by five (5) full-time refuse drivers, one (1) solid waste lead worker, a Solid Waste Supervisor, and temporary refuse collection workers. Effective January 1, 2017 the number of full-time drivers was reduced to four (4). The City's first automated (one-person) truck was placed in service in December 2015 and the 2nd automated vehicle was placed in service in December of 2016. With the 2nd automated vehicle, one less fulltime driver was needed. 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. The rates for both regular residential customers and the senior rates increased by \$.50 per month effective July 1, 2018. This rate increase was needed in order to generate funds to replace one of the regular refuse collection vehicles in 2019/2020. The rates for residential customers were increased by another \$.50 per residential customer per month effective July 1, 2019. This increase was needed to begin to accumulate funds for another automated refuse collection vehicle in 2020/2021. The rate increases were also necessary since the monthly rates for the curbside recycling program increased each year, which impacts the funds available for the regular refuse collection service. The 2022/2023 budget included a \$1.00 per residential customer per month increase. This increase was recommended due to the increased costs of providing the refuse collection service including increased fuel costs, increased wage and benefit costs, and increased costs of replacement vehicles. The 2023/2024 budget includes another \$1.00 increase to the residential rates. This increase is needed to fund increased wage and benefit costs, increased fuel costs, and to provide funds for replacement of refuse collection vehicles.

Refuse Collection Rate History (Rates Per Month)



CURRENT TRENDS AND ISSUES:

All refuse from the City's refuse collection division is delivered to the Transfer Station, compacted, and then taken to the landfill. The 2022/2023 and 2023/2024 budgets each include \$520,000 for Transfer Station fees for disposal of an estimated 8,670 tons of waste at the budgeted rate of \$60.00 per ton.

There were two significant changes in the Refuse Collection budget beginning in the 2019/2020 fiscal year. The first significant change involved changes to the Compost Site operation to only allow City of Muscatine

and City of Fruitland residential customers to use the compost facility free of charge. A fee schedule was implemented for non-residents and commercial customers. This required a change of staffing with the former Compost Site Attendant position being eliminated and Compost Site Technicians added. The Technicians take payments and check identifications (or stickers of residents) to verify whether they are residents of the City of Muscatine or City of Fruitland. This change required a shed to be purchased, with utilities installed, at the entrance to the Compost Site. The primary purpose of this change was to reduce the volume of compost site material required to be chipped each year and/or to generate revenues to assist in paying the chipping costs.

The other significant change involved the elimination of Spring Cleanup Week starting in 2020. Cleanup Week was replaced by a year-round bulky waste pickup program on a call-in basis. This required a ¾ time Refuse Driver position to be added for this service. This position works with the fulltime Refuse Driver assigned to the previous curbside bulky waste pickup operation.

Revised estimate expenditures for 2022/2023 are \$24,100 more than the original budget. This overall increase is due to the net effect of (1) personal services costs are \$11,900 more than the original budget due to increased health insurance costs which includes a new employee opting for family insurance while the previous employee had single coverage, (2) commodities are \$20,000 more due to increased fuel costs, (3) contractual services are \$10,300 less due to the decrease in the contracted curbside recycling rate, and (4) capital outlay is \$2,500 more than the original budget due to the higher cost of the curbside collection truck.

The budgeted expenditures for 2023/2024 are \$265,300 (11.3%) more than the original 2022/2023 budget. This overall increase is due to the net effect of (1) personal services costs are \$68,300 more than the prior year budget, (2) commodities are \$10,000 more, primarily due to increased fuel costs, (3) contractual services are \$8,600 more, (4) capital outlay is \$175,000 more, and (4) transfers are \$3,400 more. The capital outlay increase is due to the 2023/2024 budget including \$240,000 for a new automated refuse collection vehicle. The estimated cost for the new vehicle is \$280,000 and the budget allows for a \$40,000 trade-in value for one of the current vehicles. The capital outlay budget also includes \$16,000 for replacement of rollout refuse bins.

The personal services increase includes (1) 50% of the cost of a new fulltime Refuse Truck Driver/Maintenance Worker position (\$44,400) shared with the Transfer Station operation, and (2) 50% of the cost of moving the current 29-hour/week Clerk to a fulltime position (\$7,000). The allocation of the new fulltime position will provide backup staffing to cover for refuse collection driver vacations and other absences. With this addition, it is expected that the allocation for temporary refuse workers will be reduced by 50% (\$13,900). The increase in hours for the Clerk position will provide for additional coverage of the front desk for customers weighing in and out of the Transfer Station, answering telephone calls, and will reduce the time that other employees need to cover the front desk.

The 2023/2024 budget includes \$406,000 for the contracted curbside recycling service at the rate of \$3.73 per customer per month. The budget also continues to fund the City of Muscatine's portion of the Solid Waste Management Agency annual assessment which began in 2008/2009 (\$64,800).

Refuse collection charges for services revenue is estimated at \$2,449,200 for the 2022/2023 revised estimate and \$2,556,000 for the 2023/2024 budget. As noted previously, a \$1.00 per month rate increase is budgeted to be effective July 1, 2023 for all residential customers which will increase the rates to \$23.00 per month for regular residential customers and to \$18.00 per month for senior customers. This increase is needed to fund increased wage and benefit costs, increased fuel costs, and to provide funds for replacement of refuse collection vehicles. The department will also be reviewing rates charged to commercial customers. These rates vary based on dumpster sizes used by the customers as well as the frequency of pickup service.

The 2022/2023 and 2023/2024 budgets continue to include a 50% allocation of a fulltime Community Services Officer position in the Community Development department. This position deals with nuisance complaints including garbage and junk removal orders.

GOAL STATEMENT:

To provide efficient and cost-effective solid waste collection and recycling systems 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 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
Tons of Refuse Collected	8,559	8,940	8,190	8,500	8,500
Regular Residential Customers - December	7,184	7,232	7,457	7,307	7,307
Senior Residential Customers - December	1,105	1,070	1,013	1,004	1,004
Commercial and Industrial Customers - December	264	264	270	267	267
Ripley's Mobile Home Court – Residential Units	265	263	261	240	240
Fruitland Residential Customers – December	336	345	345	344	344
Single Sort Curbside Recycling (Tons)	1,323	1,260	1,259	1,260	1,260
Curbside Pickups (calendar year)	3,676 (1)	4,271	4,654	4,660	4,660

RECENT ACCOMPLISHMENTS:

The refuse collection employees continue to provide excellent service to the community. Staff work early morning hours in all weather conditions, and do so safely. The division is committed to completing all routes on schedule, which is challenging when equipment is out of service for repair. The City is regularly replacing aging equipment, which helps increase the division's overall productivity.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024:

- Track vehicle pre-trip inspections. **(Safe Community)**
- Review the current yard waste compostable bag program; consider using yard waste stickers for the curbside yard waste collections. **(Excellent Customer Service)**
- To review and propose updates to the commercial refuse collection rates.

Refuse Collection Fund

Fund Statement

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024
Beginning Balance, July 1	\$ 205,629	\$ 196,631	\$ 133,331	\$ 207,399	\$ 311,099
Revenues					
Charges for Services	\$ 2,334,984	\$ 2,352,439	\$ 2,449,200	\$ 2,449,200 (2)	\$ 2,556,000 (3)
Sales - Yard Waste Bags	14,566	13,120	15,800	15,800	15,800
Compost Site Fees	10,369	8,262	11,500	11,500	11,500
Interest	434	77	0	200	200
Sales Tax	6,751	6,894	6,800	6,800	6,800
Insurance Reimbursement (Windstorm)	42,615	0	0	0	0
Sale of Equipment	0	21,006	0	0	0
Miscellaneous	5	44	0	0	0
Transfers In:					
Surcharge Part II	40,980	44,277	0	0	0
Total Revenues	<u>\$ 2,450,704</u>	<u>\$ 2,446,119</u>	<u>\$ 2,483,300</u>	<u>\$ 2,483,500</u>	<u>\$ 2,590,300</u>
Funds Available	\$ 2,656,333	\$ 2,642,750	\$ 2,616,631	\$ 2,690,899	\$ 2,901,399
Expenditures (1)	<u>2,459,702</u>	<u>2,435,351</u>	<u>2,355,700</u>	<u>2,379,800</u>	<u>2,621,000</u>
Ending Balance, June 30	<u>\$ 196,631</u>	<u>\$ 207,399</u>	<u>\$ 260,931</u>	<u>\$ 311,099</u>	<u>\$ 280,399</u>

Increase (Decrease) in Fund Balance	\$ (8,998)	\$ 10,768	\$ 127,600	\$ 103,700	\$ (30,700)
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- Expenditures include changes in compensated absences.
- A rate increase of \$1.00 per month for all residential customers went into effect July 1, 2022. This increase was needed to fund increased costs for the contracted curbside recycling contract and for funding of future refuse collection vehicles. This increased the regular residential rate to \$22.00 per month and the senior rate to \$17.00.
- A rate increase of \$1.00 per month for all residential customers is budgeted to go into effect July 1, 2023. This increase is needed to fund increased personal services, fuel, and maintenance costs, and to plan for funding of future refuse collection vehicles. This will increase the regular residential rate to \$23.00 per month and the senior rate to \$18.00. This increase in the residential rates will increase revenues by approximately \$105,000 each year.

Function:
Business Type Activity

Department:
Public Works

Activity:
Refuse Collection

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 686,197	\$ 757,921	\$ 794,400	\$ 806,300	\$ 862,700	8.60%
Commodities	44,564	67,203	97,900	117,900	107,900	10.21%
Contractual Services	1,341,325	1,269,861	1,282,300	1,272,000	1,290,900	0.67%
Capital Outlay	252,460	192,360	81,000	83,500	256,000	216.05%
Transfers	135,080	141,377	100,100	100,100	103,500	3.40%
Total Expenditures	\$ 2,459,626	\$ 2,428,722	\$ 2,355,700	\$ 2,379,800	\$ 2,621,000	11.26%
Funding Sources						
Charges for Services	\$ 2,334,984	\$ 2,352,439	\$ 2,449,200	\$ 2,449,200	\$ 2,556,000	4.36%
Sales - Yard Waste Bags	14,566	13,120	15,800	15,800	15,800	0.00%
Compost Site Fees	10,369	8,262	11,500	11,500	11,500	0.00%
Sales Tax	6,751	6,894	6,800	6,800	6,800	0.00%
Interest	434	77	-	200	200	
Sale of Equipment	-	21,006	-	-	-	
Insurance Reimbursement	42,615	-	-	-	-	
Miscellaneous	5	44	-	-	-	
Total Funding Sources	\$ 2,409,724	\$ 2,401,842	\$ 2,483,300	\$ 2,483,500	\$ 2,590,300	4.31%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time:						
Solid Waste Manager	-	0.35	0.35	0.35	0.35	
Solid Waste & Sewer Systems Manager	0.08	-	-	-	-	
Solid Waste Supervisor	0.75	0.75	0.75	0.75	0.75	
Refuse Truck Driver I	4.00	4.00	4.00	4.00	4.00	
Refuse Collection Leadworker	1.00	1.00	1.00	1.00	1.00	
Maintenance Worker II	0.50	0.50	0.50	0.50	0.50	
Community Services Officer	0.50	0.50	0.50	0.50	0.50	
Office Coordinator	0.50	0.50	0.50	0.50	0.50	
Clerk	-	-	-	-	0.50 (1)	
Refuse Driver/Maint. Worker	-	-	-	-	0.50 (2)	
Total Full Time	7.33	7.60	7.60	7.60	8.60	
Part Time:						
Compost Site Technicians	0.78	0.78	0.84	0.78	0.84	
Refuse Driver I	0.73	0.73	0.73	0.73	0.73	
Refuse Collection Laborers	0.81	0.81	0.81	0.81	0.45 (2)	
Clerk	0.38	0.38	0.36	0.38	-	
Total	10.02	10.29	10.35	10.29	10.62	\$ 564,400
Employee Benefits						298,300
Total Personal Services						\$ 862,700
1. Effective 7-1-23 the part time Clerk is budgeted to be moved to a full time position, allocated 50% to Refuse Collection. 2. Effective 7-1-23, 50% of a full time Refuse Driver position is budgeted to be added to Refuse Collection and the temporary Refuse laborer hours are being reduced.						

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Automated Residential Refuse Truck	1	Yes	\$ 240,000
Curbside Rollout Refuse Containers (95 gallon)	200	Yes	16,000
			<u>\$ 256,000</u>

SOLID WASTE MANAGEMENT FUNDS

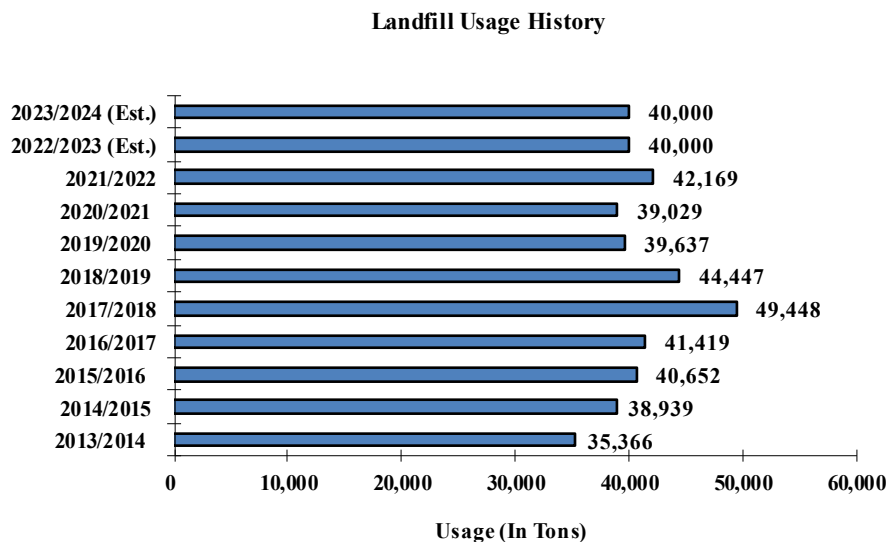
LANDFILL OPERATIONS

GENERAL INFORMATION:

The Solid Waste Management funds consist of three (3) operations, Refuse Collection, Landfill Operations, and Transfer Station Operations. The City of Muscatine 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.

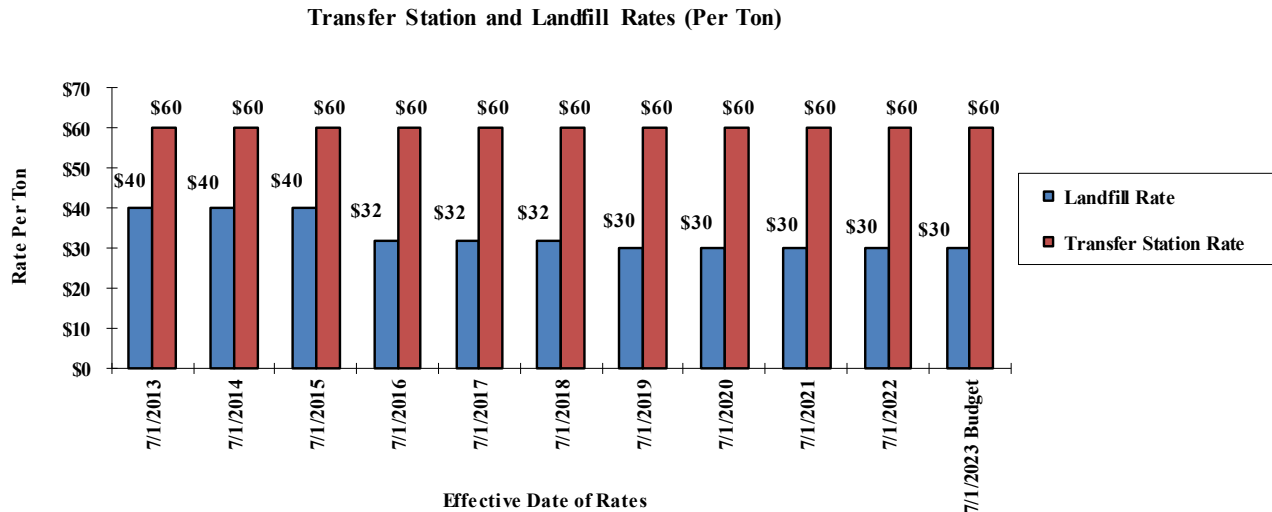
The following chart shows the tons of waste disposed of at the landfill since 2013/2014 as well as the projected waste volumes for 2022/2023 and 2023/2024.



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. The increase in waste volume in 2017/2018 is attributed to the June 2017 hailstorm that damaged roofs and siding of numerous homes and businesses in the community.

The following chart shows the Transfer Station regular rates since the 2013/2014 year and the portion of the transfer station fee paid to the Landfill fund. The regular Transfer Station rate has been \$60.00 per ton since July 1, 2009 and that rate includes the portion of the rate the Transfer Station pays the Landfill as disposal fees. The landfill portion of the disposal rate increased from \$25 to \$40/ton July 1, 2009 due to the significant cost of developing the next landfill cells. Effective July 1, 2016 the portion of the transfer station rate paid to

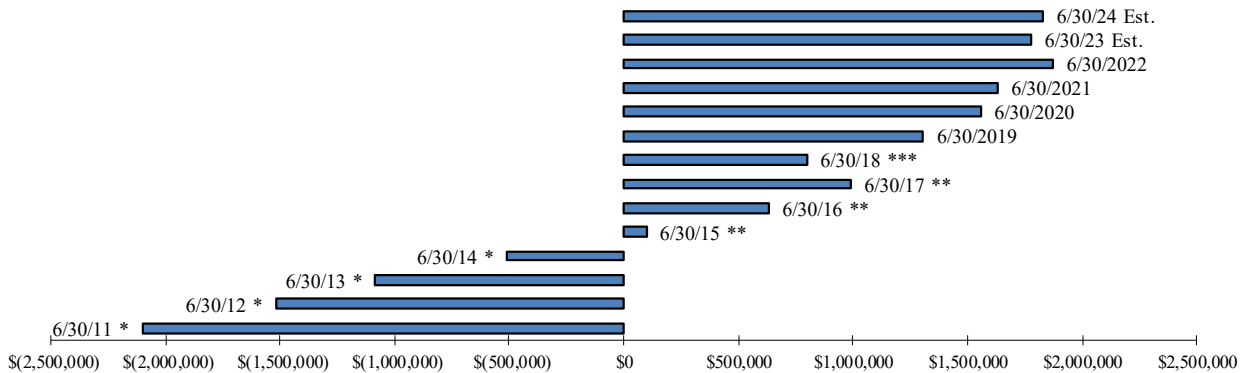
the landfill was decreased from \$40 to \$32 per ton for the full rate tonnage accepted at the Transfer Station. This allowed more funds to remain in the Transfer Station fund for needed capital expenditures for that operation. This reduction was possible due to the elimination of the deficit in the Landfill fund and the funds accumulated for construction of the next landfill cell. For 2019/2020 the landfill portion of the transfer station rate decreased to \$30 per ton for the full rate tonnage and that rate has been continued in the 2021/2022 through 2023/2024 budgets. This change was needed to continue to fund capital expenditures at the Transfer Station.



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 were 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 first extended through June 30, 2015 and were further extended through June 30, 2020. Under those contracts the original industrial waste contracts were reduced by \$5/ton from \$50/ton to \$45/ton and the negotiated contracts were each reduced by \$2.50/ton. Agreements were reached to extend three of the industrial waste agreements for an additional five (5) years through June 30, 2025. Agreements have not yet been finalized for the other three agreements. Under the new agreements the regular industrial contracts decreased by \$2.50 per ton to \$42.50 per ton and the rates for the negotiated agreements did not change.

The fund balance for the Landfill Operation has varied over the past twelve (12) years. The following is a summary of actual and projected fund balances (deficits).

Landfill Fund Balance (Deficit) History



* Beginning June 30, 2003 there were interim loans to fund cell closure costs, costs to develop new cells, and other landfill capital and operating costs.

** The deficit was eliminated in 2014/2015 and funds began to be accumulated for design and construction of the next landfill cell.

*** There were sufficient funds available to fund construction of the next landfill cell in the 2017/2018 fiscal year and still keep a positive balance in this fund.

The deficit fund balances through June 30, 2014 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 a \$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 were 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 those cells was filled.

The industrial contracts were a significant factor in the elimination of the deficit. The fund balance at the end of 2016/2017 was \$993,064. This balance plus the revenues received in 2017/2018 were sufficient to fund costs for construction of the next landfill cell and still maintain a positive balance of \$801,328 as of June 30, 2018. The fund balance increased to \$1,305,972 as of June 30, 2019, to \$1,556,270 as of June 30, 2020, to \$1,630,574 as of June 30, 2021, and to \$1,872,168 as of June 30, 2022. The fund balance is estimated to decrease to \$1,778,468 at the end of fiscal year 2022/2023, and increase by \$52,300 to \$1,830,768 at the end of the 2023/2024 fiscal year. This balance will be available to fund future capital costs, including costs to develop the next landfill cell.

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 fee 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 that 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 would need to be constructed. 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 first extended through June 30, 2015 and were 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, an additional \$573,309 reduction (to \$509,026) in 2013/2014, and a \$608,274 reduction (to a positive balance of \$100,576) in 2014/2015. These reductions in the deficit were slightly higher than the targeted reductions in the original financial plan.

The revised estimate expenditures for 2022/2023 are \$69,500 more than the original budget. This overall increase is due to (1) a \$500 increase in personal services costs, (2) an \$800 increase in contractual services, (3) a \$50,000 increase in capital outlay, and (4) an \$18,200 increase in transfers. The increase in capital outlay is for the purchase of part of a neighboring property. The estimated amount for the property purchase includes the required surveying, legal, and other related costs. The increase in transfers is due to the required transfers to the Landfill Closure and Post-Closure Reserves being more than allowed for in the original budget.

The budgeted expenditures for 2023/2024 for the Landfill are \$76,500 (5.8%) less than the original 2022/2023 budget. The overall decrease in expenditures is due to the net effect of (1) a \$3,800 increase in personal services costs, (2) a \$1,500 increase in contractual services, (3) a \$102,000 decrease in capital outlay, and (4) a \$20,200 increase in transfers. The capital outlay allocation for 2023/2024 of \$50,000 is for a methane monitoring system.

The waste volume for 2023/2024 is estimated at 40,000 tons which is the same as the 2022/2023 original budget and revised estimate.

Landfill fees for 2023/2024 are budgeted at \$1,159,400 based on an estimated 40,000 tons. This is the same as the 2022//2023 revised estimate. This 40,000 ton waste estimate includes 27,200 tons at the full \$30 rate (\$816,000), 5,400 tons at the \$25 industrial contract rate (\$135,000), and 7,400 tons at the negotiated industrial rates (\$208,400). The waste tonnage and revenue estimates for 2023/2024 are based on revenues from the three industrial contracts which have been extended through June 30, 2025 and based on extending the other three industrial contracts. The revenue from the negotiated contracts is all credited to the Landfill fund.

With the projected landfill revenues and expenditures, the landfill fund balance is projected to decrease by \$93,700 to \$1,778,468 at the end of the 2022/2023 fiscal year. The fund balance at the end of the 2023/2024 fiscal year is estimated to increase by \$52,300 to \$1,830,768. The fund balance will allow for any IDNR mandated costs that may be needed and also allows sufficient funding for construction of the next landfill cell. Having sufficient funds available for construction of the next cell in 2017/2018 without an interim loan, shows the success of the long-term deficit reduction/financing plan developed and implemented in 2010.

Private firms have been used to operate the landfill under contractual agreements with the City. The current contract is with Rittmer Inc. for \$40,150 per month with a \$2.00/ton additional payment for waste in excess of 50,000 tons in a fiscal year. This contract also includes a fuel surcharge provision for fuel costs that exceed \$2.92/gallon for off-road diesel fuel. This contract was effective January 1, 2022 and runs for three and one-half years through June 30, 2025. 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 \$84,000 for both the 2022/2023 revised estimate and 2023/2024 budget based on an estimated 40,000 tons of waste each year. The surcharge funds retained by the City are estimated at \$62,000 for both 2022/2023 and 2023/2024. 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 2022/2023 and 2023/2024 it is estimated that there will be \$20,000 in Part I funds each year which will be transferred to the Landfill fund for qualifying expenditures and an estimated \$42,000 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 both 2022/2023 and 2023/2024 is \$152,500 and the amount to be transferred to the Post-Closure Reserve for both of these years is estimated at \$53,600.

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 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
Tons of Waste Disposed	39,637	39,029	42,169	40,000	40,000
Estimated Landfill Capacity Remaining (Tons)	266,667	317,301	275,132	235,132	195,132
Years of Current Landfill Space Remaining (Estimate)	5.5	7.9	6.8	5.8	4.8
Leachate Collected in Gallons	3,506,579	2,669,502	1,871,860	1,800,000	1,800,000

RECENT ACCOMPLISHMENTS:

Work continues with waste being deposited in cell number five. Compaction rates are exceeding the requirements of the operations contract, thus extending the number of years of life left in cell number five. Leachate generation continues to be low due in part to regrading old fill areas and better methods used in the areas where trash is currently being landfilled.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024:

- To continue to identify areas to improve storm water runoff.
- To identify areas for future borrow soil to be used in the landfilling process. **(Strategic Plan-Reliable Public Infrastructure)**
- To study methane gas production levels to help determine years left for the landfilling operation.

Landfill Operations

Fund Statement

	<u>Actual</u> <u>2020/2021</u>	<u>Actual</u> <u>2021/2022</u>	<u>Budget</u> <u>2022/2023</u>	<u>Revised</u> <u>Estimate</u> <u>2022/2023</u>	<u>Budget</u> <u>2023/2024</u>
Beginning Balance, July 1	\$ 1,556,270	\$ 1,630,574	\$ 1,662,274	\$ 1,872,168	\$ 1,778,468
Revenues					
Charges for Services	\$ 1,130,507	\$ 1,209,822	\$ 1,159,400 (3)	\$ 1,159,400 (3)	\$ 1,159,400 (3)
Agency Assessment (2)	117,177	117,177	117,200	117,200	117,200
Interest	9,937	4,591	1,000	3,000	3,000
Transfers In:					
Landfill Surcharge Reserve	<u>19,514</u>	<u>21,084</u>	<u>20,000 (4)</u>	<u>20,000 (4)</u>	<u>20,000 (4)</u>
Total Revenues	<u>\$ 1,277,135</u>	<u>\$ 1,352,674</u>	<u>\$ 1,297,600</u>	<u>\$ 1,299,600</u>	<u>\$ 1,299,600</u>
Funds Available	\$ 2,833,405	\$ 2,983,248	\$ 2,959,874	\$ 3,171,768	\$ 3,078,068
Expenditures (1)	<u>1,202,831</u>	<u>1,111,080</u>	<u>1,323,800</u>	<u>1,393,300</u>	<u>1,247,300</u>
Ending Balance, June 30	<u><u>\$ 1,630,574</u></u>	<u><u>\$ 1,872,168</u></u>	<u><u>\$ 1,636,074</u></u>	<u><u>\$ 1,778,468</u></u>	<u><u>\$ 1,830,768</u></u>
Increase (Decrease) in Fund Balance	\$ 74,304	\$ 241,594	\$ (26,200)	\$ (93,700)	\$ 52,300

1. Expenditures include changes in compensated absences.
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. The revenue estimates for the 2022/2023 revised estimate and 2023/2024 budget are each based on an estimated 40,000 tons of waste.
4. The 2022/2023 and 2023/2024 transfers from the Landfill Surcharge Reserve are based on 40,000 tons at \$.50 per ton.

Explanation of Changes in Fund Balances:

There was an accumulated deficit in this fund in previous years due to the reduced waste volumes being received at the landfill as well as landfill capital costs. This deficit was eliminated during the 2014/2015 year and funds started to be accumulated for construction of the next cell. The cell construction cost and related engineering totaled \$739,800 which was included in 2017/2018 expenditures. Funds are again being accumulated for future landfill capital costs.

Landfill Surcharge Reserve Part I

Local Planning and Environmental Protection Activities

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Transfers In					
Surcharge Fees	<u>19,514</u>	<u>21,084</u>	<u>20,000</u>	<u>20,000</u> (1)	<u>20,000</u> (1)
Funds Available	\$ 19,514	\$ 21,084	\$ 20,000	\$ 20,000	\$ 20,000
Expenditures					
Transfers to Landfill Fund	<u>19,514</u>	<u>21,084</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Ending Balance, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
Increase (Decrease) in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

1. Transfers are based on 40,000 tons for the 2022/2023 Revised Estimate and the 2023/2024 Budget at \$.50/ton.

Landfill Surcharge Reserve Part II

Waste Reduction, Recycling, and Small Business Pollution Prevention

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Transfers In					
Surcharge Fees	<u>40,980</u>	<u>44,278</u>	<u>42,000</u>	<u>42,000</u> (1)	<u>42,000</u> (1)
Funds Available	\$ 40,980	\$ 44,278	\$ 42,000	\$ 42,000	\$ 42,000
Expenditures					
Transfers to Transfer Station Fund	<u>40,980</u>	<u>44,278</u>	<u>42,000</u>	<u>42,000</u>	<u>42,000</u>
Ending Balance, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
Increase (Decrease) in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

1. Transfers are based on 40,000 tons for the 2022/2023 Revised Estimate and the 2023/2024 Budget at \$1.05/ton.

Landfill Closure Reserve (1)

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 1,337,341	\$ 1,478,042	\$ 1,618,742	\$ 1,630,548	\$ 1,783,048
Revenues					
Transfers In					
Landfill Fund	<u>140,701</u>	<u>152,506</u>	<u>140,700</u>	<u>152,500 (2)</u>	<u>152,500 (2)</u>
Funds Available	\$ 1,478,042	\$ 1,630,548	\$ 1,759,442	\$ 1,783,048	\$ 1,935,548
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u>\$ 1,478,042</u>	<u>\$ 1,630,548</u>	<u>\$ 1,759,442</u>	<u>\$ 1,783,048</u>	<u>\$ 1,935,548</u>

Increase (Decrease) in					
Fund Balance	\$ 140,701	\$ 152,506	\$ 140,700	\$ 152,500	\$ 152,500

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. Estimated amounts are reflected since the actual amounts have not yet been determined.

Landfill Post-Closure Reserve (1)

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 1,069,315	\$ 1,116,434	\$ 1,163,634	\$ 1,170,037	\$ 1,223,637
Revenues					
Transfers In					
Landfill Fund	<u>47,119</u>	<u>53,603</u>	<u>47,200</u>	<u>53,600 (2)</u>	<u>53,600 (2)</u>
Funds Available	\$ 1,116,434	\$ 1,170,037	\$ 1,210,834	\$ 1,223,637	\$ 1,277,237
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u>\$ 1,116,434</u>	<u>\$ 1,170,037</u>	<u>\$ 1,210,834</u>	<u>\$ 1,223,637</u>	<u>\$ 1,277,237</u>

Increase (Decrease) in					
Fund Balance	\$ 47,119	\$ 53,603	\$ 47,200	\$ 53,600	\$ 53,600

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. Estimated amounts are reflected since the actual amounts have not yet been determined.

Function:
Business Type

Department:
Public Works

Activity:
Landfill Operations

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 69,815	\$ 67,195	\$ 71,000	\$ 71,500	\$ 74,800	5.35%
Commodities	17,769	4,358	17,400	17,400	17,400	0.00%
Contractual Services	712,423	685,426	768,500	769,300	770,000	0.20%
Capital Outlay	93,246	19,310	152,000	202,000	50,000	-67.11%
Transfers	309,615	334,571	314,900	333,100	335,100	6.41%
Total Expenditures	<u>\$ 1,202,868</u>	<u>\$ 1,110,860</u>	<u>\$ 1,323,800</u>	<u>\$ 1,393,300</u>	<u>\$ 1,247,300</u>	-5.78%
Funding Sources						
Charges for Services	\$ 1,130,507	\$ 1,209,822	\$ 1,159,400	\$ 1,159,400	\$ 1,159,400	0.00%
Agency Assessment	117,177	117,177	117,200	117,200	117,200	0.00%
Interest	9,937	4,591	1,000	3,000	3,000	200.00%
Transfers In:						
Surcharge Reserve	19,514	21,084	20,000	20,000	20,000	0.00%
Total Funding Sources	<u>\$ 1,277,135</u>	<u>\$ 1,352,674</u>	<u>\$ 1,297,600</u>	<u>\$ 1,299,600</u>	<u>\$ 1,299,600</u>	0.15%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time:						
Solid Waste & Sewer System Manager	0.35	0.35	0.35	-	-	
Solid Waste Manager	-	-	-	0.35	0.35	
Solid Waste Supervisor	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	
Total Full Time	0.60	0.60	0.60	0.60	0.60	\$ 50,400
Employee Benefits						<u>24,400</u>
Total Personal Services						<u>\$ 74,800</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Methane Monitoring System	1	No	<u>\$ 50,000</u>

SOLID WASTE MANAGEMENT FUNDS

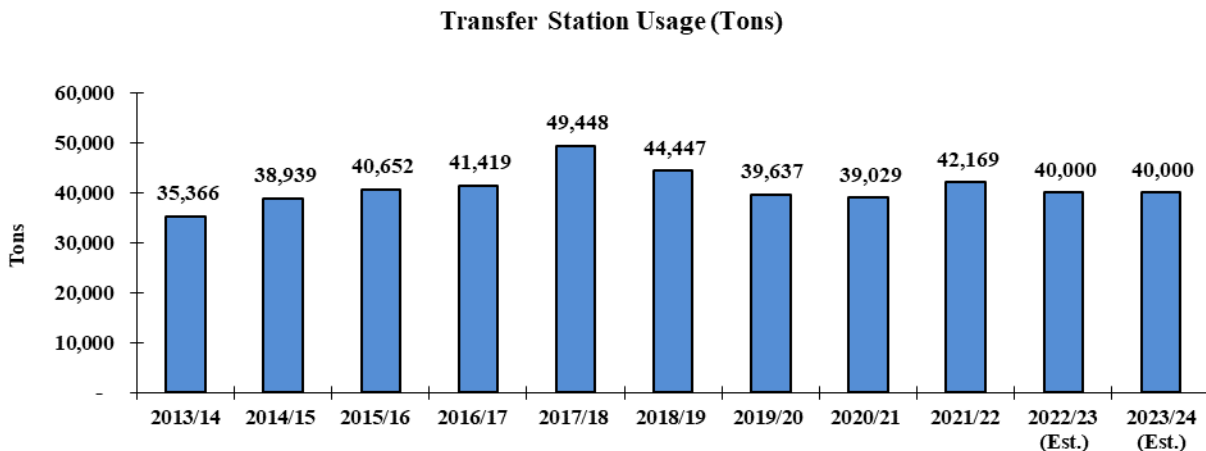
TRANSFER STATION OPERATIONS

GENERAL INFORMATION:

The Transfer Station opened in August of 1995. Project costs totaled approximately \$10,128,000. The Solid Waste Manager oversees the operation of the Transfer Station. The primary responsibilities of this position involve overseeing the transfer station operation as well as the overall coordination of the refuse collection, transfer station, and landfill activities.

CURRENT TRENDS AND ISSUES:

Waste volumes at the Transfer Station have varied as shown in the table below. The local economy, private waste haulers using alternate disposal sites, and other factors have impacted the transfer station waste volume. Revenues and expenditures for the 2022/2023 revised estimate and 2023/2024 budget have each been based on 40,000 tons of waste. The higher waste volume in 2017/2018 was due to debris from the 2017 tornado, wind storm, and hail storm.



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 and were further extended through June 30, 2020. Under the contract extensions 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 passes through the Transfer Station budget as tipping fees, this additional revenue was directed toward the accumulated deficit in the Landfill fund and is not providing any funding for the Transfer Station.

Agreements were reached to extend three of the industrial waste agreements for an additional five (5) years through June 30, 2025. Agreements have not yet been finalized for the other three agreements. Under the new agreements the regular industrial contracts decreased by \$2.50 per ton to \$42.50 per ton and the rates for the negotiated agreements did not change.

As noted above, all of the revenue from the negotiated industrial contracts was directed to the Landfill fund to reduce the accumulated deficit in that fund. 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 had been “absorbing” the direct and indirect costs for processing the waste from these contracts.

After the 2016/2017 budget was adopted the City Council approved a change in the portion of the Transfer Station fee paid to the landfill to address the deficit in the Transfer Station fund and to address equipment replacement needs at that facility. This was reviewed with the Chamber Landfill Committee at their May 13, 2016 meeting and the Committee recommended that the allocation of the \$60 full rate tipping fee be changed from \$40 Landfill/\$20 Transfer Station to \$32 Landfill/\$28 Transfer Station for a two-year period (2016/2017 and 2017/2018). This allocation change allowed for the purchase of a new track loader funded from an internal loan and also eliminated the budget deficit in the Transfer Station fund.

In 2017/2018 there was a total of \$219,732 in capital outlay expenditures including \$150,382 to replace the wheel loader and \$69,350 for improvements to the tunnel scale and tunnel door. There was a deficit fund balance of \$60,468 in the Transfer Station fund on June 30, 2018.

Due to continuing capital outlay and deferred maintenance needs at the Transfer Station, the allocation of the full rate tipping fee was continued at the \$32 Landfill/\$28 Transfer Station allocation rate for the 2018/2019 fiscal year. This allocation rate allowed funds to be included in the 2018/2019 budget for replacement of the exterior scale. There was a \$3,826 fund balance deficit at the end of the 2018/2019 fiscal year.

The 2019/2020 budget included a change in the allocation of the full rate tipping fee to \$30 Landfill and \$30 Transfer Station (changed from \$32 Landfill/\$28 Transfer Station). With the allocation change, the balance at the end of the 2019/2020 fiscal year increased to \$172,851. The fund balance further increased to \$387,619 at the end of 2020/2021. The allocation of the full rate tipping fee at \$30 Landfill and \$30 Transfer Station continued in the 2020/2021 through 2023/2024 budgets.

The 2022/2023 revised estimate expenditures are \$31,000 more than the original budget. This overall increase is due to the net effects of (1) an \$11,500 increase in personal services costs for a part-time custodian which replaced the previously contracted custodian services, (2) a \$600 increase in commodities, (3) a \$9,900 increase in contractual services which includes increased legal, engineering, and insurance costs, and (4) a \$9,000 increase in capital outlay due to the increased cost for the grapple bucket.

Revised estimate tipping fee revenue is estimated at \$2,069,900. Based on revised estimate revenues and expenditures, a fund balance of \$351,254 is projected for June 30, 2023. This ending balance is \$192,835 higher than the projected ending balance when the 2022/2023 budget was adopted. The 2021/2022 budget included a \$200,000 transfer to fund a portion of the \$650,000 capital project to replace the tipping floor at the Transfer Station. The remaining estimated cost of the tipping floor replacement (\$450,000) was funded from the May 2022 bond issue. Prior to the tipping floor project being bid, an alternate and less costly method of replacing the tipping floor was found. With this alternate method, the \$200,000 funding transfer from the Transfer Station fund was not needed and those funds will remain in the Transfer Station fund.

The budgeted expenditures for 2023/2024 are \$15,400 (.7%) more than the original 2022/2023 budget. The 2023/2024 budget is based on 40,000 tons of waste, the same tonnage as the 2022/2023 budget and revised estimate. The \$15,400 overall expenditure increase is due to the net effect of (1) a \$77,400 increase in personal services costs, (2) a \$400 decrease in commodities, (3) a \$43,800 decrease in contractual services due primarily to a decrease in equipment repair and maintenance costs, (4) an \$18,000 decrease in capital outlay, and (4) a \$200 increase in transfers.

The personal services increase includes (1) 50% of the cost of a new fulltime Refuse Truck Driver/Maintenance Worker position (\$44,400), (2) 50% of the cost of moving the current 29-hour/week Clerk to a fulltime position (\$7,000), and (3) \$10,700 for part-time custodial wages which were budgeted as a contractual service in the original 2022/2023 budget. Without these changes personal services costs would have increased by \$15,300 (4.7%). The allocation of the new fulltime position will provide backup staffing on the tipping floor to cover for other employee vacations and other absences, so there are always two employees on the tipping floor, as well as performing other facility and equipment maintenance work. The increase in hours for the Clerk position will provide for additional coverage of the front desk for customers weighing in and out of the Transfer Station, answering telephone calls, and will reduce the time that other employees need to cover the front desk.

As noted above, the Transfer Station Tipping Floor project cost came in significantly lower than budgeted. With the remaining May 2020 bond proceeds from the fire suppression system project and the May 2022 bond proceeds for the Transfer Station Tipping Floor project, several other projects are budgeted to be completed in 2023/2024. These include \$75,000 for crack sealing of the pavement around the Transfer Station and \$50,000 for roof repairs/replacement.

The 2023/2024 budgeted tipping fees are estimated at \$2,069,900 based on the 40,000-ton estimate. Other revenue for both 2022/2023 and 2023/2024 includes \$60,000 from renting the former recycling portion of the Transfer Station to the Water Pollution Control Plant for the High Strength Waste Receiving Station. This revenue replaced the lease revenue in previous years from Republic Services for that portion of the building. The Transfer Station fund balance is estimated at \$334,454 at the end of the 2023/2024 fiscal year.

As noted previously, the allocation of the full Transfer Station tipping fee rate is budgeted to continue at \$30 Landfill and \$30 Transfer Station in 2023/2024. This allocation has assisted in providing funding to address capital and deferred maintenance needs at the Transfer Station and resulted in the positive fund balances in both the 2022/2023 revised estimate and 2023/2024 budget.

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 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
Tons of Waste Processed	39,637	39,029	42,169	40,000	40,000
Tons Recycled (Contractor) – Republic Services	1,323	1,262	1,151	1,151	1,151
Gallons of Waste Oil Collected	5,200	2,600	1,800	1,800	1,800

RECENT ACCOMPLISHMENTS:

Staff have been able to accomplish several maintenance and repair projects to the Transfer Station buildings and grounds. Items such as exhaust systems and lift stations now have a monthly maintenance schedule. The tipping floor resurfacing project has been bid with a favorable bid being awarded. Work on this project will be scheduled in the next few months. Lighting replacements have taken place in all of the buildings with high efficiency LED fixtures that will see a short payback time, and energy savings in the future.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024:

- To submit an application in early 2023 to the Iowa Department of Natural Resources for the EMS (Environmental Management System) program. This program is a continuous improvement program that measures environmental performance. Once becoming a member, there are opportunities to receive grants twice per year to use for solid waste and recycling projects and education. **(Strategic Plan - Excellent Customer Service)**

Transfer Station Operations

Fund Statement

	<u>Actual</u> <u>2020/2021</u>	<u>Actual</u> <u>2021/2022</u>	<u>Budget</u> <u>2022/2023</u>	<u>Revised</u> <u>Estimate</u> <u>2022/2023</u>	<u>Budget</u> <u>2023/2024</u>
Beginning Balance, July 1	\$ 172,851	\$ 387,619	\$ 162,319	\$ 383,654	\$ 351,254
Revenues					
Charges for Services	\$ 2,091,764	\$ 2,138,287	\$ 2,069,900	\$ 2,069,900 (3)	\$ 2,069,900 (3)
Recycling Commissions	5,912	5,177	3,000	5,000	5,000
Recycling Center Rental Fees	60,000	60,000	60,000	60,000	60,000
Sales Tax	6,507	7,273	8,000	8,000	8,000
Electronic Waste Disposal Fees	16,834	14,528	15,500	15,500	15,500
Appliance Disposal Fees	9,680	9,351	9,000	9,000	9,000
FEMA Reimbursement	644	0	0	0	0
Sale of Equipment	0	7,032	0	0	0
Interest	529	355	200	700	700
Other	5,127	59	0	0	0
Transfers In:					
Surcharge Reserve	40,980	44,277	42,000	42,000	42,000
Total Revenues	<u>\$ 2,237,977</u>	<u>\$ 2,286,339</u>	<u>\$ 2,207,600</u>	<u>\$ 2,210,100</u>	<u>\$ 2,210,100</u>
Funds Available	\$ 2,410,828	\$ 2,673,958	\$ 2,369,919	\$ 2,593,754	\$ 2,561,354
Expenditures (1)	<u>2,023,209</u>	<u>2,290,304 (2)</u>	<u>2,211,500</u>	<u>2,242,500</u>	<u>2,226,900</u>
Ending Balance, June 30	<u><u>\$ 387,619</u></u>	<u><u>\$ 383,654</u></u>	<u><u>\$ 158,419</u></u>	<u><u>\$ 351,254</u></u>	<u><u>\$ 334,454</u></u>

Increase (Decrease) in Fund Balance	\$ 214,768	\$ (3,965)	\$ (3,900) (3)	\$ (32,400)	\$ (16,800)
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- Expenditures include changes in compensated absences.
- The 2021/2022 revised estimate expenditures included a \$200,000 transfer to the Tipping Floor Replacement capital project fund. This transfers was not done in 2021/2022 and due to the favorable bids received for the updated project, this transfer was not needed.
- The revenue estimates for the 2022/2023 revised estimate and the 2023/2024 budget are based on a total of 40,000 tons with 27,200 tons at \$60/ton, plus 5,400 tons at the industrial rate of \$42.50/ton, and \$208,440 from the negotiated industrial contracts which is passed through to the Landfill.

Explanation of Changes in Fund Balances:

The deficit balances in this fund in prior years were primarily due to reduced waste volumes and crediting all of the revenue from the negotiated industrial contracts to the Landfill fund. Beginning in the 2016/2017 revised estimate, the portion of the full \$60/ton rate paid to the Landfill was decreased from \$40/ton to \$32/ton. Beginning in 2019/2020 the Landfill portion of the full \$60/ton rate was decreased to \$30/ton. This allowed for more of the tipping fee funds to remain in the Transfer Station fund for capital outlay and deferred maintenance needs.

Function:
Business Type

Department:
Public Works

Activity:
Transfer Station

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 289,141	\$ 316,627	\$ 328,000	\$ 339,500	\$ 405,400	23.60%
Commodities	22,944	39,867	36,300	36,900	35,900	-1.10%
Contractual Services	1,642,226	1,790,495	1,798,900	1,808,800	1,755,100	-2.43%
Capital Outlay	17,278	137,112	44,000	53,000	26,000	-40.91%
Transfers	44,041	4,100	4,300	4,300	4,500	4.65%
Total Expenditures	\$ 2,015,630	\$ 2,288,201	\$ 2,211,500	\$ 2,242,500	\$ 2,226,900	0.70%
Funding Sources						
Charges for Services	\$ 2,091,764	\$ 2,138,287	\$ 2,069,900	\$ 2,069,900	\$ 2,069,900	0.00%
Recycling Commissions	5,912	5,177	3,000	5,000	5,000	66.67%
Recycling Center Rental	60,000	60,000	60,000	60,000	60,000	0.00%
Sales Tax	6,507	7,273	8,000	8,000	8,000	0.00%
Tire, E-Waste, Appliance Charges	26,514	23,879	24,500	24,500	24,500	0.00%
Other	6,300	7,446	200	700	700	
Transfer from Surcharge Reserve	40,980	44,277	42,000	42,000	42,000	0.00%
Total Funding Sources	\$ 2,237,977	\$ 2,286,339	\$ 2,207,600	\$ 2,210,100	\$ 2,210,100	0.11%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time:						
Solid Waste Manager	-	0.30	0.30	0.30	0.30	
Solid Waste & Sewer System Manager	0.08	-	-	-	-	
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	0.50	0.50	0.50	0.50	0.50	
Office Coordinator	0.50	0.50	0.50	0.50	0.50	
Refuse Driver/Maintenance Worker I	-	-	-	-	0.50	(1)
Clerk	-	-	-	-	0.50	(2)
Total Full Time	3.08	3.30	3.30	3.30	4.30	
Part Time:						
Clerk	0.36	0.36	0.36	0.36	-	
Total	3.44	3.66	3.66	3.66	4.30	\$ 248,500
Employee Benefits						156,900
Total Personal Services						\$ 405,400
1. Effective 7-1-23 the part time Clerk is budgeted to be moved to a full time position, allocated 50% to the Transfer Station. 2. Effective 7-1-23, 50% of a full time Maintenance Worker I position is budgeted to be added to the Transfer Station budget.						

Capital Outlay			
Item	Quantity	Replacement	Amount
Fire Alarm Control Panel	1	Yes	\$ 10,000
Replace HVAC Unit	1	Yes	6,000
Scale Software	1	Yes	10,000
			\$ 26,000

WATER POLLUTION CONTROL FUND

GENERAL INFORMATION:

The Water Pollution Control Fund consists of two reserve funds, one bond sinking fund, and six (6) 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 continued through 2015/2016. This reduction was due to funding the new West Hill Sewer Separation Long-Term Financing Plan Reserve discussed below. In 2016/2017 the budgeted transfer was increased by \$500,000 (to \$700,000) so there would be sufficient funds available in this reserve for the High Strength Waste Receiving Station (HSWRS) project as further discussed below. The \$700,000 funding transfer was continued in the 2017/2018 and 2018/2019 budgets to fund the HSWRS. The transfers for 2019/2020 through 2022/2023 were each set at \$400,000 as recommended in the 2018 sewer rate study. At the time the budget was being prepared, a new sewer rate study was underway. Results of that study will include a recommendation of the future annual transfers to this reserve. The adopted budget shows continuation of the \$400,000 funding transfer. The budget will be updated when the sewer rate study has been completed.

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. 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 also funded the Lab Renovation project that was completed in 2014/2015 at a total cost of \$760,400. Engineering design for the High Strength Waste Receiving Station (HSWRS) began in 2013/2014 and was completed in 2019. In 2019/2020 \$2,315,109 from this Reserve funded engineering costs and contract and equipment costs for this project. In 2020/2021 \$228,243 from this reserve funded additional contract and equipment costs for this project and in 2021/2022 \$87,840 was used for this project. Due to much higher cost estimates for the digester conversion portion of the HSWRS project, this project has been placed on hold. Placing the digester conversion project on hold has allowed staff time to prioritize the digester conversion project with other needs at the Water Pollution Control Plant.

At the time the budget was being prepared, staff was evaluating results of the Facilities Planning Project for the WPCP. The study identified several priority projects including the UV Disinfection System and the Plant and Pumping Stations Electrical Package Updates. These projects will begin 2022/2023 and 2023/2024 and will be funded from this Reserve.

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. This plan was updated in 2017. Plans are to complete this project in phases over the next five years. The 80% allocation of Local Option Sales Tax approved by voters to be used for storm and sanitary sewer improvements will provide funding for a portion of the project costs. The referendum to extend this tax from its expiration date of June 30, 2019 through June 30, 2034 was held on March 6, 2018, and the tax was again approved by voters with 88% voting in favor of the extension.

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 through 2023/2024 budgets each included \$200,000 in transfers from the Water Pollution Control fund. Like amounts for those same years are being 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 this reserve are expected to be sufficient to cash flow project costs until midway through the 2023/2024 fiscal year when a State Revolving Fund (SRF) loan is expected to be needed to fund the remaining project costs.

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 was at an effective rate of 3.25%. The effective interest rate on this loan was reduced to 2.00% as of December 1, 2018. 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 2022/2023 and 2023/2024 are \$950,618 and \$960,240, respectively. Interest and fees on the loan are \$178,820 in 2022/2023 and \$163,400 in 2023/2024. The principal payments on this loan are \$771,000 in 2022/2023 and \$796,000 in 2023/2024.

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.

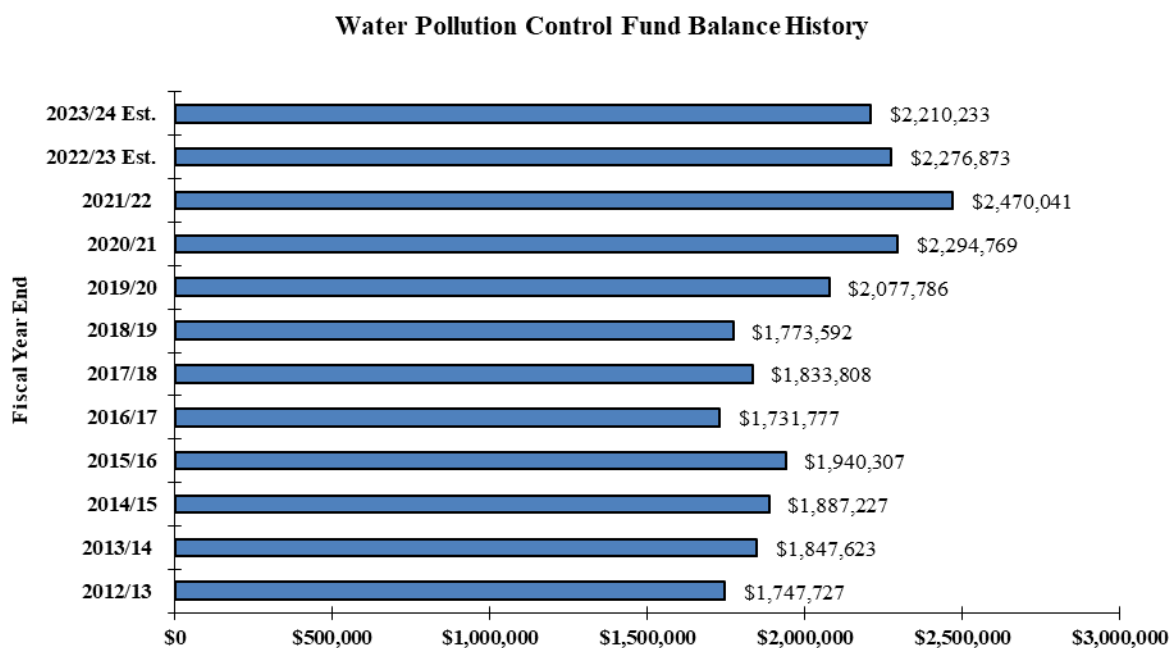
Construction of the High Strength Waste Receiving Station (HSWRS) for the WPCP was completed in 2020. This was originally planned to be a new facility at the Water Pollution Control Plant. The initial bids for the project, however, were significantly higher than originally estimated and this facility was constructed in the former recycling area of the Transfer Station. This facility will accept FOG (Fats, Oils, and Grease) waste from local restaurants and other food waste. 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. The City will receive

disposal fees from waste haulers, greatly reduce carbon emissions, and save on energy costs at the Plant. As noted previously, phase 2 of the HSWRS project for the digester conversions, has been placed on hold due to higher cost estimates.

The 2021/2022 budget included a \$100,000 allocation for a Facilities Plan to assist in identifying and prioritizing improvements needed at the WPCP. This study began in 2021/2022 and continued in 2022/2023. Preliminary results of that study are being reviewed by staff.

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.



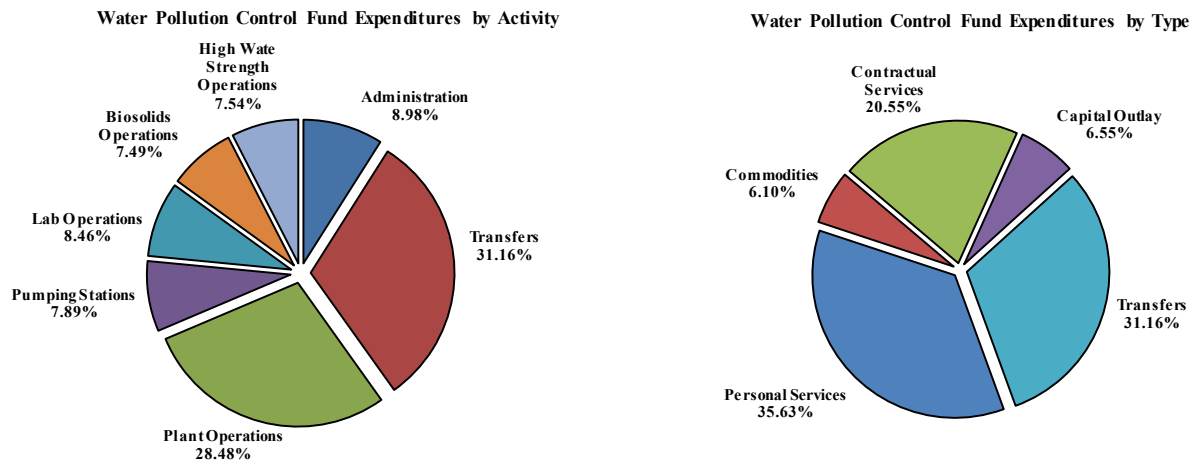
The fund balances listed above fluctuated partly as a result of variable volumes received from industrial customers. In addition, the City increased rates during this time period to cover inflationary cost increases and to ensure sufficient funds would be available for the debt service requirements on the State Revolving Fund (SRF) Loan. The lower fund balances in 2016/2017, 2017/2018, and 2018/2019 were due to \$500,000 increases in the transfers to the Plant Replacement Reserve in these years. Those increased transfers were needed to fund the High Strength Waste Receiving Station project.

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.

There were several multi-year sewer rate increases since the revised rate structure was implemented. The most recent rate study was completed in 2018. The recommended rates were adopted by ordinance which set

rates to be effective July 1, 2018 and annually thereafter for the next four years (through July 1, 2022). The rate study recommended 3% annual increases in sewer rates and 2% annual increases in collection and drainage rates to be effective each July 1 from 2018 to 2022. The 2022/2023 budget included funding for a new rate study and that study was in progress at the time the budget was being developed.

The Water Pollution Control Fund consists of six different activities, including administration, plant operations, pumping stations, laboratory operations, biosolids operations, and the high strength waste receiving station. Full-time equivalent employees for these six activities total 20.50 for 2023/2024. The specific employee allocations are detailed in each of the six (6) activity budgets. The following charts show the distribution of budgeted expenditures by activity and by type for 2023/2024:



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, 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 2022/2023 revised estimate expenditures are \$394,000 more in total than the original budget. There were increases in each of the individual activity budgets including (1) an \$85,600 increase in the Water Pollution Control Administration budget, (2) a \$22,100 increase in the Plant Operations budget, (3) a \$178,500 increase in the Pumping Stations budget, (4) a \$37,100 increase in the Lab budget, (5) a \$30,800 increase in the Biosolids budget, and (6) a \$39,900 increase in the High Strength Waste Operations budget. The revised estimate increase in the Administration budget includes \$86,800 carried forward from the prior year for the balance of the Facilities Plan that will assist in identifying and prioritizing improvements needed at the WPCP. The increase in the Pumping Stations budget includes \$168,000 carried forward from the prior year for the Papoose Pump Station Platform project.

The 2023/2024 budgeted expenditures of \$6,045,140 are \$383,672 (6.8%) more than the original 2022/2023 budget. This overall increase is due to (1) a \$161,000 (8.1%) increase in personal services costs, (2) a \$27,800 (8.1%) increase in commodities, (3) an \$86,300 (7.5%) increase in contractual services, (4) a \$95,300 (31.7%) increase in capital outlay, and (5) a \$13,272 (6.8%) increase in transfers. The personal services increase includes retirement pay for the Plant Maintenance Manager (\$35,700) and allows for a 3-month overlap in the

transition to a new Plant Maintenance Manager (\$31,100). The budget also includes funding to increase the current 29 hour/week Custodian II to a fulltime Maintenance Worker I position (\$39,200).

As noted previously, a new sewer rate study was in progress at the time the budget was being developed. While the rates had not yet been set, the adopted budget reflected a 3% increase in residential and commercial sewer rates. As the final rate study recommended a 3% rate increase annually over the next five years, no revenue budget adjustment will be needed.

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 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
Million Cubic Feet of Wastewater Treated		185.1	198.5	144.4	160	160
Biological Oxygen Demand Treated (1,000 lbs/yr.)		3,630	5,211 (1)	5,010	4,197	4,200
Total Suspended Solids Treated (1,000 lbs/yr.)		2,268	3,087	2,775	2,400	2,560
Number of Customer Bills	Industrial	96	112	112	115	115
	Non-Industrial	<u>110,914</u>	<u>110,901</u>	<u>111,617</u>	<u>111,700</u>	<u>111,700</u>
	Total	111,010	111,013	111,729	111,815	111,815

1. The Biological Oxygen Demand Treated in 2020/2021 was higher due to Heinz loads being heavier; reduced loads are expected in future years.

Calendar Year Measures	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Estimated 2023
High Strength Solid Waste Received in Tons (1)	406	1,569	2,774	3,913	4,400
HSW Liquid Waste Received in Gallons (1)	3,444,052	3,306,364	3,949,980	1,785,148 (4)	2,000,000
Gallons of Sludge/Number of Acres	5,976,114/ 460	5,956,106/ 438	8,434,384/ 459	10,485,813/ 546 (5)	10,000,000/ 474
Lift Station Preventive Maintenance Tasks (PMs)	4,500 (3)	4,616 (3)	4,818 (3)	4,700	4,700
Lift Station Corrective Work Orders (CMs)	110	130	138	130	130
Plant Preventive Maintenance Tasks	4,272 (3)	5,151 (3)	6,618 (3)	5,367 (2)	5,500
Plant Corrective Work Orders	229 (3)	219 (3)	219 (3)	73 (2)	100

1. The volume of HSW liquid and solid waste can vary if large loads come in from sources that do not have consistent needs for services.
2. PMs were reduced by lack of labor due to the COVID-19 pandemic. CMs were lower due to lack of parts due to supply chain issues.
3. Implementation of the new Preventive Maintenance software is not complete.
4. The decrease in hauled wastewater in 2022 was due to one customer (Vitalix) moving to on-site treatment (Vitalix brought in 1.86 million gallons in 2021).
5. More water from the decant pond was added to the biosolids applied this season to reduce the amount brought back to the plant.

RECENT ACCOMPLISHMENTS:

The Muscatine Water Pollution Control Plant (WPCP) has been working to fulfill its mission statement of: Recovering Resources and Transforming Water. The department focuses on wastewater treatment, stormwater retention, and resource recovery through solid waste conversion to energy. There were several new innovative projects done this year that will move the community closer to that ideal. The department would like to propose, at some future date, to be renamed as the Water and Resource Recovery Facility (WRRF) to better reflect its mission and purpose.

The department's goals of customer service, a safe, vibrant and healthy community, along with reliable public infrastructure were brought into sharp focus through new leadership training that all supervisory staff attended this past year. With a renewed focus on staff communication with each other, the City Council, and the community, tied to the City's common values, the WPCP is more prepared than ever to provide effective municipal services and excellent customer service that improves the quality of life in the community.

A pilot program was conducted at the WPCP that utilized algae to remove nutrients as well as other organics from the wastewater using only sunlight, algae, and very low amounts of electricity. This has proven to be a very inexpensive and efficient way to remove nutrients from the water that does not require large changes to the treatment process and will save on electricity costs. The algae can be sold as a natural fertilizer and works well in high flows when other technologies fail. The pilot program was a great success and the WPCP is now exploring options to incorporate it into its nutrient reduction strategy.

The WPCP staff also worked with the University of Iowa (U of I) and its biodigester project to study optimization of the anaerobic digesters to produce more biogas for sale and reduce down time from upsets. The addition of food waste to the digesters continues to be studied and is the focus of an EPA grant awarded to the U of I for a state-of-the-art monitoring concept. This will enable the U of I to monitor the conditions of the digesters real time to predict better outcomes and maximize revenue generation. Partnering with local and regional partners will continue to be a major focus as this work advances on cutting edge technology to produce at the highest level possible.

The Muscatine Environmental Laboratory continues to work at a high level as one of the premier labs in the area. With drinking water, wastewater, and industrial wastewater testing being made available to the community, it continues to serve as one of the top State certified labs in eastern Iowa. New equipment is being installed to streamline the testing process and bring more efficiency to a very heavy workload ensuring sustainable testing going forward.

Plant operations and maintenance continue to be our main focus as we strive to protect public health, recover resources, and efficiently meet all regulatory requirements. The WPCP Capital Improvement Plan in conjunction with the five-year rate study started in September will provide a ten (10) year planning horizon

for ensuring that major investments are planned for and adequately resourced. Projects from these studies are slated to begin as early as the fall of 2023.

The Biosolids and High Strength Waste (HSW) divisions saw strong numbers in recovered resources and biosolids applied. These programs received several awards and accolades and laid the foundation for a potential waste to energy conversion at the WPCP. New grants are being applied for to fund this project.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024:

- To complete the rate study and identify options for funding the ten-year Capital Improvements Plan to ensure continuous operation of the treatment facility and lift stations. **(Council Goal of Reliable Public Infrastructure and Health Community)**
- To submit the Nutrient Reduction Study addendum to the Iowa Department of Natural Resources in 2023 to continue work on the best course of action with the most efficient use of public funds to complete mandated compliance with State nutrient regulations. **(Council Goal of Reliable Public Infrastructure and Healthy Community)**
- To continue with the Digester Rehabilitation Project (subject to EPA grant funding) which is one of several projects that, if funded, will generate revenue in renewable energy sales. **(Council Goal of Customer Service and Reliable Public Infrastructure)**
- To develop succession planning for key staff and aid in staff retention through staffing assessments. **(Council Goal of Customer Service)**
- To develop a Resilient and Renewable Energy Plan for the WPCP, incorporating sustainability and lean goals. **(Council Goal of Reliable Public Infrastructure)**
- To partner with Muscatine Power and Water in the Choose Green Business Energy Program. **(Council Goal of Customer Service and Reliable Public Infrastructure)**
- To incorporate Bee City USA principles into the function of the city and promote it within the community. (Subject to Council approval.) **(Council Goal of Vibrant and Healthy Community)**
- To continue to incorporate the new Mission, Values, and Behaviors standards into training and daily work throughout the organization. **(Council Goal of Customer Service)**

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
2022/23	\$ 771,000	\$ 178,820	\$ 949,820
2023/24	796,000	163,400	959,400
2024/25	822,000	147,480	969,480
2025/26	849,000	131,040	980,040
2026/27	876,000	114,060	990,060
2027/28	905,000	96,540	1,001,540
2028/29	934,000	78,440	1,012,440
2029/30	964,000	59,760	1,023,760
2030/31	996,000	40,480	1,036,480
2031/32	<u>1,028,000</u>	<u>20,560</u>	<u>1,048,560</u>
Total	<u>\$ 8,941,000</u>	<u>\$ 1,030,580</u>	<u>\$ 9,971,580</u>

* This schedule reflects the interest rate reduction that was effective December 1, 2018.

WATER POLLUTION CONTROL FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

General Obligation Corporate Purpose Bonds

Water Pollution Control Plant Digester Conversion Project

\$755,000 of \$4,550,000 Total Issue Dated May 23, 2018

Fiscal Year	Principal	Interest	Total Requirements
2022/23	\$ 75,000	\$ 20,150	\$ 95,150
2023/24	75,000	16,400	91,400
2024/25	80,000	12,650	92,650
2025/26	85,000	8,650	93,650
2026/27	85,000	5,250	90,250
2027/28	90,000	2,700	92,700
Total	<u>\$ 490,000</u>	<u>\$ 65,800</u>	<u>\$ 555,800</u>

Water Pollution Control Fund
Water Pollution Control Plant Replacement Reserve
Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 1,836,816	\$ 2,013,274	\$ 2,305,974	\$ 2,327,640	\$ 2,652,640
Revenues					
Interest	\$ 4,701	\$ 2,206	\$ 200	\$ 50,000	\$ 50,000
Transfers In					
Water Pollution Control					
Operations Fund	400,000 (1)	400,000 (1)	400,000 (1)	400,000 (1)	400,000 (2)
Total Revenues	<u>\$ 404,701</u>	<u>\$ 402,206</u>	<u>\$ 400,200</u>	<u>\$ 450,000</u>	<u>\$ 450,000</u>
Funds Available	<u>\$ 2,241,517</u>	<u>\$ 2,415,480</u>	<u>\$ 2,706,174</u>	<u>\$ 2,777,640</u>	<u>\$ 3,102,640</u>
Expenditures					
Transfers Out:					
High Strength Waste Receiving Station	\$ 228,243	\$ 87,840	\$ 0 (3)	\$ 0	\$ 0
UV Disinfection System	0	0	0	125,000 (4)	1,125,000 (4)
Plant Electrical Package	0	0	0	0	40,000 (5)
Lift Station Electrical Package	0	0	0	0	30,000 (5)
Total Expenditures	<u>\$ 228,243</u>	<u>\$ 87,840</u>	<u>\$ 0</u>	<u>\$ 125,000</u>	<u>\$ 1,195,000</u>
Ending Balance, June 30	<u><u>\$ 2,013,274</u></u>	<u><u>\$ 2,327,640</u></u>	<u><u>\$ 2,706,174</u></u>	<u><u>\$ 2,652,640</u></u>	<u><u>\$ 1,907,640</u></u>

Increase (Decrease) in Fund Balance	\$ 176,458	\$ 314,366	\$ 400,200	\$ 325,000	\$ (745,000)
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1. The annual funding transfer to this fund was \$400,000 beginning in 2019/2020, which was the amount recommended in the 2018 rate study.
2. The annual funding transfer to this fund for 2023/2024 will be determined as part of the rate study currently in progress. The preliminary budget shows the continuation of the \$400,000 transfer; this budget will be updated once the results of the study are finalized.
3. Due to the higher costs of the HSWRS project, the digester conversion portion of this project has been put on hold. The need for this project will be prioritized with other needs at the Plant.
4. The results of the Capital Planning Study are still being reviewed by staff. The 2022/2023 and 2023/2024 transfers for capital projects include \$125,000 in funding for the design of the UV Disinfection System in 2022/2023 and construction of the project in 2023/2024.
5. The 2023/2024 budget includes \$70,000 for the design of the Plant Electrical System Package and the Lift Station Electrical Package. The construction cost estimate for the electrical system projects totals \$640,000, which is planned for 2024/2025.

West Hill Sewer Separation Project Long-Term Financing Plan Reserve

Fund Statement

	<u>Actual</u> <u>2020/2021</u>	<u>Actual</u> <u>2021/2022</u>	<u>Budget</u> <u>2022/2023</u>	<u>Revised</u> <u>Estimate</u> <u>2022/2023</u>	<u>Budget</u> <u>2023/2024</u>
Beginning Balance, July 1	\$ 3,776,241	\$ 4,185,577	\$ 4,587,577	\$ 4,590,010	\$ 4,996,010
Revenues:					
Interest	\$ 9,336	\$ 4,433	\$ 2,000	\$ 6,000	\$ 6,000
Transfers In:					
Water Pollution Control Fund (1)	200,000	200,000	200,000	200,000	200,000
Collection & Drainage Fund (1)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Total Revenues	<u>\$ 409,336</u>	<u>\$ 404,433</u>	<u>\$ 402,000</u>	<u>\$ 406,000</u>	<u>\$ 406,000</u>
Funds Available	\$ 4,185,577	\$ 4,590,010	\$ 4,989,577	\$ 4,996,010	\$ 5,402,010
Expenditures:					
Transfer to West Hill Sewer Project	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u><u>\$ 4,185,577</u></u>	<u><u>\$ 4,590,010</u></u>	<u><u>\$ 4,989,577</u></u>	<u><u>\$ 4,996,010</u></u>	<u><u>\$ 5,402,010</u></u>
Increase (Decrease) in					
Fund Balance	\$ 409,336	\$ 404,433	\$ 402,000	\$ 406,000	\$ 406,000

1. Since 2011/2012 the WPCP and Collection and Drainage funds have each included \$200,000 in annual transfers to this Reserve which was established to accumulate funds for the West Hill Sewer Separation project mandated by the Consent Order with the E.P.A. Funds from this Reserve will be used when Local Option Sales Tax funds are insufficient to fund project costs for this multi-year, multi-phase project.

Sewer Revenue Bond Sinking Fund

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 126,916	\$ 128,687	\$ 129,542	\$ 130,025	\$ 131,823
Revenues:					
Interest	\$ 976	\$ 583	\$ 100	\$ 1,000	\$ 1,000
Transfers In:					
Water Pollution Control Fund	<u>932,015</u>	<u>941,515</u>	<u>950,618</u>	<u>950,618</u>	<u>960,240</u>
Total Revenues	<u>\$ 932,991</u>	<u>\$ 942,098</u>	<u>\$ 950,718</u>	<u>\$ 951,618</u>	<u>\$ 961,240</u>
Funds Available	<u>\$ 1,059,907</u>	<u>\$ 1,070,785</u>	<u>\$ 1,080,260</u>	<u>\$ 1,081,643</u>	<u>\$ 1,093,063</u>
Expenditures:					
Bonds (1)	\$ 723,000	747000	\$ 771,000	\$ 771,000	\$ 796,000
Interest and Fees (1)	<u>208,220</u>	<u>193760</u>	<u>178,820</u>	<u>178,820</u>	<u>163,400</u>
Total Expenditures	<u>\$ 931,220</u>	<u>\$ 940,760</u>	<u>\$ 949,820</u>	<u>\$ 949,820</u>	<u>\$ 959,400</u>
Ending Balance, June 30	<u><u>\$ 128,687</u></u>	<u><u>\$ 130,025</u></u>	<u><u>\$ 130,440</u></u>	<u><u>\$ 131,823</u></u>	<u><u>\$ 133,663</u></u>
Increase (Decrease) in Fund Balance	\$ 1,771	\$ 1,338	\$ 898	\$ 1,798	\$ 1,840

1. Interest and fees since December of 2018, are based on the amended State Revolving Fund Loan debt schedule that was effective December 1, 2018. The amendment provided for a reduction in the effective interest rate on the loan from 3.25% to 2.00%.

Water Pollution Control Operations Fund

Fund Statement

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024
Beginning Balance, July 1	\$ 2,077,786	\$ 2,294,769	\$ 2,389,204	\$ 2,470,041	\$ 2,276,873
Revenues	<u>5,631,872</u>	<u>5,819,018</u>	<u>5,770,600</u>	<u>5,862,300</u>	<u>5,978,500</u>
Funds Available	\$ 7,709,658	\$ 8,113,787	\$ 8,159,804	\$ 8,332,341	\$ 8,255,373
Expenditures (1)	<u>5,414,889</u>	<u>5,643,746</u>	<u>5,661,468</u>	<u>6,055,468</u>	<u>6,045,140</u>
Ending Balance, June 30	<u><u>\$ 2,294,769</u></u>	<u><u>\$ 2,470,041</u></u>	<u><u>\$ 2,498,336</u></u>	<u><u>\$ 2,276,873</u></u>	<u><u>\$ 2,210,233</u></u>
Increase (Decrease) in Fund Balance	\$ 216,983	\$ 175,272	\$ 109,132	\$ (193,168)	\$ (66,640)

1. Expenditures include changes in compensated absences.

Water Pollution Control Operations Fund

Summary of Revenues

	<u>Actual</u> <u>2020/2021</u>		<u>Actual</u> <u>2021/2022</u>		<u>Budget</u> <u>2022/2023</u>		<u>Revised</u> <u>Estimate</u> <u>2022/2023</u>		<u>Budget</u> <u>2023/2024</u>	
Sewer Charges-Residential and Commercial (Billed by MP&W)	\$ 3,467,096	(1)	\$ 3,577,125	(1)	\$ 3,650,000	(1)	\$ 3,673,700	(1)	\$ 3,783,900	(3)
Industrial and City-billed Commercial										
Sewer Charges	1,480,917	(1)	1,592,471	(1)	1,545,000	(1)	1,622,700	(1)	1,622,700	(3)
Charges for Fats, Oils, and Grease (FOG)	418,398		255,598		300,000		200,000		200,000	
Charges for High Strength Waste	89,872	(2)	120,399	(2)	100,000		170,000		180,000	
Wastewater Discharge Permits	1,600		1,350		1,600		1,600		1,600	
Interest	4,310		2,164		500		4,000		4,000	
Sale of Equipment/Other Sales	3,175		1,788		0		9,000		5,000	
Analytical Income	96,235		101,164		100,000		100,000		100,000	
Sales Tax	60,449		62,650		64,500		65,000		65,000	
FEMA Reimbursement	1,369		0		0		0		0	
Reimbursements of Damages	0		89,831		0		0		0	
Reimbursements for Diesel	8,451		14,445		8,000		14,300		14,300	
Miscellaneous	0		33		1,000		2,000		2,000	
Transfers In:										
Plant Replacement Reserve	0		0		0		0		0	
Total Revenues	<u>\$ 5,631,872</u>		<u>\$ 5,819,018</u>		<u>\$ 5,770,600</u>		<u>\$ 5,862,300</u>		<u>\$ 5,978,500</u>	

1. A sewer rate study was completed in the spring of 2018 which set rates for the next five years. Per the rate study, 3% rate increases were implemented July 1, 2018, July 1, 2019, July 1, 2020, July 1, 2021, and July 1, 2022.
2. The High Strength Waste operation opened in the spring of 2020. The 2020/2021 year was the first full fiscal year for this operation.
3. At the time the budget was prepared, a rate study was in progress but had not been completed. The adopted budget reflected a 3% rate increase effective July 1, 2023. After the budget was adopted, City Council approved the recommended rate increases in the study of 3% per year for the next five years.

Water Pollution Control Operations Fund

Summary of Expenditures

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Administration	\$ 2,235,889	\$ 2,316,166	\$ 2,379,168	\$ 2,464,768	\$ 2,426,840
Plant Operations	1,512,993	1,655,552	1,547,100	1,569,200	1,721,500
Pumping Stations	566,456	476,966	437,200	615,700	476,900
Laboratory Operations	419,244	456,858	498,900	536,000	511,500
Biosolids Operations	382,211	375,760	412,400	443,200	452,600
High Strength Waste Operations	<u>287,319</u>	<u>347,952</u>	<u>386,700</u>	<u>426,600</u>	<u>455,800</u>
Total Expenditures	<u>\$ 5,404,112</u>	<u>\$ 5,629,254</u>	<u>\$ 5,661,468</u>	<u>\$ 6,055,468</u>	<u>\$ 6,045,140</u>

Function:
Business Type

Department:
Water Pollution Control

Activity:
Administration

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 220,010	\$ 230,718	\$ 238,600	\$ 239,800	\$ 247,500	3.73%
Commodities	5,340	4,730	4,900	4,900	4,900	0.00%
Contractual Services	176,774	205,411	265,100	262,700	290,600	9.62%
Capital Outlay	-	22,842	-	86,800	-	
Transfers	<u>1,833,765</u>	<u>1,852,465</u>	<u>1,870,568</u>	<u>1,870,568</u>	<u>1,883,840</u>	0.71%
Total Expenditures	<u>\$ 2,235,889</u>	<u>\$ 2,316,166</u>	<u>\$ 2,379,168</u>	<u>\$ 2,464,768</u>	<u>\$ 2,426,840</u>	2.00%
Funding Sources						
Sewer Charges	\$ 2,238,388	\$ 2,475,720	\$ 2,474,500	\$ 2,511,500	\$ 2,432,000	-1.72%
Interest	<u>4,310</u>	<u>2,164</u>	<u>500</u>	<u>4,000</u>	<u>4,000</u>	700.00%
Total Funding Sources	<u>\$ 2,242,698</u>	<u>\$ 2,477,884</u>	<u>\$ 2,475,000</u>	<u>\$ 2,515,500</u>	<u>\$ 2,436,000</u>	-1.58%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time Positions:						
Director of Water						
Pollution Control	1.00	1.00	1.00	1.00	1.00	
Office Coordinator	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	
Total	2.00	2.00	2.00	2.00	2.00	\$ 179,500
Employee Benefits						<u>68,000</u>
Total Personal Services						<u>\$ 247,500</u>

Function:
Business Type

Activity:
Plant Operations

Department:
Water Pollution Control

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 668,648	\$ 704,492	\$ 773,200	\$ 744,000	\$ 864,500	11.81%
Commodities	143,774	182,254	166,900	176,900	182,400	9.29%
Contractual Services	565,200	584,118	538,000	561,300	563,900	4.81%
Capital Outlay	128,345	173,040	69,000	67,700	110,700	60.43%
Transfers	7,026	11,648	-	19,300	-	
Total Expenditures	<u>\$ 1,512,993</u>	<u>\$ 1,655,552</u>	<u>\$ 1,547,100</u>	<u>\$ 1,569,200</u>	<u>\$ 1,721,500</u>	11.27%
Funding Sources						
Sewer Charges	\$ 1,437,949	\$ 1,485,455	\$ 1,471,200	\$ 1,477,300	\$ 1,633,600	11.04%
Sales Tax	60,449	62,650	64,500	65,000	65,000	0.78%
Other Revenues	10,051	15,828	11,400	17,900	17,900	57.02%
Insurance Reimbursement	-	89,831	-	-	-	
FEMA Reimbursement	1,369	-	-	-	-	
Sale of Equipment	3,175	1,788	-	9,000	5,000	
Total Funding Sources	<u>\$ 1,512,993</u>	<u>\$ 1,655,552</u>	<u>\$ 1,547,100</u>	<u>\$ 1,569,200</u>	<u>\$ 1,721,500</u>	11.27%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time Positions:						
Plant Maintenance Manager	1.00	1.00	1.00	1.00	1.00	
Environmental Coordinator	0.75	0.75	0.75	0.75	0.75	
Treatment Plant Operator III	-	1.00	1.00	-	-	
Treatment Plant Operator II	2.00	-	-	-	-	
Treatment Plant Operator I	1.00	2.00	2.00	3.00	3.00	
Treatment Plant Mechanic II	1.00	1.00	1.00	1.00	1.00	
Treatment Plant Mechanic I	1.00	1.00	1.00	1.00	1.00	
Maintenance Worker I	-	-	-	-	1.00	
Total Full Time	6.75	6.75	6.75	6.75	7.75	
Part Time:						
Custodian II	0.73	0.73	0.73	0.73	-	
Total	7.48	7.48	7.48	7.48	7.75	\$ 550,700
Employee Benefits						313,800
Total Personal Services						<u>\$ 864,500</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Rebuild Draft Tube Mixers 1, 3, and 4			\$ 60,000
Pickup Truck	1	Yes	45,000
Snow Pusher Blade	1	Yes	5,700
			<u>\$ 110,700</u>

Function:
Business Type

Department:
Water Pollution Control

Activity:
Pumping Stations

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 170,199	\$ 179,385	\$ 187,100	\$ 187,700	\$ 194,700	4.06%
Commodities	26,575	35,619	31,000	36,200	31,300	0.97%
Contractual Services	262,340	154,576	169,100	169,300	169,400	0.18%
Capital Outlay	107,342	107,387	50,000	222,500	81,500	63.00%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 566,456</u>	<u>\$ 476,967</u>	<u>\$ 437,200</u>	<u>\$ 615,700</u>	<u>\$ 476,900</u>	9.08%
Funding Sources						
Sewer Charges	<u>\$ 566,456</u>	<u>\$ 476,967</u>	<u>\$ 437,200</u>	<u>\$ 615,700</u>	<u>\$ 476,900</u>	9.08%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time:						
Lift Station/Plant Maintenance						
Supervisor	1.00	1.00	1.00	1.00	1.00	
Treatment Plant Mechanic I	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	
Total	2.00	2.00	2.00	2.00	2.00	\$ 132,200
Employee Benefits						<u>62,500</u>
Total Personal Services						<u>\$ 194,700</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Mad Creek Lift Station Pump #2	1	Yes	\$ 25,000
Mad Creek Suction Valve Pump #3	1	Yes	12,000
Papoose Lift Station Dry Well Pump	1	Yes	25,000
Miles Lift Station Replace Pump #2	1	Yes	12,000
Progress Park Lift Station Discharge Valves	2	Yes	7,500
			<u>\$ 81,500</u>

Function:
Business Type

Department:
Water Pollution Control

Activity:

Laboratory Operations

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 321,760	\$ 328,515	\$ 333,000	\$ 348,600	\$ 360,500	8.26%
Commodities	54,571	60,591	76,000	82,200	81,100	6.71%
Contractual Services	33,007	33,072	39,200	42,900	39,600	1.02%
Capital Outlay	9,906	34,680	50,700	62,300	30,300	-40.24%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 419,244</u>	<u>\$ 456,858</u>	<u>\$ 498,900</u>	<u>\$ 536,000</u>	<u>\$ 511,500</u>	2.53%
Funding Sources						
Sewer Charges	\$ 323,009	\$ 355,694	\$ 398,900	\$ 436,000	\$ 411,500	3.16%
Analytical Charges	<u>96,235</u>	<u>101,164</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	0.00%
Total Funding Sources	<u>\$ 419,244</u>	<u>\$ 456,858</u>	<u>\$ 498,900</u>	<u>\$ 536,000</u>	<u>\$ 511,500</u>	2.53%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time:						
Chemist	1.00	1.00	1.00	1.00	1.00	
Laboratory Technician I	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	
Total Full Time	3.00	3.00	3.00	3.00	3.00	
Part Time:						
Laboratory Technician I	<u>0.73</u>	<u>0.73</u>	<u>0.73</u>	<u>0.73</u>	<u>0.73</u>	
Total	3.73	3.73	3.73	3.73	3.73	\$ 251,900
Employee Benefits						<u>108,600</u>
Total Personal Services						<u>\$ 360,500</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Ion Chromatography	1	Yes	\$ 21,000
pH Meter	1	Yes	1,500
Incubator	1	Yes	7,800
			<u>\$ 30,300</u>

Function:
Business Type

Department:
Water Pollution Control

Activity:
Biosolids Operations

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 273,206	\$ 281,307	\$ 282,600	\$ 298,300	\$ 299,000	5.80%
Commodities	68,485	38,150	44,500	49,600	50,900	14.38%
Contractual Services	29,789	19,803	29,300	39,300	29,200	-0.34%
Capital Outlay	10,731	36,500	56,000	56,000	73,500	31.25%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 382,211</u>	<u>\$ 375,760</u>	<u>\$ 412,400</u>	<u>\$ 443,200</u>	<u>\$ 452,600</u>	9.75%
Funding Sources						
Sewer Charges	<u>\$ 382,211</u>	<u>\$ 375,760</u>	<u>\$ 412,400</u>	<u>\$ 443,200</u>	<u>\$ 452,600</u>	9.75%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time:						
Solids Handling Leadworker	1.00	1.00	1.00	1.00	1.00	
Treatment Plant Mechanic I	1.00	1.00	1.00	1.00	1.00	
Treatment Plant Mechanic II	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	
Total	3.00	3.00	3.00	3.00	3.00	\$ 182,200
Overtime						20,000
Employee Benefits						<u>96,800</u>
Total Personal Services						<u>\$ 299,000</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
3/4 Ton Pickup Truck	1	Yes	\$ 45,000
6" Supply Hose (660 feet)	1	Yes	7,500
5" Drag Hose (990 feet)	1	Yes	8,500
3-Point Hose Cart	1	Yes	<u>12,500</u>
			<u>\$ 73,500</u>

Function:
Business Type

Department:
Water Pollution Control

Activity:
High Strength Waste Operations

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 161,260	\$ 170,912	\$ 178,300	\$ 180,800	\$ 187,600	5.22%
Commodities	19,778	21,047	17,900	18,400	18,400	2.79%
Contractual Services	106,281	142,411	115,500	152,400	149,800	29.70%
Capital Outlay	-	13,582	75,000	75,000	100,000	33.33%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 287,319</u>	<u>\$ 347,952</u>	<u>\$ 386,700</u>	<u>\$ 426,600</u>	<u>\$ 455,800</u>	17.87%
Funding Sources						
Fats, Oils, & Grease (FOG) Fees	\$ 418,398	\$ 255,598	\$ 300,000	\$ 200,000	\$ 200,000	-33.33%
High Strength Waste Fees	<u>89,872</u>	<u>120,399</u>	<u>100,000</u>	<u>170,000</u>	<u>180,000</u>	80.00%
Total Funding Sources	<u>\$ 508,270</u>	<u>\$ 375,997</u>	<u>\$ 400,000</u>	<u>\$ 370,000</u>	<u>\$ 380,000</u>	-5.00%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time:						
Treatment Plant Mechanic I	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	
Total	2.00	2.00	2.00	2.00	2.00	\$ 115,100
Employee Benefits						<u>72,500</u>
Total Personal Services						<u>\$ 187,600</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Radiant Heat System	1	No	\$ 40,000
Outside Storage Structure	1	No	<u>60,000</u>
			<u>\$ 100,000</u>

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. While the Collection and Drainage function will remain associated with the WPCP, the revenues and expenditures of this enterprise fund 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 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. 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.

Construction was substantially completed on Phase 3-C of the West Hill Sewer Separation project in 2017. With the completion of Phase 3, the overall West Hill Sewer Separation project was approximately 35% completed. Phase 4-A of the West Hill project was completed in 2018, Phase 4-B was substantially completed in 2019, and Phase 4-C was substantially completed in 2020. Engineering design for Phase 5 was completed in 2021 and construction of Phases 5-A and 5-B are currently underway.

Public Financial Management (PFM), the City's financial consultant, prepared a long-term financing plan for the West Hill project based on the project cost estimates in the schedule prepared by Stanley Consultants. The City has been setting aside \$400,000 each fiscal year since 2011/2012 to assist in financing the West Hill Sewer project (\$200,000 from the WPCP fund and \$200,000 from the Collection and Drainage fund). These funds are available to supplement the 80% allocation of Local Option Sales Tax being used to fund the West Hill Sewer project (approx. \$2.6 million each year). Local Option Sales Taxes and the set-aside funds are projected to be sufficient to fund project costs through all of Phase 5 and the design of Phase 6. The PFM financing plan was based on the 15-year extension of the Local Option Sales Tax. The referendum to extend this tax from its previous expiration date of June 30, 2019 through June 30, 2034 was held on March 6, 2018, and the tax was again approved by voters with 88% voting in favor of the extension.

A State Revolving Fund (SRF) Loan was projected to be needed by 2023/2024 to fund all 5 phases of Phase 6 plus the work required at the Papoose Pumping Station at the end of the project. Based on current project cost estimates, PFM estimates the SRF Loan needed to complete the financing of this project at \$22,800,000. Initial interest on this loan would be based on Loan proceeds drawn down as needed for project costs. The interest rate for the SRF loan is 2.0%. PFM has prepared a preliminary SRF Loan repayment schedule showing principal and interest payments on a 10-year loan with the final year of the loan in 2033/2034.

The PFM financing plan was based on renewal of the Local Option Tax and continuation of the 80% allocation for sewer projects through the SRF loan repayment period (through June 30, 2034). This required the Local Option Tax be in place from its previous expiration date of June 30, 2019 through June 30, 2034. This required a 15-year Local Option Tax period which is the term approved by voters at the Local Option Tax renewal referendum.

The 2022/2023 revised estimate for the Collection and Drainage operations activity is over the original budget by \$103,900. Personal services costs are estimated to be \$12,600 more than the original budget primarily due to increased employee health insurance costs and contractual services are \$12,600 more due to increased repair and maintenance services costs. Capital outlay is \$335,700 higher than budgeted due to (1) the need to repair a number of catch basins along the Highway 61 Bypass and along Park Avenue at a cost of \$94,100, (2) moving the 2023/2024 request for a new CCTV sewer camera to the revised estimate (\$190,000), and (3) moving the 2023/2024 request for a new backhoe to the revised estimate (\$130,000). The department deferred the budgeted sewer study for \$75,000 to partially offset the increase for the catch basins. Transfers were reduced by \$257,000. The original budget included a transfer of \$305,000 for the Lake Park Watershed study/project. This was reduced to \$48,000 in the revised estimate for engineering for the project. The 2023/2024 budget includes an estimated \$135,000 funding transfer for Alternate 1 in the study to remove the intake structure east of 2nd Avenue.

The 2023/2024 budget is \$314,300 (17.0%) less in total than the 2022/2023 budget. This increase is due to (1) a \$41,900 (7.8%) increase in personal services costs, (2) a \$2,300 increase in contractual services, (3) a \$190,000 decrease in capital outlay, and (4) a \$168,500 decrease in transfers. The capital outlay allocation of \$50,000 is for sewer maintenance projects. The decrease in transfers is due to the change in scope and timing of the Lake Park Watershed project.

Budgeted transfers for 2023/2024 include \$350,000 to the Sewer Extension Reserve based on the most recent rate study and \$135,000 for the Lake Park Watershed project. Transfers also include \$200,000 to the reserve for the West Hill Sewer Separation project, \$17,900 for the cost allocation of the Communications Manager position, and a total of \$18,600 in administrative transfers for general, information technology, and public works administration.

The Collection and Drainage fee is currently \$13.40 per customer per month. This fee was effective July 1, 2022 based on the ordinance approved by City Council in 2018 setting both sewer and collection and drainage fees for five years with the rates effective each July 1 from July 1, 2018 through July 1, 2022. A new rate study was in progress, but had not been finalized at the time the budget was prepared. The revenue estimates included in the adopted budget were based on a 2% increase in rates. After the budget was adopted, City Council approved the recommended rate increases in the rate study of 5% per year for the next four years and 3% for the fifth year. This resulted in an increase in the collection and drainage fee to \$14.07 per month effective July 1, 2023.

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 2019	Actual 2020	Actual 2021	Estimated 2022	Estimated 2023
Sewers Cleaned and Flushed (Miles)	16	24	22	22	22
CCTV Inspections (Feet)	1,000	1,000	1,000	10,500	7,000
Inspections at Combined Sewer Overflows (CSO)	12	12	12	12	12
Inspections of Blockage Prone Manholes (Various Locations)	12	12	12	12	12
Inspection of Blockage Prone Ditch/Ravine Drains (Various Locations)	12	12	12	12	12
Inspection of Off-Road Sanitary Sewers (Man Hours)	150	155	150	416	400
Inspection and Maintenance of Storm Water Discharge and Intake Points (Man Hours)	56	78	96	375	375
Cleaning Storm Structures (Man Hours)	1,135	1,246	1,087	495	500
Corrective Repairs – Sewers	10	11	10	5	10
Corrective Repairs – Structures	8	6	10	14	10
Corrective Repairs – Force Mains	1	0	0	0	0
Utility Locates - Total	4,975	4,935	3,347	3,038	3,200
After Hours	15	12	12	15	12
Request for Service Responses – Total	56	22	31	48	45
After Hours	7	11	11	15	10
Sanitary Sewer Overflows (SSO)	5	8	4	9	5
Backups Due to City Lines	6	4	4	12	10
Routine Equipment Operation/Maintenance (Man Hours)	600	580	584	500	500
Work for Other Departments (Man Hours)	325	600	580	300	300
Work on Capital Improvement Projects (Man Hours)	250	550	416	550	550

RECENT ACCOMPLISHMENTS:

During the past year the Collection and Drainage division:

- Assisted the Street department with snow removal and installation of snow emergency signs.
- Flushed all of Zone 3, which was 22.6 miles.

- Worked with the Engineering division on multiple projects including: (1) the West Hill Sewer Separation project Phases 5A and 5B – televised all combination pipes, new storm, and laterals as needed; weekly meetings, and flushing sewers, (2) West Hill Phases 6A and 6B – televised all sanitary sewer, completed lateral investigations and basement investigations; planning meetings, bi-weekly meetings, and flushing sewers, (3) Grandview Avenue – televised sewers, weekly meetings, and flushing sewers, (4) Park Avenue – televised sewers, weekly meetings, and flushing sewers, (5) Levee – walked the levee with Corps of Engineers, completed necessary maintenance.
- CCTV (televised) 10,500 feet of sewer.
- Inspected all off- road manholes (397).
- Inspected all off- road sanitary sewers (18.5 miles).
- Worked with Water Pollution Control Plant staff on multiple projects.
- Rebuilt six catch basins.
- Repaired five sanitary sewers.
- Fixed 6 catch basins on the Highway 61 Bypass.
- Fixed 8 catch basins on Park Avenue.
- Helped with cleaning and vacuuming lift stations, flushing lines, and cleaning tanks at the Water Pollution Control Plant.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024:

- Complete Zone 4 of the sanitary collection system flushing and inspection program (20.3 miles).
(Strategic Plan – Reliable Public Infrastructure)
- Work on identifying inflow and infiltration issues in areas which need to be addressed.
(Strategic Plan – Reliable Public Infrastructure)
- Work on planning future capital projects such as slip lining or infrastructure improvements.
(Strategic Plan – Reliable Public Infrastructure)

Collection and Drainage Fund

Sewer Extension and Improvement Reserve (1)

Fund Statement

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024
Beginning Balance, July 1	\$ 1,453,671	\$ 1,394,837	\$ 1,631,537	\$ 1,682,982	\$ 1,522,982
Revenues					
Interest	\$ 3,682	\$ 1,593	\$ 500	\$ 25,000	\$ 25,000
Sewer Connection Fees	12,220	63,675	15,000	15,000	15,000
Transfers In					
Collection and Drainage Fund	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>
Total Revenues	<u>\$ 365,902</u>	<u>\$ 415,268</u>	<u>\$ 365,500</u>	<u>\$ 390,000</u>	<u>\$ 390,000</u>
Funds Available	<u>\$ 1,819,573</u>	<u>\$ 1,810,105</u>	<u>\$ 1,997,037</u>	<u>\$ 2,072,982</u>	<u>\$ 1,912,982</u>
Expenditures					
Love's Development Agreement for Upsizing New Lift Station	\$ 0	\$ 0	\$ 0	\$ 500,000 (4)	\$ 0
Transfers Out:					
Papoose Force Main					
Redundant Line - Design (2)	126,236	31,713	0	50,000	\$ 0
Arbor Commons Sewer					
Benefit District (3)	298,500	0	0	0	0
Shamrock Drive Sewer Repair	<u>0</u>	<u>95,410</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 424,736</u>	<u>\$ 127,123</u>	<u>\$ 0</u>	<u>\$ 550,000</u>	<u>\$ 0</u>
Ending Balance, June 30	<u><u>\$ 1,394,837</u></u>	<u><u>\$ 1,682,982</u></u>	<u><u>\$ 1,997,037</u></u>	<u><u>\$ 1,522,982</u></u>	<u><u>\$ 1,912,982</u></u>
Increase (Decrease) in Fund Balance	\$ (58,834)	\$ 288,145	\$ 365,500	\$ (160,000)	\$ 390,000

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.
2. The City has a mandate to construct a redundant line from the Papoose Lift Station to the Water Pollution Control Plant. This project is required to be completed by 2026. Engineering design is expected to be completed in 2021/2022. The cost estimate for project construction is \$3,154,800. Construction will be completed in a future fiscal year; funding for the construction has not yet been determined.
3. As part of the Arbor Commons new housing development, a sewer benefit district was created where the developer installed the new sewer and the City has reimbursed them for a portion of the costs. The City will receive sewer connection fees as this area develops.
4. As part of the Love's Travel Stop development agreement, the City agreed to pay Love's \$500,000 (and also provided TIF funding assistance) to upsize the new lift station so that it could serve a much larger area and open the area for development. The City will receive sewer connection fees as this area develops.

**Collection and Drainage
(Including Stormwater Operations)
Fund Statement**

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024
Beginning Balance, July 1	\$ 756,811	\$ 819,960	\$ 764,360	\$ 860,528	\$ 298,928
Revenues					
Collection and Drainage Fees	\$ 1,435,422 (1)	\$ 1,466,459 (1)	\$ 1,491,100 (1)	\$ 1,494,300 (1)	\$ 1,524,200 (2)
Grease Discharge Permits	17,790	13,315	18,000	18,000	18,000
Interest	1,965	929	500	1,500	1,500
ICAP Safety Grant	0	1,000	0	0	0
FEMA Reimbursement	60	0	0	0	0
Miscellaneous	1,566	962	100	100	100
Total Revenues	<u>\$ 1,456,803</u>	<u>\$ 1,482,665</u>	<u>\$ 1,509,700</u>	<u>\$ 1,513,900</u>	<u>\$ 1,543,800</u>
Funds Available	<u>\$ 2,213,614</u>	<u>\$ 2,302,625</u>	<u>\$ 2,274,060</u>	<u>\$ 2,374,428</u>	<u>\$ 1,842,728</u>
Expenditures:					
Collection and Drainage	\$ 1,323,718	\$ 1,331,784	\$ 1,845,100	\$ 1,949,000	\$ 1,530,800
Stormwater Operations	<u>69,936</u>	<u>110,313</u>	<u>126,100</u>	<u>126,500</u>	<u>117,800</u>
Total Expenditures	<u>\$ 1,393,654</u>	<u>\$ 1,442,097</u>	<u>\$ 1,971,200</u>	<u>\$ 2,075,500</u>	<u>\$ 1,648,600</u>
Ending Balance, June 30	<u><u>\$ 819,960</u></u>	<u><u>\$ 860,528</u></u>	<u><u>\$ 302,860</u></u>	<u><u>\$ 298,928</u></u>	<u><u>\$ 194,128</u></u>
Increase (Decrease) in Fund Balance	\$ 63,149	\$ 40,568	\$ (461,500)	\$ (561,600)	\$ (104,800)

1. Monthly collection and drainage charges on sewer bills were \$12.90 in 2020/2021. The rate increased to \$13.15 in 2021/2022 and increased again to \$13.40 per customer per month in 2022/2023.
2. At the time the budget was prepared, a rate study was in progress but had not been completed. The adopted budget reflects a 2% rate increase effective July 1, 2023.
3. After the budget was adopted, City Council approved the recommended rate increases in the rate study of 5% per year for the next four years and 3% for the fifth year. This resulted in an increase in the collection and drainage fee to \$14.07 per month effective July 1, 2023.

Function:
Business Type

Department:
Public Works

Activity:
Collection and Drainage

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 539,188	\$ 523,651	\$ 536,500	\$ 549,100	\$ 578,400	7.81%
Commodities	24,720	21,461	50,000	50,000	50,000	0.00%
Contractual Services	94,398	102,339	128,600	141,200	130,900	1.79%
Capital Outlay	82,712	72,740	240,000	575,700	50,000	-79.17%
Transfers	<u>582,700</u>	<u>611,593</u>	<u>890,000</u>	<u>633,000</u>	<u>721,500</u>	-18.93%
Total Expenditures	<u>\$ 1,323,718</u>	<u>\$ 1,331,784</u>	<u>\$ 1,845,100</u>	<u>\$ 1,949,000</u>	<u>\$ 1,530,800</u>	-17.03%
Funding Sources						
Collection & Drainage Fees	<u>\$ 1,323,718</u>	<u>\$ 1,331,784</u>	<u>\$ 1,845,100</u>	<u>\$ 1,949,000</u>	<u>\$ 1,530,800</u>	-17.03%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time Positions/Position Allocations:						
Sewer Maintenance						
Supervisor	-	1.00	1.00	1.00	1.00	
Solid Waste and Sewer						
System Manager	0.50	-	-	-	-	
Collection & Drainage						
Leadworker	1.00	-	-	-	-	
Equipment Operator III	3.00	2.00	2.00	2.00	2.00	
Equipment Operator II	0.00	1.00	2.00	1.00	2.00	
Equipment Operator I	1.00	1.00	-	1.00	-	
Maintenance Worker II	0.20	0.20	0.20	0.20	0.20	
Right-of-Way Inspector	0.25	0.25	0.25	0.25	0.25	
Administrative Secretary	<u>0.33</u>	<u>0.33</u>	<u>0.33</u>	<u>0.33</u>	<u>0.33</u>	
Total	6.28	5.78	5.78	5.78	5.78	\$ 370,100
Employee Benefits						<u>208,300</u>
Total Personal Services						<u>\$ 578,400</u>

Capital Outlay	
Item	Amount
Sewer Maintenance Projects	<u>\$ 50,000</u>

STORM WATER OPERATIONS

GENERAL INFORMATION:

The Storm Water activity budget was first established January 1, 2005 in order to address federal regulations which are placing additional demands on cities to monitor, regulate, and treat storm water. Funding for this program has been from the Collection and Drainage fund.

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 currently oversees the Storm Water operations program.

CURRENT TRENDS AND ISSUES:

The 2022/2023 revised estimate is \$400 more than the original budget due to an increase in personal services costs.

The 2023/2024 budget is \$8,300 (6.6%) less than the original budget for 2022/2023. This overall decrease includes (1) a \$2,700 (4.1%) increase in personal services costs, (2) a \$2,000 decrease in commodities, (3) a \$2,000 increase in contractual services, and (4) an \$11,000 decrease in capital outlay. The 2023/2024 capital outlay allocation of \$19,000 is for the installation of a railing across the bridge at the Pollinator Park.

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 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
Grease Discharge Permits Issued	121	124	128	130	130
Food Service Establishments Inspected for Fats, Oils, and Grease (FOG)	25	27	17	20	20
Permitted Significant Industrial Users	14	14	14	14	14
Significant Industrial Users Inspected	14	14	14	14	14
Commercial Waste Hauling Permits Issued	18	15 (2)	15	15	15
Construction Site Inspections	32	20	24	25	25
River and Creek Samples Taken	13	17 (1)	21 (1)	28	28
Tests Performed on River and Creek Samples	364	102 (1)	126 (1)	168	168

1. Sampling was not performed from March through November of 2021 due to the lack of laboratory and other staff due to the COVID-19 pandemic.

2. The reduction of three commercial waste hauler permits was due to the removal of three haulers of only FOG (Fat, Oil, and Grease) materials.

RECENT ACCOMPLISHMENTS:

The Stormwater division continues to maintain the multiple stormwater practices around the City. These include the Mulberry Habitat Basin, the City Hall Biocell, the Sycamore Alley Biocell, and the Houser Street Pollinator Park. New informational signs have been installed at these locations that highlight their benefits including species diversification and beautification of the urban environment.

The Nutrient Reduction Alternatives (NRA) Study was completed in May of 2021. It outlines multiple areas where stormwater can be collected and treated to reduce the discharge of harmful pollutants including nitrogen and phosphorus as well as reduce local flooding. The study was submitted to the DNR in the spring of 2022 and will be updated with new plans for nutrient reduction in the spring of 2023. It outlines use of current wetlands in the City's Houser Street Pollinator Park to reduce flooding and remove nutrients. These will be evaluated for installation in the years to come as grants become available.

Work on the Muscatine Slough beyond Houser Street has been completed which has stopped flooding near the Kent Stein Park entrance. Work on the area beyond the Dog Park entrance to remove sediment, trees, and other vegetation has allowed the area to drain appropriately. A new nature trail and wetland boardwalk for public education and habitat restoration is being planned while grant funding is explored.

The Water Pollution Control Plant Director provided an overview of the Bee City USA initiative at the November 10, 2022 in-depth meeting. While City Council supported the Bee City USA program overall, they decided they needed more information regarding "no mow May", which is a component of the program. The program is not mandatory but outlines ways in which property owners in Muscatine can improve their landscaping to enhance wildlife habitat for species including butterflies, bees, and other vital pollinators. This program will advance based on direction from City Council with the goal of providing habitat for native species that live and grow here naturally while promoting the health of the community as a whole.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024:

- To follow up on City Council's direction to provide more information on Bee City USA during a City Council in-depth meeting in 2023.
- To schedule increased available work time to current and planned stormwater practices for maintenance.
- To complete engineering on the Slough Improvement Plan. **(Healthy Community)**
- To complete the Slough Bridge Railing Project. **(Healthy Community)**
- To seek grant funding for the Pollinator Park Trail Paving Project. **(Excellent Customer Service and Healthy Community)**
- To begin removal of invasives in the Pollinator Park and other established stormwater or native areas maintained by the department by 10%.

Function:
Business Type

Department:
Water Pollution Control

Activity:
Storm Water Operations

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 60,476	\$ 63,179	\$ 65,500	\$ 65,900	\$ 68,200	4.12%
Commodities	1,926	1,220	4,800	4,800	2,800	-41.67%
Contractual Services	7,534	16,064	25,800	25,800	27,800	7.75%
Capital Outlay	-	29,850	30,000	30,000	19,000	-36.67%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 69,936</u>	<u>\$ 110,313</u>	<u>\$ 126,100</u>	<u>\$ 126,500</u>	<u>\$ 117,800</u>	-6.58%
Funding Sources						
Grease Discharge Permits	\$ 17,790	\$ 13,315	\$ 18,000	\$ 18,000	\$ 18,000	0.00%
Collection & Drainage Funds	<u>52,146</u>	<u>96,998</u>	<u>108,100</u>	<u>108,500</u>	<u>99,800</u>	-7.68%
Total Funding Sources	<u>\$ 69,936</u>	<u>\$ 110,313</u>	<u>\$ 126,100</u>	<u>\$ 126,500</u>	<u>\$ 117,800</u>	-6.58%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time Position:						
Inspector II	0.33	0.33	0.33	0.33	0.33	
Environmental Coordinator	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	
Total Full Time	0.58	0.58	0.58	0.58	0.58	\$ 45,500
Employee Benefits						<u>22,700</u>
Total Personal Services						<u>\$ 68,200</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Bridge Railing Installation	1	No	<u>\$ 19,000</u>

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 \$827,959 for 2022/2023 and it is budgeted to increase to \$874,304 for 2023/2024. FICA and Medicare contribution rates will remain at 6.20% and 1.45%, respectively, for 2023/2024. The IPERS rate will remain at 9.44% in 2023/2024.

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 systems 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%, and then further decreased 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 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 decreased in 2015/2016 to 27.77% and further decreased in 2016/2017 to 25.92%. The rate decreased slightly to 25.68% in 2017/2018, increased to 26.02% in 2018/2019, and decreased to 24.41% in 2019/2020. The rate increased to 25.31% in 2020/2021 and further increased to 26.18% for 2021/2022. The rate decreased to 23.90% for 2022/2023, and will further decrease to 22.98% for 2023/2024. Property tax funding for police and fire pension will decrease from the \$1,538,003 budgeted for 2022/2023 to \$1,521,577 budgeted for 2023/2024.

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 \$28,184 of medical costs related to several individuals' injuries or illnesses were incurred in 2012/2013, \$28,074 in 2013/2014, \$38,657 in 2014/2015, \$36,855 in 2015/2016, \$47,610 in 2016/2017, \$82,618 in 2017/2018, \$79,125 in 2018/2019, \$14,147 in 2019/2020, \$70,956 in 2020/2021, and \$48,419 in 2021/2022. The retiree medical costs are estimated at \$45,000 for both the 2022/2023 and the 2023/2024 budgets.

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 2015/2016 through 2017/2018, the annual cost for police and fire medical insurance was \$54,000. Due to the City's claims, the premium increased to \$56,698

for 2018/2019 through 2020/2021. The premium further increased to \$60,366 for 2021/2022 through 2023/2024.

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 \$2,449,089 for 2023/2024. 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 claims of an individual reach 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 2013, rates were \$440.43 and \$1,171.54, respectively, for single and family coverage. In 2013, deductibles were \$400 for single and \$800 for family health coverage. The annual out-of-pocket maximums were \$800 and \$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. However, in 2016, rates were increased 15% to \$506.49 and \$1,347.27, respectively, for single and family coverage. Also in 2016, the deductibles increased from \$500 to \$600 for single and from \$1,000 to \$1,200 for family health coverage. In 2017, rates further increased by 15% to \$582.46 and \$1,549.36, respectively, for single and family coverage. The annual out-of-pocket maximums also increased from \$1,000 to \$1,200 and from \$2,000 to \$2,400 for single and family coverage. Effective January 1, 2017 the employee contribution increased from 5% to 6%. Effective January 1, 2018, rates increased by 1% to \$588.28 and \$1,564.85, respectively, for single and family coverage and the employee contribution increased to 7%. Effective January 1, 2019 rates increased another 1% to \$594.16 and \$1,580.50, respectively, for single and family coverage and the employee contribution increased to 8%. Effective January 1, 2020, rates increased 5% to \$623.87 and \$1,659.53 respectively, for single and family coverage and the employee contribution was maintained at 8%. Effective January 1, 2021, rates were increased by 7.5% to \$670.66 and \$1,783.99 respectively, for single and family coverage and the employee contribution was increased to 9%. Effective January 1, 2022, rates were increased by 5% to \$704.19 and \$1,873.19 respectively, for single and family coverage. Effective January 1, 2023, rates were increased by 10% to \$774.61 and \$2,060.51 respectively, for single and family coverage.

Employee benefit costs for life insurance will increase from the \$14,108 budgeted in 2022/2023 to \$14,289 in 2023/2024. In October of 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. Effective July 1, 2016, a life insurance rate decrease was negotiated that decreased the rate to 15 cents per month per \$1,000 of coverage. This rate was further decreased in October 2020 to 12.5 cents per month per \$1,000 of coverage. Basic provisions for coverage for each employee remain the same for 2023/2024.

The dental insurance rate for City employees in 2016 was \$32.39 per month for single coverage. This rate was maintained for 2017. The dental insurance rate increased to \$33.87 effective January 2018 and this rate remained the same for 2019 and 2020. The dental insurance rate decreased to \$31.94 effective January 2021 primarily due to lower claims in recent years. The dental insurance rate increased to \$33.23 effective January 2022. The dental insurance rates were maintained at \$33.23 for 2023 primarily due to lower claims in recent years. Effective in January of 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 2023/2024, the cost of dental insurance for General Fund employees is budgeted at \$53,811 compared to the \$54,304 budgeted for 2022/2023.

In regard to workers' compensation, the City of Muscatine continues to experience fluctuations in rates. For the respective fiscal years from 2009/2010 through 2018/2019, the workers' compensation experience modification factors were .89, .87, .82, .77, .72, .73, .75, .94, .89, and .90. These represent the factors applied to the base rates for each job classification based on the claims history of the employer. For 2019/2020 the experience modification decreased to .72. For 2020/2021, the experience modification rate increased to .89 and it increased to .91 for 2021/2022. For 2022/2023, the experience modification decreased to .90 and it is expected to increase to .92 for 2023/2024. The tax funding amount for General Fund employee workers' compensation budgeted for 2022/2023 was \$44,863 and it is expected to decrease to \$44,050 for 2023/2024.

The City's unemployment rate effective January 1, 2015 was .8% of \$27,300 of wages and the rate was .4% of \$28,300 of wages effective January 1, 2016. The rate effective January 1, 2017 was .3% of \$29,300 of wages and the rate was .5% of \$29,900 of wages effective January 1, 2018. The rate effective January 1, 2019 was .7% of \$30,600 of wages and the rate effective January 1, 2020 increased to 1.2 % of \$31,600 of wages. The rate effective January 1, 2021 was 1% of \$32,400 of wages and the rate effective January 1, 2022 was 1% of \$34,800 of wages. The rate effective January 1, 2023 is .9% of \$36,100 of wages. The 2023/2024 budget provides funding for this rate at 1.0% of applicable wages of \$37,200 as of January 1, 2024. The tax funding amount for 2023/2024 is estimated at \$61,366 compared to the \$60,091 originally budgeted for 2022/2023.

Long-term disability insurance was only provided to full-time non-union employees through the 2013/2014 fiscal year. Beginning in 2014/2015 this benefit was added for blue/white collar bargaining unit employees in their new union contract. The long-term disability rate was .27% of base wages for non-union employees and .50% of base wages for blue/white collar bargaining unit employees through June of 2016. Effective July 2016, the long-term disability rates were negotiated and decreased to .26% of base wages for non-union employees and .40% of base wages for blue/white collar bargaining unit employees. Effective October 2020, the long-term disability rate decreased to .34% of base wages for blue/white collar bargaining unit employees. The rate of .26% of base wages for non-union employees was maintained. The estimated cost for General Fund employees is \$14,702 for 2023/2024 compared to \$14,429 budgeted for 2022/2023.

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 2023/2024 is budgeted at \$24,618.

CURRENT TRENDS AND ISSUES:

The 2022/2023 and 2023/2024 Employee Benefits tax levy is budgeted to fund 100% of General Fund employee benefits.

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 2023/2024 beginning fund balance of \$86,710, the Employee Benefit tax levy for 2023/2024 is \$4,809,929 compared to the \$4,766,720 budgeted for 2022/2023. This requires a tax levy rate of \$4.70493 per \$1,000 of valuation compared to \$5.05175 for the 2022/2023 budget year, a decrease of 6.9% in the levy rate.

Employee Benefits Fund

Fund Statement

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024
Beginning Balance, July 1	\$ 203,933	\$ 213,065	\$ 62,404	\$ 142,089	\$ 86,710
Revenues					
Property Tax	4,337,665	4,498,446	\$ 4,750,687	\$ 4,750,687	\$ 4,794,257
Utility Tax Replacement Excise Tax	19,161	16,755	16,033	16,033	15,672
Commercial/Industrial State Reimbursement	186,363	186,425	168,188	168,188	144,437
Business Property Tax Credit Reimbursement	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>122,096</u>
Total Revenues	<u>\$ 4,543,189</u>	<u>\$ 4,701,626</u>	<u>\$ 4,934,908</u>	<u>\$ 4,934,908</u>	<u>\$ 5,076,462</u>
Funds Available	<u>\$ 4,747,122</u>	<u>\$ 4,914,691</u>	<u>\$ 4,997,312</u>	<u>\$ 5,076,997</u>	<u>\$ 5,163,172</u>
Expenditures					
Transfers Out					
Police Retirement	\$ 733,380	\$ 757,231	\$ 748,014	\$ 744,641	\$ 739,847
Fire Retirement	749,255	837,628	789,989	775,215	781,730
Police & Fire Retiree Medical	70,956	48,419	45,000	45,000	45,000
Health Insurance	1,969,099	2,062,992	2,277,158	2,270,095	2,449,089
Dental Insurance	46,559	45,279	54,304	50,884	53,811
Life Insurance	13,280	13,302	14,108	13,825	14,289
Police and Fire Medical Insurance	56,698	60,366	60,366	60,366	60,366
Long-term Disability Insurance	13,171	13,674	14,429	14,302	14,702
Post-Employment Health Plan	72,932	65,251	45,603	86,624	24,618
Workers Compensation	38,394	43,697	44,863	42,105	44,050
Unemployment	54,908	56,214	60,091	59,271	61,366
Deferred Compensation	0	0	0	0	0
FICA/IPERS	<u>715,425</u>	<u>768,549</u>	<u>843,387</u>	<u>827,959</u>	<u>874,304</u>
Total Expenditures	<u>\$ 4,534,057</u>	<u>\$ 4,772,602</u>	<u>\$ 4,997,312</u>	<u>\$ 4,990,287</u>	<u>\$ 5,163,172</u>
Ending Balance, June 30	<u>\$ 213,065</u>	<u>\$ 142,089</u>	<u>\$ 0</u>	<u>\$ 86,710</u>	<u>\$ 0</u>
Increase (Decrease) in Fund Balance	\$ 9,132	\$ (70,976)	\$ (62,404)	\$ (55,379)	\$ (86,710)

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 2020/2021 and 2021/2022 were due to savings in employee benefit costs due to vacancies and changes in insurance coverage for employees. The balance in this fund at the end of 2022/2023 is estimated at \$86,710, compared to the zero balance originally budgeted for similar reasons. That balance will be used for employee benefit costs in 2023/2024.

SPECIAL REVENUE FUNDS

EMERGENCY TAX LEVY / EMERGENCY FUND

GENERAL INFORMATION/HISTORY:

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, were budgeted to remain in the Emergency Tax Levy fund through the 2021/2022 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.

The Emergency Tax levy was eliminated beginning in the 2011/2012 budget and continuing through the 2020/2021 budget.

The 2021/2022 budget included levying \$134,270 (\$139,735 including the State Commercial and Industrial Reimbursement) from the Emergency Tax levy, which required an Emergency Tax levy rate of \$.14229 per \$1,000 of valuation. These funds were transferred to the General Fund in 2021/2022. This levy was added in 2021/2022 without increasing the City’s total tax levy by eliminating the Transit Tax levy for 2021/2022. The

Transit operation received a significant amount of CARES Act and related funding that allowed for the Transit levy to be eliminated for both 2021/2022 and 2022/2023.

CURRENT TRENDS AND ISSUES:

The \$80,000 from the 2009/2010 Emergency Tax levy that was set aside for future General Fund needs was budgeted to remain in the Emergency Tax Levy fund through 2021/2022. With interest, those funds have grown to \$86,162. These funds are budgeted to be transferred to the General Fund in 2022/2023.

In October of 2020, the City received \$561,628 in COVID-19 Local Government Relief funds from the State. These funds were credited to the Emergency Tax Levy / Emergency Fund. In 2022/2023 \$261,600 of those funds is budgeted to be transferred to the General Fund and \$150,500 is budgeted to be transferred in 2023/2024. These transfers assisted in balancing the General Fund budget for those years. The remaining balance of these funds (\$150,155) will be available for transfer to the General Fund in 2024/2025 or future years.

The 2022/2023 budget included levying the maximum Emergency Tax levy of \$.27 per \$1,000 of valuation which is projected to generate \$254,766 (\$263,755 including the State Commercial and Industrial Reimbursement). These funds will be transferred to the General Fund in 2022/2023.

The 2023/2024 budget also includes levying the maximum Emergency Tax levy of \$.27 per \$1,000 of valuation which is projected to generate \$276,025 (\$290,751 including the State Commercial and Industrial Reimbursement and the State Business Property Tax Credit Reimbursement). These funds will be transferred to the General Fund in 2023/2024.

There is an estimated \$150,155 balance in this fund at the end of the 2023/2024 fiscal year which can be used for balancing future General Fund budgets.

Emergency Tax Levy Fund

Fund Statement

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024
Beginning Balance, July 1	\$ 84,989	\$ 647,562	\$ 347,662	\$ 648,217	\$ 300,555
Revenues					
Property Tax (2)	\$ 0	\$ 134,196 (3)	\$ 253,909 (5)	\$ 253,909	\$ 275,126 (5)
Utility Tax Replacement Excise Tax	0	500 (3)	857 (5)	857	899 (5)
Commercial/Industrial State Reimbursement	0	5,561 (3)	8,989 (5)	8,989	7,719 (5)
Business Property Tax Credit Reimbursement	0	0	0	0	7,007
COVID - Local Government Relief Funds	561,628 (4)	0	0	0	0
Interest	945	655	100	100	100
Total Revenues	\$ 562,573	\$ 140,912	\$ 263,855	\$ 263,855	\$ 290,851
Funds Available	\$ 647,562	\$ 788,474	\$ 611,517	\$ 912,072	\$ 591,406
Expenditures					
Transfers Out					
General Fund:					
Emergency Tax Levy (Current Year)	\$ 0	\$ 140,257	\$ 263,755 (5)	\$ 263,755	\$ 290,751
Emergency Tax Levy (Prior Year Balance)	0	0	86,162 (1)	86,162 (1)	0
COVID - Local Government Relief Funds	0	0	261,600 (4)	261,600 (4)	150,500 (4)
Total Expenditures	\$ 0	\$ 140,257	\$ 611,517	\$ 611,517	\$ 441,251
Ending Balance, June 30	\$ 647,562	\$ 648,217	\$ 0	\$ 300,555	\$ 150,155
Increase (Decrease) in Fund Balance	\$ 562,573	\$ 655	\$ (347,662)	\$ (347,662)	\$ (150,400)

- 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 were set aside for future General Fund needs or for future emergency events. These funds (with interest) are budgeted to be transferred to the General Fund in 2022/2023.
- The City did not levy an Emergency Levy in any of the fiscal years from 2011/2012 through 2020/2021.
- In 2021/2022, the City levied a portion of the Emergency Tax levy (approximately \$.14/\$1,000 of the \$.27/\$1,000 maximum) to assist in offsetting the reductions in other General Fund revenue sources due to the COVID-19 pandemic.
- The COVID Local Government Relief funds received from the State in 2020/2021 are budgeted to be partially transferred to the General Fund in fiscal year 2022/2023 and 2023/2024. The remaining balance estimated at \$150,155 (including interest) can be used to assist in balancing the General Fund budget in future years.
- The budgets for 2022/2023 and 2023/2024 include the maximum Emergency Tax levy of \$.27 per \$1,000 of valuation. This levy rate was budgeted in order to maintain current service levels.

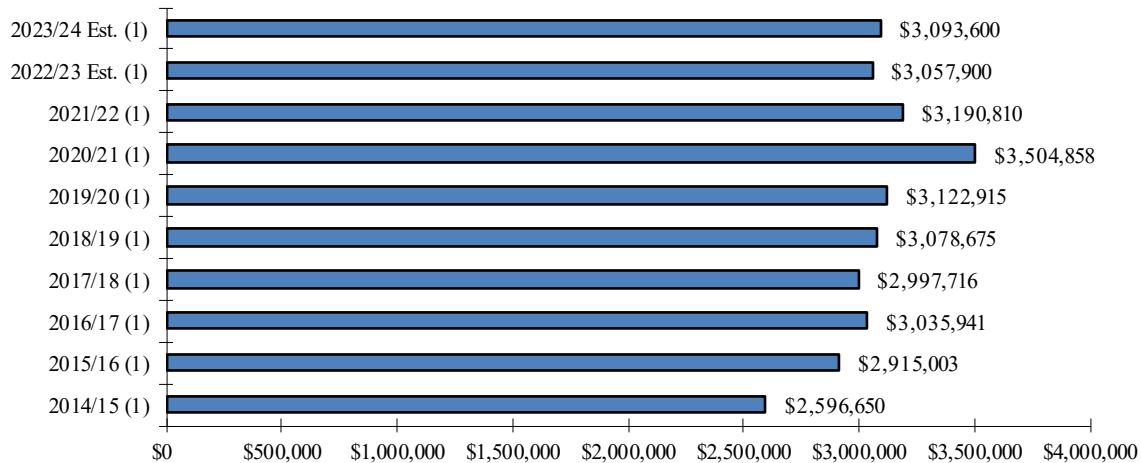
SPECIAL REVENUE FUNDS

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 2023/2024. As noted in the footnote to the table, road use tax revenue increased March 1, 2015 due to the \$.10 per gallon increase in the gas tax.

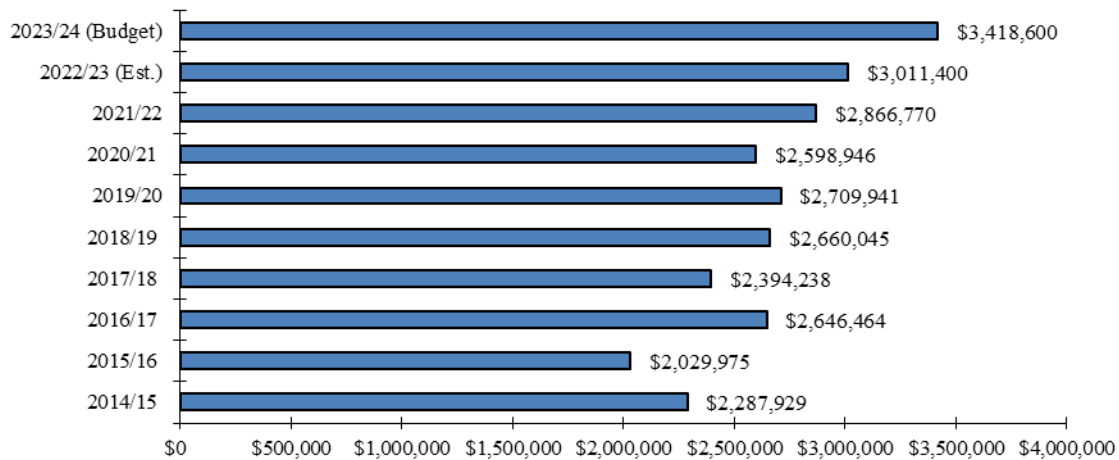
Road Use Tax Revenue History



1. After the 2015/2016 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 road use tax revenue each year.

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 2022/2023 and 2023/2024 are shown in the following chart:

Road Use Tax Funding of General Fund Activities



CURRENT TRENDS AND ISSUES:

Road use tax revenues are estimated at \$3,057,900 for the 2022/2023 revised estimate and \$3,093,600 for the 2023/2024 budget. This is equivalent to \$128.50 per capita for the revised estimate and \$130.00 for the 2023/2024 budget. These per capita rates were provided by the Iowa Department Transportation (IDOT).

The IDOT's per capita road use tax estimates are 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 2022/2023 revised estimate and the 2023/2024 budget include \$3,011,400 and \$3,418,600 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 recent years road use tax funds have also been used for street-related capital projects. These funds combined with the 20% allocation of Local Option Taxes approved by voters to be used for the pavement management program, have allowed for approximately \$1 million each year to be available for various pavement management projects. These projects have included full depth concrete patching, street resurfacing work, and alley resurfacing projects.

In addition to the 2022/2023 revised estimate transfer of \$3,011,400 to the General Fund for Public Works operating activities, a total of \$815,700 will be used for other capital projects. The capital project allocations include \$295,700 for the Pavement Management program, \$310,000 to complete the construction of the new sidewalks on 67th Street, and \$210,000 for Lake Park Bridge deck repairs. Local option tax funds in 2022/2023 will also provide \$704,300 in funding for the Pavement Management program bringing the total to \$1,000,000 in funding for this program.

The 2023/2024 budget includes a transfer of \$3,418,600 to the General Fund for Public Works operating activities. The budget also includes \$332,000 for the Pavement Management program. The \$332,000 road use tax allocation for the Pavement Management program will be combined with \$668,000 of local option sales tax funding to bring the total allocation to \$1,000,000 for this program. This total funding allocation will allow the City to complete a significant amount of pavement management work in 2023/2024.

The specific Pavement Management projects scheduled to be completed in calendar years 2023, 2024, and 2025 include the Fulliam Avenue Reconstruction project which is scheduled to be completed over three years. This schedule is for funding purposes as well as this project needs to be completed in mid-May through mid-August of each year since Fulliam Avenue is a major route to the middle school. Any additional projects will be determined based on the bids for the Fulliam Avenue project.

It should be noted that in addition to the street improvements funded from Road Use Taxes and Local Option Taxes, streets in the West Hill area are being improved as sewer work is completed for the West Hill Sewer Separation project and construction continues on the Mississippi Drive/Grandview Avenue Corridor project. With all of these projects combined, there has been an unprecedented amount of street reconstruction and improvement work that has been completed in the last few years and scheduled for the current and upcoming years.

The \$.10 per gallon increase in the fuel tax effective March 1, 2015 has resulted in the additional funds that are now available for improvements funded from Road Use Taxes.

The estimated fund balance on June 30, 2024 is projected at \$342,827 based on estimated road use taxes of \$128.50 per capita for 2022/2023 and \$130.00 per capita in 2023/2024. With accruing two months of road use tax receipts at fiscal year-end, a minimum of \$350,000 in fund balance is generally needed in order to keep the actual cash balance in a positive position at year-end. If road use tax receipts are less than the budget estimates or operating expenditures are 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 2023/2024 fiscal year.

Road Use Tax Fund

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 1,329,029	\$ 1,727,448	\$ 1,091,948	\$ 1,769,027	\$ 999,827
Revenues					
Road Use Tax	<u>\$ 3,504,858</u>	<u>\$ 3,190,810</u>	<u>\$ 3,110,300</u>	<u>\$ 3,057,900 (1)</u>	<u>\$ 3,093,600 (1)</u>
Funds Available	<u>\$ 4,833,887</u>	<u>\$ 4,918,258</u>	<u>\$ 4,202,248</u>	<u>\$ 4,826,927</u>	<u>\$ 4,093,427</u>
Expenditures					
Transfers Out:					
General Fund	\$ 2,598,646	\$ 2,866,770	\$ 3,169,900	\$ 3,011,400	\$ 3,418,600
Capital Projects Funds:					
Asphalt Overlay/Other					
Street Improvements	406,396	159,389	316,100	295,700	332,000
Railroad Crossing Improvements	82,353	0	0	0	0
Mulberry Avenue Improvements	186	0	0	0	0
Lake Park Bridge Deck Repairs	0	0	210,000	210,000	0
New Sidewalk Program	18,858	23,072	154,500	310,000	0
New Sidewalks - Grandview	<u>0</u>	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 3,106,439</u>	<u>\$ 3,149,231</u>	<u>\$ 3,850,500</u>	<u>\$ 3,827,100</u>	<u>\$ 3,750,600</u>
Ending Balance, June 30	<u><u>\$ 1,727,448</u></u>	<u><u>\$ 1,769,027</u></u>	<u><u>\$ 351,748</u></u>	<u><u>\$ 999,827</u></u>	<u><u>\$ 342,827</u></u>

Increase (Decrease) in Fund Balance	\$ 398,419	\$ 41,579	\$ (740,200)	\$ (769,200)	\$ (657,000)
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Per Capita Road Use Taxes (Actual and Estimated)	\$ 147.28	\$ 134.08	\$ 130.70	\$ 128.50 (1)	\$ 130.00 (1)
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1. Revenues for both the Revised Estimate and the upcoming budget are based on IDOT estimates for road use taxes. Actual road use tax revenue 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 has estimated the 2022/2023 road use tax at \$128.50 per capita and 2023/2024 at \$130.00 per capita.

SPECIAL REVENUE FUNDS

LOCAL OPTION SALES TAX FUND

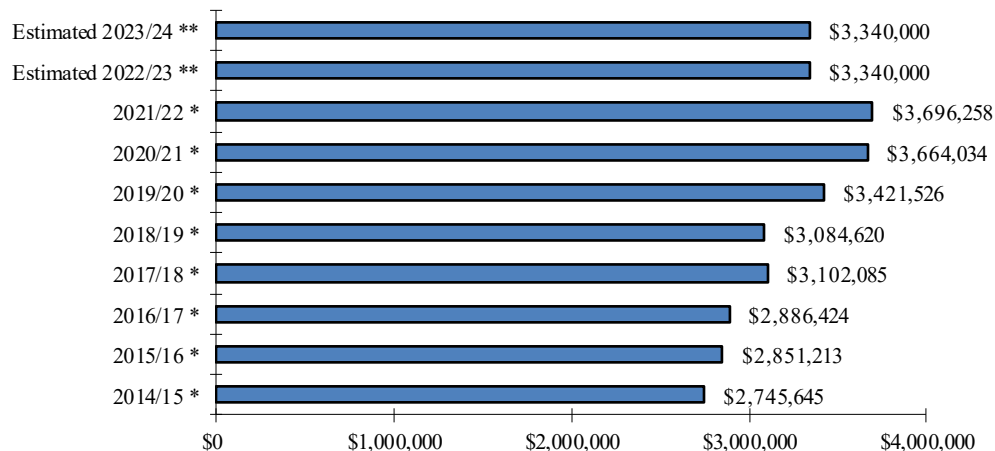
GENERAL INFORMATION:

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 was on projects mandated in the E.P.A. Consent Order. This 10-year local option sales tax period was scheduled to end on June 30, 2019 and a referendum was held on March 6, 2018 on the proposal to extend this tax for an additional 15 years to fund future sewer (80%) and street (20%) improvement projects. The 15-year extension of this tax was again approved by voters with 88% voting in favor of the extension.

Through the 2021/2022 fiscal year the Iowa Department of Revenue made estimated local option sales tax payments to the City. The following fiscal year the City received an additional payment which reconciled 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. Beginning in 2022/2023 the State is distributing the actual local option sales tax payments on a monthly basis. The amount shown for both 2022/2023 and 2023/2024 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 2022/23 and 2023/24 amounts have been conservatively estimated at the State's preliminary allocation level.

CURRENT TRENDS AND ISSUES:

For the revised estimate for 2022/2023 and the 2023/2024 budget, the estimated local option sales tax revenues are \$3,521,500 and \$3,340,000, respectively. The 2022/2023 revised estimate is the State's estimate of \$3,340,044 plus the prior year reconciliation of \$281,450 with an allowance of \$100,000 if the State's estimate is not reached. The 2023/2024 amount is projected conservatively using the State's estimate for the current year. 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 2022/2023 and Estimated 2023/2024

	Estimated 2022/2023	Projected 2023/2024
Projects:		
West Hill Sewer Separation - Completion of Phases 5-A and 5-B and the Start of Phase 6-A	\$ 3,916,300	\$ -
West Hill Sewer Separation - Completion of Phase 6-A and the Start of Phase 6-B	-	2,672,100
	<hr/>	<hr/>
Totals	<u>\$ 3,916,300</u>	<u>\$ 2,672,100</u>

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. 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. Construction has been completed on phases 1 through 4 of the West Hill Sewer Separation project and construction is currently underway on Phases 5-A and 5-B of the project. The Phase 5 construction is scheduled to be completed in calendar year 2023.

Public Financial Management (PFM), the City's financial consultant, prepared a long-term financing plan for the West Hill project based on the project cost estimates in the schedule prepared by Stanley Consultants. The City has been setting aside \$400,000 each fiscal year since 2011/2012 to assist in financing the West Hill Sewer project (\$200,000 from the WPCP fund and \$200,000 from the Collection and Drainage fund). These funds are available to supplement the 80% allocation of Local Option Sales Tax being used to fund the West Hill Sewer Separation project. Local Option Sales Taxes and the set-aside funds are projected to be sufficient to fund project costs through both phases of Phase 5.

State Revolving Fund (SRF) Loans are projected to be needed beginning in 2023 to fund all 5 phases of Phase 6 plus the work required at the Papoose Pumping Station at the end of the project. Based on current project cost estimates, PFM estimates the SRF Loans needed to complete the financing of this project to total \$22,800,000. The interest rate for the SRF loan is 2.0%.

The PFM financing plan was based on renewal of the Local Option Tax and continuation of the 80% allocation for sewer projects through the loan repayment period (through June 30, 2034). This required the Local Option Tax be in place from its previous expiration date of June 30, 2019 through June 30, 2034. This was term requested and approved in the Local Option Tax renewal referendum.

As authorized by the sales tax referendum, funding transfers of \$704,300 in the revised estimate and \$668,000 in the 2023/2024 budget 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 and 2018 voter referendums. A separate sub-fund was 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 2022/2023 and Estimated 2023/2024

	<u>Estimated</u> <u>2022/2023</u>	<u>Projected</u> <u>2023/2024</u>
Project:		
Pavement Management Program	\$ 704,300	\$ 668,000

The \$668,000 Local Option Sales Tax allocation for the Pavement Management program in 2023/2024 and the \$332,000 allocation of Road Use Taxes for the Pavement Management program will allow for \$1,000,000 in street improvements to be completed in 2023/2024. The increased allocation of Road Use Taxes in recent years is due in part to the \$.10 per gallon increase in the fuel tax which began March 1, 2015. The specific projects scheduled to be completed in calendar years 2023, 2024, 2025 include the Fulliam Avenue Reconstruction project which is scheduled to be completed over three years. This schedule is for funding purposes as well as this project needs to be completed in mid-May through mid-August of each year since Fulliam Avenue is a major route to the middle school. Any additional projects will be determined based on the bids for the Fulliam Avenue project.

It should be noted that in addition to the street improvements funded from Road Use Taxes and Local Option Taxes, streets in the West Hill area are being improved as sewer work is completed for the West Hill Sewer Separation project and construction continues on the Mississippi Drive/Grandview Corridor. With all of these projects combined, there is an unprecedented amount of street reconstruction and improvement work that has been completed in the last few years and scheduled for the current and upcoming years.

Local Option Sales Tax Fund

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 257,778	\$ 1,011,007	\$ 300,007	\$ 1,399,006	\$ 300,006
Revenues					
Local Option Sales Tax	\$ 3,693,591	\$ 3,869,916	\$ 3,419,600	\$ 3,521,500 (1)	\$ 3,340,000 (2)
Interest	<u>1,731</u>	<u>2,174</u>	<u>100</u>	<u>100</u>	<u>100</u>
Total Revenues	<u>\$ 3,695,322</u>	<u>\$ 3,872,090</u>	<u>\$ 3,419,700</u>	<u>\$ 3,521,600</u>	<u>\$ 3,340,100</u>
Funds Available	<u>\$ 3,953,100</u>	<u>\$ 4,883,097</u>	<u>\$ 3,719,707</u>	<u>\$ 4,920,606</u>	<u>\$ 3,640,106</u>
Expenditures					
Transfers Out:					
West Hill Sewer Project	\$ 2,203,375	\$ 2,709,151	\$ 2,735,800	\$ 3,916,300	\$ 2,672,100
Pavement Management Program (3)	<u>738,718</u>	<u>774,940</u>	<u>683,900</u>	<u>704,300</u>	<u>668,000</u>
Total Expenditures	<u>\$ 2,942,093</u>	<u>\$ 3,484,091</u>	<u>\$ 3,419,700</u>	<u>\$ 4,620,600</u>	<u>\$ 3,340,100</u>
Ending Balance, June 30	<u><u>\$ 1,011,007</u></u>	<u><u>\$ 1,399,006</u></u>	<u><u>\$ 300,007</u></u> (4)	<u><u>\$ 300,006</u></u> (4)	<u><u>\$ 300,006</u></u> (4)

Increase (Decrease) in					
Fund Balance	\$ 753,229	\$ 387,999	\$ 0	\$ (1,099,000)	\$ 0

1. The Revised Estimate Local Option Sales Tax (LOST) revenue amount is the State's estimate (\$3,340,044) plus a prior year reconciliation amount of \$281,450 (less a \$100,000 allowance if LOST revenue is less than the State estimate).
2. The 2023/2024 Local Option Sales Tax revenue amount is estimated at the State's projected 2022/2023 level of \$3,340,000. Beginning in 2022/2023 the State is distributing actual LOST collections; therefore no reconciliation amounts will be received the following fiscal year.
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.
4. A \$300,000 ending balance is the approximate amount of the accrued Local Option Tax at the end of each fiscal year. (If this was transferred to the West Hill Sewer project, there would be a deficit cash balance at fiscal year end.)

Local Option Sales Tax Fund

Pavement Management Allocation (20%)

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Transfers In:					
Local Option Sales Tax (1)	738,878	774,940	\$ 683,900	\$ 704,300 (2)	\$ 668,000 (3)
Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 738,878</u>	<u>\$ 774,940</u>	<u>\$ 683,900</u>	<u>\$ 704,300</u>	<u>\$ 668,000</u>
Funds Available	<u>\$ 738,878</u>	<u>\$ 774,940</u>	<u>\$ 683,900</u>	<u>\$ 704,300</u>	<u>\$ 668,000</u>
Expenditures					
Transfers Out:					
Pavement Management (Street and Alley Resurfacing, Full Depth Patching, Crack Sealing, etc.)	\$ 738,878	\$ 774,940	\$ 683,900	\$ 704,300	\$ 668,000
Total Expenditures	<u>\$ 738,878</u>	<u>\$ 774,940</u>	<u>\$ 683,900</u>	<u>\$ 704,300</u>	<u>\$ 668,000</u>
Ending Balance, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

Increase (Decrease) in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
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- Beginning July 1, 2009 up to 20% of Local Option Sales Tax (LOST) revenue has been allocated to the Pavement Management Program per the voter referendums.
- The Revised Estimate Local Option Tax revenue amount is 20% of the State's estimate (\$3,340,044) plus 20% of the prior year reconciliation amount of \$281,450 (less 20% of the \$100,000 allowance if LOST revenue is less than the State estimate).
- The 2023/2024 Local Option Tax revenue amount is estimated at 20% of the State's projected 2022/2023 level of \$3,340,000. Beginning in 2022/2023 the State is distributing actual LOST collections; therefore no reconciliation amounts will be received the following fiscal year.

SPECIAL REVENUE FUNDS

AMERICAN RESCUE PLAN ACT (ARPA) FUND

GENERAL INFORMATION:

The American Rescue Plan Act (ARPA) was signed into law on March 11, 2021. This Act provided \$1.9 trillion dollars of funding for families, governments, businesses, schools, non-profits, and others impacted by the COVID-19 public health crisis. The allocation for State and local governments totaled \$350 billion. The allocation for cities with populations less than 50,000 totaled \$19.5 billion. The City of Muscatine's allocation totaled \$3,533,377 with half of these funds (\$1,766,688) received in the 2021/2022 fiscal year and the balance (\$1,766,689) received in 2022/2023.

The initial guidance on the uses of the American Rescue Plan funds to local governments was completed and available to local governments on May 10, 2021. Initial information on the eligible uses of the funding included:

1. Revenue replacement for the provision of government services to the extent the reduction in revenue is due to the COVID-19 public health emergency relative to revenues collected in the most recent fiscal year prior to the emergency
2. Premium pay for essential workers
3. Assistance to small businesses, households, and hard-hit industries, and economic recovery
4. Investments in water, sewer, and broadband infrastructure

The initial guidance provided that a calculation be done in order to use funds for revenues replacement. The final guidance allows governments to claim up to \$10 million for revenue replacement without the previously required calculation. The City plans to claim all of the ARPA allocation for revenue replacement, then allocate these funds for specific uses.

ARPA funds must be fully expended or obligated by December 31, 2024. Any obligated funds as of that date are required to be expended no later than December 31, 2026.

CURRENT TRENDS AND ISSUES:

The 2022/2023 revised estimate expenditures total \$1,738,200 with \$217,200 transferred to the General Fund for revenue replacement and \$1,521,000 for one-time capital purchases or programs as detailed in the attached list.

The 2023/2024 budgeted expenditures total \$1,639,400 with \$327,100 transferred to the General Fund for revenue replacement and \$1,312,300 for one-time capital purchases or programs as detailed in the attached list.

The transfers to the General Fund in both years are the amounts needed to balance the General Fund budgets and maintain services to residents. If the full amount of ARPA funds allowed for each year is not needed to balance the General Fund budget, these funds will remain in the ARPA fund to be used for additional one-time capital or other expenditures.

American Rescue Plan Act (ARPA) Fund

Fund Statement

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024
Beginning Balance, July 1	\$ 0	\$ 0	\$ 1,492,200	\$ 1,755,523	\$ 1,834,023
Revenues					
American Rescue Plan Act Funds	\$ 0	\$ 1,766,688 (1)	\$ 1,766,700	\$ 1,766,700 (1)	\$ 0
Interest	<u>0</u>	<u>1,688</u>	<u>0</u>	<u>50,000</u>	<u>20,000</u>
Total Revenues	<u>\$ 0</u>	<u>\$ 1,768,376</u>	<u>\$ 1,766,700</u>	<u>\$ 1,816,700</u>	<u>\$ 20,000</u>
Funds Available	<u>\$ 0</u>	<u>\$ 1,768,376</u>	<u>\$ 3,258,900</u>	<u>\$ 3,572,223</u>	<u>\$ 1,854,023</u>
Expenditures					
Expenditures from ARPA Fund	\$ 0	\$ 12,853	\$ 0	\$ 727,000	\$ 384,800
Transfers Out:					
General Fund:					
Projected Revenue Reductions	0	0	324,200	217,200	327,100
Capital Projects Funds:					
ARPA Projects and Programs	<u>0</u>	<u>0</u>	<u>1,116,500</u>	<u>794,000</u>	<u>927,500</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 12,853</u>	<u>\$ 1,440,700</u>	<u>\$ 1,738,200</u>	<u>\$ 1,639,400</u>
Ending Balance, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 1,755,523</u></u>	<u><u>\$ 1,818,200</u></u>	<u><u>\$ 1,834,023</u></u>	<u><u>\$ 214,623</u></u>
Increase (Decrease) in Fund Balance	\$ -	\$ 1,755,523	\$ 326,000	\$ 78,500	\$ (1,619,400)

1. The first payment of the ARPA funds was received in August of 2021 and the final payment was received in August of 2022.
2. See attached detailed list of expenditures, capital project fund expenditures, and programs.

Budgeted Uses of ARPA Funds
Actual Fiscal Year 2021/2022, Fiscal Year 2022/2023 Revised Estimate, and Fiscal Year 2023/2024 Budget

	Actual Costs FY 22	Revised Estimate FY 23	Budget FY 24	Total - All Years
Project 1 - General Fund Funding to Maintain City Services	\$ -	\$ 217,200.00	\$ 327,100.00	\$ 544,300.00
Project 2 - Software Purchases/Updates to Improve Services				
City Administrator Requests:				
Citizen Request Management System	\$ -	15,000.00	\$ -	\$ 15,000.00
Agenda and Meeting Management Software	3,498.00	8,162.00	-	11,660.00
Human Resources Request:				
Online Application and Tracking Software	-	8,619.00	-	8,619.00
Springbrook Financial Software Upgrade to Cloud Version:				
Fixed Fee for Conversion	-	15,750.00	-	15,750.00
Increased Annual Costs for FY 23	-	25,880.62	-	25,880.62
Subtotal - Project 2	\$ 3,498.00	\$ 73,411.62	\$ -	\$ 76,909.62
Project 3 - Art Center Technology and Security Improvements				
GoPro Camera	\$ -	\$ 499.99	\$ -	\$ 499.99
Firewall/Switch WIFI	-	4,577.05	-	4,577.05
Laptop	-	1,479.76	-	1,479.76
Art Center Security Cameras	-	70,000.00	-	70,000.00
Art Center Alarm System Upgrade	-	11,000.00	-	11,000.00
Subtotal - Project 3	\$ -	\$ 87,556.80	\$ -	\$ 87,556.80
Project 4 - Community Development - City Plan Updates				
Housing Study	\$ -	\$ 25,000.00	\$ 25,000.00	\$ 50,000.00
Community Development Comprehensive Plan Update	-	-	85,000.00	85,000.00
Subtotal - Project 4	\$ -	\$ 25,000.00	\$ 110,000.00	\$ 135,000.00
Project 5 - Community Development New Programs or Program Expansions				
Large Format Scanner	\$ -	\$ 6,000.00	\$ -	\$ 6,000.00
Large Monitor	-	3,372.45	-	3,372.45
Grant Writer	9,354.76	26,400.00	14,245.24	50,000.00
Heart and Soul Coordinator	-	17,600.00	17,500.00	35,100.00
Neighborhood/Housing Initiatives (revolving loan fund, property maintenance pilot)	-	20,000.00	230,000.00	250,000.00
Economic Recovery/Development Initiatives for Small Businesses (loans, grants, etc.)	-	62,500.00	187,500.00	250,000.00
Cleanup of Property on Grandview Avenue	-	100,000.00	-	100,000.00
Subtotal - Project 5	\$ 9,354.76	\$ 235,872.45	\$ 449,245.24	\$ 694,472.45
Project 6 - Public Facilities Security Improvements				
Keycard Swipe System for City Hall	\$ -	\$ 180,138.00	\$ -	\$ 180,138.00
Subtotal - Project 6	\$ -	\$ 180,138.00	\$ -	\$ 180,138.00
Subtotal for Planned/Obligated for 1st Allocation	\$ 12,852.76	\$ 819,178.87	\$ 886,345.24	\$ 1,718,376.87

(Continued)

Budgeted Uses of ARPA Funds
Actual Fiscal Year 2021/2022, Fiscal Year 2022/2023 Revised Estimate, and Fiscal Year 2023/2024 Budget

	<u>Actual Costs</u> <u>FY 22</u>	<u>Revised</u> <u>Estimate</u> <u>FY 23</u>	<u>Budget</u> <u>FY 24</u>	<u>Total -</u> <u>All Years</u>
(Continued)				
Considerations for Evaluation of the Uses of the Balance of the ARPA funds for 2nd Year				
1. Addressing the City's overall strategic goals				
2. Technology improvements				
3. Facility upgrades including security-related projects				
4. Unlikely to be funded through the regular budget process				
5. Funds allowed to assist in balancing the FY 2023/2024 budget (if needed)				
6. Infrastructure improvements				
(Note - Several of the items/projects listed below may fall in multiple categories)				
Addressing the City's Overall Strategic Goals:				
1. Mulberry Health Clinic Building Project Contribution (Approved by Council 8/4/22) (Later increased to \$350,000)	\$ -	\$ -	\$ 350,000.00	\$ 350,000.00
Technology Improvements:				
1. Electronic bidding software (IONWave) - setup (waived) and 1st year costs	-	13,125.00	-	13,125.00
2. Muni Code - contracted ongoing updating of City Code - annual costs	-	-	3,000.00	3,000.00
Facility upgrades including security-related projects:				
Office Chairs (15), desks (2), and Standup Computer Workstations (2) per Study	-	15,000.00	-	15,000.00
2. Keycard entry system for Public Safety Building and Main Public Works Bldg	-	10,000.00	-	10,000.00
3. Outdoor Security Camera System - Parks	-	298,800.00	-	298,800.00
4. Outdoor Security Camera System - Police (Changed to Body Cameras and Server)	-	80,000.00	-	80,000.00
5. Backup Generators - City Hall and Public Works	-	125,100.00	-	125,100.00
	-	172,474.00	-	172,474.00
Unlikely to be funded through the regular budget process:				
1. Local matching funds for the Art Sculpture in the 2nd and Mulberry Roundabout	-	37,500.00	-	37,500.00
2. GPS Field Painter for Soccer Complex (will reduce staff time for painting fields)	-	44,950.00	-	44,950.00
3. Flagpole and installation for the Library	-	8,500.00	-	8,500.00
4. Fire - shipping containers for Live Fire Training	-	22,000.00	-	22,000.00
5. Camera system for Public Safety Building parking lot (former Kum and Go)	-	21,500.00	-	21,500.00
6. Cemetery Chapel improvements - grind, tuckpoint, and seal exterior of building	-	70,000.00	-	70,000.00
Infrastructure improvements:				
1. Fulliam Avenue Reconstruction - funds to assist in funding this project (May assist in completing this project over 2 years instead of 3 years)	-	-	300,000.00	300,000.00
2. Additional funding for Substandard Building Demolition costs	-	-	100,000.00	100,000.00
3. Additional funding for New Sidewalk Program (Devitt is next sidewalk project) Reduction to Offset Increase for Health Clinic	-	-	100,000.00	100,000.00
	-	-	(100,000.00)	(100,000.00)
Subtotal - Estimated Costs of Projects for Phase 2	<u>\$ -</u>	<u>\$ 918,949.00</u>	<u>\$ 753,000.00</u>	<u>\$ 1,671,949.00</u>
Total - Phase 1 and Phase 2	<u>\$ 12,852.76</u>	<u>\$ 1,738,127.87</u>	<u>\$ 1,639,345.24</u>	<u>\$ 3,390,325.87</u>
Total ARPA Funds Awarded				<u>3,533,376.70</u>
Estimated Unobligated Balance				<u>\$ 143,050.83</u>

SPECIAL REVENUE FUNDS

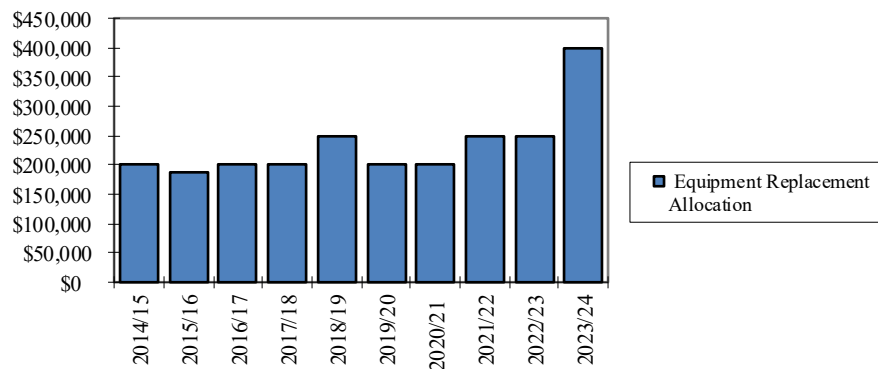
EQUIPMENT REPLACEMENT FUND

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 \$188,000 in 2015/2016 to the \$400,000 budgeted for 2023/2024. 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 Fund. As such, it does not include the funding transfer in 2015/2016 specifically designated for the purchase of a new ambulance at a total cost of \$148,500.



CURRENT TRENDS AND ISSUES

Since the 2014/2015 fiscal year, General Fund allocations to the Equipment Replacement Fund have generally been between \$200,000 and \$250,000. The budgeted transfer for 2022/2023 is \$250,000 and for 2023/2024 the transfer is budgeted to increase to \$400,000.

Purchases from the Equipment Replacement Fund in 2022/2023 total \$201,600. This includes \$159,000 for three new Police patrol vehicles, \$28,600 for a police staff vehicle, and \$14,000 for a zero-turn mower for the cemetery.

Purchases from the Equipment Replacement Fund in 2023/2024 total \$421,000. This includes \$120,000 for two new Police patrol vehicles, \$27,000 for a Community Development Building Inspector vehicle, \$67,000

for a mini-excavator for the Cemetery, \$35,000 for a utility vehicle for the cemetery, \$70,000 for two Park Maintenance pickup trucks, \$52,000 for a wide area mower for Park Maintenance, and \$50,000 for a rough mower for Kent Stein Park. The balance in the Equipment Replacement Fund on June 30, 2024 is estimated at \$72,480.

Equipment Replacement Fund

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 91,190	\$ 105,319	\$ 104,319	\$ 30,480	\$ 86,180
Revenues					
Interest	\$ 365	\$ 184	\$ 100	\$ 100	\$ 100
Lease of Vehicle (Police Grant)	7,200	7,200	7,200	7,200	7,200
Sale of Vehicles	12,013	14,724	0	0	0
Transfers In					
General Fund Allocation	202,000	250,000	250,000	250,000	400,000
Total Revenues	<u>\$ 221,578</u>	<u>\$ 272,108</u>	<u>\$ 257,300</u>	<u>\$ 257,300</u>	<u>\$ 407,300</u>
Funds Available	\$ 312,768	\$ 377,427	\$ 361,619	\$ 287,780	\$ 493,480
Expenditures					
Equipment Purchases	<u>207,449</u>	<u>346,947</u>	<u>289,000</u>	<u>201,600</u>	<u>421,000</u>
Ending Balance, June 30	<u><u>\$ 105,319</u></u>	<u><u>\$ 30,480</u></u>	<u><u>\$ 72,619</u></u>	<u><u>\$ 86,180</u></u>	<u><u>\$ 72,480</u></u>
Increase (Decrease) in Fund Balance	\$ 14,129	\$ (74,839)	\$ (31,700)	\$ 55,700	\$ (13,700)

Functions:**Public Safety****Community & Economic Development****Culture and Recreation****Departments:****Police****Community Development****Parks and Recreation****Activity:****Equipment Replacement**

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Police:			
Police Patrol Vehicles	2	Yes	\$ 120,000
Community Development:			
Building Inspector Vehicle	1	Yes	27,000
Cemetery:			
Mini-Excavator	1	Yes	67,000
Utility Vehicle	1	Yes	35,000
Park Maintenance:			
Pickup Trucks	2	Yes	70,000
Wide Area Mower	1	Yes	52,000
Kent Stein:			
Rough Mower	1	Yes	50,000
			<u>\$ 421,000</u>

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 have varied since the fund was created.

The 2012/2013 through 2018/2019 budgets each included \$40,000 funding allocations. The 2019/2020 and 2020/2021 funding allocations were increased to \$50,000. The 2022/2023 budget allocation was decreased to \$40,000 due to funding limitations in the General Fund. The 2023/2024 budget restores the \$50,000 funding allocation.

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 generally 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.

There were no transfers to the Library Computer Replacement fund in 2016/2017 and 2017/2018; instead, the library chose to transfer their remaining budget balances of \$45,253 and \$64,394, respectively, to the new Musser Public Library and HNI Community Center building renovation project fund. In 2018/2019 a transfer of \$40,571 was made to the Library Computer Replacement Fund, in 2019/2020 the transfer was \$25,881, and in 2020/2021 the transfer was \$32,594. The transfer in 2020/2021 was capped at the amount to bring the ending fund balance for the 2020/2021 fiscal year to \$50,000.

In 2017/2018, \$23,185 was expended from this fund for computer equipment. The remaining balance of \$16,962 was transferred to the new library renovation capital project fund. No purchases were made from this fund in 2018/2019. In 2019/2020 \$28,636 was expended, in 2020/2021 \$21,021 was expended, and in 2021/2022 \$26,633 was expended from this fund.

The 2022/2023 revised estimate includes \$12,500 of computer related purchases and the 2023/2024 budget has an estimated \$10,000 for computer related purchases. In 2022/2023 and 2023/2024, unspent funds in the Library budget at the end of each fiscal year will again be considered for transfer to this fund for future computer replacement needs.

Computer Replacement Fund

Fund Statement

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024
Beginning Balance, July 1	\$ 18,170	\$ 59,424	\$ 0	\$ 62,918	\$ 0
Revenues					
Interest	\$ 74	\$ 69	\$ 0	\$ 0	\$ 0
Sale of Equipment	5,660	0	0	0	0
Transfers In					
General Fund	<u>50,000</u>	<u>50,000</u>	<u>40,000</u>	<u>40,000</u>	<u>50,000</u>
Total Revenues	<u>\$ 55,734</u>	<u>\$ 50,069</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 50,000</u>
Funds Available	\$ 73,904	\$ 109,493	\$ 40,000	\$ 102,918	\$ 50,000
Expenditures					
Computer-Related Purchases	<u>14,480</u>	<u>46,575</u>	<u>40,000</u>	<u>102,918</u>	<u>50,000</u>
Ending Balance, June 30	<u><u>\$ 59,424</u></u>	<u><u>\$ 62,918</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
Increase (Decrease) in Fund Balance	\$ 41,254	\$ 3,494	\$ 0	\$ (62,918)	\$ 0

Computer Replacement Fund - Library

Fund Statement

	<u>Actual</u> <u>2020/2021</u>	<u>Actual</u> <u>2021/2022</u>	<u>Budget</u> <u>2022/2023</u>	<u>Revised</u> <u>Estimate</u> <u>2022/2023</u>	<u>Budget</u> <u>2023/2024</u>
Beginning Balance, July 1	\$ 38,340	\$ 50,000	\$ 15,000	\$ 23,413	\$ 10,913
Revenues					
Interest	\$ 87	\$ 46	\$ 0	\$ 0	\$ 0
Transfer In:					
Library Remaining Appropriations	<u>32,594</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 32,681</u>	<u>\$ 46</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Funds Available	\$ 71,021	\$ 50,046	\$ 15,000	\$ 23,413	\$ 10,913
Expenditures					
Computer-Related Purchases	<u>\$ 21,021</u>	<u>\$ 26,633</u>	<u>\$ 10,000</u>	<u>\$ 12,500</u>	<u>\$ 10,000</u>
Total Expenditures	<u>\$ 21,021</u>	<u>\$ 26,633</u>	<u>\$ 10,000</u>	<u>\$ 12,500</u>	<u>\$ 10,000</u>
Ending Balance, June 30	<u><u>\$ 50,000</u></u>	<u><u>\$ 23,413</u></u>	<u><u>\$ 5,000</u></u>	<u><u>\$ 10,913</u></u>	<u><u>\$ 913</u></u>
Increase (Decrease) in Fund Balance	\$ 11,660	\$ (26,587)	\$ (10,000)	\$ (12,500)	\$ (10,000)

SPECIAL REVENUE FUNDS

TAX INCREMENT FINANCING (TIF) FUND - DOWNTOWN

GENERAL INFORMATION AND HISTORY:

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 for 15 years 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 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 were repaid with annual 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. This bond issue was retired in 2019/2020.

CURRENT TRENDS AND ISSUES:

Engineering design started in December of 2018 on the Downtown Streetscaping project, which was identified as the next project to be funded from the Downtown Tax Increment fund. In November of 2018 City Council adopted a resolution approving an internal advance of \$100,000 of funds which allowed for Downtown TIF funds to be used to fund a portion of the engineering design costs for this project. The 2019/2020 budget included a transfer of \$40,000 of the accumulated balance in this fund to the Downtown Streetscaping capital project fund to fund a portion of the engineering design costs.

In November of 2019 City Council adopted a resolution approving an additional internal advance of \$185,000 to fund the balance of the engineering design costs for this project.

Construction costs for the Downtown Streetscaping project were financed with proceeds from the May 2020 bond issue with the annual debt service requirements on this issue funded from future incremental taxes. Due to the cost estimate for this project and the annual debt service requirements, annual debt service costs for this project are budgeted to be funded from the Southend TIF fund. This will allow Downtown TIF funds to be available for other purposes.

The 2021/2022 budget included transfers out for the TIF Administrative and Professional Support costs and the TIF Economic Development grant to the Chamber (GMCCI) which totaled \$213,400. In prior years these allocations were funded from the Southend TIF fund. The 2022/2023 revised estimate and 2023/2024 budget also include transfers which total \$217,500 and \$243,700, respectively, for the TIF Administrative and Professional Support costs and the TIF Economic Development grant to GMCCI.

Since 2008/2009 the City has not claimed the full amount of incremental taxes from Downtown Tax Increment area. This has allowed a portion of the incremental values to go back to regular taxable valuations for all of the local taxing entities. For 2011/2012 the amount claimed was \$125,000 less than the amount available, for 2012/2013 \$126,000 less, for 2013/2014 \$125,000 less, for 2014/2015 \$115,000 less, for 2015/2016 \$126,600 less, for 2016/2017 \$150,000 less, for 2017/2018 \$157,000 less, for 2018/2019 \$151,000 less, for 2019/2020 \$167,700 less, for 2020/2021 \$125,600 less, and for 2021/2022 the amount claimed was \$157,400 less than the amount available. For 2022/2023, the amount claimed was \$173,700 less than the amount available. The amount claimed for 2023/2024 is \$243,500, which is approximately \$147,500 less than the amount available.

The balance in the Downtown TIF fund is estimated at \$8,948 at the end of the 2023/2024 fiscal year.

Tax Increment Fund - Downtown

Fund Statement

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024
Beginning Balance, July 1	\$ 13,282	\$ 9,878	\$ 9,378	\$ 9,448	\$ 8,948
Revenues					
Incremental Taxes	\$ 241,415 (1)	\$ 212,849 (2)	\$ 217,500 (3)	\$ 216,900	\$ 243,500 (4)
Interest	181	121	0	100	200
Total Revenues	<u>\$ 241,596</u>	<u>\$ 212,970</u>	<u>\$ 217,500</u>	<u>\$ 217,000</u>	<u>\$ 243,700</u>
Funds Available	<u>\$ 254,878</u>	<u>\$ 222,848</u>	<u>\$ 226,878</u>	<u>\$ 226,448</u>	<u>\$ 252,648</u>
Expenditures:					
Transfers:					
Downtown Streetscape Design	\$ 245,000 (5)	\$ 0	\$ 0	\$ 0	\$ 0
TIF Administrative and Professional Support Costs	0	170,400 (6)	174,500	174,500	200,700
Economic Development Grant (GMCCI)	0	43,000 (6)	43,000	43,000	43,000
Total Expenditures	<u>\$ 245,000</u>	<u>\$ 213,400</u>	<u>\$ 217,500</u>	<u>\$ 217,500</u>	<u>\$ 243,700</u>
Ending Balance, June 30	<u><u>\$ 9,878</u></u>	<u><u>\$ 9,448</u></u>	<u><u>\$ 9,378</u></u>	<u><u>\$ 8,948</u></u>	<u><u>\$ 8,948</u></u>
Increase (Decrease) in Fund Balance	\$ (3,404)	\$ (430)	\$ 0	\$ (500)	\$ 0

1. For the 2020/2021 year, the City certified approximately \$125,600 less than the total available increment
2. For the 2021/2022 year, the City certified approximately \$157,400 less than the total available increment
3. For the 2022/2023 year, the City certified approximately \$173,700 less than the total available increment
4. For the 2023/2024 year, the City certified approximately \$147,500 less than the total available increment
5. In November 2019 the City Council approved an Internal Advance in the amount of \$185,000 toward the design of the Downtown Streetscape project. This amount plus the \$60,000 balance of the prior year internal advance fully funded the engineering design costs for this project.
6. Beginning in 2021/2022, the TIF Administrative and Professional Support costs and the TIF Economic Development grant to the Chamber (GMCCI) will be funded from the Downtown Tax Increment fund and balances in other TIF funds. In prior years these allocations were funded from the Southend TIF fund.

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 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 rebated 67% of taxes received for 15 years. The final payment on the Musco rebate was made in 2019/2020.

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. The final payments for the 2004 issue were in 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.

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 provided that 50% of the incremental taxes would be rebated to these businesses over a ten-year period. The first payments on these agreements were in 2010/2011. The 2019/2020 payment to Newcomb Properties was the final rebate payment. It was also the final year of the Curry's Transportation agreement. Payments under the Curry's agreements were withheld for failure to comply with provisions of the development agreement.

A 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 was a 50%, ten-year agreement. The final rebate payments under this agreement were made in 2021/2022.

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 was in the 2015/2016 fiscal year in the amount of \$541,755. The rebates under this agreement are subject to annual appropriation according to 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 is also 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. Rebate payments for this agreement began in 2017/2018. These rebates are also subject to annual appropriations.

In October of 2015 the City entered into an agreement with Union Tank Car Company to expand their facilities, operations, and workforce in Muscatine. This agreement rebated 50% of the incremental taxes to Union Tank Car Company to a maximum rebate total of \$45,000. The first rebate was paid in the 2017/2018 fiscal year. The maximum rebate amount was reached in the 2020/2021 fiscal year. These rebates were also subject to annual appropriations.

In November of 2019 the City entered into an agreement with Musco Sports Lighting LLC for the expansion of their manufacturing facilities and operations in Muscatine, including the addition of 40 or more employees. This is a ten-year 50% rebate to a maximum of \$515,000. Rebates under this agreement are subject to annual appropriation. The first rebates under this agreement will be made in 2022/2023.

In 2019/2020 TIF funding in the amount of \$135,000 was used for a forgivable loan to a private contractor to rehabilitate the dilapidated property at 500 Mulberry Avenue. Also in 2019/2020, City Council approved TIF funds to be used for an “Economic Assistance for Muscatine Small Business” program for small businesses impacted by the COVID-19 public health crisis. Local businesses could apply for a one-time forgivable loan up to \$2,500. Ninety-four (94) loans were approved for a total of \$231,257.

In 2020/2021 TIF funding of \$16,000 was used for the local share of the Riverfront Recreation Area Lighting Improvement Project. Musco Sports Lighting LLC donated the lights for the project and other contributions (including the City’s allocation) funded the remaining costs of this project.

In February of 2021 the City entered into an agreement with Grandview Senior Lofts, LLC for their construction of a new senior living complex consisting of fifty-one rental units, to be priced affordable to seniors of low and moderate income. The development agreement provides for 10 years of TIF rebates at 100% of the incremental taxes with a maximum total rebate of \$460,000. The first rebate under this agreement will be made in 2023/2024. Rebates are subject to annual appropriation.

CURRENT TRENDS AND ISSUES:

Incremental tax revenue for 2022/2023 is estimated at \$1,260,000. In 2022/2023 Southend TIF funds will be used to fund \$357,000 in debt requirements for the portion of the May 2020 bond issue that funded the Downtown Streetscaping project. In 2022/2023 TIF funds will also be used for the 8th year rebate under Wal-View Developments Agreement #1 (estimated at \$313,000), the 6th year rebate under Wal-View Agreement #2 (estimated at \$179,300), and the first-year rebate under the Musco Sports Lighting Project #2 Agreement (estimated at \$48,800). In 2022/2023 incremental taxes will again be used to fund the Small Business

Forgivable Loan program (\$100,000), the Forgivable Loan program for City Code Compliance and ADA Improvements in designated blighted areas (\$50,000), and the Forgivable Loan program for Downtown Façade Improvements (\$100,000).

The 2022/2023 revised estimate includes \$130,000 of funding for forgivable loans to businesses along the Grandview Avenue Corridor that were impacted by both the Grandview Avenue Reconstruction project and the COVID-19 pandemic. In 2022/2023 TIF funding of \$150,000 was also used for the preliminary design costs for the Riverfront Amphitheater project.

For 2022/2023 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 was approximately \$1,174,600 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 2023/2024 the City is claiming \$1,372,000 of incremental taxes from this district which will fund \$355,900 in debt requirements for the bond issue that funded the Downtown Streetscaping project), the 9th year rebate under Wal-View Developments Agreement #1 (estimated at \$360,000), the 7th year rebate under Wal-View Agreement #2 (estimated at \$175,000), the 2nd year payment for the Musco Sports Lighting rebate (\$64,000), and the first-year rebate for Grandview Senior Lofts (\$17,000). TIF funding for multiple forgivable loan programs will continue in 2023/2024. Those include funding for the Small Business Forgivable Loan program in the amount of \$100,000, funding for the Forgivable Loan program for City Code compliance and ADA Improvements in designated blighted areas in the amount of \$50,000, and funding for the forgivable loan program for downtown façade improvements in the amount of \$100,000. In 2023/2024, TIF funds will also be used to fund the annual costs of \$150,000 for the new Wayfinding program.

For 2023/2024 the City is claiming approximately \$1,062,600 less than the total incremental taxes available from this TIF district. The estimated balance in this fund at the end of 2023/2024 is \$311,116. In future years the City will use the Southend TIF fund balance or future southend incremental tax funds to continue existing programs and to facilitate new economic development programs and projects.

Tax Increment Fund - Southend

Fund Statement

	<u>Actual</u> <u>2020/2021</u>	<u>Actual</u> <u>2021/2022</u>	<u>Budget</u> <u>2022/2023</u>	<u>Revised</u> <u>Estimate</u> <u>2022/2023</u>	<u>Budget</u> <u>2023/2024</u>
Beginning Balance, July 1	\$ 654,256	\$ 524,590	\$ 330,290	\$ 477,116	\$ 310,016
Revenues:					
Incremental Taxes	\$ 1,378,725 (1)	\$ 1,145,999 (2)	\$ 1,260,000 (3)	\$ 1,260,000	\$ 1,372,000 (4)
Interest	2,199	908	200	1,000	1,000
Total Revenues	<u>\$ 1,380,924</u>	<u>\$ 1,146,907</u>	<u>\$ 1,260,200</u>	<u>\$ 1,261,000</u>	<u>\$ 1,373,000</u>
Funds Available	<u>\$ 2,035,180</u>	<u>\$ 1,671,497</u>	<u>\$ 1,590,490</u>	<u>\$ 1,738,116</u>	<u>\$ 1,683,016</u>
Expenditures:					
Bonds	\$ 150,000 (5)	\$ 0	\$ 0	\$ 0	\$ 0
Interest	8,700 (5)	0	0	0	0
Tax Rebate - A & E Convenience, LLC	3,180	3,081 (8)	0	0	0
Tax Rebate - Wal-View Project #1	314,610	310,584	318,000	313,000	360,000
Tax Rebate - Wal-View Project #2	210,192	177,816	182,000	179,300	175,000
Tax Rebate - Union Tank Car Company	8,174 (5)	0	0	0	0
Tax Rebate - Musco Sports Lighting Project #2	0	0	53,000 (9)	48,800	64,000
Tax Rebate - Grandview Senior Lofts	0	0	0	0	17,000 (10)
Transfers Out:					
TIF Administrative and Professional					
Support Costs	159,000	0 (7)	0	0	0
TIF Economic Development Grant (GMCCI)	43,000	0 (7)	0	0	0
Small Business Forgivable Loan Program	100,000	100,000	100,000	100,000	100,000
Forgivable Loan Program - Code Improvement	50,000	50,000	50,000	50,000	50,000
Forgivable Loan Program - Façade Improvement	100,000	100,000	100,000	100,000	100,000
Forgivable Loan - Grandview Avenue Businesses	0	50,000	0	130,000	0
Riverside Park - Local Share of Recreation					
Area Lighting Project	16,000	0	0	0	0
Riverfront Amphitheater - Preliminary Design	0	50,000	0	150,000	0
City Wayfinding Program	0	0	0	0	150,000
Transfers Out:					
Debt Service Fund - Downtown Streetscape					
Bonds	280,000 (6)	295,000	305,000	305,000	310,000
Interest	67,734 (6)	57,900	52,000	52,000	45,900
Total Expenditures	<u>\$ 1,510,590</u>	<u>\$ 1,194,381</u>	<u>\$ 1,160,000</u>	<u>\$ 1,428,100</u>	<u>\$ 1,371,900</u>
Ending Balance, June 30	<u>\$ 524,590</u>	<u>\$ 477,116</u>	<u>\$ 430,490</u>	<u>\$ 310,016</u>	<u>\$ 311,116 (11)</u>
Increase (Decrease) in Fund Balance	\$ (129,666)	\$ (47,474)	\$ 100,200	\$ (167,100)	\$ 1,100

- For the 2020/2021 year, the City certified approximately \$538,600 less than the total available in incremental taxes.
- For the 2021/2022 year, the City certified approximately \$563,300 less than the total available in incremental taxes.
- For the 2022/2023 year, the City certified approximately \$1,174,600 less than the total available in incremental taxes.
- For the 2023/2024 year, the City certified approximately \$1,062,600 less than the total available in incremental taxes.
- Fiscal year 2020/2021 was the final year for bond and interest payments on the June 24, 2004 bond issue and the Union Tank Car rebate.
- Funding for the Downtown Streetscaping project was included in the May 2020 bond issue with debt service payment to be funded from this tax increment fund. The first bond payments were made in 2020/2021.
- Beginning in 2021/2022 the TIF Administrative and Professional Support Costs and the TIF Economic Development Grant to the Chamber (GMCCI) are being funded from the Downtown Tax Increment fund.
- Fiscal year 2021/2022 was the final year for the A&E TIF rebate.
- Fiscal year 2022/2023 is the first year for the Musco Project #2 rebate.
- Fiscal year 2023/2024 will be the first year for the Grandview Senior Lofts rebate (10 years, 100%).
- The balance in this fund and future TIF collections are proposed to be designated for future economic development projects.

TAX INCREMENT FUND - SOUTHEND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

**General Obligation Bonds Funded from
Southend Tax Urban Renewal Tax Increment Funds**

Downtown Streetscaping Project

\$3,175,000 of \$6,310,000 Total Issue Dated May 7, 2020

Fiscal Year	Principal	Interest	Total Requirements
2022/23	\$ 305,000	\$ 52,000	\$ 357,000
2023/24	310,000	45,900	355,900
2024/25	315,000	39,700	354,700
2025/26	320,000	33,400	353,400
2026/27	325,000	27,000	352,000
2027/28	335,000	20,500	355,500
2028/29	340,000	13,800	353,800
2029/30	350,000	7,000	357,000
Total	<u>\$ 2,600,000</u>	<u>\$ 239,300</u>	<u>\$ 2,839,300</u>

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 provided 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. 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; incremental taxes for 2013/2014 were \$385,172 and the rebate \$192,586; incremental taxes for 2014/2015 were \$392,518 and the rebate was \$196,259; incremental taxes for 2015/2016 were \$365,916 and the rebate was \$182,958; incremental taxes for 2016/2017 were \$470,514 and the rebate \$235,257; for 2017/2018 incremental taxes were \$510,798 and the rebate \$255,399; and for 2018/2019 the incremental taxes from this area were \$540,176 and the rebate \$270,088. The rebates totaled \$1,955,781 for this 10-year period. The fiscal year 2018/2019 rebate was the final rebate under this agreement.

The amounts claimed for these years were all less than the total incremental taxes available from this area. Further development is expected in this area and the estimated fund balance of \$66,369 at the end of the 2023/2024 year can be used for other improvements in this area.

Tax Increment Fund - Cedar Development

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 66,146	\$ 66,303	\$ 66,303	\$ 66,369	\$ 66,369
Revenues					
Incremental Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest	<u>157</u>	<u>66</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 157</u>	<u>\$ 66</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Funds Available	<u>\$ 66,303</u>	<u>\$ 66,369</u>	<u>\$ 66,303</u>	<u>\$ 66,369</u>	<u>\$ 66,369</u>
Expenditures:					
Tax Rebate (1)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Ending Balance, June 30	<u><u>\$ 66,303</u></u>	<u><u>\$ 66,369</u></u>	<u><u>\$ 66,303</u></u>	<u><u>\$ 66,369</u></u>	<u><u>\$ 66,369</u></u>
Increase (Decrease) in Fund Balance	\$ 157	\$ 66	\$ 0	\$ 0	\$ 0

1. The final year of rebate payments to VMI Northport Commons was in 2018/2019

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 provided 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 was 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 provided 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 first rebate under this agreement was paid in 2016/2017 in the amount of \$19,000, the 2nd year rebate for 2017/2018 was \$14,764, the 3rd year rebate in 2018/2019 was \$11,008, the 4th year rebate in 2019/2020 was \$7,262, and the 5th and final year rebate was \$3,512 in 2020/2021. A balance of \$4,890 remained in this fund at the end of 2020/2021. In 2022/2023 that balance (with accumulated interest) was used to fund a portion of the annual TIF Administrative and Professional Support costs which closed out this fund.

Tax Increment Fund - H.J. Heinz 2014 Project

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 8,384	\$ 4,890	\$ 4,890	\$ 4,895	\$ 0
Revenues					
Incremental Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest	18	5	10	5	0
Total Revenues	<u>\$ 18</u>	<u>\$ 5</u>	<u>\$ 10</u>	<u>\$ 5</u>	<u>\$ 0</u>
Funds Available	<u>\$ 8,402</u>	<u>\$ 4,895</u>	<u>\$ 4,900</u>	<u>\$ 4,900</u>	<u>\$ 0</u>
Expenditures:					
Tax Rebate - H.J. Heinz (1)	\$ 3,512 (2)	\$ 0	\$ 0	\$ 0	\$ 0
TIF Administrative and Professional Support Costs	<u>0</u>	<u>0</u>	<u>4,900 (3)</u>	<u>\$ 4,900 (3)</u>	<u>\$ 0</u>
Total Expenditures	<u>\$ 3,512</u>	<u>\$ 0</u>	<u>\$ 4,900</u>	<u>\$ 4,900</u>	<u>\$ 0</u>
Ending Balance, June 30	<u><u>\$ 4,890</u></u>	<u><u>\$ 4,895</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
Increase (Decrease) in Fund Balance	\$ (3,494)	\$ 5	\$ (4,890)	\$ (4,895)	\$ 0

1. Fiscal year 2016/2017 was the first year of a 5-year TIF rebate agreement for H.J. Heinz. Rebate percentages under this agreement were 75%, 60%, 45%, 30%, and 15%, respectively, for each of the five years from 2016/2017 through 2020/2021.
2. The 2020/2021 rebate was the final rebate under this agreement.
3. For 2022/2023, a portion of the TIF Administrative and Professional Support costs was funded from the Heinz TIF fund which closes out this fund.

SPECIAL REVENUE FUNDS

TAX INCREMENT FINANCING (TIF) FUND – HIGHWAY 38 NORTHEAST AS AMENDED

(INCLUDES VILLAS AT MCC, OTHER IMPROVEMENTS IN THE COLORADO STREET AREA, AND HARRISON LOFTS)

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 rebates under this agreement and the rebate was \$22,426. For 2014/2015 it was \$21,319, for 2015/2016 the rebate was \$20,328, and for 2016/2017 the rebate was \$18,959. For 2017/2018 the calculated rebate was \$17,616. Only \$8,808 of this rebate was paid in 2017/2018 since the 2nd half of the property taxes were not paid. For 2018/2019 the rebate was \$15,808. The prior year taxes for 2017/2018 as well as the 2018/2019 taxes were paid in 2018/2019 and the 2nd half of the rebate for 2017/2018 in the amount of \$8,808 was also paid in 2018/2019. The rebate for 2019/2020 was \$14,899, the rebate for 2020/2021 was \$13,685, the rebate for 2021/2022 was \$14,369, and the estimated rebate for 2022/2023 is \$13,600. The 2022/2023 rebate is the final rebate under this agreement.

In October of 2016 the City entered into a development agreement with Harrison Lofts, LLC for their construction of a new apartment complex with approximately fifty-two (52) units and to price at least 25% of the units at levels that will be affordable to families of low and moderate income. The City also approved an economic development grant to Harrison Lofts, LLC in the amount of \$10,000 to assist them in meeting the local match requirements for their tax credit financing for this project. The City approved an internal advance of \$10,000 from this TIF fund for this grant with the advance repaid in June of 2017. The development agreement provides for 15 years of TIF rebates with the first six (6) years at 75% and the final nine (9) years at 70%. The first rebate under this agreement was made in 2019/2020 in the amount of \$40,046, the 2020/2021 rebate was \$26,140, and the rebate for 2021/2022 was \$27,563. The rebate for 2022/2023 is estimated at \$34,700 and the estimated rebate for 2023/2024 is \$38,000.

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 cost was 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 was 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 were also used to fund construction of a new Park Maintenance building at Weed Park. Project costs included \$19,900 for architectural services and \$392,200 for building construction for a total cost of \$412,100. An internal advance funded the project costs with this loan repaid over three years from 2014/2015 through 2016/2017.

For both 2014/2015 and 2015/2016 the City claimed the full amount of incremental taxes available from this TIF area which was \$180,138 in 2014/2015 and \$283,632 in 2015/2016. This funded 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. The 2016/2017 budget included the final payment of \$37,167 on the internal loan for the Weed Park Maintenance Building project. With the smaller loan payment in 2016/2017, the City claimed less than the full amount of incremental taxes from this TIF area.

CURRENT TRENDS AND ISSUES:

The 2023/2024 budget includes \$38,000 for the estimated rebate to Harrison Lofts, LLC. The City continues to claim less than the total of incremental taxes from this area which allows for the balance of the incremental taxes to be considered as taxes from regular valuations for each taxing entity.

Tax Increment Fund - Highway 38 Northeast (As Amended)

Fund Statement

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024
Beginning Balance, July 1	\$ 13,397	\$ 15,046	\$ 16,946	\$ 17,043	\$ 19,243
Revenues					
Incremental Taxes	\$ 41,425	\$ 43,886	\$ 50,500	\$ 50,500	\$ 38,000
Interest	49	43	0	0	0
Total Revenues	\$ 41,474	\$ 43,929	\$ 50,500	\$ 50,500	\$ 38,000
Funds Available	\$ 54,871	\$ 58,975	\$ 67,446	\$ 67,543	\$ 57,243
Expenditures:					
Tax Rebate - Villas at MCC (1)	\$ 13,685	\$ 14,369	\$ 14,500	\$ 13,600 (3)	\$ 0
Tax Rebate - Harrison Lofts (2)	26,140	27,563	36,000	34,700	38,000
Total Expenditures	\$ 39,825	\$ 41,932	\$ 50,500	\$ 48,300	\$ 38,000
Ending Balance, June 30	\$ 15,046	\$ 17,043	\$ 16,946	\$ 19,243	\$ 19,243
Increase (Decrease) in Fund Balance	\$ 1,649	\$ 1,997	\$ 0	\$ 2,200	\$ 0

1. Fiscal year 2013/2014 was the first year of a 10-year, 50% TIF rebate agreement for Villas at MCC, LLC.
2. Fiscal year 2019/2020 was the first year of a 15-year TIF rebate agreement for Harrison Lofts.
3. The 2022/2023 rebate to the Villas at MCC is the final rebate under this agreement.

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 Fridley Development Agreement also allows for tax increment payments to Fridley Properties, LLC for the development of the out lots adjacent to the facility. The rebates for the out lots are each for ten years at 50%. The first out lot to be developed is Out Lot #1 with the new Scooter's Coffee. The first rebate payment for Out Lot #1 will be in 2023/2024.

There is a maximum of 20 years of rebates for each tax increment area. The final year for rebates on the out lots will be in fiscal year 2034/2035.

The first rebate payment under this agreement for the Theaters was in fiscal year 2015/2016. The incremental value for 2015/2016 was \$2,222,820, incremental taxes were \$75,432, and the rebate was \$67,760. Incremental taxes for 2016/2017 were \$81,411 and the rebate was \$72,525; for 2017/2018 incremental taxes were \$79,083 and the rebate was \$66,777; for 2018/2019 the incremental taxes were \$79,127 and the rebate was \$66,978; for 2019/2020 the incremental taxes were \$85,333 and the rebate was \$66,089; for 2020/2021 the incremental taxes were \$80,671 and the rebate was \$62,239 and for 2021/2022 the incremental taxes were \$82,033 and the rebate was \$59,681.

For 2022/2023 the incremental taxes were \$82,456 and the rebate is \$60,000. For 2023/2024 the incremental taxes are estimated at \$98,303 and the rebate is estimated at \$50,000 for Fridley Theatres and \$8,000 for Fridley Out Lot #1.

Tax Increment Fund - Fridley Theatres and Fridley Properties

Fund Statement

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024
Beginning Balance, July 1	\$ 30,782	\$ 37,593	\$ 45,893	\$ 45,761	\$ 53,861
Revenues					
Incremental Taxes	\$ 68,974	\$ 67,825	\$ 68,000	\$ 68,000	\$ 58,000
Interest	<u>76</u>	<u>24</u>	<u>100</u>	<u>100</u>	<u>0</u>
Total Revenues	<u>\$ 69,050</u>	<u>\$ 67,849</u>	<u>\$ 68,100</u>	<u>\$ 68,100</u>	<u>\$ 58,000</u>
Funds Available	<u>\$ 99,832</u>	<u>\$ 105,442</u>	<u>\$ 113,993</u>	<u>\$ 113,861</u>	<u>\$ 111,861</u>
Expenditures:					
Tax Rebate - Fridley Theatres (1)	\$ 62,239	\$ 59,681	\$ 68,000	\$ 60,000	\$ 50,000
Tax Rebate - Fridley Outlot #1 (2)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,000</u>
Total Expenditures	<u>\$ 62,239</u>	<u>\$ 59,681</u>	<u>\$ 68,000</u>	<u>\$ 60,000</u>	<u>\$ 58,000</u>
Ending Balance, June 30	<u><u>\$ 37,593</u></u>	<u><u>\$ 45,761</u></u>	<u><u>\$ 45,993</u></u>	<u><u>\$ 53,861</u></u>	<u><u>\$ 53,861</u></u>
Increase (Decrease) in Fund Balance	\$ 6,811	\$ 8,168	\$ 100	\$ 8,100	\$ 0

1. Fiscal year 2015/2016 was the first year of a 15-year TIF rebate agreement with Fridley Theatres, Inc. Rebate percentages under this agreement decline from 95% to 50% over the rebate period.
2. Outlot rebates are all 50% for a maximum of 10 years. Outlot #1 is the Scooter's Coffee parcel.

SPECIAL REVENUE FUNDS

TAX INCREMENT FINANCING (TIF) FUND – RIVERVIEW HOTEL

GENERAL INFORMATION:

On March 13, 2014, the Muscatine City Council authorized the submission of a pre-application to the Iowa Economic Development Authority (IEDA) for the establishment of an Iowa Reinvestment District in downtown Muscatine. This pre-application provided that the City would (1) establish the Iowa Reinvestment District, (2) approve the District Plan, and (3) find the area in the District that was suitable for development. These documents were submitted with the final application to the IEDA on July 2, 2015 and the City and the IDEA approved the Iowa Reinvestment District contract.

The Reinvestment District project was for the construction of a hotel, conference center, and parking facility by Riverview Hotel Development. The Reinvestment District award provides that up to \$10,000,000 in proceeds from the State's 5% share of the hotel/motel tax and 4% of the State sales tax from the project, over the twenty-year period from July 1, 2017 through July 1, 2037, will be returned to the developer (through the City) as economic development payments under the Reinvestment District program. The Reinvestment District funds are accounted for in a separate Riverview Reinvestment District Special Revenue fund.

The City of Muscatine and Riverview Hotel Development also entered into a development agreement which provides tax increment financing (TIF) rebates to the developer. The Merrill Hotel and Conference Center opened in March of 2018.

CURRENT TRENDS AND ISSUES:

The City entered into a development agreement with Muscatine Riverview Hotel Development in December of 2014 and this agreement was amended in June of 2017. The final agreement provides for twenty years of tax increment rebates in an amount not to exceed \$6,150,000. In the first five years of the agreement 100% of the incremental taxes will be rebated, in years six and seven the rebate is 95%, in years eight through fifteen the rebate is 75%, and in years sixteen through twenty the rebate is 50%. The first rebate under this agreement was in fiscal year 2019/2020 for \$599,403. The amended development agreement provided that \$67,500 be deducted from the first year rebate to reimburse the City for the local match for the Mercer Muscatine Revolving Fund loan that the City paid in March of 2015. With this provision, the rebate to Muscatine Hotel Development in 2019/2020 was \$531,903 and \$67,500 was transferred to the City capital project fund to reimburse the City for the matching funds for the loan. Fiscal year 2020/2021 was the 2nd year under this agreement and the rebate was \$639,448. The rebate for 2021/2022 was \$662,315 for the third year of the agreement.

The estimated rebate for 2022/2023 is \$520,000 and for 2023/2024 the estimated rebate is \$560,000. Rebates under this development agreement are subject to annual appropriation.

Tax Increment Fund - Riverview Hotel Development

Fund Statement

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024
Beginning Balance, July 1	\$ 1,018	\$ 1,233	\$ 1,233	\$ 1,289	\$ 1,289
Revenues					
Incremental Taxes	\$ 639,448	\$ 662,315	\$ 520,000	\$ 520,000	\$ 560,000
Interest	215	56	0	0	0
Total Revenues	<u>\$ 639,663</u>	<u>\$ 662,371</u>	<u>\$ 520,000</u>	<u>\$ 520,000</u>	<u>\$ 560,000</u>
Funds Available	<u>\$ 640,681</u>	<u>\$ 663,604</u>	<u>\$ 521,233</u>	<u>\$ 521,289</u>	<u>\$ 561,289</u>
Expenditures:					
TIF Rebate - Riverview Hotel Development (1)	<u>\$ 639,448</u>	<u>\$ 662,315</u>	<u>\$ 520,000</u>	<u>\$ 520,000</u>	<u>\$ 560,000</u>
Total Expenditures	<u>\$ 639,448</u>	<u>\$ 662,315</u>	<u>\$ 520,000</u>	<u>\$ 520,000</u>	<u>\$ 560,000</u>
Ending Balance, June 30	<u><u>\$ 1,233</u></u>	<u><u>\$ 1,289</u></u>	<u><u>\$ 1,233</u></u>	<u><u>\$ 1,289</u></u>	<u><u>\$ 1,289</u></u>
Increase (Decrease) in Fund Balance	\$ 215	\$ 56	\$ 0	\$ 0	\$ 0

1. Fiscal year 2019/2020 was the first year of a 20-year TIF rebate agreement with Riverview Hotel Development.

SPECIAL REVENUE FUNDS

TAX INCREMENT FINANCING (TIF) FUND – NORTH UNIVERSITY AREA

GENERAL INFORMATION:

In February of 2017, the City entered into a development agreement with HNI Corporation to assist HNI in the expansion of their facilities on North University Drive. The agreement provides for 10 years of incremental tax rebates on this property up to a maximum total of \$3,811,000. The rebate percentage is 50% of the incremental taxes for each of the ten years under this agreement.

The first rebate payment under this agreement was made in fiscal year 2019/2020 in the amount of \$77,473. The rebate for 2020/2021 was \$66,706 and for 2021/2022 was \$76,560. For 2022/2023 the estimated rebate is \$76,400 and for 2023/2024 the rebate is estimated at \$110,000. Rebates under this agreement are subject to annual appropriation.

Tax Increment Fund - North University

Fund Statement

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024
Beginning Balance, July 1	\$ 3,769	\$ 8,034	\$ 11,234	\$ 11,281	\$ 14,881
Revenues					
Incremental Taxes	\$ 70,946	\$ 79,793	\$ 80,000	\$ 80,000	\$ 110,000
Interest	25	14	0	0	0
Total Revenues	<u>\$ 70,971</u>	<u>\$ 79,807</u>	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ 110,000</u>
Funds Available	<u>\$ 74,740</u>	<u>\$ 87,841</u>	<u>\$ 91,234</u>	<u>\$ 91,281</u>	<u>\$ 124,881</u>
Expenditures:					
TIF Rebate - HNI (1)	<u>\$ 66,706</u>	<u>\$ 76,560</u>	<u>\$ 80,000</u>	<u>\$ 76,400</u>	<u>\$ 110,000</u>
Total Expenditures	<u>\$ 66,706</u>	<u>\$ 76,560</u>	<u>\$ 80,000</u>	<u>\$ 76,400</u>	<u>\$ 110,000</u>
Ending Balance, June 30	<u><u>\$ 8,034</u></u>	<u><u>\$ 11,281</u></u>	<u><u>\$ 11,234</u></u>	<u><u>\$ 14,881</u></u>	<u><u>\$ 14,881</u></u>

Increase (Decrease) in Fund Balance	\$ 4,265	\$ 3,247	\$ 0	\$ 3,600	\$ 0
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- Fiscal year 2019/2020 was the first year of a 10-year 50% TIF rebate agreement with HNI.

SPECIAL REVENUE FUNDS

TAX INCREMENT FINANCING (TIF) FUND – WDS URBAN RENEWAL AREA

GENERAL INFORMATION:

In April of 2018, the City entered into a development agreement with White Distribution & Supply, LLC for the expansion of their manufacturing and warehouse facilities. The agreement provides for 10 years of incremental tax rebates on this property up to a maximum total of \$445,000. The rebate percentage is 50% of the incremental taxes for each of the ten years under this agreement.

The first rebate under this agreement was in fiscal year 2020/2021 for \$48,023. The rebate for 2021/2022 was \$50,129. The estimated rebate for 2022/2023 is \$50,200 and the rebate is estimated at \$66,000 for 2023/2024. Rebates under this agreement are subject to annual appropriation.

Tax Increment Fund - WDS Urban Renewal Area

Fund Statement

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024
Beginning Balance, July 1	\$ 0	\$ 5,187	\$ 8,887	\$ 8,933	\$ 12,733
Revenues					
Incremental Taxes	\$ 53,210	\$ 53,860	\$ 54,000	\$ 54,000	\$ 66,000
Interest	0	15	0	0	0
Total Revenues	<u>\$ 53,210</u>	<u>\$ 53,875</u>	<u>\$ 54,000</u>	<u>\$ 54,000</u>	<u>\$ 66,000</u>
Funds Available	<u>\$ 53,210</u>	<u>\$ 59,062</u>	<u>\$ 62,887</u>	<u>\$ 62,933</u>	<u>\$ 78,733</u>
Expenditures:					
TIF Rebate - White Distribution	\$ 48,023 (1)	\$ 50,129	\$ 54,000	\$ 50,200	\$ 66,000
Total Expenditures	<u>\$ 48,023</u>	<u>\$ 50,129</u>	<u>\$ 54,000</u>	<u>\$ 50,200</u>	<u>\$ 66,000</u>
Ending Balance, June 30	<u><u>\$ 5,187</u></u>	<u><u>\$ 8,933</u></u>	<u><u>\$ 8,887</u></u>	<u><u>\$ 12,733</u></u>	<u><u>\$ 12,733</u></u>
Increase (Decrease) in Fund Balance	\$ 5,187	\$ 3,746	\$ 0	\$ 3,800	\$ 0

1. Fiscal year 2020/2021 was the first year of a 10-year 50% TIF rebate agreement for White Distribution & Supply LLC.

SPECIAL REVENUE FUNDS

TAX INCREMENT FINANCING (TIF) FUND – HERSHEY BUILDING PROJECT

GENERAL INFORMATION:

In May of 2019, the City entered into a development agreement with Hershey Property, LLC and Bush Development, LLC for the redevelopment of the Hershey Building located in downtown Muscatine. The Hershey Lofts project was substantially completed in early 2020, and included converting the upper floors of this building into market-rate rental units with the lower floors redeveloped into commercial spaces. The original 10-year agreement provided for the rebate of 100% of the incremental taxes on this property up to a maximum total of \$500,000. The developer requested the maximum rebate amount in the development agreement be increased to \$700,000 since they did not receive a portion of the tax credits anticipated and the actual taxable value being higher than projected. The City Council formally amended the Development Agreement in March of 2021 to increase the maximum total of the rebates under the agreement to \$700,000.

The first rebate under this agreement was in fiscal year 2021/2022 for \$92,593. For 2022/2023 the rebate is estimated at \$70,600 and for 2023/2024 the rebate is estimated at \$72,000. Rebates under this agreement are subject to annual appropriation.

Tax Increment Fund - Hershey Building

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 3,003	\$ 3,003
Revenues					
Incremental Taxes	\$ 0	\$ 92,593	\$ 76,000	\$ 70,600	\$ 72,000
Commercial and Industrial State Reimbursement	<u>0</u>	<u>3,003</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 0</u>	<u>\$ 95,596</u>	<u>\$ 76,000</u>	<u>\$ 70,600</u>	<u>\$ 72,000</u>
Funds Available	<u>\$ 0</u>	<u>\$ 95,596</u>	<u>\$ 76,000</u>	<u>\$ 73,603</u>	<u>\$ 75,003</u>
Expenditures:					
TIF Rebate	<u>\$ 0</u>	<u>\$ 92,593 (1)</u>	<u>\$ 76,000</u>	<u>\$ 70,600</u>	<u>\$ 72,000</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 92,593</u>	<u>\$ 76,000</u>	<u>\$ 70,600</u>	<u>\$ 72,000</u>
Ending Balance, June 30	<u>\$ 0</u>	<u>\$ 3,003</u>	<u>\$ 0</u>	<u>\$ 3,003</u>	<u>\$ 3,003</u>
Increase (Decrease) in Fund Balance	\$ 0	\$ 3,003	\$ 0	\$ 0	\$ 0

- Fiscal year 2021/2022 was the first year of a 10-year 100% TIF rebate agreement with Bush Development, LLC and Hershey Property, LLC.

SPECIAL REVENUE FUNDS

TAX INCREMENT FINANCING (TIF) FUND – TIF OAK PARK

GENERAL INFORMATION:

In April of 2019 the City approved the amended development agreement with TIF Oak Park/JNP Oak Park LP for their construction of a new senior living complex consisting of 16 triplexes and a clubhouse, to be priced affordable to people of low and moderate income. The development agreement provides for 15 years of TIF rebates at 70% of the incremental taxes. The first rebate under this agreement was made in 2022/2023. Rebates are subject to annual appropriation.

CURRENT TRENDS AND ISSUES:

The 2022/2023 revised estimate includes \$25,200 for the first rebate to TIF Oak Park/JNP Oak Park LP for their development of the senior living complex. The 2023/2024 budget includes \$30,000 for the estimated second year rebate.

Tax Increment Fund - Oak Park

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,800
Revenues					
Incremental Taxes	\$ 0	\$ 0	\$ 28,000	\$ 28,000	\$ 30,000
Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 28,000</u>	<u>\$ 28,000</u>	<u>\$ 30,000</u>
Funds Available	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 28,000</u>	<u>\$ 28,000</u>	<u>\$ 32,800</u>
Expenditures:					
TIF Rebate (1)	\$ 0	\$ 0	\$ 28,000 (1)	\$ 25,200	\$ 30,000
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 28,000</u>	<u>\$ 25,200</u>	<u>\$ 30,000</u>
Ending Balance, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 2,800</u></u>	<u><u>\$ 2,800</u></u>

Increase (Decrease) in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 2,800	\$ 0
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1. Fiscal year 2022/2023 is the first year of a 15-year 70% TIF rebate agreement with TIF Oak Park/JNB Oak Park LP.

SPECIAL REVENUE FUNDS

TAX INCREMENT FINANCING (TIF) FUND – COLORADO SENIOR LOFTS

GENERAL INFORMATION:

In February of 2021 the City approved the development agreement with Colorado Senior Lofts, LLC for their construction of a new senior living complex consisting of fifty-one rental units, to be priced affordable to seniors of low and moderate income. The development agreement provides for 10 years of TIF rebates at 100% of the incremental taxes with a maximum total rebate of \$460,000. The first rebate under this agreement will be made in 2023/2024. Rebates are subject to annual appropriation.

CURRENT TRENDS AND ISSUES:

The 2023/2024 budget includes \$70,000 for the estimated first-year rebate to Colorado Senior Lofts, LLC for their development of the senior living complex.

Tax Increment Fund - Colorado Senior Lofts

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Incremental Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 70,000
Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 70,000</u>
Funds Available	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 70,000</u>
Expenditures:					
TIF Rebate (1)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 70,000</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 70,000</u>
Ending Balance, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
Increase (Decrease) in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

- Fiscal year 2023/2024 will be the first year of a 10-year 100% TIF rebate agreement with Colorado Senior Lofts LLC.

SPECIAL REVENUE FUNDS

TAX INCREMENT FINANCING (TIF) FUND – ARBOR COMMONS

GENERAL INFORMATION:

In December of 2018 the City approved the development agreement with NPSW Enterprises, LLC. The developer owns property in the Urban Renewal Area and has undertaken the development of sixty-two market rate, single family homes on the property, including construction of certain public infrastructure improvements in connection with the development. The City will provide tax increment financing assistance to the developer to assist in paying the costs of the infrastructure. The project is expected to be completed in 3 phases. The development agreement provides for 10 years of TIF rebates for each phase, for up to 3 phases, at 75% of the incremental taxes with a maximum total rebate of \$750,000. The Urban Renewal law requires that any project related to market-rate housing which receives tax increment financing assistance must also generate funds to provide assistance related to housing for Low and Moderate Income (LMI) families. The 75% rebate percentage includes the LMI set aside amount estimated at 39.91%. The first rebate under this agreement will be made in 2023/2024. Rebates are subject to annual appropriation.

CURRENT TRENDS AND ISSUES:

The 2023/2024 budget includes \$14,500 for the first-year rebate to NPSW Enterprises, LLC and \$9,500 transferred to the Low and Moderate Income (LMI) set aside fund.

Tax Increment Fund - Arbor Commons

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Incremental Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 24,000
Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 24,000</u>
Funds Available	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 24,000</u>
Expenditures:					
TIF Rebate (1)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,500
Transfers Out:					
Low and Moderate Income					
Setaside Fund (2)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$ 9,500</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 24,000</u>
Ending Balance, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
Increase (Decrease) in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

1. Fiscal year 2023/2024 is the first year of a 75% TIF rebate agreement with NPSW Enterprises LLC for Arbor Commons. The Development Agreement provides for triggering up to three phases of the housing development with each phase being a maximum of 10 years.
2. Since this development is for new market rate housing, a portion of the calculated rebate is required to be transferred to a Low and Moderate Income Setaside fund (approximately 40%).

SPECIAL REVENUE FUNDS

TAX INCREMENT FINANCING – LOW AND MODERATE INCOME SETASIDE FUND

GENERAL INFORMATION:

The Urban Renewal law of Iowa requires that any project related to market-rate housing which receives tax increment financing assistance must also generate funds to provide assistance related to housing for Low and Moderate Income (LMI) families.

In December of 2018 the City approved the development agreement with NPSW Enterprises, LLC for the Arbor Commons housing development. This developer has undertaken the development of sixty-two market rate, single family homes on the property, including construction of certain public infrastructure improvements in connection with the development. The City is providing tax increment financing assistance to the developer to assist in paying the costs of the public infrastructure for this development. The development agreement with NPSW for Arbor Commons is the City's first market-rate housing development in which the Low and Moderate Income Set Aside provisions are applicable.

The 75% rebate percentage in the development agreement with NPSW includes the LMI set aside amount estimated at 39.91%. The first rebate under this agreement and the first LMI set aside allocation will be made in 2023/2024.

CURRENT TRENDS AND ISSUES:

The 2023/2024 budget includes \$14,500 for the first-year rebate to NPSW Enterprises, LLC with \$9,500 transferred to the Low and Moderate Income (LMI) set aside fund. No LMI projects have been identified for the set aside funds for the 2023/2024 budget. These funds will be used in future years for LMI-related projects.

Tax Increment Financing - Low and Moderate Income (LMI) Setaside Fund

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Transfer In:					
Arbor Commons LMI Setaside (1)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,500
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,500</u>
Funds Available	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,500</u>
Expenditures:					
LMI-Related Projects/Programs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Ending Balance, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 9,500</u></u>

Increase (Decrease) in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,500
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1. Since the Arbor Commons development is for new market rate housing, a portion of the calculated rebate is required to be transferred to a Low and Moderate Income Setaside fund (approximately 40%).

SPECIAL REVENUE FUNDS

RIVERVIEW REINVESTMENT DISTRICT FUND

GENERAL INFORMATION:

On March 13, 2014, the Muscatine City Council authorized the submission of a pre-application to the Iowa Economic Development Authority (IEDA) for the establishment of an Iowa Reinvestment District in downtown Muscatine. This pre-application provided that the City would (1) establish the Iowa Reinvestment District, (2) approve the District Plan, and (3) find the area in the District that was suitable for development. These documents were submitted with the final application to the IEDA and on July 2, 2015 the City and the IEDA approved the Iowa Reinvestment District contract.

The Reinvestment District project was for the construction of a hotel, conference center, and parking facility by Riverview Hotel Development. The Reinvestment District award provides that up to \$10,000,000 in proceeds from the State's 5% share of the hotel/motel tax and 4% of the State sales tax from the project, over the twenty-year period from July 1, 2017 through July 1, 2037, will be returned to the developer (through the City) as economic development payments under the Reinvestment District program.

The City of Muscatine and Riverview Hotel Development have also entered into a development agreement which provides tax increment financing (TIF) rebates to the developer. Those funds are accounted for in a separate Tax Increment Fund.

CURRENT TRENDS AND ISSUES:

The Merrill Hotel and Conference Center opened in March of 2018. The Reinvestment District proceeds for 2017/2018 were \$4,124 for the short period of time the hotel was open in that fiscal year and those funds were forwarded to Riverview Hotel Development. The Reinvestment District proceeds for 2018/2019 were \$110,274, in 2019/2020 were \$162,673, in 2020/2021 were \$92,702, and in 2021/2022 were \$246,584. The decrease in Reinvestment District proceeds in 2020/2021 is attributed to the COVID-19 pandemic. The funds received for these years were forwarded to Riverview Hotel Development.

The amounts shown as Reinvestment District proceeds and payments to the Riverview Hotel Development for 2022/2023 and 2023/2024 (\$350,000 for both years) are estimated amounts. The actual revenues the City receives from the Iowa Economic Development Authority will be remitted to Riverview Hotel Development as they are received.

Riverview Reinvestment District Fund

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Reinvestment District Proceeds (1)	<u>\$ 92,702</u>	<u>\$ 246,584</u>	<u>\$ 200,000</u>	<u>\$ 350,000</u>	<u>\$ 350,000</u>
Total Revenues	<u>\$ 92,702</u>	<u>\$ 246,584</u>	<u>\$ 200,000</u>	<u>\$ 350,000</u>	<u>\$ 350,000</u>
Funds Available	\$ 92,702	\$ 246,584	\$ 200,000	\$ 350,000	\$ 350,000
Expenditures					
Riverview Hotel Development (1)	<u>92,702</u>	<u>246,584</u>	<u>200,000</u>	<u>350,000</u>	<u>350,000</u>
Ending Balance, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
Increase (Decrease) in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

1. Amounts shown as revenues and expenditures reflect actual and projected amounts for the State's share of hotel/motel tax (5%) and 4% of the State's share of the sales tax. These funds are paid to the City by the State and the City forwards those funds to the hotel developer per the Reinvestment District agreement. The Merrill Hotel and Conference Center opened in March of 2018.

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). 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.

In 2020/2021 a CDBG grant was awarded to the City to be used to assist local non-profit entities with distributing food and providing medical services during the COVID-19 pandemic. Grant funds totaling \$49,937 were received and distributed to these non-profit entities. This grant has been closed out.

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. The 2022/2023 revised estimate and the 2023/2024 budget include \$6,000 and \$13,600, respectively, in transfers to the City's Home Ownership program to be used to assist with down payment and closing costs for individuals meeting income requirements that complete the home ownership program and purchase a home. The balance in this fund is estimated at \$11,626 on June 30, 2024.

Community Block Grant Fund

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 31,121	\$ 31,195	\$ 17,195	\$ 31,226	\$ 25,226
Revenues					
Community Development Block Grant for COVID Relief	\$ 49,937	\$ 0	\$ 0	\$ 0	\$ 0
Interest	74	31	0	0	0
Total Revenues	<u>\$ 50,011</u>	<u>\$ 31</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Funds Available	<u>\$ 81,132</u>	<u>\$ 31,226</u>	<u>\$ 17,195</u>	<u>\$ 31,226</u>	<u>\$ 25,226</u>
Expenditures					
Operating Expenditures	\$ 49,937	\$ 0	\$ 0	\$ 0	\$ 0
Transfers Out:					
Home Ownership Program	0	0	12,000	6,000	13,600
Total Expenditures	<u>\$ 49,937</u>	<u>\$ 0</u>	<u>\$ 12,000</u>	<u>\$ 6,000</u>	<u>\$ 13,600</u>
Ending Balance, June 30	<u><u>\$ 31,195</u></u>	<u><u>\$ 31,226</u></u>	<u><u>\$ 5,195</u></u>	<u><u>\$ 25,226</u></u>	<u><u>\$ 11,626</u></u>
Increase (Decrease) in Fund Balance	\$ 74	\$ 31	\$ (12,000)	\$ (6,000)	\$ (13,600)

SPECIAL REVENUE FUNDS

SMALL BUSINESS FORGIVABLE LOAN PROGRAMS

GENERAL INFORMATION:

In 2013/2014 the City of Muscatine started a Small Business Forgivable Loan program in order to promote in-fill and redevelopment in targeted areas throughout Muscatine. The loans under this program are for building improvements and startup costs associated with the creation of a new business or to existing businesses significantly expanding into a new market, product, or service. Businesses can obtain a loan for up to \$25,000 for the business for a term of 5 years with 20% of the original loan forgiven annually on the anniversary of the origination of the loan. Funds are allocated up to \$15,000 for startup costs and up to \$10,000 for code compliance. Businesses receiving funding must be new businesses or be significantly expanding business operations to be eligible. Applicants must meet one-to-one (applicant investment v. grant funding which may be waived in whole or in part by the City Administrator upon recommendation of the committee). Inventory is not an eligible grant funded expense but does count toward the match. The loan program objectives are to:

- Improve Building Infrastructure
- Assist with Capital Equipment Purchases
- Offset Cost of Historic Building Preservation
- Offset Cost to Address ADA Access Issues
- Offset Cost of Fire Code Compliance, Sprinkler Systems, Egress Issues
- Allow Businesses to Allocate Additional Funds to Grow and Expand Business

In 2019 a Small Business Forgivable Loan Program was added for Code Compliance and ADA improvements for small businesses located in designated blighted areas of the City.

A new forgivable loan program was created in 2020 for small business owners on Second Street for façade improvements to their buildings.

CURRENT TRENDS AND ISSUES:

The City has allocated \$100,000 in annual funding for the original Small Business Forgivable Loan program since 2014/2015. Funding for this program is from incremental taxes received in the Southend Tax Increment fund (TIF).

In 2019 another Small Business Forgivable Loan program was created specifically for City Code compliance and ADA improvements to small businesses in designated blighted areas of the City. The annual allocations for this program are \$50,000 beginning in 2019/2020. These allocations are also funded from Southend TIF funds.

A Small Business Forgivable Loan program for Second Street façade improvements was also created with \$100,000 in annual funding from Southend TIF funds. Fiscal year 2020/2021 was the first year for this program.

The City's November 2018 Urban Renewal Plan Amendment included a total of \$600,000 for the original Small Business Forgivable Loan Program. The plan was to use \$100,000 per year for the Small Business Forgivable Loan Program from 2018/2019 through 2023/2024. The \$100,000 allocations were made for

2018/2019 and 2019/2020. The remaining \$400,000 was approved to be re-directed and used for the new “Economic Assistance for Muscatine Small Business” program for small businesses impacted by the COVID-19 public health crisis. Local businesses could apply for a one-time forgivable loan up to \$2,500. Ninety-four (94) loans were approved for a total of \$231,257. The Urban Renewal Plan was again amended in 2021 to restore the \$100,000 per year in annual funding for the Small Business Forgivable Loan program through 2024.

The Urban Renewal Plan was amended again in January 2022 to provide funding to assist businesses located along the Grandview Avenue Corridor that have been significantly impacted by street reconstruction work and that also continue to be impacted by the pandemic. Reconstruction of Grandview Avenue began in the spring of 2021 and continued through calendar year 2022. The forgivable loan program for businesses along this corridor provides for loans up to \$10,000 per business to a maximum of \$200,000 with funding from the Southend Tax Increment fund (TIF).

Any unspent funds from annual allocations for any of the forgivable loan programs are carried forward to the following year. Any loan repayments are also credited back to this fund and are used to supplement the annual TIF allocations for these programs.

Separate fund statements for each of the three forgivable loan programs follow.

Small Business Forgivable Loan Program - General

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 118,590	\$ 201,528	\$ 0	\$ 62,736	\$ 0
Revenues					
Reimbursement of Expenses	\$ 20,000	\$ 31,120	\$ 0	\$ 0	\$ 0
Interest	256	18	0	0	0
Miscellaneous	35	70	0	0	0
Transfers In:					
Southend Tax Increment Funds	100,000	100,000	100,000	100,000	100,000
Southend Tax Increment Funds - Grandview Avenue Corridor (1)	<u>0</u>	<u>50,000</u>	<u>0</u>	<u>130,000</u>	<u>0</u>
Total Revenues	<u>\$ 120,291</u>	<u>\$ 181,208</u>	<u>\$ 100,000</u>	<u>\$ 230,000</u>	<u>\$ 100,000</u>
Funds Available	<u>\$ 238,881</u>	<u>\$ 382,736</u>	<u>\$ 100,000</u>	<u>\$ 292,736</u>	<u>\$ 100,000</u>
Expenditures					
Small Business Loans	\$ 37,353	\$ 270,000	\$ 100,000	\$ 162,736	\$ 100,000
Economic Assistance - Grandview Avenue Corridor (1)	<u>0</u>	<u>50,000</u>	<u>0</u>	<u>130,000</u>	<u>0</u>
Total Expenditures	<u>\$ 37,353</u>	<u>\$ 320,000</u>	<u>\$ 100,000</u>	<u>\$ 292,736</u>	<u>\$ 100,000</u>
Ending Balance, June 30	<u><u>\$ 201,528</u></u>	<u><u>\$ 62,736</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
Increase (Decrease) in Fund Balance	\$ 82,938	\$ (138,792)	\$ 0	\$ (62,736)	\$ 0

1. In 2022 this forgivable loan program was expanded to allow one-time forgivable loans of up to \$10,000 to assist businesses located along Grandview Avenue that have been significantly impacted by street reconstruction work and that also continue to be impacted by the COVID-19 pandemic.

Small Business Forgivable Loan Program - Code Compliance (1)

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 30,000	\$ 60,085	\$ 0	\$ 25,180	\$ 0
Revenues					
Interest	\$ 85	\$ 95	\$ 0	\$ 0	\$ 0
Transfers In:					
Southend Tax Increment Funds	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total Revenues	<u>\$ 50,085</u>	<u>\$ 50,095</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>
Funds Available	<u>\$ 80,085</u>	<u>\$ 110,180</u>	<u>\$ 50,000</u>	<u>\$ 75,180</u>	<u>\$ 50,000</u>
Expenditures					
Small Business Loans	<u>\$ 20,000</u>	<u>\$ 85,000</u>	<u>\$ 50,000</u>	<u>\$ 75,180</u>	<u>\$ 50,000</u>
Total Expenditures	<u>\$ 20,000</u>	<u>\$ 85,000</u>	<u>\$ 50,000</u>	<u>\$ 75,180</u>	<u>\$ 50,000</u>
Ending Balance, June 30	<u><u>\$ 60,085</u></u>	<u><u>\$ 25,180</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
Increase (Decrease) in Fund Balance	\$ 30,085	\$ (34,905)	\$ 0	\$ (25,180)	\$ 0

1. This Small Business Program was created in 2019 to provide forgivable loans to qualifying small business owners in blighted areas of the City for City Code compliance and ADA improvements to their businesses.

Small Business Forgivable Loan Program - Second Street Façade Improvements (1)

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 0	\$ 100,000	\$ 0	\$ 187,657	\$ 0
Revenues					
Interest	\$ 0	\$ 23	\$ 0	\$ 0	\$ 0
Transfers In:					
Southend Tax Increment Funds	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Total Revenues	<u>\$ 100,000</u>	<u>\$ 100,023</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>
Funds Available	<u>\$ 100,000</u>	<u>\$ 200,023</u>	<u>\$ 100,000</u>	<u>\$ 287,657</u>	<u>\$ 100,000</u>
Expenditures					
Small Business Loans	\$ 0	\$ 0	\$ 100,000	\$ 282,257	\$ 100,000
Architectural Services	<u>0</u>	<u>12,366</u>	<u>0</u>	<u>5,400</u>	<u>0</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 12,366</u>	<u>\$ 100,000</u>	<u>\$ 287,657</u>	<u>\$ 100,000</u>
Ending Balance, June 30	<u><u>\$ 100,000</u></u>	<u><u>\$ 187,657</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
Increase (Decrease) in Fund Balance	\$ 100,000	\$ 87,657	\$ 0	\$ (187,657)	\$ 0

1. This Small Business Program was created in order to provide forgivable loans to qualifying small business owners on Second Street to make façade improvements to their buildings.

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.

The 2018/2019 expenditures included a \$25,000 transfer to the City's Equipment Replacement Fund to fund a portion of the City's cost of a Ballistic Armored Tactical Transport Vehicle for the joint City-County Special Response Team. This purchase was funded from \$100,000 in private donations, \$50,000 from the Muscatine County Sheriff's department, \$25,000 from a transfer from the Police operations budget, and \$25,000 from a transfer from the Police Forfeitures fund.

CURRENT TRENDS AND ISSUES:

The 2022/2023 and 2023/2024 budgets each include an estimated \$5,000 in forfeiture fund revenues and expenditures. The actual expenditures, however, will be dependent on the amount of funds received from seized and forfeited property.

The estimated fund balance in the Police Forfeitures fund is \$13,439 on June 30, 2024.

Police Forfeitures Fund

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 10,929	\$ 10,935	\$ 10,935	\$ 13,439	\$ 13,439
Revenues					
Forfeiture Funds	\$ 0	\$ 2,776	\$ 5,000 (1)	\$ 5,000 (1)	\$ 5,000 (1)
Interest	<u>6</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 6</u>	<u>\$ 2,782</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>
Funds Available	\$ 10,935	\$ 13,717	\$ 15,935	\$ 18,439	\$ 18,439
Expenditures					
Forfeiture Expenditures	\$ 0	\$ 278	\$ 5,000 (1)	\$ 5,000 (1)	\$ 5,000 (1)
Total Expenditures	<u>\$ -</u>	<u>\$ 278</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>
Ending Balance, June 30	<u><u>\$ 10,935</u></u>	<u><u>\$ 13,439</u></u>	<u><u>\$ 10,935</u></u>	<u><u>\$ 13,439</u></u>	<u><u>\$ 13,439</u></u>

Increase (Decrease) in					
Fund Balance	\$ 6	\$ 2,504	\$ 0	\$ 0	\$ 0

1. Amounts for the 2022/2023 and 2023/2024 budgets reflect an estimated amount for forfeitures and expenditures. Actual amounts expended will be based on forfeiture funds received.

SPECIAL REVENUE FUNDS

HUD LEGAL SETTLEMENT FUND

GENERAL INFORMATION:

HUD in most years provides 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.

Public housing agencies brought a class action lawsuit against HUD for the loss of operating funding in calendar year 2012. This lawsuit was successful and in 2021/2022, the Muscatine Municipal Housing Agency received \$147,403 for their share of the proceeds from the settlement. These funds have been set aside in this Special Revenue Fund for future housing-related purposes.

CURRENT TRENDS AND ISSUES:

No funds are budgeted to be expended from this fund in 2022/2023 and 2023/2024. The balance in this fund, including interest, is estimated at \$152,422 as of the end of the 2023/2024 fiscal year.

HUD Legal Settlement Fund (Public Housing)

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 147,422	\$ 149,922
Revenues					
Reimbursement of Damages	\$ 0	\$ 147,403	\$ 0	\$ 0	\$ 0
Interest	<u>0</u>	<u>19</u>	<u>0</u>	<u>2,500</u>	<u>2,500</u>
Total Revenues	<u>\$ 0</u>	<u>\$ 147,422</u>	<u>\$ 0</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>
Funds Available	<u>\$ 0</u>	<u>\$ 147,422</u>	<u>\$ 0</u>	<u>\$ 149,922</u>	<u>\$ 152,422</u>
Expenditures:					
Commodities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contractual Services	0	0	0	0	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Ending Balance, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 147,422</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 149,922</u></u>	<u><u>\$ 152,422</u></u>
Increase (Decrease) in Fund Balance	\$ 0	\$ 147,422	\$ 0	\$ 2,500	\$ 2,500

SPECIAL REVENUE FUNDS

MUNICIPAL HOUSING AGENCY

GENERAL INFORMATION:

The Muscatine Municipal Housing Agency (MMHA) 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's 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 with 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 the near elderly and elderly 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 apartment building for the elderly or handicapped. 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. Milestones 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 also provides an annual operating subsidy for the City's public housing program which includes the Clark House and Sunset Park.

The 2022/2023 revised estimate expenditures for the Clark House are over the budgeted amount by \$316,840. This increase is due to (1) a \$1,040 increase in personal services costs, (2) a \$9,600 increase in commodities, (3) a \$55,200 increase in contractual services, and (4) a \$251,000 increase in capital outlay. The increase in contractual services is primarily due to additional temporary employee services needed due to apartment turnover and increases in repair and maintenance services. The capital outlay increase is for apartment rehabilitation (\$52,000), structural flooring and sprinkler system repairs (\$124,000), and engineering design for elevator repairs and modernization (\$75,000).

The Clark House budgeted expenditures for fiscal year 2023/2024 total \$855,740 which is \$212,020 (32.9%) more than the original 2022/2023 budget. The budget includes an increase of \$74,460 in personal services costs, an increase of \$6,900 in commodities, an increase of \$15,860 in contractual services, and an increase of \$114,800 in capital outlay. The personal services increase includes the addition of full time Maintenance

Repairperson allocated 67% to the Clark House and 33% to Sunset Park. The capital outlay allocation of \$185,800 includes funds for apartment rehabilitation including appliance replacements as needed (\$21,000), funds for five heating and air units (\$10,000), concrete repairs (\$10,000), roof replacement (\$88,000), roof vent hood replacement (\$55,000), and \$1,800 for a computer replacement.

The 2022/2023 revised estimate revenues for the Clark House are \$150,660 more than the original budget. The HUD capital funds allocation of \$305,710 is \$129,910 more than the original budget. The revenue increase also includes a \$5,000 increase in tenant rents, a \$9,800 increase in interest revenue, \$2,800 from an insurance reimbursement, and a \$3,150 increase in miscellaneous revenue. Tenant rents are based on tenant incomes according to HUD public housing program regulations.

The 2023/2024 budgeted revenues for the Clark House total \$748,200, which is \$42,150 more than the original 2022/2023 budget. The increase is due to a \$24,200 increase in HUD capital funds, a \$9,800 increase in interest revenue, a \$5,000 increase in tenant rents, and a \$3,150 increase in miscellaneous revenue. The 2023/2024 budget includes an estimated \$180,000 in HUD operating subsidy funding and an estimated \$200,000 in HUD capital funds.

The Clark House and Sunset Park are considered one project by HUD for accounting purposes. In the 2022/2023 revised estimate the combined Clark House and Sunset Park revenues are \$1,392,190 and the combined expenditures are \$1,495,660. This will result in an estimated \$103,470 decrease in the operating reserve to \$604,075 at the end of 2022/2023.

The 2023/2024 budgeted expenditures for the Clark House and Sunset Park total \$1,245,690 and revenues are budgeted at \$1,139,900. This will decrease the operating reserve by \$105,790 to \$498,285 at the end of 2023/2024. The combined public housing revenue estimate includes a total of \$300,000 of HUD capital funds, \$360,000 in HUD operating subsidy, and \$425,000 in rents.

Housing staff will continue to monitor average tenant rent levels as well as operating expenditures at both public housing facilities.

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 2022/2023 revised estimate expenditures for Sunset Park are \$99,150 more in total than the original budget. Personal services costs are \$11,050 more than the original budget, commodities are \$4,500 more, contractual services are \$39,400 more, and capital outlay is \$44,200 more than the original budget. The capital outlay increase includes a \$34,200 increase for apartment rehabilitation and \$50,000 for playground equipment carried forward from the prior year budget. These increases were partially offset by a \$40,000 decrease in the allocation for the replacement of the exterior lights.

The 2023/2024 Sunset Park budgeted expenditures are \$46,000 (10.6%) less than the original 2022/2023 budget. This overall decrease is the result of (1) a \$41,090 increase in personal services costs, (2) a \$1,000 increase in commodities, (3) a \$210 increase in contractual services, and (4) an \$88,300 decrease in capital outlay. The 2023/2024 capital outlay allocation totals \$52,700 and includes \$23,000 for apartment rehabilitation including appliance replacements as needed, \$20,000 for foundation repairs, \$7,500 in concrete repairs, and \$2,200 to replace a computer and scanner.

Revised estimate revenues for Sunset Park are \$133,580 more than the original budget. The HUD capital funds increased by \$93,380, tenant rents increased by \$40,000, and other revenue increased by \$200.

Revenues for Sunset Park for 2023/2024 are estimated at \$391,700, which includes \$110,000 in rents, \$180,000 in HUD operating subsidy, \$100,000 in HUD capital funds, and \$1,700 in other revenue. Tenant rents are based on tenant incomes according to HUD public housing program regulations.

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 housing 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 housing program make principal and interest payments for the construction of the facility.

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 is funding 10% of the Housing Program Supervisor'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 Program Supervisor funded from the management fee, staff consists of a half-time Custodian, 50% of a Housing Specialist, 25% of the Maintenance Supervisor, and 10% of the fulltime Maintenance Repairperson.

The loan for the Hershey Manor project was refinanced effective December 1, 2014 under HUD's interest rate reduction program, which reduced the interest rate from 6.0% to 4.25%. This loan was refinanced in August of 2022 in order to have funds to replace the HVAC system and also replace the windows in this facility. The interest rate on the re-financed loan is 4.20%.

The revised estimate expenditures are \$25,470 more than the original budget. There were increases and decreases throughout the budget. The net increase is due to (1) a \$2,880 increase in personal services, (2) a \$2,700 decrease in commodities, (3) a \$6,450 decrease in contractual services, and (4) a \$31,740 increase in interest expense with the re-financed loan.

The budgeted expenditures for fiscal year 2023/2024 of \$447,600 are \$54,740 (13.9%) more than the original 2022/2023 budget. Increases and decreases include (1) a \$4,320 increase in personal services costs, (2) a \$2,900 decrease in commodities, (3) a \$4,510 decrease in contractual services, (4) a \$5,400 increase in capital outlay, and (5) a \$52,430 increase in interest and mortgage insurance with the re-financed loan. The capital outlay allocation of \$33,400 includes \$18,000 apartment rehabilitation including appliance replacements as needed, \$15,000 to replace the courtyard door, and \$400 for a printer.

Revenues for 2023/2024 include \$211,700 in rental payments from the tenants and an estimated \$277,800 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, 2019 the fair market rent was set at \$803. It increased to \$817 on June 1, 2020 and further increased to \$833 effective June 1, 2021. The fair market rent increased again to \$853 effective June 1, 2022 and will increase to \$882 effective June 1, 2023.

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

In recent years, the City's Section 8 Housing Choice Voucher Program enabled 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 units that are more desirable at the end of the lease period. The maximum number of individuals and families was increased by HUD to 380 in 2022/2023.

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 that year's HAP payments. HUD now holds each housing authority's HAPS reserve and any unspent HAP funding on hand is considered net restricted assets.

HUD funds for administration of the program have varied in recent years. The Administrative Reserve was \$132,154 at the end of 2020/2021 and it increased to \$209,619 at the end of 2021/2022. At the time the budget is being completed, the Administrative Reserve is expected to decrease to \$190,484 at the end of 2022/2023 and further decrease to \$157,684 at the end of 2023/2024. These amounts are based on funding estimates available when the budget is being prepared. Housing staff will continue to closely monitor HUD funding and expenditures for this program.

Federal contributions for fiscal year 2023/2024 are estimated at \$2,066,400 for the Section 8 Voucher Program, which includes \$1,800,800 for housing assistance payments (HAPS) and \$265,600 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, decrease, or increase in calendar years 2023 and 2024. 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 2023 funding, the City has not been provided sufficient HUD funds to provide housing assistance to the maximum number of individuals or families possible (380). The goal of the Housing staff is to maximize usage of the HUD funds awarded 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 (PHAs) 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 funding was initially available to fund 100% of the wages and benefits of a fulltime FSS Coordinator position. Any costs for training or other incidental expenses have been funded from the Section 8 Housing Voucher Program administrative funding. Also, when FSS funding was not sufficient to fully fund 100% of the wages and benefits of the FSS Coordinator, Voucher Program administrative funding was used to fund the balance of those costs. Due to vacancies and employee turnover, the number of FSS participants decreased and HUD only awarded FSS funding for a half-time FSS Coordinator for calendar year 2021. For calendar year 2022, HUD restored funding for 100% of a fulltime FSS Coordinator due to the increase in participation in this program.

The 2023/2024 budget includes funding of \$72,800 for a fulltime Housing Specialist assigned as the FSS Coordinator. Incidental expenses are estimated at \$5,820 in 2023/2024 which will be funded from Section 8 Housing Voucher Program administrative funding.

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 were the responsibility of the Housing Maintenance Supervisor/Inspector until that position was eliminated in December of 2016. The Section 8 housing inspections are now being done by the rental housing inspector in the City's Community Development department and costs of these inspections are paid by the Section 8 housing program to the City. These amounts are estimated at \$8,200 in both the 2022/2023 revised estimate and the 2023/2024 budget. Using the same inspector for both Section 8 and regular rental units assures consistency in enforcing housing rental code standards. Due to HUD regulation changes, inspections for Section 8 units 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 homebuyers in purchasing their own homes. This includes persons eligible and interested in purchasing a home through the Section 8 Housing Choice Voucher Home Ownership program.

The Housing Specialist position allocations to the Home Ownership Program have varied since the program was implemented. Beginning in 2021, 50% of a fulltime Housing Specialist is being allocated to this program. The 2022/2023 revised estimate is \$9,400 more than the original budget primarily due to an increased allocation for down payment assistance for eligible individuals and families that complete the Home Ownership classes and purchase homes, and that meet the eligibility requirements. The 2023/2024 budget is \$18,500 (34.2%) more than the original budget for 2022/2023. The 2023/2024 budget continues the increased allocation for down payment assistance.

The 2022/2023 revised estimate and the 2023/2024 budget include \$21,100 and \$27,000, respectively, for down payment and closing cost assistance for those completing this program, if they meet the income eligibility requirements for this assistance. These allocations are budgeted to be funded with funds from the Local Housing Trust and 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 \$45,000 of funding for the Home Ownership Program in 2023/2024. HUD Comprehensive Housing Counseling grant funding has also been received for this program. This funding was \$7,240 in 2013/2014, \$11,376 in 2014/2015, \$11,516 in 2015/2016, \$19,125 in 2016/2017, \$21,632 in 2017/2018, \$24,570 in 2018/2019, \$14,181 in 2019/2020, \$2,985 in 2020/2021, and 6,198 in 2021/2022. The grant funding is estimated at \$19,100 in 2022/2023 and \$14,000 in 2023/2023. The balance in this fund has been decreasing in recent years and is estimated at \$26,162 at the end of 2023/2024. 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.

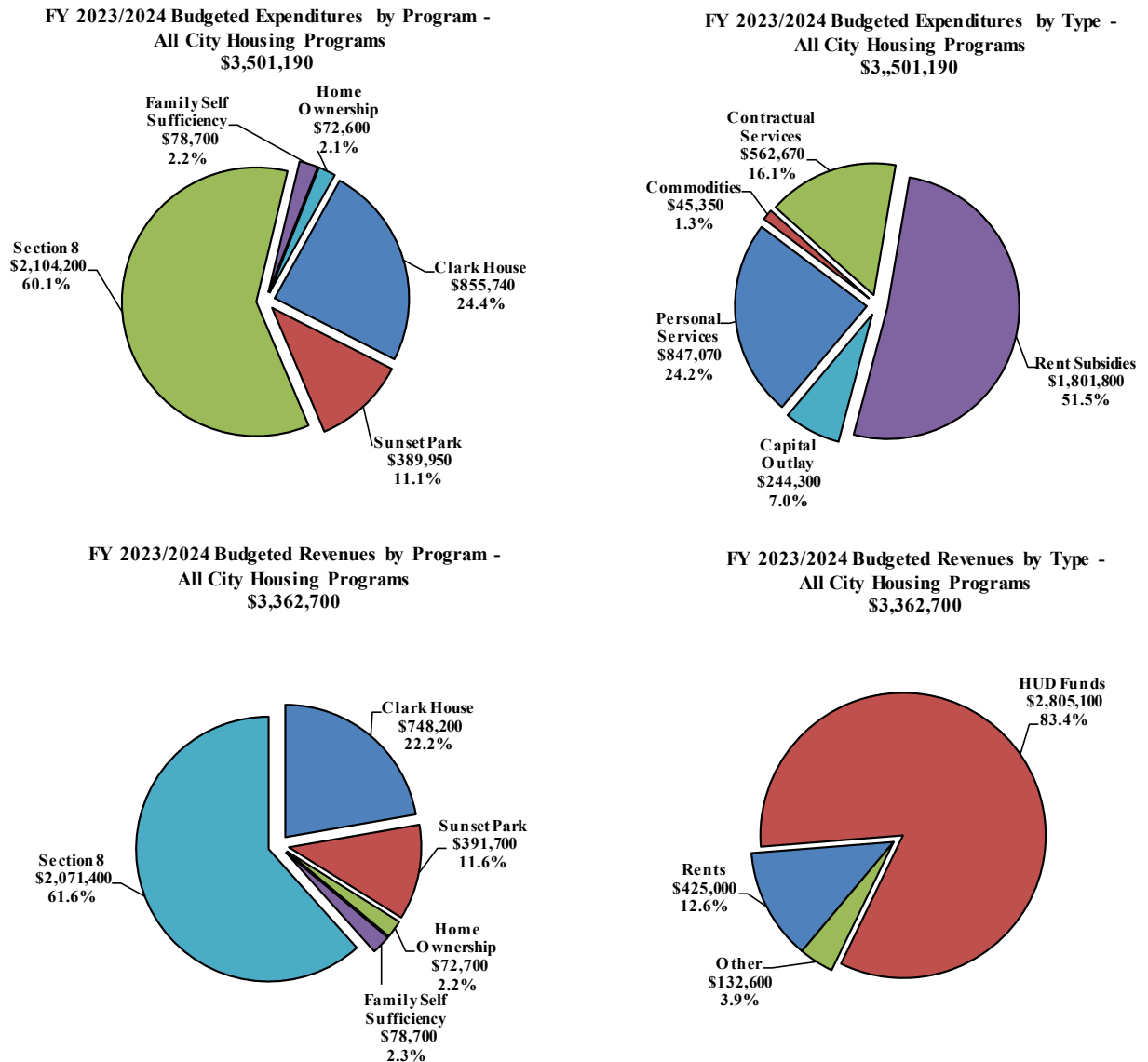
SUNSET PARK CHILDREN'S EDUCATION PROGRAM

The Sunset Park Education Center opened in 2010/2011. The Sunset Park Afterschool Children's Education Program had initially been operated every day school was in session and had been sustained by grants and donations from the community. Beginning in 2018/2019, Flickinger Learning Center is providing all staff for the Afterschool program.

The Housing Agency has discontinued operating the Afterschool and Summer Enrichment Programs. The Afterschool and Summer Enrichment programs experienced a decline in enrollment. Staff will continue to evaluate appropriate services and delivery models to meet the needs of the children that reside at Sunset Park. There is no funding being requested in the 2022/2023 revised estimate or the 2023/2024 budget.

CURRENT TRENDS AND ISSUES:

Budgeted operating expenditures for the City's Clark House, Sunset Park, Section 8 Voucher, and Home Ownership Program, total \$3,501,190 for 2023/2024 with budgeted revenues of \$3,362,700. The revenues and expenditures for the City Housing Programs are shown by program and by type in the following charts:



The various housing budgets for 2023/2024 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 2023/2024 total \$72,500 and are allocated as follows:

Clark House	\$30,200
Sunset Park	14,900
Section 8 Voucher Program	<u>27,400</u>
	<u>\$72,500</u>

Hershey Manor currently pays the City a management fee and consequently has not been included in the above allocation.

GOAL STATEMENT:

To formulate, implement and administer programs in a nondiscriminatory manner striving 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 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
Public Housing:					
<u>Clark House</u>					
Units Months Available	1,200	1,200	1,200	1,200	1,200
Months Unit is Leased	1,182	1,136	1,101	1,116	1,140
Vacancy Rate	1.50%	5.33%	8.25%	7.00%	5.00%
<u>Sunset Park</u>					
Units Months Available (1)	588	600	600	600	600
Months Unit is Leased	562	577	565	570	570
Vacancy Rate	4.42%	3.83%	5.83%	5.00%	5.00%
<u>Combined</u>					
Units Months Available	1,788	1,800	1,800	1,800	1,800
Months Unit is Leased	1,744	1,713	1,666	1,686	1,710
Percent Days Vacant	2.46%	4.83%	7.44%	6.33%	5.00%
Hershey Manor: (2)					
Units Months Available	600	600	600	600	600
Months Unit is Leased	593	511	543	555	555
Vacancy Rate	1.17%	14.83%	9.50%	7.50%	7.50%
Section 8 Voucher Program:					
Unit Months Under Lease	3,707	3,846	3,846	3,856	3,960
Average Units Under Lease	309	320	321	321	330
Earned Administrative Fees	\$ 209,264	\$ 211,148	\$ 245,670	\$ 244,200	\$ 265,600
Housing Assistance Payments	\$ 1,572,281	\$ 1,516,232	\$ 1,755,050	\$ 1,776,400	\$ 1,800,800

1. One unit at Sunset Park was off-line for foundation repairs in 2019/2020.
2. It is standard practice in the housing industry to estimate a 5% vacancy rate in projects. Hershey Manor vacancies have fluctuated over the years, topping out with about a 15% vacancy rate. Staff typically has estimated 3% vacancy based on historical information. However, during the pandemic the occupancy at Hershey Manor continued to decline. The Muscatine Municipal Housing Agency continues to make every effort to improve and stabilize occupancy.

PERFORMANCE MEASURES (Continued):

	Actual 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
Family Self Sufficiency:					
Total Participants	26	37	42	40	50
Participants with Escrow Balance	10	12	13	30	30
Participants Enrolled in Education	3	5	7	10	15
Participants Becoming Employed	5	9	18	20	25
Housing Counseling (Homeownership): (3)					
Clients Completing 8 Hour Class	17	0	22	40	36
Counseling/Households Served	149	2	77	185	150
Clients < 80% Median Income	149	2	77	185	125
Clients Purchasing Housing	4	0	5	10	15
Section 8 Homeownership Clients					
Purchasing Housing	1	1	0	0	2
Clients Completing Renter Counseling	132	0	51	145	50

3. No Housing Counseling classes were conducted during the declaration of the public health crisis. Due to a staff vacancy and the COVID-19 pandemic, the program was inactive for 2020 and part of 2021. The program was certified and reactivated, July 7, 2021.

RECENT ACCOMPLISHMENTS:**Sunset and Clark House:**

Vacancy rates remain higher than average, however, in the past 6 months, Public Housing staff have processed over three hundred applications and moved in twenty-three (23) tenants for occupancy at Clark House and Sunset Park. An additional seven tenants have been moved into Hershey Manor. Occupancy at these properties was substantially impacted as four new rent restricted housing projects came on-line in the area, including one family property and three properties for households aged fifty-five and over.

Hershey Manor:

In August, the City closed on the Hershey Manor refinanced loan, allowing the construction to begin on the replacement of the HVAC system and window replacements. These projects are expected to be substantially completed by June 30, 2023.

Section 8 Voucher Program:

Muscatine Municipal Housing Agency staff have been very busy. Housing Specialists have conducted eleven briefings (group meetings required of all program participants) for 628 applicants. Of the 296 families that attended a briefing, 38 have leased a unit with assistance and more than 85 families are currently looking for a unit. Leasing new units remains difficult due to the lack of participating properties. An additional full time Housing Specialist was added, allocated 50% to the Voucher program and 50% to the Family Self Sufficiency program.

Family Self Sufficiency:

Enrollment in the Family Self-Sufficiency (FSS) Program was placed on hold at the beginning of the 2022/2023 fiscal year as the result of a U.S. Department of Housing and Urban Development (HUD) mandate. Early in the fiscal year HUD adopted new regulations requiring each grantee to adopt a new Action Plan, which had to be approved by HUD before the new enrollments were allowed. The new plan was submitted prior to the deadline and approved in less than 30 days. The FSS coordinators are now working to implement the plan and new regulations, including establishing a new Program Coordinating Committee, as required.

Housing Counseling:

The new Housing Counselor has spent much of this year rebuilding the program, developing marketing materials, meeting with realtors and lenders, and attending training to sustain her certification. These efforts have been successful, with participants in every 8-hour homebuyer course offered. Ten families are buying their first homes with down payment assistance. The Counselor also offered 19 renter education classes, providing valuable information on tenant-landlord responsibilities and fair housing.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024:

- **Strategic Plan - Vibrant Community** – To create quality places that people want to live, work and play in and that contribute to community health, happiness, and well-being.
- **Strategic Plan - Healthy Community** – To support the provision of a full range of housing types to meet the needs of a demographically diverse population.

Public Housing - Clark House and Sunset Park

- To collect at minimum 98% of all rent due.
- To maintain at minimum a 95% occupancy rate.

Hershey Manor

- To collect at minimum 95% of all rent due.
- To maintain at minimum a 97% occupancy rate.
- To maintain an above average score on the annual Management and Occupancy Review.

Section 8 Housing Choice Voucher Program

- To maintain an average of 330 vouchers under lease throughout the fiscal year.
- To expend 100% of housing assistance funding awarded.
- To maintain High Performer status on SEMAP (Section 8 management Assessment Program)

Family Self-Sufficiency (FSS) Program

- To serve a minimum of 50 participants throughout the fiscal year.
- Engage 25 participants in self-sufficiency activities, such as financial counseling, continued education, and/or employment.

Housing Counseling Program

- To offer six Home Ownership classes in the fiscal year.
- To offer six renter counseling classes in the fiscal year.
- To increase participation in the Housing Choice Voucher Home Ownership Program.

**Public Housing Program
Clark House and Sunset Park
Fund Statement**

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024
Operating Reserve, July 1	\$ 422,085	\$ 577,552	\$ 674,522	\$ 707,545	\$ 604,075
Revenues					
Dwelling Rentals	\$ 422,564	\$ 445,104	\$ 405,000	\$ 450,000	\$ 425,000
Cable Fees	19,735	0	0	0	0
Federal Grants:					
Operating Subsidy	257,940	434,394	367,200	367,200	360,000
CARES Act Grant	7,713	28,561	0	0	0
HUD Capital Funds:					
2019 Grant	226,663	38,753	0	0	0
2020 Grant	0	60,354	0	222,530 (2)	0
2021 Grant	0	0	293,000	293,760 (2)	0
2022 Grant	0	0	0	0	300,000 (3)
Interest Income	762	463	200	10,000	10,000
Insurance Reimbursements	0	28,204	0	2,800	0
Laundry Fees	11,056	10,666	7,500	10,000	10,000
Cell Tower Leases	30,716	27,722	27,700	28,200	28,200
Miscellaneous	4,236	12,192	7,350	7,700	6,700
Total Revenues	<u>\$ 981,385</u>	<u>\$ 1,086,413</u>	<u>\$ 1,107,950</u>	<u>\$ 1,392,190</u>	<u>\$ 1,139,900</u>
Funds Available	<u>\$ 1,403,470</u>	<u>\$ 1,663,965</u>	<u>\$ 1,782,472</u>	<u>\$ 2,099,735</u>	<u>\$ 1,743,975</u>
Expenditures					
Clark House	\$ 572,614	\$ 619,333	\$ 643,720	\$ 960,560	\$ 855,740 (4)
Sunset Park	253,304	337,087	435,950	535,100	389,950 (4)
Total Expenditures (1)	<u>\$ 825,918</u>	<u>\$ 956,420</u>	<u>\$ 1,079,670</u>	<u>\$ 1,495,660</u>	<u>\$ 1,245,690</u>
Operating Reserve, June 30	<u><u>\$ 577,552</u></u>	<u><u>\$ 707,545</u></u>	<u><u>\$ 702,802</u></u>	<u><u>\$ 604,075</u></u>	<u><u>\$ 498,285</u></u>
Increase (Decrease) in Operating Reserve	\$ 155,467	\$ 129,993	\$ 28,280	\$ (103,470)	\$ (105,790)

1. Expenditures include changes in compensated absences.
2. The 2022/2023 revised estimate reflects the balances of the 2020 and 2021 HUD Capital funding grants being drawn down.
3. The 2023/2024 budget reflects a total of \$300,000 of the \$359,370 2022 HUD Capital grant being drawn down.
4. The 2023/2024 budget includes a new fulltime Maintenance Repairperson allocated 67% to Clark House and 33% to Sunset Park.

**Public Housing Program
Clark House and Sunset Park
Summary of Revenues**

	<u>Actual 2020/2021</u>	<u>Actual 2020/2021</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Clark House:					
Dwelling Rentals	\$ 323,302	\$ 315,833	\$ 310,000	\$ 315,000	\$ 315,000
Cable Fees	19,735	0	0	0	0
Federal Grants:					
Operating Subsidy	126,526	213,016	180,000	180,000	180,000
CARES Act Grant	7,346	9,640	0	0	0
HUD Capital Funds:					
2019 Grant	116,358	29,977	0	0	0
2020 Grant	0	38,541	0	162,350 (1)	0
2021 Grant	0	0	175,800	143,360 (1)	0
2022 Grant	0	0	0	0	200,000 (2)
Interest Income	742	463	200	10,000	10,000
Laundry Fees	11,056	10,666	7,500	10,000	10,000
Insurance Reimbursement	0	28,204	0	2,800	0
Cell Tower Lease	30,716	27,722	27,700	28,200	28,200
Miscellaneous	2,606	6,640	4,850	5,000	5,000
Subtotal	<u>\$ 638,387</u>	<u>\$ 680,702</u>	<u>\$ 706,050</u>	<u>\$ 856,710</u>	<u>\$ 748,200</u>
Sunset Park:					
Dwelling Rentals	\$ 99,262	\$ 129,271	\$ 95,000	\$ 135,000	\$ 110,000
Federal Grants:					
Operating Subsidy	131,414	221,378	187,200	187,200	180,000
CARES Act Grant	367	18,921	0	0	0
HUD Capital Funds:					
2019 Grant	110,305	8,776	0	0	0
2020 Grant	0	21,813	0	60,180 (1)	0
2021 Grant	0	0	117,200	150,400 (1)	0
2022 Grant	0	0	0	0	100,000 (2)
Interest Income	20	0	0	0	0
Miscellaneous	1,630	5,552	2,500	2,700	1,700
Subtotal	<u>\$ 342,998</u>	<u>\$ 405,711</u>	<u>\$ 401,900</u>	<u>\$ 535,480</u>	<u>\$ 391,700</u>
Total	<u><u>\$ 981,385</u></u>	<u><u>\$ 1,086,413</u></u>	<u><u>\$ 1,107,950</u></u>	<u><u>\$ 1,392,190</u></u>	<u><u>\$ 1,139,900</u></u>

1. The 2022/2023 revised estimate reflects the balances of the 2020 and 2021 HUD Capital funding grants being drawn down.
2. The 2023/2024 budget reflects a total of \$300,000 of the \$359,370 2022 HUD Capital grant being drawn down in 2023/2024.

Function:
Business Type

Department:
Housing

Activity:
Clark House

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 204,239	\$ 223,177	\$ 248,680	\$ 249,720	\$ 323,140	29.94%
Commodities	16,276	20,341	18,300	27,900	25,200	37.70%
Contractual Services	295,494	311,078	305,740	360,940	321,600	5.19%
Capital Outlay	50,995	70,133	71,000	322,000	185,800	161.69%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 567,004</u>	<u>\$ 624,729</u>	<u>\$ 643,720</u>	<u>\$ 960,560</u>	<u>\$ 855,740</u>	32.94%
Funding Sources						
Dwelling Rentals	\$ 323,302	\$ 315,833	\$ 310,000	\$ 315,000	\$ 315,000	1.61%
Tenant Cable Fees	19,735	-	-	-	-	
Interest Income	742	463	200	10,000	10,000	4900.00%
Federal Grants:						
Operating Subsidy	126,526	213,016	175,800	180,000	180,000	2.39%
HUD Capital Funds	116,358	68,518	180,000	305,710	200,000	11.11%
HUD CARES Act Funds	7,346	9,640	-	-	-	
Cell Tower Lease	30,716	27,722	27,700	28,200	28,200	1.81%
Office Space Lease	-	-	4,000	4,000	4,000	0.00%
Insurance Reimbursement	-	28,204	-	2,800	-	
Miscellaneous	13,662	17,306	8,350	11,000	11,000	31.74%
Total Funding Sources	<u>\$ 638,387</u>	<u>\$ 680,702</u>	<u>\$ 706,050</u>	<u>\$ 856,710</u>	<u>\$ 748,200</u>	5.97%
Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time:						
Community Development Director	0.15	0.15	0.15	0.15	0.15	
Housing Maintenance Supervisor	0.50	0.50	0.50	0.50	0.50	
Maintenance Repairperson	-	0.10	0.20	0.10	0.87	
Custodian II	0.20	0.10	-	0.10	-	
Housing Program Manager	0.28	-	-	-	-	
Housing Program Supervisor	0.06	0.25	0.25	0.25	0.25	
Housing Specialist	0.58	1.00	1.00	1.00	1.00	
Total Full Time	<u>1.77</u>	<u>2.10</u>	<u>2.10</u>	<u>2.10</u>	<u>2.77</u>	
Part Time:						
Custodian II	0.77	0.76	0.78	0.76	0.78	
Office Assistant	0.05	0.05	0.05	0.05	0.05	
Total Part Time	<u>0.82</u>	<u>0.81</u>	<u>0.83</u>	<u>0.81</u>	<u>0.83</u>	
Total	2.59	2.91	2.93	2.91	3.60	\$ 214,280
Employee Benefits						108,860
Total Personal Services						<u>\$ 323,140</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Apartment Rehabilitation	6	Yes	\$ 15,000
Appliances	10	Yes	6,000
PTAC Units (Apartment Heating and Air Conditioning Units)	5	Yes	10,000
Concrete Repairs		Yes	10,000
Roof Replacement		Yes	88,000
Roof Vent Hoods		Yes	55,000
Computer	1	Yes	1,800
Total			<u>\$ 185,800</u>

Function:
Business Type

Department:
Housing

Activity:
Sunset Park Housing

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 130,614	\$ 148,976	\$ 164,040	\$ 175,090	\$ 205,130	25.05%
Commodities	14,113	17,228	15,150	19,650	16,150	6.60%
Contractual Services	85,050	98,573	115,760	155,160	115,970	0.18%
Capital Outlay	23,527	72,310	141,000	185,200	52,700	-62.62%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 253,304</u>	<u>\$ 337,087</u>	<u>\$ 435,950</u>	<u>\$ 535,100</u>	<u>\$ 389,950</u>	-10.55%
Funding Sources						
Dwelling Rentals	\$ 99,262	\$ 129,271	\$ 95,000	\$ 135,000	\$ 110,000	15.79%
Interest Income	20	-	-	-	-	
Federal Grants:						
Operating Subsidy	131,414	221,378	187,200	187,200	180,000	-3.85%
HUD Capital Funds	110,305	30,589	117,200	210,580	100,000	-14.68%
HUD CARES Act Funds	367	18,921	-	-	-	
Miscellaneous	1,630	5,552	2,500	2,700	1,700	-32.00%
Total Funding Sources	<u>\$ 342,998</u>	<u>\$ 405,711</u>	<u>\$ 401,900</u>	<u>\$ 535,480</u>	<u>\$ 391,700</u>	-2.54%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time:						
Community Development Director	0.10	0.10	0.10	0.10	0.10	
Housing Maintenance Supervisor	0.25	0.25	0.25	0.25	0.25	
Housing Specialist	0.50	0.50	0.50	0.50	0.50	
Housing Program Supervisor	0.04	0.15	0.15	0.15	0.15	
Maintenance Repairperson	-	0.35	0.35	0.35	0.68	
Custodian II	0.70	0.35	0.35	0.35	0.35	
Total Full Time	<u>1.59</u>	<u>1.70</u>	<u>1.70</u>	<u>1.70</u>	<u>2.03</u>	
Part Time:						
Office Assistant	0.05	0.05	0.05	0.05	0.05	
Custodian II (Standby)	0.03	0.03	0.03	0.03	0.03	
Total Part Time	<u>0.08</u>	<u>0.08</u>	<u>0.08</u>	<u>0.08</u>	<u>0.08</u>	
Total	1.67	1.78	1.78	1.78	2.11	\$ 130,010
Employee Benefits						<u>75,120</u>
Total Personal Services						<u>\$ 205,130</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Apartment Rehabilitation	5	Yes	\$ 15,000
Appliance Replacements	10	Yes	8,000
Foundation Repairs			20,000
Concrete/Drainage Repairs			7,500
Computer	1	Yes	1,800
Printer/Scanner	1	Yes	400
			<u>\$ 52,700</u>

Hershey Manor

Fund Statement

	<u>Actual</u> <u>2020/2021</u>	<u>Actual</u> <u>2021/2022</u>	<u>Budget</u> <u>2022/2023</u>	<u>Revised</u> <u>Estimate</u> <u>2022/2023</u>	<u>Budget</u> <u>2023/2024</u>
Revenues					
Dwelling Rentals	\$ 212,485	\$ 214,198	\$ 204,700 (1)	\$ 204,700 (1)	\$ 211,700 (3)
Housing Assistance					
Payments - HUD	278,515	286,602	307,100 (1)	307,100 (1)	317,500 (3)
HUD Payment Reduction for Vacancies	(63,582)	(48,036)	(25,590)	(38,500)	(39,700) (3)
Interest Income	952	616	300	4,000	2,000
Cable Fees	5,600	0	0	0	0
Laundry Income	4,328	4,786	4,000	4,300	4,300
Contribution	500	0	0	0	0
CARES Act Funding	12,000	3,346	0	0	0
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Revenues	\$ 450,798	\$ 461,512	\$ 490,510	\$ 481,600	\$ 495,800
Operating Expenditures	<u>383,215</u>	<u>351,745</u>	<u>392,860</u>	<u>418,330</u>	<u>447,600</u>
Residual Receipts Before Depreciation, Principal Retirement, and Reserves	<u>\$ 67,583</u>	<u>\$ 109,767</u>	<u>\$ 97,650</u>	<u>\$ 63,270</u>	<u>\$ 48,200</u>
Additional Budget Items:					
Principal Retirement	(63,271)	(66,013)	(51,389)	(38,684)	(37,909)
Replacement Reserve Transfers	(30,768)	(30,833)	(30,768)	(31,381)	(35,004)
Debt Service Reserve Transfers	(49,668)	(49,668)	(49,668)	(8,278)	0
Portion of Above Interest from Reserve Funds	(931)	(607)	(275)	(4,000)	(2,000)
Transfers from Residual Receipts Reserve (2)	10,000	10,000	0	0	0
Transfers from Replacement Reserve (2)	<u>50,344</u>	<u>19,005</u>	<u>28,000</u>	<u>28,000</u>	<u>33,400</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Surplus (Deficit)	<u>\$ (16,711)</u>	<u>\$ (8,349)</u>	<u>\$ (6,450)</u>	<u>\$ 8,927</u>	<u>\$ 6,687</u>
Surplus (Deficit) per Unit Month	<u>\$ (27.85)</u>	<u>\$ (13.92)</u>	<u>\$ (10.75)</u>	<u>\$ 14.88 (4)</u>	<u>\$ 11.15</u>

1. The FY 2022/2023 budgeted HUD Housing Assistance Payments and dwelling rental amounts shown are based on the approved fair market rent amount of \$853 per month. A 7.5% vacancy rate is allowed for in 2022/2023.
2. Reflects the portion of the operating expenditures funded from the Replacement Reserve or Debt Service Reserve regardless of the timing of the actual funding transfer.
3. The FY 2023/2024 budgeted HUD Housing Assistance Payments and dwelling rental amounts shown are based on the approved fair market rent amount of \$882 per month. A 7.5% vacancy rate is allowed for in 2023/2024.
4. The net deficit for the current 2022/2023 year is primarily due to the transition to the new loan and project engineering costs being included in operating expenditures (previously funded from reserve)s.

Function:
Community and Economic Development

Department:
Housing

Activity:
Hershey Manor Housing

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 91,638	\$ 101,342	\$ 109,910	\$ 112,790	\$ 114,230	3.93%
Commodities	30,225	8,508	10,900	8,200	8,000	-26.61%
Contractual Services	150,397	154,319	171,050	164,600	166,540	-2.64%
Capital Outlay	45,004	24,672	28,000	28,000	33,400	19.29%
Interest/Mortgage Insurance	65,951	62,904	73,000	104,740	125,430	71.82%
Total Expenditures	<u>\$ 383,215</u>	<u>\$ 351,745</u>	<u>\$ 392,860</u>	<u>\$ 418,330</u>	<u>\$ 447,600</u>	13.93%
Funding Sources						
Dwelling Rentals	\$ 212,485	\$ 214,198	\$ 204,700	\$ 204,700	\$ 211,700	3.42%
Housing Assistance Payments - HUD	214,933	238,566	281,510	268,600	277,800	-1.32%
HUD-CARES Act Funds	12,000	3,346	-	-	-	
Interest Income	952	616	300	4,000	2,000	566.67%
Cable Fees	5,600	-	-	-	-	
Other Income	4,828	4,786	4,000	4,300	4,300	7.50%
Total Funding Sources	<u>\$ 450,798</u>	<u>\$ 461,512</u>	<u>\$ 490,510</u>	<u>\$ 481,600</u>	<u>\$ 495,800</u>	1.08%
Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time:						
Housing Maintenance Supervisor	0.25	0.25	0.25	0.25	0.25	
Custodian II	0.10	0.05	-	0.05	-	
Housing Program Supervisor	0.03	0.10	0.10	0.10	0.10	
Housing Specialist	0.50	0.50	0.50	0.50	0.50	
Maintenance Repairperson	-	0.05	0.10	0.05	0.10	
Total Full Time	<u>0.88</u>	<u>0.95</u>	<u>0.95</u>	<u>0.95</u>	<u>0.95</u>	
Part Time:						
Custodian	<u>0.39</u>	<u>0.51</u>	<u>0.53</u>	<u>0.53</u>	<u>0.53</u>	
Total	1.27	1.46	1.48	1.48	1.48	\$ 77,270
Employee Benefits						36,960
Total Personal Services						<u>\$ 114,230</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Apartment Rehabilitation	5	Yes	\$ 15,000
Appliance Replacements	5	Yes	3,000
Courtyard Door	1	Yes	15,000
Printer/Scanner	1	Yes	400
			<u>\$ 33,400</u>

Section 8 Voucher Program

Fund Statement

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024
Beginning Balance, July 1	\$ 211,402	\$ 132,154	\$ 149,384	\$ 209,619	\$ 190,484
Revenues:					
HUD Contributions-Housing Assistance Payments	\$ 1,516,232	\$ 1,755,050	\$ 1,771,000	\$ 1,776,400	\$ 1,800,800
HUD Contributions-Administration	211,148	245,670	228,900	244,200	265,600
HUD Contributions-Family Self-Sufficiency	38,357	49,167	73,165	73,165	78,700
HUD Contributions-Admin CARES Act	17,502	72,692	0	0	0
FSS Escrow Forfeitures	7,337	9,772	0	900	0
Fraud Recovery - HUD Portion	3,979	1,631	1,000	1,000	1,000
Fraud Recovery - Admin Portion	3,979	1,631	1,000	1,000	1,000
Interest - Admin Reserve	84	196	25	4,000	3,000
Total Revenues	<u>\$ 1,798,618</u>	<u>\$ 2,135,809</u>	<u>\$ 2,075,090</u>	<u>\$ 2,100,665</u>	<u>\$ 2,150,100</u>
Funds Available	<u>\$ 2,010,020</u>	<u>\$ 2,267,963</u>	<u>\$ 2,224,474</u>	<u>\$ 2,310,284</u>	<u>\$ 2,340,584</u>
Expenditures:					
Housing Assistance Payments	\$ 1,623,861	\$ 1,744,613	\$ 1,772,000	\$ 1,778,300	\$ 1,801,800
Voucher Program Administration	196,343	190,835	245,520	256,200	302,400
Family Self-Sufficiency Coordinator:					
Grant Funded Portion	38,357	49,167	73,165	73,165	78,700
Non-Grant Funded Portion	1,804	1,037	2,700	12,135	0
Voucher Admin - CARES Act	17,501	72,692	0	0	0
Total Expenditures	<u>\$ 1,877,866</u>	<u>\$ 2,058,344</u>	<u>\$ 2,093,385</u>	<u>\$ 2,119,800</u>	<u>\$ 2,182,900</u>
Ending Balance, June 30	<u>\$ 132,154</u>	<u>\$ 209,619</u>	<u>\$ 131,089</u>	<u>\$ 190,484</u>	<u>\$ 157,684</u>
Ending Balance Reserved for:					
Housing Assistance Payments (1)	\$ 0	\$ 21,840	\$ 0	\$ 21,840	\$ 21,840
Administration	132,154	187,779	131,089	168,644	135,844
Total Ending Balance	<u>\$ 132,154</u>	<u>\$ 209,619</u>	<u>\$ 131,089</u>	<u>\$ 190,484</u>	<u>\$ 157,684</u>
Increase (Decrease) in Fund Balance	\$ (79,248)	\$ 77,465	\$ (18,295)	\$ (19,135)	\$ (32,800)

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 HAP Reserve and HAP funds on hand (Net Restricted Assets) are minimal or zero each year.

Function:
Community and Economic Development

Department:
Housing

Activity:
Section 8 Voucher Program

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 133,219	\$ 137,843	\$ 160,940	\$ 166,370	\$ 204,820	27.26%
Commodities	2,618	5,155	3,000	5,250	3,500	16.67%
Contractual Services	1,701,867	1,865,143	1,853,580	1,851,680	1,890,080	1.97%
Capital Outlay	-	-	-	1,000	5,800	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 1,837,704</u>	<u>\$ 2,008,141</u>	<u>\$ 2,017,520</u>	<u>\$ 2,024,300</u>	<u>\$ 2,104,200</u>	4.30%
Funding Sources						
HUD Contributions	\$ 1,727,380	\$ 2,000,720	\$ 1,999,900	\$ 2,020,600	\$ 2,066,400	3.33%
HUD CARES Act Funds	17,502	72,692	-	-	-	
Repayment Agreements	7,958	3,262	2,000	2,000	2,000	0.00%
Interest	84	196	25	4,000	3,000	11900.00%
Other Income	7,337	9,772	-	900	-	
Total Funding Sources	<u>\$ 1,760,261</u>	<u>\$ 2,086,642</u>	<u>\$ 2,001,925</u>	<u>\$ 2,027,500</u>	<u>\$ 2,071,400</u>	3.47%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time:						
Community Development Director	0.05	0.05	0.05	0.05	0.05	
Housing Program Manager	0.60	-	-	-	-	
Housing Program Supervisor	0.13	0.50	0.50	0.50	0.50	
Housing Specialist	0.81	1.00	1.00	1.50	1.50	
Total Full Time	<u>1.59</u>	<u>1.55</u>	<u>1.55</u>	<u>2.05</u>	<u>2.05</u>	
Part Time:						
Office Assistant	0.36	0.43	0.53	0.53	0.53	
Total	1.95	1.98	2.08	2.58	2.58	\$ 137,940
Employee Benefits						66,880
Total Personal Services						<u>\$ 204,820</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Computer	1	Yes	\$ 1,800
Laptops	2	Yes	4,000
			<u>\$ 5,800</u>

Function:
Community and Economic Development

Department:
Housing

Activity:
Family Self Sufficiency Program

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 39,045	\$ 49,205	\$ 73,165	\$ 81,150	\$ 72,880	-0.39%
Commodities	-	25	-	-	-	
Contractual Services	1,115	974	2,700	4,150	5,820	115.56%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 40,160</u>	<u>\$ 50,204</u>	<u>\$ 75,865</u>	<u>\$ 85,300</u>	<u>\$ 78,700</u>	3.74%
Funding Sources						
HUD Contribution	\$ 38,357	\$ 49,167	\$ 73,165	\$ 73,165	\$ 78,700	7.57%
Section 8 HUD Admin Funds	<u>1,803</u>	<u>1,037</u>	<u>2,700</u>	<u>12,135</u>	<u>-</u>	-100.00%
Total Funding Sources	<u>\$ 40,160</u>	<u>\$ 50,204</u>	<u>\$ 75,865</u>	<u>\$ 85,300</u>	<u>\$ 78,700</u>	3.74%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time:						
Housing Specialist	0.70	0.70	1.00	1.00	1.00	\$ 47,700
Employee Benefits						<u>25,180</u>
Total Personnel Services						<u>\$ 72,880</u>

**Public Housing
Home Ownership Program
Fund Statement**

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024
Beginning Balance, July 1	38,074	38,512	\$ 36,827	\$ 25,962	\$ 26,062
Revenues:					
HUD Counseling Grant	\$ 2,985	\$ 6,198	\$ 15,600	\$ 19,100	\$ 14,000
Local Housing Trust Funds	31,744	16,223	17,500	38,400	45,000
Interest	76	20	0	100	100
Transfer from CDBG Fund:					
Housing Rehab Reimbursements	<u>0</u>	<u>0</u>	<u>12,000</u>	<u>6,000</u>	<u>13,600</u>
Total Revenues	<u>\$ 34,805</u>	<u>\$ 22,441</u>	<u>\$ 45,100</u>	<u>\$ 63,600</u>	<u>\$ 72,700</u>
Funds Available	\$ 72,879	\$ 60,953	\$ 81,927	\$ 89,562	\$ 98,762
Expenditures	<u>34,367</u>	<u>34,991</u>	<u>54,100</u>	<u>63,500</u>	<u>72,600</u>
Ending Balance, June 30	<u><u>38,512</u></u>	<u><u>25,962</u></u>	<u><u>\$ 27,827</u></u>	<u><u>\$ 26,062</u></u>	<u><u>\$ 26,162</u></u>
Increase (Decrease) in Fund Balance (1)	\$ 438	\$ (12,550)	\$ (9,000)	\$ 100	\$ 100

Function:

Community and Economic Development

Department:

Housing

Activity:**Home Ownership Program**

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 32,137	\$ 31,934	\$ 38,200	\$ 38,400	\$ 41,100	7.59%
Commodities	20	57	700	400	500	-28.57%
Contractual Services	2,210	3,000	15,200	24,700	31,000	103.95%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 34,367</u>	<u>\$ 34,991</u>	<u>\$ 54,100</u>	<u>\$ 63,500</u>	<u>\$ 72,600</u>	34.20%
Funding Sources						
HUD Counseling Grant	\$ 2,985	\$ 6,198	\$ 15,600	\$ 19,100	\$ 14,000	-10.26%
Local Housing Trust Fund	31,744	16,223	17,500	38,400	45,000	157.14%
Transfer from CDBG Fund - Housing Rehab Reimb.	-	-	12,000	6,000	13,600	13.33%
Interest	<u>76</u>	<u>20</u>	<u>-</u>	<u>100</u>	<u>100</u>	
Total Funding Sources	<u>\$ 34,805</u>	<u>\$ 22,441</u>	<u>\$ 45,100</u>	<u>\$ 63,600</u>	<u>\$ 72,700</u>	61.20%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
Full Time:						
Housing Specialist	0.25	0.50	0.50	0.50	0.50	
Part Time:						
Housing Specialist	<u>0.12</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total	0.37	0.50	0.50	0.50	0.50	\$ 24,800
Employee Benefits						<u>16,300</u>
Total Personal Services						<u>\$ 41,100</u>

**Public Housing
Sunset Park Education Program
Fund Statement**

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024
Beginning Balance, July 1	\$ 5,527	\$ 6,681	\$ 5,577	\$ 6,922	\$ 6,922
Revenues:					
Contributions - United Way	\$ 139	\$ 234	\$ 0	\$ 0	\$ 0
Other Contributions	1,000	0	0	0	0
Interest	15	7	0	0	0
Total Revenues	<u>\$ 1,154</u>	<u>\$ 241</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Funds Available	\$ 6,681	\$ 6,922	\$ 5,577	\$ 6,922	\$ 6,922
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u><u>6,681</u></u>	<u><u>6,922</u></u>	<u><u>\$ 5,577</u></u>	<u><u>\$ 6,922</u></u>	<u><u>\$ 6,922</u></u>

Increase (Decrease) in Fund Balance	\$ 1,154	\$ 241	\$ 0	\$ 0	\$ 0
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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, 2023, the City's G.O. bonds outstanding is projected to total \$14,465,000. This amount includes debt that will be funded from enterprise and tax increment funds.

The City traditionally issues bonded debt every other year. A preliminary list of the projects to be funded from the May 2024 issue and the estimated bond funding requirements are in the chart below.

City of Muscatine
Preliminary List of Projects to be Funded from the May 2024 Bond Issue
2/22/2023

	Preliminary Estimate 2024 Bond Requirements
Community Development:	
Building Demolition Projects	\$ 200,000
Parks:	
Soccer Fields #1 - #6 Irrigation System Improvements	255,000
Weed Park Lagoon Bank Stabilization Project	500,000
Deferred Building Maintenance Projects:	
Roofs, Windows, Doors, etc.	200,000
Airport Projects:	
Taxiway Widening Project (Local Share)	50,000
Relocate Fuel System Phase 1 (Local Share)	100,000
Snow Removal Equipment (Local Share)	22,500
Lights, PAPIs, and REILs for Runway 12/30 (Local Share)	65,000
Relocate Jet A Fuel Tank (Local Share)	80,000
Fire Department:	
Fire Engine	925,000
New Ambulance	276,000
Public Works Department:	
Public Works Fuel Tank and Pump Replacements	514,000
Estimated Total Bond Issue (Before Pending Projects)	\$ 3,187,500
Pending Projects:	
Indoor Sports Facility (Local Share; Subject to Outside Funding)	600,000
Police Range (Site and Scope and County Participation to be Determined)	1,000,000
Allowance for Increased Project Costs or Additional Projects	212,500
Estimated Total Bond Issue (Before Issuance Costs)	\$ 5,000,000
Estimated Bond Issuance Costs/Underwriters Discount	120,000
Estimated Total Bond Issue	\$ 5,120,000

CURRENT TRENDS AND ISSUES:

The debt service tax levy rate for the current 2022/2023 fiscal year is \$2.20086 per \$1,000 of valuation. This rate will decrease to \$2.04192 (a decrease of 7.2%) for 2023/2024. This reduction was possible due to the increase in taxable valuations for 2023/2024.

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 City's bond issues, PFM does 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 or the debt service tax levy rate for the previous year. PFM also structures the debt repayment schedules for new issues to try to avoid if possible, or minimize future increases in the debt service tax levy rate. It should be noted, however, that the debt service tax levy rates going forward will be impacted by the phase-out of the State reimbursement for the commercial and industrial rollback over the next seven years.

Revenues from property taxes, utility tax replacement funds, the State commercial and industrial property tax replacement funds, the State business property tax credit reimbursement, and interest total \$2,378,396. This is the approximate amount necessary to support debt payments of \$2,374,931 (the total estimated requirement for property tax supported debt in 2023/2024) plus the \$3,500 bond paying agent fees. Funds from the Southend Tax Increment fund will fund \$355,900 and funds from the Water Pollution Control fund will fund \$91,400 of general obligation debt requirements in 2023/2024.

The State of Iowa limits the amount of general obligation bonds which a city may issue. This limitation is 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, 2023 is as follows:

City of Muscatine
Legal Debt Margin Estimate
As of July 1, 2023

Actual Valuation January 1, 2022		\$ 1,704,665,756
State Limit (5%)		0.05
Debt Limit		\$ 85,233,288
Bonded Debt:		
Current General Obligation Debt July 1, 2023	<u>\$ 14,465,000</u>	<u>\$ 14,465,000</u>
Percent of Debt Limit Used (Before Tax Increment Rebate Obligations)		17.0%
Estimated Tax Increment Rebate Obligations July 1, 2023:		
R.L. Fridley Theatres Inc. - 15 years to maximum of \$1,500,000; declining percentages 95% to 50% (began in 2015/2016)	\$ 978,003	
R.L. Fridley Theatres Inc. - Outlot #1 - 10 years 50% to maximum of \$1,500,000 for all of the Outlots (Outlot #1 to begin in 2023/2024)		
Subject to annual appropriation; Annual appropriation for FY 24 listed.	8,000	
Wal-View Developments Project #1 - 10 years to maximum of \$5,000,000; 100% for five years; 50% for five years (began in 2015/2016)		
Subject to annual appropriation; only next year considered debt for legal debt margin computation; Annual appropriation for FY 24 is listed.	360,000	
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%; (began in 2017/2018). Subject to annual appropriation. Annual appropriation for FY 24 is listed.	175,000	
Riverview Hotel Development - 20 years to maximum of \$6,150,000; declining percentages Years 1-5 100%, Years 6-7 95%, Years 8-15 75%, Years 16-20 50% (began in 2019/2020). Subject to annual appropriation. Annual appropriation for FY 24 is listed.	560,000	
Harrison Lofts LLC Development Agreement - 15 years with years 1-6 at 75% and years 7-15 at 70% to a maximum of \$675,000 (began in 2019/2020). Subject to annual appropriation. Annual appropriation for FY 24 is listed.	38,000	
HNI Corporation Development Agreement - 50% for 10 years to a maximum of \$3,811,000 (began in 2019/2020). Subject to annual appropriation. Annual appropriation for FY 24 is listed.	110,000	
White Distribution & Supply Development Agreement - 50% for 10 years to a maximum of \$445,000 (began in 2020/2021). Subject to annual appropriation. Annual appropriation for FY 24 is listed.	66,000	
TIF Oak Park Development Agreement - 70% for 15 years to a maximum of \$497,445 (began in 2022/2023). Subject to annual appropriation; Annual appropriation for FY 24 is listed.	30,000	
NPSW Development Agreement - 75% for up to 3 phases with each phase for 10 years to a maximum of \$750,000 (first phase to begin in 2023/2024). Subject to annual appropriation; Annual appropriation for FY 24 listed	24,000	
Bush Development LLC and Hershey Property LLC Development Agreement - 100% for 10 years to a maximum of \$700,000 (began in 2021/2022). Subject to annual appropriation. Annual appropriation for FY 24 is listed.	72,000	
Musco Sports Lighting LLC Development Agreement - 50% for 10 years to a maximum of \$515,000 (began in 2022/2023). Subject to annual appropriation; Annual appropriation for FY 24 is listed.	64,000	
MVHA Colorado Lofts Development Agreement - 100% for 10 years to a maximum of \$460,000 (will begin in 2023/2024). Subject to annual appropriation; Annual appropriation for FY 24 is listed.	70,000	
MVHA Grandview Lofts Development Agreement - 100% for 10 years to a maximum of \$460,000 (will begin in 2023/2024). Subject to annual appropriation; Annual appropriation for FY 24 is listed.	17,000	
JNB Family I LP Steamboat Apartments Development Agreement - 70% for 15 years to a maximum of \$460,000 (expected to begin in 2024/2025) Subject to annual appropriation.	-	
Love's Travel Stops and Country Stores, Inc. Development Agreement - 50% for 20 years to a maximum of \$1,130,000; payments expected to begin in 2024/2025) Subject to annual appropriation.	-	
Kent Corp Development Agreement (for former McKee Button Factory) - (75% for years 1-5; 50% for years 6-10 to a maximum of \$2,500,000); expected to begin in 2027/2028) Subject to annual appropriation.	-	
	<u>\$ 2,572,003</u>	
Percent of Debt Limit Used for Tax Increment Rebate Obligations		3.0%
Total Debt Subject to Debt Limit		17,037,003
Legal Debt Margin		\$ 68,196,285
Percent of Legal Debt Limit Used		20.0%

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	\$ 51,139,973
Total Debt Subject to Debt Limit	<u>17,037,003</u>
Debt Margin Using Self-Imposed Limit	<u>\$ 34,102,970</u>
Percent of Self-Imposed Debt Limit Used	33.3%

The City's general obligation debt on a per capita basis is \$607.85 as of June 30, 2023.

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. 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 payments for the fiscal year after the annual appropriation is approved. Annual appropriation resolutions were approved by City Council in November of 2022 for the 2023/2024 annual appropriation rebates for Wal-View for their first project in the amount of \$360,000, for Wal-View for their 2nd project for \$175,000, for Musco Sports Lighting for \$64,000, for Riverview Hotel Development for \$560,000, for HNI Corporation for \$110,000, for Harrison Lofts LLC for \$38,000, for White Distribution & Supply for \$66,000, for Bush Development LLC/Hershey Property LLC for \$72,000, for JNB Oak Park, LP for \$30,000, for NPSW Development (Arbor Commons) for \$24,000, for MVHA for Colorado Lofts for \$70,000, for MVHA for Grandview Lofts for \$17,000, and for R.L. Fridley Theatres Inc. for Outlot #1 for \$8,000. There are three other development agreements which will also be subject to annual appropriation. These are with JNB Family 1 LP for the Steamboat Apartments project. Love's Travel Stops and Country Stores Inc., and for Kent Corporation for the former McKee Button Factory renovation. 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

	<u>Actual</u> <u>2020/2021</u>	<u>Actual</u> <u>2021/2022</u>	<u>Budget</u> <u>2022/2023</u>	<u>Revised</u> <u>Estimate</u> <u>2022/2023</u>	<u>Budget</u> <u>2023/2024</u>
Beginning Balance, July 1	\$ 137,770	\$ 104,143	\$ 104,143	\$ 111,601	\$ 67,860
Revenues					
Property Tax (1)	\$ 2,312,326 (1)	\$ 2,362,274 (2)	\$ 2,231,130 (3)	\$ 2,231,130	\$ 2,248,596
Utility Tax Replacement Excise Tax	9,405	8,158	6,989	6,989	6,799
Commercial and Industrial Replacement Funds	91,478	90,987	80,514	80,514	69,012
Business Property Tax Credit Reimbursement	0	0	0	0	52,989
Interest	1,896	927	500	1,000	1,000
Transfers In:					
Southend Tax Increment Fund	347,734	352,900	357,000	357,000	355,900
Water Pollution Control Fund	90,550	92,950	95,150	95,150	91,400
Total Revenues	<u>\$ 2,853,389</u>	<u>\$ 2,908,196</u>	<u>\$ 2,771,283</u>	<u>\$ 2,771,783</u>	<u>\$ 2,825,696</u>
Funds Available	<u>\$ 2,991,159</u>	<u>\$ 3,012,339</u>	<u>\$ 2,875,426</u>	<u>\$ 2,883,384</u>	<u>\$ 2,893,556</u>
Expenditures					
Charges for Services	\$ 2,700	\$ 3,000	\$ 3,000	\$ 3,500	\$ 3,500
Bonds	2,475,000	2,555,000	1,860,000	2,295,000 (4)	2,375,000
Interest	409,316	342,738	281,368	517,024 (4)	447,231
Estimated Debt Requirements New Issue:					
Bonds	0	0	540,000 (4)	0	0
Interest	0	0	126,386 (4)	0	0
Total Expenditures	<u>\$ 2,887,016</u>	<u>\$ 2,900,738</u>	<u>\$ 2,810,754</u>	<u>\$ 2,815,524</u>	<u>\$ 2,825,731</u>
Ending Balance, June 30	<u><u>\$ 104,143</u></u>	<u><u>\$ 111,601</u></u>	<u><u>\$ 64,672</u></u>	<u><u>\$ 67,860</u></u>	<u><u>\$ 67,825</u></u>

Increase (Decrease) in Fund Balance	\$ (33,627)	\$ 7,458	\$ (39,471) (3)	\$ (43,741)	\$ (35)
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Debt Service Tax Levy Rates (Per \$1,000 of Taxable Valuation)	\$ 2.34955	\$ 2.32232	\$ 2.20086	\$ 2.20086	\$ 2.04192
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1. The 2019/2020 and 2020/2021 debt service tax levies were lower than the \$2.89 target rate for future years due to actual interest rates on recent bond issues being less than projected
2. The 2021/2022 debt service tax levy was also based on not exceeding the \$2.89 target level.
3. The 2022/2023 debt service tax levy was again based on not exceeding the \$2.89 target level. For the 2022/2023 budget, approximately \$40,000 of debt service fund balance was budgeted to be used to reduce the City's overall property tax levy
4. The budget for 2022/2023 included estimated debt service requirements on the May 2022 bond issue. Actual debt requirements are included with other bond and interest requirements in the revised estimate for 2022/2023.

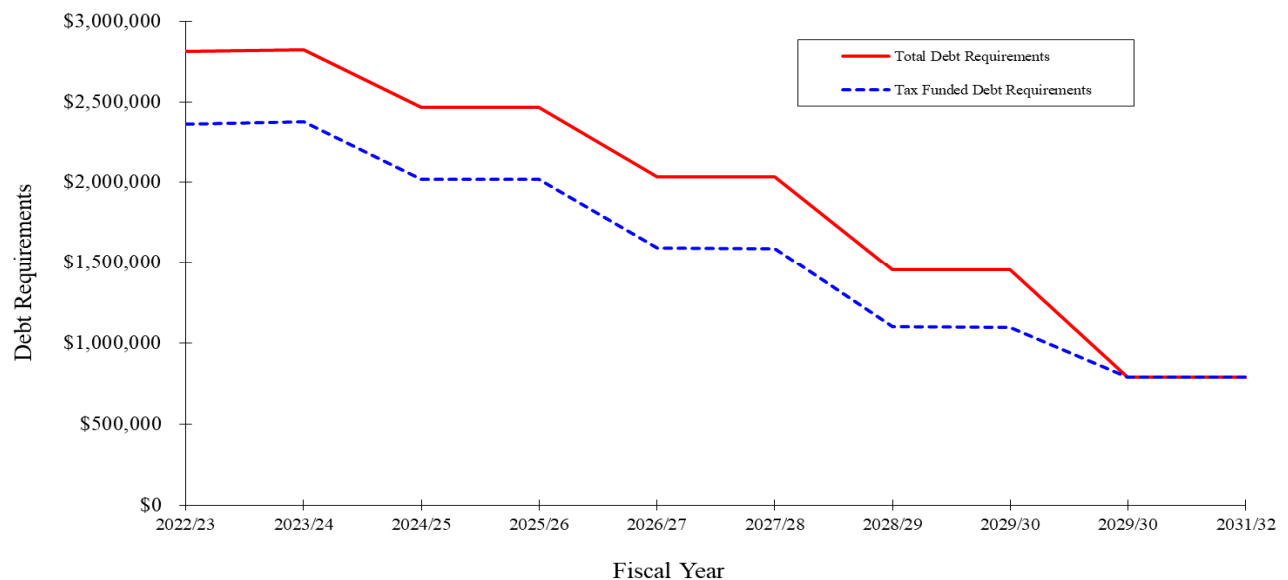
DEBT SERVICE FUND

SUMMARY OF BOND AND INTEREST REQUIREMENTS

CURRENT GENERAL OBLIGATION BONDS

Fiscal Year	Principal	Interest	Total Requirements Current Debt	Water Pollution Control and TIF Funded Debt Requirements	Expected Tax Funded Debt Requirements
2022/23	\$ 2,295,000	\$ 517,024	\$ 2,812,024	\$ 452,150	\$ 2,359,874
2023/24	2,375,000	447,231	2,822,231	447,300	2,374,931
2024/25	2,090,000	375,776	2,465,776	447,350	2,018,426
2025/26	2,160,000	307,126	2,467,126	447,050	2,020,076
2026/27	1,795,000	240,463	2,035,463	442,250	1,593,213
2027/28	1,850,000	186,413	2,036,413	448,200	1,588,213
2028/29	1,325,000	130,613	1,455,613	353,800	1,101,813
2029/30	1,365,000	90,413	1,455,413	357,000	1,098,413
2029/30	740,000	48,913	788,913	-	788,913
2031/32	765,000	24,863	789,863	-	789,863
Total	\$ 16,760,000	\$ 2,368,835	\$ 19,128,835	\$ 3,395,100	\$ 15,733,735

Annual Bond and Interest Requirements



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
2022/23	\$ 395,000	\$ 16,405	\$ 411,405
2023/24	405,000	8,505	413,505
Total	<u>\$ 800,000</u>	<u>\$ 24,910</u>	<u>\$ 824,910</u>

DEBT SERVICE FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

General Obligation Corporate Purpose and Refunding Bonds

**Mulberry Avenue Street Improvements, Art Center HVAC and
Building Envelope, Other Public Building Improvements, Airport Runway
and Other Airport Improvements, Parks Improvements,
and Building Demolitions**

\$4,550,000 Total Issue Dated May 26, 2016

Fiscal Year	Principal	Interest	Total Requirements
2022/23	\$ 440,000	\$ 41,513	\$ 481,513
2023/24	450,000	30,513	480,513
2024/25	460,000	21,513	481,513
2025/26	470,000	11,163	481,163
Total	<u>\$ 1,820,000</u>	<u>\$ 104,702</u>	<u>\$ 1,924,702</u>

DEBT SERVICE FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

General Obligation Corporate Purpose Bonds

**Aerial Fire Truck, Musser Public Library and HNI Community Center
Remodeling, Other Public Building Improvements, Airport Improvement
Projects, New Trail Projects, Various Parks Improvement Projects, and
Water Pollution Control Plan Digester Conversion Project**

\$4,090,000 Total Issue Dated May 23, 2018

Fiscal Year	Principal	Interest	Total Requirements
2022/23	\$ 455,000	\$ 125,650	\$ 580,650
2023/24	475,000	102,900	577,900
2024/25	500,000	79,150	579,150
2025/26	525,000	54,150	579,150
2026/27	545,000	33,150	578,150
2027/28	560,000	16,800	576,800
Total	<u>\$ 3,060,000</u>	<u>\$ 411,800</u>	<u>\$ 3,471,800</u>

DEBT SERVICE FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

General Obligation Corporate Purpose Bonds

**Purchase of IDOT Maintenance Facility Property,
Park Avenue 4-Lane to 3-Lane Conversion, Parks Fencing, Playground,
and Soccer Field Improvements, Deferred Building Maintenance
Projects, West Side Trail, Transfer Station Fire Suppression System,
2nd Street Streetscaping, and New Airport Hangars and Apron Expansion**

\$6,310,000 Total Issue Dated May 7, 2020

Fiscal Year	Principal	Interest	Total Requirements
2022/23	\$ 570,000	\$ 97,800	\$ 667,800
2023/24	580,000	86,400	666,400
2024/25	595,000	74,800	669,800
2025/26	605,000	62,900	667,900
2026/27	615,000	50,800	665,800
2027/28	630,000	38,500	668,500
2028/29	640,000	25,900	665,900
2029/30	655,000	13,100	668,100
Total	<u>\$ 4,890,000</u>	<u>\$ 450,200</u>	<u>\$ 5,340,200</u>

DEBT SERVICE FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

General Obligation Corporate Purpose Bonds

Grandview Avenue Reconstruction, Park Avenue 4-Lane to 3-Lane Conversion (Series B), Former Kum and Go Property Purchase, Dilapidated Building Demolitions, Local Share of Flood Damages, City Building Deferred Maintenance Projects, Transfer Station Tipping Floor Replacement, Park Playgrounds and Aquatic Center Improvements, Public Safety Telephone System Upgrade, New Fire Engine, Ambulance Replacements (2), and Local Share of Vehicle Wash Bay

\$6,190,000 Total Issue Dated June 2, 2022

Fiscal Year	Principal	Interest	Total Requirements
2022/23	\$ 435,000	\$ 235,656	\$ 670,656
2023/24	465,000	218,913	683,913
2024/25	535,000	200,313	735,313
2025/26	560,000	178,913	738,913
2026/27	635,000	156,513	791,513
2027/28	660,000	131,113	791,113
2028/29	685,000	104,713	789,713
2029/30	710,000	77,313	787,313
2030/31	740,000	48,913	788,913
2031/32	765,000	24,863	789,863
Total	<u>\$ 6,190,000</u>	<u>\$ 1,377,223</u>	<u>\$ 7,567,223</u>

CAPITAL IMPROVEMENTS 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; Road Use Taxes; 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 ensure the availability of financial resources when the need for the improvement occurs. The City has developed the Five-Year Capital Improvements Plan (CIP) 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 (CIP). In October of 2022, the City Council approved the resolution adopting the current Five-Year Capital Improvement Plan for fiscal years 2023/2024 through 2027/2028. 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 at <https://www.muscatineiowa.gov/DocumentCenter/View/28287/Capital-Improvement-Plan-FY-2024-2028?bidId=>. A listing of all of the projects in the Five-Year CIP is on pages 8-17 in the attached link. This list is ranked in "priority" order using the point system developed when the plan was being prepared. 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 2022/2023 revised estimate and the 2023/2024 budget are projects that 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, park facility and building improvements, and improvements at the airport.

Pavement Management Program/Street and Sidewalk 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 was extended in the 2018 referendum and is currently estimated at approximately \$668,000 annually. In 2023/2024, the Local Option Sales Tax funding for pavement management projects of \$668,000 will be supplemented with a \$332,000 allocation of Road Use Tax funds that total to a \$1,000,000 allocation for pavement management projects. The additional Road Use Tax funding is available as a result of the State legislature increasing the gasoline tax by \$.10 per gallon effective March 1, 2015.

The State transferred jurisdiction and maintenance responsibilities for the Mississippi Drive Corridor from the Mississippi River Bridge south to the Highway 61 Bypass to the City in September of 2014. The State provided \$13 million of funding that the City used to reconstruct and improve this corridor. Engineering design began in 2014/2015 and continued through 2016/2017 for the portion of this corridor from the Mississippi River bridge to Grandview Avenue. Construction for phase one of this project, from the Mississippi River bridge to Broadway, excluding the Mulberry Avenue intersection, began in the late spring of 2017 and this section has been completed. The CP Railroad contributed a total of \$4 million of funding for phase one of this project. Muscatine Power & Water is also contributing funds for the utility relocation work required by this project. The balance of the phase one project costs was funded from the Transfer of Jurisdiction funds. Construction began in 2019/2020 for Phase 2 of this project, the 2nd Street and Mulberry Avenue roundabout, and the roundabout was completed in 2020/2021. Construction began in the spring of 2021 on Grandview Avenue, which is the third phase of the Corridor improvement project. The Grandview Avenue project is expected to be substantially completed by the end of the 2022/2023 fiscal year. Engineering design began in 2022/2023 and will continue in 2023/2024 for the Carver Corner Roundabout, the final phase of the Corridor project. Construction of the roundabout will be scheduled for a future year

The Mississippi Drive/Grandview Avenue Corridor project reconstructed and enhanced over three miles of the Highway 61 Business Route through Muscatine from the Mississippi River Bridge to the Highway 61 Bypass. This project was constructed in accordance with the City's Complete Streets Policy and included reconstruction of the roadway, installation of sidewalks, street lighting enhancements, lane reconfiguration, landscaping, gateway features, and burial of overhead utility lines.

The 2014/2015 budget included funding to begin a new sidewalk installation program with funding from Road Use Tax funds. Various new sidewalks have been installed since the inception of this program, many of which were in school zones. The most recent sidewalk project was for new sidewalks on 67th Street. Design for the 67th Street sidewalks began in 2020/2021 and was completed in the summer of 2022. The 67th Street Sidewalk was completed in 2022/2023. The 2023/2024 sidewalk allocation is for a new sidewalk on Devitt Street. The budget allows \$100,000 for this project (including engineering design). Funding for the 2023/2024 project is from American Rescue Plan Act (ARPA) funds.

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 is being constructed in multiple phases over the next six years and the total cost for all of the phases is projected to reach or exceed \$55 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 provided for three areas of work to be completed in calendar years 2015, 2016, and 2017. Bids for Phase 4 of the project were received in March of 2018. Phase 4 also consisted of three work areas to be constructed over the next three calendar years (2018,

2019, and 2020). Bids for Phase 5 were received in March of 2021 and this phase of the project was scheduled to be completed over two years (2021 and 2022). Contract work for Phase 5, however, is behind schedule, and is now expected to be completed by the end of calendar year 2023. Engineering design began in 2021/2022 and was completed in 2022/2023 for Phases 6-A and 6-B of this project. Bids for Phases 6-A and 6-B were received on May 9, 2023. The 2023/2024 funding amount reflects the final work on Phases 5-A and 5-B, a portion of the construction work on Phases 6-A and 6-B, construction engineering and inspection services and related costs, and engineering design work for the remaining phases of Phase 6.

The 80% allocation of Local Option Sales Tax funds was sufficient to fund project costs through Phase 5 of the West Hill project. In the long-term financing plan for the West Hill Sewer Separation project prepared by PFM, the City's financial consultant, State Revolving Fund (SRF) Loans were projected to be needed beginning in 2023 to fund all 5 phases of Phase 6 plus the work required at the Papoose Pumping Station at the end of the project. Based on available cost estimates, PFM estimated the SRF Loans needed to complete the financing of this project to total \$22,800,000. The interest rate for the SRF loan is currently 2.0%. Up to three SRF loans are projected to be needed to fund the multiple contracts that will be required for Phase 6.

The previous 10-year local option sales tax period was scheduled to end on June 30, 2019 and a referendum was held on March 6, 2018 on the proposal to extend this tax for an additional 15 years to fund future sewer (80%) and street (20%) improvement projects. Voters again approved the extension of this tax with 88% voting in favor of the extension. The 80% allocation of the local option sales tax for sewer improvements will fund the remaining project costs and the projected debt service costs for the remaining phases of the West Hill Sewer Separation project

Other Projects

Other significant capital projects budgeted for 2023-2024 include:

Park Avenue West Bridge Replacement - During inspections of the bridges in the City, the Park Avenue West bridge was designated as a bridge that needed to be replaced. The 2023/2024 funding amount is for the engineering design for the new bridge. Construction is scheduled for 2025 with 100% of the construction costs to be funded from grant funds. Funding for the engineering design will be from future Road Use Tax funds or future bonding.

Soccer Fields 1-6 Irrigation System Improvements – During the development of the 2021/2022 budget, the Parks department requested the funds originally allocated for Soccer Field #3 improvements to be re-allocated and used to replace the irrigation systems on Fields 1-6. Engineering design for this project is underway in 2022/2023 and construction is scheduled for 2023/2024. The original bond funding amount will need to be supplemented with additional bond funding from the May 2024 bond issue to complete the financing of this project.

Weed Park Lagoon Bank Stabilization Project - Erosion has become a problem, especially on the north edge of the lagoon, posing a risk to the public who fish from these banks. The erosion will also cause the lagoon to prematurely fill with silt. This project will stabilize the water's edge by adding rip rap around the entire lagoon. The island in the upper section of the lagoon will also have rip rap added. The viewing deck on the edge of the lagoon is beginning to cave into the lagoon. This project also includes replacing the deck and making a safer surface.

Substandard Building Demolition Projects – The City has identified a number of substandard buildings that may be required to be removed by the City as nuisance properties. These include buildings damaged by structure fires and other properties where the owners have not taken responsibility for the buildings. The City can assess the costs of demolition to the properties, but in many cases, it is doubtful that these costs will be

recovered. The May 2022 bond issue provided \$200,000 of funding for demolition projects and an additional \$200,000 is budgeted to be included in the May 2024 bond issue.

Public Building Deferred Maintenance Projects - Since 2016, the City has been using bond proceeds to fund deferred building maintenance costs. The May 2022 bond issue included \$274,000 in funding for these projects and the budget allows for an additional \$200,000 to be included in the May 2024 bond issue for additional deferred building maintenance projects. The 2023/2024 funding amount is for carpet replacements in City Hall and the Fire department, and locker room expansion at the Police department.

Fire Engine - The May 2024 bond issue will include funding for a new front-line fire engine. This fire engine will replace a reserve engine that is 30 years old. The cost of the new fire engine is estimated at \$925,000.

Ambulance with Power Load - The May 2024 bond issue will include funding for a new front-line ambulance. This ambulance will replace a 2015 ambulance with over 202,000 miles. The cost of the new ambulance is estimated at \$276,000.

City Wayfinding Program - In January of 2023, the City entered into a contract with Corbin Design for \$75,950 to create a Wayfinding Masterplan for the City of Muscatine. The Wayfinding Master Plan is the first step in the development and implementation of a Wayfinding Program in the City, which will include monument signs at gateways to the City, directional signage to and between recreation and cultural amenities, and signage to specific business districts and/or neighborhoods. The program is proposed to be completed over five years with funding from future tax increment funds of \$150,000 per year for wayfinding, which includes the development of the wayfinding master plan.

Public Art – 2nd and Mulberry Roundabout - In December of 2020, the Public Art Advisory Commission released a Request for Qualifications targeted at artists with public art experience from Iowa and neighboring states. Seventeen artists expressed an interest in the project, and fifteen submitted applications. The Commission evaluated the applications and also consulted with City department heads, and narrowed the proposals to three. The Commission then held a public vote of the work of three artists being considered for the roundabout. Members of the Advisory Commission met on January 11, 2022 to review feedback from the survey and recommended the selection of the public art piece, Zenith by Nathan Pierce, as it garnered the largest percentage of votes. Fundraising then began for the sculpture as well as the installation costs. The donations received will be supplemented with American Rescue Plan Act (ARPA) funds to completed the financing of this project. This project is scheduled to begin in 2022/2023 and be completed in 2023/2024.

Art Center Japanese Garden Renovation - In 2019/2020, the Muscatine Art Center staff worked with Iowa State University landscape architect professor Heidi Hohmann, to gather documentation pertaining to the historic Japanese Garden at the Art Center and to create a plan for the garden. The Japanese Garden was installed by Laura Musser-McColm in 1930 and is a contributing feature for the property's National Register of Historic Places listing. Hohmann developed the Historic Landscape Preservation Plan, and the plan was used to secure two grants to fund its implementation. A third grant was received to hire a consultant to further research the garden. The plan balances the historic features of the garden with its current use as a public space, including ADA-accessibility. Grant awards include \$122,402 from the federal Paul Bruhn Historic Revitalization Fund administered through the Iowa Department of Cultural Affairs, \$100,000 from the Roy J. Carver Charitable Trust, and \$3,000 from Humanities Iowa. The project began in 2021/2022 and is scheduled to be completed in 2023/2024.

Public Works Fuel Tanks and Pumps - All departments of the City fuel their vehicles from the underground gasoline and diesel tanks at Public Works. The condition of the aging fuel tanks and fuel pumps has been noted in recent inspections of the system and insurance costs for these tanks have been increasing due to the age and condition of the tanks. The estimated cost of this project is \$514,000. Funding will be from the May 2024 bond issue.

Water Pollution Control Plant (WPCP) UV Disinfection System Project - The 2021/2022 WPCP budget included a \$100,000 allocation for a Facilities Plan to assist in identifying and prioritizing improvements needed at the WPCP. This study began in 2021/2022 and was completed in 2022/2023. This study ranked the UV Disinfection System as one of the highest priorities. The engineering design for the project is underway in 2022/2023 with project construction scheduled for 2023/2024. Funding for the project will be from the Plant Replacement Reserve.

Water Pollution Control Plant (WPCP) and Lift Stations Electrical Upgrades - The WPCP Facilities Plan completed in 2022/2023 identified electrical upgrades at the WPCP and the lift stations as priority projects. Engineering design for the upgrades is scheduled for 2023/2024 with project construction to follow in 2024/2025.

Lake Park Boulevard Watershed Study/Improvements - Several property owners on Lake Park Boulevard near the Mad Creek Bridge experience flooding in their garages or basements during flash flood events. A study was completed in 2021/2022 to evaluate alternate ways to address the flooding issues. Project design is scheduled to be completed in 2022/2023 for design costs for Alternate #1 of the recommendations in the study. The project costs for Alternate #1, estimated at \$135,000, are included in the 2023/2024 budget. Funding will be from Collection and Drainage funds.

Airport – Relocate Jet A Fuel Tank Project - The City was awarded a grant from the Iowa Department of Transportation in the amount of \$320,000 that will fund 80% of the cost of this project. The balance of the project costs will be funded from the May 2024 bond issue.

Airport – Lights, PAPIs, and REILs for Runway 12/30 and Parallel Taxiway Project - The City was awarded a grant from the Federal Aviation Administration (FAA) in the amount of \$585,000 that will fund 90% of the cost of this project. The local match for the project will be funded from the May 2024 bond issue.

SUMMARY:

The following pages identify and describe all capital projects currently in the planning stage or under construction in 2022/2023 as well as those planned for 2023/2024. This section also includes listings of these projects for both 2022/2023 and 2023/2024. Total capital project costs are estimated at \$15,500,200 for 2022/2023 and \$12,878,900 for 2023/2024.

A separate listing of capital outlay items included in department operating budgets in 2023/2024 is also included in this section of the budget for informational purposes. These items total \$3,058,700, which brings the total budget for capital outlay and capital projects to \$15,937,600 for 2023/2024.

**CAPITAL IMPROVEMENT PROJECTS
CAPITAL PROJECTS FUND**

FISCAL YEAR 2022/2023 PROJECTS UNDER CONSTRUCTION

On-Going Pavement Management Program: This ongoing program has been funded from the 20% allocation of the local option sales tax dedicated by voter referendum for the pavement management program. In recent years, the Local Option Sales Tax funding for pavement management projects has been supplemented with an allocation of Road Use Tax funds. The additional Road Use Tax funding is available due to the State legislature increasing the gasoline tax by \$.10 per gallon effective March 1, 2015. In 2022/2023, the Local Option and Road Use Tax funds are being used for the final payments on the 2022 street resurfacing project and the start of the Fulliam Avenue reconstruction project. The Fulliam project is schedule to be done over the next three years (2023, 2024, and 2025). Work on the Fulliam project needs to be done during the non-school year months of the year since it is a major route to the Susan Clark Junior High School.

<u>Funding Source</u>	<u>FY 2022/2023 Funding Amount</u>
Local Option Sales Tax Funds	\$ 704,300
Road Use Tax Funds	<u>295,700</u>
	<u>\$ 1,000,000</u>

Future Impact on Operating Budget: This project will maintain streets at a higher level to avoid future costs.

Transfer of Jurisdiction/Mississippi Drive and Grandview Avenue Corridor Improvements: The State transferred jurisdiction and maintenance responsibilities for the Mississippi Drive Corridor from the Mississippi River Bridge south to the Highway 61 Bypass to the City in September of 2014. The State provided \$13 million of funding that the City used towards the reconstruction and improvement of this corridor. Engineering design began in 2014/2015 and continued through 2016/2017 for the portion of this corridor from the Mississippi River bridge to Grandview Avenue. Construction for phase one of this project, from the Mississippi River bridge to Broadway, excluding the Mulberry Avenue intersection, began in the late spring of 2017 and this section has been completed. The CP Railroad contributed a total of \$4 million of funding for phase one of this project. Muscatine Power & Water is also contributing funds for the utility relocation work required by this project. The balance of the phase one project costs was funded from the Transfer of Jurisdiction funds. Construction began in 2019/2020 for Phase 2 of this project, the 2nd Street and Mulberry Avenue roundabout, and construction was completed in 2020/2021. Construction began in the spring of 2021 on Grandview Avenue, which is the third phase of the Corridor improvement project.

Project costs in 2022/2023 include the continuation of construction on the Grandview Avenue project, engineering, and related costs. The Grandview Avenue project is expected to be completed by the end of the 2023 calendar year. Federal grant funds, Muscatine Power & Water reimbursements for utility work, and bond proceeds supplemented the Transfer of Jurisdiction funding for this project.

<u>Funding Sources</u>	<u>FY 2022/2023 Funding Amount</u>
Federal Grant Funds	\$ 3,550,000
Reimbursements from Muscatine Power & Water	364,200
Interest	8,200
	<u>\$ 3,922,400</u>

Future Impact on Operating Budget: When improvements to this corridor are completed, annual maintenance costs will be reduced. Specific cost savings cannot be determined.

Park Avenue Improvements: In January of 2018, the City received notification that its application for a Traffic Safety Improvement Program (TSIP) grant to convert a portion of Park Avenue from a 4-lane to a 3-lane configuration was approved by the Iowa Department of Transportation (IDOT). The original grant was for \$325,000. The scope of this project was later expanded and three additional IDOT grants were awarded that bring the total grant funding for the project to \$1,297,714. The total project cost is currently estimated at \$2.7 million. Muscatine Power & Water will fund an estimated \$285,500 of the project costs for utility work. The May 2020 bond issue included \$425,000 of funding for this project and the balance of the local share, estimated at \$725,000 was funded from the spring 2022 bond issue. Engineering design began in 2019/2020 and was completed in the summer of 2020. Construction began in the summer of 2020 and the final work on the project is expected to be completed by the end of the 2022/2023 fiscal year.

<u>Funding Sources</u>	<u>FY 2022/2023 Funding Amount</u>
Iowa Department of Transportation Grants	\$ 1,297,700
Muscatine Power & Water Contributions	285,500
	<u>\$ 1,583,200</u>

Future Impact on Operating Budget: This project will not have an impact on future operating budgets.

New Sidewalk Program: The 2014/2015 budget included funding to begin a new sidewalk installation program. Annual allocations of approximately \$100,000 from the Road Use Tax fund are proposed to be used to fund this ongoing program. A total of \$110,042 was expended for new sidewalks in 2014/2015, \$132,640 in 2015/2016, and \$114,649 in 2016/2017. Only preliminary engineering costs of \$942 were expended in 2017/2018. The allocation for 2018/2019 totaled \$135,594 which funded the sidewalk extension on Tanglefoot Lane and the trail/sidewalk on Houser Street in front of the new Soccer West parking lot. The 2019/2020 allocation was to be used to fund new sidewalks in the Grandview Avenue area in conjunction with the reconstruction of that roadway. With the Grandview Avenue Reconstruction project delayed, the allocation for the Grandview Avenue sidewalks was deferred until 2021/2022. That funding allocation was made directly from the Road Use Tax fund to the Grandview Avenue capital project fund. The next sidewalk project was for new sidewalks on 67th Street. Design for the 67th Street sidewalks began in 2020/2021 and was completed in the summer of 2022. The 2022/2023 budget includes \$310,000 for the final construction and related costs for this sidewalk.

<u>Funding Sources</u>	<u>FY 2022/2023 Funding Amount</u>
Road Use Tax Funds	\$ 310,000

Future Impact on Operating Budget: None, since sidewalks in residential areas are the responsibility of the property owners.

Downtown Streetscape Project: This project involved street and sidewalk improvements on 2nd Street between Mulberry Avenue and Pine Street in downtown Muscatine. Engineering design for this project began in 2018/2019 and was completed in 2019/2020. The contract for this project was approved by City Council in February of 2020 and construction began in April of 2020. Available tax increment financing (TIF) funds were used to fund the engineering design costs. The May 2020 general obligation bond issue included \$3.2 million for this project. Debt service requirements on this portion of the bond issue will be paid from future tax increment funds. The 2022/2023 budgeted amount includes the final construction costs for this project. Muscatine Power & Water is reimbursing the City for utility work that was required for this project.

<u>Funding Sources</u>	<u>FY 2022/2023 Funding Amount</u>
Balance of the May 2020 Bond Proceeds (to be funded from future Tax Increment Funds)	\$ 106,800
Muscatine Power & Water Reimbursement	<u>44,500</u>
	<u>\$ 151,300</u>

Future Impact on Operating Budget: There will be savings in annual maintenance costs when these improvements are completed. The amount of the savings cannot be determined.

Lake Park Bridge Deck Repair Project: During inspections of the bridges in the City, the bridge deck on the Lake Park Bridge was determined to be in need of repairs. Funding will be from Road Use Tax funds.

<u>Funding Sources</u>	<u>FY 2022/2023 Funding Amount</u>
Road Use Tax Funds	\$ 210,000

Future Impact on Operating Budget: No impact on future operating budgets is expected.

Riverfront Amphitheater – Design: In July of 2021, City Council approved an internal advance of \$50,000 for the preliminary design costs for this future year project. The Riverside Park Improvement project was included in the March 2018 Urban Renewal Plan Amendment, which makes this project eligible for TIF funding. In 2022, the City Council approved a Professional Services Agreement with RDG Planning & Design for further planning and design work for this project. This agreement provides for RDG to create a 60% design of the project which will allow for construction cost estimates that can be used for grant applications. This agreement will also serve as the basis for further planning and design which will include final design, construction plans, and bid documents. Funding for the \$260,000 cost of this agreement will be shared equally between the City and private contributions that are being held at the Community Foundation. Outside contributions are expected to fund a substantial portion of the cost for construction of the amphitheater.

<u>Source</u>	<u>FY 2022/2023 Funding Amount</u>
Available Tax Increment Financing (TIF) Funds	\$ 150,000

Future Impact on Operating Budget: None

Soccer Fields 1-6 Irrigation System Improvements: The May 2020 bond issue included funding for Soccer Field #3 improvements. This project was originally planned to involve removal of all of the current turf and replacing it with an aggressive species of Kentucky bluegrass to limit infestation of poa annua throughout the field. The project would have also included replacement of the current hydraulic irrigation system with an electric irrigation system on that field. During the development of the 2021/2022 budget, the Parks department requested the funds originally allocated for Soccer Field #3 be re-allocated to replace the irrigation systems on Fields 1-6. Parks staff indicated that the irrigation system replacement was a higher priority and there may now be alternate means to improve the turf on Field #3. The 2022/2023 funding amount is for the balance of the engineering design costs for the irrigation system. Construction is scheduled for 2023/2024.

<u>Funding Source</u>	<u>FY 2022/2023 Funding Amount</u>
Prior Year Bond Proceeds	\$ 14,300

Future Impact on Operating Budget: Maintenance costs should be reduced with the new irrigation system. Specific savings cannot be determined.

Parks Playground and Aquatic Center Repair Projects: Playground improvements include the replacement of the platforms at the Musser Park and Fuller Park playgrounds. The platform coatings were beginning to crack and rust, causing potential safety issues on these surfaces. These playgrounds were originally installed in 2002. Aquatic Center projects include repair of the entrance area, repair and refinishing of the family slide, and pool deck caulking.

<u>Funding Source</u>	<u>FY 2022/2023 Funding Amount</u>
Prior Year Bond Proceeds	\$ 201,100

Future Impact on Operating Budget: Maintenance costs should be reduced with the new playground platforms and the slide repairs. Specific savings cannot be determined.

Southend Neighborhood Improvement Projects: Funding totaling \$2 million is available through the Community Foundation of Greater Muscatine for multiple park improvement projects in the south end of the community. Taylor Park improvements include a splashpad, pickleball courts, restrooms, parking lot improvements, and a picnic shelter. Improvements at Musser Park include an all-inclusive playground, a picnic shelter, and a trail extension. This project also includes an all-inclusive playground at the Sunset Park Housing facility. Construction began in 2021/2022 and these projects are scheduled to be completed in 2022/2023.

<u>Funding Source</u>	<u>FY 2022/2023 Funding Amount</u>
Community Foundation Grant Funds	\$ 1,433,300

Future Impact on Operating Budget: These projects are being designed to minimize future operating and maintenance costs. Any additional costs will be funded from the Park Maintenance budget.

Substandard Building Demolition Projects: The City has identified a number of substandard buildings that may be required to be removed by the City as nuisance properties. These include buildings damaged by structure fires and other properties where the owners have not taken responsibility for the buildings. The City can assess the costs of demolition to the properties, but in many cases, it is doubtful that these costs will be recovered. The May 2022 bond issue provided \$200,000 of funding for demolition projects.

<u>Funding Source</u>	<u>FY 2022/2023 Funding Amount</u>
Prior Year Bond Proceeds	\$ 92,000

Future Impact on Operating Budget: There should be no future impact on the City's operating budget once the structures are demolished and the properties are disposed of.

Public Building Deferred Maintenance Projects: The City's May 2016 bond issue included funding of \$1,375,000 for Art Center HVAC and window improvements and a total of \$525,000 for deferred maintenance projects and improvements to other city buildings and facilities. The City's May 2018 bond issue included \$360,000 and the May 2020 bond issue included \$225,000 to continue deferred building maintenance projects. The May 2022 bond issue included \$274,000 in additional funding for these projects. The 2022/2023 funding amount is for deferred maintenance projects at the Art Center, the City Hall under porch repairs, the Public Safety building restroom remodeling, the Fire department commercial range hood, the Public Works radiant heaters and hanging furnace, and the Airport hangar roof replacements.

<u>Funding Source</u>	<u>FY 2022/2023 Funding Amount</u>
Prior Year Bond Proceeds	\$ 475,000

Future Impact on Operating Budget: There will be savings in annual maintenance costs when these improvements are completed. The amount of the savings cannot be determined.

Former Kum and Go Property Acquisition/Sale of Old Library: With the opening of a new and larger Kum and Go Convenience Store in downtown Muscatine, their former store at the intersection of 5th and Cedar Streets became available to purchase. This property is across the street from the City's Public Safety Building and there was a need for additional staff parking since some existing parking was being displaced as a result of a Muscatine County project. The City purchased this property in March of 2020 for \$100,000 and the City incurred some incidental costs after the purchase. Funding for this purchase and the initial costs was from the May 2022 bond issue. In 2021/2022 the former convenience store was renovated, garage doors added, and the parking lot replacement began. Funds from the sale of the former library (\$120,000) were used to fund the majority of the cost for the building renovation and the parking lot repairs. The 2022/2023 funding amount is for the final work on the parking lot. A transfer from the Public Building Deferred Maintenance project account will complete the financing of this project.

<u>Funding Sources</u>	<u>FY 2022/2023 Funding Amount</u>
Available Balance	\$ 4,400
Transfer from Public Building Deferred Maintenance Project Fund	11,500
	<u>\$ 15,900</u>

Future Impact on Operating Budget: With the building and parking lot repairs completed, minimal ongoing costs are anticipated. Any additional operating costs will be funded from the Building and Grounds budget.

Art Center Japanese Garden Renovation: In 2019/2020, the Muscatine Art Center staff worked with Iowa State University landscape architect professor Heidi Hohmann, to gather documentation pertaining to the historic Japanese Garden at the Art Center and to create a plan for the garden. The Japanese Garden was installed by Laura Musser-McColm in 1930 and is a contributing feature for the property's National Register of Historic Places listing. Hohmann developed the Historic Landscape Preservation Plan, and the plan was used to secure two grants to fund its implementation. A third grant was received to hire a consultant to further research the garden. The plan balances the historic features of the garden with its current use as a public space, including ADA-accessibility. Grant awards include \$122,402 from the federal Paul Bruhn Historic Revitalization Fund administered through the Iowa Department of Cultural Affairs, \$100,000 from the Roy J. Carver Charitable Trust, and \$3,000 from Humanities Iowa. The project began in 2021/2022 and is scheduled to be completed in 2023/2024.

<u>Funding Source</u>	<u>FY 2022/2023 Funding Amount</u>
Art Center Grants	\$ 166,400

Future Impact on Operating Budget: No impact to future operating budgets is expected from this project.

Public Art – 2nd and Mulberry Roundabout: In December of 2020, the Public Art Advisory Commission released a Request for Qualifications targeted at artists with public art experience from Iowa and neighboring states. Seventeen artists expressed an interest in the project, and fifteen submitted applications. The Commission evaluated the applications and also consulted with City department heads, and narrowed the proposals to three. The Commission then held a public vote on the work of three artists being considered for the roundabout. Members of the Advisory Commission met on January 11, 2022 to review feedback from the survey and recommended the selection of the public art piece, Zenith by Nathan Pierce, as it garnered the largest percentage of votes. Fundraising then began for the sculpture as well as the installation costs. The donations received will be supplemented with American Rescue Plan Act (ARPA) funds to completed the financing of this project. This project is scheduled to begin in 2022/2023 and be completed by 2023/2024.

<u>Funding Source</u>	<u>FY 2022/2023 Funding Amount</u>
Donations and ARPA Funding	\$ 50,000

Future Impact on Operating Budget: No impact is expected

Public Safety Telephone System Replacement: The Muscatine City/County Joint Communications Center (MUSCOM) is located in the City's Public Safety building and the two entities shared a telephone system for over 15 years. With MUSCOM purchasing a new emergency telephone system, there was discussion of whether the new system for MUSCOM would be compatible with the existing telephone system at the Public Safety Building. After further review, it was found that an equipment modification could be made in lieu of a full telephone system replacement. This reduced the required bond funding for this project

<u>Funding Source</u>	<u>FY 2022/2023 Funding Amount</u>
Prior Year Bond Proceeds	\$ 19,500

Future Impact on Operating Budget: No impact is expected

City Wayfinding Program: In January of 2023, the City entered into a contract with Corbin Design for \$75,950 to create a Wayfinding Masterplan for the City of Muscatine. The Wayfinding Master Plan is the first step in the development and implementation of a Wayfinding Program in the City, which will include monument signs at gateways to the City, directional signage to and between recreation and cultural amenities, and signage to specific business districts and/or neighborhoods. The wayfinding program was added to the urban renewal plan and approved by City Council in January 2022. The program is proposed to be completed over five years with funding from future tax increment funds of \$150,000 per year, which includes the development of the wayfinding master plan.

<u>Funding Source</u>	<u>FY 2022/2023 Funding Amount</u>
Southend Tax Increment Funds	\$ 35,000

Future Impact on Operating Budget: No impact is expected

American Rescue Plan Act (ARPA) Funded Capital Projects: The American Rescue Plan Act (ARPA) was signed into law on March 11, 2021. This Act provided \$1.9 trillion dollars of funding for families, governments, businesses, schools, non-profits, and others impacted by the COVID-19 public health crisis. The allocation for State and local governments totaled \$350 billion. The allocation for cities with populations less than 50,000 totaled \$19.5 billion. The City of Muscatine's allocation totaled \$3,533,377 with half of these funds (\$1,766,688) received in the 2021/2022 fiscal year and the balance (\$1,766,689) received in 2022/2023. The ARPA funds are being accounted for in a Special Revenue Fund. A number of the ARPA projects, however, have been set up as capital projects funds, and funding transfers will be made from the ARPA fund to the respective capital projects funds. In 2022/2023, these capital projects funds include the Keyless Entry System for City Hall (\$180,200), the Keyless Entry Systems for Public Safety and Public Works (\$298,800), the Grandview Gateway Cleanup Project (\$100,000), the Housing Study (\$25,000), the Economic Recovery Initiatives (\$62,500), the Neighborhood Initiatives (\$ 20,000), and the historic Cemetery Chapel exterior restoration (\$70,000).

<u>Funding Source</u>	<u>FY 2022/2023 Funding Amount</u>
Transfers from ARPA Fund	\$ 756,500

Future Impact on Operating Budget: No impact is expected from these projects.

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. On March 6, 2018, voters in the City approved the extension of the Local Option Tax for a 15-year period through June 30, 2034 with 80% of the funds to be used for sewer improvements and 20% for street improvements.

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. The remaining phases of this project will be constructed over the next six years and the total cost for all of the phases is projected to reach or exceed \$55 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 provided for three areas of work to be completed in calendar years 2015, 2016, and 2017. This schedule corresponded with local option sales tax funding available for this project each year. Bids were received in March of 2018 for Phase 4 of the project, which was again to be done over three years, 2018, 2019, and 2020. Bids for Phase 5 were received in March of 2021 and this phase of the project was originally scheduled to be completed over two years (2021 and 2022). Contract work for Phase 5, however, is behind schedule, and is now expected to be completed by the end of calendar year 2023. Engineering design was underway in 2021/2022 and completed in 2022/2023 for Phases 6-A and 6-B of this project. Bids for phases 6-A and 6-B were received on May 9, 2023. The 2022/2023 funding amount reflects continuing work on Phases 5-A and 5-B, engineering design and related planning costs for Phase 6 of the project, property acquisitions and easements, and allows for construction work to begin on Phases 6-A and 6-B.

<u>Funding Source</u>	<u>FY 2022/2023 Funding Amount</u>
Local Option Sales Tax Funds	\$ 5,930,000

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 – Nutrient Reduction Alternatives Study: The Iowa Department of Natural Resources has issued new rules pertaining to nutrients discharged from the 102 largest wastewater plants in the State. The City will be subject to the new rules at the time the new permit is issued. This study will provide nutrient reduction strategies for the area watershed in an effort to reduce the capital cost of any required actions. This study began in August of 2019 and is expected to be completed by the end of the 2022/2023 fiscal year.

<u>Funding Sources</u>	<u>FY 2022/2023 Funding Amount</u>
Water Pollution Control Operating Fund	\$ 19,300

Future Impact on Operating Budget: There will be no impact on the operating budget from the study. The study will provide alternatives, including cost estimates, for alternative nutrient reduction strategies.

Papoose Redundant Sewer Line – Project Design: In October of 2017, a sewer leak was discovered in the 30" force main sewer between the Musser Park Lift Station and the Water Pollution Control Plant. The break was located at the intersection of Day, Birch and Nebraska Streets. In order to assess the damage, the line had to be shut down and drained. This process required closing the pipe that flows from the Papoose Creek Lift Station. This pipe closing resulted in a direct discharge of sanitary sewer water to the Mississippi River at Papoose Creek. Due to the condition of the pipe at the break, staff's experience with breakages of this type, and age of the pipe, the best repair option was to line the existing sewer pipe and this project was completed in the 2017/2018 fiscal year. While the existing force main has been repaired, the Iowa Department of Natural Resources (IDNR) has mandated that the City construct a redundant line by 2026 to prevent future discharges to the Mississippi River. The engineering design for this project began in 2019/2020 and is scheduled to be completed in 2022/2023. The estimated cost of construction for this project is \$3,154,800. This project will be scheduled for construction after the Grandview Avenue Reconstruction project is completed. This will still allow construction to be completed by the mandated deadline.

<u>Funding Source</u>	<u>FY 2022/2023 Funding Amount</u>
Sewer Extension and Improvement Reserve	\$ 50,000

Future Impact on Operating Budget: The design of this project will not have an impact on future operating budgets.

Lake Park Boulevard Watershed Study/Improvements: Several property owners on Lake Park Boulevard near the Mad Creek Bridge experience flooding in their garages or basements during flash flood events. A study was completed in 2021/2022 to evaluate alternate ways to address the flooding issues. The 2022/2023 funding amount is for design costs for Alternate #1 of the recommendations in the study. The project costs for Alternate #1 are included in the 2023/2024 budget.

<u>Funding Source</u>	<u>FY 2022/2023 Funding Amount</u>
Collection and Drainage Funds	\$ 48,000

Future Impact on Operating Budget: These improvements are expected to lessen the impacts to these property owners from flash flood events.

Water Pollution Control Plant (WPCP) UV Disinfection System Project: The 2021/2022 WPCP budget included a \$100,000 allocation for a Facilities Plan to assist in identifying and prioritizing improvements needed at the WPCP. This study began in 2021/2022 and was completed in 2022/2023. This study ranked the UV Disinfection System as one of the highest priorities. The 2022/2023 funding amount is for the engineering design of the project. Project construction is scheduled for 2023/2024.

<u>Funding Source</u>	<u>FY 2022/2023 Funding Amount</u>
WPCP Plant Replacement Reserve	\$ 125,000

Future Impact on Operating Budget: There is no impact on future operating budgets from the design of this project.

Transfer Station Tipping Floor Repair Project: The tipping floor at the Transfer Station dates back to 1995 when the Transfer Station opened. Approximately six inches has worn off the floor exposing the reinforcing bars in the concrete, which resulted in a possible safety hazard for employees and customers. This project added ultra-high performance cementitious topping to the existing floor. Bids for the project were significantly under the cost estimate and bonding amount, which allowed for crack sealing of the concrete around the facility and roof repairs to also be completed.

<u>Funding Sources</u>	<u>FY 2022/2023 Funding Amount</u>
Prior Year Bond Proceeds	\$ 471,800

Future Impact on Operating Budget: Maintenance costs will decrease with a new floor. The amount of savings, however, cannot be determined.

Public Works Vehicle Wash Bay Project: The City's transit division was awarded a grant by the Iowa Department of Transportation to construct a vehicle wash bay that would serve the Transit division as well as other City departments. The grant funding was \$422,559 and the required match to be funded from the Transit budget was estimated \$105,700. With the total project cost estimated at \$728,300, the balance of the funding projected to be needed was included in the May 2022 bond issue. Engineering design was underway in 2021/2022 and was completed in 2022/2023. Bids for the project, however, came in significantly higher than the engineering estimate and this project has been put on hold. Transit staff has submitted an application for additional grant funding based on the bids received for the project. The 2022/2023 funding amount is for the balance of the engineering design costs.

<u>Funding Sources</u>	<u>FY 2022/2023 Funding Amount</u>
Prior Year Bond Proceeds	\$ 14,000

Future Impact on Operating Budget: Staff time for washing vehicles is expected to decrease with a new facility once it is completed. The amount of savings, however, cannot be determined.

Airport Zoning Ordinance Update: A State grant is providing 85% funding for the update of the Airport Zoning Ordinance. This work is scheduled to be completed in 2022/2023.

<u>Funding Sources</u>	<u>FY 2022/2023 Funding Amount</u>
State Grant	\$ 8,900
Prior Year Bond Proceeds	2,200
	<u>\$ 11,100</u>

Future Impact on Operating Budget: None

Airport Taxiway Widening Project: The City was awarded a grant from the Iowa Department of Transportation in the amount of \$128,945 that will fund 85% of the cost of this project up to the grant maximum. The balance of the project costs will be funded from remaining balances from prior year projects and FY 2024 bond proceeds. Engineering design was completed in 2021/2022 and construction was completed in 2022/2023.

<u>Funding Sources</u>	<u>FY 2022/2023 Funding Amount</u>
State Grant	\$ 109,600
Available Balances from Prior Airport Projects	21,400
Future Bond Proceeds	<u>50,000</u>
	<u>\$ 181,000</u>

Future Impact on Operating Budget: None

Airport – Move Fuel System Phase 1: The City was awarded a grant from the Iowa Department of Transportation in the amount of \$400,000 that will fund 80% of the cost of this project up to the grant maximum. The local match for the project will be funded from future bond proceeds.

<u>Funding Sources</u>	<u>FY 2022/2023 Funding Amount</u>
State Grant	\$ 400,000
Future Bond Proceeds	<u>100,000</u>
	<u>\$ 500,000</u>

Future Impact on Operating Budget: None

Airport – Snow Removal Equipment: The City was awarded a grant from the Federal Aviation Administration (FAA) in the amount of \$202,500 that will fund 90% of the cost of this project. The local match for the project will be funded from future bond proceeds.

<u>Funding Sources</u>	<u>FY 2022/2023 Funding Amount</u>
Federal Aviation Administration (FAA) Grant	\$ 202,500
Future Bond Proceeds	<u>22,500</u>
	<u>\$ 225,000</u>

Future Impact on Operating Budget: None

**CAPITAL IMPROVEMENT PROJECTS
CAPITAL PROJECTS FUND**

FISCAL YEAR 2023/2024 PROJECTS SCHEDULED FOR CONSTRUCTION

On-Going Pavement Management Program: This ongoing program has been funded from the 20% allocation of the local option sales tax dedicated by voter referendum for the pavement management program. In recent years, the Local Option Sales Tax funding for pavement management projects has been supplemented with an allocation of Road Use Tax funds. The additional Road Use Tax funding is available due to the State legislature increasing the gasoline tax by \$.10 per gallon effective March 1, 2015. In 2023/2024, the Local Option and Road Use Tax funds are being used for the 2nd year of the Fulliam Avenue reconstruction project. The Fulliam project is schedule to be done over three years (2023, 2024, and 2025). Work on the Fulliam project needs to be done during the non-school year months of the year since it is a major route to the Susan Clark Junior High School. The 2023/2024 budget allows up to \$300,000 in additional funding, if needed, for the Fulliam Avenue project or other pavement management projects. This additional allocation is from American Rescue Plan Act (ARPA) funding.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
Local Option Sales Tax Funds	\$ 668,000
Road Use Tax Funds	332,000
American Rescue Plan Act (ARPA) Funds	<u>300,000</u>
	<u>\$ 1,300,000</u>

Future Impact on Operating Budget: This project will maintain streets at a higher level to avoid future costs.

Transfer of Jurisdiction/Mississippi Drive, Grandview Avenue, and Carver Corner Roundabout Improvements: The State transferred jurisdiction and maintenance responsibilities for the Mississippi Drive Corridor from the Mississippi River Bridge south to the Highway 61 Bypass to the City in September of 2014. The State provided \$13 million of funding that the City used towards the reconstruction and improvement of this corridor. Engineering design began in 2014/2015 and continued through 2016/2017 for the portion of this corridor from the Mississippi River bridge to Grandview Avenue. Construction for phase one of this project, from the Mississippi River bridge to Broadway, excluding the Mulberry Avenue intersection, began in the late spring of 2017 and this section has been completed. The CP Railroad contributed a total of \$4 million of funding for phase one of this project. Muscatine Power & Water is also contributing funds for the utility relocation work required by this project. The balance of the phase one project costs was funded from the Transfer of Jurisdiction funds. Construction began in 2019/2020 for Phase 2 of this project, the 2nd Street and Mulberry Avenue roundabout, and construction was completed in 2020/2021. Construction began in the spring of 2021 on Grandview Avenue, which is the third phase of the Corridor improvement project. The Grandview Avenue project is expected to be substantially completed by the end of the 2022/2023 fiscal year.

Engineering design began in 2022/2023 and will continue in 2023/2024 for the Carver Corner Roundabout, the final phase of the Corridor project. Construction of the roundabout will be scheduled for a future year. The 2023/2024 funding amount represents a portion of the engineering design costs.

<u>Funding Sources</u>	<u>FY 2023/2024 Funding Amount</u>
Prior Year Bond Proceeds	\$ 230,700

Future Impact on Operating Budget: When improvements to 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 approximately \$100,000 from the Road Use Tax fund are proposed to be used to fund this ongoing program. A total of \$110,042 was expended for new sidewalks in 2014/2015, \$132,640 in 2015/2016, and \$114,649 in 2016/2017. Only preliminary engineering costs of \$942 were expended in 2017/2018. The allocation for 2018/2019 totaled \$135,594 which funded the sidewalk extension on Tanglefoot Lane and the trail/sidewalk on Houser Street in front of the new Soccer West parking lot. The 2019/2020 allocation was to be used to fund new sidewalks in the Grandview Avenue area in conjunction with the reconstruction of that roadway. With the Grandview Avenue Reconstruction project delayed, the allocation for the Grandview Avenue sidewalks was deferred until 2021/2022. That funding allocation was made directly from the Road Use Tax fund to the Grandview Avenue capital project fund. The most recent sidewalk project was for new sidewalks on 67th Street. Design for the 67th Street sidewalks began in 2020/2021 and was completed in the summer of 2022. The 2022/2023 budget included \$310,000 for final construction and related costs for this sidewalk. The 2023/2024 sidewalk project is for a new sidewalk on Devitt Street. The budget allows \$100,000 for this project (including engineering design). Funding for the 2023/2024 project is from American Rescue Plan Act (ARPA) funds.

<u>Funding Sources</u>	<u>FY 2023/2024 Funding Amount</u>
American Rescue Plan Act (ARPA) Funds	\$ 100,000

Future Impact on Operating Budget: None, since sidewalks in residential areas are the responsibility of the property owners.

Park Avenue West Bridge Replacement Project - Design: During inspections of the bridges in the City, the Park Avenue West bridge was designated as a bridge that needed to be replaced. The 2023/2024 funding amount is for the engineering design for the bridge. Construction is scheduled for 2025 with 100% of the construction costs to be funded from grant funds. Funding for the engineering design will be from future Road Use Tax funds or future bonding.

<u>Funding Sources</u>	<u>FY 2022/2023 Funding Amount</u>
Road Use Tax Funds or Future Bonding	\$ 210,000

Future Impact on Operating Budget: No impact on future operating budgets is expected.

Soccer Fields 1-6 Irrigation System Improvements: The May 2020 bond issue included funding for Soccer Field #3 improvements. This project was originally planned to involve removal of all of the current turf and replacing it with an aggressive species of Kentucky bluegrass to limit infestation of poa annua throughout the field. The project would have also included replacement of the current hydraulic irrigation system with an electric irrigation system on that field. During the development of the

2021/2022 budget, the Parks department requested the funds originally allocated for Soccer Field #3 be re-allocated to replace the irrigation systems on Fields 1-6. Parks staff indicated that the irrigation system replacement was a higher priority and there may now be alternate means to improve the turf on Field #3. Engineering design for this project is underway in 2022/2023. Construction is scheduled for 2023/2024. The original bond funding amount will need to be supplemented with additional bond funding from the May 2024 bond issue.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
Prior Year Bond Proceeds	\$ 107,000
Current Year Bond Proceeds	255,000
	<u>\$ 362,000</u>

Future Impact on Operating Budget: Maintenance costs should be reduced with the new irrigation system. Specific savings cannot be determined.

Parks Playground Resurfacing Projects: Playground resurfacing improvements scheduled to be completed in 2023/2024 include the playgrounds at Eversmyer Park and at Oak Park.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
Prior Year Bond Proceeds	\$ 35,000

Future Impact on Operating Budget: Maintenance costs should be reduced with the playground improvements. Specific cost savings cannot be determined.

Weed Park Lagoon Bank Stabilization Project: Erosion has become a problem, especially on the north edge of the lagoon, posing a risk to the public who fish from these banks. The erosion will also cause the lagoon to prematurely fill with silt. This project will stabilize the water's edge by adding rip rap around the entire lagoon. The island in the upper section of the lagoon will also have rip rap added. The viewing deck on the edge of the lagoon is beginning to cave into the lagoon. This project also includes replacing the deck and making a safer surface.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
Current Year Bond Proceeds	\$ 500,000

Future Impact on Operating Budget: Maintenance costs should be reduced with this project. Specific cost savings cannot be determined.

Substandard Building Demolition Projects: The City has identified a number of substandard buildings that may be required to be removed by the City as nuisance properties. These include buildings damaged by structure fires and other properties where the owners have not taken responsibility for the buildings. The City can assess the costs of demolition to the properties, but in many cases, it is doubtful that these costs will be recovered. The May 2022 bond issue provided \$200,000 of funding for demolition projects and an additional \$200,000 is budgeted to be included in the May 2024 bond issue.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
Current Year Bond Proceeds	\$ 100,000

Future Impact on Operating Budget: There should be no future impact on the City's operating budget once the structures are demolished and the properties are disposed of.

Public Building Deferred Maintenance Projects: The City's May 2016 bond issue included funding of \$1,375,000 for Art Center HVAC and window improvements and a total of \$525,000 for deferred maintenance projects and improvements to other city buildings and facilities. The City's May 2018 bond issue included \$360,000 and the May 2020 bond issue included \$225,000 to continue deferred building maintenance projects. The May 2022 bond issue included \$274,000 in funding for these projects and the budget allows for an additional \$200,000 to be included in the May 2024 bond issue. The 2023/2024 funding amount is for carpet replacements in City Hall and the Fire department, and locker room expansion at the Police department.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
Current Year Bond Proceeds	\$ 61,400

Future Impact on Operating Budget: There will be savings in annual maintenance costs when the deferred maintenance projects are completed. The amount of the savings cannot be determined.

Fire Engine: The May 2024 bond issue will include funding for a new front-line fire engine. This fire engine will replace a reserve fire engine that is now 30 years old.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
Current Year Bond Proceeds	\$ 925,000

Future Impact on Operating Budget: There will be savings in annual maintenance costs with the new fire engine. The amount cannot be determined.

Ambulance with Power Load: The May 2024 bond issue will include funding for a new front-line ambulance. This ambulance will replace a 2015 ambulance with over 202,000 miles.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
Current Year Bond Proceeds	\$ 276,000

Future Impact on Operating Budget: There will be savings in annual maintenance costs with the new ambulance. The amount cannot be determined.

Art Center Japanese Garden Renovation: In 2019/2020, the Muscatine Art Center staff worked with Iowa State University landscape architect professor Heidi Hohmann, to gather documentation pertaining to the historic Japanese Garden at the Art Center and to create a plan for the garden. The Japanese Garden was installed by Laura Musser-McColm in 1930 and is a contributing feature for the property’s National Register of Historic Places listing. Hohmann developed the Historic Landscape Preservation Plan, and the plan was used to secure two grants to fund its implementation. A third grant was received to hire a consultant to further research the garden. The plan balances the historic features of the garden with its current use as a public space, including ADA-accessibility. Grant awards include \$122,402 from the federal Paul Bruhn Historic Revitalization Fund administered through the Iowa Department of Cultural Affairs, \$100,000 from the Roy J. Carver Charitable Trust, and \$3,000 from Humanities Iowa. The project began in 2021/2022 and is scheduled to be completed in 2023/2024.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
Art Center Grants	\$ 50,000

Future Impact on Operating Budget: No impact to future operating budgets is expected from this project.

Public Art – 2nd and Mulberry Roundabout: In December of 2020, the Public Art Advisory Commission released a Request for Qualifications targeted at artists with public art experience from Iowa and neighboring states. Seventeen artists expressed an interest in the project, and fifteen submitted applications. The Commission evaluated the applications and also consulted with City department heads, and narrowed the proposals to three. The Commission then held a public vote of the work of three artists being considered for the roundabout. Members of the Advisory Commission met on January 11, 2022 to review feedback from the survey and recommended the selection of the public art piece, Zenith by Nathan Pierce, as it garnered the largest percentage of votes. Fundraising then began for the sculpture as well as the installation costs. The donations received will be supplemented with American Rescue Plan Act (ARPA) funds to completed the financing of this project. This project is scheduled to begin in 2022/2023 and be completed by 2023/2024.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
Donations and ARPA Funding	\$ 25,300

Future Impact on Operating Budget: No impact is expected

City Wayfinding Program: In January of 2023, the City entered into a contract with Corbin Design for \$75,950 to create a Wayfinding Masterplan for the City of Muscatine. The Wayfinding Master Plan is the first step in the development and implementation of a Wayfinding Program in the City, which will include monument signs at gateways to the City, directional signage to and between recreation and cultural amenities, and signage to specific business districts and/or neighborhoods. The wayfinding program was added to the urban renewal plan and approved by City Council in January 2022. The program is proposed to be completed over five years with funding from future tax increment funds of \$150,000 per year, which includes the development of the wayfinding master plan.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
Southend Tax Increment Funds	\$ 115,000

Future Impact on Operating Budget: No impact is expected.

American Rescue Plan Act (ARPA) Funded Capital Projects: The American Rescue Plan Act (ARPA) was signed into law on March 11, 2021. This Act provided \$1.9 trillion dollars of funding for families, governments, businesses, schools, non-profits, and others impacted by the COVID-19 public health crisis. The allocation for State and local governments totaled \$350 billion. The allocation for cities with populations less than 50,000 totaled \$19.5 billion. The City of Muscatine's allocation totaled \$3,533,377 with half of these funds (\$1,766,688) received in the 2021/2022 fiscal year and the balance (\$1,766,689) received in 2022/2023. The ARPA funds are being accounted for in a Special Revenue Fund. A number of the ARPA projects, however, have been set up as capital projects funds, and funding transfers will be made from the ARPA fund to the respective capital projects funds. In 2023/2024, these capital projects funds include the balance of the cost of the Housing Study (\$25,000), the Comprehensive Plan Update (\$85,000), the balance of the Economic Recovery Initiatives (\$187,500), and the balance of the Neighborhood Initiatives (\$230,000).

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
Transfers from ARPA Fund	\$ 527,500

Future Impact on Operating Budget: No impact is expected from these projects.

Public Works Fuel Tanks and Pumps: All departments of the City fuel their vehicles from the underground gasoline and diesel tanks at Public Works. The condition of the aging fuel tanks and fuel pumps has been noted in recent inspections of the system and insurance costs for these tanks have been increasing due to the age and condition of the system.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
Current Year Bond Proceeds	\$ 514,000

Future Impact on Operating Budget: There will be savings in annual insurance costs with the new fuel tanks. The amount cannot be determined.

Lake Park Boulevard Watershed Study/Improvements: Several property owners on Lake Park Boulevard near the Mad Creek Bridge experience flooding in their garages or basements during flash flood events. A study was completed in 2021/2022 to evaluate alternate ways to address the flooding issues. Project design is scheduled to be completed in 2022/2023 for Alternate #1 of the recommendations in the study. The project costs for Alternate #1 are included in the 2023/2024 budget.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
Collection and Drainage Funds	\$ 135,000

Future Impact on Operating Budget: These improvements are expected to lessen the impacts to area property owners from flash flood events.

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. On March 6, 2018, voters in the City approved the extension of the Local Option Tax for a 15-year period through June 30, 2034 with 80% of the funds to be used for sewer improvements and 20% for street improvements.

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 five years and the total cost for all of the phases is projected to reach or exceed \$55 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 provided for three areas of work to be completed in calendar years 2015, 2016, and 2017. This schedule corresponded with local option sales tax funding available for this project each year. Bids were received in March of 2018 for Phase 4 of the project, which was again to be done over three years (2018, 2019, and 2020). Bids for Phase 5 were received in March of 2021 and this phase of the project was originally scheduled to be completed over two years (2021 and 2022). Contract work for Phase 5, however, is behind schedule, and is now expected to be completed by the end of calendar year 2023. Engineering design began in 2021/2022 and was completed in 2022/2023 for Phases 6-A and 6-B of this project. Bids for phases 6-A and 6-B were received on May 9, 2023. The 2023/2024 funding amount reflects the final work on Phases 5-A and 5-B, work on Phases 6-A and 6-B, construction engineering and inspection services and related costs, and engineering design work for the remaining phases of Phase 6.

The 80% allocation of Local Option Sales Tax funds was sufficient to fund project costs through Phase 5 of the West Hill project. In the long-term financing plan for the West Hill Sewer Separation project prepared by PFM, the City's financial consultant, State Revolving Fund (SRF) Loans were projected to be needed beginning in 2023 to fund all 5 phases of Phase 6 plus the work required at the Papoose Pumping Station at the end of the project. Based on available cost estimates, PFM estimated the SRF Loans needed to complete the financing of this project to total \$22,800,000. The interest rate for SRF loans is currently 2.0%. Up to three SRF loans are projected to be needed to fund the multiple contracts that will be required for Phase 6.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
Local Option Sales Tax Funds	\$ 2,672,100
State Revolving Fund Loan Proceeds	<u>4,000,000</u>
	<u>\$ 6,672,100</u>

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 (WPCP) UV Disinfection System Project: The 2021/2022 WPCP budget included a \$100,000 allocation for a Facilities Plan to assist in identifying and prioritizing improvements needed at the WPCP. This study began in 2021/2022 and was completed in 2022/2023. This study ranked the UV Disinfection System as one of the highest priorities. The engineering design for the project was underway in 2022/2023 with project construction scheduled for 2023/2024.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
WPCP Plant Replacement Reserve	\$ 1,125,000

Future Impact on Operating Budget: There will be savings in maintenance costs with the new system. The amount of savings, however, cannot be determined.

Water Pollution Control Plant (WPCP) and Lift Stations Electrical Upgrades: The WPCP Facilities Plan completed in 2022/2023 identified electrical upgrades at the WPCP and the lift stations as priority projects. Engineering design for the upgrades is scheduled for 2023/2024 with project construction to follow in 2024/2025.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
WPCP Plant Replacement Reserve	\$ 70,000

Future Impact on Operating Budget: There is no impact on future operating budgets from the design of this project.

Airport – Relocate Jet A Fuel Tank Project: The City was awarded a grant from the Iowa Department of Transportation in the amount of \$320,000 that will fund 80% of the cost of this project. The balance of the project costs will be funded from the May 2024 bond issue.

<u>Funding Sources</u>	<u>FY 2023/2024 Funding Amount</u>
State Grant	\$ 320,000
Current Year Bond Proceeds	80,000
	<u>\$ 400,000</u>

Future Impact on Operating Budget: None.

Airport – Lights, PAPIs, REILs for Runway 12/30 and Parallel Taxiway Project: The City was awarded a grant from the Federal Aviation Administration (FAA) in the amount of \$585,000 that will fund 90% of the cost of this project. The local match for the project will be funded from the May 2024 bond issue.

<u>Funding Sources</u>	<u>FY 2023/2024 Funding Amount</u>
Federal Aviation Administration (FAA) Grant	\$ 585,000
Current Year Bond Proceeds	<u>65,000</u>
	<u>\$ 650,000</u>

Future Impact on Operating Budget: There will be savings in maintenance costs with this project. The amount of savings, however, cannot be determined.

City of Muscatine
Capital Project Appropriations
Fiscal Year Basis
Revised Estimate 2022/2023

<u>Project</u>	<u>Revised Estimate 2022/2023</u>	<u>Funding Sources/Comments</u>
Street and Sidewalk Projects:		
Ongoing Pavement Management Program	\$ 1,000,000	Road use tax and local option sales tax
Transfer of Jurisdiction-Grandview Avenue	2,749,400	Estimated FY 23 project costs; Transfer of Jurisdiction, DOT Grant; MP&W reimbursements
Park Avenue Portion to 3-Lane	63,400	Estimated final costs; DOT grants, MP&W reimbursement, bond proceeds
New Sidewalk Program	310,000	Estimated final costs for 67th Street sidewalk; Road Use Tax
Property Acquisition for Love's Access Road	2,000	Reimbursement for crop damages; Love's to reimburse total property cost
Downtown Streetscaping Project	151,300	Estimated final costs; prior year bond proceeds funded with future TIF funds; MP&W reimbursement
Lake Park Bridge Deck Repairs	210,000	Road use tax
Parks Projects:		
Riverfront Development Project	3,100	Donations
Riverfront Master Plan - Amphitheater Design	150,000	Southend TIF funds for design costs
Soccer Fields 1-6 Irrigation Improvements	14,300	Balance of design costs; prior year bond proceeds
Playground/Aquatic Center Improvement Projects	201,100	Playground platforms and aquatic center slide improvements; prior year bond proceeds
Southend Community Projects	1,433,300	Estimated FY 23 portion of \$2 million total project costs; Community Foundation grant
CAT Grant Projects:		
General CAT Grant Projects	6,500	Required signs and plaques to close out project
West Side Trail	400	Final project management costs for Trail grant
ARPA Projects Accounted for in Capital Projects Funds:		
Keyless Entry System - City Hall	180,200	Funding from American Rescue Plan Act (ARPA) funds
Keyless Entry Systems - Public Works & Public Safety	298,800	Funding from American Rescue Plan Act (ARPA) funds
Grandview Gateway Cleanup Project	100,000	Funding from American Rescue Plan Act (ARPA) funds
Cemetery Chapel Exterior Restoration Project	70,000	Funding from American Rescue Plan Act (ARPA) funds
Housing Study	25,000	Funding from American Rescue Plan Act (ARPA) funds
Neighborhood Initiatives	20,000	Funding from American Rescue Plan Act (ARPA) funds
Economic Recovery Initiatives	62,500	Funding from American Rescue Plan Act (ARPA) funds
Other Projects:		
Levee Inspections/Improvements	5,000	Prior year levee tax levy balance for in-house engineering costs
Building Demolitions	92,000	Estimated project costs in FY 23; prior year bond proceeds
Public Building Deferred Maintenance Projects	475,000	Estimated FY 23 project costs; prior year bond funding
TIF Development Agreement Legal Fees	14,600	Reimbursements by developers
Property Purchase/Improvements (Kum n Go)/	15,900	Former Kum and Go building and site improvements; bond funding and transfer from Deferred Maintenance project
City Wayfinding Project	35,000	FY 23 consultant cost; future Southend Tax Increment transfer
Public Art - 2nd and Mulberry Roundabout	50,000	Estimated FY 23 project costs; donations and funding transfers
Art Center Japanese Garden Restoration	166,400	FY 23 portion of project cost; grant funding
Public Safety Building Telephone System	19,500	Prior year bond funding
Subtotal - General Government	<u>\$ 7,924,700</u>	
Water Pollution Control:		
West Hill Sewer Separation Project	\$ 5,930,000	Estimated FY 23 project costs; local option tax
Nutrient Reduction Study	19,300	Final cost of study for potential future year project; funded from WPCP Operations
Lake Park Watershed Study	48,000	Collection & Drainage funding
Papoose Redundant Sewer Line - Design	50,000	Transfer from Sewer Extension Reserve for balance of design costs; future year project required to be done by 2026
Water Pollution Control Plant UV System	125,000	Design in FY 23; transfer from Plant Replacement Reserve
Subtotal - Water Pollution Control	<u>\$ 6,172,300</u>	
Transfer Station		
Transfer Station Tipping Floor/Other Repairs	<u>\$ 471,800</u>	Estimated project costs; prior year bond proceeds
Transit System:		
Vehicle Wash Bay	<u>\$ 14,000</u>	Wash Bay design in FY 23; transit grant, matching funds from Transit, and bond proceeds (project on hold for additional grant/other funding)
Airport:		
Airport Zoning Ordinance Update	\$ 11,100	Estimated FY 23 final project costs; State grant and prior year bond funding for local match
Airport - Reconstruct Taxiway A	300	Final engineering costs in FY 23; 100% FAA grant funding
Move Airport Fuel System - Phase 1	500,000	Estimated FY 23 final project costs; State grant and future year bond proceeds
Airport Snow Removal Equipment	225,000	Estimated FY 23 final project costs; FAA grant and future year bond proceeds
Airport - Taxiway Widening Project	181,000	Final project costs; State grant and future bond proceeds
Subtotal - Airport Projects	<u>\$ 917,400</u>	
Total	<u><u>\$ 15,500,200</u></u>	

City of Muscatine
Capital Project Appropriations
Fiscal Year Basis
Budget 2023/2024

<u>Project</u>	<u>Budget 2023/2024</u>	<u>Funding Sources/Comments</u>
Street and Sidewalk Projects:		
Ongoing Pavement Management	\$ 1,300,000	Portion of Fulliam reconstruction; road use tax and local option sales tax; supplemented with ARPA funds
Transfer of Jurisdiction - Carver Corner	230,700	Estimated FY 24 design costs; prior year bond proceeds; construction in future years
New Sidewalk Program	100,000	Estimated FY 24 design and portion of construction; American Rescue Plan Act funding
Park Avenue West Bridge Replacement	210,000	Estimated FY 24 design costs; construction in future years; 100% grant funding for construction costs
Parks Projects:		
Playground Improvement Projects	35,000	Prior year bond proceeds
Soccer Fields 1-6 Irrigation Improvements	362,000	Prior year and FY 24 bond proceeds
Weed Park Lagoon Bank Stabilization Project	500,000	FY 24 bond proceeds
ARPA Projects Accounted for in Capital Projects Funds:		
Comprehensive Plan Update	85,000	Funding from American Rescue Plan Act (ARPA) funds
Housing Study	25,000	Funding from American Rescue Plan Act (ARPA) funds
Neighborhood Initiatives	230,000	Funding from American Rescue Plan Act (ARPA) funds
Economic Recovery Initiatives	187,500	Funding from American Rescue Plan Act (ARPA) funds
Other Projects:		
Levee Improvements/Maintenance	5,000	Prior year levee tax levy balance for in-house engineering costs
Building Demolitions	100,000	FY 24 bond proceeds
Public Building Deferred Maintenance Projects	61,400	FY 24 bond proceeds
Fire Engine	925,000	FY 24 bond proceeds
Ambulance	276,000	FY 24 bond proceeds
Wayfinding Project	115,000	Estimated FY 24 project costs; funded from Southend tax increment fund
Public Art - 2nd and Mulberry Roundabout	25,300	Estimated FY 24 project costs; donations and funding transfers
Public Works Fuel Tanks and Pumps	514,000	FY 24 bond proceeds
Art Center Japanese Garden Restoration	50,000	FY 24 portion of project cost; grant funding
Subtotal - General Government	<u>\$ 5,336,900</u>	
Water Pollution Control:		
West Hill Sewer Separation Project	\$ 5,160,000	Est'd FY 24 project costs; local option tax and SRF Loan funding
Water Pollution Control Plant (WPCP) UV System	1,125,000	Estimated construction costs in FY 24; Plant Replacement Reserve
WPCP and Lift Stations Electrical Upgrades	70,000	Estimated engineering design in FY 24; Plant Replacement Reserve
Lake Park Watershed Improvement Project	135,000	Alternate #1 construction costs; Collection & Drainage funding
Subtotal - Water Pollution Control	<u>\$ 6,490,000</u>	
Airport:		
Airport - Taxiway Widening Project	\$ 2,000	Final project costs in FY 24; 85% State grant and FY 24 bond proceeds
Airport - Lights, PAPIs, REILS, for Runway 12/30	650,000	Estimated project costs; FAA grant and FY 24 bond funding
Airport - Relocate Jet A Fuel Tank	400,000	Estimated project costs; State grant and FY 24 bond funding
Subtotal - Airport Projects	<u>\$ 1,052,000</u>	
Total	<u><u>\$ 12,878,900</u></u>	

City of Muscatine
Capital Outlay in Department Operating Budgets
Budget 2023/2024

Department/Item	Budget	Funding Sources			
		General Fund	Equipment Replacement	Road Use Tax	Enterprise or Other Funds
General Fund					
Finance Operations					
Folding Machine	\$ 1,200	\$ 1,200	\$ -	\$ -	\$ -
Subtotal	\$ 1,200	\$ 1,200	\$ -	\$ -	\$ -
Computer Operations					
Computer Replacement Fund	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -
Subtotal	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -
Buildings and Grounds					
Window Air Conditioners - City Hall (3)	\$ 1,500	\$ 1,500	\$ -	\$ -	\$ -
Refrigerator - Fire	5,000	5,000	-	-	-
Commercial Ice Maker - Fire	4,300	4,300	-	-	-
Subtotal	\$ 10,800	\$ 10,800	\$ -	\$ -	\$ -
Community Development					
Building Inspector Vehicle	\$ 27,000	\$ -	\$ 27,000	\$ -	\$ -
Subtotal	\$ 27,000	\$ -	\$ 27,000	\$ -	\$ -
Police Operations					
Tahoes (2)	\$ 120,000	\$ -	\$ 120,000	\$ -	\$ -
Copier	10,000	10,000	-	-	-
Squad Video (2)	11,400	11,400	-	-	-
Radar Units (2)	7,000	7,000	-	-	-
Drone	11,000	11,000	-	-	-
Subtotal	\$ 159,400	\$ 39,400	\$ 120,000	\$ -	\$ -
Fire Operations					
Breathing Air Compressor	\$ 68,000	\$ 68,000	\$ -	\$ -	\$ -
Smoke Machine	3,300	3,300	-	-	-
Air Lifting Bags (2)	19,800	19,800	-	-	-
Subtotal	\$ 91,100	\$ 91,100	\$ -	\$ -	\$ -
Cemetery Operations					
Utility Vehicle	\$ 35,000	\$ -	\$ 35,000	\$ -	\$ -
Mini-Excavator	67,000	-	67,000	-	-
Truck Bed	15,500	15,500	-	-	-
Subtotal	\$ 117,500	\$ 15,500	\$ 102,000	\$ -	\$ -
Park Maintenance					
Truck	\$ 70,000	\$ -	\$ 70,000	\$ -	\$ -
Wide Area Mower	52,000	-	52,000	-	-
Subtotal	\$ 122,000	\$ -	\$ 122,000	\$ -	\$ -
Aquatic Center					
Lifeguard Chair	\$ 5,900	\$ 5,900	\$ -	\$ -	\$ -
Subtotal	\$ 5,900	\$ 5,900	\$ -	\$ -	\$ -
Kent-Stein Park					
Rough Mower	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ -
Parking Lot Drainage Improvement	8,500	8,500	-	-	-
Subtotal	\$ 58,500	\$ 8,500	\$ 50,000	\$ -	\$ -
Soccer Complex					
Ride on Blower	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ -
Subtotal	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ -

City of Muscatine
Capital Outlay in Department Operating Budgets
Budget 2023/2024

<u>Department/Item</u>	<u>Budget</u>	<u>Funding Sources</u>			
		<u>General Fund</u>	<u>Equipment Replacement</u>	<u>Road Use Tax</u>	<u>Enterprise or Other Funds</u>
Library					
Library Materials (Books, CDs, Digital Media)	\$ 113,700	\$ 113,700	\$ -	\$ -	\$ -
Subtotal	\$ 113,700	\$ 113,700	\$ -	\$ -	\$ -
Public Works Administration					
Computer and Additional Monitor (Secretary)	\$ 2,000	\$ -	\$ -	\$ 2,000	\$ -
Subtotal	\$ 2,000	\$ -	\$ -	\$ 2,000	\$ -
Engineering					
Truck for Engineer I	\$ 40,000	\$ -	\$ -	\$ 40,000	\$ -
RTK Unit for Construction Inspector III	22,500	-	-	22,500	-
Subtotal	\$ 62,500	\$ -	\$ -	\$ 62,500	\$ -
Roadway Maintenance					
Air Compressor	\$ 30,000	\$ -	\$ -	\$ 30,000	\$ -
Dump Truck	90,000	-	-	90,000	-
Concrete Grinding	75,000	-	-	75,000	-
Subtotal	\$ 195,000	\$ -	\$ -	\$ 195,000	\$ -
Snow & Ice Control					
Snow Package for Dump Truck	\$ 155,000	\$ -	\$ -	\$ 155,000	\$ -
Salt Dome Cover	35,000	-	-	35,000	-
Subtotal	\$ 190,000	\$ -	\$ -	\$ 190,000	\$ -
Street Cleaning					
Street Sweeper	\$ 280,000	\$ -	\$ -	\$ 280,000	\$ -
Subtotal	\$ 280,000	\$ -	\$ -	\$ 280,000	\$ -
Traffic Control					
Truck - Mounted Post Puller	\$ 7,500	\$ -	\$ -	\$ 7,500	\$ -
Traffic Signs	16,000	-	-	16,000	-
Subtotal	\$ 23,500	\$ -	\$ -	\$ 23,500	\$ -
Subtotal - General Fund	\$ 1,525,100	\$ 351,100	\$ 421,000	\$ 753,000	\$ -
Enterprise Funds					
Transit:					
Light Duty Buses (2)	\$ 316,200	\$ -	\$ -	\$ -	\$ 316,200
Dispatch Software	35,400	-	-	-	35,400
Tablets and Brackets to Run Dispatch Software	4,200	-	-	-	4,200
Subtotal	\$ 355,800	\$ -	\$ -	\$ -	\$ 355,800
Parking					
Electronic Parking Meters	\$ 2,200	\$ -	\$ -	\$ -	\$ 2,200
Subtotal	\$ 2,200	\$ -	\$ -	\$ -	\$ 2,200
Golf Maintenance					
Triplex Mower (Used)	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000
Control Board for Irrigation System	35,000	-	-	-	35,000
Utility Vehicle (Used)	31,000	-	-	-	31,000
Subtotal	\$ 96,000	\$ -	\$ -	\$ -	\$ 96,000
Golf Clubhouse					
Range Mats	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000
Subtotal	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000

City of Muscatine
Capital Outlay in Department Operating Budgets
Budget 2023/2024

<u>Department/Item</u>	<u>Budget</u>	<u>Funding Sources</u>			
		<u>General Fund</u>	<u>Equipment Replacement</u>	<u>Road Use Tax</u>	<u>Enterprise or Other Funds</u>
Ambulance					
Pediatric Software System	\$ 9,000	\$ -	\$ -	\$ -	\$ 9,000
Cot Scales	17,500	-	-	-	17,500
Difficult Airway Trainer	2,800	-	-	-	2,800
Subtotal	<u>\$ 29,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,300</u>
Refuse Collection					
Automated Residential Refuse Truck	\$ 240,000	\$ -	\$ -	\$ -	\$ 240,000
Curbside Refuse Containers	16,000	-	-	-	16,000
Subtotal	<u>\$ 256,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 256,000</u>
Landfill					
Methane Monitoring System	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
Subtotal	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000</u>
Transfer Station					
Fire Alarm Control Panel	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000
Replace HVAC	6,000	-	-	-	6,000
Scale Software	10,000	-	-	-	10,000
Subtotal	<u>\$ 26,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,000</u>
Water Pollution Control Plant					
Plant Operations:					
Rebuild Draft Tube Mixers #1, 3 & 4	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000
Truck	45,000	-	-	-	45,000
Snow Pusher Blade	5,700	-	-	-	5,700
Pumping Stations:					
Mad Creek Lift Station Pump #2	25,000	-	-	-	25,000
Mad Creek Suction Valve Pump #3	12,000	-	-	-	12,000
Papoose Lift Station Dry Well Pipe	25,000	-	-	-	25,000
Replace Pump #2 Miles Lift Station	12,000	-	-	-	12,000
Discharge Valves Progress Park Lift Station (2)	7,500	-	-	-	7,500
Lab Operations:					
Ion Chromatography	21,000	-	-	-	21,000
pH Meter	1,500	-	-	-	1,500
Incubator	7,800	-	-	-	7,800
Biosolids:					
3/4 Ton Pickup	45,000	-	-	-	45,000
Supply Hose 6' x 660'	7,500	-	-	-	7,500
Drag Hose 5' x 990'	8,500	-	-	-	8,500
3-Point Hose Cart	12,500	-	-	-	12,500
High Strength Waste Operations:					
Radiant Heat System	40,000	-	-	-	40,000
Outside Storage Structure	60,000	-	-	-	60,000
Subtotal	<u>\$ 396,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 396,000</u>
Collection and Drainage					
Sewer Maintenance Projects	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
Subtotal	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000</u>
Storm Water					
Bridge Railing Installation	\$ 19,000	\$ -	\$ -	\$ -	\$ 19,000
Subtotal	<u>\$ 19,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,000</u>
Subtotal - Enterprise Funds	<u>\$ 1,285,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,285,300</u>

City of Muscatine
Capital Outlay in Department Operating Budgets
Budget 2023/2024

<u>Department/Item</u>	<u>Budget</u>	<u>Funding Sources</u>			
		<u>General Fund</u>	<u>Equipment Replacement</u>	<u>Road Use Tax</u>	<u>Enterprise or Other Funds</u>
<u>Other Funds - Public Housing and Internal Services Funds</u>					
Public Housing Funds					
Clark House - Apartment Rehabs	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000
Clark House - Appliance Replacements	6,000	-	-	-	6,000
Clark House - Heating & Air Units (5)	10,000	-	-	-	10,000
Clark House - Concrete Repairs	10,000	-	-	-	10,000
Clark House - Roof Replacement	88,000	-	-	-	88,000
Clark House - Roof Vent Hoods	55,000	-	-	-	55,000
Clark House - Computer	1,800	-	-	-	1,800
Sunset - Apartment Rehabs	15,000	-	-	-	15,000
Sunset - Appliance Replacements	8,000	-	-	-	8,000
Sunset - Foundation Repairs	20,000	-	-	-	20,000
Sunset - Concrete/Drainage Repairs	7,500	-	-	-	7,500
Sunset - Computer	1,800	-	-	-	1,800
Sunset - Printer/Scanner	400	-	-	-	400
Subtotal	<u>\$ 238,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 238,500</u>
Voucher Program					
Computer Replacement	\$ 1,800	\$ -	\$ -	\$ -	\$ 1,800
Laptops (2)	4,000	-	-	-	4,000
Subtotal	<u>\$ 5,800</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,800</u>
Equipment Services Internal Services Fund					
Laptop for JRPO (Diagnostic) Scanner Software	\$ 2,300	\$ -	\$ -	\$ -	\$ 2,300
Computer for Parts Room	1,200	-	-	-	1,200
Monitor - Supervisor's Computer	500	-	-	-	500
Subtotal	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,000</u>
Subtotal - Other Funds					
	<u>\$ 248,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 248,300</u>
Total - All Operating Funds	<u>\$ 3,058,700</u>	<u>\$ 351,100</u>	<u>\$ 421,000</u>	<u>\$ 753,000</u>	<u>\$ 1,533,600</u>

OTHER FUNDS

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 \$5,000 in perpetual care funds is expected to be received in both 2022/2023 and 2023/2024. The balance in this trust on June 30, 2024 is estimated at \$921,927.

Perpetual Care Trust

Fund Statement

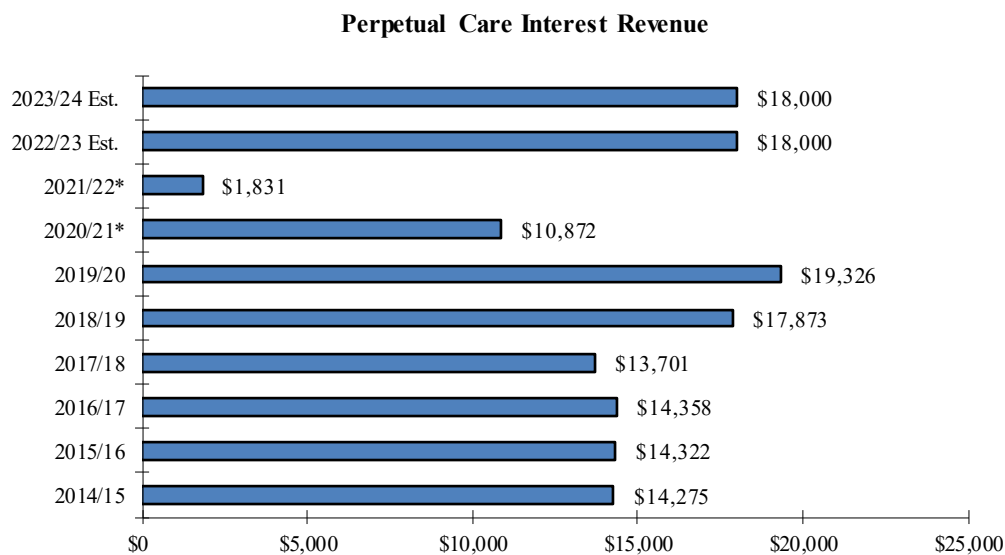
	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 891,890	\$ 903,684	\$ 908,684	\$ 911,927	\$ 916,927
Revenues					
Perpetual Care	<u>11,794</u>	<u>8,243</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Funds Available	\$ 903,684	\$ 911,927	\$ 913,684	\$ 916,927	\$ 921,927
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u><u>\$ 903,684</u></u>	<u><u>\$ 911,927</u></u>	<u><u>\$ 913,684</u></u>	<u><u>\$ 916,927</u></u>	<u><u>\$ 921,927</u></u>
Increase (Decrease) in Fund Balance	\$ 11,794	\$ 8,243	\$ 5,000	\$ 5,000	\$ 5,000

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 2014/2015 through the budgeted amount for 2023/2024 is shown in the following graph.



* The Perpetual Care interest revenue decreases in 2020/2021 and 2021/2022 are due to the significant decrease in interest rates since the start of the COVID-19 pandemic.

Beginning in 1991/92 and continuing through 2021/2022 (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 \$44,327 in 2014/2015, \$8,885 in 2015/2016, \$43,334 in 2016/2017, \$45,978 in 2017/2018, \$28,152 in 2018/2019, \$52,200 in 2019/2020, \$3,727 in 2020/2021, and \$42,520 in 2021/2022. The revised estimate for 2022/2023 projects a General Fund subsidy of \$62,600 and \$89,400 is the estimated subsidy for 2023/2024. The increased subsidy in these years is primarily due to increased Cemetery operating expenditures.

Perpetual Care Interest Trust

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Interest	<u>10,872</u>	<u>1,831</u>	<u>500</u>	<u>18,000</u>	<u>18,000</u>
Funds Available	\$ 10,872	\$ 1,831	\$ 500	\$ 18,000	\$ 18,000
Expenditures					
Transfers Out					
Cemetery Operations	<u>10,872</u>	<u>1,831</u>	<u>500</u>	<u>18,000</u>	<u>18,000</u>
Ending Balance, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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 \$1,500 in interest is expected to be earned on these funds in both 2022/2023 and 2023/2024. Trust expenditures are estimated at \$1,000 for both 2022/2023 and 2023/2024.

Special Cemetery Trusts (1)

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 52,782	\$ 52,416	\$ 51,516	\$ 51,949	\$ 52,449
Revenues					
Interest	<u>777</u>	<u>52</u>	<u>100</u>	<u>1,500</u>	<u>1,500</u>
Funds Available	<u>\$ 53,559</u>	<u>\$ 52,468</u>	<u>\$ 51,616</u>	<u>\$ 53,449</u>	<u>\$ 53,949</u>
Expenditures					
Florist Services	\$ 843	\$ 519	\$ 1,000	\$ 1,000	\$ 1,000
Transfers Out:					
Administrative Fees	<u>300</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 1,143</u>	<u>\$ 519</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>
Ending Balance, June 30	<u><u>\$ 52,416</u></u>	<u><u>\$ 51,949</u></u>	<u><u>\$ 50,616</u></u>	<u><u>\$ 52,449</u></u>	<u><u>\$ 52,949</u></u>
Increase (Decrease) in Fund Balance	\$ (366)	\$ (467)	\$ (900)	\$ 500	\$ 500

1. Amounts shown are comprised of thirteen individual trusts associated with specific graves or mausoleums at Greenwood Cemetery.

PARKS AND RECREATION

TRUST FUNDS

GENERAL INFORMATION:

In 2021/2022, a bequest of approximately \$361,800 was received from the estate of Dr J. Donald McPike, Jr. According to the donor's wishes, the bequest was to be allocated 80% for improvements and ongoing costs to maintain the Weed Park Rose Garden, with the remaining 20% to be used for Greenwood Cemetery improvements or other Park projects. The donor's father had started the rose garden at Weed Park. The City has established two trusts to account for the bequest funds.

Parks and Recreation staff are evaluating possible future projects to be funded from the bequest, but at this time, no project have been budgeted.

J. Donald McPike Bequest Trust - Weed Park Rose Garden

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 289,435	\$ 297,235
Revenues					
Donations	\$ 0	\$ 289,398	\$ 0	\$ 300	\$ 0
Interest	<u>0</u>	<u>37</u>	<u>0</u>	<u>7,500</u>	<u>7,500</u>
Total Revenues	<u>\$ 0</u>	<u>\$ 289,435</u>	<u>\$ 0</u>	<u>\$ 7,800</u>	<u>\$ 7,500</u>
Funds Available	<u>\$ 0</u>	<u>\$ 289,435</u>	<u>\$ 0</u>	<u>\$ 297,235</u>	<u>\$ 304,735</u>
Expenditures:					
Commodities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contractual Services	0	0	0	0	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Ending Balance, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 289,435</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 297,235</u></u>	<u><u>\$ 304,735</u></u>
Increase (Decrease) in Fund Balance	\$ 0	\$ 289,435	\$ 0	\$ 7,800	\$ 7,500

J Donald McPike Bequest Trust - Cemetery or Other Park Projects

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 72,359	\$ 74,459
Revenues					
Donations	\$ 0	\$ 72,350	\$ 0	\$ 100	\$ 0
Interest	<u>0</u>	<u>9</u>	<u>0</u>	<u>2,000</u>	<u>2,000</u>
Total Revenues	<u>\$ 0</u>	<u>\$ 72,359</u>	<u>\$ 0</u>	<u>\$ 2,100</u>	<u>\$ 2,000</u>
Funds Available	<u>\$ 0</u>	<u>\$ 72,359</u>	<u>\$ 0</u>	<u>\$ 74,459</u>	<u>\$ 76,459</u>
Expenditures:					
Commodities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contractual Services	0	0	0	0	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Ending Balance, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 72,359</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 74,459</u></u>	<u><u>\$ 76,459</u></u>
Increase (Decrease) in Fund Balance	\$ 0	\$ 72,359	\$ 0	\$ 2,100	\$ 2,000

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.

CURRENT TRENDS AND ISSUES:

In 2020/2021, the library acquired the local cable Channel 5 programming station. The 2020/2021 expenditures included \$29,521 for video equipment and operating costs of the station. Operating costs for this programming totaled \$13,372 in 2021/2022. The Library Channel 5 station is available through the basic Muscatine Power and Water (MPW) cable package as well as Facebook. Technology will be added to the program to allow live viewing from a smartphone, tablet, computer, or stream on-demand via an app on a smart TV. This will make the information accessible for those without MPW cable service or those that live outside the viewing area. Operating costs for the Library Channel 5 programming are being funded from Friends of Musser Public Library and Enrich Iowa funds accounted for in the Library Trust.

The 2022/2023 and 2023/2024 budgets include \$13,500 and \$14,000, respectively, in operating expenditures for the Library Channel 5 programming. Annual expenditures for Library Channel 5 are being tracked in a subaccount of the Library Trust.

The 2022/2023 revised estimate expenditures total \$31,900 which includes \$13,500 for Channel 5 programming. The 2023/2024 budgeted expenditures total \$27,400 which includes \$14,000 for Channel 5. The estimated balance in this trust on June 30, 2024 is \$76,638.

Library Gift and Memorial Trust

Fund Statement

	<u>Actual</u> <u>2020/2021</u>	<u>Actual</u> <u>2021/2022</u>	<u>Budget</u> <u>2022/2023</u>	<u>Revised</u> <u>Estimate</u> <u>2022/2023</u>	<u>Budget</u> <u>2023/2024</u>
Beginning Balance, July 1	\$ 55,994	\$ 54,757	\$ 71,557	\$ 53,138	\$ 57,138
Revenues					
Donations	\$ 5,258	\$ 14,665	\$ 2,000	\$ 5,000	\$ 16,000
Federal Grant - FEMA - COVID	5,876	0	0	0	0
Federal Grant - ARPA	0	4,945	0	0	0
State Grant	24,554	25,747	20,000	20,000	20,000
Miscellaneous Sales	3,228	2,754	2,000	2,000	2,000
LENA Program Donation	0	0	8,450	8,400	8,400
Interest	157	69	50	500	500
Total Revenues	<u>\$ 39,073</u>	<u>\$ 48,180</u>	<u>\$ 32,500</u>	<u>\$ 35,900</u>	<u>\$ 46,900</u>
Funds Available	<u>\$ 95,067</u>	<u>\$ 102,937</u>	<u>\$ 104,057</u>	<u>\$ 89,038</u>	<u>\$ 104,038</u>
Expenditures					
Library Materials	\$ 312	\$ 201	\$ 10,000	\$ 5,000	\$ 0
Contractual Services	10,217	27,776	5,000	5,000	5,000
LENA Program Fees	260	8,450	8,450	8,400	8,400
Library Channel 5 Programming:					
Video Equipment	21,866 (1)	0	0	0	0
Operations	7,655 (1)	13,372 (2)	6,000 (2)	13,500 (2)	14,000 (2)
Total Expenditures	<u>\$ 40,310</u>	<u>\$ 49,799</u>	<u>\$ 29,450</u>	<u>\$ 31,900</u>	<u>\$ 27,400</u>
Ending Balance, June 30	<u><u>\$ 54,757</u></u>	<u><u>\$ 53,138</u></u>	<u><u>\$ 74,607</u></u>	<u><u>\$ 57,138</u></u>	<u><u>\$ 76,638</u></u>
Increase (Decrease) in Fund Balance	\$ (1,237)	\$ (1,619)	\$ 3,050	\$ 4,000	\$ 19,500

1. The Library acquired the Muscatine Power & Water (MPW) Channel 5 programming station in the 2020/2021 fiscal year and the 2020/2021 expenditures included start up costs for the new station.
2. The Library Channel 5 expenditures are being accounted for in a subaccount of the Library Trust

MUSCATINE ART CENTER

TRUST FUNDS

GENERAL INFORMATION:

The City of Muscatine has four trust funds 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 as well as major areas of conservation and preservation of objects owned by Laura Musser which are in the permanent collection. The 2022/2023 revised estimate has \$2,000 in budgeted expenditures and the 2023/2024 budget has expenditures of \$4,000. The projected balance at the end of 2023/2024 is \$101,281.

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. The 2022/2023 revised estimate and 2023/2024 budget each have expenditures of \$500 budgeted to be expended from this trust. The projected balance at the end of 2023/2024 is \$47,483.

The Art Center Donations Trust is used for cash donations made by individuals, groups, or businesses to the Art Center. Any part of the Trust or its interest earnings may be used as designated by the Board of Trustees. This trust is traditionally used for the purchase of acquisitions for the permanent collection. A donor may also contribute funds through this trust to be used for designated object(s) to enrich a specific part of the collection or for the promotion of programs relating to Art Center collections or exhibitions. Additionally, funds from the sale of deaccession items from the permanent collection are credited to this trust. Other purchases are made at the direction of the Board of Trustees. In 2022/2023 a total of \$20,200 in donations, grants, and interest, is budgeted to be received and \$28,300 is budgeted to be expended. The projected balance in this trust is \$34,641 at the end of 2022/2023. Grants, donations, and interest budgeted to be received in 2023/2024 totals \$18,900, and \$10,500 is budgeted to be expended. The projected balance in this trust at the end of 2023/2024 is \$43,041.

A bequest of \$300,000 was received in 1999/2000 from the estate of Brad Burns and approximately \$413,000 of additional funding from this estate was received in 2004/2005. Any part of the bequest or its interest earnings may be used as designated by the Board of Trustees. In 2008/2009 \$134,989 was expended from this trust for acquisition of property next to the museum. In 2016/2017, \$20,000 was transferred from this fund to the Community Foundation of Greater Muscatine. These funds combined with other sources will provide an annual grant for the Muscatine Art Center. The 2021/2022 expenditures included \$295,000 for the purchase of the neighboring property. The purchase of this property was primarily to address collection storage concerns. A 2019 report from the Collections Assessment for Preservations assessors found collection storage concerns at the Art Center. An anonymous donor contributed \$147,500 for the property purchase. The 2023/2024 budget includes \$125,000 in expenditures. The 2023/2024 budget allocation is for design work for a building addition. The projected balance in this trust at the end of 2023/2024 is \$9,006.

McWhirter-Gilmore Trust

Fund Statement

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024
Beginning Balance, July 1	\$ 104,955	\$ 105,003	\$ 103,603	\$ 105,681	\$ 104,481
Revenues					
Interest	<u>958</u>	<u>678</u>	<u>400</u>	<u>800</u>	<u>800</u>
Funds Available	\$ 105,913	\$ 105,681	\$ 104,003	\$ 106,481	\$ 105,281
Expenditures					
Contractual Services	\$ 0	\$ 0	\$ 1,000	\$ 1,000	\$ 2,000
Capital Outlay	<u>910</u>	<u>0</u>	<u>1,000</u>	<u>1,000</u>	<u>2,000</u>
Total Expenditures	<u>910</u>	<u>0</u>	<u>2,000</u>	<u>2,000</u>	<u>4,000</u>
Ending Balance, June 30	<u>\$ 105,003</u>	<u>\$ 105,681</u>	<u>\$ 102,003</u>	<u>\$ 104,481</u>	<u>\$ 101,281</u>
Increase (Decrease) in Fund Balance	\$ 48	\$ 678	\$ (1,600)	\$ (1,200)	\$ (3,200)

Alice Schaeffer Trust

Fund Statement

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024
Beginning Balance, July 1	\$ 46,812	\$ 47,207	\$ 46,957	\$ 47,483	\$ 47,483
Revenues					
Interest	<u>395</u>	<u>276</u>	<u>200</u>	<u>500</u>	<u>500</u>
Funds Available	\$ 47,207	\$ 47,483	\$ 47,157	\$ 47,983	\$ 47,983
Expenditures	<u>0</u>	<u>0</u>	<u>500</u>	<u>500</u>	<u>500</u>
Ending Balance, June 30	<u><u>\$ 47,207</u></u>	<u><u>\$ 47,483</u></u>	<u><u>\$ 46,657</u></u>	<u><u>\$ 47,483</u></u>	<u><u>\$ 47,483</u></u>
Increase (Decrease) in Fund Balance	\$ 395	\$ 276	\$ (300)	\$ 0	\$ 0

Art Center Donations Trust

Fund Statement

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024
Beginning Balance, July 1	\$ 35,643	\$ 37,708	\$ 42,208	\$ 42,741	\$ 34,641
Revenues					
Donations	\$ 3,281	\$ 10,175	\$ 4,800	\$ 4,800	\$ 4,800
Special Project Donations	5,492	4,134	0	0	0
Interest	79	45	100	100	100
Art Center Grants	2,135	39,700	5,800	5,800	5,000
Miscellaneous Sales	0	285	200	1,000	500
Reimbursement of Expense	0	3,587	0	8,500	8,500
Miscellaneous - Other	0	6,110	0	0	0
Total Revenues	<u>\$ 10,987</u>	<u>\$ 64,036</u>	<u>\$ 10,900</u>	<u>\$ 20,200</u>	<u>\$ 18,900</u>
Funds Available	<u>\$ 46,630</u>	<u>\$ 101,744</u>	<u>\$ 53,108</u>	<u>\$ 62,941</u>	<u>\$ 53,541</u>
Expenditures					
Art Center Materials	\$ 3,494	\$ 3,005	\$ 1,500	\$ 3,800	\$ 3,500
Contractual Services	5,428	55,528	6,000	23,500	6,000
Capital Outlay	0	470	1,000	1,000	1,000
Total Expenditures	<u>\$ 8,922</u>	<u>\$ 59,003</u>	<u>\$ 8,500</u>	<u>\$ 28,300</u>	<u>\$ 10,500</u>
Ending Balance, June 30	<u><u>\$ 37,708</u></u>	<u><u>\$ 42,741</u></u>	<u><u>\$ 44,608</u></u>	<u><u>\$ 34,641</u></u>	<u><u>\$ 43,041</u></u>
Increase (Decrease) in Fund Balance	\$ 2,065	\$ 5,033	\$ 2,400	\$ (8,100)	\$ 8,400

Brad Burns Trust

Fund Statement

	<u>Actual 2020/2021</u>	<u>Actual 2021/2022</u>	<u>Budget 2022/2023</u>	<u>Revised Estimate 2022/2023</u>	<u>Budget 2023/2024</u>
Beginning Balance, July 1	\$ 291,244	\$ 293,781	\$ 140,281	\$ 135,706	\$ 132,006
Revenues					
Donation	\$ 0	\$ 147,500	\$ 0	\$ 0	\$ 0
Interest	<u>2,537</u>	<u>1,636</u>	<u>1,000</u>	<u>2,000</u>	<u>2,000</u>
Funds Available	<u>\$ 293,781</u>	<u>\$ 442,917</u>	<u>\$ 141,281</u>	<u>\$ 137,706</u>	<u>\$ 134,006</u>
Expenditures					
Contractual Services	\$ 0	\$ 9,373	\$ 125,000	\$ 5,700	\$ 125,000
Capital Outlay	<u>0</u>	<u>297,838</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 307,211</u>	<u>\$ 125,000</u>	<u>\$ 5,700</u>	<u>\$ 125,000</u>
Ending Balance, June 30	<u><u>\$ 293,781</u></u>	<u><u>\$ 135,706</u></u>	<u><u>\$ 16,281</u></u>	<u><u>\$ 132,006</u></u>	<u><u>\$ 9,006</u></u>
Increase (Decrease) in Fund Balance	\$ 2,537	\$ (158,075)	\$ (124,000)	\$ (3,700)	\$ (123,000)

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. Repairs and maintenance include 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 repairs 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 ensure 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 fulltime supervisor and three fulltime mechanics. The hourly charge for labor including overhead costs was \$85.00 per hour in 2017/2018 and that rate was maintained for 2018/2019. The rate increased to \$88.00 per hour in 2019/2020, increased to \$92.00 in 2020/2021, increased to \$96.00 per hour in 2021/2022 and increased to \$98.00 per hour in 2022/2023. The rate is budgeted to increase to \$106.00 per hour in 2023/2024.

In addition to the labor rate charge there is a 3% surcharge on parts, outside services, oil, and tires. 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 2023/2024.

CURRENT TRENDS AND ISSUES:

The 2022/2023 revised estimate expenditures are \$117,100 more than the original budget. This increase is due to (1) a \$2,800 increase in personal services costs primarily due to increased health insurance costs, (2) a \$65,600 increase in commodities primarily due to increased fuel costs, (3) a \$48,600 increase in contractual services primarily due to increased repair and maintenance services costs, and (4) a \$100 increase in capital outlay.

The 2023/2024 budget is \$86,400 (6.4%) more than the original 2022/2023 budget. The budget includes an increase of \$18,300 (4.7%) in personal services costs, a \$65,600 increase in commodities primarily due to increased fuel costs, a \$1,200 decrease in contractual services, a \$3,100 increase in capital outlay, and a \$600 increase in transfers.

A new vehicle lift was purchased in 2020/2021 at a cost of \$107,800. The new lift accommodates larger vehicles. This lift was financed with an internal loan. There was a \$20,000 down payment in 2020/2021 and payments of \$22,000 will be made annually over the following four years (2021/2022, 2022/2023, 2023/2024, and 2024/2025) to complete the financing for this equipment.

As an internal service fund and as fuel costs fluctuate, cost increases or decreases are passed on to the various City departments based on their actual fuel usage. The fund balance in this operation had been decreasing in recent years which required the labor rate to be increased from \$88.00 per hour to \$92.00 per hour in 2020/2021, to \$96.00 per hour for 2021/2022, and to \$98.00 per hour for 2022/2023. This rate is budgeted to increase to \$106.00 per hour in 2023/2024. The Equipment Services operation is expected to have a deficit balance (before inventory) of \$80,204 on June 30, 2024. The balance including the fuel and parts inventories is \$44,490.

Staff has identified the need to replace the aging fuel tanks, pumps, monitors, concrete, and the related electrical work. The estimated cost for this project is \$514,000 which is budgeted to be funded from the spring 2024 bond issue.

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 2019/2020	Actual 2020/2021	Actual 2021/2022	Estimated 2022/2023	Estimated 2023/2024
Autos, Pickups, Flatbeds Serviced	187	178	181	182	182
Trucks, Buses, Garbage Trucks Serviced	117	107	116	114	114
Heavy Equipment/Tractors Serviced	27	33	18	30	30
Gallons of Gasoline Dispensed	99,374	104,754	104,005	103,000	103,000
Gallons of Diesel Fuel Dispensed	47,231	48,748	42,621	46,200	46,200
Preventative Maintenance Work Orders	834	853	899	862	862
Emergency Maintenance Work Orders	581	535	486	534	534
Work Orders Completed	1,415	1,388	1,385	1,396	1,396
Total Miles Driven (all vehicles)	854,231	932,031	850,380	878,880	878,880

RECENT ACCOMPLISHMENTS:

Supply chain issues continue to be a challenge. Departments have been understanding and patient as wait times for parts have increased. Staff is being more proactive in the shop by identifying future issues and getting parts ordered to ensure they are in stock when needed.

The department purchased new portable tool carts for the mechanics. Portable carts will make the shop more efficient.

City departments have collaborated with Equipment Services to update the City's aging fleet. All vehicles ordered last year have been received, which is a significant accomplishment due to the lack of vehicle

availability. Vehicle Maintenance staff distributed lists to each department to assist departments in evaluating their vehicle replacement needs and to make replacement recommendations based on mileage, age, completed repairs, or repairs that will need to be conducted in the future. Each department determines their equipment budget requests based on the replacement list and the department's needs.

Equipment Services staff collected information on replacing the fuel dispensing pumps, tank monitors, and tanks. The fuel tanks are over fifteen years old and the insurance company plans to continue to increase premiums each year that the tanks are in the ground even though they are fiberglass tanks. The dispensing pumps are original and continue to require maintenance work to keep them operational. The fuel tank monitoring system is outdated and parts will be difficult to purchase if not replaced.

OBJECTIVES TO BE ACCOMPLISHED IN 2023/2024:

- To continue maintaining the vehicle replacement list and trying to work with all departments to use this tool to help with budget planning and replacement of their fleets so the City can keep the fleet current. **(Reliable Public Infrastructure, Excellent Customer Service)**
- To continue to look for ways to make jobs safer and more productive by attending training as available and looking for tools that can help mechanics to have the resources needed to repair more vehicles in-house. Staff has made great strides by repairing more and more vehicles in the shop and not having to rely on dealers for repairs that can be completed in-house with the right tools and training. **(Reliable Public Infrastructure, Excellent Customer Service)**

Equipment Services Operations

Fund Statement

	<u>Actual</u> <u>2020/2021</u>		<u>Actual</u> <u>2021/2022</u>		<u>Budget</u> <u>2022/2023</u>		<u>Revised</u> <u>Estimate</u> <u>2022/2023</u>		<u>Budget</u> <u>2023/2024</u>
Beginning Balance (Deficit), July 1	\$ 13,815		\$ (3,204)		\$ (11,804)		\$ (90,104)		\$ (83,104)
Revenues									
Charges for Services -									
City Departments	\$ 1,059,312	(2)	\$ 1,226,995	(4)	\$ 1,347,600	(5)	\$ 1,467,100	(5)	\$ 1,432,300
Miscellaneous	<u>5,632</u>		<u>1,085</u>		<u>500</u>		<u>500</u>		<u>500</u>
Total Revenues	<u>\$ 1,064,944</u>		<u>\$ 1,228,080</u>		<u>\$ 1,348,100</u>		<u>\$ 1,467,600</u>		<u>\$ 1,432,800</u>
Funds Available	\$ 1,078,759		\$ 1,224,876		\$ 1,336,296		\$ 1,377,496		\$ 1,349,696
Expenditures (1)	<u>1,081,963</u>		<u>1,314,980</u>	(3)	<u>1,343,500</u>	(3)	<u>1,460,600</u>	(3)	<u>1,429,900</u>
Ending Balance (Deficit), June 30	\$ (3,204)		\$ (90,104)		\$ (7,204)		\$ (83,104)		\$ (80,204)
Allowance for Inventory	<u>124,758</u>		<u>124,694</u>		<u>124,758</u>		<u>124,694</u>		<u>124,694</u>
Net Balance, June 30	<u><u>\$ 121,554</u></u>		<u><u>\$ 34,590</u></u>		<u><u>\$ 117,554</u></u>		<u><u>\$ 41,590</u></u>		<u><u>\$ 44,490</u></u>
Increase (Decrease) in Net Balance	\$ (17,019)	(2)	\$ (86,900)	(3)	\$ 4,600		\$ 7,000		\$ 2,900

1. Expenditures include changes in compensated absences.
2. The labor rate for 2020/2021 was increased from \$88 to \$92.00 per hour. This increase was due to the purchase of the new vehicle lift at a cost of \$107,800. An internal loan was used to finance the purchase of the lift
A \$20,000 downpayment was included in the revised estimate for 2020/2021
3. The 2021/2022, 2022/2023 and 2023/2024 budgets include \$22,000 for the first 3 payments on the loan.
4. The labor rate increased to \$96.00 per hour for the 2021/2022 fiscal year
5. The labor rate increased to \$98.00 per hour for the 2022/2023 fiscal year.
6. The labor rate is budgeted to increase to \$106.00 per hour for the 2023/2024 fiscal year.

Function:
Internal Service

Department:
Public Works

Activity:
Equipment Services Operations

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Percent Change
Expenditure Summary						
Personal Services	\$ 364,367	\$ 377,106	\$ 393,100	\$ 395,900	\$ 411,400	4.66%
Commodities	514,610	646,728	621,700	687,300	687,300	10.55%
Contractual Services	156,377	242,523	285,200	333,800	284,000	-0.42%
Capital Outlay	540	12,137	900	1,000	4,000	344.44%
Transfers	39,400	42,000	42,600	42,600	43,200	1.41%
Total Expenditures	<u>\$ 1,075,294</u>	<u>\$ 1,320,494</u>	<u>\$ 1,343,500</u>	<u>\$ 1,460,600</u>	<u>\$ 1,429,900</u>	6.43%
Funding Sources						
Charges for Services	\$ 1,059,312	\$ 1,226,995	\$ 1,347,600	\$ 1,467,100	\$ 1,432,300	6.29%
Other	5,632	1,085	500	500	500	0.00%
Total Funding Sources	<u>\$ 1,064,944</u>	<u>\$ 1,228,080</u>	<u>\$ 1,348,100</u>	<u>\$ 1,467,600</u>	<u>\$ 1,432,800</u>	6.28%

Personnel Schedule						
	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024	Budget Amount 2023/2024
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	\$ 259,700
Employee Benefits						151,700
Total Personal Services						<u>\$ 411,400</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Laptop for JRPO Diagnostic Scanner Software	1	Yes	\$ 2,300
Computer for Parts Room	1	Yes	1,200
Additional Monitor for Supervisor's Computer	1	No	500
Total			<u>\$ 4,000</u>

INTERNAL SERVICE FUNDS

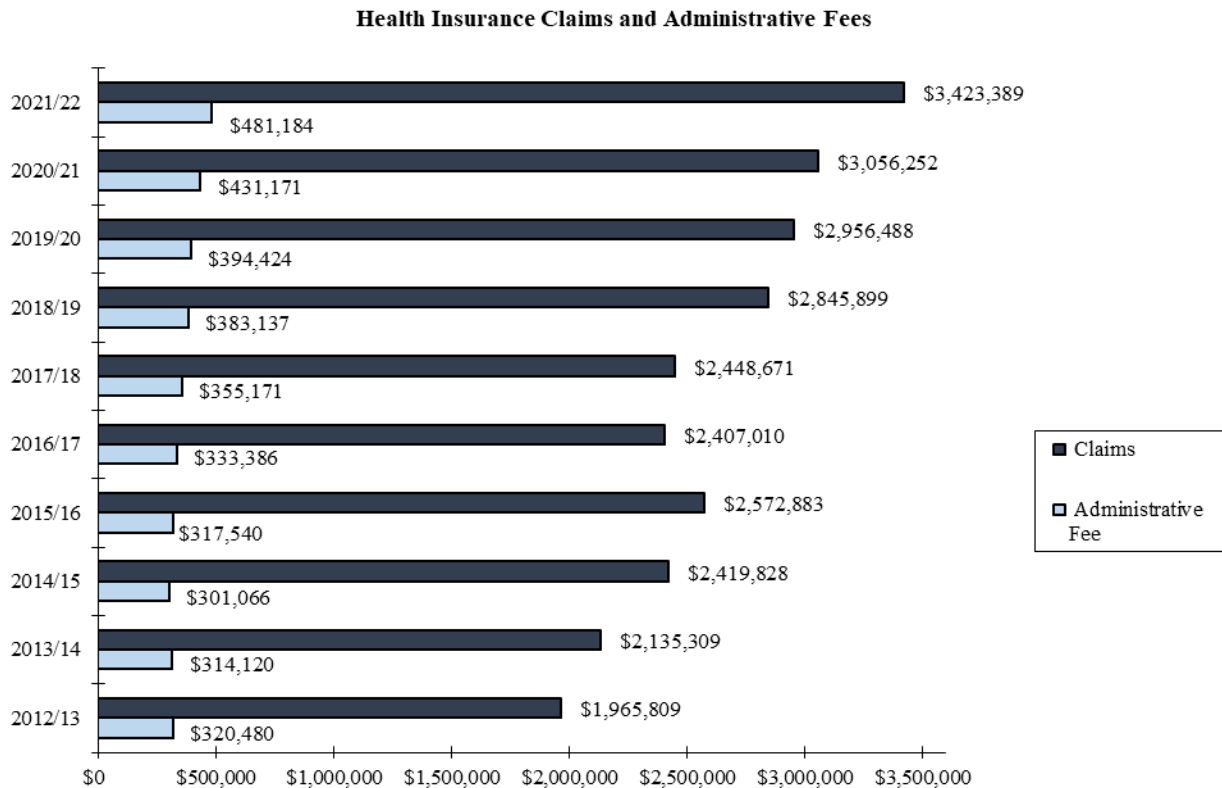
HEALTH INSURANCE FUND

GENERAL INFORMATION:

On January 1, 1985 the City changed its employee medical insurance program to a modified self insurance plan. Wellmark 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 Wellmark on a monthly basis. The City also pays Wellmark 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 2012/2013.

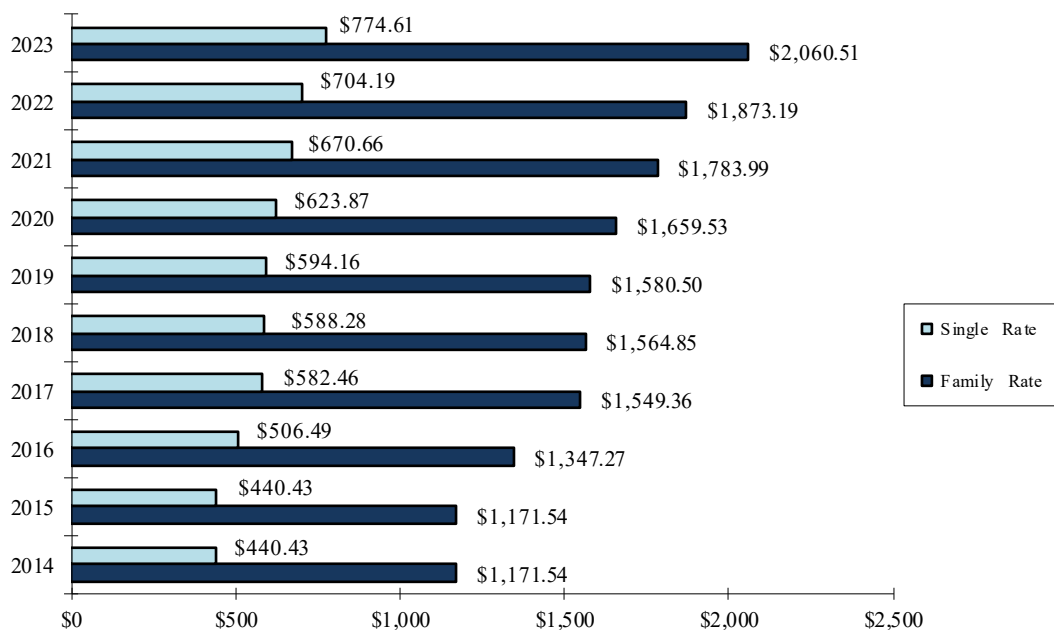


The monthly premium charges for single and family health insurance coverage for City employees, dependents, and retirees has varied significantly over the last ten years as shown in the table on the next page. For January 1, 2013 rates increased by 3% for both single and family coverage. These rates were maintained for 2014 and 2015. For January 1, 2016, due to the significant increase in claims, the rates were increased by 15% for both single and family coverage. For January 1 2017, due to continued high levels of claims, rates were again increased by 15% for both single and family coverage. With the leveling of claims in 2017, January 1, 2018 rates were increased by 1% for both single and family coverage and for January 1, 2019, rates

were increased by an additional 1%. For January 1, 2020, rates were increased by 5% and for January 1, 2021, rates were increased by 7.5%. For January 1, 2022, rates were increased by 5% and for January 1, 2023 rates were increased 10%.

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 Wellmark. 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. Deductibles were increased again in 2016 from \$500 to \$600 for single coverage and from \$1,000 to \$1,200 for family coverage. Out-of-pocket maximums were increased from \$1,000 to \$1,200 for single and from \$2,000 to \$2,400 for family coverage. The deductibles and out-of-pocket maximums were maintained in 2017, 2018, 2019, 2020, 2021, 2022 and 2023 for both single and family coverage. The rates for single and family coverage for the past ten years are shown in the chart below.

Monthly Health Insurance Rate History



CURRENT TRENDS AND ISSUES:

As noted previously, effective January 1, 2016 the City’s health insurance rates for both the single and family coverage increased by 15% to \$506.49 and \$1,347.27, respectively. Effective January 1, 2017 the City’s health insurance rates for both the single and family coverage increased again by 15% to \$582.46 and \$1,549.36, respectively. Effective January 1, 2016, the City also increased the individual stop loss limit from \$75,000 to \$100,000. The individual stop loss limit remained at \$100,000 for 2017, 2018, and 2019. The City chose to increase the individual stop loss limit to \$120,000 in 2020. The City’s health insurance rates for single and family coverage increased by 1% effective January 1, 2018, increased by another 1% January 1, 2019, and increased by 5% January 1, 2020. The rates were increased January 1, 2021 by 7.5%, increased again by 5% on January 1, 2022, and increased by 10% January 1, 2023. The annual aggregate maximum

level has been established at \$5,159,857 for calendar year 2023 compared to \$4,596,104 for calendar year 2022. The annual aggregate amounts reflect 125% of expected claims for 2022 and 2023 for the City's group. The premium rates for 2022 included an administrative fee of \$201.54 per month per contract. This fee is paid to Wellmark for claims processing services, as fees for the individual and aggregate stop loss insurance, and the Wellmark network access fee. For 2023, the monthly administrative fee increased to \$223.74 per month.

The Employee Wellness program was established by the City in 1987. The 2022/2023 revised estimate and 2023/2024 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 \$68,000 for the 2022/2023 revised estimate and \$70,000 for the 2023/2024 budget. Additional information on this program can be found in the Wellness Program activity budget in the General Fund section of this document.

The 2023/2024 budget allows for estimated health insurance claims costs of \$4,060,000 which is \$67,882 less than Wellmark's projected claims of \$4,127,882 for the City's group for calendar year 2023. Based on this claims projection, the Health Insurance fund balance is estimated at \$1,784,617 at the end of 2023/2024. As noted previously, however, the City is responsible for funding up to 125% of Wellmark's expected claims amount if actual claims exceed the expected claims. The 125% of expected claims calculates to \$5,159,852 for 2023. In the event the City's actual claims exceed the expected amount of \$4,127,882 for calendar year 2023, the amount in excess of the expected claims would result in a decrease in fund balance by that amount. With the rates set by the City for 2023, and the budgeted claims expenditures of \$4,060,000, if claims would reach the 125% maximum level of \$5,159.852, the fund balance would decrease by \$1,099,852. This would be the "worst case" scenario. The projected fund balance of \$1,784,617 at the end of 2023/2024 would be sufficient to fund claims in excess of the estimated amount.

As specified in the contracts with the City's three bargaining units, the employee contributions toward their health insurance coverage increased from 5% to 6% effective January 1, 2017. The contribution increased further to 7% effective January 1, 2018 and increased again to 8% effective January 1, 2019. The 8% rate was maintained for 2020. The contribution increased to 9% effective January 1, 2021 for all groups except the Fire bargaining unit. The rate was maintained at 8% for members of this group. These increases will assist in funding future year health insurance costs. The 2021 employee contribution rates were maintained for 2022 and 2023.

Health Insurance Fund

Fund Statement

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024
Beginning Balance, July 1	\$ 2,097,950	\$ 2,182,591	\$ 2,094,991	\$ 2,040,117	\$ 1,921,217
Revenues					
Interest	\$ 5,595	\$ 2,562	\$ 2,000	\$ 5,000	\$ 5,000
City Contributions	3,175,989	3,328,819	3,588,200	3,646,700	4,010,500
Employee Contributions	312,751	355,598	395,900	387,300	435,400
Retiree Contributions	157,490	146,103	177,300	182,400	185,100
Total Revenues	<u>\$ 3,651,825</u>	<u>\$ 3,833,082</u>	<u>\$ 4,163,400</u>	<u>\$ 4,221,400</u>	<u>\$ 4,636,000</u>
Funds Available	<u>\$ 5,749,775</u>	<u>\$ 6,015,673</u>	<u>\$ 6,258,391</u>	<u>\$ 6,261,517</u>	<u>\$ 6,557,217</u>
Expenditures					
Health Insurance Claims	\$ 3,056,252	\$ 3,423,389	\$ 3,608,300	\$ 3,700,000	\$ 4,060,000
Administrative Fees	431,171	481,184	552,300	553,400	620,200
Special Service Coverage	3,500	1,000	3,500	1,000	2,500
Flexible Benefit Plan Fees	4,161	0	4,200	0	0
Audit Fees	1,090	1,077	1,200	1,200	1,200
State Assessment	3,253	0	5,000	3,200	5,000
Wellness Tracking Program	8,240	8,487	8,500	8,700	8,700
Affordable Care Act Fees:					
PCORI Fee (Patient Centered Outcomes Research Institute)	0	1,641	1,900	1,800	2,000
Transfers Out:					
General Fund Wellness Program	56,517	55,778	68,000	68,000	70,000
Administrative Fee	3,000	3,000	3,000	3,000	3,000
Total Expenditures	<u>\$ 3,567,184</u>	<u>\$ 3,975,556</u>	<u>\$ 4,255,900</u>	<u>\$ 4,340,300</u>	<u>\$ 4,772,600</u>
Ending Balance, June 30	<u><u>\$ 2,182,591</u></u>	<u><u>\$ 2,040,117</u></u>	<u><u>\$ 2,002,491</u></u>	<u><u>\$ 1,921,217</u></u>	<u><u>\$ 1,784,617</u></u>
Increase (Decrease) in					
Fund Balance	\$ 84,641	\$ (142,474)	\$ (92,500)	\$ (118,900)	\$ (136,600)

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 limit was set at \$75,000 through 2015, it was increased to \$100,000 beginning in 2016, and it was increased to \$120,000 beginning in 2020. The aggregate stop loss limit is set at 125% of expected claims for the City's group. The fund balance has increased in recent years due to claims being lower than the expected levels. Based on the budget projections for 2022/2023 and 2023/2024, higher claims are expected. Actual fund balance changes, however, will depend on actual 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 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 2016 monthly dental insurance rates were \$32.39 for single coverage with an additional \$55.42 if the employee opted for family coverage. The monthly administrative fee was \$3.75 per contract. These rates, including the administrative fee, were maintained for 2017. In 2018, the dental insurance rates increased to \$33.87 with an additional \$57.94 if the employee opted for family coverage. The monthly administrative fee increased to \$3.93 per contract. The maximum coverage was increased from \$1,000 to \$1,500 in 2018. The 2018 rates were maintained for 2019 and 2020. In 2021, the dental insurance rates decreased to \$31.94 with an additional \$54.61 if the employee opted for family coverage. The monthly administrative fee was maintained at \$3.93 per contract and the maximum coverage was maintained at \$1,500 for 2021. In 2022, the dental insurance rates increased to \$33.23 with an additional \$56.81 if the employee opted for family coverage. The monthly administrative fee was maintained at \$3.93 per contract and the maximum coverage remained at \$1,500 for 2022. In 2023, the dental insurance rates were maintained at \$33.23 with an additional \$56.81 if the employee opted for family coverage. The monthly administrative fee was maintained at \$3.93 per contract and the maximum coverage increased to \$2,000 for 2023.

For the 2023/2024 fiscal year, City, employee, retiree contributions, and interest are estimated at \$179,200. The administrative fee is projected to be \$10,200 and claims are estimated at \$169,000 for the year. An estimated fund balance of \$101,078 is projected for June 30, 2024.

Dental Insurance Fund

Fund Statement

	Actual 2020/2021	Actual 2021/2022	Budget 2022/2023	Revised Estimate 2022/2023	Budget 2023/2024
Beginning Balance, July 1	\$ 84,199	\$ 78,320	\$ 76,720	\$ 100,178	\$ 101,078
Revenues					
City Contributions	\$ 72,937	\$ 71,533	\$ 79,300	\$ 76,800	\$ 83,300
Employee Contributions	82,575	86,339	89,200	87,900	89,200
Retiree Contributions	3,989	3,863	4,700	5,900	6,200
Interest	232	100	0	500	500
Total Revenues	<u>\$ 159,733</u>	<u>\$ 161,835</u>	<u>\$ 173,200</u>	<u>\$ 171,100</u>	<u>\$ 179,200</u>
Funds Available	<u>\$ 243,932</u>	<u>\$ 240,155</u>	<u>\$ 249,920</u>	<u>\$ 271,278</u>	<u>\$ 280,278</u>
Expenditures					
Dental Insurance Claims	\$ 156,121	\$ 130,592	\$ 163,000	\$ 160,000	\$ 169,000
Administrative Fees	9,491	9,385	10,200	10,200	10,200
Total Expenditures	<u>\$ 165,612</u>	<u>\$ 139,977</u>	<u>\$ 173,200</u>	<u>\$ 170,200</u>	<u>\$ 179,200</u>
Ending Balance, June 30	<u><u>\$ 78,320</u></u>	<u><u>\$ 100,178</u></u>	<u><u>\$ 76,720</u></u>	<u><u>\$ 101,078</u></u>	<u><u>\$ 101,078</u></u>
Increase (Decrease) in Fund Balance	\$ (5,879)	\$ 21,858	\$ 0	\$ 900	\$ 0

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 23,797 people. Major employers located in the Muscatine area include: Grain Processing Corporation/Kent Feeds (corn distillates/feed); Kraft-Heinz, (formerly Heinz USA; food processing); HNI (HON Company/Industries, office furniture); Bayer U.S., (formerly 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 seven Advisory Commissions serving the City Council and City Staff.

Population

The official U.S. Census figures for the past ninety years are listed below.

<u>Year</u>	<u>City of Muscatine</u>	<u>Muscatine County</u>
2020	23,797	43,235
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.

Major Employers and Major Tax Payers

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.

Major Employers:

<u>Employer</u>	<u>Product/Service</u>	<u>Approximate Number of Employees *</u>
HNI Corporation (HON Company/Industries)	Office furniture and material	3,400
Grain Processing Corp./ Kent Feeds	Corn distillates, livestock and poultry feed, corn, soybeans, and forage	903
Muscatine Community School District	Education	779
Bayer (formerly Monsanto Company)	Herbicides and ABS plastics	463
Raymond-Muscatine Inc.	Industrial trucks and end loaders	450
Musco Sports Lighting, Inc.	Sports lights	404
Hy-Vee Food Stores	Grocery store	395
UnityPoint Health- Trinity Muscatine	Medical services	365
Kraft-Heinz, U.S.A.	Food processing	331
Wal-Mart Superstores	Discount and grocery store	320
Muscatine Power & Water	Utility	265
City of Muscatine	City government	234
County of Muscatine	County government	213
Stanley Consultants, Inc.	Engineers and architects	190
Bridgestone Bandag, LLC	Pre-cured tread rubber and related equipment and supplies	140

* Employment numbers reflect 2022 levels.

Major Tax Payers:

<u>Taxpayer</u>	<u>Taxable Valuation*</u>	<u>Rank</u>	<u>% of Total Taxable Value</u>
Grain Processing Corp	\$ 54,698,167	1	5.80%
HNI Corporation (HON Industries)	47,914,657	2	5.10%
Wal-View Development	33,525,905	3	3.60%
MLC Land Company LLC	13,924,843	4	1.50%
Sodarock Properties LLC	13,071,220	5	1.40%
Gridco LLC	10,613,370	6	1.10%
Wal-Mart Real Estate	10,484,536	7	1.10%
Heinz, U.S.A	10,387,572	8	1.10%
Menard Inc	10,386,581	9	1.10%
Muscatine Downtown Investors LLC	9,016,316	10	1.00%

(Continued)

(Continued)

<u>Taxpayer</u>	<u>Taxable Valuation*</u>	<u>Rank</u>	<u>% of Total Taxable Value</u>
Bridgestone Bandag LLC	8,964,605	11	1.00%
Store Master Funding XIV LLC (White Distributing)	6,179,874	12	0.70%
Midwest One Bank of Muscatine (Formerly First National Bank)	5,683,950	13	0.60%
Davenport Farm & Fleet, Inc.	5,411,784	14	0.60%
Prime Mover Company	5,253,663	15	0.60%
BCBI Bank and Trust (Formerly Central State Bank)	5,096,111	16	0.50%
SECO Investments	5,085,011	17	0.50%
LHV Muscatine LLC	4,896,975	18	0.50%
Muscatine Medical Associates LLC	4,702,084	19	0.50%
Muscatine Mall Management II LLC	4,520,622	20	0.50%

*January 1, 2022 valuations for property taxes to be paid in fiscal year 2023/2024.

Education

Children within the City and surrounding area attend the fine facilities of the Muscatine Community School District. Their educational facilities are outlined below:

<u>Facility Name</u>	<u>Grades</u>	<u>Date of Construction</u>	<u>Enrollment</u>
Muscatine High School	9-12	1974	1,553
Susan Clark Junior High	7-8	1960	671
Franklin Elementary	K-6	1954	266
Grant Elementary	K-6	1954	301
Jefferson Elementary	K-6	2016	436
Madison Elementary	K-6	1954	426
McKinley Elementary	K-6	1960	449
Mulberry Elementary	K-6	1962	<u>261</u>
Total			<u><u>4,363</u></u>

Educational opportunities are also complemented by the Eastern Iowa Community College, Muscatine Campus, a two-year college with an enrollment of approximately 1,800 students. Colleges or universities within commuting distance include: The University of Iowa, Iowa City; St. Ambrose University, Davenport; 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 and part of Des Moines-based UnityPoint Health. Trinity-Muscatine includes an 80 bed acute care hospital providing emergency, general medical and surgical services, and a public health agency.

Building Permits

Building permits issued in the City for the last 5 calendar years are as follows:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Single Family Homes</u>					
Number of New Homes:	3	3	3	11 (3)	6
Valuation:	\$352,325	\$728,190	\$597,954	\$3,633,613	\$1,632,731
<u>Home Remodel & Improvements</u>					
Number of Permits Issued:	1,044 (1)	763	796	713	629
Valuation:	\$6,994,212	\$4,561,866	\$2,602,838	\$3,658,207	\$4,452,691
<u>Multiple-Family Dwelling</u>					
Number of New Buildings:	1	18 (2)	3	9 (4)	2 (5)
Valuation:	\$353,090	\$11,359,863	\$827,390	\$20,042,437	\$2,317,880
<u>Commercial/Industrial/Other</u>					
Number of New Buildings:	13	10	6	13	13
Valuation:	\$12,956,615	\$5,015,417	\$2,819,014	\$6,953,649	\$27,027,756
<u>Commercial/Industrial/Other</u>					
<u>Additions & Alterations</u>					
Number of Permits Issued:	220 (1)	271	239	217	192
Valuation:	<u>\$14,520,256</u>	<u>\$33,318,971</u>	<u>\$5,293,496</u>	<u>\$24,004,327</u>	<u>\$17,412,913</u>
Total Permits:	1,281	1,065	1,047	963	842
Total Valuations:	\$35,176,498	\$54,984,307	\$12,140,692	\$58,292,233	\$52,843,971

1. 2018 remodeling and improvement permits includes those for roof, siding, and other repairs due to the summer wind and hail storms.
2. 2019 new multi-family dwellings consist of sixteen new triplex building for Oak Park, one new duplex condo, and the conversion of the former Hershey Building into apartments.
3. 2021 new single family homes include seven homes in the new Arbor Commons Subdivision.
4. 2021 new multi-family dwellings include the new Colorado Senior Lofts, the new Grandview Senior Lofts, and the new Steamboat Way Apartment complex consisting of one duplex and five 8-plex buildings.
5. 2022 new multi-family dwelling includes trade work (mechanical, electrical, plumbing) for the new Grandview Senior Lofts and the new Steamboat Way Apartment complex.

Historical Employment Statistics

Following are the historical unemployment rates for the years indicated for Muscatine County and the State of Iowa:

<u>Calendar Year</u>	<u>Muscatine County</u>	<u>State of Iowa</u>
2022	2.97%	2.74%
2021 *	4.70%	4.28%
2020 *	5.93%	5.25%
2019	2.90%	2.70%
2018	2.70%	2.50%
2017	3.30%	3.10%
2016	3.90%	3.70%
2015	3.90%	3.80%
2014	4.40%	4.40%
2013	4.70%	4.60%
2012	5.50%	5.20%

*Unemployment rates in 2020 and 2021 were impacted by the COVID-19 pandemic.

Retail Sales

The following illustrates the growth trend in taxable retail sales for the City of Muscatine as reported by the Iowa Department of Revenue:

<u>Year Ended 3/31</u>	<u>Retail Sales</u>	<u>Number of Permits</u>
2022	\$ 439,617,758	645
2021	405,303,320	677
2020	411,388,403	682
2019	391,048,279	706
2018	429,912,081	699
2017	421,069,443	706
2016	420,394,482	704
2015	401,787,000	701
2014	377,445,272	699
2013	371,978,755	711

Population by Age (2020 Census):

<i>Age Group</i>	<i>City of Muscatine</i>	<i>Muscatine County</i>	<i>State of Iowa</i>
Under 5 years	7.0%	6.4%	6.3%
5 to 9 years	7.7%	7.4%	6.5%
10 to 14 years	6.8%	6.9%	6.6%
15 to 19 years	6.1%	6.6%	6.8%
20 to 24 years	6.6%	6.0%	7.2%
25 to 29 years	7.1%	6.3%	6.3%
30 to 34 years	6.4%	6.3%	6.3%
35 to 39 years	7.6%	6.7%	6.3%
40 to 44 years	5.1%	5.3%	5.6%
45 to 49 years	6.8%	6.4%	5.9%
50 to 54 years	5.4%	6.2%	6.3%
55 to 59 years	6.0%	6.4%	6.8%
60 to 64 years	6.5%	7.0%	6.5%
65 to 69 years	4.5%	5.1%	5.3%
70 to 74 years	3.9%	4.2%	3.9%
75 to 79 years	2.4%	2.6%	2.9%
80 to 84 years	2.0%	1.8%	2.1%
85 years and over	2.3%	2.4%	2.5%

Median Family Income (2020 Census):

<u>Household Income</u>	<u># of Households</u>	<u>% of Households</u>
Under \$10,000	601	6.4%
\$10,000 to \$14,999	441	4.7%
\$15,000 to \$24,999	827	8.9%
\$25,000 to \$34,999	979	10.5%
\$35,000 to \$49,999	1,505	16.1%
\$50,000 to \$74,999	1,572	16.9%
\$75,000 to \$99,999	1,322	14.2%
\$100,000 to \$149,999	1,531	16.4%
\$150,000 to \$199,999	352	3.8%
\$200,000 or more	189	2.0%

Median and Mean Household Incomes (2020 Census):

Median	\$53,768
Mean	\$68,321

Race (2020 Census):

White	20,870
Black or African American	928
Asian	238
American Indian or Alaska Native	71
Native Hawaiian and Other Pacific Islander	24
Some Other Race	738
Two or More Race	<u>928</u>
	<u>23,797</u>

Hispanic or Latino and Race (2020 Census):

Hispanic or Latino (of any race)	4,402
Not Hispanic or Latino	<u>19,395</u>
	<u>23,797</u>

Appendix B

CITY OF MUSCATINE COMMUNITY PROFILE

Date chartered	February 1, 1851
Form of government	Mayor/Council/City Administrator
Population (2020 Census)	23,797
Bond Rating (Moody's Investor Services)	Aa2
Number of employees (excluding seasonal) Full-time equivalent	234
Area in square miles	18.5
City of Muscatine facilities and services:	
Miles of streets	144
Parks and Recreation:	
Parks	15
Park acreage	272
Recreation open areas	8
Recreation open area acreage	232
Golf course	1
Swimming pools	1
Softball and baseball diamonds	20
Soccer fields	12
Tennis courts	8
Pickleball courts	6
Splash pads	2
Cemetery:	1
Number of acres	80
Library:	1
Number of registered borrowers	20,100
Circulation	384,070
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	47

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:

Buses	11
Van	1
Fixed routes served	4
Shuttle vehicles operated	3

Municipal airport:

Primary runway length	5,500 feet
Crosswind runway length	4,000 feet

Appendix C

GLOSSARY

Accrual Basis of Accounting: A method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows.

Activity: Specific or distinguishable type of work performed by a component of government for the purpose of accomplishing a function for which the government is responsible.

Appropriation: Legal authorization by the City Council to make expenditures and to incur obligations for specific purposes.

Assessed Valuation: A valuation set upon real estate or other property by a government as a basis for levying taxes.

Availability Criterion: Principle of the modified accrual basis of accounting according to which revenues may only be recognized when they are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Balanced Budget: A budget in which expenditures will not exceed estimated resources and revenues.

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, Soccer Events, Ambulance, Convention and Visitors Bureau, 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 provide 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 wellbeing 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.

Expendable Trust Funds: A trust fund in which its resources, including principal and earnings, may be expended. These funds are now accounted for as special revenue funds in the City's Annual Comprehensive Financial Report.

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.

Full-Time Equivalent: Full-time equivalent employees equal the number of employees on full-time schedules plus the number of employees on part-time schedules converted to a full-time basis.

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.

Major Fund: A fund in which its 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.

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.

Working Capital: Current assets less current liabilities. The measure of working capital indicates the relatively liquid portion of total fund capital, which constitutes a margin or buffer for meeting obligations.

APPENDIX D

ACRONYMS AND ABBREVIATIONS

ABLE	Active Bystandership for Law Enforcement
ADA	Americans with Disabilities Act
ARPA	American Rescue Plan Act
CALEA	Commission on Accreditation of Law Enforcement Agencies
CARES	Coronavirus Aid, Relief, and Economic Security
CD	Certificate of Deposit
CD	Community Development
CDBG	Community Development Block Grant
CIP	Capital Improvements Program
COVID	Coronavirus Disease
CPI	Consumer Price Index
CRRSA	Coronavirus Response and Relief Supplemental Appropriations
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
FOG	Fats, Oils, and Grease (Water Pollution Control Plant)
FSS	Family Self-Sufficiency (Housing)
FTE	Full Time Equivalent
GASB	Governmental Accounting Standards Board
GEMT	Ground Emergency Medical Transport
GFOA	Government Finance Officers Association
GIS	Geographical Information System
GO	General Obligation (Bonds)
HAPS	Housing Assistance Payments
HIDTA	High Intensity Drug Trafficking Area
HUD	Department of Housing and Urban Development
HVAC	Heating, Ventilation and Air Conditioning System
HSWRS	High Strength Waste Receiving Station
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

MEL	Muscatine Environmental Laboratory
MFPRSI	Municipal Fire and Police Retirement System of Iowa
MORC	Muscatine Organics Recycling Center
MOU	Memorandum of Understanding
MP&W	Muscatine Power and Water
MSORT	Muscatine Special Operations Response Team
NLETS	National Law Enforcement Telecommunications System
OSHA	Occupational Health and Safety Administration
PHA	Public Housing Authority
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