

*City of Muscatine,
Iowa*



*Annual Budget
Fiscal Year 2024/2025*

ANNUAL BUDGET

CITY OF MUSCATINE, IOWA

FOR THE FISCAL YEAR
JULY 1, 2024 - JUNE 30, 2025

CITY OFFICIALS

Dr. Brad Bark
Mayor

City Council

Don Lampe	Jeff Osborne
Peggy Gordon	Nadine Brockert
John Jindrich	Angie Lewis
Matt Conard	

BUDGET PREPARED BY:

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

COVER:

Japanese Garden at the Muscatine Art Center

The Japanese Garden at the Muscatine Art Center, was installed by Laura Musser-McColm in 1930 and is a contributing feature for the property's National Register of Historic Places listing. The Muscatine Art Center staff worked with Iowa State University landscape architect professor Heidi Hohmann, to gather documentation pertaining to the historic Japanese Garden and to create a plan for the garden. 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 balanced 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 was completed in 2023/2024.

City of Muscatine

Mayor and City Council



Seated:

**Councilmember Angie Lewis, Mayor Brad Bark,
and Councilmember Matt Conard**

Standing:

**Councilmembers Peggy Gordon, Jeff Osborne,
Don Lampe, Nadine Brockert, and John Jindrich**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Muscatine
Iowa**

For the Fiscal Year Beginning

July 01, 2023

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, 2023. This was the 39th consecutive year the City received this award.

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

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

City of Muscatine
Information Directory

City of Muscatine Website
muscatineiowa.gov

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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



TO: Mayor Brad Bark and Members of City Council

SUBJECT: Budget Message - FY 2024/2025

DATE: April 30, 2024

The budget for fiscal year 2024/2025 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 39th consecutive Distinguished Budget Presentation Award for the fiscal year 2023/2024 City Budget. The budget for fiscal year 2024/2025 will also be submitted for consideration for this award.

GOALS AND OBJECTIVES

The budget for 2024/2025 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 November 29, 2023 to discuss and establish goals and objectives for 2024/2025. The Core Values, Vision Statement, Mission Statement, and strategic goals for 2024/2025 and future years as adopted and prioritized by City Council are as follows:

Core Values

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

Vision

Muscatine is a vibrant river community where a rich tradition of community pride and entrepreneurial spirit has created an outstanding environment to live and work. Muscatine values its history, has a strong sense of community, is rich in cultural and economic diversity, and has strong global connections. Muscatine residents, businesses, and its local government are engaged and achieve goals through valued partnerships.

Mission

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

<p><i>OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025 AND FUTURE YEARS</i></p>
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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 2024/2025 budget. The Strategic Plan includes five general areas as shown below. The City Council also identified potential initiatives, policies, and programs for 2024/2025 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 2024/2025 AND FUTURE YEARS

The Mayor and City Council identified the following initiatives, programs, and projects for 2024/2025:

The City Administrator and Department Directors met in December 2023 to discuss those priorities, initiatives, policies, and programs identified by City Council. The following list of objectives is the outcome of both the Council and City staff discussions.

Goal 1: Employee Recognition and Retention (Excellent Customer Service)

- Continue study and support of the compensation study to keep the City's compensation aligned with other peer communities.
- Develop and implement an employee recognition policy to allow modest use of funds for recognition of employees and volunteers including provision of sustenance supplies to employees and visitors.
- Evaluate and update the employee wellness program and explore opportunities to tie it to compensation.
- Develop a succession plan for key positions to ensure continuity of service, knowledge transfer, and to develop talent within the City organization.
- Implement improvements to the payroll process to reduce duplication of efforts and reduce the amount of staff time invested in managing payroll.
- Continue to provide city leadership training.

Goal 2: Conduct Housing Programs and Initiatives including Infill Development (Vibrant Community, Healthy Community, Safe Community)

- Implement the recommendations of the housing study and evaluate opportunities to create new moderate-income housing and promote infill development.
- Complete the comprehensive plan.
- Continue the substandard housing improvement/demolition program.
- Address the quality of rental housing units.
- Update zoning rules to include new and more innovative zoning policies, including allowing accessory dwelling units (part of the Comprehensive Plan).
- Evaluate options for the long-term sustainability of the Clark House and Sunset Park Housing.

Goal 3: Economic Development Initiatives (Vibrant Community)

- Fine tune business loan programs to attract and retain certain business types and focus efforts to bring new businesses and restaurants to the City.
- Provide information to City Council regarding the City's Urban Renewal Plan.
- Implement marketing and branding policies and strategies to promote Muscatine's economic development.
- Implement a vacant building registration program.

Goal 4: City Inspection Program Improvements (Vibrant Community, Healthy Community, Safe Community)

- Implement the Construction Appeal & Advisory Board, including development of older home and business renovation codes.
- Study and address complaints about the City Building Inspection Programs, including streamlined communication, uniform code enforcement, and challenges contractors and residents have with complying with the current building code.
- Provide conflict resolution training to City inspectors.
- Improve relationships with building/contracting organizations and city officials including providing education to Councilmembers and other stakeholders regarding inspection code requirements and rationale.

Goal 5: Capital Projects (Reliable Public Infrastructure)

- Continue the following capital projects:
 - Indoor Sports Complex
 - Weed Park Lagoon
 - Isett Avenue Reconstruction
 - Law Enforcement Training Facility
 - Devitt Sidewalk
 - West Hill Sewer Separation Project
 - Redundant Force Main
 - Fulliam/Houser Roundabout
 - Fulliam Avenue Reconstruction
- Initiate the following new projects:
 - Aquatic Center Master Plan
 - Harbor and marina improvements
 - Trail projects
 - Energy efficiency in city buildings
 - Improvements to the Muscatine Slough
 - Art Center Building Additions
 - Dredge Spoil Dewatering Site Relocation

KEY BUDGET ISSUES

In developing the fiscal year 2024/2025 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 2024/2025 budget were to:

1. Maintain status quo service levels
2. Provide departments with the resources needed to continue to provide services to residents
3. Provide funding for identified priority capital improvements in the community
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, programs, and initiatives

Major Changes to Iowa's Property Tax System for the 2024/2025 Fiscal Year

House File 718 (HF 718) was in effect for the 2024/2025 budget. Major provisions of this legislation include:

1. New Annual Combined General Fund Levy (ACGFL) limit of \$8.37 per \$1,000 of valuation (which replaced the former \$8.10 General Fund levy and the \$.27 Emergency levy). Several special tax levies were also eliminated with this legislation.
2. While the ACGFL limit is \$8.37 per \$1,000 of valuation, HF 718 provides the ACGFL is subject to potential limitation or reduction for fiscal years FY 25 through FY 28 based on increases in the city's non-TIF taxable valuation growth compared to the previous year.
3. New Homestead Exemption for residential property owners age 65 or more. This exemption is \$3,250 for FY 25 and increases to \$6,500 for FY 26.
4. Increase in the Military Exemption for eligible property owners to \$4,000 beginning in FY 25. This is an increase from the previous exemption amount of \$1,852.
5. Requires a statement to be mailed to each property owner that includes the time and date of a public hearing on the proposed property tax levy for the budget year and the new taxpayer statements. These statements are required to be mailed by the County Auditor and also include the proposed property tax levies of the County and School district.

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 2023/2024 and 2024/2025. The reimbursement will continue to be phased out over the next five 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 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 current 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. For the upcoming fiscal year (2024/2025) taxable valuations decreased by .18%. This was primarily due to (a) the residential rollback decreasing from 54.1302% to 46.3428%, a decrease of 15.2%, (b) the new homestead exemption for residential property owners age 65 and more, and (c) the increase in the military exemption.

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%).

Increased Costs of Providing City Services

The 2024/2025 budget addressed the following increased costs of providing the same level of services to our residents:

1. All three of the City's union contracts ended in fiscal year 2023/2024 and were renegotiated for 2024/2025 and future years. The Police contract provides for a 7% increase in year one, followed by 3 years of 3% increases. The Fire contract provides for a 7% increase in year one, following by 2 years of 3% increases. The Blue/White Collar contract provides for a 4.5%, 5.0% or 5.5% increase in year one depending on the position. The increases for the following two years are each at 3%. The larger first year increases were due to inflationary increases in recent years and to not fall behind the market rates for these positions.
2. During the 2023/2024 fiscal year, the City contracted for and completed a compensation study for non-union employees of the City. Recommendations of the study were included in the 2024/2025 budget. Employees were placed in new pay grades and were assigned to steps in those grades based on the assumptions used for implementation of the new pay plan. The minimum increase for employees in this group was 4.5%.
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 ordering 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. This 3% rate was maintained for the 2022/2023, 2023/2024, and 2024/2025 budgets. 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 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 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 was also budgeted to be transferred to the General Fund in 2022/2023. Those transfers were again not needed to balance the budgets for those years and those funds remained in the Emergency Tax Levy/ Emergency Fund.

The 2024/2025 budget is based on transferring the \$690,695 balance in the Emergency Tax / Emergency Fund to the General Fund to balance the General Fund budget. These funds assisted in funding the larger first year increases in each of the three union contracts as well as implementing the new compensation plan for non-union employees. As noted previously, these larger increases in 2024/2025 were due to inflationary increases in recent years with the goal of not falling behind the market rates for the respective positions.

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 is claiming all of the ARPA allocation for revenue replacement, then allocating 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 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. Those transfers were again not needed to balance the General Fund budgets for those years and those funds remained in the ARPA fund and will be used for other projects and programs. No ARPA funds were used to balance the 2024/2025 budget.

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 2024/2025 budget.

The City tax rate for 2024/2025 is budgeted to remain at \$15.67219 per \$1,000 of valuation, the same rate as 2023/2024. Maintaining the same tax rate was possible primarily due to using the prior year State COVID-19 Relief funds and the remaining balance in the Emergency Tax / Emergency fund (\$690,695) to balance the General Fund budget. The City was also able to offset individual tax levy increases with tax levy decreases.

The total property tax rate for the 2024/2025 budget of \$15.67219 per \$1,000 of taxable valuation is comprised of the following individual tax levies:

Combined General Fund Levy	\$8.37000 (maximum rate; no change)
Transit	.07346 (decrease of 62.2%)
Tort Liability	.46998 (increase of 30.3%)
Employee Benefits	4.77363 (increase of 1.5%)
Debt Service	<u>1.98512</u> (decrease of 2.8%)
	<u>\$15.67219</u>

The Transit Tax levy decrease was possible due to the balance in the Transit fund. The Tort Liability levy increase is due to the budgeted increase in insurance premiums. The relatively small increase in the Employee Benefits levy was possible due to the beginning balance that was available in that fund. The decrease in the Debt Service levy was possible due to the available balance in the Debt Service fund.

While the total tax rate remained the same at \$15.67219 per \$1,000 of valuation, other factors will impact the actual tax bills for various categories of properties, most significantly the actual valuations assigned by the County Assessor. Actual valuations for residential properties increased by 15.60%; actual commercial valuations increased by 7.77%; actual industrial valuations decreased by .41%; actual railroad valuations increased by 14.65%; and actual utility valuations decreased by 51.30%. Rollback factors applied to several of these property categories will impact property taxes for these property owners. After the rollbacks are applied, taxable valuations of residential property in total show a decrease of 1.71%; commercial property taxable

valuations show an increase of 6.28%; and industrial property taxable valuations show a decrease of .80%. Although taxable valuations of residential property owners decreased in total by 1.71%, the impact on individual residential property owners will vary from this overall decrease if the actual valuations of their properties increase by more than the percentage decrease in the residential rollback. The residential rollback decreased from 54.6501% for 2023/2024 to 46.3428% for 2024/2025, a decrease of 15.2%.

The 90% rollback for commercial and industrial properties will continue in 2024/2025 and those properties will be impacted by 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 2024/2025 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 2024/2025 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 \$81,855,081 in 2024/2025 for all of the TIF areas. This value would generate \$685,127 in taxes from the \$8.37 Combined 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 \$1,282,848 – essentially lost city revenue that could be used to fund and maintain city operations and services. If that \$81.86 million was allocated toward regular valuations for all taxing entities, the county would generate over \$646,000 in taxes and the school over \$1,083,000 (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 2024/2025 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 2024/2025 the City is claiming \$2,586,200 in incremental taxes and approximately \$1,658,500 (39.1%) of incremental taxes were not claimed by the city for 2024/2025. 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 2024/2025 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 2024/2025, the first resolution provided for an internal advance of \$213,200 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 2024/2025 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.

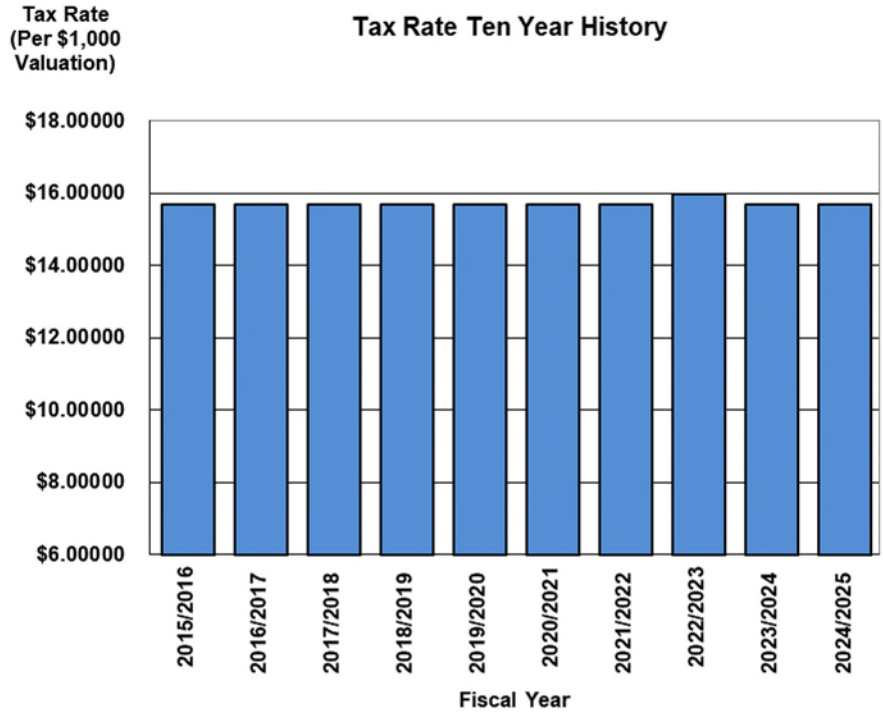
Other Issues and Challenges for 2024/2025

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 1.68% between December of 2022 and December of 2023 when the City began developing the 2024/2025 budget. The MCI increase was 6.69% between December of 2021 and December of 2022, and an increase of 10.82% between December of 2020 and December of 2021. The MCI has continued to increase since December of 2023, with the index increasing by an additional 1.23% between December of 2023 and April of 2024.

TAX RATE AND TAX BASE

Tax Rate

Property taxes continue to be the major revenue source for the City of Muscatine. In 2024/2025, property taxes will represent 29.2% of total city operating revenues. This is a decrease from the 32.7% in fiscal year 2023/2024. The total tax levy rate for fiscal year 2024/2025 will remain at \$15.67219 per \$1,000 of valuation, the same rate as 2023/2024. The following chart shows the property tax rates for the last nine (9) years and the budgeted rate for 2024/2025:



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 fiscal 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 were 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.

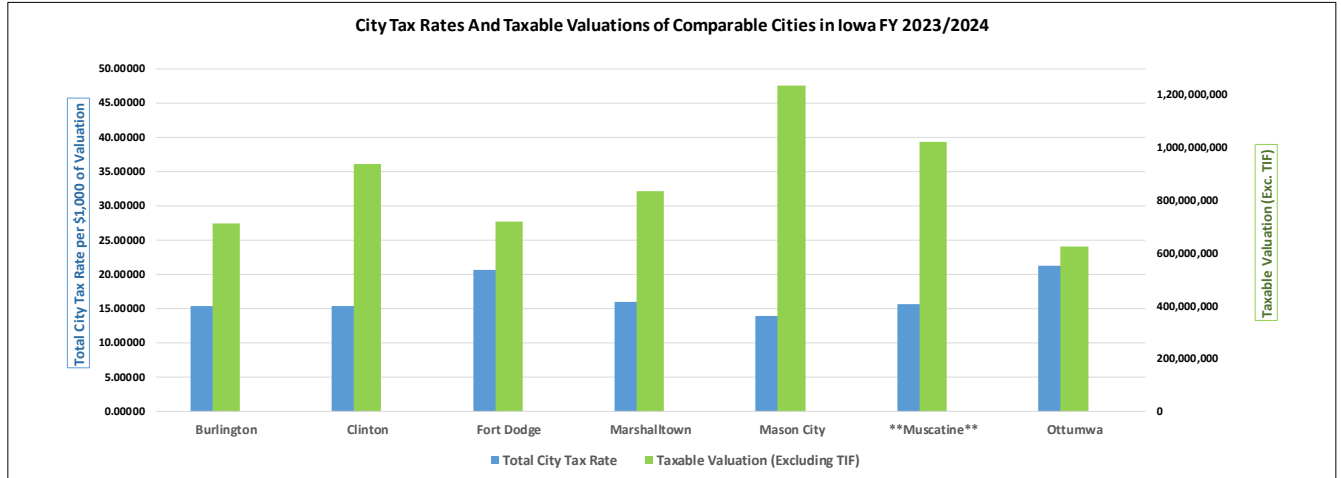
The tax rate for 2023/2024 was reduced to \$15.67219 per \$1,000 of valuation (a 1.9% decrease). This decrease was possible primarily due to the 8.36% increase in taxable valuations for 2023/2024. The tax rate for 2024/2025 was maintained at \$15.67219 per \$1,000 of valuation.

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 2023/2024 fiscal year. The information is not yet available for other cities for 2024/2025.

City tax levies for this group range from \$13.98800 per \$1,000 of valuation for Mason City to \$21.20106 for Ottumwa. The City of Muscatine’s rate of \$15.67219 is approximately in the middle of tax rates for these cities.

The total tax rate for City of Muscatine residents (including the City, County and School district levies) is \$36.80354 per \$1,000, which is the 2nd lowest total tax rate in this group of cities.

Taxable valuations range from \$626,342,350 for Ottumwa to \$1,234,271,305 for Mason City. The City of Muscatine’s taxable valuation of \$1,020,808,476 is the 2nd 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	\$ 15.33780	\$ 20.73786	\$ 16.00000	\$ 13.98800	\$ 15.67219	\$ 21.20106
Taxable Valuation (Exc. TIF)	\$712,568,450	\$939,587,573	\$719,721,356	\$833,710,077	\$1,234,271,305	\$1,020,808,476	\$626,342,350
Population (2020)	23,982	24,469	24,871	27,591	27,338	23,797	25,529

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

	City Tax Rate	Total Tax Rate	Taxable Valuation
Mason City	\$ 13.98800	\$ 36.21995	\$ 1,234,271,305
Clinton	\$ 15.33780	\$ 46.02068	\$ 939,587,573
Burlington	\$ 15.43637	\$ 39.68654	\$ 712,568,450
Muscatine	\$ 15.67219	\$ 36.80354	\$ 1,020,808,476
Marshalltown	\$ 16.00000	\$ 40.96158	\$ 833,710,077
Fort Dodge	\$ 20.73786	\$ 48.75134	\$ 719,721,356
Ottumwa	\$ 21.20106	\$ 46.71682	\$ 626,342,350

Tax Base

Actual valuations for January 1, 2023 (valuations used for the 2024/2025 budget), increased by 12.29% 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 5.25%.

	<u>January 1, 2022</u>	<u>January 1, 2023</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Residential Property	\$ 1,127,518,065	\$ 1,303,380,668	\$ 175,862,603	15.60%
Commercial Property	321,821,541	346,821,301	24,999,760	7.77%
Industrial Property	168,768,594	168,078,137	(690,457)	-0.41%
Railroads	1,242,992	1,425,032	182,040	14.65%
Utilities	<u>2,227,762</u>	<u>1,085,030</u>	<u>(1,142,732)</u>	-51.30%
Total Valuations	<u>\$ 1,621,578,954</u>	<u>\$ 1,820,790,168</u>	<u>\$ 199,211,214</u>	12.29%

Taxable property valuations for 2024/2025 decreased by .18% as shown below. The lower increase (compared to the increase in actual valuations) is primarily due to the mandated rollback factors applied to the various categories of property, the \$3,250 exemption for residential property owners age 65 and more, and the increased military service exemption (from \$1,852 to \$4,000).

	<u>January 1, 2022</u>	<u>January 1, 2023</u>	<u>Valuation Increase (Decrease)</u>	<u>Percent Increase (Decrease) in Taxable Value</u>	<u>Percent Increase (Decrease) in Actual Value</u>
Residential Property	\$ 609,990,675	\$ 599,548,984	\$ (10,441,691)	-1.71%	15.60%
Commercial Property	259,230,197	275,508,892	16,278,695	6.28%	7.77%
Industrial Property	147,657,328	146,474,986	(1,182,342)	-0.80%	-0.41%
Railroads	1,108,400	1,269,818	161,418	14.56%	14.65%
Utilities	<u>2,227,762</u>	<u>1,085,030</u>	<u>(1,142,732)</u>	-51.30%	-51.30%
Total Valuations	\$ 1,020,214,362	\$ 1,023,887,710	\$ 3,673,348	0.36%	12.29%
Less Military Exemptions	<u>1,228,494</u>	<u>6,767,669</u>	<u>5,539,175</u>	450.89%	
Total Net Valuation	<u>\$ 1,018,985,868</u>	<u>\$ 1,017,120,041</u>	<u>\$ (1,865,827)</u>	-0.18%	

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 2024/2025. The rollback for residential properties decreased from 54.6501% to 46.3428%, a decrease of 15.2%.

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 \$3,212,600 in 2024/2025. 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 2024/2025 other State funding includes \$277,000 in Transit operating funds, \$326,800 in Airport capital grant funding, \$150,000 in Lead Hazard Reduction Grant funds, and \$300,000 in Iowa Reinvestment District funds.

The fiscal year 2024/2025 budget includes an estimated \$8,194,974 in federal funding for both operating and capital project costs. This includes: \$2,497,300 in funding for the Section 8 Housing rental assistance program, \$718,300 for operating and capital funding for the city's Public Housing Program, \$12,000 for the Home Ownership Education Program, \$817,800 in federal operating and capital funding for the Transit operation, \$292,500 for Airport capital projects, \$1,885,000 for other capital projects, \$1,707,474 in Community Development department grant funding, and \$264,600 in Police department grants.

CHARGES FOR SERVICES

For fiscal year 2024/2025, budgeted charges for services total \$17,422,900 and comprise 27.3% of total operating revenues of the city. Charges for services were 29.1% of the total operating revenues in the 2023/2024 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, and the golf course for fiscal year 2024/2025.

Sewer revenues, including the separate collection and drainage charges, are estimated at \$7,605,800 for 2024/2025. 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 completed in 2022/2023 and set rates to be effective each July 1 from 2023 to 2027. Per this study (1) sewer rates will increase by 3% in each of the 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 (2027/2028).

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 \$138,000 for 2024/2025.

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 2024.

Golf course fees and sales are estimated at \$1,064,000 for 2024/2025. Golf fees were increased for the 2024 golf season by \$1.00 per round for all categories of greens fees and by \$1.00 for each cart fee. The season pass fees remained the same for 2024. The fee increase was needed to provide funds for capital improvements and equipment at the course as well as the recent increase in the seasonal pay plan rates.

Budgeted transfer station charges for services total \$2,098,400 for 2024/2025 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 2024/2025 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 2024/2025.

Budgeted landfill charges for services total \$1,159,400 for 2024/2025. The landfill rates are incorporated in the transfer station rates which are not budgeted to change for 2024/2025.

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 \$2,572,900 for 2024/2025. Rates are not budgeted to change for 2024/2025 and will remain at \$23.00 per month for regular residential customers and \$18.00 for senior (age 65 and more) customers.

The Fire department continues to provide ambulance services for the city and surrounding townships. Revenue from ambulance services is estimated at \$2,270,000 for the 2024/2025 budget. This revenue estimate includes an estimated \$500,000 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 2024/2025. 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 2024/2025.

PROGRAMS AND SERVICES

The 2024/2025 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 238.65 for 2024/2025. This is a net increase of 1.54 in full-time equivalent positions compared to the original budget of 237.11 for 2023/2024. Changes in authorized positions for the 2023/2024 revised estimate and the 2024/2025 budget are as follows:

2023/2024 (Revised Estimate)

- There was a decrease in part-time staffing at the Library due to a staff reorganization (.63 FTE decrease).

- There was a .63 FTE increase in staffing in the Park Administration budget with the addition of a year-round Office Assistant which replaced a seasonal clerical position.
- There was a .20 FTE increase in the Park Maintenance budget due to a staff reorganization at the time the Park Maintenance Superintendent left employment with the City.
- There was a .10 FTE decrease in the Kent Stein Park budget due to the staff reorganization.
- There was a .10 FTE decrease in the Soccer Complex budget due to the staff reorganization.
- There was a small decrease (.04 FTE) in the Community Development department.
- There was a 1.00 FTE decrease in the Engineering budget due to not filling the Senior Engineer position.
- There was a .84 FTE decrease in the housing division. This was due to not filling a vacant position with the upcoming discontinuation of the Hershey Manor Management agreement on July 1, 2024.
- There was a 1.59 FTE increase for the new grant-funded Lead Hazard Reduction program.
- These changes resulted in a net .29 FTE decrease compared to the original 2023/2024 budget.

2024/2025 Budget (Compared to the 2023/2024 Revised Estimate)

- There was a 1.75 FTE increase for fulltime staffing of the new Indoor Sports Dome.
- There was a .25 FTE increase in the Park Maintenance budget due to a staff reorganization with the new Sports Dome.
- There was a small decrease (.08 FTE) in the Community Development department.
- There was a small decrease in part-time staff hours at the Library (.02 FTE decrease).
- There was a .56 FTE increase for the first full year of the new grant-funded Lead Hazard Reduction program.
- These changes resulted in a net 2.46 FTE increase in positions compared to the 2023/2024 revised estimate.

The projected level of expenditures for the General Fund of \$25,942,078 for 2024/2025 is 4.2% (\$1,040,550) above the 2023/2024 budget of \$24,901,528. The overall increase in expenditures consists of (1) an increase of \$776,400 (5.9%) in salaries and wages, (2) an increase of \$252,100 (4.4%) in employee benefit costs, (3) an increase of \$36,250 (3.1%) in commodity costs, (4) an increase of \$453,950 (14.8%) in contractual services costs, (5) a decrease of \$79,800 (7.6%) in capital outlay costs, and (6) a decrease of \$398,350 (49.6%) in transfers and assigned funding.

The 2024/2025 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 2024/2025 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 ATE program will continue in 2024/2025.

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 2024/2025. 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 2024/2025. Major Public Works projects scheduled for engineering design or construction in 2024/2025 include engineering design for the Carver Corner Roundabout; the annual pavement management program (including the next phase of the Fulliam Avenue reconstruction project); Lake Park bridge deck repairs; Park Avenue West bridge replacement; the annual new sidewalk construction program; continuation of the West Hill Sewer Separation project; and planning for the Isett Avenue reconstruction 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 new Indoor Sports Dome is also scheduled to open during the 2024/2025 fiscal year.

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 division operates the 100-unit Clark House Senior Facility and the 50-unit low- and moderate-income family Sunset Park Project. The City is discontinuing the management agreement for the 50-unit Hershey Manor senior facility beginning July 1, 2024. 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 2024/2025 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 2024/2025 the City Council chose to continue financial contributions to the Greater Muscatine Chamber of Commerce and Industry (GMCCI), 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 decrease from their current \$90,000 allocation to \$85,000, 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 with the annual funding allocation continuing at \$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/Housing Navigator 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 and 2024/2025 budgets.

Operating expenditures budgeted for all city operations for 2024/2025 total \$61,719,487, which is an increase of \$7,110,766 (13.0%) from the fiscal year 2023/2024 level of \$54,608,721. Operating revenues for the city total \$63,928,321 for 2024/2025 compared to \$57,531,281 for 2023/2024, an increase of \$6,397,040 (11.1%). Capital project expenditures are estimated at \$18,952,000 for the 2023/2024 revised estimate and \$20,393,100 for the 2024/2025 budget.

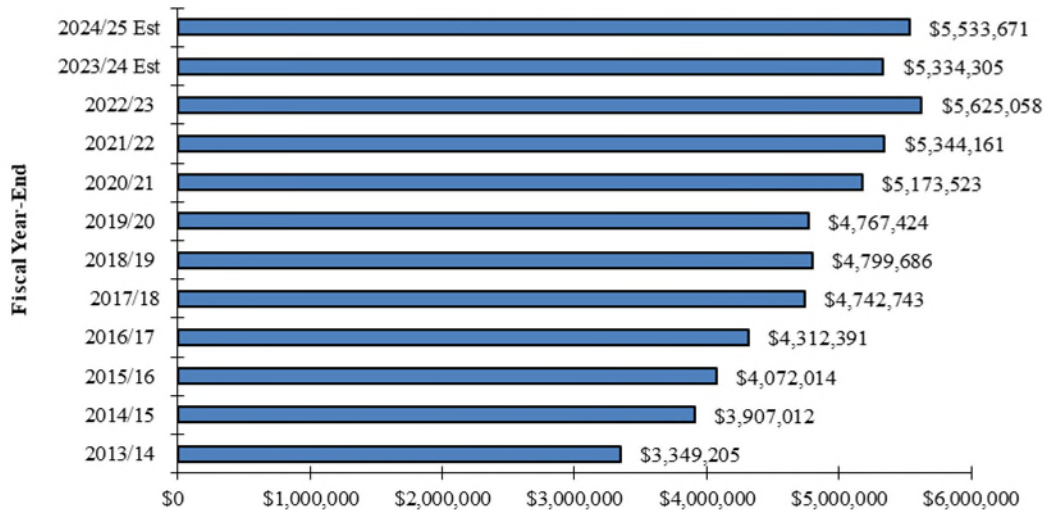
FUND BALANCE AND BUDGET POLICY ISSUES

The 2024/2025 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 2024/2025, 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.

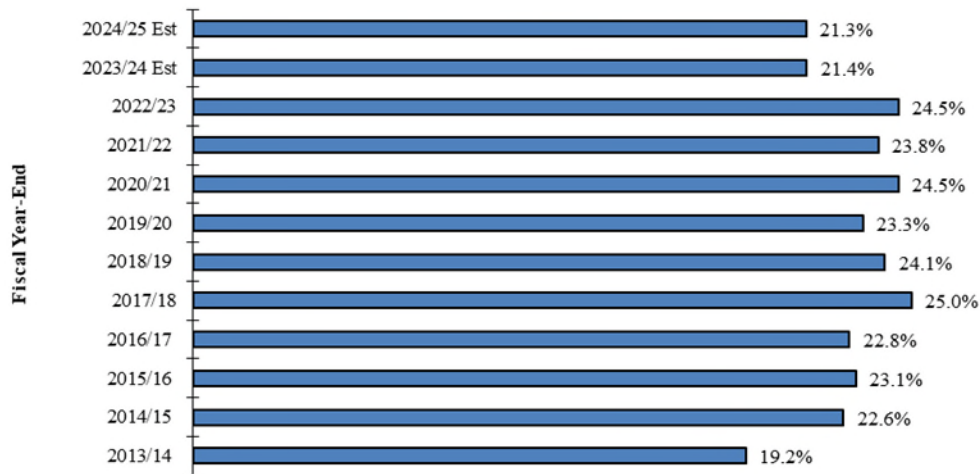
As in prior years, one of the key components of the City’s budget process is developing a General Fund balance that provides the city with the necessary funds to carry it through its first three months of operation of each fiscal year before property tax collections are disbursed by the county as well 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



The above chart makes it appear that the 2023/2024 revised estimate fund balance is decreasing by \$290,753 and the 2024/2025 ending balance is increasing by \$199,366. In the initial proposed budget, the General Fund transfers to the Equipment Replacement Fund were set at \$400,000 in the 2023/2024 revised estimate and \$368,000 in the 2024/2025 budget. Prior to finalizing the budget, the Police department located three new police patrol vehicles that were immediately available and since there were concerns about vehicle availability after July 1, the \$180,000 allocation for these police vehicles was moved from the 2024/2025 budget to the 2023/2024 revised estimate. If not for this change, the General Fund 2023/2024 ending balance would have been \$5,514,305 and the 2024/2025 budget would have been substantially balanced with revenues only exceeding expenditures by \$19,366.

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. While the above graph shows the General Fund balance as a percent of expenditures decreasing in the 2023/2024 revised estimate and the 2024/2025 budget, the City generally budgets conservatively and, in most years, actual department expenditures are less than allowed for in the budget, which, in has resulted in a higher percentage of ending fund balance when compared to actual expenditures.

The estimated ending General Fund balance of \$5,342,349 when the 2023/2024 budget was developed was 21.5% of budgeted General Fund expenditures which more than met the 16.7% minimum amount in the General Fund Balance policy. The 2023/2024 revised estimate ending fund balance of \$5,334,305 is 21.4% of expenditures.

The estimated ending balance for 2024/2025 of \$5,533,671 is 21.3% 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 2024/2025 budget. The 2024/2025 budget is “balanced” with budgeted revenues and transfers in \$199,366 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 \$690,695 were used to achieve the balanced budget. These one-time transfers are (1) \$604,533 of State COVID Relief funds, and (2) \$86,162 from the prior year balance in the Emergency Tax Levy fund.

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 May of 2024 for the city's June 5, 2024 general obligation bond issue was Aa2 under Moody's rating scale. This was the same rating as assigned for the 2022, 2020, 2018, 2016, and 2014 bond issues.

As discussed during the budget review process, the 2024/2025 budget is based on factors known at the time the budget was adopted. 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 2023/2024 revised estimate and the 2024/2025 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 \$820,000 annually. In 2024/2025, the Local Option Sales Tax funding for pavement management projects of \$945,000 (which includes funds carried forward from 2023/2024), will be supplemented with a \$375,000 allocation of Road Use Tax funds that total to \$1,320,000 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 1 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 Canadian Pacific Railroad contributed a total of \$4 million of funding for Phase 1 of this project. Muscatine Power & Water is also contributing funds for the utility relocation work required by this project. The balance of the Phase 1 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 now substantially completed. Engineering design began in 2022/2023 and will continue in 2023/2024 and 2024/2025 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 annual 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 sidewalk began in 2020/2021 and was completed in the summer of 2022. The 67th Street Sidewalk construction was completed in 2022/2023. At the time the budget was being developed, the next sidewalk project was planned to be on Devitt Avenue. The budget included \$140,000 for this project which was planned

to be funded from American Rescue Plan Act (ARPA) funds. After the budget was adopted, a decision was made to defer the Devitt Avenue sidewalk. A decision has not yet been made on an alternate sidewalk project for 2024/2025.

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 with the goal of full completion by the 2028 Consent Order deadline. 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 2024. 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. Engineering design was underway in 2022/2023 and 2023/2024 for Phase 6-C of this project. Bids were received for Phase 6-C on April 2, 2024. The 2024/2025 funding amount reflects the final work on Phases 6-A and 6-B, a portion of the construction work on Phases 6-C and 6-D, 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 first SRF loan for Phases 6-A and 6-B in the amount of \$8 million was dated August 11, 2023. SRF loan funds are drawn down as needed to fund project costs. The next SRF loan for Phase 6-C is planned for July or August of 2024. Up to three SRF loans were projected to be needed to fund the multiple contracts 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 2024-2025 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 2024/2025 funding amount is for the

balance of the engineering design costs for the new bridge and the start of the bridge construction. Construction is scheduled to be completed in calendar year 2025 with 100% of the construction costs to be funded from grant funds. Funding for the engineering design will be from Road Use Tax funds.

Isett Avenue Reconstruction – Planning Phase – The City was awarded a \$2.1 million federal grant for the planning phase of the Isett Avenue Reconstruction project. An estimated \$1,050,000 is budgeted to be expended in the 2024/2025 fiscal year. This grant will fund 100% of the planning costs for this project.

Muscatine Indoor Sports Dome – Engineering design is near completion and bids are expected to be received in July of 2024 for this new multi-use year-round facility. Funding will be from a \$1 million Iowa Economic Development Administration grant; \$2 million in private contributions; \$400,000 in funding from Muscatine County; \$700,000 in City bond proceeds; with additional funding from the City’s ARPA (American Rescue Plan Act) allocation.

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. Bids on this project were received in May of 2024.

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 was included in the June 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 2024 bond issue included \$260,000 in funding for these projects. The 2024/2025 funding amount is for column repair and building sealing for City Hall, a new rubber roof for the Library, and funds to replace a HVAC multi-stack module at the Public Safety Building.

Fire Engine - The May 2024 bond issue included \$918,000 in funding for a new front-line fire engine. This fire engine will replace a reserve engine that is 30 years old.

Ambulance with Power Load - The May 2024 bond issue included \$280,000 in funding for a new front-line ambulance. This ambulance will replace a 2015 ambulance with over 202,000 miles.

City Wayfinding Program - In January of 2023, the City entered into a contract with Corbin Design to create a Wayfinding Masterplan for the City of Muscatine. The Wayfinding Master Plan was 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 planned to be completed over multiple years with funding from tax increment funds. The 2024/2025 funding allocation is \$200,000.

New Police Range and Training Facility - Although not located directly on the Mississippi River, the former Police Pistol Range was severely damaged by extended flooding in 2019. Since flooding of this building has occurred several times in recent years, it was determined that a new building to be located on higher ground or at a different site was needed. The former range building was demolished in 2020/2021. The City contracted for consultant services to assist in identifying suitable sites for the new range. After the initial site was not approved for the necessary rezoning, a decision was made to locate the new facility on City-owned property at

the Muscatine Airport. Final engineering design and the start of construction is planned for the 2024/2025 fiscal year. The Muscatine County Sheriff's department has agreed to pay 50% of the cost of locating a suitable site and constructing a new range facility.

Water Pollution Control Plant (WPCP) and Lift Stations Upgrades - The WPCP Facilities Plan completed in 2022/2023 identified upgrades at the WPCP and the lift stations as priority projects. Projects for 2024/2025 include the Houser Lift Station upgrades, the Grit Building HVAC project, and engineering design for the WPCP and Lift Stations electrical upgrades.

Papoose Redundant Sewer Line – Project Design and Start of Construction - 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. 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 is nearing completion in 2023/2024 and construction is expected to begin in 2024/2025 and continue in 2025/2026. This will allow construction to be completed by the mandated deadline.

Airport – Relocate Fuel Tank Project - The City was awarded a grant from the Iowa Department of Transportation that will fund 80% of the cost of this project. The local match for the grant was funded from the May 2024 bond issue. This project is scheduled to be completed in 2024/2025.

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 grant was funded from the May 2024 bond issue. This project is scheduled to be completed in 2024/2025.

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 its Comprehensive Plan in 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. The May 2024 bond issue which totaled \$4,880,000, was based on this Plan.

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 2024/2025 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 (2025/2026 through 2028/2029).

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 2024/2025 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 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 2024/2025 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 2024/2025 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, Other Community Development Department Grant Funds, 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 Trusts, 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 2023/2024 and upcoming 2024/2025 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>Set Public Hearing #1 on proposed property tax levy</p>	
April	<p>Hold Public Hearing #1 on property tax levy; Set and hold Public Hearing #2 on proposed budget</p> <p>City Council approval of budget by resolution</p> <p>Certification of City Budget to County Auditor</p>	

**Operating
Budget**

**Capital Improvements
Budget**

April

Community Development
Department prepares guidelines and
forms for revision to 5-year Capital
Improvements Program

Procedures for adding or revising
capital improvement projects
distributed to departments

May

Proposed budget amendments
presented to City Council

Capital Improvement requests
submitted to Community
Development Department

Public hearing on proposed
amendments

Proposed Capital Improvement
package including possible funding
sources forwarded to Planning &
Zoning Commission

City Council approval of
amendments to current year budget
by resolution

Discussion and review of proposed
program by Commission

June

Meetings of Planning & Zoning
Commission and departments
regarding projects, i.e., scope, need,
and available funding

Planning & Zoning Commission
recommendation to City Council

July

City Council discussion of proposed
program

August

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 generally begins 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, with the Finance department preparing the budget forms and instructions for departments. The City Council held a special meeting on November 29, 2023 to discuss their overall goals and objectives and the Strategic Plan for the operation of the City. On December 4, 2023 department directors met in a goal setting session to review the City Council's goals and department goals. Departments 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 25, 2024. 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 2024/2025. 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 projections of future bonding requirements. 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.

There were major changes in Iowa's property tax system that were effective for the 2024/2025 budget. One of the changes requires a statement to be mailed to each property owner that includes the time and date of a public hearing on the proposed property tax levy for the budget year and the new taxpayer statements. That hearing was held on April 4, 2024 and was the first hearing on the proposed budget.

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 both public hearings, citizens were given the opportunity to voice their objections or support of the proposed tax levy and the proposed budget as presented. The 2nd public hearing was held on April 18, 2024. After the public hearing, the City Council considered any comments made and acted upon the approval of the budget.

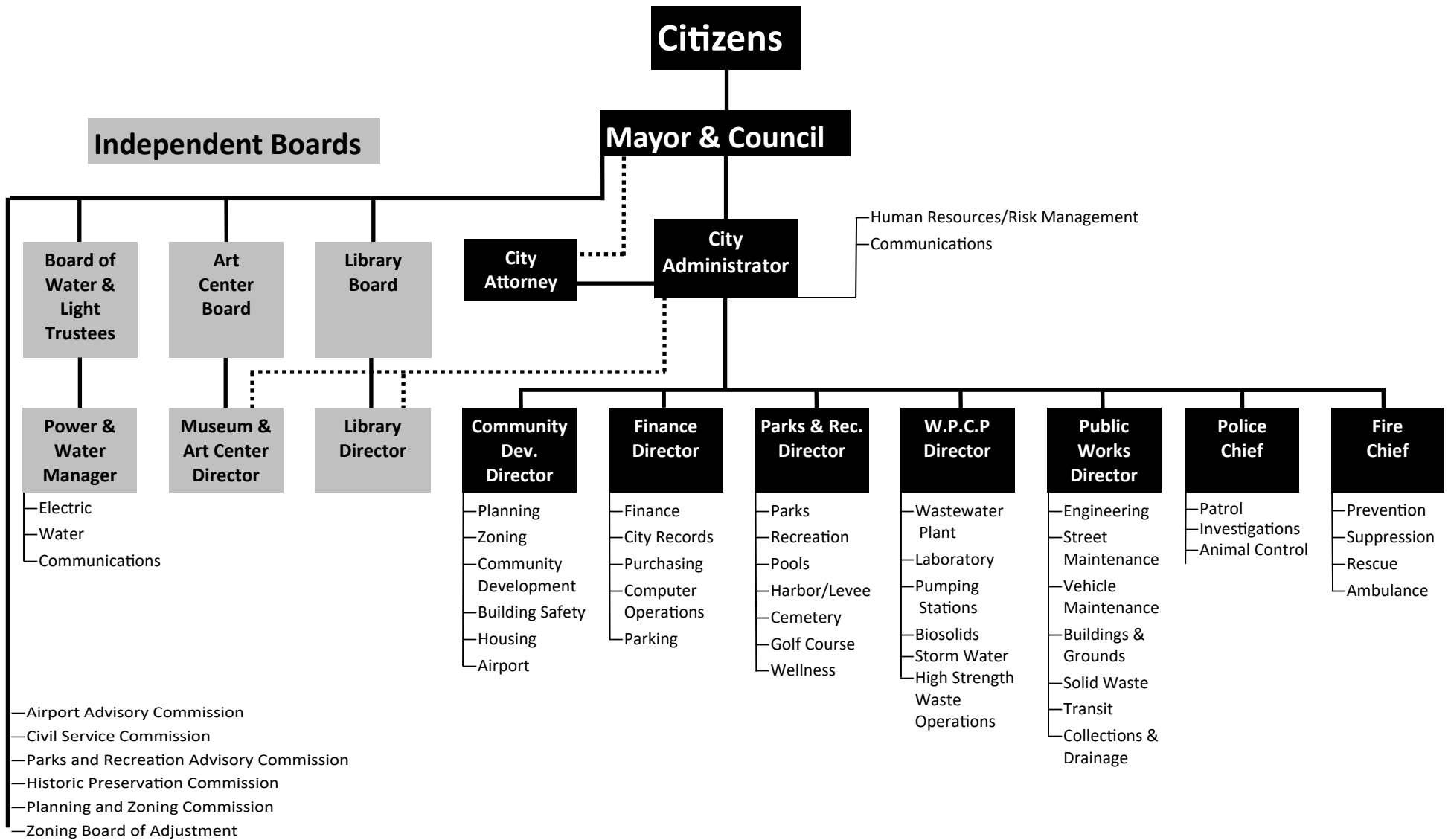
Notices of the hearings were made in the local newspaper, the City's website, and the City's social media sites. The City Council officially adopted the budget on April 18 and authorized the City Clerk by resolution to certify the budget to the County Auditor by April 30, which is the State's filing 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 Boards & Commissions



**City of Muscatine
Organizational Structure**

CITY OF MUSCATINE

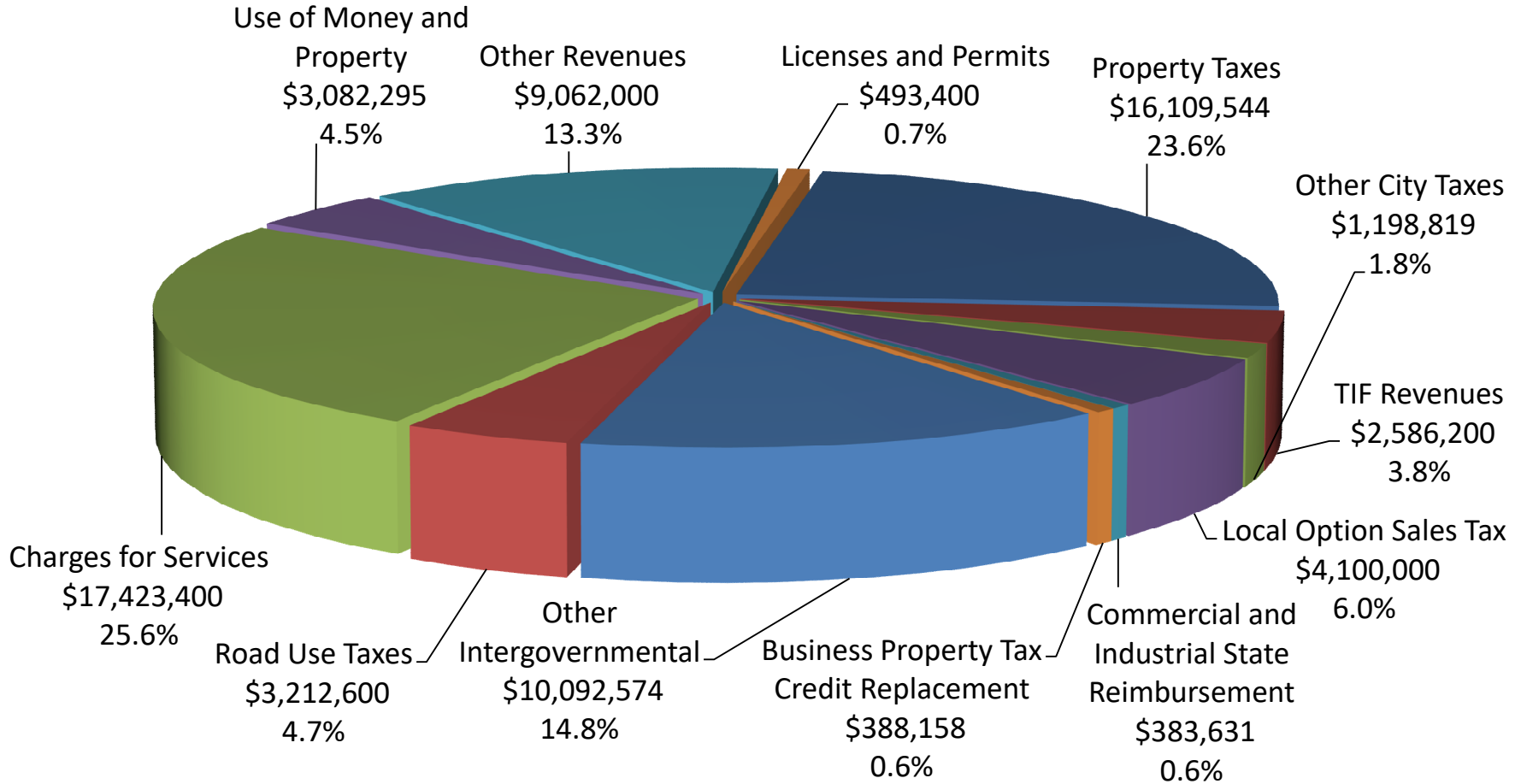
ENTITY-WIDE BUDGET OVERVIEW 2024/2025

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

PROPERTY TAX RATE INFORMATION

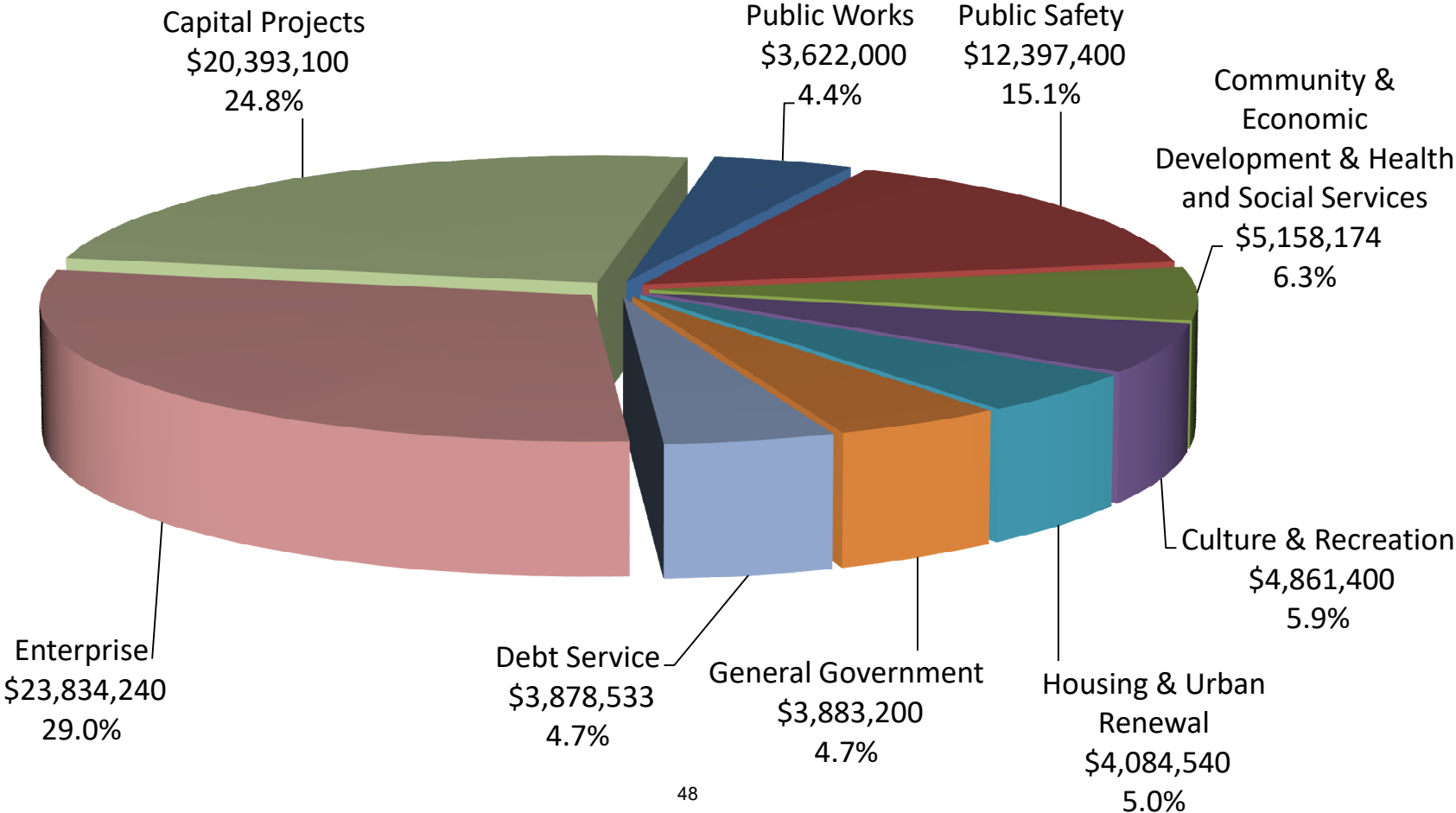
Where Does the Money Come From?

All City Funds Revenue Sources (Including Capital Projects)
Budget 2024/2025 - \$68,132,621



How are the Funds Used?

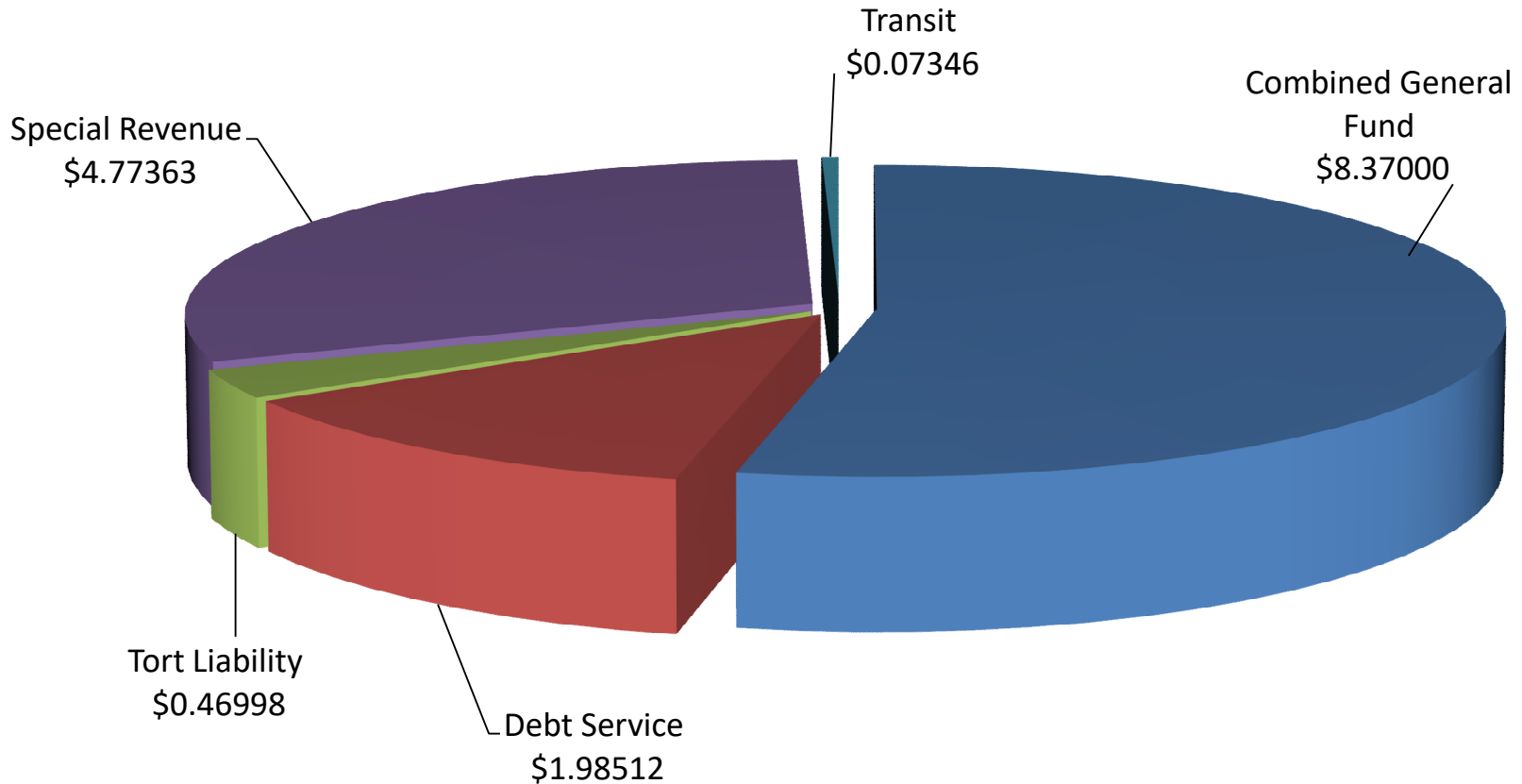
All City Expenditures by Function (Including Capital Projects) Budget 2024/2025 - \$82,112,587



City Tax Levy Rates by Type

FY 2024/2025

Total \$15.67219/\$1,000 Valuation



Where Do Each of Your Property Tax Dollars Go?



\$0.426
City of Muscatine

\$0.359
Muscatine Schools

\$0.215
Muscatine County

Above tax levy allocation reflects fiscal year 2023/2024 rates which total \$36.80354 per \$1,000 valuation. Tax levy rates for fiscal year 2024/2025 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 2022/2023 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, 2024	\$ 5,334,305	\$ 199,207	\$ 2,664,226	\$ 1,108,463	\$ 96,157	\$ 2,331,156	\$ 275,961	\$ 377,943	\$ 24,572,112	\$ 36,959,530
Revenues and Other Sources										
Property Taxes	\$ 9,071,826	\$ 4,855,355	\$ -	\$ -	\$ 2,182,363	\$ -	\$ -	\$ -	\$ 2,586,200	\$ 18,695,744
Other City Taxes	1,173,281	18,038	4,100,000	-	7,500	-	-	-	-	5,298,819
Licenses and Permits	471,800	-	-	-	-	1,600	-	-	20,000	493,400
Intergovernmental	1,107,563	237,279	-	3,212,600	100,447	-	-	-	6,914,774	11,572,663
Charges for Services	1,088,400	-	-	-	-	5,932,200	2,098,400	2,572,900	7,301,800	18,993,700
Use of Money and Property	339,300	-	25,000	-	20,000	30,000	62,000	4,000	2,601,995	3,082,295
Other Revenue	1,523,700	-	-	-	-	186,300	10,000	19,800	5,622,700	7,362,500
Other Financing Sources										
Transfers In	11,365,574	-	820,000	-	1,528,223	-	42,000	-	3,428,038	17,183,835
Total Revenues and Other Sources	\$ 26,141,444	\$ 5,110,672	\$ 4,945,000	\$ 3,212,600	\$ 3,838,533	\$ 6,150,100	\$ 2,212,400	\$ 2,596,700	\$ 28,475,507	\$ 82,682,956
Funds Available	\$ 31,475,749	\$ 5,309,879	\$ 7,609,226	\$ 4,321,063	\$ 3,934,690	\$ 8,481,256	\$ 2,488,361	\$ 2,974,643	\$ 53,047,619	\$ 119,642,486
Expenditures and Other Uses										
Public Safety	\$ 12,329,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,500	\$ 12,397,400
Public Works	3,622,000	-	-	-	-	-	-	-	-	3,622,000
Health and Social Services	60,000	-	-	-	-	-	-	-	-	60,000
Culture and Recreation	4,505,900	-	-	-	-	-	-	-	355,500	4,861,400
Community and Economic Development	1,258,700	-	-	-	-	-	-	-	7,924,014	9,182,714
General Government	3,779,200	-	-	-	-	-	-	-	104,000	3,883,200
Debt Service	-	-	-	-	3,878,533	-	-	-	-	3,878,533
Business Type/Internal Service	-	-	-	-	-	4,616,900	2,373,900	2,720,600	15,691,740	25,403,140
Other Financing Uses										
Transfers Out	386,378	5,309,879	3,600,873	4,017,000	-	1,663,010	-	-	5,487,495	20,464,635
Total Expenditures and Other Uses	\$ 25,942,078	\$ 5,309,879	\$ 3,600,873	\$ 4,017,000	\$ 3,878,533	\$ 6,279,910	\$ 2,373,900	\$ 2,720,600	\$ 29,630,249	\$ 83,753,022
Projected Ending Balance, June 30, 2025	\$ 5,533,671	\$ -	\$ 4,008,353	\$ 304,063	\$ 56,157	\$ 2,201,346	\$ 114,461	\$ 254,043	\$ 23,417,370	\$ 35,889,464

Increase (Decrease) in Fund Balance	\$ 199,366	\$ (199,207)	\$ 1,344,127	\$ (804,400)	\$ (40,000)	\$ (129,810)	\$ (161,500)	\$ (123,900)	\$ (1,154,742)	\$ (1,070,066)
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Percent Change in Fund Balance	3.7%	-100.0%	50.5%	-72.6%	-41.6%	-5.6%	-58.5%	-32.8%	-4.7%	-2.9%
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Percent Ending Fund Balance of Expenditures	21.3%	0.0%	111.3%	7.6%	1.4%	35.1%	4.8%	9.3%	79.0%	42.9%
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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 \$199,366 during fiscal year 2024/2025. The budgeted ending balance is 21.3% 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 2024/2025 with the ending balance of 21.3% 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 \$199,207 beginning fund balance for 2024/2025. The Employee Benefits tax levy for 2024/2025 was set at a rate which results in utilizing this beginning balance to fund the estimated employee benefit costs for 2024/2025. This resulted in the zero-balance budgeted in this fund at the end of 2024/2025, 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 increase to \$4,008,353 for 2024/2025. 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). Phases 6-A and 6-B of the West Hill Sewer project began in 2023 and are scheduled to be completed in 2024. Phase 6-C of this project is scheduled for construction in calendar year 2024 and Phases 6-C and 6-D are scheduled to begin in calendar year 2025. Phases 1 through 5 were funded with transfers from this fund. Construction work on all phases of Phase 6 will be funded from State Revolving Fund (SRF) loans. Annual debt service payments on these SRF loans will be funded from Local Option Sales Tax.

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 \$804,800 (72.6%) to \$304,063 at the end of 2024/2025. This amount represents the use

of funds accumulated in the prior year being expended for street improvement projects in 2024/2025.

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. The balance in the Debt Service fund is budgeted to decrease by \$40,000 (41.6%) for 2024/2025. This was a planned decrease to keep the City's overall tax levy rate the same for 2024/2025.

Water Pollution Control Fund:

The balance of the Water Pollution Control fund is budgeted to decrease by \$129,810 (5.6%) in 2024/2025. The 2024/2025 budgeted ending balance is 35.1% 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 \$275,961 in 2024/2025 and that balance is budgeted to decrease by \$161,500 to \$114,461 by the end of 2024/2025. 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 balance will be used for future capital outlay needs.

Refuse Collection:

The Refuse Collection fund is budgeted to decrease by \$123,900 (32.8%) in 2024/2025, primarily due to capital outlay purchases. The 2024/2025 budgeted ending balance is 9.3% of fund expenditures for the year.

The rates for both regular residential customers and the senior rates were increased by \$1.00 per month effective July 1, 2023. The rate increase was needed in order to generate sufficient funds for future capital outlay needs. There is no rate increase budgeted for 2024/2025.

Non-Major Funds:

The fund balance of non-major funds combined is expected to decrease by \$1,154,742 (4.7%) during 2024/2025. There are increases and decreases in the balances of the various non-major funds. The overall decrease, however, is primarily due to (1) a \$732,200 decrease in the American Rescue Plan Act (ARPA) fund, and (2) a \$685,695 decrease in the Emergency Tax Levy / Emergency Fund. The ARPA funds must be fully expended or obligated by December 31, 2024. The State eliminated the Emergency Tax Levy beginning in the 2024/2025 budget and implemented a Combined General Fund Levy. The Combined General Fund Levy (CGFL) combines the previous General Fund levy maximum of \$8.10 per \$1,000 of valuation and the previous Emergency Tax Levy maximum of \$.27 per \$1,000 valuation. The CGFL is required to be accounted for in the General Fund. The remaining balance of \$690,695 in the Emergency Levy / Emergency Fund includes State COVID Relief funds received in prior years and unspent prior year Emergency Tax Levy funds. These funds are budgeted to be transferred to the General Fund in 2024/2025 to close out this fund.

**BUDGET SUMMARY SCHEDULES -
OPERATING FUNDS**

**City of Muscatine
Operating Funds
Budget Summary**

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025
Beginning Balance, July 1	\$ 31,562,925	\$ 35,689,943	\$ 32,699,846	\$ 39,960,260	\$ 36,959,530
Revenues and Other Sources					
Property Taxes	\$ 17,275,521	\$ 17,520,995	\$ 18,786,623	\$ 18,710,923	\$ 18,695,744
Other City Taxes	5,202,513	5,297,820	4,427,590	5,266,790	5,298,819
Licenses and Permits	444,526	505,963	327,700	553,600	493,400
Intergovernmental	10,728,941	10,951,131	8,936,668	11,387,568	12,586,963
Charges for Services	17,303,819	18,015,931	18,177,500	18,100,100	18,993,700
Use of Money and Property	1,112,609	2,231,018	1,426,400	2,513,600	2,067,995
Other Revenue	7,119,311	6,771,386	6,881,600	6,936,900	7,362,500
Other Financing Sources					
Transfers In	13,157,041	13,937,603	15,745,291	15,551,199	17,183,835
Total Revenues and Other Sources	\$ 72,344,281	\$ 75,231,847	\$ 74,709,372	\$ 79,020,680	\$ 82,682,956
Funds Available	\$ 103,907,206	\$ 110,921,790	\$ 107,409,218	\$ 118,980,940	\$ 119,642,486
Expenditures and Other Uses					
Public Safety	\$ 11,040,380	\$ 11,283,957	\$ 11,635,400	\$ 12,066,800	\$ 12,397,400
Public Works	3,177,771	2,963,309	3,701,200	3,551,700	3,622,000
Health and Social Services	37,500	55,000	60,000	60,000	60,000
Culture and Recreation	4,323,136	4,227,915	4,601,800	4,655,300	4,861,400
Community and Economic Development	5,313,195	5,246,666	6,111,300	8,277,000	9,182,714
General Government	3,194,054	3,616,190	3,535,700	3,867,023	3,883,200
Debt Service	3,841,498	3,764,644	2,825,731	2,951,509	3,878,533
Business Type/Internal Service	20,060,655	21,320,464	23,567,490	25,291,079	25,403,140
Other Financing Uses					
Transfers Out	17,229,074	18,483,385	21,836,091	21,300,999	20,464,635
Total Expenditures and Other Uses	\$ 68,217,263	\$ 70,961,530	\$ 77,874,712	\$ 82,021,410	\$ 83,753,022
Ending Balance, June 30	\$ 35,689,943	\$ 39,960,260	\$ 29,534,506	\$ 36,959,530	\$ 35,889,464

**City of Muscatine
Operating Funds
Fund Statement**

Fund	Estimated Balance (Deficit) 7/1/24	Revenues	Expenditures	Estimated Balance (Deficit) 6/30/25
General	\$ 5,334,305	\$ 26,141,444	\$ 25,942,078	\$ 5,533,671
Enterprise:				
Airport Operations	0	134,300	134,300	0
Transit System	351,651	1,329,378	1,639,800	41,229
Parking System	82,817	185,100	202,100	65,817
Golf Course	88,863	1,064,400	1,072,100	81,163
Boat Harbor Operations	800	23,900	24,200	500
Marina Operations	(3,052)	10,800	10,600	(2,852)
Ambulance Operations	497,513	2,304,400	2,634,400	167,513
Convention & Visitors Bureau	101,705	33,295	135,000	0
Soccer Events	31,476	200	0	31,676
Refuse Collection	377,943	2,596,700	2,720,600	254,043
Landfill Operations	2,192,381	1,376,600	1,338,600	2,230,381
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	1,290,218	60,100	0	1,350,318
Landfill Closure Reserve	1,956,992	163,200	0	2,120,192
Transfer Station Operations	275,961	2,212,400	2,373,900	114,461
Transfer Station Closure Reserve	33,825	0	0	33,825
Water Pollution Control	2,331,156	6,150,100	6,279,910	2,201,346
Collection and Drainage	573,434	1,693,700	1,626,000	641,134
WPCP Replacement Reserve	1,743,763	450,000	331,000	1,862,763
West Hill Sewer Reserve	5,700,636	580,000	0	6,280,636
Sewer Revenue Bond Sinking Fund	163,272	986,360	969,480	180,152
Sewer Extension and Improvement Reserve	1,929,033	415,000	0	2,344,033
Special Revenue:				
Employee Benefits	199,207	5,110,672	5,309,879	0
Emergency Levy	685,695	5,000	690,695	0
American Rescue Plan Act	1,688,973	10,000	742,200	956,773
Road Use Tax	1,108,463	3,212,600	4,017,000	304,063
Community Block Grant	32,568	300	0	32,868
CDBG Neighborhood Improvement Grant	0	673,800	673,800	0
CDBG Downtown Revitalization Grant	0	386,526	386,526	0
Downtown Historic Revitalization Grant	0	647,148	647,148	0
Lead Hazard Reduction Grant	0	1,244,300	1,244,300	0
Tax Increment - Downtown	7,929	256,700	256,200	8,429
Tax Increment - Southend	343,009	1,430,000	1,465,700	307,309
Tax Increment - Cedar Development	70,159	2,000	0	72,159
Tax Increment - Highway 38 NE	22,784	38,500	38,000	23,284
Tax Increment - Fridley Theatre	60,530	75,000	74,000	61,530
Tax Increment - Riverview Hotel Dev.	1,556	400,000	400,000	1,556
Tax Increment - North University	19,355	107,400	107,000	19,755
Tax Increment - White Distribution & Supply	17,547	78,500	78,000	18,047
Tax Increment - Hershey Building	5,621	73,100	73,000	5,721
Tax Increment - Oak Park	6,244	30,200	30,000	6,444
Tax Increment - Arbor Commons	3,400	40,000	40,000	3,400
Tax Increment - Steamboat Apartments	0	30,000	30,000	0
Tax Increment - Colorado Lofts	0	40,000	40,000	0
Downtown Reinvestment District	0	300,000	300,000	0
Low & Moderate Income Reserve	8,100	16,000	0	24,100
Small Business Forgivable Loan Program	0	150,000	150,000	0
Small Business Forgive Loan 2nd St. Facade Program	0	100,000	100,000	0
Local Option Sales Tax	2,242,588	4,125,000	2,655,873	3,711,715
Local Option Sales Tax Pavement Allocation	421,638	820,000	945,000	296,638
Equipment Replacement	82,045	196,200	214,500	63,745
Computer Replacement	0	50,000	50,000	0
Library Computer Replacement	33,764	0	15,000	18,764
Public Housing Operations	269,566	1,564,500	1,710,260	123,806
Section 8 Voucher Program	195,617	2,506,300	2,570,040	131,877
Home Ownership Program	14,793	269,100	270,200	13,693
Sunset Park Education Center	7,109	0	0	7,109
Public Housing Legal Settlement	103,898	2,500	50,000	56,398
Police Forfeiture Fund	12,124	5,000	5,000	12,124
Trust and Agency:				
Perpetual Care Fund	920,919	5,000	0	925,919
Perpetual Care Interest Trust	0	34,000	34,000	0
Cemetery Special Trusts	53,926	1,500	1,000	54,426
Library Trusts	129,201	49,500	31,500	147,201
Art Center Trusts	334,898	24,800	183,000	176,698
Parks and Recreation Trust	407,836	10,000	0	417,836
Debt Service:				
General Obligation	96,157	3,838,533	3,878,533	56,157
Internal Service/Other:				
Equipment Services	48,266	1,570,800	1,568,900	50,166
Dental Insurance	116,167	178,800	180,400	114,567
Health Insurance	2,133,186	5,000,300	5,000,300	2,133,186
Total *	\$ 36,959,530	\$ 82,682,956	\$ 83,753,022	\$ 35,889,464

*Includes interfund transactions.

**City of Muscatine
Operating Funds
Revenue Summary**

Fund	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025
General	\$ 22,578,388 *	\$ 23,204,281 *	\$ 24,901,795	\$ 24,685,300	\$ 26,141,444
Enterprise:					
Airport Operations	140,889	98,997	99,350	104,775	134,300
Transit System	1,381,009 *	1,540,688 *	1,421,978	1,567,178	1,329,378
Parking System	188,005	205,503	180,300	185,100	185,100
Golf Course	872,902 *	1,018,491	955,100	1,021,000	1,064,400
Boat Harbor Operations	23,769	19,378	23,900	23,900	23,900
Marina Operations	8,618	8,361	10,800	10,800	10,800
Ambulance Operations	2,105,175 *	2,336,480 *	2,091,900	2,254,900	2,304,400
Convention & Visitors Bureau	93,725	127,622	125,100	129,000	33,295
Soccer Events Fund	20,204	957	54,000	200	200
Refuse Collection	2,446,118	2,547,765	2,590,300	2,598,600	2,596,700
Landfill Operations	1,352,673	1,416,436	1,299,600	1,376,600	1,376,600
Landfill Surcharge Reserve Part I	21,084	19,896	20,000	20,000	20,000
Landfill Surcharge Reserve Part II	44,277	41,781	42,000	42,000	42,000
Landfill Post-Closure Reserve	53,603	60,081	53,600	60,100	60,100
Landfill Closure Reserve	152,506	163,244	152,500	163,200	163,200
Transfer Station Operations	2,286,339	2,261,690	2,210,100	2,222,200	2,212,400
Water Pollution Control	5,830,450 *	5,962,487	5,978,500	6,020,600	6,150,100
Collection and Drainage	1,482,665	1,557,550	1,543,800	1,619,700	1,693,700
WPCP Replacement Reserve	402,206	469,533	450,000	460,000	450,000
West Hill Sewer Reserve	404,432	530,627	406,000	580,000	580,000
Sewer Revenue Bond Sinking Fund	942,098	966,226	961,240	976,240	986,360
Sewer Extension and Improvement Reserve	415,267	406,664	390,000	415,000	415,000
Special Revenue:					
Employee Benefits	4,701,627	4,952,111	5,076,462	5,076,462	5,110,672
Emergency Levy	140,912	282,152 *	290,851	310,751	5,000
American Rescue Plan Act	1,768,375	1,853,382	20,000	73,800	10,000
Road Use Tax	3,190,810	3,312,189	3,093,600	3,188,800	3,212,600
Community Block Grant	31	6,919	0	500	300
CDBG Comp Neighborhood Impr. Grant	0	0	0	400,000	673,800
IEDA Downtown Housing Grant	0	0	0	200,000	0
CDBG Downtown Revitalization Grant	0	0	0	260,000	386,526
Affordable Connectivity Grant	0	0	0	17,000	0
Downtown Historic Revitalization Grant	0	0	0	100,000	647,148
Nuisance & Abandoned Property Grant	0	0	0	100,000	0
Lead Hazard Reduction Grant	0	0	0	557,800	1,244,300
Tax Increment - Downtown	212,970	220,146	243,700	239,500	256,700
Tax Increment - Southend	1,146,907	1,280,481	1,373,000	1,356,400	1,430,000
Tax Increment - Cedar Development	66	1,790	0	2,000	2,000
Tax Increment - Highway 38 NE	43,929	50,947	38,000	37,600	38,500
Tax Increment - Fridley Theatre	67,849	69,217	58,000	58,000	75,000
Tax Increment - Heinz	5	41	0	0	0
Tax Increment - Riverview Hotel Development	662,371	501,214	560,000	530,000	400,000
Tax Increment - North University	79,808	80,250	110,000	108,100	107,400
Tax Increment - White Distribution & Supply	53,875	54,259	66,000	65,200	78,500
Tax Increment - Arbor Commons	0	0	24,000	23,600	40,000
Tax Increment - Hershey Building	95,596	73,045	72,000	66,800	73,100
Tax Increment - Oak Park	0	28,352	30,000	29,700	30,200
Tax Increment - Steamboat Apartments	0	0	0	0	30,000
Tax Increment - Colorado Lofts	0	0	70,000	66,000	40,000
Low & Moderate Income Reserve	0	0	9,500	8,100	16,000
Downtown Reinvestment District	246,584	244,755	350,000	300,000	300,000
Small Business Forgivable Loan Program	181,208	235,070	100,000	100,000	150,000
Small Business Forgive Loan Code Compliance	50,095	50,183	50,000	50,000	0
Small Business Forgive Loan 2nd St. Facade Program	100,023	105,019	100,000	100,000	100,000
Local Option Sales Tax	3,872,090	4,127,523	4,008,100	4,140,000	4,125,000
Local Option Sales Tax Pavement Allocation	0	0	0	820,000	820,000
Equipment Replacement	272,108	273,723	407,300	603,600	196,200
Computer Replacement	50,115	87,234	50,000	50,000	50,000
Library Computer Replacement	0	0	0	500	0
Public Housing Operations	1,086,413	1,347,556	1,139,900	1,453,500	1,564,500
Section 8 Voucher Program	2,135,810	2,143,065	2,150,100	2,452,700	2,506,300
Home Ownership Program	22,441	64,008	72,700	166,100	269,100
Sunset Park Education Center	241	187	0	0	0
Public Housing Legal Settlement	147,422	3,976	2,500	2,500	2,500
Police Forfeiture Fund	2,782	872	5,000	2,900	5,000
Trust and Agency:					
Perpetual Care Fund	8,243	3,992	5,000	5,000	5,000
Perpetual Care Interest Trust	1,830	26,660	18,000	34,000	34,000
Cemetery Special Trusts	52	1,777	1,500	1,500	1,500
Library Trusts	48,180	71,257	46,900	64,800	49,500
Art Center Trusts	214,125	25,179	22,200	29,000	24,800
Parks Trust	361,793	36,043	9,500	10,000	10,000
Debt Service:					
General Obligation	2,908,196	2,795,415	2,825,696	2,955,474	3,838,533
Internal Service/Other:					
Equipment Services	1,228,080	1,473,786	1,432,800	1,548,900	1,570,800
Dental Insurance	161,835	171,173	179,200	170,800	178,800
Health Insurance	3,833,082	4,212,162	4,636,000	4,546,900	5,000,300
Total **	\$ 72,344,281	\$ 75,231,848	\$ 74,709,372	\$ 79,020,680	\$ 82,682,956

* Includes encumbrance adjustments.

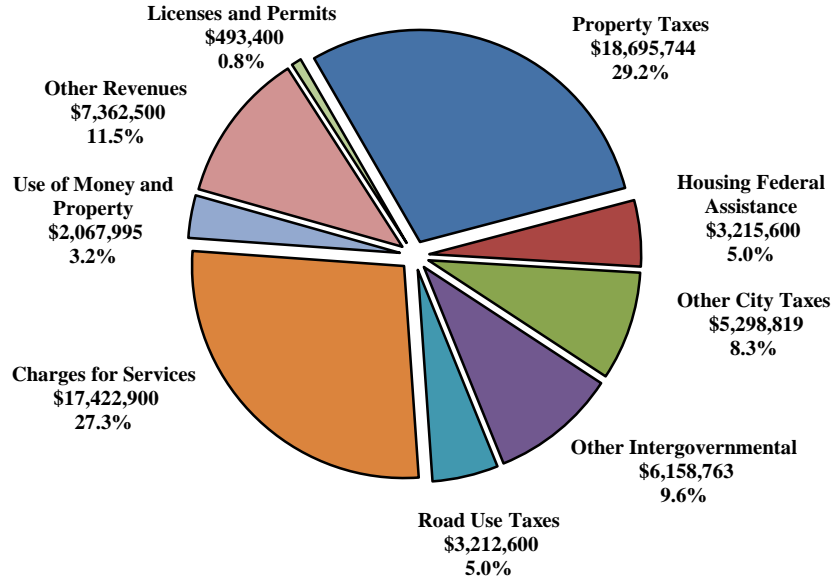
** Includes interfund transactions.

**City of Muscatine
Operating Funds
Expenditure Summary**

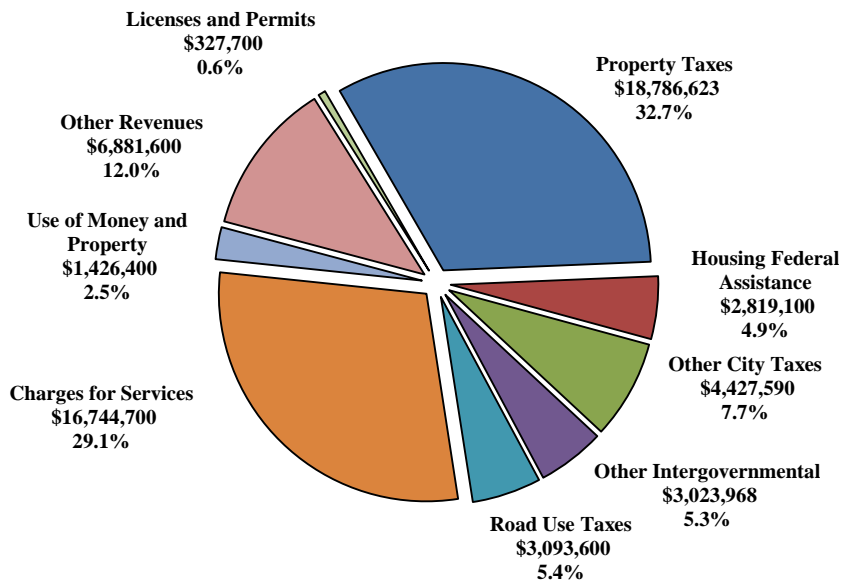
Fund	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025
General	\$ 22,407,750	\$ 22,923,384	\$ 24,901,528	\$ 24,976,053	\$ 25,942,078
Enterprise:					
Airport Operations	103,561	129,797	130,900	134,700	134,300
Transit System	1,422,886	1,356,013	1,590,900	1,769,400	1,639,800
Parking System	161,389	187,667	192,700	189,200	202,100
Golf Course	800,855	960,591	995,700	1,065,100	1,072,100
Boat Harbor Operations	23,769	19,378	23,900	23,100	24,200
Marina Operations	6,648	9,488	12,000	10,600	10,600
Ambulance Operations	2,137,516	2,307,857	2,199,100	2,165,400	2,634,400
Convention & Visitors Bureau	128,900	125,000	135,000	135,000	135,000
Soccer Event Fund	35,056	9,769	45,900	0	0
Refuse Collection	2,435,350	2,345,221	2,621,000	2,630,600	2,720,600
Landfill Operations	1,111,080	1,185,623	1,247,300	1,287,200	1,338,600
Landfill Surcharge Reserve I	21,084	19,896	20,000	20,000	20,000
Landfill Surcharge Reserve II	44,277	41,781	42,000	42,000	42,000
Transfer Station Operations	2,290,304	2,311,483	2,226,900	2,280,100	2,373,900
Water Pollution Control	5,655,178	6,078,332	6,045,140	6,043,640	6,279,910
Collection and Drainage	1,442,097	1,708,144	1,648,600	1,756,200	1,626,000
WPCP Replacement Reserve	87,840	31,410	1,195,000	1,482,000	331,000
Sewer Revenue Bond Sinking Fund	940,760	949,820	959,400	959,400	969,480
Sewer Extension and Improvement Reserve	127,123	45,613	0	530,000	0
Special Revenue:					
Employee Benefits	4,772,602	4,949,779	5,163,172	5,021,677	5,309,879
Emergency Levy	140,257	264,675	442,251	290,751	690,695
American Rescue Plan Act	12,853	813,532	1,639,400	1,180,200	742,200
Road Use Tax	3,149,231	3,546,853	3,750,600	3,614,700	4,017,000
Community Block Grant	0	70,434	13,600	0	0
CDBG Neighborhood Improvement Grant	0	0	0	400,000	673,800
IEDA Downtown Housing Grant	0	0	0	200,000	0
CDBG Downtown Revitalization Grant	0	0	0	195,643	386,526
Affordable Connectivity Grant	0	0	0	17,000	0
Downtown Historic Revitalization Grant	0	0	0	100,000	647,148
Nuisance & Abandoned Prop Grant	0	0	0	100,000	0
Lead Hazard Reduction Grant	0	0	0	557,800	1,244,300
Tax Increment - Downtown	213,400	217,464	243,700	243,700	256,200
Tax Increment - Southend	1,194,381	1,427,888	1,371,900	1,343,100	1,465,700
Tax Increment - Highway 38 NE	41,932	48,206	38,000	34,600	38,000
Tax Increment - Fridley Theatre	59,681	59,948	58,000	52,500	74,000
Tax Increment - Heinz	0	4,936	0	0	0
Tax Increment - Riverview Hotel Development	662,315	500,947	560,000	530,000	400,000
Tax Increment - North University	76,560	76,376	110,000	103,900	107,000
Tax Increment - White Distribution & Supply	50,129	50,145	66,000	60,700	78,000
Tax Increment - Arbor Commons	0	0	24,000	20,200	40,000
Tax Increment - Hershey Building	92,593	70,527	72,000	66,700	73,000
Tax Increment - Oak Park	0	25,108	30,000	26,700	30,000
Tax Increment - Steamboat Apartments	0	0	0	0	30,000
Tax Increment - Colorado Lofts	0	0	70,000	66,000	40,000
Riverview Reinvestment District	246,584	244,755	350,000	300,000	300,000
Small Business Forgivable Loan Program	320,000	229,483	100,000	168,323	150,000
Small Business Forgive Loan Code Compliance	85,000	30,000	50,000	95,363	0
Small Business Forgive Loan 2nd St. Facade Program	12,366	5,345	100,000	387,331	100,000
Local Option Sales Tax	3,484,091	3,575,625	4,008,100	3,031,178	2,655,873
Local Option Sales Tax Pavement Allocation	0	0	0	1,215,500	945,000
Equipment Replacement	346,947	72,558	421,000	753,200	214,500
Computer Replacement	73,208	30,178	60,000	134,023	50,000
Library Computer Replacement	0	0	0	26,100	15,000
Public Housing Operations	956,420	1,164,955	1,245,690	2,074,080	1,710,260
Section 8 Voucher Program	2,058,345	2,152,727	2,182,900	2,457,040	2,570,040
Home Ownership Program	34,991	73,077	72,600	168,200	270,200
Public Housing Legal Settlement	0	0	0	50,000	50,000
Police Forfeiture Fund	278	87	5,000	5,000	5,000
Trust and Agency:					
Perpetual Care Interest Trust	1,830	26,660	18,000	34,000	34,000
Cemetery Special Trusts	519	300	1,000	1,000	1,000
Library Trusts	49,799	29,094	27,400	30,900	31,500
Art Center Trusts	366,213	25,392	140,000	25,500	183,000
Debt Service:					
General Obligation	2,900,738	2,814,824	2,825,731	2,951,509	3,878,533
Internal Service/Other:					
Equipment Services	1,315,044	1,488,452	1,429,900	1,531,400	1,568,900
Dental Insurance	139,977	153,984	179,200	172,000	180,400
Health Insurance	3,975,556	3,981,793	4,772,600	4,684,200	5,000,300
Total *	<u>\$ 68,217,263</u>	<u>\$ 70,972,374</u>	<u>\$ 77,874,712</u>	<u>\$ 82,021,411</u>	<u>\$ 83,753,022</u>

* Includes interfund transactions.

**All City Operating Revenues By Source
Budget 2024/2025
\$63,928,321**



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

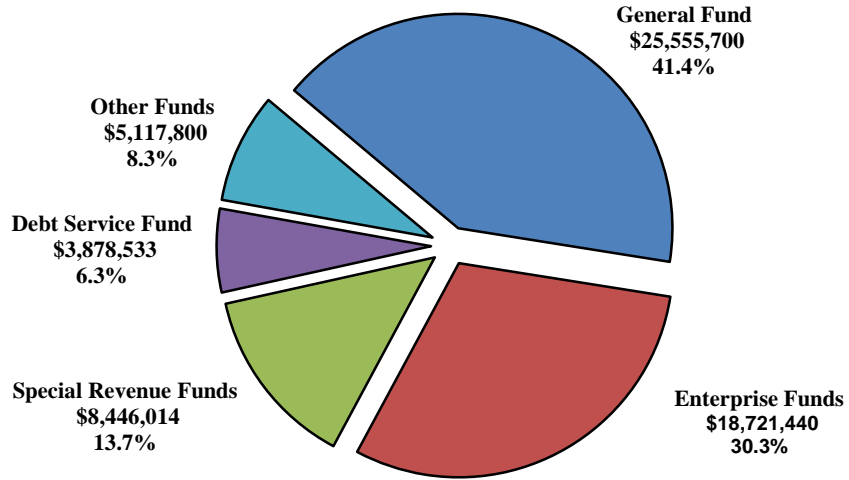


**All City Funds Operating Revenues
Reconciliation Information**

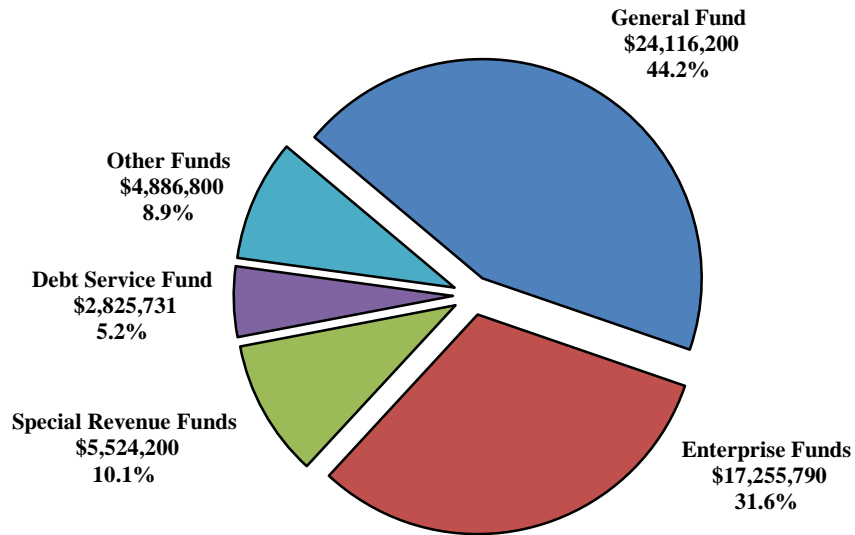
The revenue charts on the preceding page are shown net of interfund transfers. The following is a reconciliation of revenues per the summary statement to revenues net of transfers.

	<u>2023/2024</u> <u>Budget</u>	<u>2024/2025</u> <u>Budget</u>
Revenues per Summary Statement	\$ 74,709,372	\$ 82,682,956
Transfers In:		
General Fund		
Trust and Agency Funds	\$ 18,000	\$ 34,000
Special Revenue Funds	9,350,123	9,372,574
Health Insurance Fund	70,000	67,900
Tax Increment Funds	232,500	239,600
Enterprise Funds	1,460,600	1,651,500
Debt Service Fund		
Enterprise Funds	91,400	92,650
Tax Increment Funds	355,900	354,700
Local Option Sales Tax Fund	0	1,080,873
Equipment Replacement Fund		
General Fund	400,000	188,000
Computer Replacement Fund		
General Fund	50,000	50,000
Homeownership Program		
Community Block Grant	13,600	0
Small Business Forgivable Loan Programs		
Tax Increment Funds	250,000	250,000
Low & Moderate Income Reserve		
Tax Increment Funds	9,500	16,000
Lead Hazard Reduction Grant Fund		
HUD Legal Settlement Fund	0	50,000
Convention and Visitors Bureau		
General Fund	125,000	33,000
Airport Operations Fund		
General Fund	3,650	36,800
Transit Operations Fund		
General Fund	206,678	78,578
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	206,100	223,300
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	960,240	970,360
West Hill Sewer Separation Project Reserve Fund	400,000	400,000
Public Housing Fund		
American Rescue Plan Act Fund	0	300,000
Local Option Tax Pavement Management Allocation		
Local Option Sales Tax	668,000	820,000
Total Transfers In	<u>15,745,291</u>	<u>17,183,835</u>
Non-Budgeted Fund		
Equipment Services Operations	<u>1,432,800</u>	<u>1,570,800</u>
Budgeted Revenues Net of Transfers	<u><u>\$ 57,531,281</u></u>	<u><u>\$ 63,928,321</u></u>

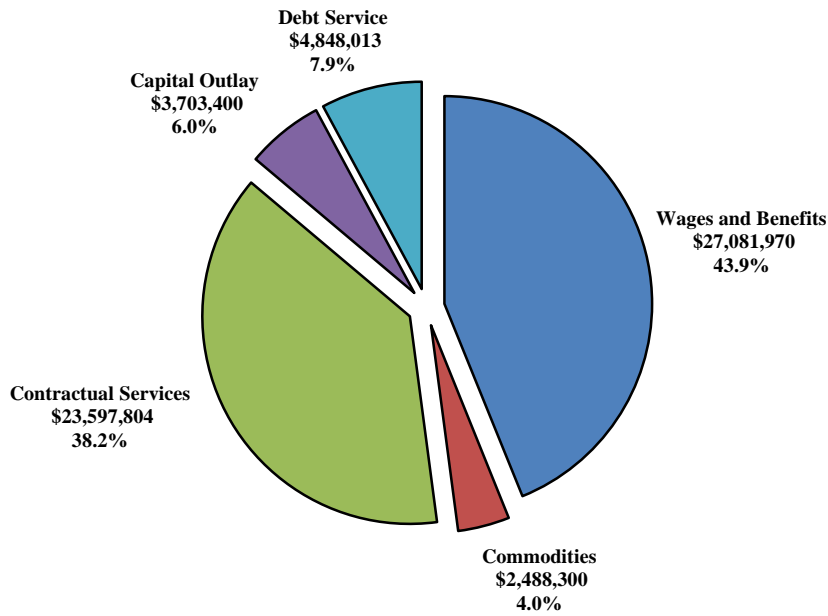
**All City Operating Expenditures By Fund
Budget 2024/2025
\$61,719,487**



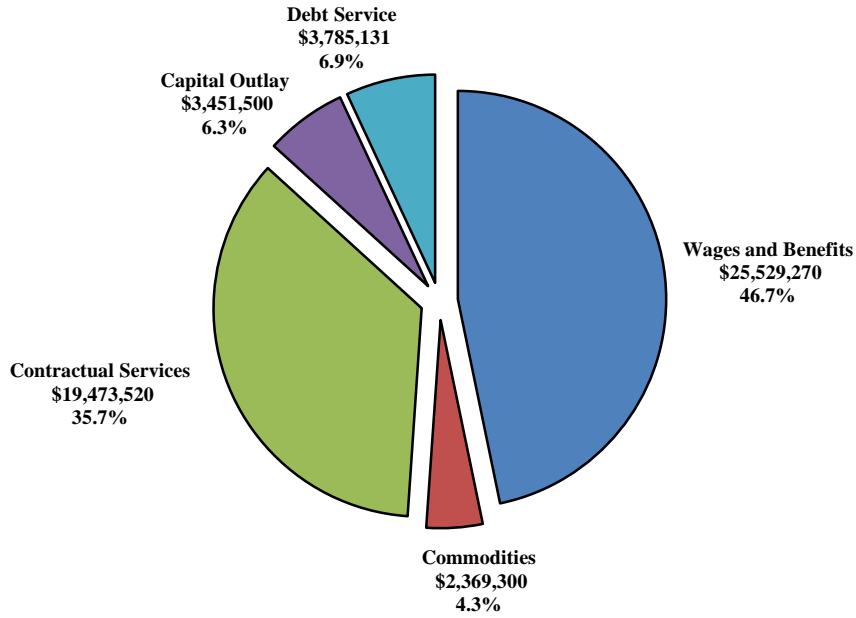
**All City Operating Expenditures By Fund
Budget 2023/2024
\$54,608,721**



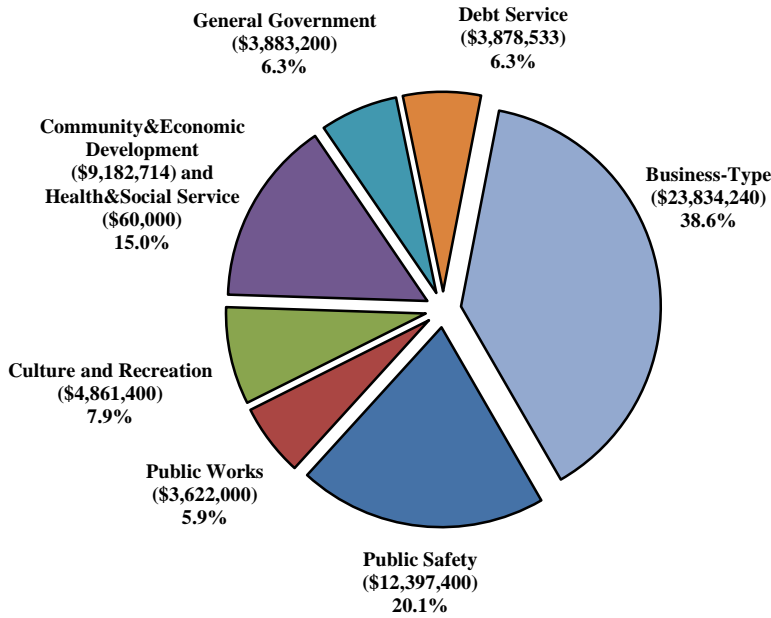
**All City Operating Expenditures By Type
Budget 2024/2025
\$61,719,487**



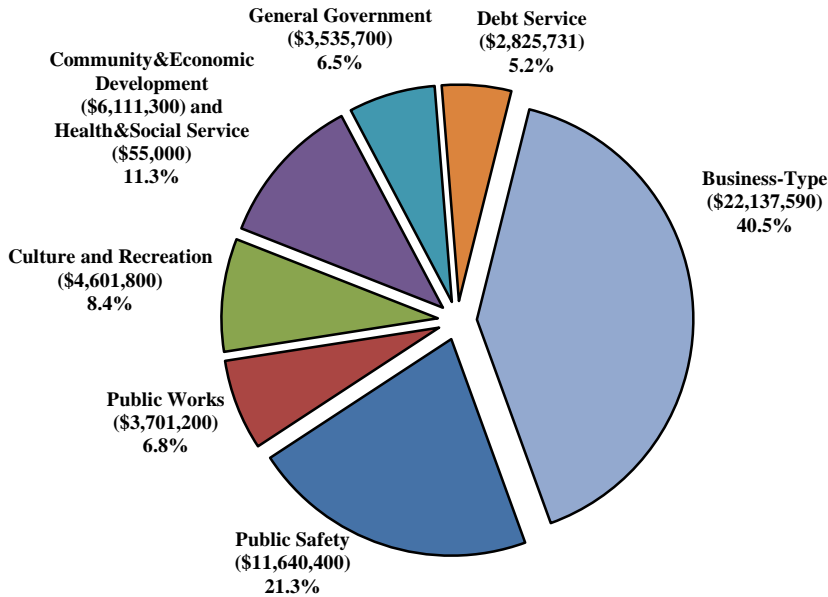
**All City Operating Expenditures By Type
Budget 2023/2024
\$54,608,721**



All City Operating Expenditures By Function *
Budget 2024/2025
\$61,719,487



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



* 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>2023/2024</u> <u>Budget</u>	<u>2024/2025</u> <u>Budget</u>
Expenditures per Summary Statement	\$ 77,874,712	\$ 83,753,022
Transfers Out:		
General Fund		
Transit Operations Fund	\$ 206,678	\$ 78,578
Airport Operations Fund	3,650	36,800
Equipment Replacement Fund	400,000	188,000
Computer Replacement Fund	50,000	50,000
Convention & Visitors Bureau	125,000	33,000
Trust and Agency Funds		
General Fund	18,000	34,000
Community Block Grant		
Homeownership Program	13,600	0
Special Revenue Funds		
General Fund	9,350,123	9,372,574
Capital Projects Fund	5,267,600	4,934,073
Tax Increment Funds	1,009,100	1,076,900
Other Special Revenue Funds	0	50,000
Ambulance Fund		
General Fund	1,460,600	1,651,500
Landfill Operations Fund		
Landfill Surcharge Reserve	62,000	62,000
Landfill Closure/Post-Closure Reserve	206,100	223,300
Landfill Surcharge Reserve		
Landfill Operations Fund	20,000	20,000
Transfer Station Fund	42,000	42,000
Water Pollution Control Fund		
Debt Service Fund	91,400	92,650
Sewer Reserves	1,560,240	1,570,360
Water Pollution Control Plant Replacement Reserve		
Capital Projects Fund	1,195,000	331,000
Collection & Drainage		
Sewer Reserves	550,000	550,000
Capital Projects Fund	135,000	0
Health Insurance Fund		
General Fund	70,000	67,900
Total Transfers Out	<u>\$ 21,836,091</u>	<u>\$ 20,464,635</u>
Non-Budgeted Fund		
Equipment Services Operations	<u>1,429,900</u>	<u>1,568,900</u>
Budgeted Expenditures Net of Transfers	<u><u>\$ 54,608,721</u></u>	<u><u>\$ 61,719,487</u></u>

City of Muscatine
Matrix of 2024/2025 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	\$ 90,700	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 90,700
Legal Services	167,500	0	0	0	0	0	0	0	167,500
City Administrator	541,900	0	0	0	0	0	0	0	541,900
Human Resources	224,200	0	0	0	0	0	0	0	224,200
Wellness Program	67,900	0	0	0	0	0	0	0	67,900
Finance and Records	901,500	0	0	0	0	0	0	0	901,500
Computer Operations	476,900	0	0	0	0	0	0	0	476,900
Risk Management	534,100	0	0	0	0	0	0	0	534,100
Building and Grounds	774,500	0	0	0	0	0	0	0	774,500
Police Operations	0	6,215,300	0	0	0	0	0	0	6,215,300
Animal Control	0	157,300	0	0	0	0	0	0	157,300
Fire Operations	0	5,957,300	0	0	0	0	0	0	5,957,300
Library	0	0	1,325,800	0	0	0	0	0	1,325,800
Cable Television Operations	0	0	21,400	0	0	0	0	0	21,400
Art Center	0	0	491,500	0	0	0	0	0	491,500
Park Administration	0	0	281,100	0	0	0	0	0	281,100
Park Maintenance	0	0	926,100	0	0	0	0	0	926,100
Kent Stein Park	0	0	272,800	0	0	0	0	0	272,800
Soccer Complex	0	0	286,800	0	0	0	0	0	286,800
Swimming Pools	0	0	238,800	0	0	0	0	0	238,800
Recreation	0	0	148,600	0	0	0	0	0	148,600
Cemetery	0	0	231,800	0	0	0	0	0	231,800
Sports Dome	0	0	281,200	0	0	0	0	0	281,200
Community Development	0	0	0	1,205,700	0	0	0	0	1,205,700
Economic Development	0	0	0	53,000	0	0	0	0	53,000
Economic Well-Being	0	0	0	0	60,000	0	0	0	60,000
Public Works Administration	0	0	0	0	0	260,900	0	0	260,900
Roadway Maintenance	0	0	0	0	0	1,756,000	0	0	1,756,000
Traffic Control	0	0	0	0	0	235,700	0	0	235,700
Snow and Ice Control	0	0	0	0	0	599,700	0	0	599,700
Street Cleaning	0	0	0	0	0	355,200	0	0	355,200
Engineering	0	0	0	0	0	414,500	0	0	414,500

(Continued)

(Continued)

<u>Fund/Activity:</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Culture and Recreation</u>	<u>Community and Economic Development</u>	<u>Health and Social Services</u>	<u>Public Works</u>	<u>Debt Service</u>	<u>Business Type/ Internal Service</u>	<u>Total</u>
Enterprise Funds:									
Airport Operations	0	0	0	0	0	0	0	134,300	134,300
Transit Operations	0	0	0	0	0	0	0	1,639,800	1,639,800
Parking System	0	0	0	0	0	0	0	202,100	202,100
Golf Course	0	0	0	0	0	0	0	1,072,100	1,072,100
Boat Harbor Operations	0	0	0	0	0	0	0	24,200	24,200
Marina Operations	0	0	0	0	0	0	0	10,600	10,600
Ambulance Operations	0	0	0	0	0	0	0	982,900	982,900
Convention and Visitors Bureau	0	0	0	0	0	0	0	135,000	135,000
Public Housing	0	0	0	0	0	0	0	1,710,260	1,710,260
Refuse Collection	0	0	0	0	0	0	0	2,720,600	2,720,600
Landfill Operations	0	0	0	0	0	0	0	1,053,300	1,053,300
Transfer Station	0	0	0	0	0	0	0	2,373,900	2,373,900
Collection and Drainage	0	0	0	0	0	0	0	1,076,000	1,076,000
Water Pollution Control	0	0	0	0	0	0	0	4,616,900	4,616,900
Sewer Sinking Fund	0	0	0	0	0	0	969,480	0	969,480
Special Revenue Funds:									
Equipment Replacement	0	62,500	125,000	27,000	0	0	0	0	214,500
American Rescue Plan Act	54,000	0	0	0	0	0	0	0	54,000
Southend Tax Increment	0	0	0	661,000	0	0	0	0	661,000
Highway 38 NE Tax Increment	0	0	0	38,000	0	0	0	0	38,000
Fridley Theatre Tax Increment	0	0	0	74,000	0	0	0	0	74,000
Riverview Hotel Development Tax Increment	0	0	0	400,000	0	0	0	0	400,000
North Univeristy Tax Increment	0	0	0	107,000	0	0	0	0	107,000
White Distribution & Supply Tax Increment	0	0	0	78,000	0	0	0	0	78,000
Hershey Building Tax Increment	0	0	0	73,000	0	0	0	0	73,000
Oak Park Tax Increment	0	0	0	30,000	0	0	0	0	30,000
Arbor Commons Tax Increment	0	0	0	24,000	0	0	0	0	24,000
Steamboat Tax Increment	0	0	0	30,000	0	0	0	0	30,000
Colorado Lofts Tax Increment	0	0	0	40,000	0	0	0	0	40,000
Riverview Reinvestment District	0	0	0	300,000	0	0	0	0	300,000
Small Business Forgiveable Loan	0	0	0	150,000	0	0	0	0	150,000
Small Business - 2nd Street Façade	0	0	0	100,000	0	0	0	0	100,000
Neighborhood Improvement	0	0	0	673,800	0	0	0	0	673,800
Downtown Revitalization	0	0	0	386,526	0	0	0	0	386,526
Downtown Historic Revitalization	0	0	0	647,148	0	0	0	0	647,148
Section 8 Housing	0	0	0	2,570,040	0	0	0	0	2,570,040
Home Ownership Program	0	0	0	270,200	0	0	0	0	270,200
Police Forfeiture Fund	0	5,000	0	0	0	0	0	0	5,000
Lead Hazard Reduction	0	0	0	1,244,300	0	0	0	0	1,244,300
Computer Replacement Fund	50,000	0	0	0	0	0	0	0	50,000
Library Computer Replacement	0	0	15,000	0	0	0	0	0	15,000
Debt Service Fund	0	0	0	0	0	0	3,878,533	0	3,878,533
Internal Service/Other Funds:									
Health Insurance Fund	0	0	0	0	0	0	0	4,932,400	4,932,400
Dental Insurance Fund	0	0	0	0	0	0	0	180,400	180,400
Trust and Agency Funds:									
Library Trusts	0	0	31,500	0	0	0	0	0	31,500
Cemetery Trust	0	0	1,000	0	0	0	0	0	1,000
Art Center Trusts	0	0	183,000	0	0	0	0	0	183,000
Total	<u>\$ 3,883,200</u>	<u>\$ 12,397,400</u>	<u>\$ 4,861,400</u>	<u>\$ 9,182,714</u>	<u>\$ 60,000</u>	<u>\$ 3,622,000</u>	<u>\$ 4,848,013</u>	<u>\$ 22,864,760</u>	<u>\$ 61,719,487</u>

**City of Muscatine
Fulltime Employee Trends**

General Fund

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Budget 2023-24	Actual 2023-24	Budget 2024-25
City Administrator	3.00	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	5.83	5.95	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	6.23	6.73	6.73	6.73	6.73	6.73	6.83	6.83	6.83
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	41.50	41.50	41.50	43.00	44.75	47.50	47.50	47.50	47.50	47.50
Library (FTE)	14.33	13.76	14.19	13.62	13.22	12.79	13.66	12.90	13.10	12.47	12.45 (1)
Art Center (FTE)	4.70	4.70	4.70	4.70	4.97	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	2.13	2.13 (2)
Park Maintenance *	5.80	5.80	5.80	5.80	5.80	5.93	6.05	6.05	6.05	6.25	6.50 (3)
Kent Stein Park *	1.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22	1.12	1.12 (3)
Soccer Complex *	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.13	1.13 (3)
Recreation *	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sports Dome	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.75 (4)
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	7.44	7.42	7.42	7.42	7.58	7.81	8.13	8.37	8.37	8.33	8.25 (5)
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	2.13	2.19	2.75	3.75	2.75	3.75	2.75	2.75 (6)
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	154.16	157.57	159.88	160.94	162.53	164.90	170.08	168.56	169.86	168.82	170.72

**City of Muscatine
Fulltime Employee Trends**

Enterprise / Other Funds

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Budget 2023-24	Actual 2023-24	Budget 2024-25
Parking System	2.90	2.90	2.90	2.90	2.90	2.65	2.40	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	8.98	8.98	9.84	10.02	9.48	9.53	9.48	10.17	10.17	10.17
Landfill	0.25	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Transfer Station	3.42	3.15	3.15	3.11	3.08	3.08	3.08	3.66	4.30	4.30	4.30
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	8.48	8.48	7.48	7.48	7.48	7.48	7.75	7.75	7.75
Pumping Stations	2.00	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	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Collection and Drainage	6.53	6.53	6.53	6.28	6.03	6.28	5.78	5.78	5.78	5.78	5.78
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	1.50	1.50	1.50
Housing (FTE)	11.77	10.71	10.28	10.28	9.10	9.24	9.21	10.26	11.14	10.30	10.30 (7)
Lead Hazard Reduction Grant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.59	2.15 (8)
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	66.04	64.48	63.78	64.35	64.07	63.67	62.94	64.52	67.25	68.00	68.56
Grand Total	220.20	222.05	223.66	225.29	226.60	228.57	233.52	234.58	237.11	236.82	239.28

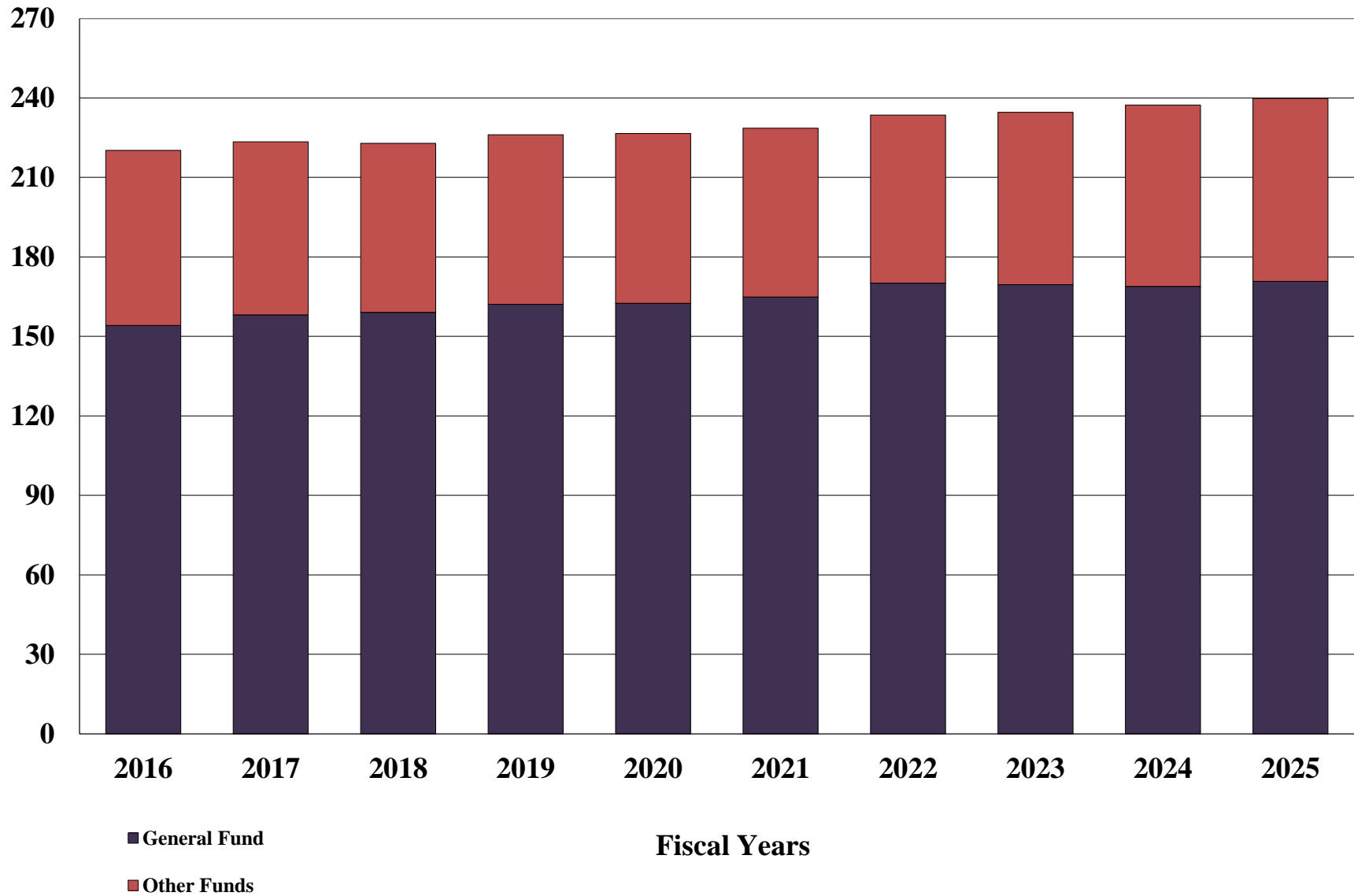
* These departments have a substantial number of part time employees, primarily seasonal employees.

Position Changes for the 2023/2024 Revised Estimate and 2024/2025 Budget:

1. The 2023/2024 and 2024/2025 Library budgets have staffing reorganizations.
2. The 2023/2024 and 2024/2025 Park Administration budget includes a new year-round part time Administrative Assistant.
3. The 2023/2024 and 2024/2025 Parks budgets have a staff reorganization after the former Park Maintenance Superintendent left employment with the City. These include the Park Maintenance, Kent Stein Park, and Soccer Complex budgets.
4. The 2024/2025 budget adds staffing for the new Muscatine Sports Dome. Full-time staff are reflected in this schedule, there will also be part-time temporary and seasonal staff.
5. The 2023/2024 and 2024/2025 Community Development budget reallocates a portion Community Development Director's time to the Lead Hazard Reduction Program/Grant fund. These will be temporary positions during the grant funding period (estimated at approximately two years).
6. The 2023/2024 and 2024/2025 Engineering budget includes reorganization that include not filling the Senior Engineer position.
7. The 2023/2024 and 2024/2025 Housing budgets were reorganized due to the pending termination of the Hershey Manor Management Agreement on June 30, 2024. The additional Maintenance Repairperson position added in the 2023/2024 budget was not filled due to this change.
8. The 2023/2024 and 2024/2025 budgets include staff for the new Lead Hazard Reduction Grant Program.

Fulltime Employee Trends Ten Year History

Number of Employees



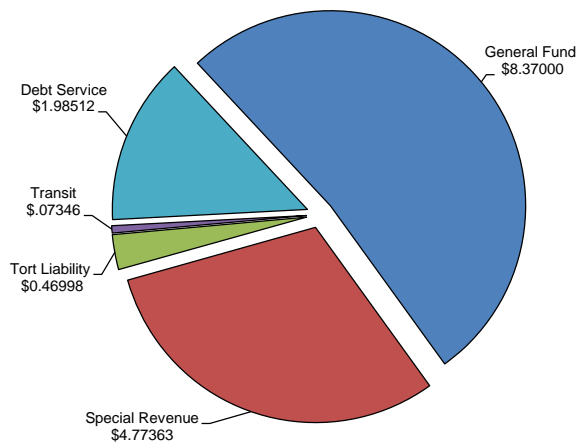
PROPERTY TAX SCHEDULES

City of Muscatine

Property Tax Levies by Type - Fiscal Years 2023/2024 and 2024/2025

	2023/2024 Budget		2024/2025 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			
Combined General Fund Levy (Includes Former Emergency Levy)	\$ 8,556,784	\$ 8.37000	\$ 8,544,920	\$ 8.37000	0.00%	\$ (11,864)	(0.14%)
Transit System	198,930	0.19459	75,000	0.07346	(62.25%)	(123,930)	(62.30%)
Tort Liability	368,800	0.36075	479,800	0.46998	30.28%	111,000	30.10%
Special Revenue:							
Police and Fire Retirement	\$ 1,521,577	\$ 1.48836	\$ 1,612,016	\$ 1.57902	6.09%	\$ 90,439	5.94%
FICA/IPERS	874,304	0.85522	928,120	0.90912	6.30%	53,816	6.16%
Other Employee Benefits	2,414,048	2.36135	2,484,172	2.43332	3.05%	70,124	2.90%
Reductions	-	-	(150,915)	(0.14783)		(150,915)	
Subtotal	\$ 4,809,929	\$ 4.70493	\$ 4,873,393	\$ 4.77363	1.46%	\$ 63,464	1.32%
Debt Service	2,255,395	2.04192	2,189,863	1.98512	(2.78%)	(65,532)	(2.91%)
Levee Improvements	-	-	-	-		-	
Total	\$ 16,189,838	\$ 15.67219	\$ 16,162,976	\$ 15.67219	0.00%	\$ (26,862)	(0.17%)
Agricultural Land	5,475	3.00375	5,787	3.00375	0.00%	312	5.70%
Grand Total	<u>\$ 16,195,313</u>	\$ 15.67219	<u>\$ 16,168,763</u>	\$ 15.67219	0.00%	<u>\$ (26,550)</u>	(0.16%)
	\$	3.00375	\$	3.00375			

**City Tax Levy Rates By Type
Budget 2024/2025
\$15.67219
Per \$1,000 of Taxable Valuation**



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

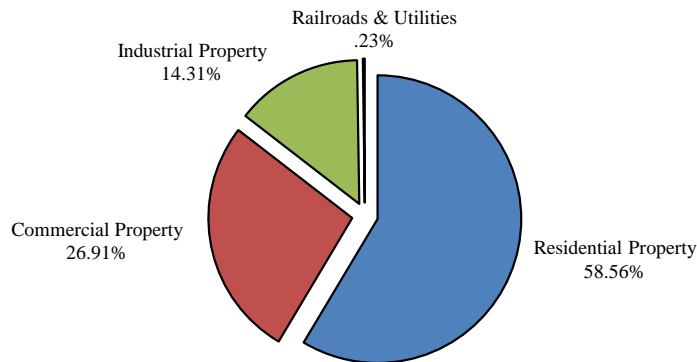
	<u>January 1, 2022</u>	<u>January 1, 2023</u>	<u>Valuation Increase (Decrease)</u>	<u>Percent Increase (Decrease) in Taxable Value</u>	<u>MEMO ONLY Percent Increase (Decrease) in Actual Value</u>
Residential Property (1)	\$ 609,990,675	\$ 599,548,984	\$ (10,441,691)	-1.71%	15.60%
Commercial Property (2)	259,230,197	275,508,892	16,278,695	6.28%	7.77%
Industrial Property (3)	147,657,328	146,474,986	(1,182,342)	-0.80%	-0.41%
Railroads (5)	1,108,400	1,269,818	161,418	14.56%	14.65%
Utilities (6)	2,227,762	1,085,030	(1,142,732)	-51.30%	-51.30%
Total Valuations	\$ 1,020,214,362	\$ 1,023,887,710	\$ 3,673,348	0.36%	12.29%
Less Military Exemptions and for 1-1-23 Homestead Exemptions	<u>1,228,494</u>	<u>6,767,669</u>	<u>5,539,175</u>	450.89%	
Total Net Valuation	<u>\$ 1,018,985,868</u>	<u>\$ 1,017,120,041</u>	<u>\$ (1,865,827)</u>	-0.18%	

MEMO ONLY

Total if Gas and Electric Utilities were Included

	<u>\$ 1,022,315,903</u>	<u>\$ 1,020,898,476</u>	<u>\$ (1,417,427)</u>	-0.14%
--	-------------------------	-------------------------	-----------------------	--------

1. Residential taxable valuations realized an increase in the rollback factor from 54.6501% to 46.3428% for January 1, 2023 (a decrease of 15.2% 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. Beginning with 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% for the 1-1-22 valuations and 46.3428% for the 1-1-23 valuations.
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. Beginning with 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% for the 1-1-22 valuations and 46.3428% for the 1-1-23 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. Beginning with 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% for the 1-1-22 valuation and 46.3428% for the 1-1-23 valuation.
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.



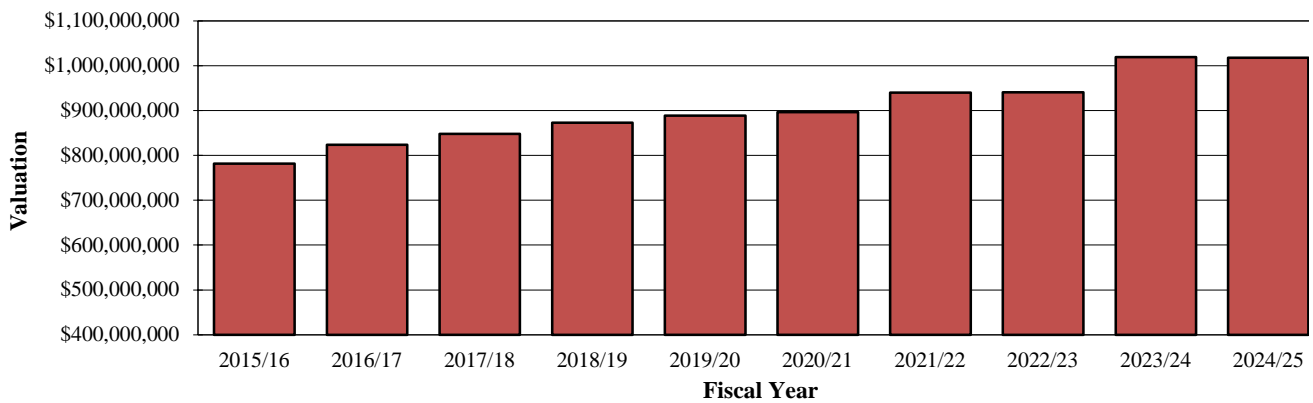
2023 Taxable Valuations by Type
(Valuations Used for 2024/2025 Tax Levy)

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

Fiscal Year	Real Property	Public Utilities	Military and New Homestead Exemptions (1)	Total	Agricultural Land
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
2024/25	1,021,532,862	2,354,848	6,767,669 (1)	1,017,120,041	1,926,588

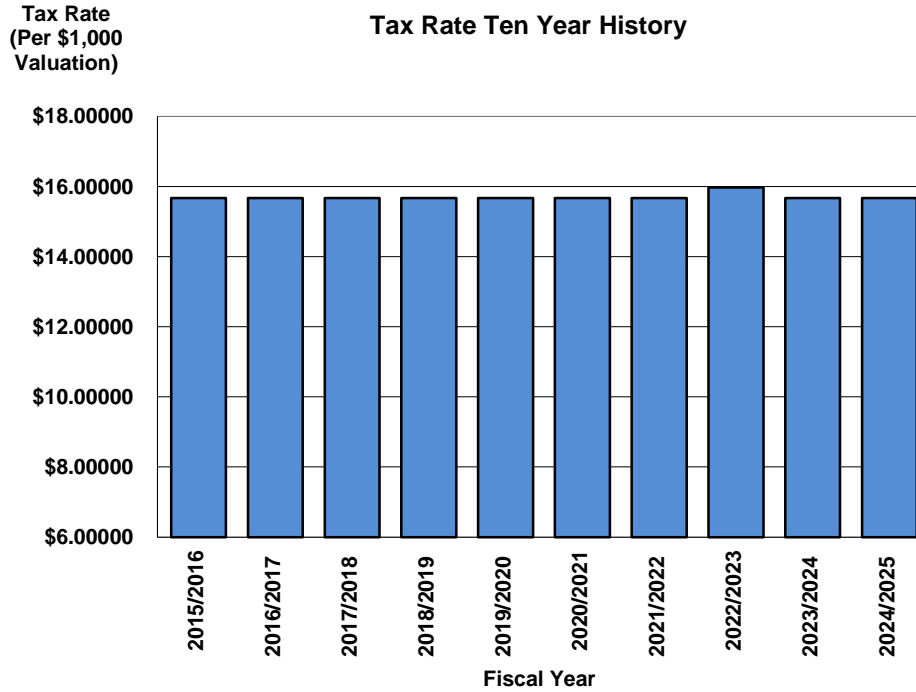
1. The State added a new Homestead exemption for those 65 and over beginning in 2024/2025 year and increased the military exemption.

**Taxable Property Valuation
Ten Year History**



**City of Muscatine
City Tax Rate History
Fiscal Years 2015/2016 through 2024/2025**

<u>Fiscal Year</u>	<u>Tax Rate (Per \$1,000 Valuation)</u>	<u>Percent Change</u>
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%
2024/2025	15.67219	0.00%



Tax Levies by Entity

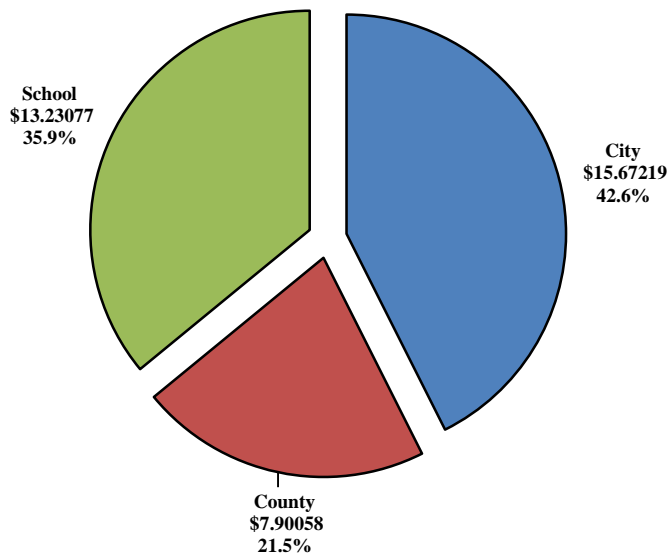
Historical Comparison

Certified Levies Per \$1,000 of Valuation

	<u>City</u>	<u>County</u>	<u>School</u>	<u>Total</u>
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
2023/2024	15.67219	7.90058	13.23077	36.80354
Percent of 2023/2024 Total Levy	42.6%	21.5%	35.9%	100.0%
2024/2025 *	15.77104	N/A	N/A	N/A

* Tax levy rates for 2024/2025 for Muscatine County and the Muscatine Community School district are not yet available.

**Tax Levy Rates By Entity
Fiscal Year 2023/2024
\$36.80354 per \$1,000 Valuation**



MAJOR REVENUE SOURCES SCHEDULES

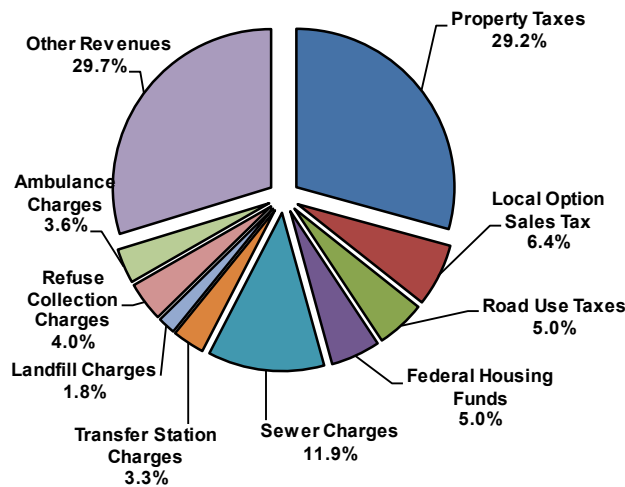
**City of Muscatine
Major Revenue Sources
Fiscal Year 2024/2025 Budget**

General Information

The City of Muscatine budgeted operating revenues of \$63,928,321 for 2024/2025 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 2024/2025 budgeted operating revenues, 70.3% 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.

	2024/2025 Budget	Percent of Total
Property Taxes	\$ 18,695,744	29.2%
Local Option Sales Tax	4,100,000	6.4%
Road Use Taxes	3,212,600	5.0%
Federal Housing Funds	3,215,600	5.0%
Sewer Charges	7,590,800	11.9%
Transfer Station Charges	2,094,400	3.3%
Landfill Charges	1,159,400	1.8%
Refuse Collection Charges	2,585,900	4.0%
Ambulance Charges	2,270,000	3.6%
Other Revenues	19,003,877	29.7%
Total Operating Revenues	\$ 63,928,321	100.0%

**Operating Revenues
Budget 2024/2025**



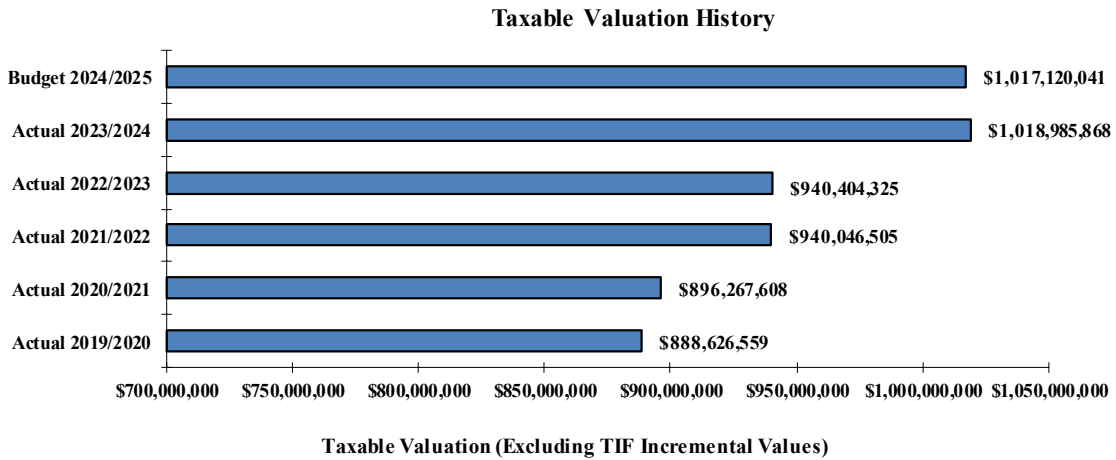
Property Taxes
FY 2024/2025 Budget \$18,695,744

General Information

Property taxes comprise 29.2% 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 2024/2025. 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



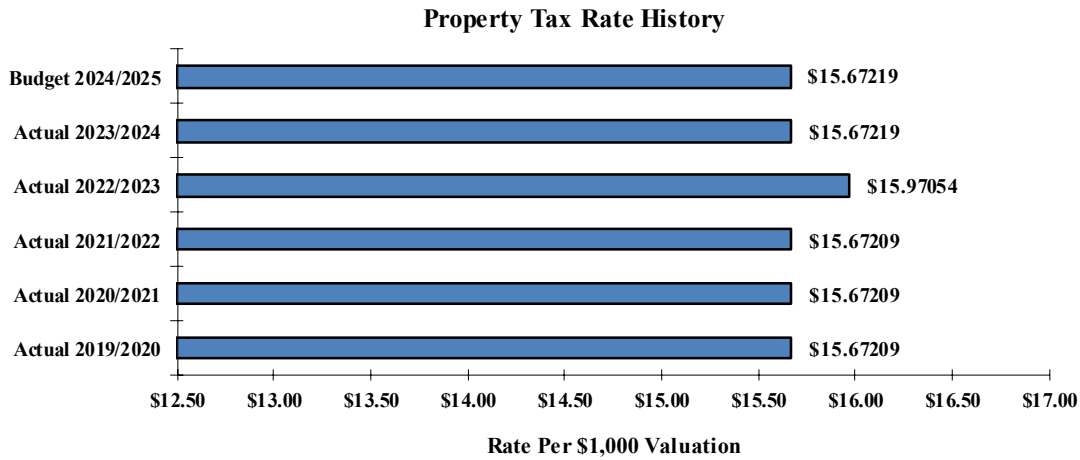
Taxable valuations are received from the County Auditor each year. Changes in taxable valuation occur due to new growth or improvements to existing properties, changes in property values by the County Assessor, changes in the State “rollback” factors for the different categories of property, and other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

The taxable property valuation for fiscal year 2024/2025 is \$1,017,120,041, which is \$1,865,827 (.18%) less than the fiscal year 2023/2024 valuation of \$1,018,985,868. The overall decrease is due to the net effect of new growth and re-valuations by the County Assessor, with the decrease in the rollback for residential property, the new exemption for residential property owners age 65 and over, and the increase in the military exemption. The residential rollback decreased from 54.6501% for 2023/2024 to 46.3428% for 2024/2025. 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 2024/2025, however the first \$150,000 of each commercial, industrial, and railroad properties were rolled back to the residential rollback of 46.3428%. Industrial property valuations decreased by .80%, commercial values increased by 6.28%, and residential properties decreased 1.71% for 2024/2025. The other smaller categories of properties are railroads, which increased in valuation by 14.56%, and utilities, which

decreased by 51.3%. Overall, these factors combined resulted in the .18% overall decrease in taxable valuations.

Property Tax Rates



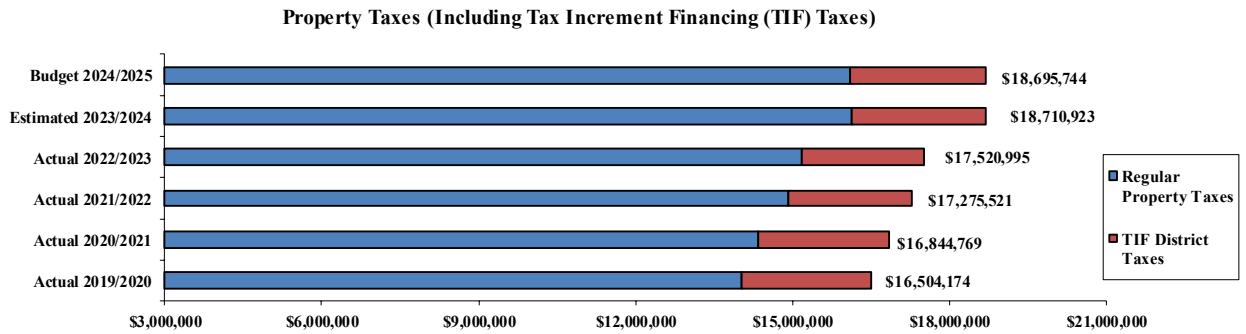
The City’s tax rate for 2024/2025 is comprised of five different categories as provided for by the State of Iowa. These include the Combined General Fund (includes the former Emergency Levy), Transit System, Tort Liability, Employee Benefits, and Debt Service levies.

Two of the tax categories are limited by State law to maximum rates per \$1,000 of valuation. These maximums are \$8.37 per \$1,000 of valuation for the Combined General Fund tax levy and \$.95 for the Transit tax levy. The City is at the maximum rate for Combined General Fund, 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 2024/2025 was maintained at \$15.67219 per \$1,000 of valuation. There were increases in the tort liability and employee benefit levies, and decreases in the transit and debt service tax levy rates. The overall tax rate was maintained at the same rate due to funding \$150,915 less than the total amount of eligible General Fund employee benefits from the Employee Benefits levy

Property Tax Revenue



Property taxes budgeted for 2024/2025 total \$18,695,744, including \$16,109,544 from regular property tax and \$2,586,200 from tax increment financing (TIF) taxes. This is a .21% decrease in regular property taxes and a .08% decrease in total taxes including TIF taxes.

Local Option Sales Tax
FY 2024/2025 Budget \$4,100,000

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.

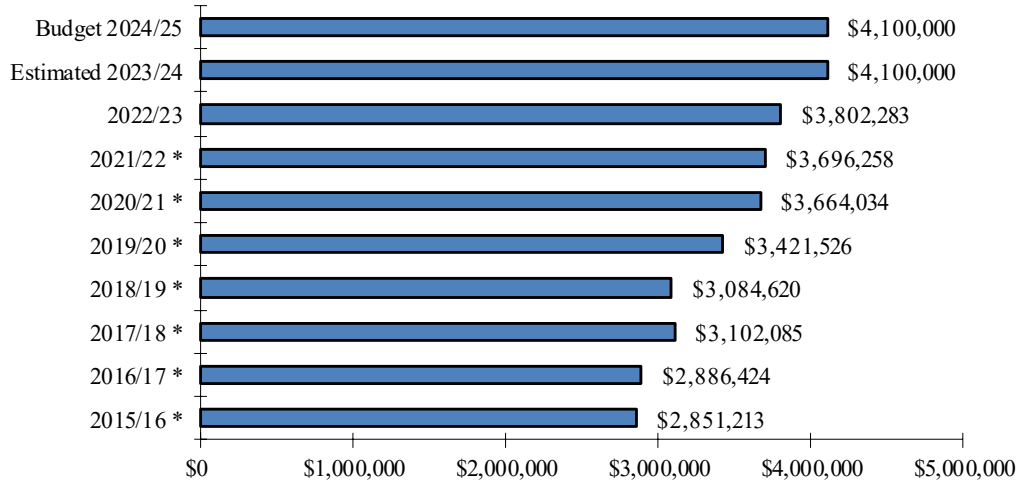
The previous 10-year local option sales tax period was scheduled to end on June 30, 2019 and a referendum was held on March 6, 2018 to extend the tax for an additional fifteen years (through June 30, 2034) with 80% of the tax proceeds to be used for storm and sanitary sewer projects and 20% for the City’s 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 revenue on a monthly basis. The amounts shown for both 2023/2024 and 2024/2025 have been estimated using the most recent 12 months of actual local option sales tax revenues received by the City.

Local Option Tax Revenue Trends

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



** Both the 2023/24 and 2024/25 estimates are based on actual local option sales tax receipts for the last 12 months.

Road Use Tax
FY 2024/2025 Budget \$3,212,600

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

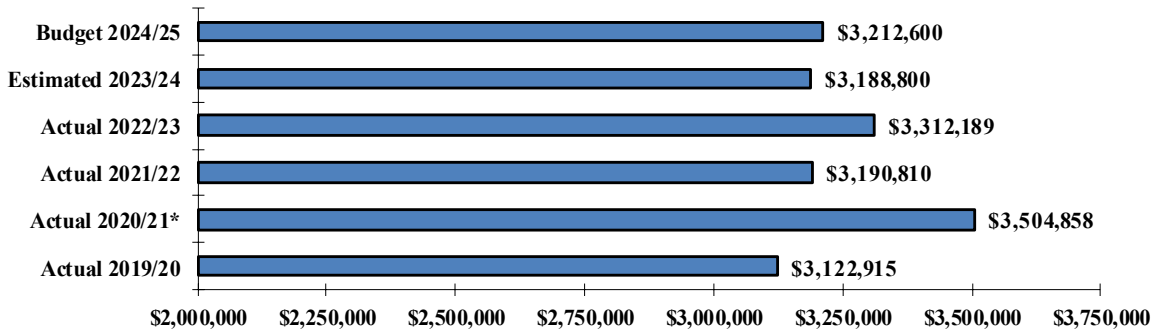
The estimated per capita rate of distribution of the Road Use Tax is provided by the Iowa Department of Transportation based on current laws regarding specific revenue to and disbursements from the State's Road Use Tax Fund.

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 2024/2025. 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 \$3,188,800 for the 2023/2024 revised estimate and \$3,212,600 for the 2024/2025 budget. This is equivalent to \$134.00 per capita for the revised estimate and \$135.00 for the 2024/2025 budget. Per capita rates of \$132.00 and \$133.00, respectively, were provided by the Iowa Department Transportation (IDOT). In recent years, however, the actual road use tax receipts have exceeded the estimates providing by the IDOT and the City is cautiously using rates \$2.00 per capita higher than the rates provided by the IDOT.

Road Use Tax Revenue



Road Use Taxes (Per Capita Basis)



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

Federal Housing Funds
FY 2024/2025 Budget \$3,215,600

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 had been 376 since 2001. In 2023 HUD increased the maximum number of units to 380. In 2024, five (5) stability vouchers were added, bringing the total number of vouchers to 385. 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 2024 funding, the City has not been provided sufficient HUD funds to provide housing assistance to the maximum number of individuals or families possible (385). 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.

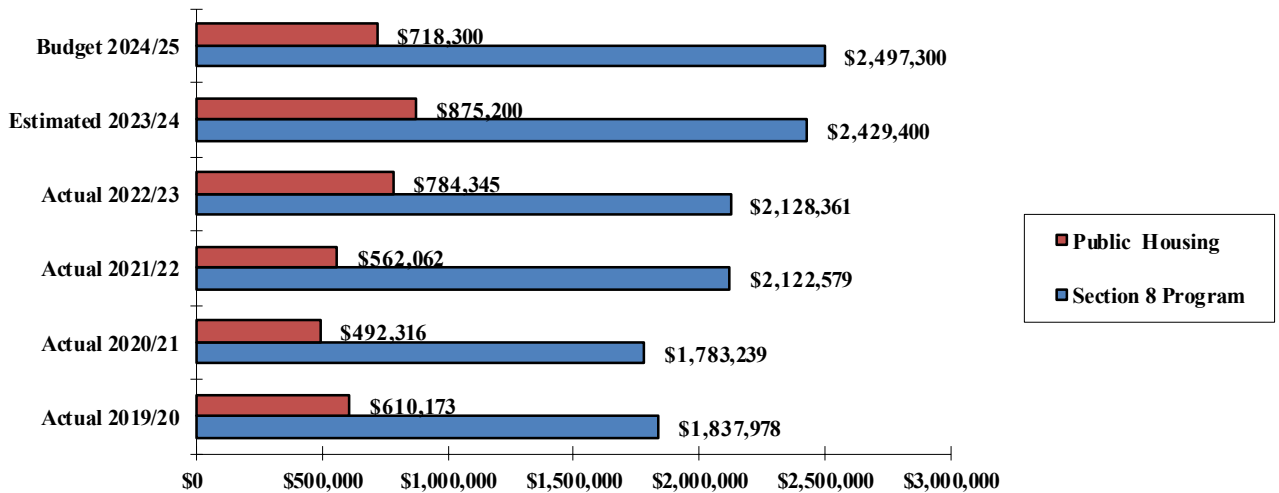
Public Housing. In most recent years the City has been eligible to receive operating assistance for the City's public housing program through the HUD Operating Subsidy program. Eligibility for receipt of these funds is computed based on rent revenue of the housing program, allowable expense levels, utility expenses, and other factors. In 2019/2020 \$348,041 of HUD operating subsidy was received, in 2020/2021 the amount was \$257,940, in 2021/2022 the amount was \$434,394, and in 2022/2023 the amount was \$360,049. The subsidies have been estimated at \$422,500 for the 2023/2024 revised estimate and \$357,000 for the 2024/2025 budget.

Since 2000/2001 HUD has been allocating funds to Public Housing programs under the Capital Funds program. In 2021/2022, the City drew down \$99,107 to fund eligible expenditures and in 2022/2023 \$424,296 was drawn down. The 2023/2024 revised estimate reflects drawing down the balances of the 2021 and the 2022 funding allocations, which totals \$452,700. The 2024/2025 budget reflects drawing down the 2023 funding allocation of \$361,300 for eligible expenditures. Housing agencies are given two years to obligate each year's capital funding allocation.

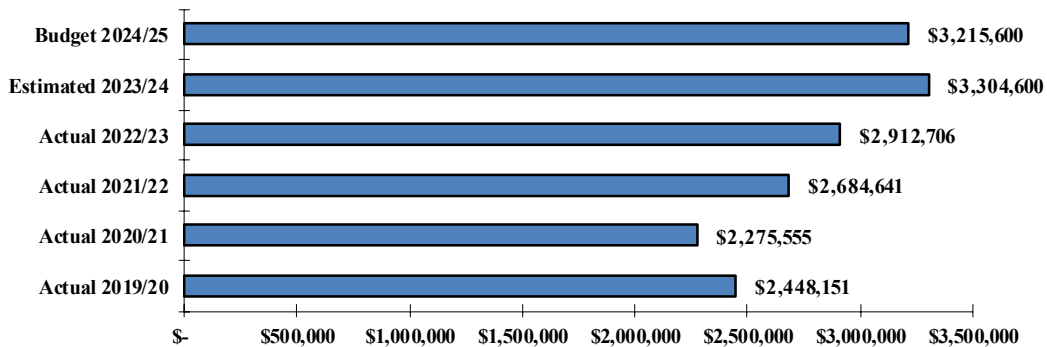
Federal Housing Funds Revenue Trends

The first chart below shows the revenue trends by housing program for the last four fiscal years, the estimated amounts for 2023/2024 and the budgeted amounts for 2024/2025. The second chart shows the total HUD funds received and estimated to be received for the housing programs for the same years.

Federal Housing Funds by Program



Federal Housing Funds - All Programs



Sewer Charges for Services
FY 2024/2025 Budget \$7,590,800

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.

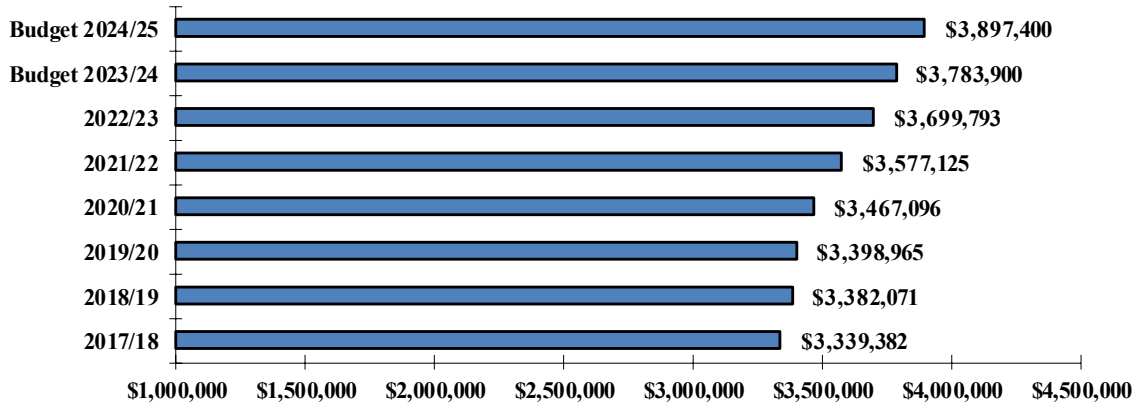
Basis of Revenue Estimates

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.

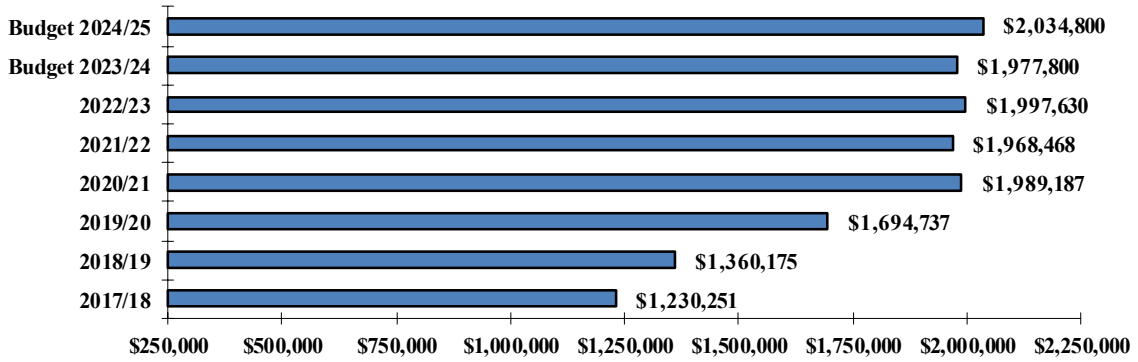
Residential and commercial sewer usage remains fairly consistent from year to year. Industrial usage, however, has varied. Industrial sewer revenue and usage decreased in prior years primarily due to reduced volumes from the City's major industrial customer, Heinz (now Kraft-Heinz). As noted above, under 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, 2026 based on the most recent extension of this contract. The charts below reflect the sewer service charges for the last six fiscal years, the estimated amounts for 2023/2024 and the projections for 2024/2025. The High Strength Waste Facility was completed in 2019/2020. Revenues from this operation are estimated at \$150,000 for 2023/2024 and 2024/2025.

Sewer Revenue Trends

Residential and Muscatine Power and Water Billed Commercial Sewer Revenue



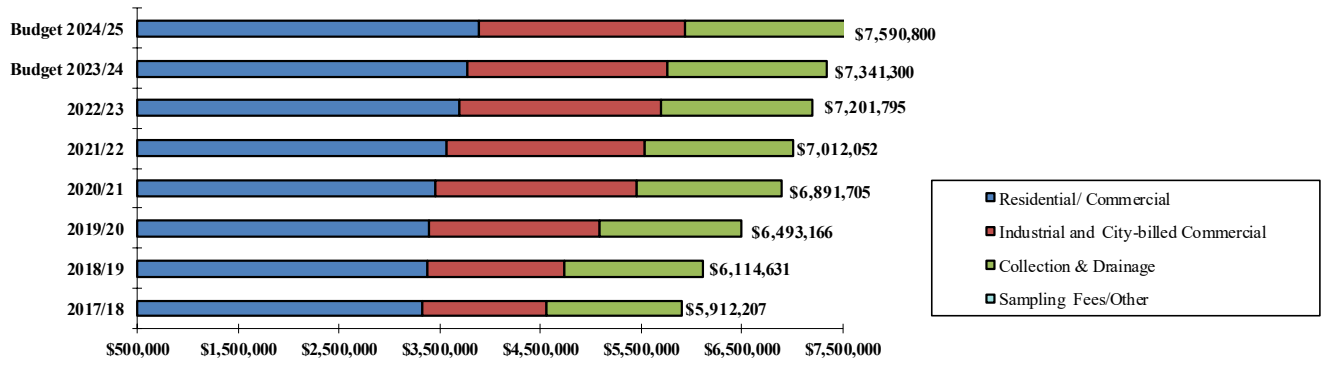
Industrial and City-Billed Commercial Sewer Revenue



Collection and Drainage Revenues



Sewer Revenues - All Types



Transfer Station Charges for Services
FY 2024/2025 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

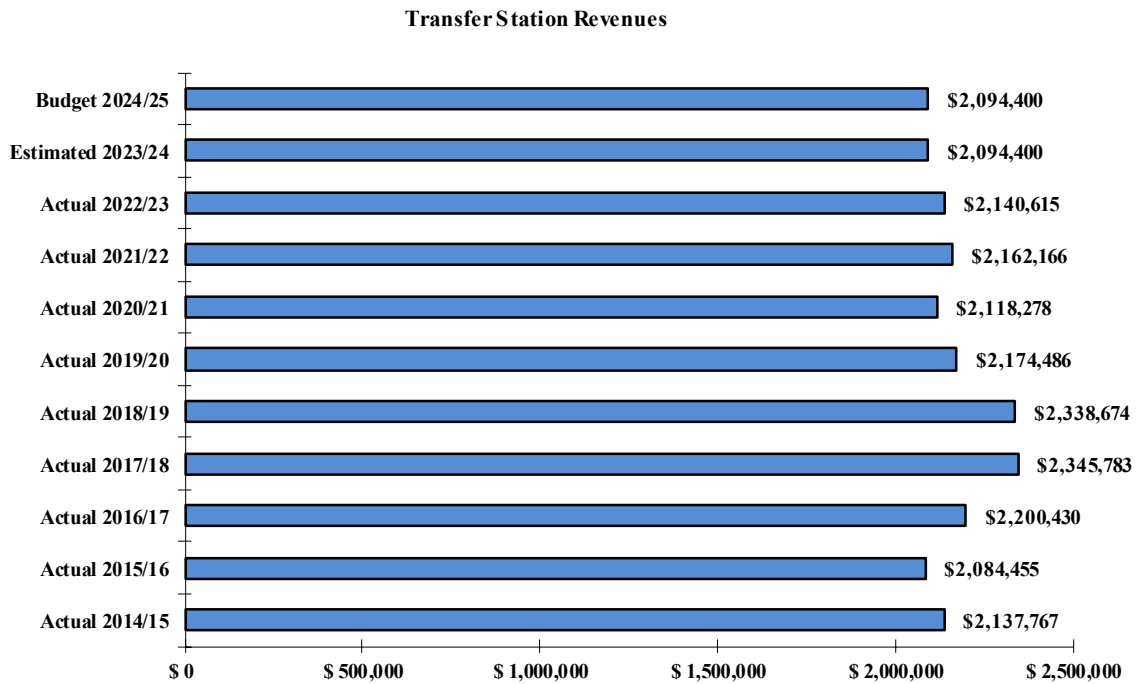
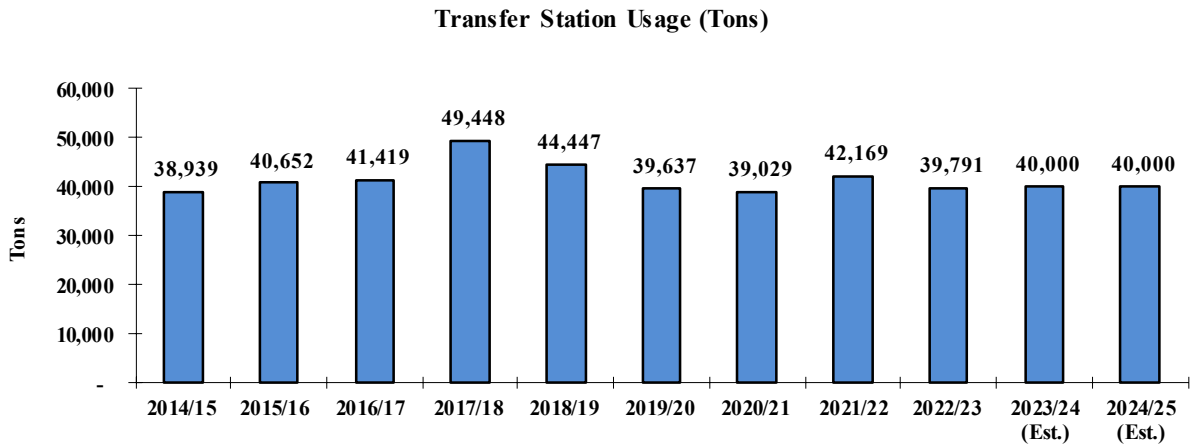
The City sets a "per ton" fee for the disposal of refuse at the Transfer Station. This fee is reviewed annually as part of the budget process. Analysis of the fees required is based on estimated volumes of refuse and estimated operating and capital expenditure needs. Consideration is also given when 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 2024/2025. 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 most recent 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 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, 42,169 in 2021/2022, and 39,791 in 2022/2023. The higher waste tonnage in 2017/2018 was due to debris from the 2017 tornado, wind storm, and hail storm. The 2023/2024 revised estimate and 2024/2025 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 2014/2015:



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

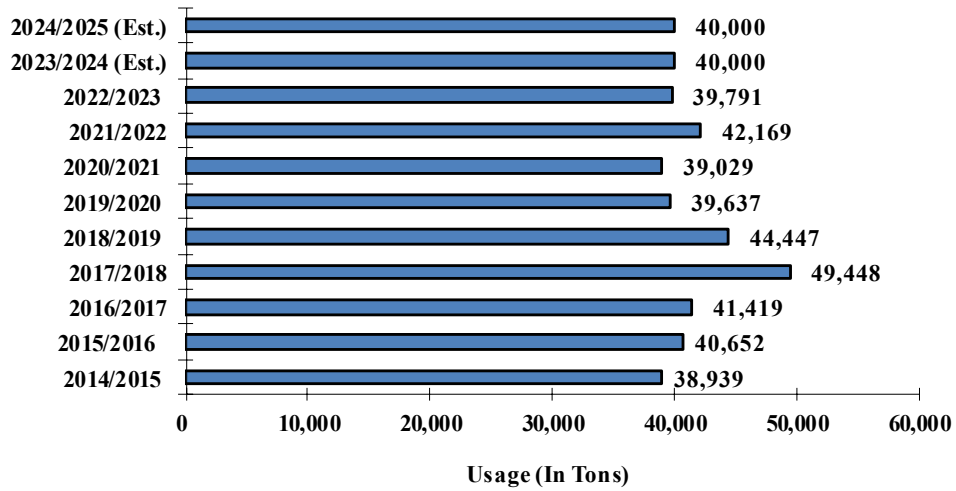
The landfill waste volume was 38,939 in 2014/2015, 40,652 in 2015/2016, 41,419 in 2016/2017, 49,448 in 2017/2018, 44,447 in 2018/2019, 39,637 in 2019/2020, 39,029 in 2020/2021, 42,169 in 2021/2022, and 39,791 in 2022/2023. The 2017/2018 increase was due to the debris from the 2017 tornado, wind storm, and hail storm. The 2023/2024 revised estimate and the 2024/2025 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 2023/2024 and 2024/2025 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 most recent 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.

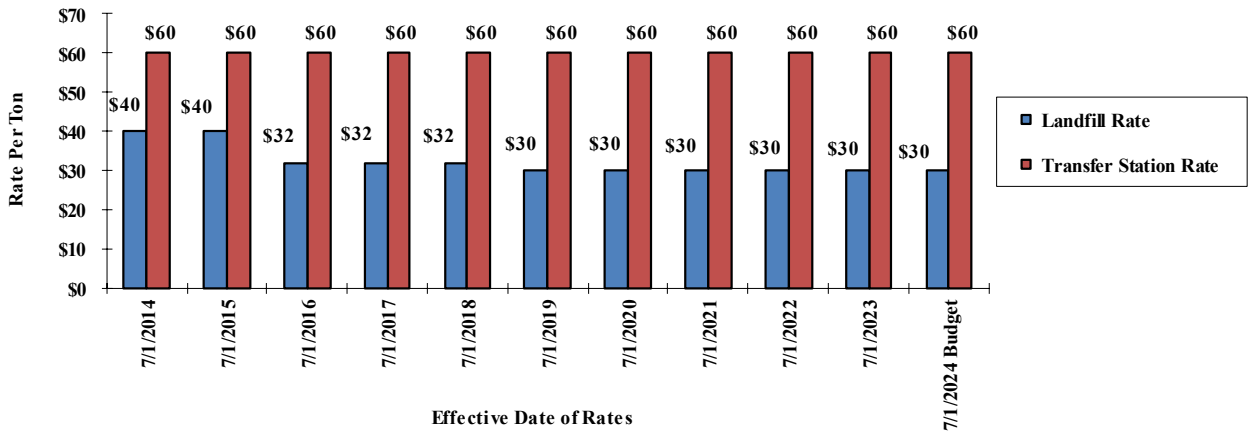
Landfill Revenue Trends

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 2024/2025 Budget \$2,585,900

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

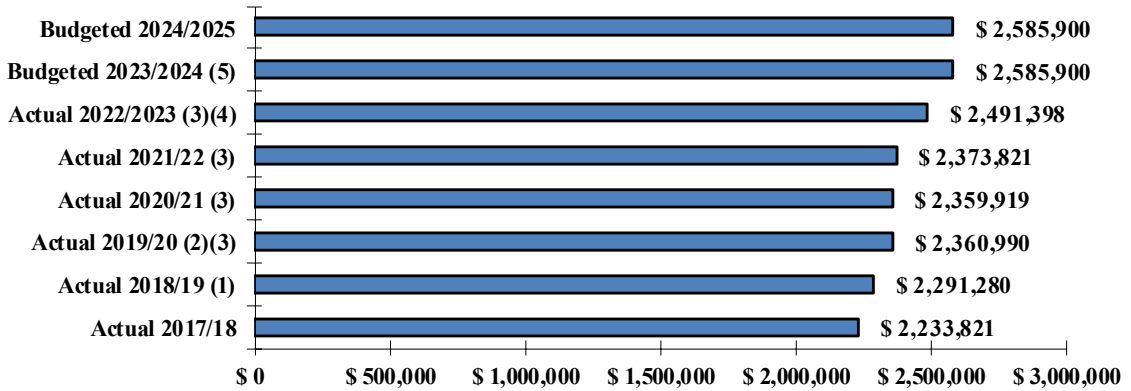
The monthly residential refuse rates were set at \$20.00 for regular residential and \$15.00 for senior citizens on April 1, 2011 when the contracted single sort curbside recycling program was implemented. Commercial account charges are based on the frequency of pickups and the amount of refuse collected. 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 were increased again by \$1.00 per month per customer for 2023/2024. This increase was needed due to increased costs of replacing refuse collection vehicles. The 2023/2024 rate was maintained for 2024/2025.

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

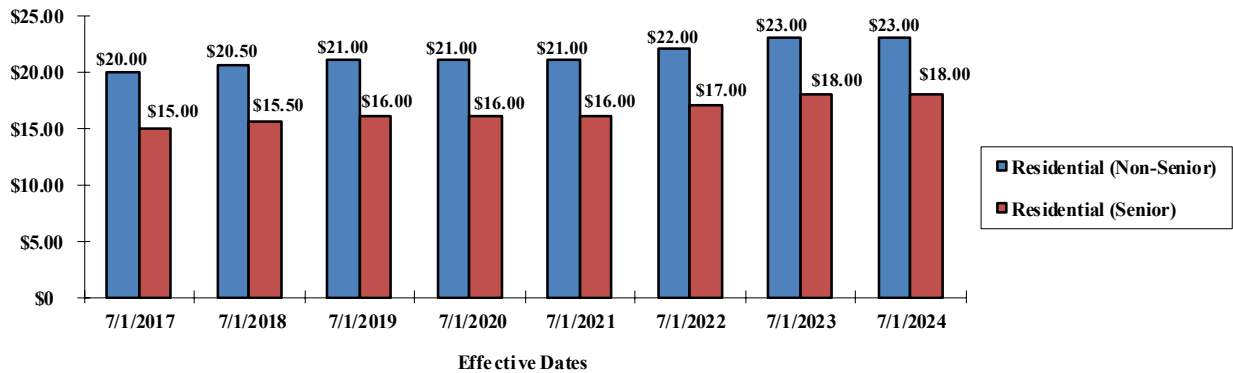
Refuse Collection revenues for the last six years, the estimated revenue for 2023/2024, and the budgeted revenue for 2024/2025 are shown in the following chart. The second chart shows the refuse collection rates since 2017/2018.

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 2024/2025 Budget \$2,270,000**

General Information

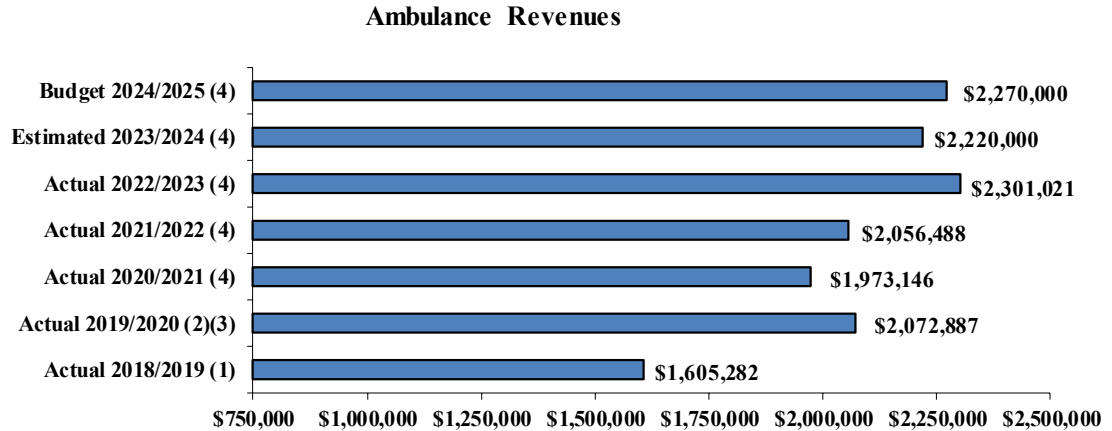
Through June 30, 2000, ambulance service for the City of Muscatine and surrounding townships was provided by a private ambulance service under contracts between the City and each respective township, and the ambulance service. The agreement with the previous ambulance provider expired on June 30, 2000.

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, 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.
2. Additional ambulance revenues are being received since calendar year 2020 from GEMT (Ground Transportation Medical Transportation) funding. This funding increased reimbursements for Medicaid patients.
3. 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.
4. 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, 2023, and 2024.

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, 2023/2024, and 2024/2025 budgets.

For the City's most recently completed fiscal year (2022/2023), 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 2020/2021, 2021/2022, and 2022/2023), the revised estimate for the current year (2023/2024), the approved budget for 2024/2025, and projections for the following four years (2025/2026 through 2028/2029).
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 until they are eliminated.
4. These schedules generally reflect current and projected 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.
5. 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.
6. The Transfer Station enterprise fund shows operating deficits beginning in 2025/2026 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.
7. 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.

8. 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.
9. 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. If needed, 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 2020/2021, 2021/2022, and 2022/2023, Revised Estimate 2023/2024, Budget 2024/2025, and Projected 2025/2026 through 2028/2029

General Fund

	Actual 2020/2021	Actual 2021/2022	Actual 2022/2023	Revised Estimate 2023/2024	Budget 2024/2025	Preliminary Projections				Revenue/ Expenditure/ Other Footnotes
						Preliminary Projection 2025/2026	Preliminary Projection 2026/2027	Preliminary Projection 2027/2028	Preliminary Projection 2028/2029	
General Fund										
Revenues and Transfers In										
Taxes:										
General, Ag Land, & Mobile Home Property Taxes	\$ 7,378,114	\$ 7,672,837	\$ 7,673,875	\$ 8,307,634	\$ 8,572,107	\$ 8,786,400	\$ 9,006,100	\$ 9,231,300	\$ 9,462,100	(1)
Tort Liability Levy	286,436	319,665	329,395	368,800	479,800	494,200	509,000	524,300	540,000	(2)
Transit System Levy	108,628	-	-	198,930	75,000	75,000	75,000	75,000	75,000	(3)
Hotel/Motel Taxes	374,449	593,267	577,993	550,000	575,000	575,000	575,000	575,000	575,000	(4)
Cable Franchise Tax	132,287	124,022	111,150	111,200	111,200	111,200	111,200	111,200	111,200	(5)
Utility Franchise Fees	456,312	518,879	429,907	432,000	432,000	432,000	432,000	432,000	432,000	(6)
ST - Taxes	8,736,226	9,228,670	9,122,320	9,968,564	10,245,107	10,473,800	10,708,300	10,948,800	11,195,300	
Licenses and Permits:										
Construction Permits	167,473	299,939	358,032	400,000	350,000	375,000	400,000	400,000	400,000	(7)
Other Licenses and Permits	58,301	128,926	120,232	132,000	121,800	121,800	121,800	121,800	121,800	
ST - Licenses and Permits	225,774	428,865	478,264	532,000	471,800	496,800	521,800	521,800	521,800	
Fines and Forfeitures:										
Automated Traffic Enforcement Fines	565,265	474,695	510,840	475,000	500,000	500,000	500,000	500,000	500,000	
Court Fines	132,337	159,857	161,044	160,000	160,000	160,000	160,000	160,000	160,000	
Other Fines and Forfeitures	53,259	37,077	24,972	26,800	23,500	23,500	23,500	23,500	23,500	
ST - Fines and Forfeitures	750,861	671,629	696,856	661,800	683,500	683,500	683,500	683,500	683,500	
Intergovernmental:										
State Commercial and Industrial Reimbursement	336,424	329,784	283,580	240,995	214,612	214,612	214,612	214,612	214,612	(8)
Phase-Out of Backfill (FY 23 through FY 30)	0	0	0	0	0	(120,498)	(160,664)	(200,830)	(240,996)	(8)
Business Tax Credit Reimbursement	0	0	0	224,613	219,451	219,451	219,451	219,451	219,451	
Library County and Illinois Contracts	135,089	137,939	138,612	142,800	147,100	151,500	156,000	160,700	165,500	
Police Grants	313,959	357,550	352,262	383,500	474,200	474,200	474,200	474,200	474,200	
Art Center State Grant	10,000	18,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	
Housing - Payment in Lieu of Taxes	32,791	33,980	37,166	37,200	37,200	38,300	39,400	40,600	41,800	
Non-Recurring Grants/Reimbursements										
FEMA and State Match Reimbursements	6,300	31,594	0	22,400	0	0	0	0	0	
Federal Grant - SCBAs	243,104	15,546	0	0	0	0	0	0	0	
Other Grants and Reimbursements	0	4,633	14,531	5,100	0	0	0	0	0	
ST - Intergovernmental	1,077,667	929,026	841,151	1,071,608	1,107,563	992,565	957,999	923,733	889,567	
Charges for Essential Services										
Nuisance Reimbursements/Administrative Fees	118,313	134,712	148,021	145,000	145,000	145,000	145,000	145,000	145,000	
Cemetery Burial Charges	57,065	40,965	35,915	36,000	36,000	36,000	36,000	36,000	36,000	
Engineering Services	105,840	137,450	44,974	160,000	180,000	185,400	191,000	196,700	202,600	
Police Services Agreement	54,608	56,110	57,737	59,500	61,900	63,800	65,700	67,700	69,700	
Fire Department - Various Fees	108,168	99,679	110,100	102,700	103,600	103,600	103,600	103,600	103,600	
Housing Accounting Fees	66,500	68,400	70,400	72,500	74,800	77,000	79,300	81,700	84,200	
Housing Management Fee	12,372	13,465	14,071	13,500	0	0	0	0	0	
Various Other Fees	43,566	49,378	29,595	43,000	43,500	43,500	43,500	43,500	43,500	
ST - Charges for Essential Services	566,432	600,159	510,813	632,200	644,800	654,300	664,100	674,200	684,600	

	Actual 2020/2021	Actual 2021/2022	Actual 2022/2023	Revised Estimate 2023/2024	Budget 2024/2025	Preliminary Projections				Revenue/ Expenditure/ Other Footnotes
						Preliminary Projection 2025/2026	Preliminary Projection 2026/2027	Preliminary Projection 2027/2028	Preliminary Projection 2028/2029	
Charges for Optional Services (Parks, Art Center, Misc.)	161,047	212,928	215,305	234,100	443,600	443,600	443,600	443,600	443,600	(9)
Use of Money and Property:										
Interest Income	\$ 13,260	\$ 5,983	\$ 168,176	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	(10)
Parks Shelters, Riverview Center, Pearl City St.	43,265	49,291	45,475	46,000	46,000	46,000	46,000	46,000	46,000	
Lease - Cemetery Cell Towers	23,562	24,199	24,548	24,500	24,500	24,500	24,500	24,500	24,500	
Lease - Public Safety Cell Tower	29,977	30,988	30,988	31,000	31,000	31,000	31,000	31,000	31,000	
Other - Commissions, Rentals, etc.	34,163	30,703	38,926	37,300	37,800	37,800	37,800	37,800	37,800	
ST - Use of Money and Property	144,227	141,164	308,113	338,800	339,300	339,300	339,300	339,300	339,300	
Other Revenues:										
Cemetery Lot and Niche Sales	\$ 44,096	\$ 32,263	\$ 28,503	\$ 29,000	\$ 29,000	\$ 29,000	\$ 29,000	\$ 29,000	\$ 29,000	
Parks Administrative Fees	27,700	12,200	12,500	12,900	13,300	13,700	14,100	14,500	14,900	
Public Works Administrative Fees	72,400	74,500	76,600	78,900	81,300	83,700	86,200	88,800	91,500	
General Administrative Fees	398,300	397,300	405,500	417,300	429,800	442,700	456,000	469,700	483,800	
Information Technology Administrative Fee	41,000	43,000	45,100	47,300	49,600	51,100	52,600	54,200	55,800	
Communications Admin Fee (Exc. TIF Portion)	62,800	65,600	68,000	71,600	74,000	76,200	78,500	80,900	83,300	
Support Foundation Contributions	24,423	29,588	31,165	33,600	35,400	36,500	37,600	38,700	39,900	
Friends of the Art Center Contributions	25,053	28,105	27,097	30,100	30,400	31,300	32,200	33,200	34,200	
Various Other Contributions and Reimbursements	266,585	148,330	184,879	102,400	97,400	97,400	97,400	97,400	97,400	
ST - Other Revenue	962,357	830,886	879,344	823,100	840,200	861,600	883,600	906,400	929,800	
Transfers In:										
Employee Benefits Fund	\$ 4,534,057	\$ 4,772,602	\$ 4,949,779	\$ 5,021,677	\$ 5,309,879	\$ 5,469,200	\$ 5,633,300	\$ 5,802,300	\$ 5,976,400	
Emergency Levy	0	140,257	264,675	290,751	0	0	0	0	0	
Road Use Tax	2,598,645	2,866,770	3,036,340	3,316,600	3,372,000	3,031,400	3,061,700	3,092,300	3,123,200	
Perpetual Care Interest	10,872	1,831	26,660	34,000	34,000	34,000	34,000	34,000	34,000	(10)
Health Insurance Fund (Wellness)	56,516	55,778	64,802	67,000	67,900	69,900	72,000	74,200	76,400	
Ambulance Enterprise Fund	1,437,800	1,485,600	1,578,200	1,460,600	1,651,500	1,701,000	1,752,000	1,804,600	1,858,700	
Tax Increment/Economic Dev Admin and Legal	158,974	169,223	179,400	189,500	196,600	202,500	208,600	214,900	221,300	
Tax Increment Economic Development	43,000	43,000	43,000	43,000	43,000	43,000	43,000	43,000	43,000	
Transfer from Capital Project/Other Funds	22,793	0	9,258	0	0	0	0	0	0	
ST - Transfers	8,862,657	9,535,061	10,152,114	10,423,128	10,674,879	10,551,000	10,804,600	11,065,300	11,333,000	
Total Revenues and Transfers In	\$ 21,487,248	\$ 22,578,388	\$ 23,204,280	\$ 24,685,300	\$ 25,450,749	\$ 25,496,465	\$ 26,006,799	\$ 26,506,633	\$ 27,020,467	(11)
Expenditures and Transfers Out										
Salaries and Wages	\$ 11,266,782	\$ 11,345,379	\$ 12,309,951	\$ 12,793,900	\$ 13,870,600	\$ 14,286,700	\$ 14,715,300	\$ 15,156,800	\$ 15,611,500	(1)
Employee Benefits - Pension and Insurance	4,983,733	5,884,320	5,394,117	5,539,200	5,972,300	6,151,500	6,336,000	6,526,100	6,721,900	(2)
Commodities	904,257	1,090,407	1,084,002	1,156,100	1,201,200	1,237,200	1,274,300	1,312,500	1,351,900	(3)
Contractual Services	2,587,228	2,659,315	2,883,803	3,334,500	3,518,800	3,624,400	3,733,100	3,845,100	3,960,500	(4)
Capital Outlay	819,515	1,008,421	770,248	1,165,100	974,300	800,000	800,000	800,000	800,000	(5)

	Actual 2020/2021	Actual 2021/2022	Actual 2022/2023	Revised Estimate 2023/2024	Budget 2024/2025	Preliminary Projections				Revenue/ Expenditure/ Other Footnotes
						Preliminary Projection 2025/2026	Preliminary Projection 2026/2027	Preliminary Projection 2027/2028	Preliminary Projection 2028/2029	
Transfers Out:										
Computer Replacement Fund	50,000	50,000	40,000	50,000	50,000	50,000	50,000	50,000	50,000	(6)
Equipment Replacement Fund	202,000	250,000	250,000	580,000	188,000	250,000	250,000	250,000	250,000	(7)
Transit Tax Levy	113,807	0	0	206,678	78,578	78,578	78,578	78,578	78,578	(8)
Airport Subsidy	0	0	0	7,675	36,800	30,000	30,000	30,000	30,000	(9)
CVB Fund Transfer or Allocation	99,647	93,612	125,000	125,000	33,000	135,000	135,000	135,000	135,000	(10)
Other	54,180	26,296	66,262	17,900	18,500	19,100	19,700	20,300	20,900	(11)
Total Expenditures and Transfers Out	\$ 21,081,149	\$ 22,407,750	\$ 22,923,383	\$ 24,976,053	\$ 25,942,078	\$ 26,662,478	\$ 27,421,978	\$ 28,204,378	\$ 29,010,278	
Fund Balance Increase/(Funding Gap) before State and Federal Funding for COVID Relief	\$ 406,099	\$ 170,638	\$ 280,897	\$ (290,753)	\$ (491,329)	\$ (1,166,013)	\$ (1,415,179)	\$ (1,697,745)	\$ (1,989,811)	
State COVID Relief Funds	0	0	0	0	690,695	0	0	0	0	(1)
Fund Balance Increase/(Funding Gap) with State and Federal Funding	\$ 406,099	\$ 170,638	\$ 280,897	\$ (290,753)	\$ 199,366	\$ (1,166,013)	\$ (1,415,179)	\$ (1,697,745)	\$ (1,989,811)	(2)

Note Funding Gaps Based on Assumptions Used

Revenue Footnotes and Assumptions:

- The City of Muscatine is at the Combined General Fund tax levy limit of \$8.37 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 2.5% annual increases in taxable valuation for FY 26 through FY 29.
- Tort Liability Tax Levy - assumes 3% annual increases in this levy.
- Transit Tax Levy - will be based on funding needs in the Transit fund; passed through the General Fund to Transit.
- Hotel/Motel tax - assumes hotel/motel tax revenues continue at recent level.
- Cable Franchise Fee - no annual increase or decrease is expected.
- Utility Franchise Fee - assumes continuation of the 3% rate and gas prices continuing at current rates.
- Building Permit revenues were negatively impacted by the COVID-19 pandemic, but have now returned to close to pre-pandemic levels. Assumes this will continue in future years.
- 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.
- Charges for optional services include usage fees for the new Indoor Sports Dome beginning in FY 25.
- Interest on the General Fund balance and Perpetual Care interest have increased beginning in 2022.
- Most other revenue sources are shown as either flat amounts for FY 26 through FY 29 or with 3% annual increases.

Expenditure Footnotes and Assumptions:

- Salaries and Wages - allows for 3% annual increases which include union, non-union, and step changes.
- Employee Benefits - assumes 3% annual increases in General Fund employee benefits for FY 26 through FY 29.
- Commodities - assumes 3% annual increases in commodities.
- Contractual Services - assumes 3% annual increases in contractual services.
- Estimated annual capital outlay from operating budgets; excludes any extraordinary purchases.
- Computer Replacement Fund - \$50,000 annual funding transfer; no annual increases reflected.
- Equipment Replacement Fund - returned to previous allocation of \$250,000 for future years.
- Transit Tax Levy Transfer - will equal Transit Tax levy revenues above; no net impact on General Fund balance.
- Airport Subsidy - average of 5 years prior to the CARES Act funding in FY 20, FY 21, and FY 22.
- CVB Fund Transfer - FY 26 through FY 29 shown at current funding allocation.
- Other Transfers - primarily Communications Admin fee for Public Works - assumes 3% annual increase.

Funding Gaps and State and One-Time Funding to Balance Budget

- 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. This fund also had unspent funds from prior year Emergency Tax levies. These amounts (including interest) total to \$690,695 which has been budgeted to be used to balance the FY 25 budget.
- While significant funding gaps are shown in FY 26, FY 27, FY 28, and FY 29, 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 2020/2021, 2021/2022, and 2022/2023, Revised Estimate 2023/2024, Budget 2024/2025, and Projected 2025/2026 through 2028/2029

Debt Service Fund

	Actual 2020/2021	Actual 2021/2022	Actual 2022/2023	Revised Estimate 2023/2024	Budget 2024/2025	Preliminary Projections				
						Preliminary Projection 2025/2026	Preliminary Projection 2026/2027	Preliminary Projection 2027/2028	Preliminary Projection 2028/2029	
Debt Service Fund										
Revenues										
Taxes:										
General, Ag Land, & Mobile Home Property Taxes	\$ 2,321,731	\$ 2,370,432	\$ 2,245,055	\$ 2,255,395	\$ 2,189,863	\$ 2,468,925	\$ 2,470,814	\$ 2,599,316	\$ 2,584,418	(1)
(Memo Only - Percent Change in Property Taxes Based on the Assumptions in this Preliminary Plan)						(12.74% Inc.)	(0.08% Inc.)	(5.20% Inc.)	(0.57% Dec.)	
Intergovernmental:										
State Commercial and Industrial Reimbursement	91,478	90,987	76,685	69,012	51,701	80,514	80,514	80,514	80,514	
Phase-Out of Backfill (FY 23 through FY 30)	0	0	0	0	0	(11,502)	(23,004)	(34,506)	(46,008)	(2)
Business Property Tax Credit Reimbursement	0	0	0	52,989	48,746	52,989	52,989	52,989	52,989	(3)
Interest	1,896	927	21,525	5,000	20,000	20,000	20,000	20,000	20,000	
Transfers In:										
Tax Increment Funds	347,734	352,900	357,000	355,900	354,700	353,400	352,000	355,500	353,800	(4)
Water Pollution Control Fund	90,550	92,950	95,150	91,400	92,650	93,650	90,250	92,700	0	(4)
Local Option Sales Tax Fund (for SRF Loan)	0	0	0	125,778	1,080,873	1,983,081	2,796,435	2,866,240	2,923,735	(6)
Total Revenues	\$ 2,853,389	\$ 2,908,196	\$ 2,795,415	\$ 2,955,474	\$ 3,838,533	\$ 5,041,057	\$ 5,839,998	\$ 6,032,753	\$ 5,969,448	
Expenditures										
Paying Agent Costs	\$ 2,700	\$ 3,000	\$ 2,800	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	(5)
Bonds	2,475,000	2,555,000	2,295,000	2,375,000	2,190,000	2,515,000	2,155,000	2,350,000	1,850,000	(5)
Interest	409,316	342,738	517,024	447,231	604,160	539,476	455,063	383,013	302,213	(5)
Debt Service Requirements on SRF Loans	0	0	0	125,778	1,080,873	1,983,081	2,796,435	2,866,240	2,923,735	(6)
Estimated Costs for New Issues:										
Bonds and Interest - Estimated Spring 2026 Issue	0	0	0	0	0	0	430,000	430,000	460,000	(7)
Bonds and Interest - Estimated Spring 2028 Issue	0	0	0	0	0	0	0	0	430,000	(8)
Total Expenditures	\$ 2,887,016	\$ 2,900,738	\$ 2,814,824	\$ 2,951,509	\$ 3,878,533	\$ 5,041,057	\$ 5,839,998	\$ 6,032,753	\$ 5,969,448	
Fund Balance Increase/(Funding Gap)	\$ (33,627)	\$ 7,458	\$ (19,409)	\$ 3,965	\$ (40,000)	\$ 0	\$ 0	\$ 0	\$ 0	
Beginning Fund Balance	137,770	104,143	111,601	92,192	96,157	56,157	56,157	56,157	56,157	
Ending Fund Balance (Actual or Estimated)	\$ 104,143	\$ 111,601	\$ 92,192	\$ 96,157	\$ 56,157	\$ 56,157	\$ 56,157	\$ 56,157	\$ 56,157	

Footnotes and Assumptions:

- Debt service tax levies for FY 26 through FY 29 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 2026 and May 2028 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.
- Beginning in 2023/2024, the State is transitioning the previous Business Property Tax Credits into an assessment limitation. This assessment limitation applies 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 plan, it is assumed this amount will remain the same for the years shown.
- Transfers from Tax Increment and Water Pollution Control funds are based on currently outstanding debt issues.
- Principal and interest on outstanding bond issues after the June 5, 2024 issue.
- Actual and estimated debt service requirements and the related funding transfers from the Local Option Sales Tax Fund for the State Revolving Fund (SRF) Loans for the West Hill Sewer Separation Projects (Phases 6-A and 6-B SRF loan, estimated Phase 6-C SRF loan, and estimated Phases 6-D and 6-E SRF loan).
- Preliminary estimate of debt service requirements based on a 10-year bond issue in May of 2026).
- Information is not yet available for the bond issue in May of 2028; 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 2026 and May 2028 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 2020/2021, 2021/2022, and 2022/2023, Revised Estimate 2023/2024, Budget 2024/2025, and Projected 2025/2026 through 2028/2029

Employee Benefits Fund

						Preliminary Projections				
	Actual 2020/2021	Actual 2021/2022	Actual 2022/2023	Revised Estimate 2023/2024	Budget 2024/2025	Preliminary Projection 2025/2026	Preliminary Projection 2026/2027	Preliminary Projection 2027/2028	Preliminary Projection 2028/2029	
Employee Benefits Fund										
Revenues										
Taxes:										
General, Ag Land, & Mobile Home Property Taxes	\$ 4,356,826	\$ 4,515,201	\$ 4,782,642	\$ 4,809,929	\$ 4,873,393	\$ 5,019,600	\$ 5,170,200	\$ 5,325,300	\$ 5,485,100	(1)
Intergovernmental:										
State Commercial and Industrial Reimbursement	186,363	186,425	169,469	144,437	117,318	168,188	168,188	168,188	168,188	
Phase-Out of Backfill (FY 23 through FY 30)	0	0	0	0	0	(41,676)	(66,978)	(92,280)	(117,582)	(2)
Business Property Tax Credit Reimbursement	0	0	0	122,096	119,961	119,961	119,961	119,961	119,961	(3)
Total Revenues	\$ 4,543,189	\$ 4,701,626	\$ 4,952,111	\$ 5,076,462	\$ 5,110,672	\$ 5,266,073	\$ 5,391,371	\$ 5,521,169	\$ 5,655,667	
Expenditures and Transfers Out:										
Transfers Out for General Fund Employee Benefit Costs	\$ 4,534,057	\$ 4,772,602	\$ 4,949,778	\$ 5,021,677	\$ 5,309,879	\$ 5,469,175	\$ 5,633,250	\$ 5,802,248	\$ 5,976,315	(4)
Total Expenditures and Transfers Out	\$ 4,534,057	\$ 4,772,602	\$ 4,949,778	\$ 5,021,677	\$ 5,309,879	\$ 5,469,175	\$ 5,633,250	\$ 5,802,248	\$ 5,976,315	
Fund Balance Increase/(Funding Gap)	\$ 9,132	\$ (70,976)	\$ 2,333	\$ 54,785	\$ (199,207)	\$ (203,102)	\$ (241,879)	\$ (281,079)	\$ (320,648)	(6)
Beginning Fund Balance	203,933	213,065	142,089	144,422	199,207	0	0	0	0	(5)
Ending Fund Balance (Deficit) (Actual/Estimated)	\$ 213,065	\$ 142,089	\$ 144,422	\$ 199,207	\$ 0	\$ (203,102)	\$ (241,879)	\$ (281,079)	\$ (320,648)	(6)

Footnotes and Assumptions:

- Assumes an annual 3.0% growth in property tax revenue for 2025/2026 through 2028/2029.
- 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.
- Beginning in 2023/2024, the State is transitioning the previous Business Property Tax Credits into an assessment limitation. This assessment limitation applies 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 plan, it is assumed this amount will remain the same for the years shown.
- Assumes 3% annual increases in General Fund employee benefits for fiscal years 2025/2026 through 2028/2029.
- While zero beginning balances are shown for each of the years from 2025/2026 through 2028/2029, there would normally be a beginning balance due to savings in employee benefits due to vacancies. These amounts would reduce the annual funding gaps.
- While increasing funding gaps are shown each fiscal year from 2025/2026 through 2028/2029, 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 2025/2026 through 2028/2029 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 2020/2021, 2021/2022, and 2022/2023, Revised Estimate 2023/2024, Budget 2024/2025, and Projected 2025/2026 through 2028/2029

Local Option Sales Tax Fund

	Actual 2020/2021	Actual 2021/2022	Actual 2022/2023	Revised Estimate 2023/2024	Budget 2024/2025	Preliminary Projections			
						Preliminary Projection 2025/2026	Preliminary Projection 2026/2027	Preliminary Projection 2027/2028	Preliminary Projection 2028/2029
Local Option Sales Tax Fund									
Revenues									
Taxes:									
Local Option Sales Tax	\$ 3,208,926	\$ 3,414,808	\$ 4,083,733	\$ 4,100,000	\$ 4,100,000	\$ 4,161,500	\$ 4,223,900	\$ 4,287,300	\$ 4,351,600 (1)
Local Option Sales Tax - Prior Year Reconciliation	484,665	455,108	0	0	0	0	0	0	0 (1)
Use of Money and Property:									
Interest	1,731	1,794	43,779	40,000	25,000	500	500	500	500
Total Revenues	\$ 3,695,322	\$ 3,871,710	\$ 4,127,512	\$ 4,140,000	\$ 4,125,000	\$ 4,162,000	\$ 4,224,400	\$ 4,287,800	\$ 4,352,100
Expenditures and Transfers Out									
Transfers Out:									
West Hill Sewer Separation Project	\$ 2,203,375	\$ 2,709,151	\$ 3,575,625	\$ 2,085,400	\$ 755,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000 (2)
Debt Service Requirements on SRF Loans:									
SRF Loan #1 for West Hill Phases 6-A and 6-B	0	0	0	125,778	891,000	890,380	890,480	890,280	890,780 (2)
SRF Loan #2 for West Hill Phase 6-C (Estimate)	0	0	0	0	189,873	720,360	720,800	720,730	721,150 (2)
SRF Loan #3 for West Hill Phases 6-D and 6-E (Est.)	0	0	0	0	0	372,341	1,185,155	1,255,230	1,311,805 (2)
Pavement Management Projects	738,718	774,940	816,747	820,000	820,000	832,400	844,900	857,600	870,400 (2)
Total Expenditures	\$ 2,942,093	\$ 3,484,091	\$ 4,392,372	\$ 3,031,178	\$ 2,655,873	\$ 3,565,481	\$ 4,391,335	\$ 4,473,840	\$ 4,544,135
Fund Balance Increase/(Funding Gap)	\$ 753,229	\$ 387,619	\$ (264,860)	\$ 1,108,822	\$ 1,469,127	\$ 596,519	\$ (166,935)	\$ (186,040)	\$ (192,035)
Beginning Fund Balance	257,778	1,011,007	1,398,626	1,133,766	2,242,588	3,711,715	4,308,234	4,141,299	3,955,259
Ending Fund Balance (Actual or Estimated)	\$ 1,011,007	\$ 1,398,626	\$ 1,133,766	\$ 2,242,588	\$ 3,711,715	\$ 4,308,234	\$ 4,141,299	\$ 3,955,259	\$ 3,763,224 (3)

Footnotes and Assumptions:

- 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 2025/2026 through 2028/2029 reflect estimated annual 1.5% increases with no reconciliation amounts.
- 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 used for project costs or debt service payments for the West Hill Sewer Separation project and 20% for Pavement Management projects.
- The ending balance will be used to fund future year debt service payments on the SRF loans as well as improvements needed at the Papoose Pump Station when the West Hill project is complete.

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 2020/2021, 2021/2022, and 2022/2023, Revised Estimate 2023/2024, Budget 2024/2025, and Projected 2025/2026 through 2028/2029

Road Use Tax Fund

	Actual 2020/2021	Actual 2021/2022	Actual 2022/2023	Revised Estimate 2023/2024	Budget 2024/2025	Preliminary Projections				
						Preliminary Projection 2025/2026	Preliminary Projection 2026/2027	Preliminary Projection 2027/2028	Preliminary Projection 2028/2029	
Road Use Tax										
Revenues										
Intergovernmental:										
Road Use Tax	\$ 3,504,858	\$ 3,190,810	\$ 3,312,189	\$ 3,188,800	\$ 3,212,600	\$ 3,212,600	\$ 3,212,600	\$ 3,212,600	\$ 3,212,600	(1)
Total Revenues	\$ 3,504,858	\$ 3,190,810	\$ 3,312,189	\$ 3,188,800	\$ 3,212,600	\$ 3,212,600	\$ 3,212,600	\$ 3,212,600	\$ 3,212,600	
Per Capita Road Use Tax Actual/Estimated	\$ 147.28	\$ 134.08	\$ 139.19	\$ 134.00	\$ 135.00	\$ 135.00	\$ 135.00	\$ 135.00	\$ 135.00	(1)
Expenditures and Transfers Out										
Transfers Out:										
General Fund Public Works Operations	\$ 2,598,646	\$ 2,866,770	\$ 3,036,340	\$ 3,316,600	\$ 3,372,000	\$ 3,031,400	\$ 3,061,700	\$ 3,092,300	\$ 3,123,200	(2)
Pavement Management Capital Project	406,396	159,389	203,718	44,500	375,000	100,000	100,000	100,000	100,000	(3)
New Sidewalk Program	18,858	123,072	306,795	10,000	25,000	100,000	100,000	100,000	100,000	(4)
Other Capital Projects	82,539	0	0	243,600	245,000	0	0	0	0	(5)
Total Expenditures	\$ 3,106,439	\$ 3,149,231	\$ 3,546,853	\$ 3,614,700	\$ 4,017,000	\$ 3,231,400	\$ 3,261,700	\$ 3,292,300	\$ 3,323,200	
Fund Balance Increase/(Funding Gap)	\$ 398,419	\$ 41,579	\$ (234,664)	\$ (425,900)	\$ (804,400)	\$ (18,800)	\$ (49,100)	\$ (79,700)	\$ (110,600)	
Beginning Fund Balance	1,329,029	1,727,448	1,769,027	1,534,363	1,108,463	304,063	285,263	236,163	156,463	
Ending Fund Balance (Actual or Estimated)	\$ 1,727,448	\$ 1,769,027	\$ 1,534,363	\$ 1,108,463	\$ 304,063	\$ 285,263	\$ 236,163	\$ 156,463	\$ 45,863	

Footnotes and Assumptions:

- Budgeted Road Use Tax revenues have generally been based on Iowa Department of Transportation (IDOT) per capita estimates. Based on actual receipts in prior years, however, the IDOT per capita estimates appear conservative and the recent higher actual per capita amounts have been used for the 2024/2025 budget and the future years in this plan.
- Road Use Tax transfers to the General Fund for Public Works operations have been increased by 1.0% annually for 2025/2026 through 2028/2029.
- Transfers for the Pavement Management Program are amounts estimated to be available based on the revenue assumptions used.
- Assumes the annual \$100,000 allocation for new sidewalks continues in upcoming years.
- Any additional Road Use Tax funding for other street projects not yet known.

Comments:

Based on revenue and expenditure assumptions, the Road Use Tax fund balance is expected to decrease over the upcoming years as shown above.

City of Muscatine
Major Business-Type Funds Long-Term Financial Plans
Actual 2020/2021, 2021/2022, and 2022/2023, Revised Estimate 2023/2024, Budget 2024/2025, and Projected 2025/2026 through 2028/2029

Water Pollution Control Fund

	Actual 2020/2021	Actual 2021/2022	Actual 2022/2023	Revised Estimate 2023/2024	Budget 2024/2025	Preliminary Projections				
						Preliminary Projection 2025/2026	Preliminary Projection 2026/2027	Preliminary Projection 2027/2028	Preliminary Projection 2028/2029	
Water Pollution Control Fund										
Revenues										
Charges for Services:										
Sewer Charges - Residential and Commercial	\$ 3,467,096	\$ 3,577,125	\$ 3,699,793	\$ 3,783,900	\$ 3,897,400	\$ 4,014,300	\$ 4,134,700	\$ 4,258,700	\$ 4,386,500	(1)
Sewer Charges - Industrial	1,480,917	1,592,471	1,648,800	1,677,800	1,734,800	1,786,800	1,840,400	1,895,600	1,952,500	(1)
Charges for Fats, Oils, and Grease (FOG)	418,398	255,598	163,595	150,000	150,000	150,000	150,000	150,000	150,000	(2)
Charges for High Strength Waste	89,872	120,399	185,235	150,000	150,000	150,000	150,000	150,000	150,000	(2)
Wastewater Discharge Permits	1,600	1,350	5,760	1,600	1,600	1,600	1,600	1,600	1,600	(2)
Analytical (Lab) Charges	96,235	101,164	110,073	126,000	100,000	100,000	100,000	100,000	100,000	(2)
Use of Money and Property:										
Interest	4,310	2,164	54,710	40,000	30,000	4,000	4,000	4,000	4,000	(2)
Other Revenues:										
Miscellaneous Revenue	73,444	168,747	94,025	91,300	86,300	86,300	86,300	86,300	86,300	(2)
Total Revenues	\$ 5,631,872	\$ 5,819,018	\$ 5,961,991	\$ 6,020,600	\$ 6,150,100	\$ 6,293,000	\$ 6,467,000	\$ 6,646,200	\$ 6,830,900	
Expenditures and Transfers Out										
Operating Budgets										
Operating Expenditures	\$ 3,434,999	\$ 3,391,602	\$ 3,733,631	\$ 3,801,600	\$ 3,987,200	4,106,800	4,230,000	4,356,900	4,487,600	(3)
Capital Outlay	129,099	388,031	473,637	358,200	390,200	400,000	400,000	400,000	400,000	(4)
Transfers Out:										
Administrative Fees	211,200	218,000	224,800	232,200	239,500	246,700	254,100	261,700	269,600	(5)
Plant Replacement Reserve	400,000	400,000	400,000	400,000	400,000	200,000	200,000	200,000	200,000	(6)
Sewer Bond Sinking Fund	932,015	941,515	950,618	960,240	970,360	980,875	991,017	1,002,448	1,013,383	(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	90,550	92,950	95,150	91,400	92,650	93,650	90,250	92,700	0	(6)
Project Funds	17,026	11,648	0	0	0	0	0	0	0	
Total Expenditures	\$ 5,414,889	\$ 5,643,746	\$ 6,077,836	\$ 6,043,640	\$ 6,279,910	\$ 6,228,025	\$ 6,365,367	\$ 6,513,748	\$ 6,570,583	
Fund Balance Increase/(Funding Gap)	\$ 216,983	\$ 175,272	\$ (115,845)	\$ (23,040)	\$ (129,810)	\$ 64,975	\$ 101,633	\$ 132,452	\$ 260,317	(7)
Beginning Fund Balance	2,077,786	2,294,769	2,470,041	2,354,196	2,331,156	2,201,346	2,266,321	2,367,954	2,500,406	
Ending Fund Balance (Actual or Estimated)	\$ 2,294,769	\$ 2,470,041	\$ 2,354,196	\$ 2,331,156	\$ 2,201,346	\$ 2,266,321	\$ 2,367,954	\$ 2,500,406	\$ 2,760,723	

Footnotes and Assumptions:

- 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. For this long-term financial plan, a 3% increase has also been assumed for 2028/2029.
- The remaining revenue amounts have been continued at the 2024/2025 budgeted amounts; actual changes to be determined, if any.
- Assumes 3% annual increases in operating expenditures for 2025/2026 through 2028/2029.
- Allows for \$400,000 of annual capital outlay purchases from operating budgets in 2025/2026 through 2028/2029.
- Assumes 3% annual increases in administrative fees for 2025/2026 through 2028/2029.
- 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.
- Based on revenue and expenditure assumptions, small operating surpluses are projected for 2025/2026 through 2028/2029 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 2020/2021, 2021/2022, and 2022/2023, Revised Estimate 2023/2024, Budget 2024/2025, and Projected 2025/2026 through 2028/2029

Transfer Station Fund

	Actual 2020/2021	Actual 2021/2022	Actual 2022/2023	Revised Estimate 2023/2024	Budget 2024/2025	Preliminary Projections				
						Preliminary Projection 2025/2026	Preliminary Projection 2026/2027	Preliminary Projection 2027/2028	Preliminary Projection 2028/2029	
Transfer Station Fund										
Revenues and Transfers In										
Charges for Services:										
Transfer Station Tipping Fees - Regular Waste	\$ 2,091,764	\$ 2,138,287	\$ 2,114,500	\$ 2,069,900	\$ 2,069,900	\$ 2,069,900	\$ 2,069,900	\$ 2,069,900	\$ 2,069,900	(1)
Transfer Station Other Waste Fees	32,426	29,056	26,115	24,500	24,500	24,500	24,500	24,500	24,500	(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	529	355	6,453	2,000	2,000	2,000	2,000	2,000	2,000	(1)
Other Revenues:										
Miscellaneous Revenue	12,278	14,364	12,841	23,800	14,000	14,000	14,000	14,000	14,000	(1)
Transfers In:										
Landfill Surcharge Reserve	40,980	44,277	41,781	42,000	42,000	42,000	42,000	42,000	42,000	(1)
Total Revenues	\$ 2,237,977	\$ 2,286,339	\$ 2,261,690	\$ 2,222,200	\$ 2,212,400	\$ 2,212,400	\$ 2,212,400	\$ 2,212,400	\$ 2,212,400	
Expenditures and Transfers Out										
Operating Budgets										
Operating Expenditures	\$ 1,961,890	\$ 2,149,092	\$ 2,255,511	\$ 2,251,600	\$ 2,267,200	2,335,200	2,405,300	2,477,500	2,551,800	(2)
Capital Outlay	17,278	137,112	51,672	24,000	102,000	75,000	75,000	75,000	75,000	(3)
Transfers Out:										
Administrative Fees	3,900	4,100	4,300	4,500	4,700	4,800	4,900	5,000	5,200	(4)
Payments on Internal Loan for Capital Purchases	40,141	0	0	0	0	0	0	0	0	
Total Expenditures	\$ 2,023,209	\$ 2,290,304	\$ 2,311,483	\$ 2,280,100	\$ 2,373,900	\$ 2,415,000	\$ 2,485,200	\$ 2,557,500	\$ 2,632,000	
Fund Balance Increase/(Funding Gap)	\$ 214,768	\$ (3,965)	\$ (49,793)	\$ (57,900)	\$ (161,500)	\$ (202,600)	\$ (272,800)	\$ (345,100)	\$ (419,600)	(5)
Beginning Fund Balance (Deficit)	172,851	387,619	383,654	333,861	275,961	114,461	(88,139)	(360,939)	(706,039)	
Ending Fund Balance (Actual or Estimated)	\$ 387,619	\$ 383,654	\$ 333,861	\$ 275,961	\$ 114,461	\$ (88,139)	\$ (360,939)	\$ (706,039)	\$ (1,125,639)	(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 2025/2026 through 2028/2029.
3. Allows for \$75,000 of annual capital outlay purchases from operating budgets in 2025/2026 through 2028/2029.
4. Assumes 3% annual increases in administrative fees for 2025/2026 through 2028/2029.
5. Based on the estimated waste volume and revenue and expenditure assumptions, deficit fund balances are projected for 2025/2026, 2026/2027, 2027/2028, and 2028/2029.

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, 42,169 tons in 2021/2022, and 39,791 tons in 2022/2023. 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 2020/2021, 2021/2022, and 2022/2023, Revised Estimate 2023/2024, Budget 2024/2025, and Projected 2025/2026 through 2028/2029

Refuse Collection Fund

	Actual 2020/2021	Actual 2021/2022	Actual 2022/2023	Revised Estimate 2023/2024	Budget 2024/2025	Preliminary Projections				
						Preliminary Projection 2025/2026	Preliminary Projection 2026/2027	Preliminary Projection 2027/2028	Preliminary Projection 2028/2029	
Refuse Collection Fund										
Revenues and Transfers In										
Charges for Services:										
Refuse Collection Charges	\$ 2,334,984	\$ 2,352,439	\$ 2,461,460	\$ 2,556,000	\$ 2,556,000	\$ 2,556,000	\$ 2,556,000	\$ 2,556,000	\$ 2,556,000	(1)
Yard Waste Bag Sales	14,566	13,120	13,031	13,000	13,000	13,000	13,000	13,000	13,000	(1)
Compost Site Non-Resident and Commercial Fees	10,369	8,262	16,907	16,900	16,900	16,900	16,900	16,900	16,900	(1)
Use of Money and Property:										
Interest	434	77	7,108	5,000	4,000	4,000	4,000	4,000	4,000	
Other Revenues:										
Miscellaneous Revenue	49,371	27,944	7,478	7,700	6,800	6,800	6,800	6,800	6,800	(1)
Transfers In:										
Landfill Surcharge Reserve	40,980	44,277	41,781	-	-	-	-	-	-	
Total Revenues	\$ 2,450,704	\$ 2,446,119	\$ 2,547,765	\$ 2,598,600	\$ 2,596,700	\$ 2,596,700	\$ 2,596,700	\$ 2,596,700	\$ 2,596,700	
Expenditures and Transfers Out										
Operating Budgets										
Operating Expenditures	\$ 2,072,162	\$ 2,101,614	\$ 2,119,843	\$ 2,281,100	\$ 2,264,900	2,332,800	2,402,800	2,474,900	2,549,100	(2)
Capital Outlay	252,460	192,360	83,497	246,000	349,000	116,000	330,000	100,000	240,000	(3)
Transfers Out:										
Administrative Fees	94,100	97,100	100,100	103,500	106,700	109,900	113,200	116,600	120,100	(4)
Forward Surcharge Funds to Transfer Station	40,980	44,277	41,781	-	-	-	-	-	-	
Total Expenditures	\$ 2,459,702	\$ 2,435,351	\$ 2,345,221	\$ 2,630,600	\$ 2,720,600	\$ 2,558,700	\$ 2,846,000	\$ 2,691,500	\$ 2,909,200	
Fund Balance Increase/(Funding Gap)	\$ (8,998)	\$ 10,768	\$ 202,544	\$ (32,000)	\$ (123,900)	\$ 38,000	\$ (249,300)	\$ (94,800)	\$ (312,500)	(5)
Beginning Fund Balance (Deficit)	205,629	196,631	207,399	409,943	377,943	254,043	292,043	42,743	(52,057)	
Ending Fund Balance (Actual or Estimated)	\$ 196,631	\$ 207,399	\$ 409,943	\$ 377,943	\$ 254,043	\$ 292,043	\$ 42,743	\$ (52,057)	\$ (364,557)	(5)

Footnotes and Assumptions:

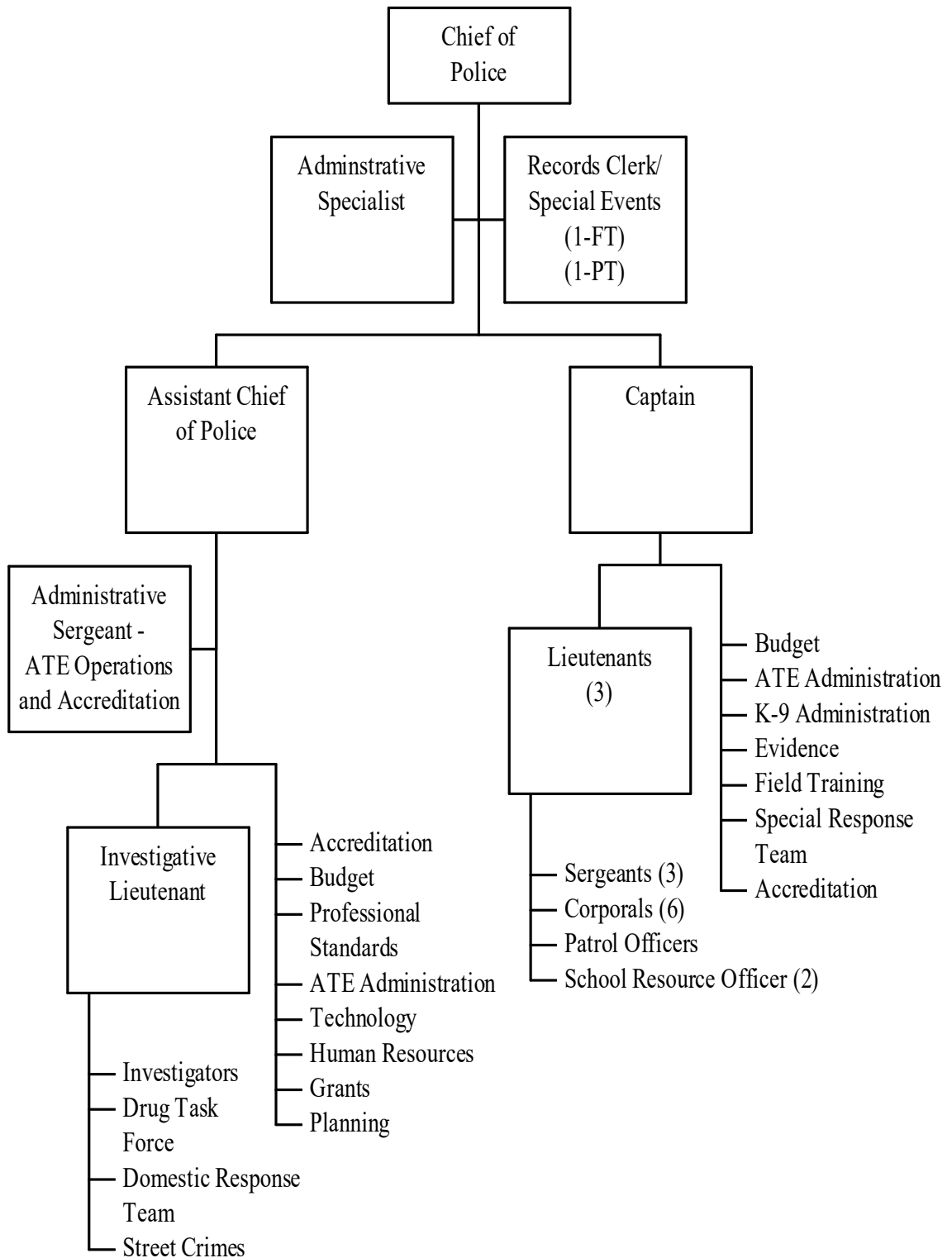
- Revenue estimates based on FY 25 residential, senior, and commercial rates and customers. It is anticipated that these rates will need to be periodically increased to cover increased operating costs and future capital outlay needs.
- Assumes 3% annual increases in operating expenditures for 2025/2026 through 2028/2029.
- Capital outlay amounts from department future Capital Outlay Projections budget schedule, as adjusted by the Finance department for refuse vehicles every other year.
- Assumes 3% annual increases in administrative fees for 2025/2026 through 2028/2029.
- Based on the above assumptions, including capital outlay items projected to be needed in 2025/2026 through 2028/2029, deficit fund balances are projected for 2027/2028 and 2028/2029 if rates would not be adjusted.

Comments:

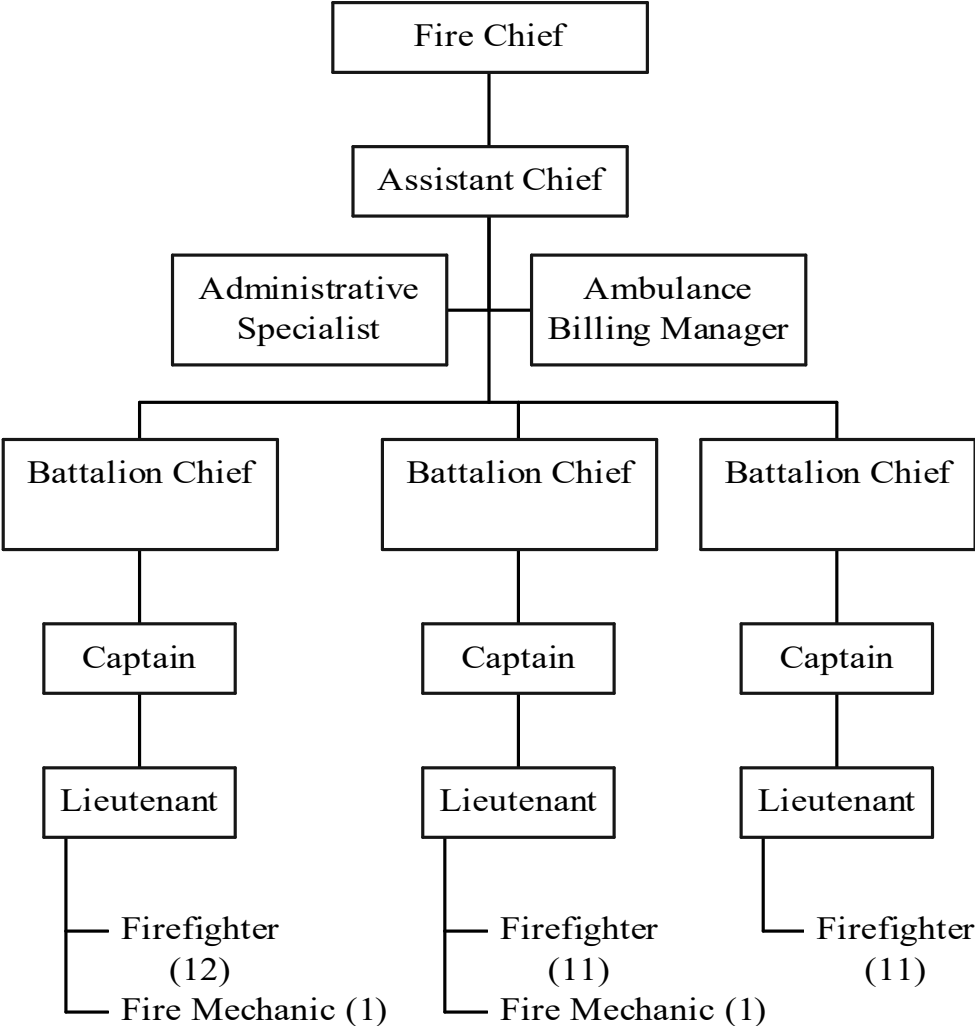
This long-term financial plan reflects the assumptions listed above including annual increases in operating expenditures and projected future capital outlay needs. While revenues are shown for all years in this schedule using the FY 25 rates, it is expected that periodic rate adjustments will be needed.

DEPARTMENT ORGANIZATIONAL CHARTS

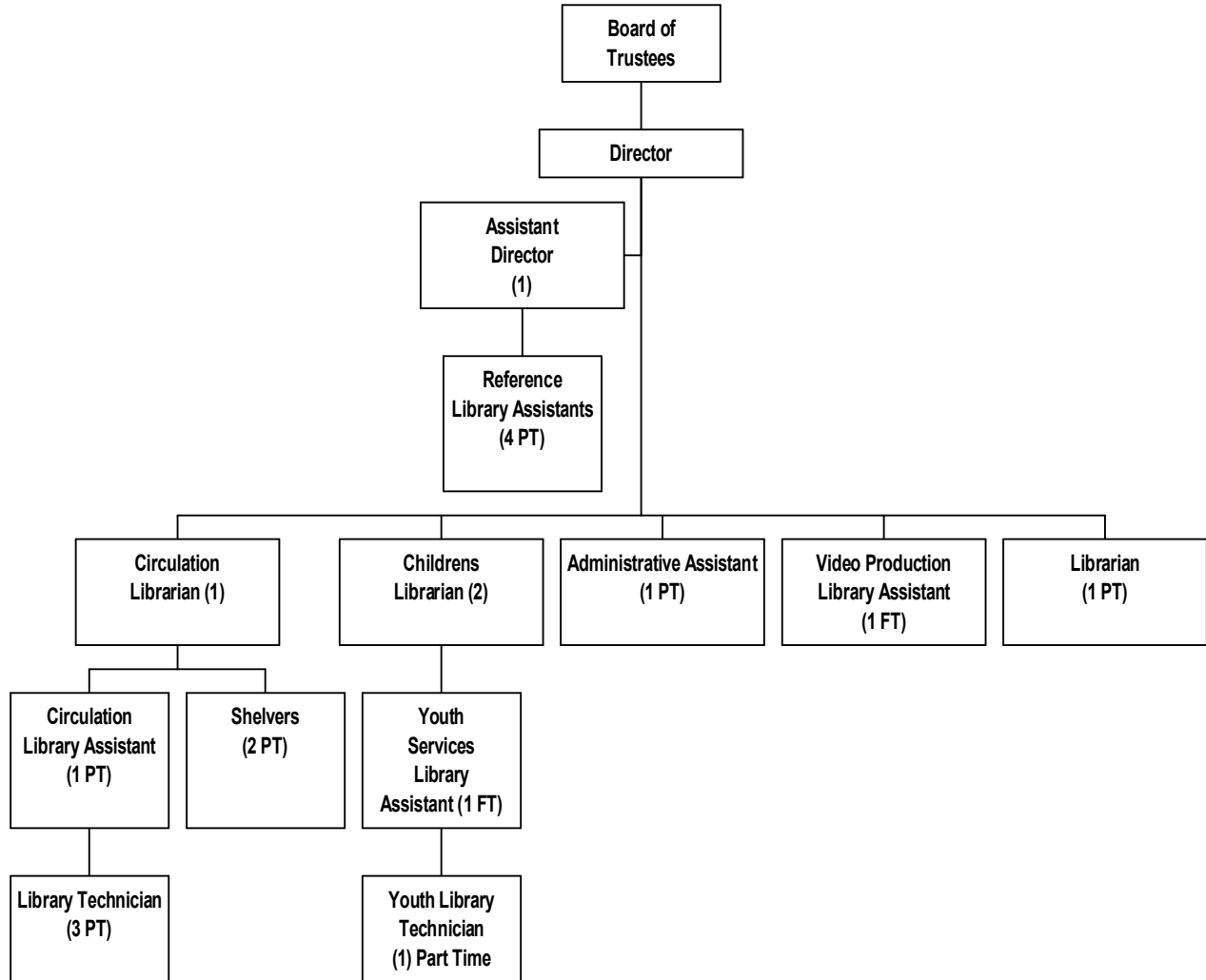
CITY OF MUSCATINE POLICE DEPARTMENT



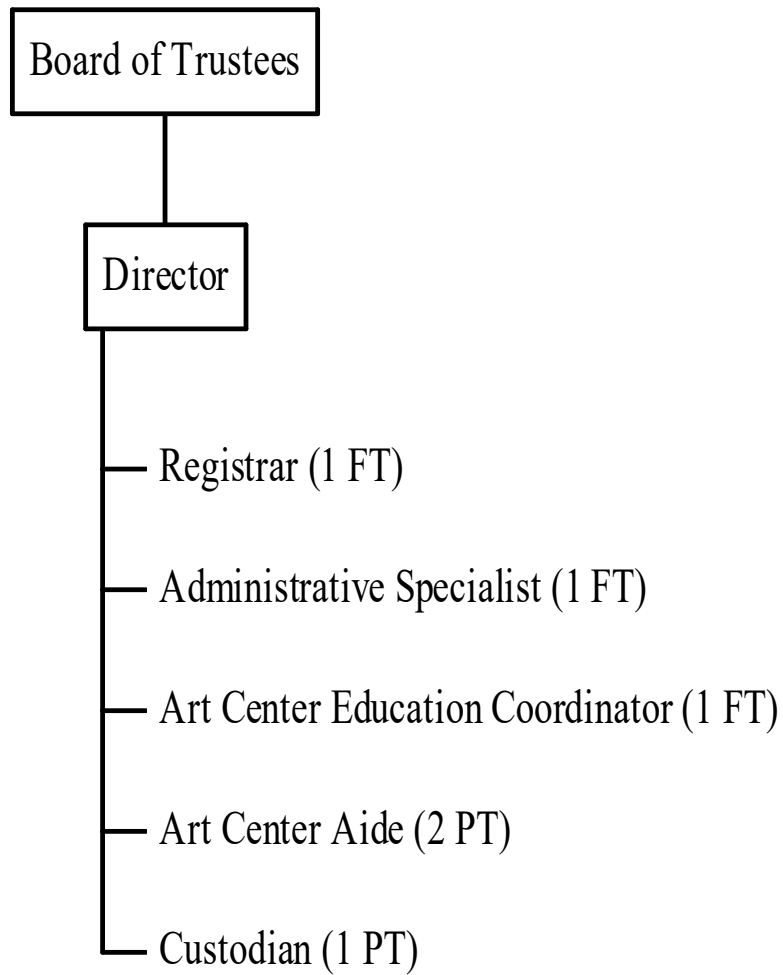
CITY OF MUSCATINE FIRE DEPARTMENT



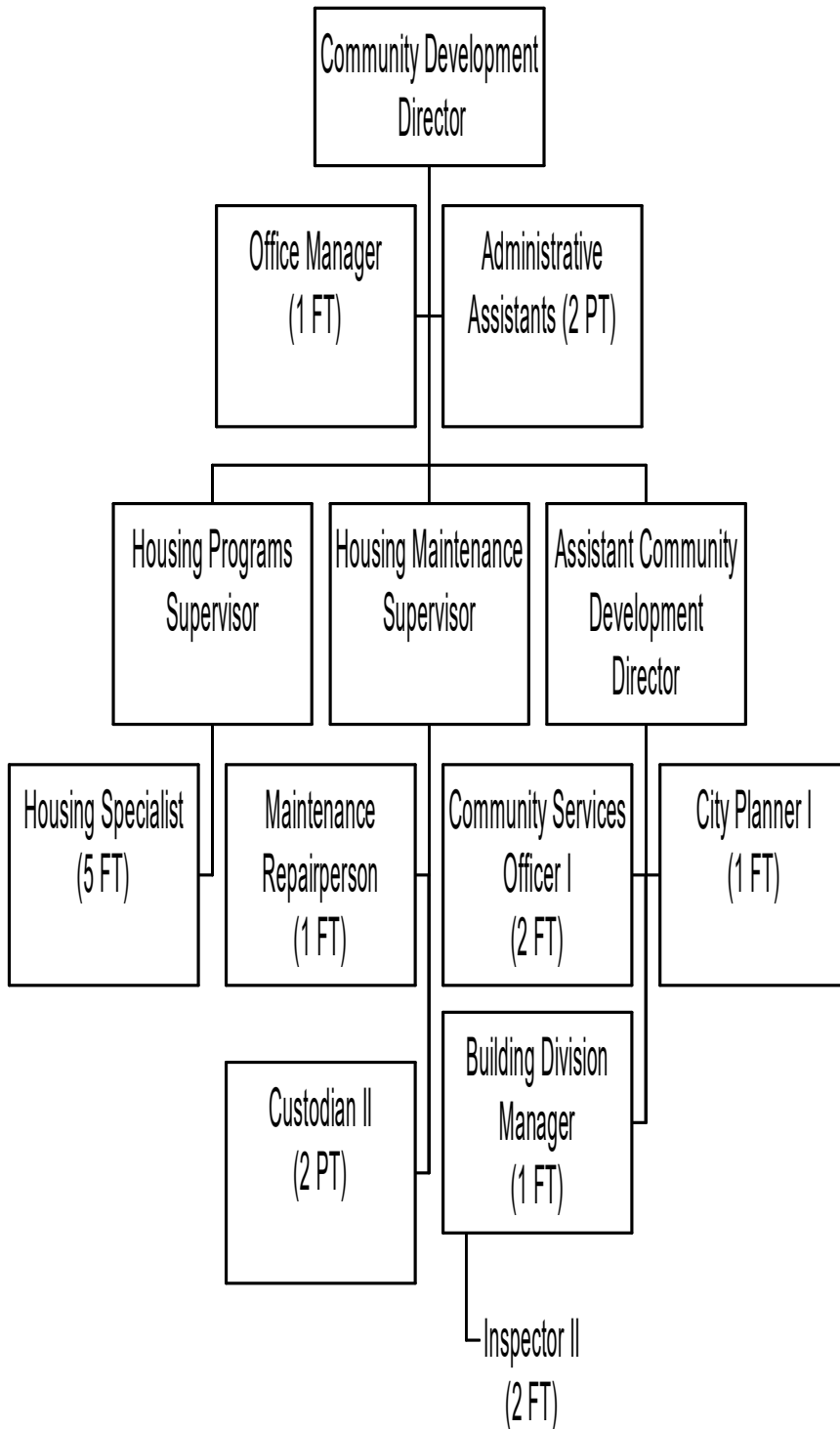
CITY OF MUSCATINE LIBRARY



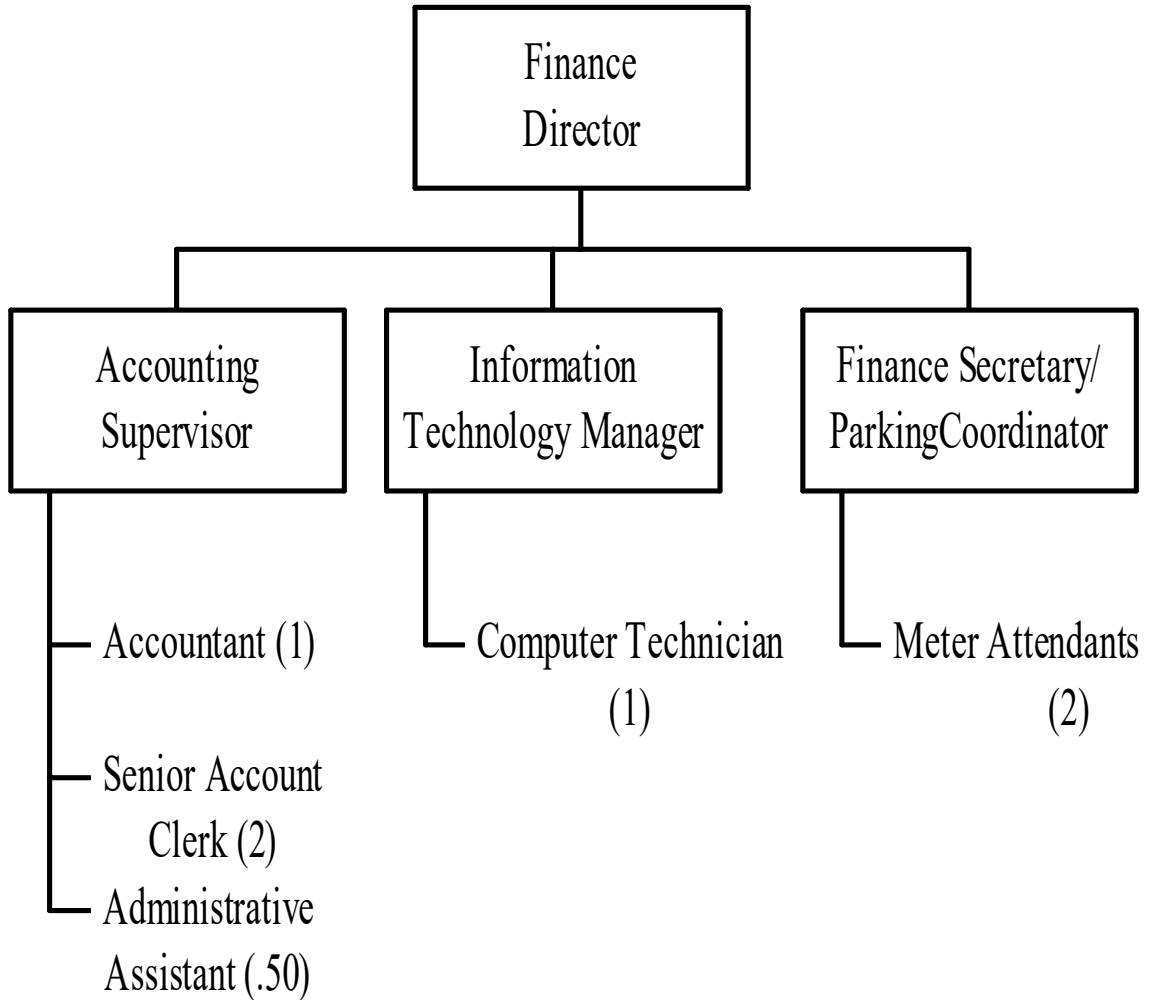
CITY OF MUSCATINE ART CENTER



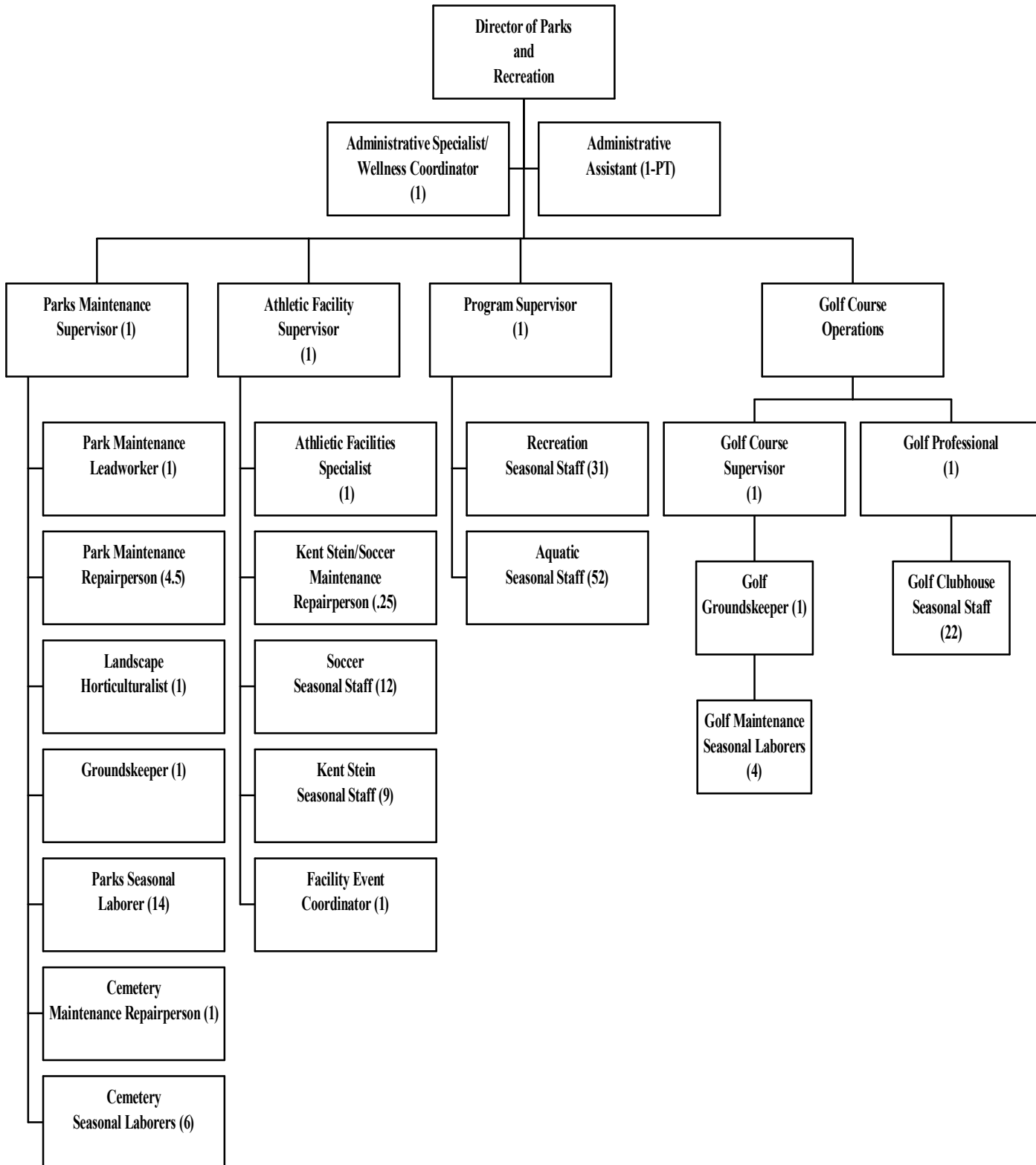
CITY OF MUSCATINE COMMUNITY DEVELOPMENT DEPARTMENT



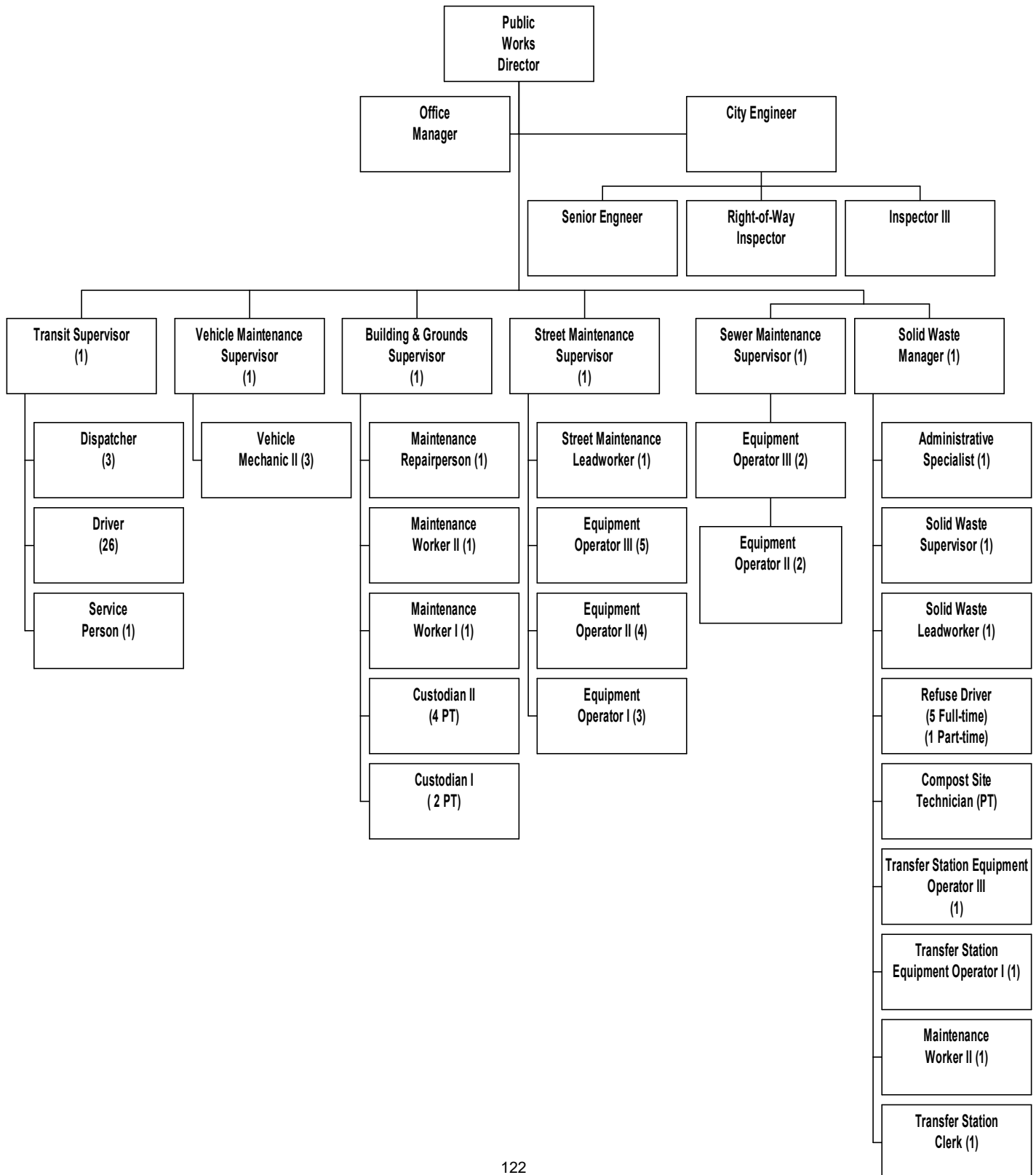
CITY OF MUSCATINE FINANCE DEPARTMENT



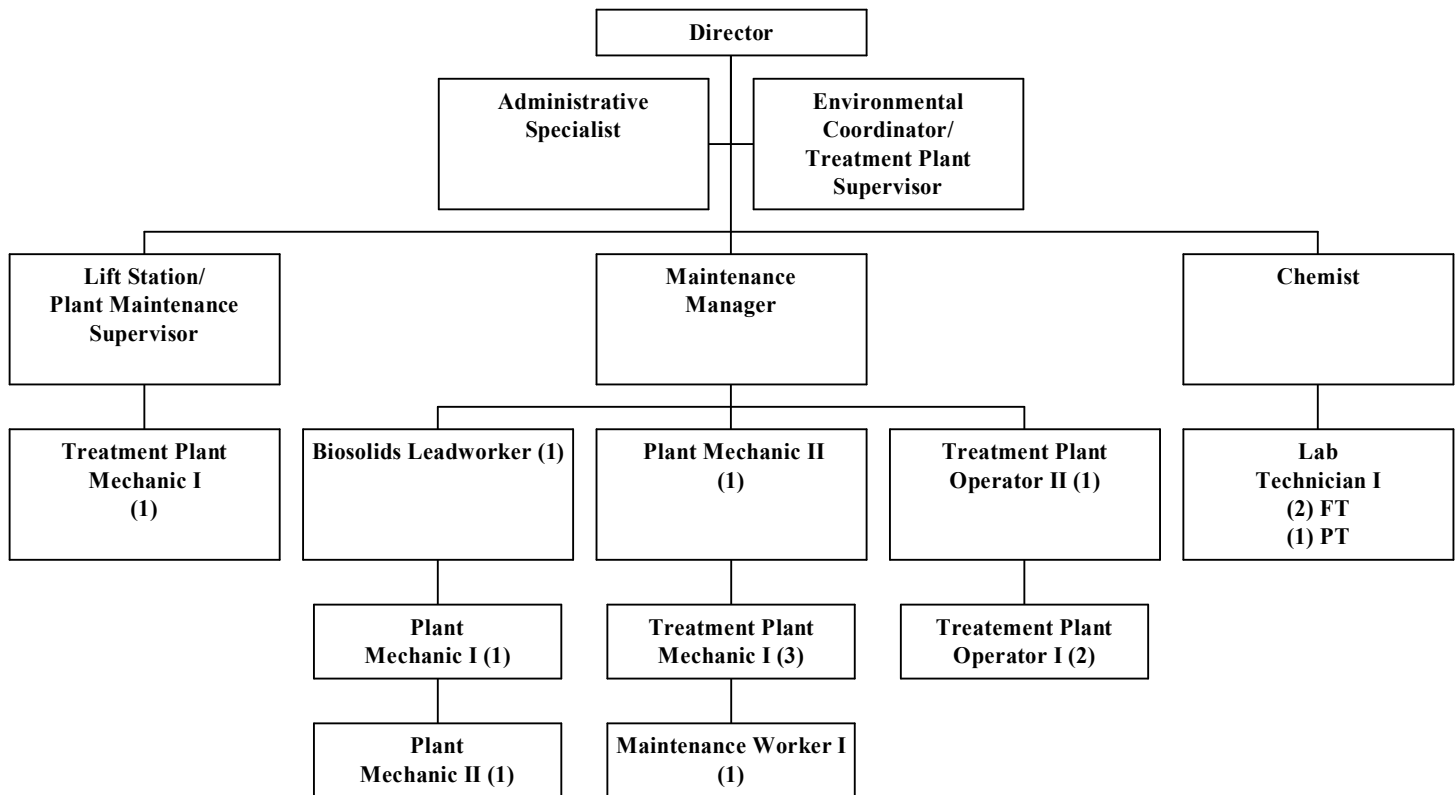
CITY OF MUSCATINE PARKS AND RECREATION DEPARTMENT



CITY OF MUSCATINE PUBLIC WORKS DEPARTMENT



CITY OF MUSCATINE WATER POLLUTION CONTROL DEPARTMENT



GENERAL FUND

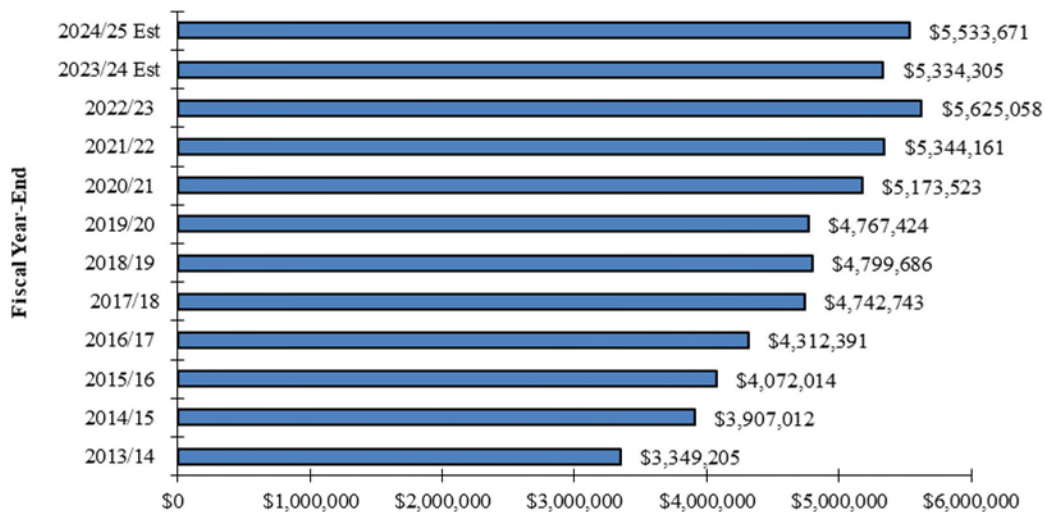
GENERAL FUND

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 2024/2025 is budgeted at \$5,533,671 which is 21.3% 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:

General Fund Fund Balance History



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 2024/2025 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 2024/2025 budget were to:

1. Maintain status quo service levels
2. Provide departments with the resources needed to continue to provide services to residents
3. Provide funding for identified priority capital improvements in the community
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, programs, and initiatives

Property Tax Rate and Other Budget Challenges

The City tax rate for 2024/2025 is budgeted to remain at \$15.67219 per \$1,000 of valuation, the same rate as 2023/2024. Maintaining the same tax rate was possible primarily due to using the prior year State COVID-19 Relief funds and the remaining balance in the Emergency Tax / Emergency Fund (\$690,695) to balance the General Fund budget. The City was also able to offset individual tax levy increases with tax levy decreases.

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 2024/2025.
2. The City has union contracts that provide for larger increases in the first year of each of the contracts (7% for the Police bargaining unit, 7% for the Fire bargaining unit, and between 4.5% and 5.5% for the Blue/White bargaining unit). Subsequent years in each of these union contracts provide for 3%

increases. The larger increases in 2024/2025 were due to inflationary increases in recent years with the goal of not falling behind the market rates for the respective positions.

3. During the 2023/2024 fiscal year, the City contracted for and completed a compensation study for non-union employees of the City. Recommendations of the study were included in the 2024/2025 budget. Employees were placed in new pay grades and were assigned to steps in those grades based on the assumptions used for implementation of the new pay plan. The minimum increase for employees in this group was 4.5%.
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 2024/2025 budget continues the current service levels provided to residents.
2. The budget funds union and non-union wage increases as described in the previous section.
3. Health insurance rates increased by 8% effective January 1, 2024 and the budget for 2024/2025 allows for the rates to increase by an additional 5% effective January 1, 2025.
4. The 2024/2025 budget includes the first year of operating expenditures and operating revenues for the new Indoor Sport Dome. This facility will be managed by the City's Parks and Recreation department.
5. For the 2024/2025 budget, fulltime equivalent (FTE) year-round staffing in the General Fund is budgeted to increase from 168.82 FTE in the 2023/2024 revised estimate to 170.72 FTE in the 2024/2025 budget (an increase of 1.90 FTE positions), primarily due to the 1.75 FTE positions added for the new Indoor Sports Dome. No other new position requests were included in the budget due to financial constraints.

Balancing the General Fund Budget

Taxable property valuations for 2024/2025 decreased by .18%. The lower increase (compared to the 12.29% increase in actual valuations) is primarily due to the mandated rollback factors applied to the various categories of property, the new \$3,250 exemption for residential property owners age 65 and more, and the increased military service exemption (from \$1,852 to \$4,000). The decrease in taxable valuations resulted in a reduction of \$11,864 in property tax revenue from the Combined General Fund Tax levy compared to the previous year.

With the nearly flat property tax revenue and 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 prior year State COVID Relief funds (\$604,533) to assist in maintaining services and balancing the 2024/2025 budget.
2. Using the prior year balance of \$86,162 in the Emergency Levy Fund to assist in balancing the 2024/2025 budget.
3. If the full amount of the State COVID Relief funds and the balance in the Emergency Levy is not needed to balance the 2024/2025 General Fund budget, these funds will remain in the Emergency fund to be used to balance future year budgets.

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

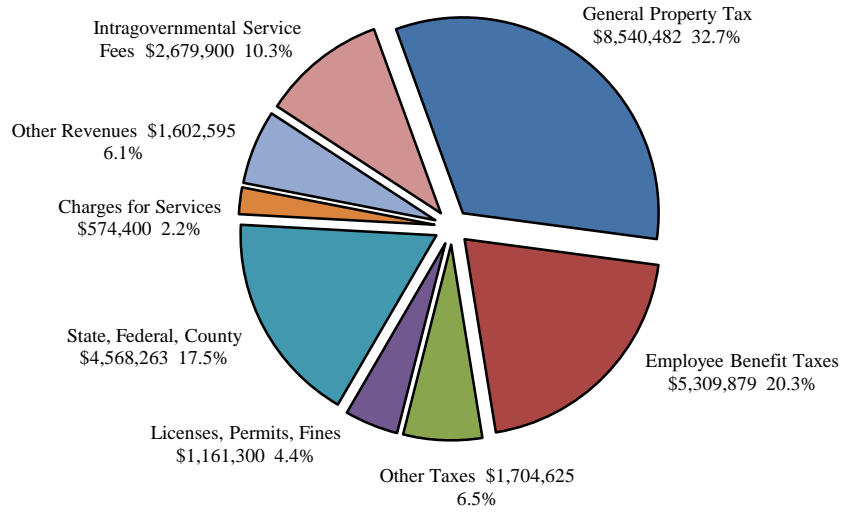
Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 5,173,523	\$ 5,344,161	\$ 5,342,082	\$ 5,625,058	\$ 5,334,305
Revenues	22,576,926	23,187,988	24,424,195	24,685,300	25,450,749
Transfer from State COVID Relief/ Emergency Fund	0	0	150,500	0	604,533
Transfer Prior Year Balance in Emergency Levy Fund	0	0	0	0	86,162
Transfer from ARPA Fund	0	0	327,100	0	0
Encumbrance Variance	<u>1,462</u>	<u>16,292</u>	<u>0</u>	<u>0</u>	<u>0</u>
Funds Available	\$ 27,751,911	\$ 28,548,441	\$ 30,243,877	\$ 30,310,358	\$ 31,475,749
Expenditures	<u>22,407,750</u>	<u>22,923,383</u>	<u>24,901,528</u>	<u>24,976,053</u>	<u>25,942,078</u>
Ending Balance, June 30	<u>\$ 5,344,161</u>	<u>\$ 5,625,058</u>	<u>\$ 5,342,349</u>	<u>\$ 5,334,305</u>	<u>\$ 5,533,671</u>
Increase (Decrease) in Fund Balance	\$ 170,638	\$ 280,897	\$ 267	\$ (290,753)	\$ 199,366
Minimum Fund Balance per policy adopted in November, 2013 (16.7% of General Fund Expenditures)	<u>\$ 3,742,000</u>	<u>\$ 3,828,000</u>	<u>\$ 4,159,000</u>	<u>\$ 3,746,000</u>	<u>\$ 4,332,000</u>
Amount Over (Under) Fund Balance Policy Minimum of 16.7%	<u>\$ 1,602,161</u>	<u>\$ 1,797,058</u>	<u>\$ 1,183,349</u>	<u>\$ 1,588,305</u>	<u>\$ 1,201,671</u>
Ending Balance as a Percent of General Fund Expenditures	<u>23.8%</u>	<u>24.5%</u>	<u>21.5%</u>	<u>21.4%</u>	<u>21.3%</u>

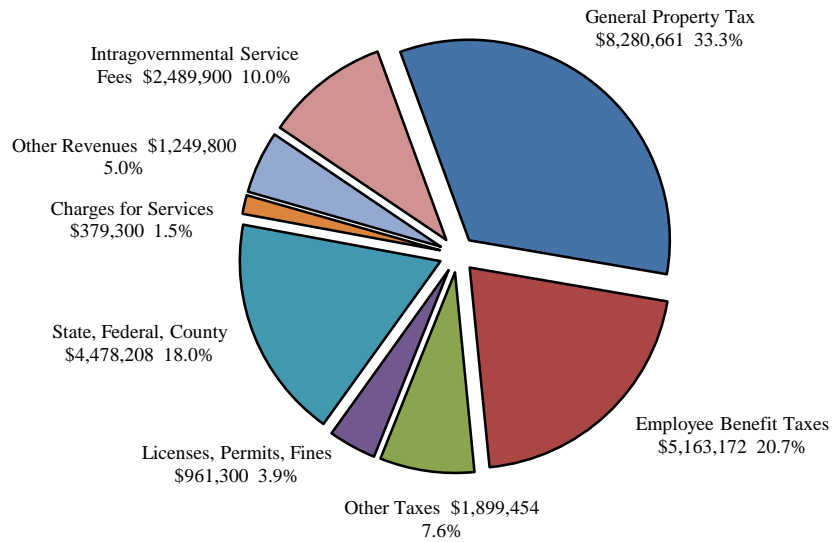
Explanation of Increases or Decreases in Fund Balances:

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 2018/2019, 2019/2020, 2020/2021, 2021/2022, 2022/2023, 2023/2024, or 2024/2025 budgets.

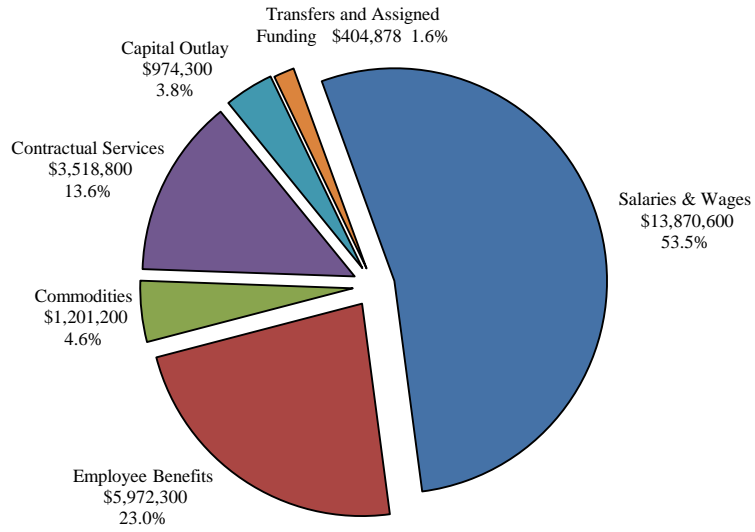
**General Fund Revenues By Source
Budget 2024/2025
\$26,141,444**



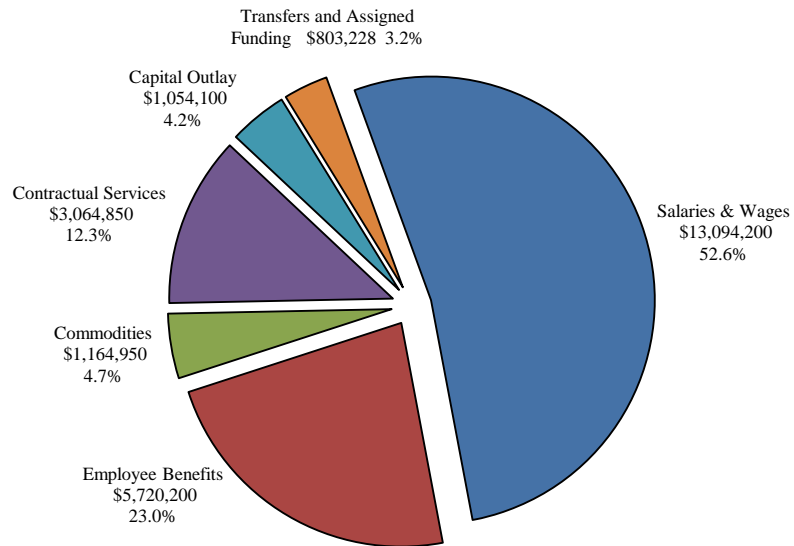
**General Fund Revenues By Source
Budget 2023/2024
\$24,901,795**



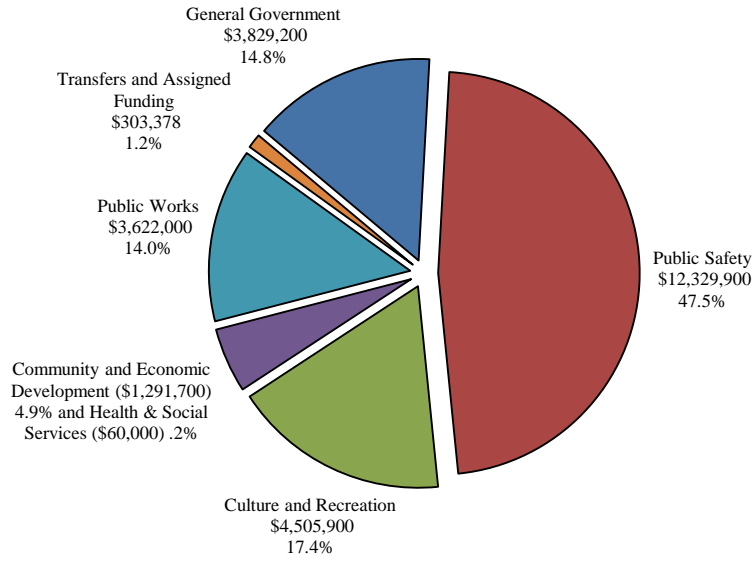
**General Fund Expenditures By Type
Budget 2024/2025
\$25,942,078**



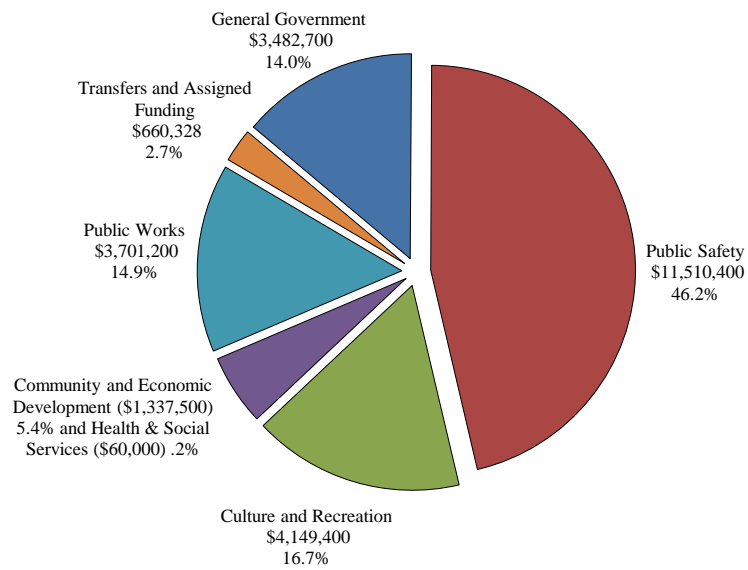
**General Fund Expenditures By Type
Budget 2023/2024
\$24,901,528**



**General Fund Expenditures By Function
Budget 2024/2025
\$25,942,078**



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



General Fund
Revenues by Type

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>	<u>Percent Change from 2023/2024 Budget</u>
Taxes	\$ 9,228,670	\$ 9,122,321	\$ 9,889,364	\$ 9,968,564	\$ 10,245,107	3.6%
Licenses and Permits	428,865	478,264	308,100	532,000	471,800	53.1%
Fines and Forfeitures	671,629	696,855	651,400	661,800	683,500	4.9%
Intergovernmental Revenue	929,026	841,151	973,308	1,071,608	1,107,563	13.8%
Charges for Services	813,087	726,118	905,400	866,300	1,088,400	20.2%
Use of Money and Property	141,164	308,113	233,000	338,800	339,300	45.6%
Miscellaneous Revenues	829,424	863,052	810,000	823,100	839,700	3.7%
Transfers In	<u>9,535,061</u>	<u>10,152,114</u>	<u>11,131,223</u>	<u>10,423,128</u>	<u>11,366,074</u>	2.1%
Total	<u><u>\$ 22,576,926</u></u>	<u><u>\$ 23,187,988</u></u>	<u><u>\$ 24,901,795</u></u>	<u><u>\$ 24,685,300</u></u>	<u><u>\$ 26,141,444</u></u>	5.0%

**General Fund
Revenue Summary**

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change From 2023/2024 Budget
Direct and Indirect						
Property Tax Revenues						
General Property Taxes	\$ 7,617,821	\$ 7,620,309	\$ 8,253,786	\$ 8,253,786	\$ 8,513,295	3.14%
Ag Land Tax	5,177	5,365	5,475	5,475	5,787	5.70%
Tort Liability Levy	318,479	328,217	367,599	367,599	478,026	30.04%
Transit System Levy	0	0	198,284	198,284	74,718	-62.32%
Mobile Home Tax	21,385	20,767	21,400	21,400	21,400	0.00%
Special Revenue:						
Emergency Levy (Current Year)	140,257	264,675	290,751	290,751	0	-100.00%
Police Retirement	757,231	716,860	739,847	744,532	800,012	8.13%
Fire Retirement	837,628	780,839	781,730	749,147	812,004	3.87%
Police and Fire Medical Insurance	60,367	60,367	60,366	60,366	72,100	19.44%
Police and Fire Retiree Medical Costs	48,419	106,758	45,000	40,000	45,000	0.00%
Long-term Disability Insurance	13,674	14,112	14,702	14,651	15,789	7.39%
Workers Compensation Insurance	43,697	42,105	44,050	34,569	34,111	-22.56%
Unemployment Insurance	56,214	55,917	61,366	21,573	33,272	-45.78%
Health Insurance	2,062,992	2,227,622	2,449,089	2,422,311	2,613,649	6.72%
Life Insurance	13,302	13,770	14,289	13,987	14,937	4.53%
Dental Insurance	45,279	47,113	53,811	47,095	47,642	-11.46%
Post Employment Health Plan	65,251	88,586	24,618	32,795	18,042	-26.71%
Deferred Compensation	0	0	0	0	5,500	
FICA/IPERS	768,548	795,730	874,304	840,651	928,120	6.16%
Employee Benefit Levy Reduction	0	0	0	0	(130,299)	
Subtotal	<u>\$ 12,875,721</u>	<u>\$ 13,189,113</u>	<u>\$ 14,300,467</u>	<u>\$ 14,158,972</u>	<u>\$ 14,403,105</u>	0.72%
Non-Property Tax Revenues/Reimbursements						
Hotel/Motel Taxes	\$ 593,267	\$ 577,993	\$ 550,000	\$ 550,000	575,000	4.55%
Cable Franchise Tax	124,022	111,150	124,000	111,200	111,200	-10.32%
Utility Franchise Fees	518,879	429,907	340,000	432,000	432,000	27.06%
Utility Tax Replacement Excise Tax:						
General	28,454	27,434	26,973	26,973	31,625	17.25%
Tort Liability	1,186	1,178	1,201	1,201	1,774	47.71%
Transit	0	0	646	646	282	-56.35%
Commercial/Industrial State Reimbursement:						
General	316,586	271,908	228,345	228,345	201,527	-11.74%
Tort Liability	13,198	11,672	9,952	9,952	11,316	13.71%
Transit	0	0	2,698	2,698	1,769	-34.43%
Other State Contributions - Moneys & Credits	4,633	4,532	4,500	5,100	0	-100.00%
Business Property Tax Credit Reimbursement:						
General	0	0	210,201	210,201	206,071	-1.96%
Tort Liability	0	0	9,362	9,362	11,571	23.60%
Transit	0	0	5,050	5,050	1,809	-64.18%
Subtotal	<u>\$ 1,600,225</u>	<u>\$ 1,435,774</u>	<u>\$ 1,512,928</u>	<u>\$ 1,592,728</u>	<u>\$ 1,585,944</u>	4.83%

**General Fund
Revenue Summary**

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change From 2023/2024 Budget
Intergovernmental Revenues						
Road Use Tax	\$ 2,866,770	\$ 3,036,340	\$ 3,418,600	\$ 3,316,600	\$ 3,372,000	-1.36%
Subtotal	\$ 2,866,770	\$ 3,036,340	\$ 3,418,600	\$ 3,316,600	\$ 3,372,000	-1.36%
Licenses and Permits						
Beer, Liquor, and Cigarettes	\$ 59,778	\$ 36,676	\$ 36,500	\$ 36,700	\$ 36,700	0.55%
Animal	6,004	3,082	3,200	3,200	5,000	56.25%
Miscellaneous	6,465	6,810	5,000	6,800	6,800	36.00%
Subtotal	\$ 72,247	\$ 46,568	\$ 44,700	\$ 46,700	\$ 48,500	8.50%
Cemetery Fees						
Lot and Niche Sales	\$ 32,263	\$ 28,503	\$ 27,000	\$ 29,000	\$ 29,000	7.41%
Lease of Property-Cell Towers	24,199	24,548	24,200	24,500	24,500	1.24%
Burial Fees	40,965	35,915	45,000	36,000	36,000	-20.00%
Miscellaneous Charges	15,671	1,095	15,000	15,000	15,000	0.00%
Commissions	17,774	24,975	16,000	19,000	19,000	18.75%
Maintenance Fees (Cemetery Steps)	400	400	400	400	400	0.00%
Reimbursement of Damages	0	7,480	0	0	0	
Perpetual Care Interest	1,831	26,660	18,000	34,000	34,000	88.89%
Subtotal	\$ 133,103	\$ 149,576	\$ 145,600	\$ 157,900	\$ 157,900	8.45%
Community Development Fees						
Rental Housing Inspection Fees/Registrations	\$ 30,198	\$ 60,097	\$ 50,000	\$ 72,000	\$ 60,000	20.00%
Section 8 Housing Inspection Fees	14,320	9,675	8,200	8,200	8,200	0.00%
Construction Permits	299,939	358,032	200,000	400,000	350,000	75.00%
Health Licenses	7,363	0	0	0	0	
Zoning Fees	1,750	650	1,000	1,000	1,000	0.00%
Board of Adjustment Fees	2,200	2,400	1,000	1,500	1,000	0.00%
Site Plan Review Fees	900	1,000	500	500	500	0.00%
Municipal Infractions Penalties	455	0	1,000	500	500	-50.00%
Nuisance Reimbursements/Administrative Fees	134,712	148,021	135,000	145,000	145,000	7.41%
Sale of Property	790	0	1,000	0	0	-100.00%
Donations - Special Programs	10,250	0	0	4,300	0	
Miscellaneous	947	1,258	500	500	1,000	100.00%
Transfer in:						
ARPA Heart & Soul Coordinator	0	9,258	0	0	0	
Subtotal	\$ 503,824	\$ 590,391	\$ 398,200	\$ 633,500	\$ 567,200	42.44%

**General Fund
Revenue Summary**

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change From 2023/2024 Budget
Parks and Recreation Revenues						
Parks - General	\$ 8,585	\$ 8,105	\$ 10,000	\$ 9,000	\$ 9,000	-10.00%
Shelters	13,135	9,215	11,000	10,000	10,000	-9.09%
Pearl City Station Rentals	27,571	28,155	25,000	27,000	27,000	8.00%
Riverview Center Rentals	3,348	2,617	3,500	3,500	3,500	0.00%
Dog Park Permits	615	245	600	600	600	0.00%
Equipment/Miscellaneous Sales	0	0	200	200	200	0.00%
Concession Commission	5,251	0	0	0	0	
Reimbursement of Damages	14,927	9,649	6,000	1,800	1,800	-70.00%
Reimbursement of Expenses	0	10,000	0	0	0	
Iowa DNR Tree Grant	47	5,327	0	200	0	
Other						
Transfers In						
Administration Fees	12,200	12,500	12,900	12,900	13,300	3.10%
Subtotal	<u>\$ 85,679</u>	<u>\$ 85,814</u>	<u>\$ 69,200</u>	<u>\$ 65,200</u>	<u>\$ 65,400</u>	-5.49%
Kent Stein Park						
Maintenance Fees	\$ 11,527	\$ 16,592	\$ 20,000	\$ 21,000	\$ 21,000	5.00%
Commission on Concessions	4,302	4,539	5,500	5,500	5,500	0.00%
Mowing Reimbursement - Housing	7,600	7,750	7,700	7,700	7,700	0.00%
Storage Building Rental	1,200	1,200	1,200	1,200	1,200	0.00%
Insurance Reimbursements	2,818	0	0	0	0	
Other	0	166	0	0	0	
Subtotal	<u>\$ 27,447</u>	<u>\$ 30,247</u>	<u>\$ 34,400</u>	<u>\$ 35,400</u>	<u>\$ 35,400</u>	2.91%
Soccer Complex Operations						
Maintenance Fees	\$ 29,979	\$ 33,564	\$ 31,500	\$ 35,000	\$ 35,000	11.11%
Commission on Concessions	2,272	2,367	2,300	4,500	4,500	95.65%
Subtotal	<u>\$ 32,251</u>	<u>\$ 35,931</u>	<u>\$ 33,800</u>	<u>\$ 39,500</u>	<u>\$ 39,500</u>	16.86%
Recreation						
Entry Fees/Admissions	\$ 930	\$ 995	\$ 1,500	\$ 1,500	\$ 1,500	0.00%
Lessons	23,029	20,437	25,000	25,000	25,000	0.00%
League and Tournament Fees	5,444	4,561	5,500	5,500	5,500	0.00%
Sales Tax	381	319	400	400	400	0.00%
Commissions	0	0	500	0	0	-100.00%
Donations	985	1,880	1,700	1,000	1,700	0.00%
Other	69	116	100	0	0	-100.00%
Subtotal	<u>\$ 30,838</u>	<u>\$ 28,308</u>	<u>\$ 34,700</u>	<u>\$ 33,400</u>	<u>\$ 34,100</u>	-1.73%

**General Fund
Revenue Summary**

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change From 2023/2024 Budget
Indoor Sports Dome						
Facility Usage Charges	\$ 0	\$ 0	\$ 0	\$ 0	\$ 207,000	
Sponsorships	0	0	0	0	0	
Commissions	0	0	0	0	0	
Other	0	0	0	0	0	
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 207,000</u>	
Aquatic Center						
Admissions	\$ 89,363	\$ 82,637	\$ 88,000	\$ 86,000	\$ 87,000	-1.14%
Season Passes	10,485	11,874	10,500	11,500	12,000	14.29%
Lessons	9,448	10,579	10,000	10,500	11,000	10.00%
Group Sales	16,850	16,165	17,000	17,500	18,000	5.88%
Room Rental	825	1,025	900	500	900	0.00%
Locker Rental	532	376	600	400	500	-16.67%
Commission on Concessions	3,568	3,740	4,200	5,000	5,500	30.95%
Donations	1,295	0	0	0	0	
Miscellaneous Sales	270	306	400	400	400	0.00%
Other	158	106	100	0	0	-100.00%
Subtotal	<u>\$ 132,794</u>	<u>\$ 126,808</u>	<u>\$ 131,700</u>	<u>\$ 131,800</u>	<u>\$ 135,300</u>	2.73%
Subtotal - Parks and Recreation	<u>\$ 309,009</u>	<u>\$ 307,108</u>	<u>\$ 303,800</u>	<u>\$ 305,300</u>	<u>\$ 516,700</u>	70.08%
Library Revenues						
Fines and Charges	\$ 3,197	\$ 1,147	\$ 200	\$ 0	\$ 0	-100.00%
County Contributions	126,097	126,414	130,200	130,200	134,100	3.00%
Illinois Contracts	11,842	12,198	12,600	12,600	13,000	3.17%
Printing Charges	4,251	3,628	3,000	3,600	3,600	20.00%
Other	1	6	0	0	0	
Subtotal	<u>\$ 145,388</u>	<u>\$ 143,392</u>	<u>\$ 146,000</u>	<u>\$ 146,400</u>	<u>\$ 150,700</u>	3.22%
Art Center Revenues						
Class Fees	\$ 3,407	\$ 2,414	\$ 4,500	\$ 4,500	\$ 4,500	0.00%
Building Rentals	110	454	200	200	200	
State Grant	18,000	15,000	15,000	15,000	15,000	0.00%
Support Foundation Contributions	29,588	31,165	33,800	33,600	35,400	4.73%
Friends of the Art Center Contributions	28,105	27,097	30,100	30,100	30,400	1.00%
Other Contributions (American Queen)	0	500	1,500	1,500	5,000	233.33%
Other	716	90	300	300	300	0.00%
Subtotal	<u>\$ 79,926</u>	<u>\$ 76,720</u>	<u>\$ 85,400</u>	<u>\$ 85,200</u>	<u>\$ 90,800</u>	6.32%

**General Fund
Revenue Summary**

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change From 2023/2024 Budget
Public Works Services						
Repair and Maintenance Services	\$ 17,484	\$ 17,485	\$ 17,000	\$ 17,500	\$ 17,500	2.94%
Rental of Equipment	120	250	200	800	300	50.00%
Sale of Equipment	17,440	12,203	1,000	1,000	1,000	0.00%
Miscellaneous Sales	2,517	3,268	2,500	2,500	2,500	0.00%
FEMA Reimbursements-Federal and State Shares	20,727	0	0	0	0	
Reimbursement for Salt	5,009	5,125	4,000	6,400	5,000	25.00%
Reimbursement of Damages	0	6,142	0	0	0	
Reimbursement of Expenses	0	440	0	1,300	0	
Other	5,830	0	0	4,000	0	
Transfers In:						
Engineering Services	137,450	44,974	207,900	160,000	180,000	-13.42%
Administrative Fees	74,500	76,600	78,900	78,900	81,300	3.04%
Subtotal	<u>\$ 281,077</u>	<u>\$ 166,486</u>	<u>\$ 311,500</u>	<u>\$ 272,400</u>	<u>\$ 287,600</u>	-7.67%
Police Operations:						
Police Grants	\$ 357,550	\$ 352,262	\$ 311,400	\$ 383,500	\$ 474,200	52.28%
Court Fines	159,857	161,044	150,000	160,000	160,000	6.67%
Automated Traffic Enforcement Fines	474,695	510,840	475,000	475,000	500,000	5.26%
Parking Violations	22,010	18,274	21,000	20,000	21,000	0.00%
Tobacco Checks/Violations	0	5,550	2,800	2,000	2,000	-28.57%
Alarm System Charges	2,900	3,100	3,000	3,000	3,000	0.00%
Alarm Permits	475	225	600	600	600	0.00%
False Alarm Charges	1,200	2,000	1,200	2,000	1,500	25.00%
Police Services Agreement	56,110	57,737	59,500	59,500	61,900	4.03%
Animal Ordinance Fees and Fines	3,275	2,075	3,500	2,500	4,000	14.29%
Printing Charges	3,863	3,655	4,000	4,000	4,000	0.00%
Contributions - Mentor Program	2,743	0	0	0	0	
Other Contributions	2,270	0	0	8,000	0	
Lease - Public Safety Cell Tower	30,988	30,988	31,000	31,000	31,000	0.00%
Reimbursements/Miscellaneous Income	57,677	51,125	45,000	45,000	45,000	0.00%
Donation - K9 Unit	0	500	0	0	0	
Other	0	4,210	0	0	4,000	
Subtotal	<u>\$ 1,175,613</u>	<u>\$ 1,203,586</u>	<u>\$ 1,108,000</u>	<u>\$ 1,196,100</u>	<u>\$ 1,312,200</u>	18.43%

**General Fund
Revenue Summary**

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change From 2023/2024 Budget
Fire Operations						
Fire Hazmat Agreements	\$ 26,623	\$ 26,788	\$ 26,800	\$ 26,800	\$ 26,800	0.00%
Fire Open Burn Permits	975	1,050	1,100	1,000	1,000	-9.09%
Fire Inspection Fees	6,625	10,165	10,000	10,000	12,000	20.00%
Fire Plan Review Fees	6,182	3,037	2,500	4,500	3,000	20.00%
Fire Assessment Fees	210	45	200	0	100	-50.00%
Confined Space Fees	34,775	43,775	36,000	36,000	36,000	0.00%
Fireworks Fees	2,200	2,400	2,000	2,200	2,000	0.00%
Fire Protection Contracts	23,064	23,680	23,200	23,200	23,700	2.16%
Federal Grant - SCBAs	15,546	0	0	0	0	
Fire Reports	135	210	300	200	200	-33.33%
Fire Citations	375	0	400	0	0	-100.00%
Alarm Permits	991	0	600	1,700	900	50.00%
False Alarm Charges	150	0	600	0	0	-100.00%
Donations	0	700	0	0	0	
Insurance Reimbursement	0	28,131	0	0	0	
Reimbursement of Expenses/Other	6,484	9,786	4,000	5,000	5,000	25.00%
Subtotal	<u>\$ 124,335</u>	<u>\$ 149,767</u>	<u>\$ 107,700</u>	<u>\$ 110,600</u>	<u>\$ 110,700</u>	2.79%
Other General Revenues						
Interest Income	\$ 5,983	\$ 168,176	\$ 100,000	\$ 200,000	\$ 200,000	100.00%
Payment in Lieu of Taxes	33,980	37,166	34,000	37,200	37,200	9.41%
Housing Accounting Fees	68,400	70,400	72,500	72,500	74,800	3.17%
Housing Management Fee	13,465	14,071	13,500	13,500	0	-100.00%
FEMA Reimbursements	5,616	0	0	22,400	0	
ICAP Grant	1,000	0	0	0	0	
Other Charges	18,743	16,353	19,000	18,000	20,000	5.26%
Transfers In:						
Administrative Fees	397,300	405,500	417,300	417,300	429,800	3.00%
Health Insurance Fund (Wellness)	55,778	64,802	70,000	67,000	67,900	-3.00%
Health Insurance Administrative Fee	3,000	3,000	3,000	3,000	3,000	0.00%
Information Technology Administrative Fee	43,000	45,100	47,300	47,300	49,600	4.86%
Communications Admin Fee (Exc. TIF Portion)	65,600	68,000	71,600	71,600	74,000	3.35%
Ambulance Enterprise Fund	1,253,000	1,345,600	1,228,000	1,228,000	1,407,300	14.60%
Ambulance Enterprise Fund - Additional	232,600	232,600	232,600	232,600	244,200	4.99%
Tax Increment/Economic Dev Admin Fees	169,223	179,400	189,500	189,500	196,600	3.75%
Tax Increment Economic Development	43,000	43,000	43,000	43,000	43,000	0.00%
Emergency Fund - State COVID Relief	0	0	150,500	0	690,695	358.93%
American Rescue Plan Act Funds (ARPA)	0	0	327,100	0	0	
Subtotal	<u>\$ 2,409,688</u>	<u>\$ 2,693,168</u>	<u>\$ 3,018,900</u>	<u>\$ 2,662,900</u>	<u>\$ 3,538,095</u>	17.20%
Total	<u><u>\$ 22,576,926</u></u>	<u><u>\$ 23,187,988</u></u>	<u><u>\$ 24,901,795</u></u>	<u><u>\$ 24,685,300</u></u>	<u><u>\$ 26,141,444</u></u>	4.98%

General Fund
Expenditures by Type

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>	<u>Percent Change from 2023/2024 Budget</u>
Personal Services	\$ 17,229,699	\$ 17,704,068	\$ 18,814,400	\$ 18,333,100	\$ 19,842,900	5.5%
Commodities	1,090,407	1,084,002	1,164,950	1,156,100	1,201,200	3.1%
Contractual Services	2,659,315	2,883,803	3,064,850	3,334,500	3,518,800	14.8%
Capital Outlay	1,008,421	770,248	1,054,100	1,165,100	974,300	-7.6%
Transfers and Assigned Funding	<u>419,908</u>	<u>481,262</u>	<u>803,228</u>	<u>987,253</u>	<u>404,878</u>	-49.6%
Total	<u><u>\$ 22,407,750</u></u>	<u><u>\$ 22,923,383</u></u>	<u><u>\$ 24,901,528</u></u>	<u><u>\$ 24,976,053</u></u>	<u><u>\$ 25,942,078</u></u>	4.2%

General Fund
Summary of Expenditures

Function/Activity	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change from FY 2024 Budget
General Government						
Mayor and Council	\$ 83,566	\$ 81,370	\$ 89,700	\$ 87,600	\$ 90,700	1.1%
Legal Services	144,319	194,759	117,500	167,500	167,500	42.6%
City Administrator	446,528	455,552	509,000	499,100	541,900	6.5%
Human Resources	165,570	191,928	220,100	259,800	224,200	1.9%
Wellness Program	55,778	65,490	70,000	67,000	67,900	-3.0%
Finance and Records	736,096	775,003	837,200	837,200	901,500	7.7%
Information Technology	426,360	422,270	459,900	461,100	526,900	14.6%
Risk Management	318,839	372,742	414,900	418,200	534,100	28.7%
Building and Grounds	816,925	715,943	764,400	773,500	774,500	1.3%
Subtotal	<u>\$ 3,193,981</u>	<u>\$ 3,275,057</u>	<u>\$ 3,482,700</u>	<u>\$ 3,571,000</u>	<u>\$ 3,829,200</u>	9.9%
Public Safety						
Police Operations	\$ 5,309,111	\$ 5,518,536	\$ 5,607,400	\$ 5,813,800	\$ 6,215,300	10.8%
Animal Control	143,812	150,110	157,000	160,700	157,300	0.2%
Fire Operations	5,420,878	5,502,892	5,746,000	5,626,600	5,957,300	3.7%
Subtotal	<u>\$ 10,873,801</u>	<u>\$ 11,171,538</u>	<u>\$ 11,510,400</u>	<u>\$ 11,601,100</u>	<u>\$ 12,329,900</u>	7.1%
Culture and Recreation						
Library	\$ 1,242,341	\$ 1,238,700	\$ 1,294,300	\$ 1,294,300	\$ 1,325,800	2.4%
Cable Television Operations	24,196	17,145	21,200	21,200	21,400	0.9%
Art Center	431,650	441,705	463,600	470,200	491,500	6.0%
Park Administration	228,232	239,284	245,900	266,200	281,100	14.3%
Park Maintenance	869,080	976,294	920,000	819,700	926,100	0.7%
Kent Stein Park	250,336	275,921	287,200	288,000	272,800	-5.0%
Soccer Complex	260,903	264,010	302,600	302,000	286,800	-5.2%
Aquatic Center	188,682	268,588	230,800	226,200	238,800	3.5%
Recreation	115,065	117,042	148,800	131,600	148,600	-0.1%
Indoor Sports Dome	0	0	0	0	281,200	
Cemetery	175,623	211,328	235,000	241,100	231,800	-1.4%
Subtotal	<u>\$ 3,786,108</u>	<u>\$ 4,050,017</u>	<u>\$ 4,149,400</u>	<u>\$ 4,060,500</u>	<u>\$ 4,505,900</u>	8.6%

General Fund
Summary of Expenditures

Function/Activity	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change from FY 2024 Budget
Health and Social Services						
Economic Well-Being	\$ 37,500	\$ 55,000	\$ 60,000	\$ 60,000	\$ 60,000	0.0%
Subtotal	\$ 37,500	\$ 55,000	\$ 60,000	\$ 60,000	\$ 60,000	0.0%
Community and Economic Development						
Community Development	\$ 949,382	\$ 990,462	\$ 1,159,500	\$ 1,159,400	\$ 1,205,700	4.0%
Economic Development	139,207	168,000	178,000	178,000	86,000	-51.7%
Subtotal	\$ 1,088,589	\$ 1,158,462	\$ 1,337,500	\$ 1,337,400	\$ 1,291,700	-3.4%
Public Works						
Public Works Administration	\$ 225,705	\$ 238,869	\$ 252,200	\$ 261,800	\$ 260,900	3.4%
Roadway Maintenance	1,777,439	1,673,838	1,549,100	1,604,900	1,756,000	13.4%
Traffic Control	175,166	191,715	207,000	207,700	235,700	13.9%
Snow and Ice Control	400,994	302,195	610,400	555,100	599,700	-1.8%
Street Cleaning	190,052	199,590	523,900	520,700	355,200	-32.2%
Engineering	408,415	357,102	558,600	401,500	414,500	-25.8%
Subtotal	\$ 3,177,771	\$ 2,963,309	\$ 3,701,200	\$ 3,551,700	\$ 3,622,000	-2.1%
Transfers and Assigned Funding						
Transit System Subsidy	\$ 0	\$ 0	\$ 206,678	\$ 206,678	\$ 78,578	-62.0%
Airport Subsidy	0	0	3,650	7,675	36,800	908.2%
Equipment Replacement						
Allocation	250,000	250,000	400,000	580,000	188,000	-53.0%
Assigned Funding - Non-Union Merit	0	0	50,000	0	0	-100.0%
Subtotal	\$ 250,000	\$ 250,000	\$ 660,328	\$ 794,353	\$ 303,378	-54.1%
Total	\$ 22,407,750	\$ 22,923,383	\$ 24,901,528	\$ 24,976,053	\$ 25,942,078	4.2%

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 2023/2024 revised estimate is \$2,100 less than the original budget. There was a \$3,700 decrease in consultant services, a \$1,900 increase in travel and education, and a net \$300 decrease in other line items.

The 2024/2025 budget is \$1,000 (1.1%) more than the 2023/2024 budget. This increase is primarily due to a \$1,100 increase in travel and education, and a net \$100 decrease in other budget line items.

PERFORMANCE MEASURES

	Actual 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
Regular Council Meetings	24	24	24	24	24
In-Depth Meetings	9	11	11	12	12
Budget Meetings	8	8	8	8	8
Other Meetings	2	5	5	4	4
Joint Meetings:					
County Board of Supervisors	0	1	1	2	3

RECENT ACCOMPLISHMENTS

Excellent Customer Service

- Staff continued to attend training to support their professional growth and to increase their contribution to the organization. All supervisors have attended leadership training (Leadership Communication to Improve Teamwork). Department directors attended annual conferences in their discipline to stay current on technology and other trends in their industry. Employees attended a variety of safety and skills-based training, including Paramedics Class, First Aid/CPR, Police Peer Support, Forklift Training, DOT Training, Defensive Tactics, Work Zone Flagger, Crime Free

Housing, and many others. In 2023, staff in total have attended over 77 training classes not including those offered internally.

- Staff continues to develop other training opportunities, including providing non-supervisory staff training in effective communications, safety training, and skills-based training. The Human Resources Manager is developing more training opportunities through NeoGov, the City's training software.
- The City of Muscatine, Muscatine Community School District (MCSD), and Muscatine County Board of Supervisors met in April 2023 to discuss items of shared interest including MCSD's capital improvement projects, school safety, RAGBRAI (Register's Annual Great Bicycle Ride Across Iowa), and community flood response. Another joint meeting is scheduled for February 2024.
- City staff presented an overview of the central business district parking system at the June 8, 2023 City Council meeting. Council directed staff to research new parking technologies, which is currently underway.
- A committee was formed in August 2022 to develop key metrics for City operations. The team met several times to identify metrics, develop data sets, identify targets, and to develop analysis statements. Staff is now working on developing metrics dashboards to be accessed via the City's website.
- Muscatine Connect was fully implemented in December 2022. Service targets were established as one day to acknowledge a citizen request and five days to close a request. To date, staff have received 335 citizen requests, acknowledged requests on average within 0.8 days, and closed requests on average within 2.6 days.
- The City Administrator is utilizing a succession planning framework to identify critical roles in the organization, build success profiles, and identify talent within the organization as potential successors to fill future vacancies. Critical role identification, development of success profiles, and identification of potential successors are in progress. This work will continue in 2024.
- The City's redesigned website launched on May 5, 2023. Staff continues to identify opportunities to improve department websites, links, and to improve the usability of the site for citizens.
- Multiple customer service improvements were implemented in the last year. Web cameras were installed in Council Chambers to allow a better experience for citizens when virtually attending Council and citizen board meetings. Muscatine Connect was fully implemented and service levels are tracked quarterly. SmartGov was implemented allowing online issuance of building permits, scheduling of inspections, and review of applications and inspection results. The code enforcement and rental inspection module will be fully implemented in 2024. PetData, a pet licensing software which allows online issuance of pet licenses, was purchased and implemented in January 2024.
- Body worn cameras were purchased and are now required to be worn by all building and nuisance inspectors, construction inspectors, and parking attendants. The Housing division implemented online processes, permitting, and applications for public housing. The library opened a second service desk for patrons on the second floor of the library building. IonWave, an online bidding software, was implemented to allow vendors to receive bid notices and submit bids electronically. Municode implementation was completed, which is an online fully searchable version of the City Code. Staff will continue to implement customer service improvements in 2024/2025.

- Staff presented an overview of the City’s marketing and branding efforts in past years to City Council in November 2023. Council directed staff to develop a process for creating a tagline utilizing a public input process and present options at a future Council meeting. Staff also plans to develop a branding policy and guide for use by City departments for creation of City written and online materials.
- Staffing assessments were completed for two city departments. Action plans were developed from the findings and are currently being implemented. The wage compensation study was presented to the City Council in December 2023. Implementation is pending.
- A balanced budget was presented to City Council in January 2023. The budget was based on a residential rollback percentage of 56.4919%. In February 2023, the Iowa Department of Revenue issued an amended residential rollback percentage of 54.6501%. Staff and Council re-evaluated and adjusted the proposed budget, resulting in adoption of a balanced budget in April 2023 which included a slight reduction in the property tax rate.
- The City was awarded several grants between November 1, 2022 and October 31, 2023, including:
 - Mulberry Neighborhood Revitalization Grant – \$1,850,000
 - Downtown Revitalization Grant for Facade Improvements - \$650,000
 - Destination Iowa Grant for indoor sports complex - \$1,000,000
 - Paul Bruhn Historic Revitalization Grant for historic downtown buildings - \$747,148
 - Law Enforcement Mental Health Wellness and Awareness Grant - \$200,000
 - Home Down Payment Assistance Grant - \$317,000
 - Iowa DOT grant for new fuel system at the Muscatine Airport - \$400,000
 - Art Center Cultural Leadership Partner program grant - \$15,000
 - Art Center Quad City Arts’ Arts Dollars - \$5,000
 - Alliant Energy Branching Out tree grant - \$4,000
 - Affordable Connectivity Program Grant (for internet access for low-income households) - \$83,234
 - Riverfront Security Camera Upgrades grant - \$19,430

Safe Community

- Development of a wayfinding (directional signage) masterplan commenced in October 2022. City Council reviewed and selected final concept designs in October 2023. A final masterplan was presented and approved by City Council in December 2023.
- Keyless entry for City Hall, Public Works, and Public Safety buildings were completed utilizing American Rescue Plan Act (ARPA) funds. Other City buildings will be considered for keyless entry as funding becomes available.
- Staff have conducted site visits and requested quotes from interested contractors to evaluate locations for security cameras in City parks. Staff will select a preferred provider and request approval by City Council. Security cameras will be installed at Musser and Taylor Park as part of the Community Foundation Southend Community Improvement Projects. The City recently received a notice of award for a \$19,430 grant to install security cameras at strategic locations on the riverfront. All of the security systems will be installed using the same vendor as approved by City Council.
- The City negotiated a Community Investment and Settlement Agreement with Canadian Pacific Railroad, which, upon Surface Transportation Board’s approval of the acquisition, provided the City with a \$3 million payment that was set aside in a capital project fund. The City applied for a federal

Railroad Crossing Elimination Grant in October 2022 (using the settlement funds as a grant match) to plan and design a grade separated crossing at Dick Drake Way to mitigate any future increase in blocked crossings in Muscatine's south end as a result of an increase in train traffic due to the merger. The City was not awarded the grant but intends to re-apply when the grant cycle reopens later this calendar year.

- Community and problem-oriented policing is a key focus of the Muscatine Police Department. Recent efforts include operation of the Street Crimes Unit, Public Safety Open House, Coffee with a Cop, Crime Free Multi-Housing Program, Code Blue, Shop with a Cop, participation in RAGBRAI, National Night Out, and many others.
- The Fire department is experiencing significant turnover in personnel (16.8% in FY23 and 8.33% to date in 2024). The Police Department's turnover has decreased in recent years, with a 2022/2023 turnover rate of 4.47% and a 2023/2024 year to date rate of 2.24%. Efforts to reduce turnover have included conducting and analyzing key themes from exit interviews, conflict resolution, leadership development, and other efforts to improve department culture. This work will continue in the coming year, including the initiation of stay interviews.

Vibrant Community

- Staff applied for and received a \$650,000 Downtown Revitalization Grant as a match to City and private dollars for a total investment of \$1,300,000 in the City's Downtown District. The design is complete and the construction grant was awarded and approved by City Council in November 2023. Project completion is expected in October 2024. The City and GMCCI partnered to offer a Small Business Façade Grant Program utilizing American Rescue Plan Act funds. The City received a \$747,000 Paul Bruhn grant for façade improvements for up to 13 qualifying historic buildings in the downtown business district. With the City's match, the total investment will be about \$867,000. The project is anticipated to be completed by August 2026. The City continues to partner with GMCCI on marketing and tourism in the downtown area through the City/GMCCI marketing and tourism agreement. The City provides GMCCI with \$135,000 annually for this purpose.
- The City developed a derelict property demolition process in 2021. From 2021 to the present day, the City has removed 14 abandoned or derelict structures and returned the parcels to a redevelopable state. Of the \$202,645 spent on demolition, the City has received \$56,100 in payment from property owners. The City will continue the demolition program in 2024 and future years. The City has declared or re-affirmed 39 City properties as surplus as of October 2023. Since 2021, the City has sold 15 parcels and returned them to the tax rolls. Three additional surplus parcels are scheduled to be sold in the near future via the sealed bid process.
- The property maintenance program was started in August in 2022. From August of 2022 to the present, the City has issued 33 property maintenance notices to vacant properties. Thirteen properties have received building permits to correct the cited issues. The City has issued five citations, of which three properties were fined and ordered to complete the repairs by a certain deadline. The remaining properties are moving through the enforcement process.
- The City continued to implement its small business forgivable loan program in 2023 and will continue to provide these loans in the coming years as businesses apply. Since the program's inception in FY 2015, the City has provided 60 loans, seven of which did not meet the loan terms and repaid a portion of the funds awarded.

- Zenith, the roundabout art installation, was fully funded in 2023. The art installation was completed in December 2023. The Watermelon Slice art installation was proposed and endorsed by City Council, the Parks and Recreation Commission, and the Public Art Commission. The Watermelon Slice was installed in September 2023. City Council discussed public art at its June 8, 2023, Council meeting. The Council requested further work on mural standards, recommendations on funding public art, and rough ideas on cost and approach to a public art master plan. Staff has since incorporated development of a public art plan into the scope of the upcoming comprehensive plan study.
- The City funded a 30% design of the amphitheater concept. A local nonprofit donated funds to the City to support completion of a market demand study to utilize for fundraising purposes. The demand study is near completion. In 2024, City staff will continue to work with local partners to seek private and grant funds to complete the amphitheater project.
- The Housing Study Request for Proposals was issued in April 2023 and Council awarded the contract in July 2023. The project is in progress and is expected to be presented at a joint City/County/School District meeting in January 2024.
- The Tax Increment Financing (TIF) policy was approved by the City Council in December 2022.
- The City's Comprehensive Plan Update will be initiated following completion of the housing study in February 2024.
- The City re-engaged with Merge Urban Developers in 2022 to construct a 56-unit mixed-use development with a residential mix of studio, 1-bed, and 2-bed units. The ground floor will consist of a residential lobby space, bike storage, and approximately 6,000 square feet of micro retail and retail space. The total initial investment of the developer is \$9,000,000 and the facility will be rented at market rates. The City committed to rebate 90% of the project TIF (Tax Increment Financing) for 15 years and provided a resolution of support for a Workforce Housing Tax Credit Application, which was awarded to the project in the fall of 2022. Merge initiated due diligence work, which is now complete. Staff is currently negotiating development agreement terms and collaborating with Merge and reps for the Kent-McKee project to design and construct a roundabout at Carver Corner. Staff continues to collaborate with community partners on other housing projects, including the Mulberry Neighborhood Revitalization, Mississippi Drive Apartments, 3D printed homes at Arbor Commons, downtown upper story housing conversions, and other projects.

Reliable Public Infrastructure

- The City applied for and was awarded a \$2,000,000 planning grant for the reconstruction of the Isett Avenue Corridor (Isett Avenue and Cypress Street) in June 2023. The City solicited Statements of Qualification for design firms in September 2023. The design firm will be selected in January 2024.
- The \$7.74 million, two-year Grandview Avenue Reconstruction Project included roadway improvements on the 2.2 mile stretch of Grandview Avenue from Franklin Street to U.S. Highway 61. Grandview Avenue is substantially complete with landscaping and work on the decorative monuments yet to be done. Completion of punch list items is still underway.
- Phase 5 of the West Hill Sewer Project was significantly behind schedule, so the City Council amended the construction contract to remove the proposed sewer, water, and paving items from the Climer Street portion of the project between Lucas and Logan. The purpose of this action was to ease the burden on the traveling public and those that live on Climer Street from ongoing construction.

This section of work will be added to a future phase of the West Hill Sewer Separation Project. The contract and bond for Phases 6A and 6B of the West Hill project was approved by City Council in June 2023. Phases 6A and 6B are in progress and are scheduled for completion by December 2024.

- The Water Pollution Control department conducted a capital assessment of its facilities which included prioritization of several capital projects. The largest of those projects, an upgrade to the facility's UV disinfection system, is currently in progress and will be completed by April 2024. The Council Chambers were remodeled with new paint, flooring, and chairs. The steps at City Hall were reinforced and resurfaced.
- A construction contract for Phase I of the Fulliam Avenue Reconstruction project was awarded in April 2023. The project occurred during the summer months due to its proximity to two schools. Fulliam Avenue was re-opened in August prior to the new school year; however, sidewalk and other work continued the remainder of the construction season. Phases 2 and 3 of the projects will be scheduled in the same manner over the next two years. At the close of the project, Fulliam Avenue will be completely reconstructed from Kindler to Houser Street.
- In 2018, the City contracted with a consulting firm to design a mini-roundabout and to apply to the Iowa DOT for Traffic Safety Funds to reduce traffic congestion at the intersection of Fulliam and Houser Streets. A Traffic Safety Improvement Program (TSIP) grant was approved for construction of the project. In 2019, the City Council decided to discontinue the project and not accept the grant award. In 2022, the City Council requested that staff re-investigate the possibility of applying for TSIP funding for this intersection. Staff submitted a grant application in March 2023 and was notified in December 2023 that the City was awarded the requested funding.

Healthy Community

- Staff constructed new and/or improved sidewalks as part of several construction projects, including Grandview Reconstruction, Fulliam Reconstruction Phase I, and West Hill Sewer Separation Project Phases 5 & 6. New sidewalk was installed on 67th Street and construction of a new sidewalk on Devitt Avenue is currently under design. Staff also implemented a sidewalk inspection program in 2023. All current sidewalks were evaluated for condition, and locations with missing sidewalks were identified. Council supported enforcing City Code regarding the homeowner's responsibility to repair sidewalks and for the City to share the cost with homeowners to install new sidewalks. Staff developed a process to do so and are implementing City Council's direction beginning with sidewalk condition complaints. In 2024, staff will work on a program to provide homeowners with an opportunity to pay sidewalk repair costs through special property tax assessments.
- Throughout 2022, the City and the Muscatine Community School District (MCSD) negotiated a purchase agreement for Tom Bruner Field and an adjoining parcel on which to locate an MCSD baseball/softball complex. While the softball field became cost prohibitive to construct at that location, the City and MCSD successfully negotiated a purchase agreement for Tom Bruner Field and ownership was transferred from the City to MCSD. The deed was executed by City Council in August 2023. MCSD initiated redevelopment of Tom Bruner Field following City Council's approval.

**OBJECTIVES TO BE ACCOMPLISHED IN
2024/2025 AND FUTURE YEARS**

City Council met in November 2023 to establish priorities for the 2025 calendar year. The Council identified four key priority areas and several initiatives, policies, and programs to address the priorities identified. They also identified initiatives, projects, and programs that staff should continue doing to support Council priorities.

The City Administrator and Department Directors met in December 2023 to discuss those priorities, initiatives, policies and programs identified by City Council. The following list of objectives is the outcome of both the Council and City staff discussions.

Goal 1: Employee Recognition and Retention (Excellent Customer Service)

- Continue study and support of the compensation study to keep the City’s compensation aligned with other peer communities.
- Develop and implement an employee recognition policy to allow modest use of funds for recognition of employees and volunteers including provision of sustenance supplies to employees and visitors.
- Evaluate and update the employee wellness program and explore opportunities to tie it to compensation.
- Develop a succession plan for key positions to ensure continuity of service, knowledge transfer, and to develop talent within the City organization.
- Implement improvements to the payroll process to reduce duplication of efforts and reduce the amount of staff time invested in managing payroll.
- Continue to provide city leadership training.

Goal 2: Conduct Housing Programs and Initiatives including Infill Development (Vibrant Community, Healthy Community, Safe Community)

- Implement the recommendations of the housing study and evaluate opportunities to create new moderate-income housing and promote infill development.
- Complete the comprehensive plan.
- Continue the substandard housing improvement/demolition program.
- Address the quality of rental housing units.
- Update zoning rules to include new and more innovative zoning policies, including allowing accessory dwelling units (part of the Comprehensive Plan).
- Evaluate options for the long-term sustainability of the Clark House and Sunset Park Housing.

Goal 3: Economic Development Initiatives (Vibrant Community)

- Fine tune business loan programs to attract and retain certain business types and focus efforts to bring new businesses and restaurants to the City.
- Provide information to City Council regarding the City’s Urban Renewal Plan.
- Implement marketing and branding policies and strategies to promote Muscatine’s economic development.
- Implement a vacant building registration program.

Goal 4: City Inspection Program Improvements (Vibrant Community, Healthy Community, Safe Community)

- Implement the Construction Appeal & Advisory Board, including development of older home and business renovation codes.
- Study and address complaints about the City Building Inspection Programs, including streamlined communication, uniform code enforcement, and challenges contractors and residents have with complying with the current building code.
- Provide conflict resolution training to City inspectors.
- Improve relationships with building/contracting organizations and city officials including providing education to Councilmembers and other stakeholders regarding inspection code requirements and rationale.

Goal 5: Capital Projects (Reliable Public Infrastructure)

- Continue the following capital projects:
 - Indoor Sports Complex
 - Weed Park Lagoon
 - Isett Avenue Reconstruction
 - Law Enforcement Training Facility
 - Devitt Sidewalk
 - West Hill Sewer Separation Project
 - Redundant Force Main
 - Fulliam/Houser Roundabout
 - Fulliam Avenue Reconstruction
- Initiate the following new projects:
 - Aquatic Center Master Plan
 - Harbor and marina improvements
 - Trails projects
 - Energy efficiency in city buildings
 - Improvements to the Muscatine Slough
 - Art Center Building Additions
 - Dredge Spoil Dewatering

Function:
General Government

Department:
Legislative and Council

Activity:
Mayor and City Council

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 41,800	\$ 41,891	\$ 41,900	\$ 41,900	\$ 42,000	0.24%
Commodities	1,811	1,541	2,500	2,300	2,300	-8.00%
Contractual Services	37,563	35,422	45,300	43,400	46,400	2.43%
Capital Outlay	2,392	2,516	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 83,566	\$ 81,370	\$ 89,700	\$ 87,600	\$ 90,700	1.11%
Funding Sources						
General Revenues	\$ 83,566	\$ 81,370	\$ 89,700	\$ 87,600	\$ 90,700	1.11%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Part Time Positions:						
Mayor	1	1	1	1	1	
Councilmembers	7	7	7	7	7	
Total	8	8	8	8	8	\$ 37,800
Employee Benefits						4,200
Total Personal Services						\$ 42,000

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. Other attorneys within the firm assist with a variety of matters at a lower hourly rate. 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 2023/2024 revised estimate for Legal Services of \$167,500 is \$50,000 more than the original budget. The 2023/2024 revised estimate allows for \$125,000 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 \$50,000 increase is due to the increased hours of legal services that were needed on a number of matters, including improvements to the City's nuisance abatement and property maintenance programs, assistance with contracts, a variety of real estate transactions, and other priority projects. Actual legal costs vary from year to year due to projects and issues that arise.

The 2024/2025 legal services budget is \$167,500, the same amount as the 2023/2024 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 \$125,000 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 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 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
City Attorney Hours (excluding Human Resources hours) *	788	808	971	800	700

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

RECENT ACCOMPLISHMENTS

Legal counsel assisted with numerous legal matters in 2023/2024, including development of ordinances, improvements to the City’s nuisance program, the City Administrator’s employment contract, litigation, agreements, grievances, contracts, capital projects, real estate transactions, open records requests, and other general legal support.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025

- 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 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	144,319	194,759	117,500	167,500	167,500	42.55%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 144,319</u>	<u>\$ 194,759</u>	<u>\$ 117,500</u>	<u>\$ 167,500</u>	<u>\$ 167,500</u>	42.55%
Funding Sources						
General Revenues	<u>\$ 144,319</u>	<u>\$ 194,759</u>	<u>\$ 117,500</u>	<u>\$ 167,500</u>	<u>\$ 167,500</u>	42.55%

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 2023/2024 revised estimate is \$9,900 less than the original budget. Personal services costs are \$3,400 less, commodities are \$500 less, and contractual services are \$6,000 less than the original budget. The decrease in contractual services includes savings from less than anticipated cost for facilitation of the City Council's goal-setting session (\$5,300), and a \$600 reduction in travel and education costs.

The 2024/2025 budget is \$32,900 (6.5%) higher than the original 2023/2024 budget due to (1) a \$33,700 increase in personal services costs, (2) a \$500 decrease in commodities, and (3) a \$300 decrease in contractual services. The increase in personal services costs includes a \$19,900 increase in wages, a \$9,600 increase in pension and retirement contributions, and a \$4,200 increase in employee insurance costs.

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 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
City Council Agenda Items Presented for Approval	369	523	536	525	530
City Council Agenda Items Approved	368	522	519	525	530
Staff Meetings Held	36	42	43	40	40
Greater Muscatine Chamber of Commerce and Industry (GMCCI) Board Meetings	4	4	4	4	4
Quad City Area Managers Meetings (Bi-State)	12	10	11	11	11
International City/County Management Association (ICMA)	1	1	1	1	1
League of Cities (Board, Committees, Mid-Sized Cities, Annual and Special Meetings)	2	2	2	2	2
GMCCI Committee Meetings	0	0	4	6	6

Communications Metrics

	January 1 – December 31, 2021*	January 1 – December 31, 2022	January 1 – December 31, 2023	Estimated 2024
Facebook Page Followers	8,994	10,192	11,413	12,200
Facebook Average Weekly Reach	8,684	8,820	6,413	10,000
Twitter Followers	1,512	1,524	1,522	1,700
Twitter Average Weekly Impressions	2,784	1,865	1,374	2,000
Instagram Followers	1,457	1,520	1,625	1,700
Instagram Average Weekly Impressions	3,191	2,769	3,742	4,500
YouTube Subscriptions	356	416	575	650
YouTube Average Weekly Watch Time	10:40	10:15	8:28	10:00
Linked-In Followers	213	286	394	450

* 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 an overview of the central business district parking system at the June 8, 2023 City Council meeting. Council directed staff to research new parking technologies, which is currently underway. **(Vibrant Community, Safe Community, Excellent Customer Service)**
- Staff presented an overview of boards and commissions to the City Council at the October 12, 2023 City Council meeting. Council directed staff to establish board bylaws, develop an onboarding program for board volunteers, develop an onboarding handbook, and assign City Council liaisons to certain boards and commissions. Staff has initiated development of an onboarding handbook, and will complete the remaining tasks in 2024. **(Excellent Customer Service)**
- Municode, an online codification system, was implemented in September 2023. **(Excellent Customer Service)**
- Staffing assessments were completed for two city departments. Action plans were developed from the findings and are currently being implemented. The wage compensation study was presented to the City Council in December 2023. Implementation is pending. **(Excellent Customer Service)**
- City Council considered options for nuisance appeals at the April 13, 2023 City Council meeting. Council decided to maintain the current practice of City Council deciding nuisance appeals. **(Vibrant Community, Safe Community)**
- Development of a wayfinding (directional signage) masterplan commenced in October 2022. City Council reviewed and selected final concept designs in October 2023. A final master plan was adopted by City Council in December 2023.
- The City re-engaged with Merge Urban Developers in 2022 to construct a 56-unit mixed-use development. The City committed to rebate 90% of the project TIF (Tax Increment Financing) for 15 years and provided a resolution of support for a Workforce Housing Tax Credit application, which was awarded to the project in the fall of 2022. Staff is currently negotiating development agreement terms and collaborating with Merge representatives to design and construct a roundabout at Carver Corner. The City partnered with Kent Corporation to provide TIF assistance for the Kent-McKee project, which is currently under construction. **(Vibrant Community, Reliable Public Infrastructure)**
- Throughout 2022, the City and Muscatine Community School District (MCSD) negotiated a purchase agreement for Tom Bruner Field and an adjoining parcel on which to locate an MCSD baseball/softball complex. While the softball field became cost prohibitive to construct at that location, the City and MCSD successfully negotiated a purchase agreement for Tom Bruner Field and ownership has transferred from the City to MCSD. The deed was executed by City Council in August 2023. MCSD initiated redevelopment of Tom Bruner Field following City Council's approval.
- A succession planning framework has been developed to identify critical roles in the organization, build success profiles, and identify talent within the organization as potential successors to vacancies from resignations, retirements, etc. Critical role identification, development of success profiles, and identification of potential successors are in progress. This work will continue in 2024. **(Excellent Customer Service)**
- Numerous customer service improvements were implemented including: an employee recruitment and hiring software that allows candidates to apply and track their application status online, an online portal to allow citizens to report concerns on the City's website or from a mobile application, an electronic

bidding software that reduces the need for submission of hard copy proposals, an online municipal code that is searchable and easy to use, and an online pet licensing system. **(Excellent Customer Service)**

- All supervisors have attended leadership training (Leadership Communication to Improve Teamwork. Non-supervisory staff are now attending similar training regarding resolving conflict in the workplace. **(Excellent Customer Service)**
- The City's redesigned website launched on May 5, 2023. Staff continues to identify opportunities to improve department websites, links, and to improve the usability of the site by citizens. **(Excellent Customer Service)**
- Development of a City of Muscatine intranet is in progress. The intranet site will contain staff information, City policies, videos, and features just for City employees.
- A redesigned city website was launched that is easier to use and compliant with the American with Disabilities Act. Additional enhancements will be added as funds become available. **(Excellent Customer Service)**
- Staff presented an overview of the City's marketing and branding efforts in past years to City Council in November 2023. Council directed staff to develop a process for creating a tagline utilizing a public input process and to present options at a future Council meeting. Staff also plans to develop a branding policy and guide for use by city departments for creation of written and online materials. **(Excellent Customer Service)**
- The City of Muscatine's social media platforms continue to grow. Videos have played a big part with social media video posts on different aspects of life in Muscatine garnering over one million views during the past year from tree planting to public art installations to life on the river. Council meetings have also seen increased viewership as citizens take an increased interest in local government. **(Excellent Customer Service)**
- Staff is working with the Greater Muscatine Chamber of Commerce & Industry (GMCCI), 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)**
- The City Administrator's office supported the application and award of a \$1 million Destination Iowa grant for design and construction of an indoor sports complex. Staff solicited private and public donations for the project which is scheduled to open in late 2024. **(Healthy Community)**
- Muscatine hosted RAGBRAI (Register's Annual Great Bicycle Ride Across Iowa) in July of 2023. The City Administrator's office participated in event planning, development of enabling local legislation for the event, logistics, and volunteering on the day of the event. **(Excellent Customer Service)**
- Staff supported the installation of the Watermelon Slice art piece, including designation of project management support, development of contracts, and other items for Council approval.
- The City Administrator developed an ordinance and a policy for disposal of surplus city property.
- Muscatine Connect, Civic Clerk, and Municode were launched to enhance citizen engagement and user experience. Implementation included staff training across city departments. **(Excellent Customer Service)**

**OBJECTIVES TO BE ACCOMPLISHED IN
2024/2025 AND FUTURE YEARS**

- Develop a succession plan for key positions to ensure continuity of service, knowledge transfer, and to develop talent within the City organization. **(Excellent Customer Service)**
- Complete negotiations for the City's three bargaining unit contracts. **(Excellent Customer Service)**
- Complete implementation of improvements to boards and commissions. **(Excellent Customer Service)**
- Mitigate the impacts of the Canadian Pacific Railway acquisition by applying for a railroad crossing elimination grant (when the opportunity is available) and researching an extended quiet zone in the south end of Muscatine. **(Healthy Community, Vibrant Community)**
- Continue the study of and implementation of the compensation study. **(Excellent Customer Service)**
- Finalize the development agreement for the Merge Project at Carver Corner. **(Vibrant Community)**
- Fully implement a performance measurement dashboard accessible from the City's website (subject to funding). **(Excellent Customer Service)**
- Initiate implementation of the wayfinding master plan. **(Vibrant Community)**
- Create a survey and other communication tools to involve the public in development of a City of Muscatine tagline and/or slogan that can be used in combination with the City logo to promote the community. A committee of staff, elected officials, and residents will be formed to review responses and create a short list to be submitted to City Council for consideration. **(Excellent Customer Service)**
- Create and implement a marketing plan and develop a branding guide for the City of Muscatine. **(Excellent Customer Service)**
- Assign individuals in each department to oversee content in that department's section of the City website and provide instruction and support for these individuals. The goal is to provide the public with an up-to-date website that is easy to navigate. **(Excellent Customer Service)**
- Continue to promote and highlight projects currently underway and the value to the residents and potential residents of completed projects in the City. **(Excellent Customer Service)**
- Work with department heads to identify and highlight employees and their jobs with the City. **(Excellent Customer Service)**

Function:
General Government

Department:
City Administrator

Activity:
City Administrator

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 401,299	\$ 417,092	\$ 436,400	\$ 433,000	\$ 470,100	7.72%
Commodities	2,002	2,875	2,800	2,300	2,300	-17.86%
Contractual Services	43,227	35,585	69,800	63,800	69,500	-0.43%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 446,528	\$ 455,552	\$ 509,000	\$ 499,100	\$ 541,900	6.46%
Funding Sources						
Funding Transfers for Communications Manager	\$ 82,000	\$ 85,000	\$ 89,500	\$ 89,500	\$ 92,500	3.35%
General Revenues	364,528	370,552	419,500	409,600	449,400	7.13%
Total	\$ 446,528	\$ 455,552	\$ 509,000	\$ 499,100	\$ 541,900	6.46%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
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	1.00	1.00	1.00	1.00	1.00	
Total Full Time	3.00	3.00	3.00	3.00	3.00	\$ 327,500
Employee Benefits						142,600
Total Personal Services						\$ 470,100

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 2023/2024 revised estimate is over the original budget by \$39,700. This increase is primarily due to (1) a \$37,700 increase for consultant services for a compensation study and pay plan analysis for non-bargaining unit employees, and (2) a \$1,700 increase in personal services. Funding for the compensation study of \$40,000 was carried forward from the 2022/2023 budget. The compensation study is complete and the allocation for professional services has decreased for 2024/2025.

The 2024/2025 budget is \$4,100 (1.9%) higher than the original 2023/2024 budget. This overall increase is due to (1) an \$11,900 increase in wages and benefits, (2) a \$100 increase in commodities, and (3) a \$7,900 decrease in contractual services. The decrease in contractual services is due to a decrease in labor attorney costs since all three bargaining unit contracts were negotiated in the 2023/2024 fiscal year.

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 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
Full-time Positions Hired	18	30	31	25	25
Permanent Part-time Positions Hired	24	18	14	15	15
Retirements	12	12	10	7	10
Personnel Actions Processed	460	383	445	400	400
Employment Applications Received	350	282	1,477 *	1,000 *	1,000 *
Civil Service Examinations Administered	11	12	32	15	15
Employee Training Programs	5	6	5	5	5
Civil Service Commission Meetings	5	4	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. The compensation study is complete and was presented to City Council in December 2023. Implementation is pending.

HR staff is working with the City Administrator on a variety of HR initiatives including updating the ongoing leadership training. The majority of management staff have completed the program and a refresher training opportunity is available. Additionally, a three-day class to learn the basic concepts of the leadership training is now being offered to non-supervisors. One session of each has been conducted with more sessions scheduled in the spring. The HR Manager and the City Administrator are working to create follow up trainings and workshops to allow employees to continue to develop these skills and to retain the information.

HR staff worked diligently with departments this year to improve the process of handling time sheets and leave tracking. All departments are entering payroll information via Google sheets. This has saved time and trips to City Hall, reduced the number of payroll touches, and facilitated better communication between the departments, HR, and Finance staff.

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

The HR 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.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025

- In conjunction with the Finance Department, research and evaluate electronic payroll systems to update the City's payroll process. **(Excellent Customer Service)**
- Evaluate options to move the employee performance management system to an online platform that would streamline the process for employee performance appraisals. **(Excellent Customer Service)**
- Continue to implement the City's mission, values, and behavior statements as part of employee performance management and development. **(Excellent Customer Service)**

Function:
General Government

Department:
City Administrator

Activity:
Human Resources

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 129,916	\$ 138,376	\$ 151,600	\$ 153,300	\$ 163,500	7.85%
Commodities	264	843	1,500	1,800	1,600	6.67%
Contractual Services	35,390	52,709	67,000	104,700	59,100	-11.79%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 165,570</u>	<u>\$ 191,928</u>	<u>\$ 220,100</u>	<u>\$ 259,800</u>	<u>\$ 224,200</u>	1.86%
Funding Sources						
General Revenues	<u>\$ 165,570</u>	<u>\$ 191,928</u>	<u>\$ 220,100</u>	<u>\$ 259,800</u>	<u>\$ 224,200</u>	1.86%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
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	\$ 111,400
Employee Benefits						<u>52,100</u>
Total Personal Services						<u>\$ 163,500</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 2023/2024 is \$3,000 less than the original budget primarily due to a reduction in personal services costs due to a turnover in staff.

The budget for 2024/2025 is \$2,100 (3.0%) less than the 2023/2024 budget due to decreased personal services costs with the new Office Coordinator starting at a lower step in the pay plan.

The budget for 2024/2025 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 2021	Actual 2022	Actual 2023	Estimated 2024	Estimated 2025
Employee Wellness Opportunities	14 (1)	14	12	14	14
Employee Wellness Participants	283	247	240	300	325
Employee Assistance Program Participation Levels	N/A (1)	6.88%	9.72%	9.8%	10%

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 offering as follows:

	THRIVE	Flu Shots	Wellness Screenings	Weight Loss Programs	Hearing Tests	Lifestyle Programs (estimate)	Fitness Scholarships	Blood Drive	Turkey Trot
Participants	63	37	56	N/A	N/A	68	2	N/A	2

The Biometric Screenings program continues to be one of the most popular programs offered through the Wellness Program. Participation in 2023 was fairly consistent with previous years at 53. Employees and their spouses were eligible to receive exams and consultations that give them the information they need to make proactive choices to positively impact their health. Employees who have established their baseline can track their health and wellness in these categories from year to year. Result packets are mailed to each participant. Group data from the Wellness Screening program is made available to the City to better understand employee demographics and assist in tailoring the Wellness Program offerings. This information influences the design of the quarterly Thrive Wellness Center activities.

The flu shot program saw a decrease in participants. Two clinics were offered in October at City Hall and Public Works with vouchers available to those who could not attend the in-person clinics.

Fitness reimbursement scholarships, the Turkey Trot, and multiple challenges through the Wellness Center continue to be offered. Some programs were not offered in 2023 due to a staff vacancy. The new Program Supervisor will continue to organize and enhance these programs in the future.

The Program Supervisor and City Human Resources staff surveyed all City employees looking for input on the City Wellness Program. This input will be used to continue to enhance the Wellness program.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025

- To evaluate and modify the Wellness Program offerings to best meet City employee needs. **(Healthy Community)**
- To increase overall Wellness Program participation in 2024. **(Healthy Community and Excellent Customer Service)**
- To increase participation in the Wellmark online Wellness Center. **(Healthy Community)**

Function:
General Government

Department:
Parks and Recreation

Activity:
Wellness Program

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 41,263	\$ 43,005	\$ 44,800	\$ 41,800	\$ 42,700	-4.69%
Commodities	90	30	2,300	2,300	2,300	0.00%
Contractual Services	14,425	22,455	22,900	22,900	22,900	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 55,778	\$ 65,490	\$ 70,000	\$ 67,000	\$ 67,900	-3.00%
Funding Sources						
Health Insurance Funds	\$ 55,778	\$ 65,490	\$ 70,000	\$ 67,000	\$ 67,900	-3.00%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time Position Allocation:						
Office Coordinator	0.50	0.50	0.50	0.50	0.50	\$ 25,400
Employee Benefits						17,300
Total Personal Services						\$ 42,700

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 2023/2024 Revised Estimate for the Finance department is the same in total as the original budget. There was a \$28,900 decrease in personal services costs, primarily due to the vacancy in the Accountant position and the new Accountant starting at a lower step in the pay plan. This decrease was offset by an increase of \$1,100 in commodities and an increase of \$27,800 in contractual services. The increase in commodities includes a \$600 increase in the allocation for City-wide copy paper and increases in costs for printing and general office supplies. Significant increases in contractual services include: (1) an increase of \$1,500 for publishing legal notices, (2) an increase of \$10,000 for the Debtbook software annual fee for lease and subscription accounting, (3) an increase of \$13,500 for the annual costs of the ION Wave electronic bidding software, and (4) an increase of \$2,800 for City-wide postage charges.

The budget for 2024/2025 is \$64,300 (7.7%) higher than the original 2023/2024 budget. This overall increase is primarily due to (1) increased employee wage and benefit costs of \$33,100 which reflects the implementation of the new compensation plan, newer employees progressing through steps in the pay plan, and the increase in health insurance costs, (2) a decrease of \$4,800 due to no biannual election in 2024/2025, (3) an increase of \$5,300 for the biannual OPEB Actuarial Study in 2024/2025, (4) an increase of \$3,000 in annual financial software maintenance costs for the Cloud version of the City-wide financial software, (5) an increase of \$13,500 for the ION Wave electronic bidding software (the first year cost was funded from ARPA funds), (6) an increase of \$10,000 for the Debtbook software annual fee for lease and subscription accounting required by new accounting standards, (7) an increase of \$2,100 for publishing legal notices, (8) an increase of \$4,000 for City-wide postage, (9) a decrease of \$1,800 for discontinuing the lease of the Cedar Street basement which had been used for storage, and (10) a net decrease of \$100 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 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
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	4,397	4,517	4,662	4,700	4,700
City Vendor ACH Payments	197	197	185	200	200
Housing Programs Checks Issued	1,552	1,495	1,542	1,550	1,400 (1)
Housing Vendor ACH Payments	459	497	545	550	550
Payroll Checks Issued	1,294	1,050	960	950	950
Payroll Direct Deposit Transactions	8,012	8,563	8,946	8,950	8,950
Accounts Payable Transactions	24,798	22,506	23,230	23,500	23,000 (1)
City Receipt Transactions	12,479	11,099	13,046	13,050	13,050
Housing Receipt Transactions	2,386	2,296	2,406	2,400	1,800 (1)
Interest Earned	\$97,460	\$44,359	\$1,135,645	\$1,000,000 (2)	\$1,000,000 (2)
Records:					
Public Documents Recorded	429	526	502	550	525
Council Minutes Prepared	50	54	50	50	50
Notices Published	80	83	99	90	90
Purchasing:					
Purchase Orders Processed	2,899	2,981	3,091	3,100	3,100

1. The decreases in housing program checks, housing receipts, and accounts payable transactions in 2024/2025 are due to discontinuing the agreement for managing the Hershey Manor housing project.
2. The interest estimates for 2023/2024 and 2024/2025 are based on the continuation of the current higher interest rates.

RECENT ACCOMPLISHMENTS

Awards. The City received GFOA’s Distinguished Budget Presentation Award for the 2023/2024 Budget. This was the 39th consecutive year the City received this award. The City was awarded its 29th consecutive Certificate of Achievement for Excellence in Financial Reporting for the Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2022.

GASB Statement Implementation. GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was implemented by Finance staff in fiscal year 2022/2023 as required by this Statement. This Statement had a significant impact on how Information Technology subscriptions 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 2022 and the 2nd annual report in April of 2023; the next annual report will be completed by April 30, 2024. The City Administrator and Finance Director prepared the updated schedule showing the proposed uses of the ARPA funds as part of the 2023/2024 budget. This list included funds to balance the 2022/2023 and 2023/2024 budgets, if needed. If not needed, those funds can be redirected to other projects/programs. The ARPA project funding listing was updated as part of the 2024/2025 budget.

State Revolving Fund Loan for West Hill Sewer Phases 6-A and 6-B. The Finance Director worked with the City's financial advisor, bond counsel, and Public Works staff to complete and finalize the \$8 million State Revolving Fund (SRF) Loan that is financing this phase of the project.

Sewer Rate Study for Sewer and Collection & Drainage Rates. The Finance Director worked with Veenstra & Kimm, the project consultant, the Water Pollution Control Director, and the Public Works Director on information needed for the sewer rate study. The recommendations of this study were implemented by ordinance and set these rates for the next five fiscal years.

Implemented the IONWave Electronic Bidding Software System. To date this system has been used to bid various Public Works and Parks department vehicles and equipment, as well as the new fire engine and ambulance. Staff of other departments will be trained to use this system and it is expected that usage will be expanded in the upcoming year.

Economic Development Incentive Programs (TIF and Tax Abatement). The City entered into two new development agreements in 2023: (1) City Council approved the Development Agreement with Kent Pet Group, Inc. on August 17, 2023 for a new production facility with increased jobs and increased valuations, and (2) City Council approved the Development Agreement with Musco Sports Lighting, LLC on August 3, 2023 for their business expansion.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025:

- * To submit the City's budget for consideration for the Distinguished Budget Presentation Award from the Government 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 to Citizens)**
- * To implement Governmental Accounting Standards Board (GASB) Statements as they become effective. GASB Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*, will be effective for the year ending June 30, 2024, and Statement No. 101, *Compensated Absences*, will be effective for the year ending June 30, 2025. **(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. ARPA funds must be expended or obligated by December 31, 2024. **(Strategic Plan – Reliable Public Infrastructure and Vibrant Community)**
- * To work with staff of other departments to expand the use of 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 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 2021/202	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 635,237	\$ 668,809	\$ 701,000	\$ 672,100	\$ 734,100	4.72%
Commodities	9,158	11,474	10,900	12,000	11,800	8.26%
Contractual Services	90,636	94,720	124,100	151,900	155,600	25.38%
Capital Outlay	1,065	-	1,200	1,200	-	
Debt Service	-	-	-	-	-	
Total Expenditures	<u>\$ 736,096</u>	<u>\$ 775,003</u>	<u>\$ 837,200</u>	<u>\$ 837,200</u>	<u>\$ 901,500</u>	7.68%
Funding Sources						
Licenses and Permits	\$ 72,247	\$ 46,868	\$ 44,700	\$ 46,700	\$ 48,500	8.50%
Housing Accounting Fees	68,400	70,400	72,600	72,600	74,800	3.03%
General Revenues	<u>595,449</u>	<u>657,735</u>	<u>719,900</u>	<u>717,900</u>	<u>778,200</u>	8.10%
Total Funding Sources	<u>\$ 736,096</u>	<u>\$ 775,003</u>	<u>\$ 837,200</u>	<u>\$ 837,200</u>	<u>\$ 901,500</u>	7.68%

Personnel Schedule						
	Actual 2021/202	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
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	\$ 510,300
Employee Benefits						223,800
Total Personal Services						<u>\$ 734,100</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 2023/2024 revised estimate is \$1,200 more than the original budget due to an increase in personal services costs.

The 2024/2025 budget is \$67,000 (14.6%) more than the original 2023/2024 budget. This increase is primarily due to a \$44,500 increase in capital outlay for replacement of IT equipment, including a storage array (\$13,000) and three computer servers (\$31,500). Other increases include (1) a \$17,100 increase in personal services costs, (2) a \$200 increase in commodities, and (3) a \$5,200 increase in contractual services.

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 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
Personal Computers Maintained	223	221	215	215	215
Network Maintained	3	3	3	3	3
Training Sessions	10	30	26	30	30

RECENT ACCOMPLISHMENTS

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

- The server that hosted the database for the Public Housing department and the web server that hosts the public document repository were upgraded to a current version of the Network Operating System (NOS). The previous versions were no longer supported by the manufacturer as of October 10, 2023. Remaining on an unsupported platform does represent an ongoing security risk.
- The software that hosts the public document repository was upgraded to the current version of the software.
- All roaming software was migrated from the downgraded Umbrella Roaming Client to the new Cisco Secure Client. This represents an upgrade in security for City computers when they are not connected to the city network. Additional IT network policies, such as content filtering, geofiltering and anti-malware, can then be activated at the workstation level.
- Facilitated the migration to the new Motorola WatchGuard platform for squad car and body cameras for the Muscatine Police department.
- Installed video conferencing equipment at the Recycling Center and Transfer Station for ongoing meetings with the Department of Natural Resources and other outside organizations.
- Created a template to allow Police department IDs to be produced in-house using the badge printer that was purchased as part of the keycard system. IDs were previously printed by the school district, which led to considerable lead time when a badge needed to be created for a new hire, ID expirations, changes in rank, physical card damage, etc.
- Completed an overhaul of all six OPAC (Online Public Access Catalog) computers at the Musser Public Library.
- Integrated the new camera system at the Muscatine Art Center with the facility’s data network. Due to limitations of the initial design of the camera system by the contracted system integrator, there are continuing challenges with camera system operations. However, after a considerable time investment from City IT staff, we do believe the system is as close to meeting the intended requirements as possible.
- Currently maintaining a 98.33% patch compliance across the entire organization.
- Rolled out a new push client for multifactor authentication which allows users a faster and more convenient way of accessing city computing resources while maintaining advanced security.

- Implemented a solution to allow authorized Fire department personnel access to the ambulance drug boxes using the same 26-bit Wiegand keycards that they are using to access City building facilities.
- Resolved ongoing issues regarding backup storage at the Musser Public Library. Trained required library personnel on the usage of a new method to allow staff to perform daily operations with minimal oversight.

<i>OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025</i>
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- To engineer and install a new server infrastructure at the Musser Public Library. The new design will implement additional redundancy including multiple domain controllers, global catalogs, and DNS servers, as well as conforming to industry best practices. **(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. **(Excellent Customer Service)**
- To migrate the Recycling Center and Transfer Station scale computer to current standards. Due to limitations in the current software, IT staff has been unable to upgrade the hardware and operating system. The new solution will support multiple users, provide additional memory, and has numerous other benefits. The upgrade will also allow additional functions of the camera system to be available, due to having more open resources on the computer for camera system access. **(Excellent Customer Service)**
- To support the migration from the existing in-house database for pet licensing to PetData. IT staff will export the current database to allow for historical access once the PetData system is operational. In addition, a process will be established to check for geographical eligibility to hold a City of Muscatine pet license. **(Excellent Customer Service, Safe Community)**
- To assist with the RFP writing and approval process for security cameras on the riverfront and other park locations. Funding is available for this endeavor through a Justice Assistance Grant and the American Rescue Plan Act (ARPA). Staff will also be applying for a Coast Guard Grant (BSX-22) for this task. This activity must be considered phase one of multiple ongoing phases as our intention is to integrate any cameras installed as part of any identified future project into this system. Future projects include the Sports Dome and the Taylor Park Improvement Project. **(Safe Community)**

Function:
General Government

Department:
Finance

Activity:
Information Technology

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 229,012	\$ 236,807	\$ 246,300	\$ 247,500	\$ 263,400	6.94%
Commodities	1,515	1,461	1,800	1,800	2,000	11.11%
Contractual Services	92,215	144,002	161,800	161,800	167,000	3.21%
Capital Outlay	53,618	-	-	-	44,500	
Transfers	50,000	40,000	50,000	50,000	50,000	0.00%
Total Expenditures	<u>\$ 426,360</u>	<u>\$ 422,270</u>	<u>\$ 459,900</u>	<u>\$ 461,100</u>	<u>\$ 526,900</u>	14.57%
Funding Sources						
IT Administrative Fees	\$ 43,000	\$ 45,100	\$ 47,300	\$ 47,300	\$ 49,600	4.86%
General Revenues	<u>383,360</u>	<u>377,170</u>	<u>412,600</u>	<u>413,800</u>	<u>477,300</u>	15.68%
Total Funding Sources	<u>\$ 426,360</u>	<u>\$ 422,270</u>	<u>\$ 459,900</u>	<u>\$ 461,100</u>	<u>\$ 526,900</u>	14.57%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time Positions:						
Information Technology						
Manager	1.00	1.00	1.00	1.00	1.00	
Computer Technician	<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	\$ 179,100
Employee Benefits						<u>84,300</u>
Total Personal Services						<u>\$ 263,400</u>

Capital Outlay			
Item:	Quantity	Replacement	Amount
Storage Array	1	Yes	\$ 13,000
Servers	3	Yes	<u>31,500</u>
			<u>\$ 44,500</u>

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

Function:
General Government

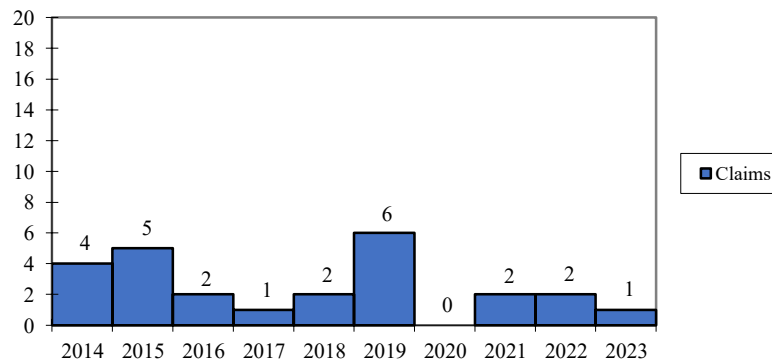
Department:
City Administrator

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 was one lost time workers compensation claim recorded for the City during calendar year 2023. The history of lost time claims for the past ten years is as follows:

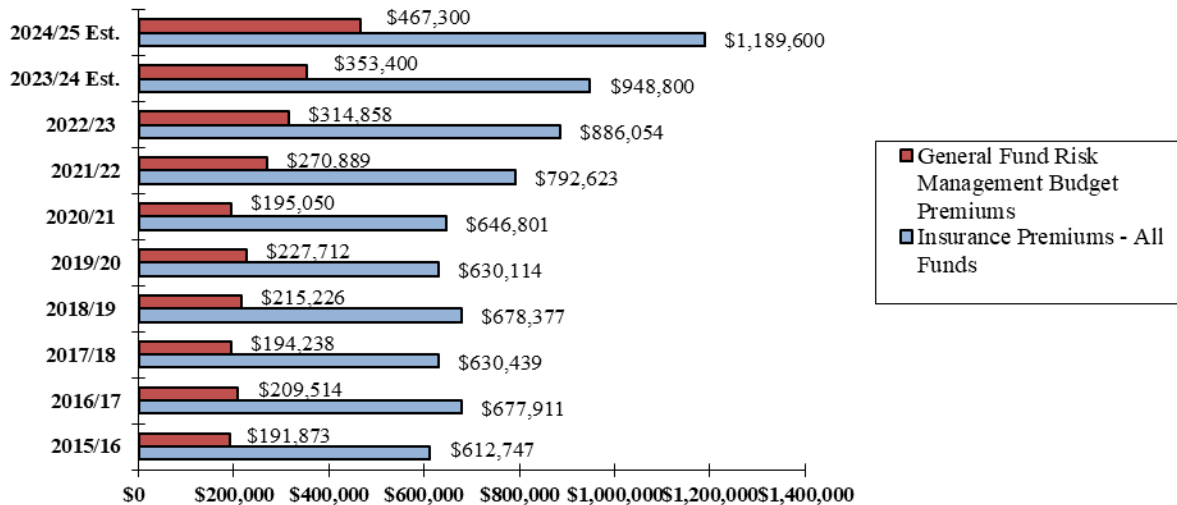
Lost Time Workers Compensation Claims



The goal for 2024/2025 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 2015/2016 through the budgeted costs for 2024/2025 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 2024/2025.

The 2023/2024 revised estimate for the Risk Management budget is \$3,300 more than the original budget due to (1) a \$700 increase in personal services costs, and (2) a \$2,600 increase in insurance premiums.

The 2024/2025 Risk Management budget is \$119,200 (28.7%) more than the original 2023/2024 budget due to (1) a \$116,500 increase in estimated insurance costs, and (2) a \$2,700 increase in personal services costs. The significant increase in estimated insurance costs is due to a notification from ICAP that all member entities should budget for a 30% increase in insurance premiums for 2024/2025. While the City’s claims have not significantly increased, the loss experience across the insurance pool has impacted the City’s insurance costs.

The total insurance premiums (excluding employee health, dental, and life insurance) for the entire City are estimated at \$1,189,600 for 2024/2025. This is a \$216,700 (22.3%) increase from the original 2023/2024 budget of \$972,900 and a \$240,800 (25.4%) increase from the 2023/2024 revised estimate of \$948,800. Of the \$1,189,600 total budgeted insurance costs, \$467,300 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 2024/2025 budget includes an estimated \$20,230 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 2024/2025 includes a \$.46998 per \$1,000 valuation Tort Liability tax levy which is a 30.3% increase from the 2023/2024 tax rate of \$.36075. The Tort Liability tax levy provides funding of \$12,800 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 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
Workers Compensation Experience Modification Factor	.89	.91	.91	.92	.69
Insurance Premiums Paid - All Funds	\$646,801	\$792,623	\$886,054	\$948,800	\$1,189,600
Risk Management Insurance Premiums	\$195,050	\$270,889	\$314,858	\$353,400	\$467,300
Accident Review Committee Meetings	11	11	10	12	12

RECENT ACCOMPLISHMENTS

The city participates annually in safety reviews with loss control specialists from both the worker's compensation carrier (IMWCA) and ICAP, the carrier for most other insurance policies. The loss control specialist from IMWCA attended a safety committee meeting and found the City's process to be impressive. The process the city uses, along with the accident reporting form and associated procedures is being shared by this representative with other municipalities. The Human Resources Manager was invited to present the City's program at IMWCA's annual conference.

IMWCA provides the City with a free online platform to conduct safety training. Both Human Resources staff and department management staff are able to assign applicable training to employees. Over the past year, 337 training sessions have been completed by employees. Topics include items ranging from hearing conservation to law enforcement issues.

Along with training, the safety incentive program continues to assist employees in remaining focused on safe work practices. HR staff is currently trying new methods to more efficiently administer the "safety buck" program. The overall goal of this program is to encourage and reward safe work practices.

The worker's compensation modification factor has reflected a safety record consistently better than the industry average for at least the past decade. This not only results in a healthier workforce, it also provides the city with discounts on the cost of the worker's compensation premiums.

The City's insurance committee, made of up of local industry risk managers, city staff, and one councilmember meet two to three times per year to review the insurance program. This helps ensure the city has the best possible coverage and that any gaps in coverage are identified and corrected.

This division is actively engaged in continuing to improve the city's risk management program by improved training and creation of more standardized policies to assist departments in proper practices and procedures.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025

- To ensure all required employees complete drug testing training. **(Safe Community)**
- To evaluate and implement ways to more actively engage seasonal employees in the safety program. **(Excellent Customer Service)**
- To maximize use of the Neogov training platform to create safety and risk management training plans for each position in the City. **(Excellent Customer Service)**

Function:
General Government

Department:
City Administrator

Activity:
Risk Management

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 35,935	\$ 37,499	\$ 38,800	\$ 39,500	\$ 41,500	6.96%
Commodities	3,939	3,487	9,100	9,100	9,100	0.00%
Contractual Services	278,965	331,756	367,000	369,600	483,500	31.74%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 318,839	\$ 372,742	\$ 414,900	\$ 418,200	\$ 534,100	28.73%
Funding Sources						
Tort Liability Taxes	\$ 270,889	\$ 314,858	\$ 350,800	\$ 353,400	\$ 467,300	33.21%
General Revenues	47,950	57,884	64,100	64,800	66,800	4.21%
Total Funding Sources	\$ 318,839	\$ 372,742	\$ 414,900	\$ 418,200	\$ 534,100	28.73%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time Position Allocation:						
Human Resources Manager	0.25	0.25	0.25	0.25	0.25	\$ 29,600
Employee Benefits						11,900
Total Personal Services						\$ 41,500

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 2023/2024 is \$9,100 more than the original budget due to (1) a \$12,800 increase in operating supplies, (2) a \$22,900 increase in contractual services, primarily due to increased repair and maintenance services costs, (3) a \$300 decrease in capital outlay, and (4) a decrease of \$26,300 in employee insurance costs due to a new employee waiving health insurance coverage.

The 2024/2025 budget is \$10,100 (1.3%) more than the original 2023/2024 budget. This overall increase is due to: (1) personal services costs decreased by \$4,000 primarily due to the new employee waiving health insurance coverage, (2) commodities increased by \$5,600, (3) contractual services increased by \$17,800, and (4) capital outlay decreased by \$9,300. 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 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
Buildings Maintained	8	8	8	8	8
Heating, Ventilation, and Air Conditioning (HVAV) and Other Service Contracts	7	8	8	8	8
Staff Custodians (Full Time and Part Time)	6	6	6	6	6
Grounds Maintained	5	5	5	5	5
Janitorial Supplies Purchased	\$18,491	\$18,432	\$22,096	\$22,000	\$22,000
Major Maintenance Projects (Above \$2,000) (1)	30	26	33	30	30

1. Major maintenance projects include those accounted for in the Deferred Maintenance Capital Project fund.

RECENT ACCOMPLISHMENTS

The Building and Grounds division has had another busy year. Staff continues to keep City departments supplied with regular supplies as well as hand sanitizer, disinfectant wipes, and disinfectant spray. Several large projects were completed in-house including (1) the Musser Museum plumbing replacement, (2) remodeling the old Police department garage, and (3) remodeling the City Hall Council Chambers with new seating, carpet, lighting, and painting.

Deferred maintenance and other projects completed or in progress were:

- Radiant heaters and hanging furnaces replaced – Public Works
- Concrete repair and epoxy coating – City Hall porch
- Remodel showers – Fire department 3rd floor
- Replaced multi-stack module – Public Safety
- New security and fire alarm system at the Art Center
- Replaced training tower door – Fire
- Access control systems installed – City Hall, Public Works, and Public Safety
- Generator installed – Public Works
- Generator installed – City Hall
- Hangar roof replacements – Airport (purchase order issued)
- Commercial hood system – Fire department (in progress)

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.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025

- To complete the scheduled deferred maintenance projects. (**Strategic Plan – Reliable Public Infrastructure**)
- To maintain current staff certifications and continue finding training opportunities for staff.
- To continue to work with other departments to maximize efficiencies and resources.
- To continue working on landscaping and beautifying City buildings.

Function:
General Government

Department:
Public Works

Activity:
Building and Grounds

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 488,416	\$ 500,893	\$ 531,000	\$ 504,700	\$ 527,000	-0.75%
Commodities	62,307	55,547	56,500	69,300	62,100	9.91%
Contractual Services	135,117	126,610	166,100	189,000	183,900	10.72%
Capital Outlay	131,085	32,893	10,800	10,500	1,500	-86.11%
Transfers	-	-	-	-	-	
Total Expenditures	\$ 816,925	\$ 715,943	\$ 764,400	\$ 773,500	\$ 774,500	1.32%
Funding Sources						
Charges for Supplies	\$ 7,472	\$ 6,877	\$ 7,500	\$ 7,500	\$ 7,500	0.00%
Sale of Equipment	489	346	-	-	-	
FEMA Reimbursement	4,924	-	-	-	-	
Road Use Taxes	118,433	-	-	-	-	
General Revenues	685,607	708,720	756,900	766,000	767,000	1.33%
Total Funding Sources	\$ 816,925	\$ 715,943	\$ 764,400	\$ 773,500	\$ 774,500	1.32%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
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	1.00	1.00	1.00	1.00	1.00	
Total Full Time	3.50	3.50	3.50	3.50	3.50	
Part Time Positions:						
Custodian II	2.13	2.11	2.20	2.20	2.20	
Custodian I	1.13	1.13	1.13	1.13	1.13	
Total	6.76	6.74	6.83	6.83	6.83	\$ 384,800
Employee Benefits						142,200
Total Personal Services						\$ 527,000

Capital Outlay			
Item	Quantity	Replacement	Amount
Window Air Conditioners	3	Yes	\$ 1,500

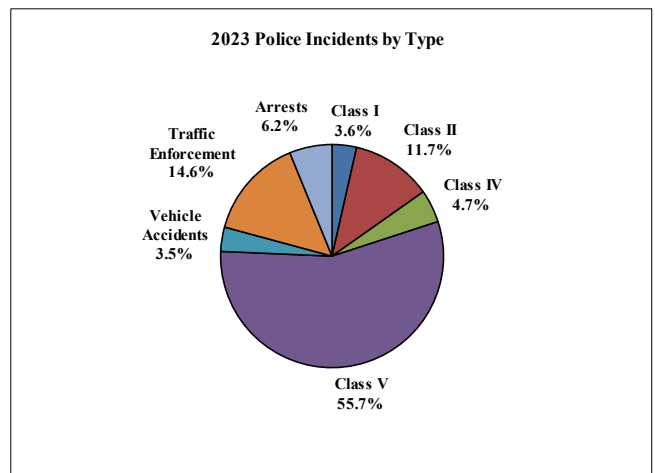
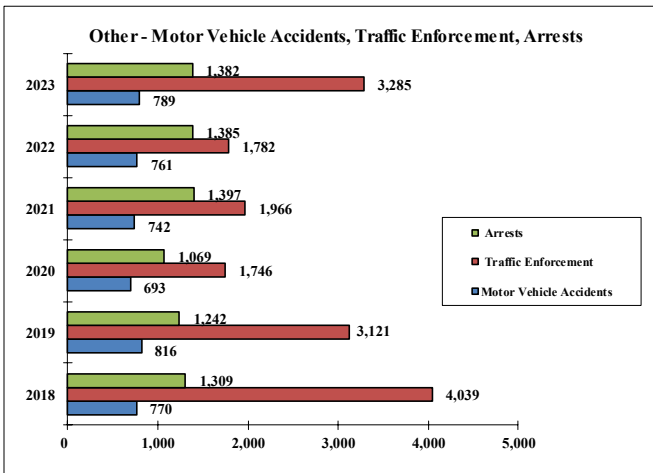
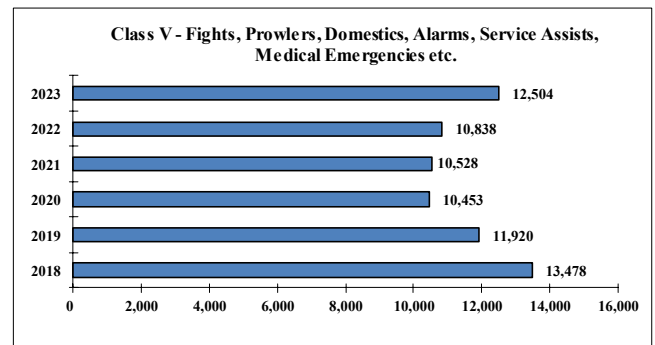
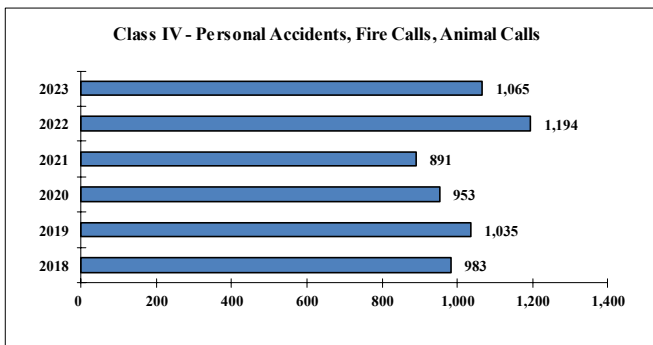
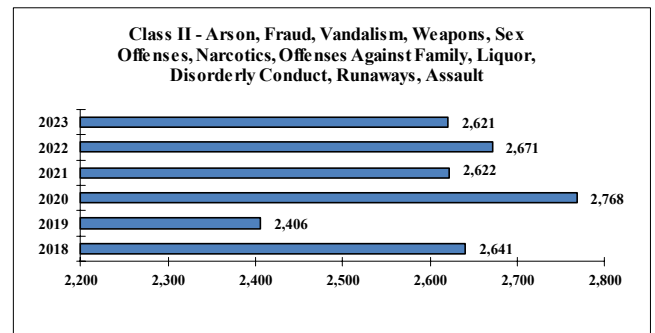
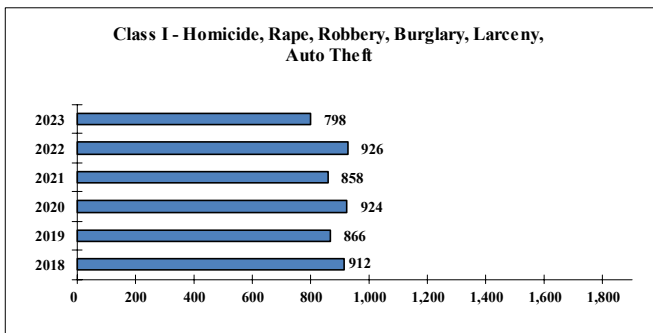
Function:
Public Safety

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 2023/2024 is \$206,400 more than the original budget. This overall increase is due to (1) personal services costs are projected to be \$96,200 more than the original budget primarily due to having no staffing changes or vacancy savings since the beginning of the fiscal year, (2) commodities are projected to be \$7,300 more than the original budget primarily due to increased ammunition costs, (3) contractual services are \$82,100 more than the original budget, and (4) capital outlay is \$20,800 more than the original budget. The contractual services increase is primarily due to an increase of \$67,900 in professional services related to the Law Enforcement Mental Health Grant awarded after the 2023/2024 budget was adopted. The capital outlay increase includes \$16,000 for the unexpected need to replace one of the canine units.

The 2024/2025 budget is \$607,900 (10.8%) more than the original 2023/2024 budget. Personal services costs increased by \$485,400 (9.5%), commodities increased by \$7,300, contractual services increased by \$142,600, and capital outlay decreased by \$27,400. The contractual services increase is primarily due to an increase of \$131,900 in professional services related to the Law Enforcement Mental Health Grant.

The 2024/2025 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 2024/2025 with grant expenditures of \$80,600; \$31,100 of Governor's Highway Safety funds are budgeted to be expended; \$131,900 of Law Enforcement Mental Health Grant 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% (\$175,000) 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 2020	Actual 2021	Actual 2022	Actual 2023	Estimated 2024
Police Calls for Service	18,019	19,408	20,996	23,475	24,000
Overtime Hours Worked	1,949	3,845	4,283	2,627	3,400
Traffic Enforcement	1,746	1,966	1,782	3,285	3,200
Arrests	1,069	1,397	1,385	1,382	1,390
Parking Tickets Issued	1,285	2,118	1,438	1,440	1,400
Uniform Crime Report Clearance Rates	54%	57%	55%	64%	55%
Investigations Assigned	190	253	258	239	240
Investigations Cleared	72%	85%	85%	87%	85%
Automatic Traffic Enforcement (ATE):					
Red Light Violation Citations	3,052	2,732	2,828	3,522	3,000
Speed on Green Violation Citations	9,681	7,943	9,349	6,829 (1)	8,000
Department Revenue – Fiscal Year Basis	\$1,168,706 (FY20/21)	\$1,172,358 (FY21/22)	\$1,201,511 (FY22/23)	\$1,193,600 (FY23/24)	1,304,200 (FY24/25)

(1) Speed on Green Violations decreased in 2023 due to the mobile ATE being out of service for maintenance.

RECENT ACCOMPLISHMENTS

The patrol division is the backbone of the department and often the first contact that 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. Patrol officers participated in greeting kids with glow necklaces on Halloween, participated in “Shop with a Cop,” and supported several other programs the department organizes including defensive tactics for women, and Run, Hide, Fight. The department’s Open House was held again this year and was largely supported by patrol officers.

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.

In August 2023 the department participated in its first ever National Night Out. The event is an annual community building campaign that promotes police and community partnerships and neighborhood camaraderie to support safer, more caring neighborhoods. This event takes place across all 50 U.S. states on the first Tuesday in August. Muscatine’s event was held in Taylor Park and included a free meal, music, games, free bicycle helmets, and many other activities sponsored by local businesses. The event was such a success that we plan to offer it annually.

The department continues to support Project ABLE (Active Bystandership for Law Enforcement) and provided refresher training for all department personnel in 2023. 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. This means the department can technically be fully staffed, as it is now, but actually operating two (2) officers short. The two new officers, hired in April and May of 2023, are still in

training and won't count towards staffing levels until February of 2024. This staffing situation can be compounded when there are officers who are injured and have to be on extended leave and/or light duty while they recover.

This staffing shortage can create stress and morale issues for members of the agency. In 2023, department members had to work a considerable amount of overtime to be able to support established programs and keep patrol shifts at minimum staffing levels. Access to time off was restricted due to the staffing shortages and the amount of mandatory overtime increased.

The Street Crimes Unit went unstaffed as members were placed on patrol due to the staff shortage. The department continues to manage this issue the best it can while maintaining current staffing levels. The department will begin 2024 fully staffed on an operational leveling and hopes to relieve some of the extra hour stressors on personnel. Unit staff will focus on serving the community but will still make time for team building activities and staying engaged in our community.

MSORT, Muscatine's multi-jurisdictional tactical team, was able to send four (4) members to this year's National Tactical Operators conference held in Colorado. This conference provides excellent training and networking opportunities that will serve these officers well throughout their career. MSORT members have been involved in many different community training events and continue to push training out to patrol members in Louisa, Muscatine, and Cedar counties.

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. Programs like Code Blue, the Junior Police Academy, and the Crime Free Multi-Unit housing program continue to be a huge success and fosters positive relations with the community. Coffee with a Cop has struggled to gain public interest even though the department continues to explore ways to bolster interest. Department members recently hosted another successful year of Shop-With-A-Cop program, sponsored by the Police Local. In 2023, a total of 100 children were invited to shop with officers.

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, because of 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) continue to manage the 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 was confronted with having to close its firing range in 2022. It has been a struggle to keep up with 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 training facility location continues, the department is partnering with the Muscatine County Sheriff's department to help create a joint training facility, and sharing the costs.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025

- 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 being 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 within the 2024 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 challenge as the applicant pool continues to shrink with any turnover in the department. **(Strategic Plan - Safe Community, 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 2023. The goal is to maintain that performance throughout 2024. The department will continue to support the SCU division which provides 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 2023. The goal will be to seek out a similar number of grant awards for 2024 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 keep the new range project moving forward by securing property that is suitable for the construction of the Training Facility. **(Strategic Plan – Safe Community)**

Function:
Public Safety

Department:
Police

Activity:
Police Operations

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 4,709,760	\$ 4,874,722	\$ 5,088,200	\$ 5,184,400	\$ 5,573,600	9.54%
Commodities	160,996	208,535	178,400	185,700	185,700	4.09%
Contractual Services	353,892	419,952	301,400	383,500	444,000	47.31%
Capital Outlay	84,463	15,326	39,400	60,200	12,000	-69.54%
Transfers	-	-	-	-	-	
Total Expenditures	\$ 5,309,111	\$ 5,518,535	\$ 5,607,400	\$ 5,813,800	\$ 6,215,300	10.84%
Funding Sources						
Grants	\$ 357,550	\$ 352,262	\$ 311,400	\$ 383,500	\$ 474,200	52.28%
Parking Violations	22,010	18,274	21,000	20,000	21,000	0.00%
Court Fines	159,857	161,044	150,000	160,000	160,000	6.67%
Automated Traffic Enforcement Fines	474,695	510,840	475,000	475,000	500,000	5.26%
Fruitland Agreement	56,110	57,737	59,500	59,500	61,900	4.03%
Alarm System Charges	2,900	3,100	3,000	3,000	3,000	0.00%
Utility Franchise Fees	259,440	214,954	170,000	216,000	216,000	27.06%
General Revenues	3,976,550	4,200,324	4,417,500	4,496,800	4,779,200	8.19%
Total Funding Sources	\$ 5,309,111	\$ 5,518,535	\$ 5,607,400	\$ 5,813,800	\$ 6,215,300	10.84%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
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	1.00	1.00	1.00	1.00	1.00	
Total Full Time	43.00	43.00	43.00	43.00	43.00	
Part Time Position:						
Clerk	0.73	0.73	0.73	0.73	0.73	
Total	43.73	43.73	43.73	43.73	43.73	\$ 3,534,200
Employee Benefits						<u>2,039,400</u>
Total Personal Services						<u>\$ 5,573,600</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Squad Car Video/DVR Units	2	Yes	\$ 12,000

Function:
Public Safety

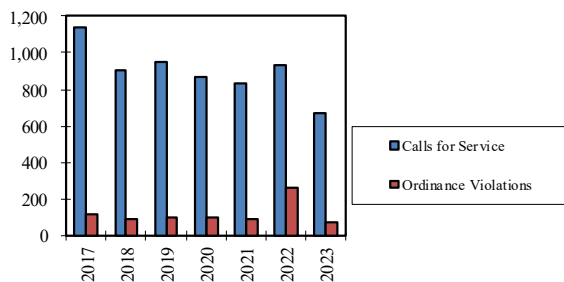
Department:
Police

Activity:
Animal Control

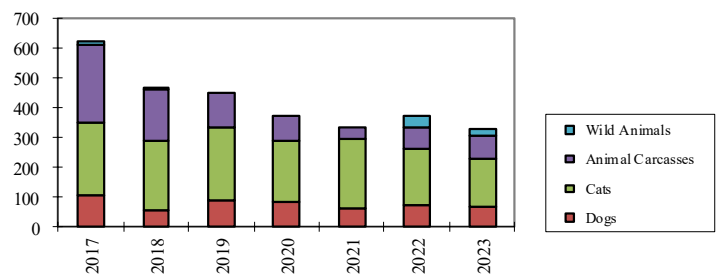
GENERAL INFORMATION

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

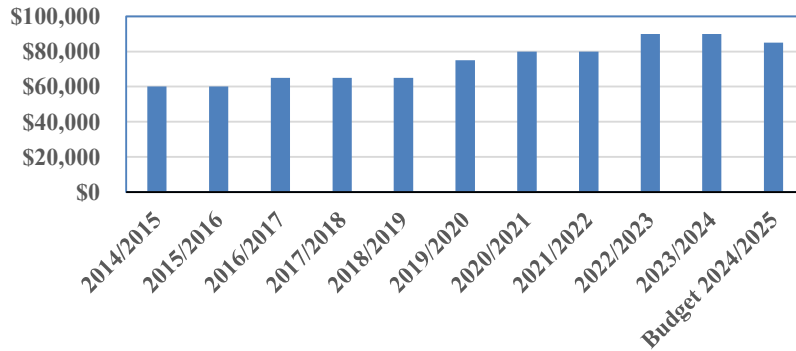
The 2023/2024 revised estimate is \$3,700 more than the original 2023/2024 budget. This increase is due to the \$3,700 increase in contractual services for the new PetData animal registration and licensing service which became operational in January of 2024.

The 2024/2025 budget is \$5,300 (3.4%) more than the original 2023/2024 budget. The increase is due to (1) a \$3,500 increase in personal services costs, (2) a \$600 increase in commodities, and (3) a \$1,200 increase in contractual services. The 2024/2025 budget continues the allocation for the PetData animal and registration and licensing service at a cost of \$500 per month or \$6,000 annually.

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 2023/2024 fiscal year is \$90,000. That allocation has been reduced to \$85,000 in the 2024/2025 budget.

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 2020	Actual 2021	Actual 2022	Actual 2023	Estimated 2024
Calls for Service	860	817	919	661	807
Ordinance Violations	100	90	264	73	105
Bite Cases	80	86	73	87	75
Animals taken to Humane Society:					
Dogs	83	65	74	67	72
Cats	204	228	189	164	165
Animal Carcasses	83	40	73	73	75
Wild Animals (transports to relocate)	0	0	36	22	30
Irresponsible Owners	N/A	N/A	2	0	1
Dangerous/Vicious Animals	N/A	N/A	15	7	7
Animal at Large	N/A	N/A	44	7	15
Pet Licenses Issued	N/A	N/A	648 (1)	147	600 (2)
Failure to Vaccinate	N/A	N/A	53	6	15
Failure to License	N/A	N/A	56	7	75
County Calls for Service	1	2	0	0	0
Fruitland Calls for Service	11	13	17	9	11
Animal Control Revenue – Fiscal Year Basis	\$2,595 (FY 20/21)	\$3,275 (FY21/22)	\$2,075 (FY22/23)	\$2,500 (FY23/24)	\$4,000 (FY24/25)

- (1) Free pet licenses were offered at several events in 2022
- (2) The Pet Data online licensing system is expected to increase the number of licenses issued.

RECENT ACCOMPLISHMENTS

The Animal Control Officer (ACO) accomplished a number of goals in 2023. The ACO played a significant role in revising city policy regarding vicious and dangerous animals while at the same time has worked diligently in the development of the City's new pet licensing service, PetData. It is anticipated that a measurable impact will be realized in 2024 with the use of PetData. The ACO can access the system in the field and immediately determine the pet owner and address for licensed pets. In 2023, the ACO allocated a significant amount of time working with the Muscatine Police department's Major Crimes Unit and the Muscatine County Attorney's Office and conducted several animal rescue investigations resulting in the successful prosecution of irresponsible pet owners.

The Animal Control division spends a significant amount of time responding to and resolving Muscatine Connect requests. The ACO responded to 30 requests in 2023, acknowledged requests on average within 0.7 days, and closed requests on average within 1 day. The ACO excels at providing timely resolutions and answering resident questions. As a result, the residents of Muscatine are provided with very good customer service as well as being provided a safer, cleaner community.

The Animal Control division works collaboratively with the Muscatine Humane Society and local veterinarians in providing care for local animals. Another main objective of the division is to reunite pet owners with their pets. In the event an animal is found at large or injured, staff counts on the support of the Humane Society and local veterinarian clinics to provide aid for these animals.

In 2023, there were 661 calls for animal control services, which resulted in 73 ordinance violations being issued and 36 written warnings were given. The City of Fruitland accounted for an additional 9 calls for service. The Animal Control Officer was involved in 3 animal neglect cases and 2 animal abuse cases which resulted in a total of 51 criminal charges being filed in District Court. The ACO additionally assisted the Department of Natural Resource (DNR) in one wildlife animal abuse investigation.

In 2023, there were 164 cats and 67 dogs transported to the Humane Society. Disposal of animal carcasses remained consistent with the previous year at 73. A total of 326 animals were transported in 2023, which was a decrease of 46 from the previous year. Additionally, 55 animals were returned to their owners.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025

- To continue to meet or exceed the amount of enforcement actions taken within the city in 2023 by being proactive in enforcement efforts and sensitive to citizen's complaints. **(Excellent Customer Service, Safe Community)**
- To continue to maintain positive working relationships with those agencies in which the Animal Control Officer interacts.
- To continue to look for opportunities for public interaction in a non-enforcement setting where pet education and/or services are offered to the public. **(Excellent Customer Service, Safe Community)**
- To promote and assist the public in the use of the City's new pet licensing service (PetData). **(Excellent Customer Service, Safe Community)**
- To evaluate the current animal control sections of the City Code and propose revisions as needed. **(Safe Community)**

Function:
Public Safety

Department:
Police

Activity:
Animal Control

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 59,094	\$ 56,691	\$ 59,500	\$ 59,200	\$ 63,000	5.88%
Commodities	2,283	1,941	3,500	3,800	4,100	17.14%
Contractual Services	82,435	91,103	94,000	97,700	95,200	1.28%
Capital Outlay	-	375	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 143,812	\$ 150,110	\$ 157,000	\$ 160,700	\$ 162,300	3.38%
Funding Sources						
Animal Enforcement Fines	\$ 3,275	\$ 2,075	\$ 3,500	\$ 2,500	\$ 4,000	14.29%
General Revenues	140,537	148,035	153,500	158,200	158,300	3.13%
Total Funding Sources	\$ 143,812	\$ 150,110	\$ 157,000	\$ 160,700	\$ 162,300	3.38%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time Position:						
Animal Control Officer	1.00	1.00	1.00	1.00	1.00	\$ 52,600
Employee Benefits						10,400
Total Personal Services						\$ 63,000

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.

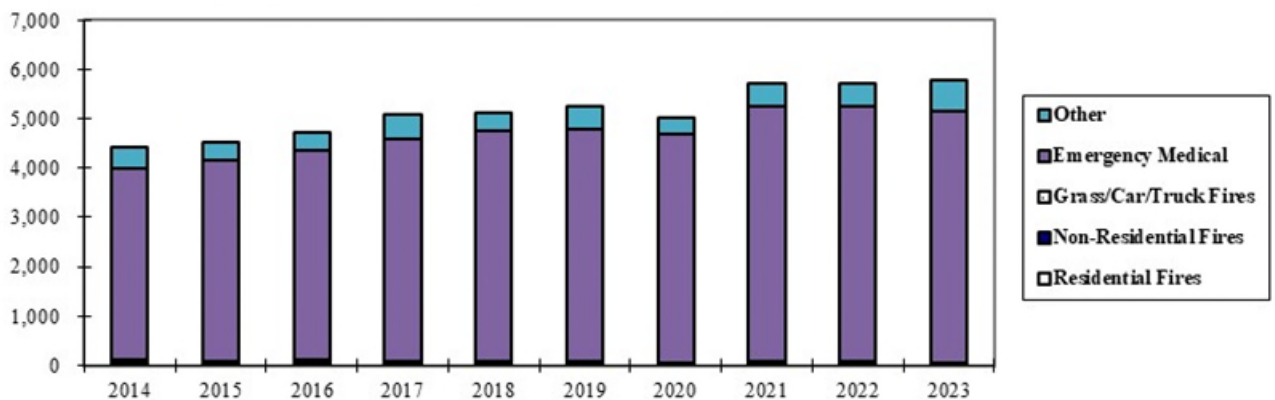
Following an independent analysis of the community’s Emergency Medical Services (EMS) system, the City began full EMS delivery on July 1, 2000. As a result of that action, the City has successfully implemented a comprehensive EMS response capability and at the same time continues to respond to a wide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

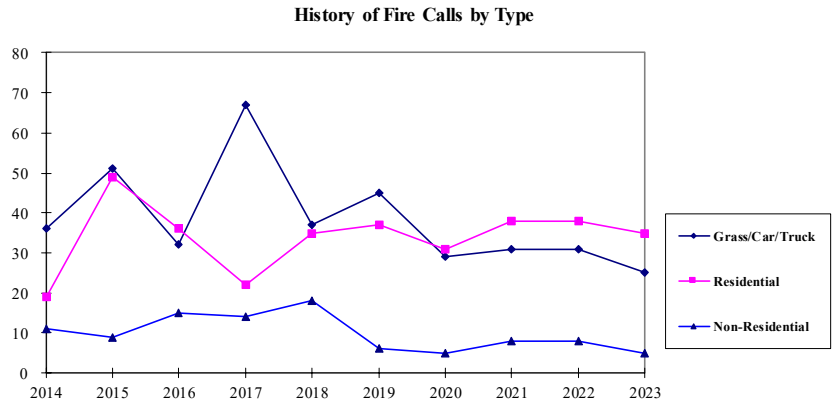
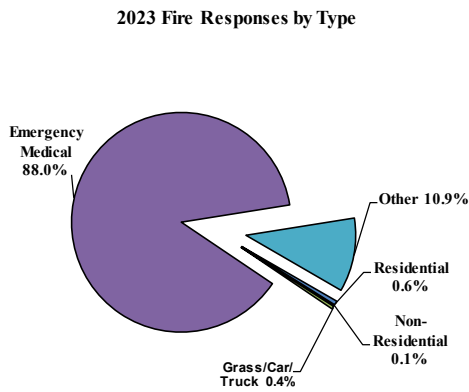
The Fire department continues to participate in a number of “28E” agreements that promote cooperative response activities with surrounding communities and counties. Fire suppression, rescue, and hazardous material responses are examples of these collaborative activities.

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 2023/2024 is under the original budget by \$119,400. This overall decrease is due to the net effect of (1) a decrease of \$148,600 in personal services costs due to savings from vacancies and new employees starting at lower steps in the pay plan, (2) a \$3,600 increase in commodities, (3) a \$26,000 increase in contractual services primarily due to medical costs for a job-related injury, and (4) a \$400 decrease in capital outlay.

The 2024/2025 Fire department budget is \$211,300 (3.7%) more than the 2023/2024 budget. This increase includes: (1) personal services costs increased by \$264,900 (5.0%) compared to the original 2023/2024 budget; (2) commodities increased by \$4,800 which includes increased uniform costs, (3) contractual services increased by \$5,900, and (4) capital outlay decreased by \$64,300. Capital outlay for 2024/2025 includes two battery operated positive pressure ventilation fans (\$12,000) and a rescue cribbing station (\$14,800).

The 2024/2025 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 2023/2024 budget included a funding transfer of \$1,460,600, which was 27.5% of the personal services costs in the original budget. The funding transfer from the Ambulance Fund in the 2024/2025 budget is \$1,651,500, which is 29.6% of the Fire department personal services costs budgeted for 2024/2025. 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 2020	Actual 2021	Actual 2022	Actual 2023	Estimated 2024
All Calls for Services	5,034	5,709	5,909	5,773	5,900
Fire Training Hours	5,490	6,846	6,790	6,359	7,000
False Alarms	129	176	203	179	175
Fire Education Presentation Staff Hours	97	56	156	186	200
Number of Residents Attending Public Education Programs	199 (1)	300 (1)	2,800	3,650	4,000
Fire Inspections - Total	433	506	304	445	450
Inspections - Initial	213	265	176	303	350
Re-inspections	220	241	128	142	100
Burn Permits Issued	1,238	1,067	1,095	1,016	1,050
Outdoor Fireplace Permits	1,175	1,006	1,045	949	990
Open and Other Burning Permit	63	61	40	55	50
Fireworks Operational Permits Issued	12	10	10	12	10
Fireworks Permit Fees Collected	\$2,400	\$2,000	\$2,000	\$2,400	\$2,000

1. The reductions in attendance in 2020 and 2021 were due to the COVID-19 pandemic.

RECENT ACCOMPLISHMENTS

- Hosted an Incident Command Class with the Fruitland Fire department to enhance safety, efficiency, and professionalism on emergency scenes. A total of twelve (12) Fruitland members attended and were supported by seven (7) Muscatine Fire department members and instructors.
- Constructed a live burn facility at the department training center and held a training class for department instructors on how to use the facility to train department personnel or host mutual aid partners for training. The facility was paid for using ARPA (American Rescue Plan Act) funds and includes four different variations for entrance points as well as training elements for transitional fire attack and ventilation scenarios. The department also received a donation of approximately \$20,000 in materials to construct a confined space rescue prop.
- Implementation and completion of Blue Card Command Training by the department officers. This looks at a different type of Incident Command structure, language, and some different tactics to ensure we are challenging ourselves to continually improve tactics, safety, and maintain customer service. Shift commanders have completed the training and it is now being completed by junior officers.
- Fire department staff provided instruction for an in-house Fire Instructor I certification class in cooperation with the Iowa Fire Service Training Bureau. These nine students are completing their certification process and will be utilized for the upcoming new hire academy training.
- 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. The public education shift has made community presence a priority and will continue to increase these types of interactions.

- Held recruiting and selection activities in coordination with the Police department in order to select three new tactical medics who serve with the MSORT tactical unit. These additions will help ensure a tactical paramedic is present for all MSORT activities, increasing safety for MSORT staff, and providing immediate assistance for any injuries in these high-risk situations.
- Reintroduced and marketed our public education offerings, including Freddie the Fire Truck shows, station tours, community requests, recruiting events, safety talks, smoke detector program, special occasion events, ride to school events, walk-in tours, parades, and other community programs.
- Held two (2) entry-level firefighter application/assessment processes to maintain a current Civil Service list for new hires and added several new part time ambulance attendants.
- The Explorer program continued to develop and become an integrated part of the department. Explorers assisted with the Open House and are completing “ride time” to more completely understand the rigors of the job.
- Held a promotional assessment for the ranks of Lieutenant, Captain, and Battalion Chief. This assessment included a formal assessment center which utilizes 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. The department also used a promotional process for the position of mechanic, and selected an individual to fill a vacancy caused by an internal promotion.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025

- The department will focus on improving the training program to better prepare for the next Insurance Services Office, Inc. (ISO) review. The ISO rating impacts insurance rates within the City and improvements can impact insurance premiums. Two areas of emphasis will be on officer training and development and training facilities. Officer development and certification within the next year will increase our rating to over 80% of the possible points in 2024 and likely 100% of the available points by 2025. With the recent development of our training grounds, we anticipate increased use of the training facility with a corresponding uptick in performance so that we can obtain 100% of the available points in that section prior to the end of the fiscal year.
- In 2024, a new National Fire Protection Association (NFPA) standard will be released. This Standard is NFPA 1321 – Standard for Fire Investigation Units. The department’s investigation team will provide a thorough review of the Standard and develop policies, procedures, and activities to work toward compliance with the new Standard. Fire investigations are required by State Law and City Code; compliance with the Standard will illustrate the quality of our investigation team. It is expected that Muscatine will be one of the first fire departments in the state to develop an NFPA 1321 program and as such it is expected that our experiences will be shared with other fire department investigation teams. ***(This goal relates to City goals and values of Professionalism, Innovation, Excellence, and Fiscal Responsibility)***

- The department will complete a thorough review of our software program in order to ensure full compliance with federal and state requirements for reporting under the new National Emergency Response Information System (NERIS), which is set to transform the National Fire Incident Reporting System (NFIRS) to a cloud-based system. Additionally, the department will fully implement software changes to consolidate asset management, staffing and scheduling, and full and complete incident reporting that meets or exceeds state and federal requirements. ***(This goal relates to City goals and values of Professionalism, Innovation, and Excellence)***

Function:
Public Safety

Department:
Fire

Activity:
Fire Operations

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 5,009,025	\$ 5,092,906	\$ 5,314,300	\$ 5,165,700	\$ 5,579,200	4.98%
Commodities	120,910	133,356	136,400	140,000	141,200	3.52%
Contractual Services	229,925	257,408	204,200	230,200	210,100	2.89%
Capital Outlay	61,018	19,222	91,100	90,700	26,800	-70.58%
Transfers	-	-	-	-	-	
Total Expenditures	\$ 5,420,878	\$ 5,502,892	\$ 5,746,000	\$ 5,626,600	\$ 5,957,300	3.68%
Funding Sources						
Fire Protection Contracts and Hazmat Agreements	\$ 49,687	\$ 50,468	\$ 50,000	\$ 50,000	\$ 50,500	1.00%
Ambulance Staff Funding Transfer	1,253,000	1,345,600	1,228,000	1,228,000	1,407,300	14.60%
Additional Ambulance Funding Transfer (GEMT) *	232,600	232,600	232,600	232,600	244,200	4.99%
Confined Space Fees	34,775	43,775	36,000	36,000	36,000	0.00%
Fire Inspection Fees & Permits	16,192	16,697	15,800	17,700	18,100	14.56%
Other Fees	1,651	210	1,900	1,900	1,100	-42.11%
Donations	-	700	-	-	-	
Federal Grant	15,546	-	-	-	-	
Other Reimbursements	6,484	9,786	4,000	5,000	5,000	25.00%
Reimbursement of Damages	-	28,131	-	-	-	
Utility Franchise Fees	259,440	214,954	170,000	216,000	216,000	27.06%
General Revenues	3,551,504	3,559,971	4,007,700	3,839,400	3,979,100	-0.71%
Total Funding Sources	\$ 5,420,878	\$ 5,502,892	\$ 5,746,000	\$ 5,626,600	\$ 5,957,300	3.68%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time Positions:						
Chief	1.00	1.00	1.00	1.00	1.00	
Office Coordinator	-	-	0.50	0.50	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	34.00	34.00	34.00	34.00	34.00	
Total Full Time	47.00	47.00	47.50	47.50	47.50	
Part Time Position:						
Office Coordinator	0.50	0.50	-	-	-	
Total	47.50	47.50	47.50	47.50	47.50	\$ 3,421,500
Employee Benefits						2,157,700
Total Personal Services						\$ 5,579,200

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Battery Operated Positive Pressure Ventilation Fans	2	Yes	\$ 12,000
Rescue Cribbing System	1	No	14,800
			<u>\$ 26,800</u>

Additional Capital Outlay - Equipment Replacement Fund			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Incident Command Vehicle	1	Yes	<u>\$ 62,500</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 2023/2024 is \$130,200 and a 3% increase (to \$134,100) has been requested for 2024/2025. The Library has negotiated similar agreements with townships in Illinois including New Boston, Eliza, Drury, and Buffalo Prairie, which generated \$12,600 in revenues in 2023/2024. The Library budget for 2024/2025 reflects continuing these agreements with estimated revenues totaling \$147,100.

CURRENT TRENDS AND ISSUES

The revised estimate for 2023/2024 of \$1,294,300 is the same in total as the original budget. Personal services are \$44,000 less than the original budget due to vacancies and new employees starting at lower steps in the pay plan; commodities are \$200 higher; contractual services are \$200 lower; and the revised estimate for library materials is \$44,000 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 2024/2025 is \$1,325,800 which is \$31,500 (2.4%) more than the 2023/2024 budget. This increase is due to (1) a \$9,700 decrease in personal services costs, (2) a \$200 increase in commodities, (3) a \$4,500 increase in contractual services, and (4) a \$36,500 increase in capital outlay for library materials and public seating and furniture.

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 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
LIBRARY PATRONS	19,887	20,100	20,500	20,750	21,000
CIRCULATION:					
Adult Books	39,670	41,902	43,200	44,500	45,500
Young Adult Books	2,721	3,171	3,250	3,350	3,500
Juvenile Books	48,222	60,535	62,350	64,200	64,500
Magazines	1,904	2,178	2,250	2,300	2,450
DVDs	34,805	33,405	31,500	32,500	33,000
Audio	6,662	7,092	7,200	7,300	7,300
Video Games	1,057	1,365	1,400	1,450	1,500
Other	558	563	550	550	550
Internet	5,687	6,493	6,700	6,900	6,500
WiFi Usage	64,693	56,941	55,000	56,500	58,000
Databases	157,676	137,784	141,200	145,500	147,250
E Audio	5,137	5,447	5,600	5,750	6,500
E Books	10,409	8,176	8,400	8,650	9,500
E Magazines	7,978	3,240	3,350	3,450	3,500
E Music	13,679	16,879	17,000	17,500	18,000
TOTAL	400,858	385,171	388,950	400,400	407,550

	Actual 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
PROGRAMMING:					
Young Adult Programs	2	6	10	15	20
Young Adults Audience	28	36	50	75	100
Adult Programs	22	17	20	25	30
Adult Audience	90	341	350	360	400
Technology Classes	12	9	10	15	20
Tech Audience	12	9	15	20	30
OTHER MEASURES:					
Facebook Likes	5,734	5,882	6,255	6,500	6,750
Website Visits	92,053	121,459	122,500	130,000	132,500
Rivershare Holds	42,597	32,484	33,500	35,000	35,500
Inter-Library Loans	675	843	800	850	900
Homebound Visits	508	445	500	550	575
Homebound Circulation	2,373	1,537	1,650	1,750	1,900
Reference Questions	2,232	3,298	3,000	3,250	3,350
Building Usage	82,224	106,490	110,000	115,000	117,500
Meeting Room Usage	2,293	7,222	8,000	8,500	8,750
Channel-5 Page Rank out of 251 MPW Channels	N/A	N/A	N/A	96	90
Channel-5 New Library Specific Shows	N/A	N/A	N/A	393	400
Channel-5 Total shows played	N/A	N/A	N/A	9,764	9,800
Channel-5 Video on Demand views	N/A	N/A	N/A	1,097	2,100
Channel-5 Smart TV App Installs	N/A	N/A	N/A	128	135
Channel-5 Smart TV App Hours viewed	N/A	N/A	N/A	2,985	3,000
Channel 5 Average # of views every half hour	N/A	N/A	N/A	3.6	4.0

RECENT ACCOMPLISHMENTS

At the beginning of FY 23, it was determined that there was a sizable room for improvement in management practices across City relationships, Library service domains, and staffing. Through the dedicated efforts of the City, the Library Board of Trustees, the management team, and the full library staff, the Library Director is happy to report that great progress has been made in achieving those improvements. This does not occur overnight, and we will continue to work to course-correct and ultimately, provide the best services possible to the community now and far into the future.

Over the last 18 months, the library has made significant progress in establishing foundational principles for operations including new policies, staff reorganization, department right-sizing, disaster preparedness, staff development/training, fine-free implementation, strategic planning, inter-library loan procedures, deaccessioning strategies, space-utilization, customer service, programming expansion, and technology upgrades.

As a staff we have cultivated the belief that stasis drives nondevelopment and that, in order to progress, the library needs to stay ahead of the curve. Our goal is to exceed our peers by example and demonstrate what is possible in a public library setting in regards to innovative and exceptional community service. We have also emphasized the importance of adapting to change and continue to do so moving forward. While we cannot predict the future, we can prepare in how we react and adapt to changing circumstances and building this culture of change is essential to Library operations.

In looking towards the future, we recognize that technology will continue to play a growing role in people's lives, both in the rate of adoption as well as how it is incorporated into our day to day existence. Likewise, creating connections within and around the community along with access to information rounds out the three critical pillars of Muscatine's library services. Everything we do and everything we aim for is in support of those tenets. Therefore, it is imperative that we stay abreast of current technology trends, create programming and spaces that inform and incubate community connections, and provide unfettered access to tools and information that allow our patrons to better themselves, their families, and ultimately, their community.

FINE-FREE MODEL

In January 2023, the library moved to a fully fine-free model that has been greatly appreciated by our patrons. As a way to ensure that patrons continue to return materials, we implemented a material recovery service, Unique Management Services (UMS), that, through their Gentle Nudge program, works directly with patrons to get long overdue or missing items returned to the shelves so that the rest of the community can continue to enjoy them. In the first 10 months of 2023, we have received over \$5,000 in library assets that were missing. This is twice the value we typically received on an annual basis from fine collection. This generates goodwill and brings "long-lost" patrons back into the folds of the library. It's a win-win situation.

LIBRARY POLICIES

The new Library Policy manual has been approved in draft form and is under review by the City Attorney. Upon completion of that review, the Library Board of Trustees will formally approve and adopt the new policies. This will be a marked improvement over the current policies and will lay the groundwork to develop a new library employee handbook, along with LEAN standard work procedures, allowing the library to stay ahead of the curve in operational efficiency and patrons' services.

EMERGENCY & DISASTER PROCEDURES

The Library's Assistant Director completed the new Emergency and Disaster Procedures Manual earlier this year. This manual provides guidance on everything from flooding to an active shooter situation, to fire and severe weather. This manual, along with the new library policies are foundational operating documents. They are both living documents that will continue to be updated and amended as needed and fill a long-standing gap in Library Operations.

REFERENCE DESK MOVE

In November of 2023, the library moved the reference desk to the second floor. The service desk on Level 1 is still fully staffed by the circulation services team and we have now fully staffed the second floor desk with the information services team. This move provides several benefits to patrons, including increased visibility and access to staff, better supervision over a larger swath of the library from open until close, and better patron service for room reservations and computer/technology assistance.

SOUNDPROOF BOOTH

In November of 2023, the library will install our first soundproof booth for patrons. The single person booth will be reservable like other rooms in the library and is located on the second floor near the information services desk. This booth will allow for private online meetings, study, and phone calls in a soundproof environment.

STRATEGIC PLAN IMPLEMENTATION

Beginning in November of 2023 and flowing into early 2024, the Library will complete its 3 to 5-year strategic plan at which point we will begin implementation at the beginning of FY 25. Our primary focus for the strategic planning process includes:

- Increase public awareness/innovative communications/PR and marketing
- Develop standards for Channel-5 and determine appropriate service levels
- Foster community connections
- Improve organizational health
- Advocate for library values
 - Uplift patrons
 - Enrich people's lives
 - Bring value to the community
 - Commit to service

BRIDGES

In July of this year, the Library was able to add the State Library of Iowa's Bridges OverDrive eMaterial resources to our collection. This new resource adds over 100,000 more eBooks and eAudiobooks, mostly popular materials, to our eMaterials collection and increases our current eMaterials collection by more than 10 times from 12,702 items to a grand total of 115,377 electronic items. The cost of this increase was just under \$500 annually and took advantage of arbitraging current subscriptions and consolidating them to provide even more access to eBooks, eMagazines, and eAudiobooks.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025

- **LIBRARY EMPLOYEE HANDBOOK & STANDARD PROCEDURES (Excellent Customer Service):** Based on the new policies developed and approved in FY 24, create a new library employee handbook complete with revised and new standard work procedures and threaded through with LEAN practices when possible.
- **OSCAR GROSSHEIM CREATIVE COMMONS PHOTO COLLECTION (Vibrant Community):** Explore and if possible, implement a creative commons framework for the digitized images from the Oscar Grossheim collection. Since the library came into possession of the Oscar Grossheim collection in the 1990's, we have been digitizing the images and out of approximately 50,000 glass plate negatives, we have nearly 12,000 in digital form. Up until now, patrons have had to pay to get copies of those images. In line with library principles it is our goal to make these images freely available to the community. It is, in effect, their collection; and the library's goal is to reduce barriers to access, including historical access.
- **OUTDOOR PATIO SPACE (Healthy Community):** Situated on the northwest corner of the library, adjacent to the children's area, there is a large, unused outdoor space. In FY 25 the Library wishes to explore the possibility of turning this into an outdoor patio accessible to the community. We envision the space being used as a location to provide programming (story time, outdoor movies, group visits, etc.), a quiet space for reading, a small performance space, a place to enjoy lunch, and any other use that would fit within a library/community center purview. The space would only be accessible from inside the library and would utilize a previously unused space to provide further amenities to Muscatine.

- **WAYFINDING (Excellent Customer Service):** Provided funding can be secured, the library would like to improve the wayfinding within the library building. In a space with four floors, it can be challenging for new patrons to locate materials and find their way around the facility. Proper signage and wayfinding would help alleviate this issue, dependent on cost and available funds.
- **ROOM TECHNOLOGY (Excellent Customer Service):** As the use of technology across all spaces increases, providing access to those resources is a fundamental goal of the library. To that end, improving our communication technology in our meeting rooms is paramount to satisfying that demand. With the increase of hybrid meetings, providing the ability to access that technology serves the community well, and pending available funding, will be a priority of the library over the next two years.
- **EXPAND PROGRAMMING (Vibrant Community):** The interests of the community are broad and one of the goals of the library is to provide access to programming that reaches as many patrons as possible. Traditionally, the library has had a strong presence in children's programs and will continue that offering. However, it is our goal to expand programming to reach other age groups and interests, including teens, younger adults, and older patrons. Through our soon to be developed programming framework, we will explore new opportunities to reach more patrons while evaluating existing programs and adjusting as needed based on available staffing and funding resources. We will utilize Channel 5 to push our reach even further in the community.
- **SOUNDPROOFING (Excellent Customer Service):** The library has a beautiful building in a perfect location in downtown Muscatine. It is an older building, however, with wooden floors and open ceilings. Unfortunately, noise carries easily throughout the building and can be disruptive to other patrons. The library would like to investigate opportunities to fund a soundproofing project that will not detract from the aesthetics of the space and will at the same time provide the quiet atmosphere that many patrons expect.
- **LIGHTING (Excellent Customer Service):** During the day, thanks to the windows and skylights of the building, wayfinding in the library is quite accessible. However, at night, especially in the lower level, it can be rather dark trying to locate materials. Improving the lighting, particularly during dark hours, while maintaining the current design look of the building, would be a quality improvement for patrons as well as make some of the more remote corners of the building feel safer.
- **TECHNOLOGY FUTURE-PROOFING (Excellent Customer Service):** Windows 10 support ends in October of 2025. Several of the library's current machines, both on the staff and patron side and including the library's six self-check machines, will need to be upgraded to Windows 11 prior to that deadline. Unfortunately, some of the hardware in those machines will not be able to support the new Windows 11 operating system and will need to be replaced. In particular, the self-check units, which can cost approximately \$5,750 each, will have a significant cost. Utilizing our computer rollover fund over the next two years, the library will prioritize replacing those machines that must be swapped out in order to stay current and avoid any security/patron privacy issues.
- **ANNUAL REPORT (Vibrant Community):** Beginning in July of 2024, the library will assemble an annual report as a way to communicate to all stakeholders how the library operates, the services it provides, and its goals for the future. Communicating our services and our goals is both critical and a challenge. An annual report will help bridge that gap in information dispersal. We will consider using an outside agency if funding permits, but in the case that it does not, we will create the report ourselves and it will be available both in digital and print format. We view the annual report as a key component of distributing the library message as well as sharing our accomplishments with the community. After all, it is their library and it is our role to be effective stewards of this incredible resource.

Function:
Culture and Recreation

Department:
Library

Activity:
Library Operations

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 1,000,136	\$ 916,612	\$ 1,023,300	\$ 979,300	\$ 1,013,600	-0.95%
Commodities	8,172	10,995	11,800	12,000	12,000	1.69%
Contractual Services	116,986	142,245	145,500	145,300	150,000	3.09%
Capital Outlay	117,047	123,958	113,700	157,700	150,200	32.10%
Transfers	-	44,890	-	-	-	
Total Expenditures	\$ 1,242,341	\$ 1,238,700	\$ 1,294,300	\$ 1,294,300	\$ 1,325,800	2.43%
Funding Sources						
Library Revenues	\$ 19,291	\$ 16,978	\$ 15,800	\$ 16,200	\$ 16,600	5.06%
County Contributions	126,097	126,414	130,200	130,200	134,100	3.00%
Hotel/Motel Tax	148,317	144,498	137,500	137,500	143,750	4.55%
General Revenues	948,636	950,810	1,010,800	1,010,400	1,031,350	2.03%
Total Funding Sources	\$ 1,242,341	\$ 1,238,700	\$ 1,294,300	\$ 1,294,300	\$ 1,325,800	2.43%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
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	3.00	3.00	2.00	2.00	
Library Assistant	4.00	2.00	2.00	3.00	3.00	
Total Full Time	8.00	7.00	7.00	7.00	7.00	
Part Time Positions:						
Library Technician	1.80	1.88	1.93	1.69	1.58	
Library Assistant	1.99	2.51	2.50	2.87	2.20	
Librarian	-	0.67	0.70	-	0.70	
Library Shelves	0.58	0.49	0.60	0.48	0.60	
Other Technicians	0.00	0.00	0.00	0.00	0.00	
Other Assistant	0.67	0.36	0.38	0.43	0.38	
Total Part Time	5.04	5.90	6.10	5.47	5.45	
Total	13.04	12.90	13.10	12.47	12.45	\$ 786,900
Employee Benefits						226,700
Total Personal Services						\$ 1,013,600

Capital Outlay		
<i>Item</i>	<i>Replacement</i>	<i>Amount</i>
Public Seating and Furniture	Yes	\$ 10,000
Library Materials (Books, Videos, Serials, Database Subscriptions, etc.)	Yes	140,200
		\$ 150,200

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 \$111,000 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 2023/2024 is the same as the original budget.

The 2024/2025 budget is \$21,400, which is \$200 (0.94%) more than the 2023/2024 budget due to the increase in the contract with Muscatine Community College (MCC) for cable broadcasting services which increases the contract from \$20,399 to \$20,928 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.

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 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
Cable Franchise Fees	\$132,287	\$124,022	\$111,150	\$111,200	\$111,200
City Council Meetings Broadcast	35	35	35	35	35
Joint Meeting Broadcast	2	3	0	0	0
State of the City Address Broadcast	1	1	1	1	1
Budget Review Sessions Broadcast	8	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.

RECENT ACCOMPLISHMENTS

Muscatine Power & Water Civic Channel 2 continues to be the site for the live broadcast and rebroadcast of City Council meetings, along with additional messaging of City activities. Musser Public Library Channel 5 is expanding offerings to include educational programs, live broadcasts of events, and other programming. Muscatine Community College Channel 9 offers a variety of programs along with rebroadcasting Council meetings. The City of Muscatine has oversight of these channels.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025

- 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 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	19,146	17,145	21,200	21,200	21,400	0.94%
Capital Outlay	5,050	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u><u>\$ 24,196</u></u>	<u><u>\$ 17,145</u></u>	<u><u>\$ 21,200</u></u>	<u><u>\$ 21,200</u></u>	<u><u>\$ 21,400</u></u>	0.94%
Funding Sources						
Cable Franchise Fees	<u><u>\$ 24,196</u></u>	<u><u>\$ 17,145</u></u>	<u><u>\$ 21,200</u></u>	<u><u>\$ 21,200</u></u>	<u><u>\$ 21,400</u></u>	0.94%

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 2023/2024 is \$6,600 more than the original budget. Personal services costs are \$5,100 more than the original budget, commodities decreased by \$2,700 in the revised estimate, and contractual services increased by \$1,400. The 2023/2024 revised estimate also includes \$2,800 in capital outlay for the purchase of minor equipment.

The 2024/2025 budget is \$27,900 (6.0%) higher than the 2023/2024 budget. Personal services costs increased by \$30,000 (7.2%), primarily due to the implementation of the compensation study. Commodities decreased by \$1,500 and contractual services decreased by \$600. The 2024/2025 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 2023/2024 and 2024/2025 for the additional costs associated with the staff reorganization implemented in 2010/2011. Budgeted contributions from those organizations total \$63,700 in 2023/2024 and \$65,800 in 2024/2025.

Again in 2024/2025 one-fourth (1/4) of the Hotel/Motel tax has been appropriated to support the Museum/Art Center operations. This amount is estimated at \$143,750.

GOAL STATEMENT

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

PERFORMANCE MEASURES

Fiscal Year Basis	Actual 2020/2021 (1)	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
Attendance	8,050	21,039	18,419	18,000	18,000
Number of Classes Offered	159	194	179	180	180
Art Center Events Hosted	15	15	16	15	15
Exhibitions	17	19	17	14	14
Group Tours & Programs	43	93	83	85	85
City Calendar Website Posts	78	24	104	100	100
Facebook Posts	2,211	2,158	2,873	2,500	2,500
Newspaper Stories - Muscatine Journal and Quad City Times	57	112	138	125	125

1. The reduced attendance, classes, and other measures in 2020/2021 were due to the COVID-19 pandemic.

RECENT ACCOMPLISHMENTS

General Operations

The Muscatine Art Center staff provides memorable experiences for the local community and visitors and is devoted to the ongoing care of the collection which is held in trust for future generations. In 2022, the Art Center earned reaccreditation from the American Alliance of Museums, making the Muscatine Art Center one of only 165 or so museums with a fulltime staff size of five or fewer 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 uses a combination of funding sources to continue staffing at this level in 2024/2025. 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. Annually, 25% of Hotel/Motel Tax for Muscatine is 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.

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 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 organization. For example, its 2023 budget included the cost to hire Lord Cultural Resources to complete a Business and Facility Planning Study.

Exhibitions

Exhibitions for 2022/23 in the Stanley Gallery included *Where Children Sleep: Photographs by James Mollison*, the staff curated exhibition *Captivated by Japan*, Sean Fitzgibbon’s *What Follows is True* about Norman Baker, *Elephant & Piggie in We Are Art*, hyper-realistic sculptures by Marc Sijan, photographer Bob Campagna’s *Faces*

of Hope about the Alexander Clark House, the 4th & 5th Grade Student Art Exhibition, and *Birds in Art*. In 2023/24, the Stanley Gallery schedule includes *Jon Fasanelli Cawlti: The Man Made of Music*, *Mauricio Lasansky: Portraits from the Permanent Collection*, *Animals in Art* (from the Permanent Collection and the collection of a private lender), and the *Art of Dressing* (featuring the Mary Musser Gilmore Collection as well as historic garments from the permanent collection). The staff is also preparing to install the *Muscatine History* (storefronts) exhibitions in fall 2024 – an exhibition that requires years of planning. In the historic house and linkage showcases, the following have been presented in 2022/23: *Incredible Minds: Muscatine Authors*, *Great Leaders of the Indian Nations: McKenney and Hall Prints* from the Permanent Collection, the *Sanctuary of the Sun* by William Havlicek, *Kokeshi* from the Collection of Kristin McHugh-Johnston, *Muscatine's Pearl Button Industry*, *Art Array 2023* (in partnership with the Muscatine County Arts Council), *House of Cards* by Philip Laber, and *Iowa Watercolor Society Juried Exhibition*. In 2023-24, the following displays are scheduled: *Cory Christiansen: History of the Future*, *John Deason: A Glimpse Through My Lens*, *Heartfelt & Handmade Ornament Competition*, the *1920s McColm Toy Catalog* with historic toys from the collection, *Recent Acquisitions*, *Art Array 2024*, *The Iowa State Fair: Photographs by Kurt Ullrich*, and the art and fashion accessories of Ida Block. In 2022/23, the Muscatine Art Center staff also developed a series of five pullup banners exploring the life of Alexander Clark. These banners are available for use at local events and for short-term display at schools, community organizations, and others.

Collections

As the Muscatine Art Center prepares to spotlight the permanent collection in multiple exhibitions from 2023 through 2026, special attention is being paid to the conservation needs of specific works of art as well as areas to further grow the collection. In 2023, nine paintings, primarily from the Regionalist Collection, were restored. The restoration costs are covered through the Muscatine Art Center Support Foundation Fund. Several more paintings, as well as about one dozen frames, need conservation in 2024-25.

Recent additions to the permanent collection have focused on local history, the Musser family, Regionalism, and the Mississippi River. In many instances, private donors have gifted their own collections to the Muscatine Art Center or financially enabled the acquisition of these items. Some acquisitions were also funded through the annual budget of the Muscatine Art Center Support Foundation. Since former Board of Trustee President Jim Burr passed away in 2022, his family has presented approximately 2,000 Muscatine history objects with more expected in 2024. So far, about 1,500 objects have been accepted into the collection, and entries have been made in the collections database with most objects still in need of photography, further processing/storing, and research. A painting of Laura Musser McColm's sister Annie Musser Huttig was gifted by a member of the (St. Louis) Huttig family. Before the piece can be displayed, the painting as well as the frame must be restored. Paintings by John Steuart Curry, Marvin Cone, Illinois/Iowa artist Dorothy Young Graham, and local artist William Bunn were added along with the lithograph "Huck Finn" by Thomas Hart Benton. Works by these artists are especially desirable as a complement to the Muscatine Art Center's collection of work by Grant Wood. Within the local history/Civil War collection, a gift of a cabinet made by Civil War soldier Daniel Parvin was accepted. The cabinet is now part of the Parvin story, augmenting the 117 Civil War letters written by Parvin in the collection of the Muscatine Art Center.

Programs

In 2022/23, 10,637 individuals participated in a Muscatine Art Center program, event, class, tour, or outreach activity organized by the Program Coordinator. This number represents nearly 58% of all patrons for the fiscal year. It is also an increase of 1,622 participants compared to the prior fiscal year. Programs fall into several categories: classes and lectures (offered to the public), public events, tours and other Programs (arranged for specific groups), and outreach. The number of public classes and lectures and the number of tours and programs for specific groups was particularly high in 2022/23 and in the first five months of 2023/24. In areas to further develop, the staff has focused on partnerships and outdoor performances as a way to reach new audiences. Significant partnerships and performing artists in 2022/2023 included Max Allan Collins, Eulenspiegel Puppet Theatre, Quad City Arts, Muscatine County Arts Council, Stanley Center for Peace and Security, University of

Iowa Arts Share, Darwin Turner Action Theatre, Quad Cities Ballet Folklorico, Mad Creek Mudcats, Soten Taiko (Japanese Drumming), West Liberty High School Los Cometas Mariachi, Musser Public Library, Silver Bell Hollow, West Hill Cakery, the Alexander Clark Foundation, Muscatine County Conservation, SPARK, Almost Friday Fiesta, and Ballet Des Moines. Muscatine Art Center staff took the lead on bringing the ballet to the Muscatine riverfront.

The increase in group tours and group programs was due, in part, to interest in visiting during the exhibition, *Elephant and Piggie in We Are Art* (2022/23). Other collaborations with Muscatine schools have resulted in additional field trips and in-school presentations. The SPARK (summer school) program resulted in 20 experiences led by Muscatine Art Center staff over summer 2023, and the new Grant Elementary Lead Lab will result in seven outreach programs this school year. In addition, the Muscatine Art Center Program Coordinator prepares lessons and teaches studio classes each month for 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 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 2022/23 was 279 – fewer than the previous year, but with more participants per program resulting in higher program attendance numbers. The Program Coordinator (a single position) 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 field trips, 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 lessons. The Program Coordinator's responsibilities also include creating virtual backpack flyers, drafting 3 to 4 pages of each quarterly newsletter, drafting press releases, developing additional marketing materials, and applying for grants to fund special programs. To accommodate the program schedule, the Program Coordinator works irregular hours, staying late every Thursday night and working every other weekend.

Organizational Priorities

Defining the scope of the building addition, succession planning, adding a part-time marketing and communications position, improving marketing, securing additional grant funds, processing the thousands of local history objects donated since 2022, and managing the care and use of the Japanese Garden are priorities in 2024/25. Consultants Lord Cultural Resources will submit its report in early 2024, and the Board of Trustees, staff, and key stakeholders will use this report to determine the building's size as well as prioritize the allocation of square footage within the building.

Three professional employees are preparing to retire in fiscal year 2025/26. By the time these employees leave the organization, they will have a combined 92 years of working for the Muscatine Art Center. The change will involve three out of four full-time positions – one current full-time employee will transfer into a different full-time position. That will leave two full-time positions to fill outside of the organization, and the one part-time position will likely also need to be filled by someone new to the organization. This leaves a small window to adjust the staffing structure and job descriptions in advance of posting job openings. The most important item to address in 2024/25 is adding a part-time marketing position so that the marketing duties now divided between the four full-time positions are consolidated under a single employee. In addition, several of the 2024/2025 goals will be dependent upon having adequate staffing levels. There will likely be no improvement in marketing without additional staff, and the ability to pursue additional state and federal grants will also be impeded.

As these retirements loom, staff is busy processing and housing thousands of local history artifacts and preparing to host several important local history exhibitions and other exhibitions using the permanent collection. The

process of planning, researching, writing text, and selecting objects and photographs for the exhibitions is part of the transition to train the replacement for the Curator/Registrar position. These exhibitions are also the last opportunities for the current Curator/Registrar and Assistant Registrar to bring back highly popular (and award winning) exhibitions that were curated and presented in the last 12 to 15 years. Finally, with the rehabilitation of the Japanese Garden completed in fall 2023, programming in the garden, caring for the garden, and fully developing the Friends of the Japanese Garden is a top priority for 2024/2025.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025

- 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 plan for the building addition, implementing recommendations from the 2024 Business and Facility Planning Study and following the Muscatine Art Center’s Institutional Plan adopted in 2022. **(Strategic Plan – Excellent Customer Service 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 illustrated by objects from the collection. **(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)**
- To program and care for the Japanese Garden and to fully launch the Friends of the Japanese Garden organization. **(Strategic Plan – Vibrant Community and Reliable Public Infrastructure)**

Function:
Culture and Recreation

Department:
Art Center

Activity:
Art Center Operations

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 385,704	\$ 400,123	\$ 417,100	\$ 422,200	\$ 447,100	7.19%
Commodities	10,127	9,167	10,500	7,800	9,000	-14.29%
Contractual Services	35,819	28,052	36,000	37,400	35,400	-1.67%
Capital Outlay	-	4,363	-	2,800	-	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 431,650	\$ 441,705	\$ 463,600	\$ 470,200	\$ 491,500	6.02%
Funding Sources						
Art Center Revenues	\$ 3,517	\$ 2,868	\$ 4,700	\$ 4,700	\$ 4,700	0.00%
Art Center Grant	18,000	15,000	15,000	15,000	15,000	0.00%
Support Foundation Contribution	29,588	31,165	33,800	33,600	35,400	4.73%
Friends of the Art Center Contribution	28,105	27,097	30,100	30,100	30,400	1.00%
Other Contributions	716	590	1,800	1,800	5,300	194.44%
Hotel/Motel Tax	148,317	144,498	137,500	137,500	143,750	4.55%
General Revenues	203,407	220,487	240,700	247,500	256,950	6.75%
Total Funding Sources	\$ 431,650	\$ 441,705	\$ 463,600	\$ 470,200	\$ 491,500	6.02%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
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	1.00	1.00	1.00	1.00	1.00	
Total Full Time	4.00	4.00	4.00	4.00	4.00	
Part Time Positions:						
Art Center Aide	0.35	0.35	0.45	0.45	0.45	
Office Assistant	0.30	0.30	0.30	0.30	0.30	
Custodian	0.32	0.32	0.25	0.25	0.25	
Total Part Time	0.97	0.97	1.00	1.00	1.00	
Total	4.97	4.97	5.00	5.00	5.00	\$ 329,800
Employee Benefits						117,300
Total Personal Services						\$ 447,100

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Parks Administration

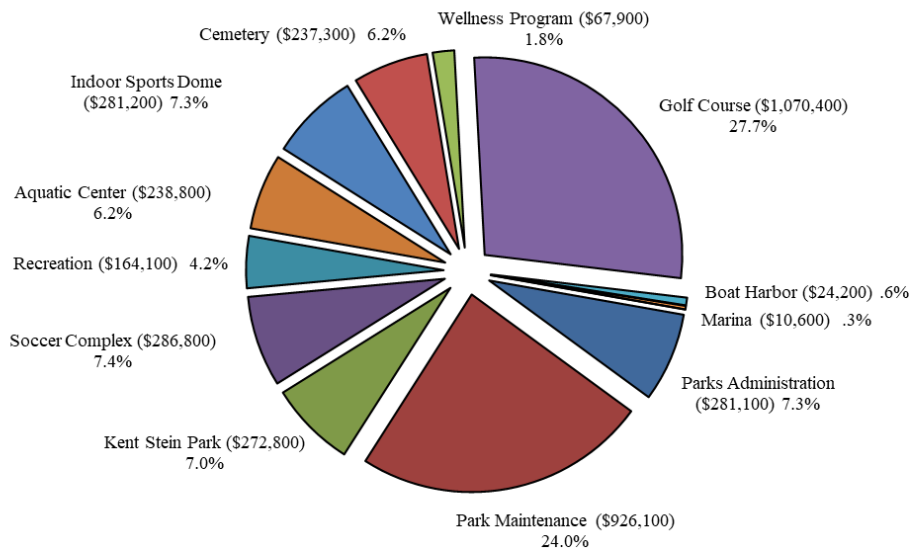
GENERAL INFORMATION

The Parks and Recreation department is responsible for providing leisure time activities and maintaining green space and facilities for the residents 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 fulltime positions of director and office coordinator. A part-time clerk which had been used only during peak times of the year, was increased to 20 hours per week on a year-round basis beginning in 2023/2024.

The Director also supervises the Boat Harbor, Marina, and Golf Course enterprise fund operations in addition to overseeing the Cemetery, Park Maintenance, Kent Stein Park, Soccer Complex, Recreation, Aquatic Center, and Employee Wellness Program activities. Beginning in 2024/2025 the Director will also oversee the new indoor sports dome. 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 \$13,300 for 2024/2025. 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 2024/2025 budgeted expenditures by activity for the Parks and Recreation department.

**Parks and Recreation Department
Fiscal Year 2024/2025 Budget by Activity (\$3,861,300)**



CURRENT TRENDS AND ISSUES

The 2023/2024 revised estimate is \$20,300 more than the original budget. Personal services increased by \$19,400 primarily due to converting the former seasonal office clerk position into a year-round 20 hour per week position. Commodities decreased by \$300 in the revised estimate and contractual services increased by \$1,200. The increase in contractual services was primarily due to increased software maintenance fees.

The 2024/2025 budget is \$35,200 (14.3%) higher than the original 2023/2024 budget and \$14,900 (5.6%) higher than the 2023/2024 revised estimate. Personal services costs increased by \$15,200 (6.2%) compared to the 2023/2024 revised estimate and contractual services decreased by \$300.

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 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
Recreation Advisory Commission Meetings	7	7	7	8	8
Department Expenditures - All Divisions	\$2,923,037	\$3,011,287	\$3,413,492	\$3,476,300	\$3,861,300
Internet Receipts Issued	658	630	623	650	650
Office Receipts Issued	1,276	1,206	1,434	1,300	1,300
Pearl City Station Rentals*	86	126	115	125	125
Riverview Center Rentals*	80	109	109	110	110
Shelters/Rose Garden Rentals	302	328	315	330	330
Parks Adopted (Calendar Year Basis)	31 (2021)	31 (2022)	31 (2023)	32 (2024)	32 (2025)
Dog Park Passes	275	237	153	250	250
Special Events Administered (by Calendar Year)	N/A	177 (2022)	191 (2023)	180 (2024)	180 (2025)

* Fluctuations in rentals of riverfront facilities are primarily due to floods.

RECENT ACCOMPLISHMENTS

The Parks department implemented the new Seasonal Pay Plan that was approved for the 2023 year. While this assisted with filling some of the seasonal positions, all of the divisions of the Parks and Recreation department still reported staff shortage concerns.

During the past year there was staff turnover in key positions in the Parks department including the Superintendent of Parks, the Office Coordinator, and the Program Supervisor. The Maintenance Repairperson in the Park Maintenance divisions lost his life in a traffic accident. A department staffing reorganization plan was developed and is being implemented.

Department supervisory staff had an opportunity to participate in 40 hours of Leadership Communication to Improve Teamwork training.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025

- Recruit and retain seasonal and fulltime staff for each division by attending job fairs in collaboration with marketing efforts with the City Communications Manager and the City Human Resources Manager. **(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 operational efficiency. **(Strategic Plan – Customer Service and Safe Community) (Mission and Values – Safety and Fiscal Responsibility)**
- To continue to coordinate requests to conduct special events on City 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 the City Employee Health Reports. **(Strategic Plan – Customer Service and Healthy Community) (Mission and Values – Safety and Wellness)**
- To continue to meet 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 park system-wide program for building rentals, shelter rentals, and recreational special events. **(Strategic Plan – Customer Service and Vibrant Community)** **(Mission and Values – Wellness, Innovation, 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 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)**
- To identify, select, and prioritize tactics for the following 2024 City Council established goals: Aquatic Center Master Plan, Harbor and Marina improvements, Amphitheatre, Trail projects, Infrastructure Energy Efficiencies, Slough improvements, Wellness programs, and payroll digital time cards. **(Strategic Plan – Customer Service and Vibrant Community)** **(Mission and Values – Wellness Innovation, and Fiscal Responsibility)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Park Administration

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 210,105	\$ 219,736	\$ 227,100	\$ 246,500	\$ 261,700	15.24%
Commodities	1,964	1,213	1,900	1,600	1,600	-15.79%
Contractual Services	16,163	18,299	16,900	18,100	17,800	5.33%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 228,232	\$ 239,248	\$ 245,900	\$ 266,200	\$ 281,100	14.31%
Funding Sources						
Park Revenues	\$ 58,552	\$ 63,665	\$ 50,300	\$ 50,500	\$ 50,300	0.00%
Administrative Fee	12,200	12,500	12,900	12,900	13,300	3.10%
General Revenues	157,480	163,083	182,700	202,800	217,500	19.05%
Total Funding Sources	\$ 228,232	\$ 239,248	\$ 245,900	\$ 266,200	\$ 281,100	14.31%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time Positions/Position Allocations:						
Director of Parks and Recreation	1.00	1.00	1.00	1.00	1.00	
Office Coordinator	0.50	0.50	0.50	0.50	0.50	
Total Full Time	1.50	1.50	1.50	1.50	1.50	
Part Time Positions:						
Office Clerk (Seasonal)	0.20	0.20	0.20	-	-	
Office Assistant (Year-Round)	0.20	0.20	-	0.61	0.63	
Total	1.70	1.70	1.50	2.11	2.13	\$ 187,900
Employee Benefits						73,800
Total Personal Services						\$ 261,700

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 2023/2024 revised estimate is under the original budget by \$100,300. Personal services costs are \$122,600 less than the original budget due to a staff reorganization after the former Park Maintenance Superintendent left employment with the City. The 75% allocation of the Superintendent position was replaced with the 100% allocation of the Park Maintenance Supervisor. With the reorganization, there was savings from vacancies as well as savings from new employees hired at lower steps in the pay plan. Commodities increased by \$6,600 from the original budget which includes increased fuel, fertilizer and chemical, and building repair supplies. Contractual services increased by \$15,700 primarily due to increased utility and repair and maintenance services costs.

The 2024/2025 budget is \$6,100 (.7%) more than the original 2023/2024 budget. Personal services costs decreased by \$44,400 (due to the reorganization), commodities increased by \$9,800, contractual services increased by \$15,700, and capital outlay increased by \$25,000. The capital outlay allocation of \$25,000 is for the installation of a fuel tank at Weed Park. This tank will provide a more convenient supply of the non-ethanol fuel required for most Park mowers and other equipment. The 2024/2025 Equipment Replacement Fund budget also includes \$80,000 in funding to replace a one-ton truck.

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 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
Parks (A)	18	18	18	18	18
Park Acres (B)	247	247	247	247	247
Park Shelters (1)	18	18	20	22	22
Miles of Trail (2)	15	15.1	15.2	15.2	15.2
Playgrounds (3)	12	12	14	14	14
Buildings (4)	13	13	16	16	16
Basketball Courts	6	6	6	6	6
Tennis/Pickleball Courts (5) and (C)	8	8	14	14	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 Maintained (6)	20	20	20	25	25
Aquatic Center	1	1	1	1	1
Interactive Fountains	1	1	2	2	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 in 2022/2023. New shelters were added at Kent Stein and Taylor Parks in 2023/2024.
 2. The trail extension from Musser Park to Kent Stein Park/Soccer was completed in 2022/2023.
 3. All-inclusive playgrounds were added to the existing playgrounds at Taylor and Musser Park in 2022/2023.
 4. Additional restrooms were added to Taylor Park and Weed Park in 2022/2023.
 5. Six (6) pickleball courts were added at Taylor Park in 2022/2023.
 6. Additional right-of-way miles on Mittman Road, South Houser/Grandview intersection as well as the Grandview corridor were added in 2022/2023.
- A. According to the National Recreation and Park Association 2023 Agency Performance Review, the typical Midwestern community has one park per 2,287 residents. Muscatine has one park per 1,304 residents.
 - B. According to the National Recreation and Park Association 2023 Agency Performance Review, the typical Midwestern community has 10.8 acres of parkland per 1,000 residents. Muscatine has 10.5 acres of parkland per 1,000 residents.
 - C. According to the National Recreation and Park Association 2023 Agency Performance Review, 76% of Midwestern agencies maintain tennis facilities and 31% maintain outdoor pickleball courts.
 - D. According to the National Recreation and Park Association 2023 Agency Performance Review, Dog Parks have a 68% prevalence in Midwestern communities.

- E. According to the National Recreation and Park Association 2023 Agency Performance Review, Skate Parks have a 41% prevalence in Midwestern communities.

RECENT ACCOMPLISHMENTS

The Park Maintenance division continues to provide park users with a safe and friendly environment to gather and play. Shelters are heavily rented out for gatherings throughout the season. Maintenance staff diligently works to inspect and improve all park sites; platforms on playgrounds have been a focus to improve the quality and safety in recent years. This season, the platforms at Oak Park and Eversmeyer Park were replaced and the Monsanto playground and Weed Park playground had new replacement slides installed.

It is one of the Park Maintenance goals to support the beautification of the downtown district. The ground work is started with the maintenance of the landscape beds lining the intersection corners and curb fronts. Parking lots add to the welcoming environment with canopy trees and colorful landscape beds. Inviting people to look up are the welcome banners and the burst of color from the hanging baskets on every street corner.

With the success and expansion of the Saturday morning Farmers Market comes the expansion of the downtown banner program. Banners are now not only displayed on 2nd Street but also along 3rd Street to promote the Farmers Market.

This year the Park Maintenance division planted 24 trees. The city received a \$4,000 grant from Alliant Energy Branching Out which funded trees planted at Musser Park, along the bike trail, and at the Lake Park facility. This planting was completed with the help of volunteers from HNI Corporation. They also assisted with mulching all of the trees at Musser Park. A few trees were also planted in other park sites as memorial donation trees.

This past season was once again a huge year for special events throughout our 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, Melon City Criterium, car shows, RAGBRAI (Register's Annual Great Bicycle Ride Across Iowa), Catfish Tournament, etc. At almost all of these events, Parks staff participated in pre-event meetings to gather all city staff in one room to ensure the event could run safely and smoothly.

Park Maintenance was fortunate to have some seasonal staff return from the previous season. Some new staff was also hired and trained on proper care and maintenance of the parks. We are looking forward to having more staff stay on from year to year.

With continued maintenance, this division strives to provide a safe environment to allow children and families to gather. Parks staff is going to continue to advance the program for camera installations in several park locations.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025

- Complete the platform repairs to the playgrounds at Brook Street Park and Lucas Park. (**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 to 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 the community tree canopy and the 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 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 of the parks. **(Strategic Plan – Safe Community)**
- To complete the lagoon bank stabilization project to include dredging the lagoon, adding rip-rap along the banks and island, repairing pipes, and repairing the viewing deck. **(Strategic Plan – Excellent Customer Service and Vibrant Community)**
- To continue to provide quality maintenance to current park facilities, while also taking on additional maintenance responsibilities for new projects. **(Strategic Plan - Safe Community and Healthy Community)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Park Maintenance

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 662,950	\$ 732,364	\$ 759,300	\$ 636,700	\$ 714,900	-5.85%
Commodities	106,048	98,790	83,600	90,200	93,400	11.72%
Contractual Services	67,143	87,191	77,100	92,800	92,800	20.36%
Capital Outlay	23,043	53,577	-	-	25,000	
Transfers	9,896	4,372	-	-	-	
Total Expenditures	\$ 869,080	\$ 976,294	\$ 920,000	\$ 819,700	\$ 926,100	0.66%
Funding Sources						
General Revenues	\$ 833,333	\$ 921,165	\$ 885,100	\$ 780,600	\$ 886,700	0.18%
Grants	-	10,000	-	-	-	
Donations	14,927	9,649	6,000	1,800	1,800	
Insurance Reimbursement	-	-	-	-	-	
Road Use Taxes	20,820	35,480	28,900	37,300	37,600	30.10%
Total Funding Sources	\$ 869,080	\$ 976,294	\$ 920,000	\$ 819,700	\$ 926,100	0.66%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time Positions:						
Park Maintenance Superintendent	0.80	0.80	0.80	-	-	
Maintenance Repairperson	2.50	3.50	3.50	2.50	2.75	
Maintenance Worker I	1.00	-	-	-	-	
Groundskeeper	0.75	0.75	0.75	0.75	0.75	
Landscape Horticulturalist	1.00	1.00	1.00	1.00	1.00	
Park Maintenance Supervisor	-	-	-	1.00	1.00	
Park Maintenance Leadworker	-	-	-	1.00	1.00	
Total Full Time	6.05	6.05	6.05	6.25	6.50	
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	2.10	1.97	
Seasonal Equipment Operator (Right-of-Way Mowing)	0.75	0.75	0.75	0.75	0.75	
Total Seasonal Part Time	5.53	5.53	5.53	5.49	5.36	
Total	11.58	11.58	11.58	11.74	11.86	\$ 501,500
Employee Benefits						213,400
Total Personal Services						\$ 714,900

Capital Outlay			
Item	Quantity	Replacement	Amount
Fuel Tank	1	No	\$ 25,000

Capital Outlay - Equipment Replacement Fund			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
One-Ton Truck	1	Yes	<u>\$ 80,000</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 revised estimate for 2023/2024 is over the original budget by \$800. Personal services costs decreased by \$15,600 due to (1) elimination of the Park Maintenance Superintendent position that was allocated 10% to Kent Stein, and (2) savings from a position vacancy with the new fulltime employee starting at a lower step in the pay plan. Commodities for 2023/2024 increased by \$5,600 which includes increased operating and maintenance supply costs. Contractual services increased by \$9,300, primarily due to increased maintenance and repair services, and capital outlay increased by \$1,500.

The 2024/2025 budget is \$14,400 (5.0%) less than the original 2023/2024 budget. Personal services decreased by \$5,300 (2.5%), commodities decreased by \$100, contractual services decreased by \$500, and capital outlay decreased by \$8,500.

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 2021	Actual 2022	Actual 2023	Estimated 2024	Estimated 2025
Ball Diamonds Maintained	20	20	20	20	20
Total Hours of Usage (1)	6,135	5,701	5,991	6,100	6,100
Number of Tournaments (2)	20	13	19	30 (3)	30
Number of Leagues/Camps	33	34	34	34	34
Concession Revenue	\$4,177	\$4,539	\$4,610	\$5,500	\$5,500
Total Revenues	\$20,198	\$27,868	\$30,247	\$35,400	\$35,400

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. The new Program Supervisor has tentatively scheduled additional tournaments in 2024.

RECENT ACCOMPLISHMENTS

Kent Stein Park was open March 25th through October 31st in 2023. Staff continued to maintain and improve the park by performing daily, weekly, and monthly tasks. Some of those tasks were painting the West concession restrooms and changing the fluorescent bulbs to LED lighting. Staff was able to provide additional ball diamond preparations throughout the tournament season. Staff has been diligent about servicing fields prior to scheduled events.

Staff continues to fill in areas of play in the outfields as well as common areas with dirt, and re-seeding for better drainage to give guests a safer way to maneuver around the facility. Staff members continue to remove dead and hazardous trees throughout the park and continue to water trees that were transplanted from other areas.

Staff continues to improve the infield playing surfaces by bringing in Ag lime and grading the infields when needed, or approximately every two weeks. Staff have been able to enhance processes while improving the playing areas. One of the processes was to install a new mound system 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 have a safe and enjoyable experience while using the facility. With clay bricks installed in the batter's box, users cannot dig large holes which could become a safety hazard.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025

- To upgrade the appearance of the park by removing the black cinders along the road and replace 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 regular meetings prior to and after their event takes place. **(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 for 2024-2025 to evaluate and adjust the field maintenance and 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. **(Strategic Plan – Excellent Customer Service)**
- To continue to recruit and train quality seasonal and full-time staff. **(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. **(Strategic Plan – Safe Community and Reliable Public Infrastructure)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Kent Stein Park Operations

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 169,304	\$ 198,371	\$ 211,900	\$ 196,300	\$ 206,600	-2.50%
Commodities	53,537	52,980	60,300	65,900	60,200	-0.17%
Contractual Services	6,595	6,514	6,500	15,800	6,000	-7.69%
Capital Outlay	20,900	18,056	8,500	10,000	-	-100.00%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 250,336</u>	<u>\$ 275,921</u>	<u>\$ 287,200</u>	<u>\$ 288,000</u>	<u>\$ 272,800</u>	-5.01%
Funding Sources						
Park Revenues	\$ 17,029	\$ 22,497	\$ 26,700	\$ 27,700	\$ 27,700	3.75%
Housing Reimbursement	7,600	7,750	7,700	7,700	7,700	0.00%
Insurance Reimbursement	2,818	-	-	-	-	
General Revenues	222,889	245,674	252,800	252,600	237,400	-6.09%
Total Funding Sources	<u>\$ 250,336</u>	<u>\$ 275,921</u>	<u>\$ 287,200</u>	<u>\$ 288,000</u>	<u>\$ 272,800</u>	-5.01%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time Positions/Position Allocations:						
Park Maintenance Superintendent	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	0.12	0.12	0.12	0.12	0.12	
Total Full Time	<u>1.22</u>	<u>1.22</u>	<u>1.22</u>	<u>1.12</u>	<u>1.12</u>	
Seasonal Part Time Positions:						
Lead Groundskeeper	0.75	0.75	0.75	0.75	0.75	
Seasonal Equipment Operator/ Groundskeeper	1.98	1.98	1.98	1.98	1.98	
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	3.85	3.85	\$ 161,300
Employee Benefits						45,300
Total Personal Services						<u>\$ 206,600</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 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 Athletic Facilities Supervisor has oversight responsibilities for this facility. The Athletic Facilities Supervisor position is allocated 50% to Kent Stein Park and 50% to the Soccer Complex. This supervisory position oversees both of these operations as well as the Dog Park. In addition to this position, an Athletic Facility Specialist is allocated 50% to Kent Stein and 50% to the Soccer Complex. 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 2023/2024 revised estimate is \$600 less than the original budget. Personal services costs decreased by \$15,200 due to (1) elimination of the Park Maintenance Superintendent position that was allocated 10% to the Soccer Complex, and (2) savings from a position vacancy and the new fulltime employee starting at lower step in the pay plan. The personal services decrease is partially offset by a \$250 increase in commodities, a \$4,050 increase in contractual services, and a \$10,300 increase in capital outlay. The capital outlay allocation in the revised estimate includes new scoreboards for \$14,000. The existing scoreboards needed new components and it was more cost-effective to replace the existing boards with new ones.

The 2024/2025 budget is \$15,800 (5.2%) less than the 2023/2024 budget due to the net effect of (1) a \$4,900 decrease in personal services costs, (2) a \$550 increase in commodities, (3) a \$550 increase in contractual services, and (4) a \$12,000 decrease in capital outlay.

The Soccer Complex is entering its 31st 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 2021	Actual 2022	Actual 2023	Estimated 2024	Estimated 2025
Number of Fields Maintained	12	12	12	12 (1)	12 (1)
Hours of Use for Games	1,948	2,014	1,869	1,900	1,900
Number of Tournaments (2)	13	9 (3)	9	9	9
Concession Commissions	\$1,865	\$2,272	\$2,367	\$4,500	\$4,500
Total Revenues	\$33,411	\$29,979	\$33,564	\$35,000	\$35,000
Number of Leagues/Camps	24	24	24	24	24
Soccer West Usage	1,123	879	1,343	1,400	1,100

1. Field #11 will be converted into the Indoor Sports Complex in 2024.
2. The number of tournaments reflects the number of days those tournaments are held.
3. The College Search Kickoff tournament was cancelled in 2022 and 2023 and it is not scheduled to be held in future years.

RECENT ACCOMPLISHMENTS

The facility was open to the public March 27th through November 5th, 2023. Staff continues to maintain the additional signage and sanitation practices throughout the complex.

Parks staff utilized the Musco lighting system at Soccer West for the fourth annual Halloween Trunk-or-Treat event, which had more than 1,300 people attend. At this event, parks staff provided a light show with the Musco light system.

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

Staff top-dressed all fields in the Soccer complex. The top-dress process involves spreading sand over the field, then 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.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025

- Train staff on the new irrigation system on fields 1-6; make sure the system is ready for the season prior to the 1st annual spring start-up. **(Strategic Plan - Reliable Public Infrastructure)**
- Continue to improve the quality of turf on Soccer West 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. Then 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. **(Strategic Plan - Excellent Customer Service)**
- Continue to recruit and train quality staff and provide training throughout the year. **(Strategic Plan - Excellent Customer Service)**
- Develop a Turf Care Plan for 2024/2025 and evaluate and adjust the field maintenance and turf care programs on a weekly basis to strive for the best quality and safest playable surfaces possible. **(Strategic Plan – Reliable Public Infrastructure and Safe Community)**
- Continue to improve the maintenance of existing and new equipment 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 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 147,133	\$ 164,007	\$ 177,800	\$ 162,600	\$ 172,900	-2.76%
Commodities	87,227	93,971	102,950	103,200	103,500	0.53%
Contractual Services	8,355	6,032	6,850	10,900	7,400	8.03%
Capital Outlay	18,188	-	15,000	25,300	3,000	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 260,903	\$ 264,010	\$ 302,600	\$ 302,000	\$ 286,800	-5.22%
Funding Sources						
Park Revenues	\$ 32,251	\$ 35,931	\$ 33,800	\$ 39,500	\$ 39,500	16.86%
General Revenues	228,652	228,079	268,800	262,500	247,300	-8.00%
Total Funding Sources	\$ 260,903	\$ 264,010	\$ 302,600	\$ 302,000	\$ 286,800	-5.22%

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/Position Allocations:						
Park Maintenance Superintendent	0.10	0.10	0.10	-	-	
Athletic Facilities Supervisor	0.25	0.25	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	0.98	0.98	1.23	1.13	1.13	
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	0.29	0.29	
Seasonal Equipment Operator	0.35	0.35	0.35	0.50	0.50	
Seasonal Groundskeeper	0.74	0.74	0.74	0.74	0.74	
Total Seasonal Part Time	2.10	2.10	2.10	2.13	2.13	
Total	3.08	3.08	3.33	3.26	3.26	\$ 130,900
Employee Benefits						42,000
Total Personal Services						\$ 172,900

Capital Outlay			
Item	Quantity	Replacement	Amount
Shop Entrance Door Replacement	1	Yes	\$ 3,000

Function:
Culture and Recreation

Department:
Parks & Recreation

Activity:
Muscatine Sports Dome

GENERAL INFORMATION

A feasibility study was conducted in November 2021 to explore the possibility of constructing an indoor sports dome in Muscatine. The study concluded that Muscatine had the local and regional demand to support and benefit from an indoor, multi-use sports facility with the capability of hosting a variety of indoor sports. In response to this opportunity, City staff worked in collaboration with the Muscatine community and Muscatine County to raise \$4,000,000 for the design and construction of the Muscatine Sports Dome. Funding for the project includes \$600,000 of bond proceeds from the City of Muscatine, \$400,000 from Muscatine County, \$2,000,000 in private donations, and \$1,000,000 in Destination Iowa grant funds awarded to the City by the State of Iowa for the project.

The sports dome will be located at the Muscatine Soccer West site across from the Muscatine Soccer Complex and includes the construction of an indoor, temperature-controlled, multi-use facility that will consist of a synthetic turf field and an inflatable year-round dome structure. An additional \$400,000 from remaining Community Attraction and Tourism project donations funds will be utilized to construct restrooms and a concession area for the facility. The sports dome will benefit Muscatine residents and visitors by supporting year-round physical activity opportunities and increasing tourism in Muscatine to support local businesses and grow the local economy. The City's Parks and Recreation department will operate and maintain the facility.

CURRENT TRENDS AND ISSUES

At the time the budget was being prepared, the Muscatine Sports Dome was projected to be operational in late 2024 requiring the allocation of operating funds in the 2024/2025 budget. The Sports Dome will be accounted for as a new activity in the General Fund.

Annual revenues for 2024/2025 are budgeted at \$207,000 in facility user fees. Annual expenses for 2024/2025 are budgeted at \$281,200 and include: (1) \$217,500 in personal services costs, (2) \$5,000 in commodities, and (3) \$58,700 in contractual services. Personal services costs include (1) \$64,600 for a full-time facility program supervisor, (2) \$33,200 for three-quarters of a fulltime maintenance repairperson, (3) \$56,100 for part-time employee wages, (4) \$21,000 for employee pension and retirement costs, and (5) \$42,600 in employee health and other insurance costs.

Staff anticipates hiring the full-time facility program supervisor prior to opening the facility to support scheduling and programming of the facility. Other staff will be hired upon completion of facility construction and transition to operating activities. Sports equipment necessary to operate the facility (soccer goals, backstops, etc.) will be funded from the capital project budget.

GOAL STATEMENT

To effectively manage and maintain a multi-use indoor recreation facility, to utilize the facility to best serve the growing interest in indoor sports within the Muscatine community, and to utilize the facility in a manner to attract regional and state-wide indoor activities.

PERFORMANCE MEASURES

Calendar Year Basis	Estimated 2025
Drop-in Usage	To be determined
Hours of Use for Games	To be determined
Number of Tournaments	To be determined
Concession Commissions	To be determined
Total Revenues	To be determined
Number of Leagues/Camps	To be determined

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025

- Complete the design and construction of the Muscatine Sports Dome. **(Excellent Customer Service, Healthy Community, Reliable Public Infrastructure)**
- Develop a fee structure and programming schedule for the Sports Dome. **(Excellent Customer Service, Healthy Community, Reliable Public Infrastructure)**
- Initiate operation of the sports dome in late 2024 or early 2025. **(Excellent Customer Service, Healthy Community)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Muscatine Sports Dome

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ 217,500	
Commodities	-	-	-	-	5,000	
Contractual Services	-	-	-	-	58,700	
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 281,200</u>	
Funding Sources						
User Fees					\$ 207,000	
General Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,200</u>	
Total Funding Sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 281,200</u>	

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time Positions:						
Maintenance Repairperson	-	-	-	-	0.75	
Facility/Event Coordinator	-	-	-	-	1.00	
Total Full Time	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1.75</u>	
Part Time Positions:						
On-Site Supervisors	-	-	-	-	0.70	
Cashiers	-	-	-	-	0.69	
Seasonal Laborers	-	-	-	-	0.69	
Total Part Time	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2.08</u>	
Total	-	-	-	-	3.83	\$ 153,900
Employee Benefits						<u>63,600</u>
Total Personal Services						<u>\$ 217,500</u>

Function:
Culture and Recreation

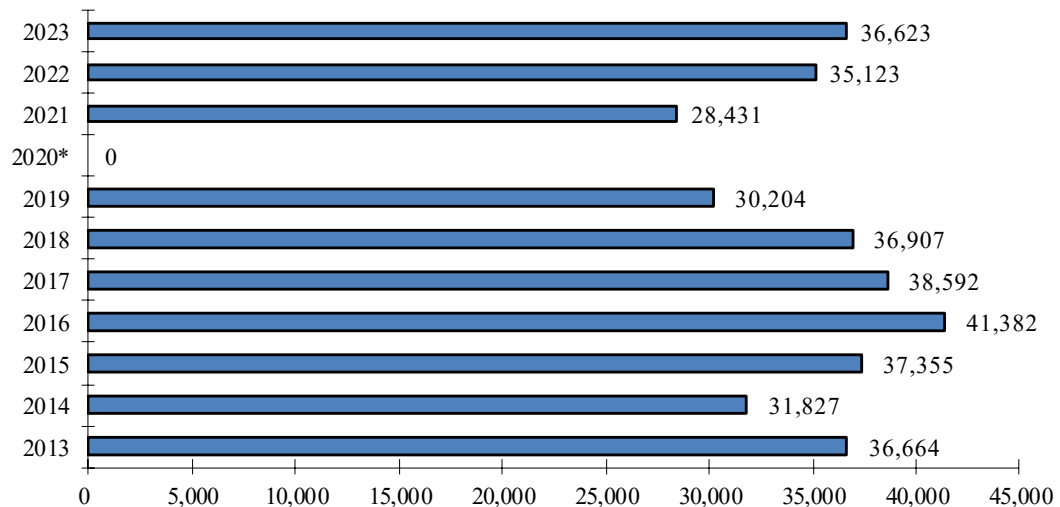
Department:
Parks and Recreation

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. Over the past ten years, it has varied from approximately 28,400 to 41,400 as shown in the following graph. Much of the fluctuation can be attributed to the weather each 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. Attendance in the 2023 season again increased to 36,623. 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 revised estimate for 2023/2024 is \$4,600 less than the original budget. Personal services costs are \$1,600 less than the original budget. Commodities increased by \$2,500, contractual services increased by \$400, and capital outlay decreased by \$5,900. The capital outlay decrease is due to the budgeted lifeguard chair being purchased in the prior fiscal year.

The 2024/2025 budget is \$8,000 (3.5%) more than the original 2023/2024 budget. Personal services costs decreased by \$1,200 due to lower unemployment and workers comp rates. Commodities increased by \$2,200, contractual services increased by \$400, and capital outlay increased by \$6,600. The 2024/2025 budget includes a \$12,500 capital outlay allocation to replace a pump (\$10,000) and a check valve (\$2,500).

The 2024/2025 year will be the 21st 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 2021	Actual 2022	Actual 2023	Estimated 2024	Estimated 2025
Aquatic Center Attendance	28,431	35,123	36,623	37,000	37,000
Swim Lesson Enrollment	292	352	367	370	380
Season Passes Sold	73	71	79	80	80
Number of Pool Rentals	82	81	70	80	85
Special Events Attendance	993	661	994	1,000	1,100
Scholarship Pass Recipients	166	162	155	160	165

RECENT ACCOMPLISHMENTS

The Muscatine Aquatic Center had excellent attendance for the 2023 season. Over 36,000 people enjoyed the facility, a 4.3% increase over the previous season. There were very few rainouts and staff availability helped offer consistent aquatic center hours.

The Swim 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 and to expand classes geared toward younger swimmers. These changes were in response to trends throughout the Aquatics field and in our registration numbers. Due to the reorganization of classes, swim lesson enrollment has continued to grow.

After-hours pool parties and the Multi-Purpose room rentals continue to be popular with the public. Pool rentals decreased in 2023 from 81 to 70 rentals and 80 pool parties are expected in the 2024 season.

The Program Supervisor resigned from the position in October, 2023. A new Supervisor was hired and started in December.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025

- To continue to recruit and train quality seasonal staff. **(Values – Excellent Customer Service)**
- To continue to increase swim lesson participation. **(Values – Excellent Customer Service and Healthy Community)**

- To continue to offer the residents of Muscatine a clean, safe, and presentable aquatic center. (**Values – Excellent Customer Service and Healthy Community**)
- To develop an aquatic center master plan focusing on infrastructure upgrades. (**Values – Excellent Customer Service**)
- To continue to work with area organizations and associations to fully utilize the aquatic center. (**Values – Excellent Customer Service and Healthy Community**)

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Aquatic Center

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 146,643	\$ 172,243	\$ 185,500	\$ 183,900	\$ 184,300	-0.65%
Commodities	27,608	25,531	22,700	25,200	24,900	9.69%
Contractual Services	14,431	13,801	16,700	17,100	17,100	2.40%
Capital Outlay	-	57,013	5,900	-	12,500	111.86%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 188,682</u>	<u>\$ 268,588</u>	<u>\$ 230,800</u>	<u>\$ 226,200</u>	<u>\$ 238,800</u>	3.47%
Funding Sources						
Swimming Pool Revenues	\$ 132,794	\$ 126,808	\$ 131,700	\$ 131,800	\$ 135,300	2.73%
General Revenues	<u>55,888</u>	<u>141,780</u>	<u>99,100</u>	<u>94,400</u>	<u>103,500</u>	4.44%
Total Funding Sources	<u>\$ 188,682</u>	<u>\$ 268,588</u>	<u>\$ 230,800</u>	<u>\$ 226,200</u>	<u>\$ 238,800</u>	3.47%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
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	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	
Total	50	50	50	50	50	\$ 168,700
Employee Benefits						<u>15,600</u>
Total Personal Services						<u>\$ 184,300</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Pump	1	Yes	\$ 10,000
Check Valve	1	Yes	<u>2,500</u>
			<u>\$ 12,500</u>

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 2023/2024 revised estimate is \$17,200 less than the original budget. The decrease is due to (1) a \$16,300 decrease in personal services costs due to a vacancy in the Program Supervisor position, and (2) a \$900 decrease in contractual services.

The 2024/2025 budget is \$200 (.1%) less than the original 2023/2024 budget. The decrease is due to (1) a \$3,600 decrease in personal services costs primarily due to the new Program Supervisor starting at a lower step in the pay plan, (2) a \$400 decrease in contractual services, and (3) a \$3,800 increase in capital outlay to purchase new gymnastics mats.

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 2021	Actual 2022	Actual 2023	Estimated 2024	Estimated 2025
Adult Programs Offered (Including Leagues)	23	23	20	24	24
Children's Programs Offered	41	38	32	35	35
Adult Program Participants	1,665	1,980	1,592	1,600	1,600
Children's Program Participants	2,730	2,556	2,442	2,500	2,500
New Programs Offered (1)	1	1	3	1	1
Volleyball League Teams	36	30	31	32	32

1. New programs offered in 2023 included the Melon City Bike Rodeo and the Family Bike Ride.

RECENT ACCOMPLISHMENTS

The former Program Supervisor resigned from the position in October of 2023. A new Supervisor was hired and started work in December.

The closure of Central Middle School by the Muscatine Community School District has caused the recreation division to cancel or suspend some winter programs for both youth and adults. The department is in the process of looking for new sites to host winter programs.

OBJECTIVES TO BE ACOMPLISHED IN 2024/2025

- To continue to offer a number of community special events free to the Muscatine community. **(Healthy Community and Excellent Customer Service)**
- To continue to offer youth recreation camps, clinics, and classes to the Muscatine community. **(Healthy Community and Excellent Customer Service)**
- To continue to offer adult recreation classes and leagues to the Muscatine community. **(Healthy Community and Excellent Customer Service)**
- To continue to work collaboratively with the many different groups and associations utilizing city facilities. **(Healthy Community and Excellent Customer Service)**
- To continue to support other City of Muscatine departments as requested. **(Healthy Community and Excellent Customer Service)**
- To continue to recruit and train quality seasonal staff. **(Healthy Community and Excellent Customer Service)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Recreation

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 104,926	\$ 107,397	\$ 137,800	\$ 121,500	\$ 134,200	-2.61%
Commodities	6,074	4,752	5,400	5,400	5,400	0.00%
Contractual Services	4,065	4,893	5,600	4,700	5,200	-7.14%
Capital Outlay	-	-	-	-	3,800	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 115,065</u>	<u>\$ 117,042</u>	<u>\$ 148,800</u>	<u>\$ 131,600</u>	<u>\$ 148,600</u>	-0.13%
Funding Sources						
Recreation Fees	\$ 30,838	\$ 28,308	\$ 34,700	\$ 33,400	\$ 34,100	-1.73%
General Revenues	<u>84,227</u>	<u>88,734</u>	<u>114,100</u>	<u>98,200</u>	<u>114,500</u>	0.35%
Total Funding Sources	<u>\$ 115,065</u>	<u>\$ 117,042</u>	<u>\$ 148,800</u>	<u>\$ 131,600</u>	<u>\$ 148,600</u>	-0.13%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
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	\$ 105,300
Employee Benefits						<u>28,800</u>
Total Personal Services						<u>\$ 134,100</u>

Capital Outlay		
Item	Replacement	Amount
Gymnastics Mats	Yes	<u>\$ 3,800</u>

Function:
Culture and Recreation

Department:
Parks and Recreation

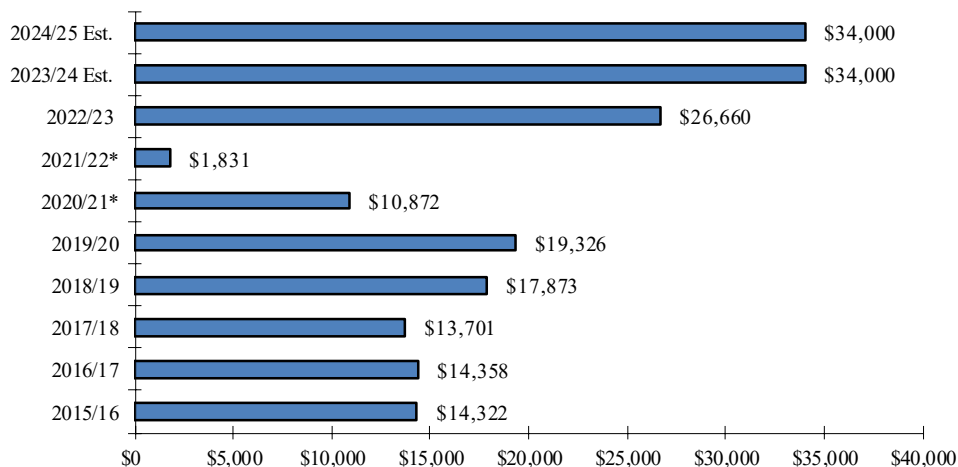
Activity:
Cemetery

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.

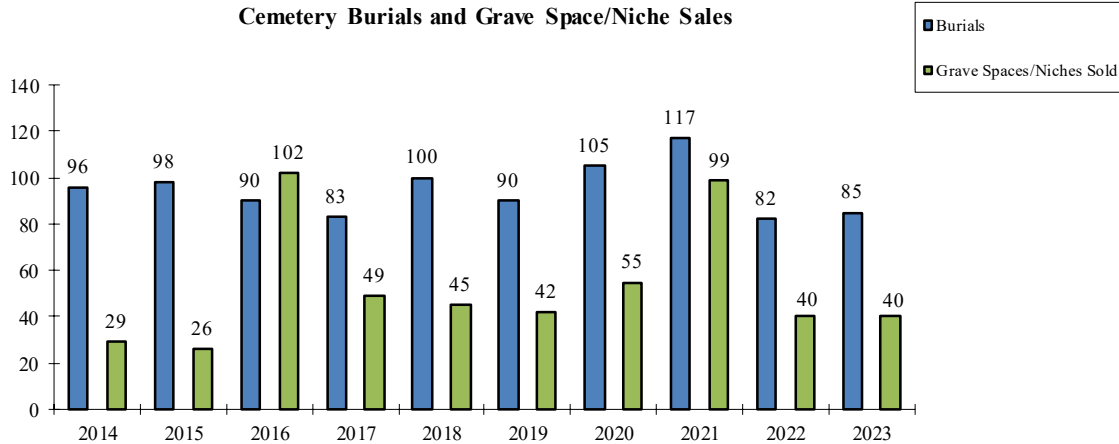
Interest earnings from the Perpetual Care Fund are utilized to help support the operation of the cemetery. A percentage of all grave sales by State law are placed in the fund with the interest earnings available to support cemetery operating and improvement costs. The interest transfers from the Perpetual Care Fund to the General Fund from fiscal year 2015/2016 through 2022/2023 and the estimated amounts for 2023/2024 and 2024/2025 are as 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. Interest rates have been increasing since those years.

The principal balance in the Perpetual Care Fund on June 30, 2023 was \$915,919, 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 1991/1992, 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 \$83,200 is expected to be needed to cover the operating costs of the cemetery for 2023/2024 and \$73,900 is the estimated subsidy for 2024/2025. The decline in interest rates since the start of the COVID-19 pandemic reduced interest revenue in the Perpetual Care Fund, which is a contributing factor for these subsidies. While interest rates have been increasing over the past two years, a subsidy is still needed to cover increasing expenditures.

The 2023/2024 revised estimate is over the budgeted amount by \$6,100. Personal services costs decreased by \$1,500, commodities increased by \$3,400 (due to increased fuel and maintenance supply costs), contractual services increased by \$4,900 (due to increased utility and maintenance services costs), and capital outlay decreased by \$700.

The 2024/2025 budget is \$3,200 (1.4%) less than the 2023/2024 budget due to a \$5,800 (3.3%) increase in personal services costs, an increase of \$3,800 in commodities, an increase of \$2,700 in contractual services, and a decrease of \$15,500 in capital outlay. The capital outlay request of \$5,500 for a new maintenance gate and related fence repairs will be funded from the remaining balance in a parks capital project fund. The Equipment Replacement fund includes funding totaling \$45,000 for the purchase of a utility vehicle (\$30,000) and a zero-turn mower (\$15,000).

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 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
Burials:					
Casket	64	42	54	32	60
Cremains	51	32	36	36	40
County	4	0	0	0	0
Total Burials	119	74	90	68	100
Grave Spaces Sold	78	66	60	50	60
Columbarium Niches Sold	12	6	7	5	5
Acres Maintained	80	80	80	80	80
Perpetual Care Interest (Fiscal Year Ending June 30)	\$10,872	\$1,831	\$26,660	\$34,000	\$34,000
General Fund Subsidy (Fiscal Year Ended June 30)	\$3,727	\$42,520	\$61,752	\$83,200	\$73,900

RECENT ACCOMPLISHMENTS

The cemetery steps opened for the 2023 year in March and will remain open until the first measurable snowfall. Staff worked this year on spraying weeds and 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.

New foundation lists are created for maintenance staff three times a year - spring, summer and fall. Maintenance staff was able to review the lists and complete the foundations in a timely manner. With almost twice the typical number of requests, other staff members were cross-trained to assist with this work.

Time and aging result in continued wearing of the existing stones and foundations. Staff worked, between mowing and foundations, on restoring the structures of older stones and bases.

With fulltime staff turnover in the Park Maintenance division and several new seasonal staff at the cemetery, cross-training of staff members was emphasized this year. Multiple opportunities were used to go over proper burial techniques throughout the season.

Both the spring and fall cleanup weeks were a success. Staff also worked at preparing the cemetery for Memorial Day, the Cemetery Walk held in September, and the Veteran’s Day observance in November.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025

- To provide for scheduled 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 per 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 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)**
- To search for better software for mapping and office tracking of grave sites. **(Strategic Plan - Excellent Customer Service)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Cemetery Operations

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 131,041	\$ 159,722	\$ 177,600	\$ 176,100	\$ 183,400	3.27%
Commodities	21,557	23,503	22,800	26,200	26,600	16.67%
Contractual Services	16,025	28,103	19,100	24,000	21,800	14.14%
Capital Outlay	7,000	-	15,500	14,800	-	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 175,623	\$ 211,328	\$ 235,000	\$ 241,100	\$ 231,800	-1.36%
Funding Sources						
Cemetery Revenues	\$ 131,272	\$ 122,916	\$ 127,600	\$ 123,900	\$ 123,900	-2.90%
Perpetual Care Interest	1,831	26,660	18,000	34,000	34,000	88.89%
General Revenues	42,520	61,752	89,400	83,200	73,900	-17.34%
Total Funding Sources	\$ 175,623	\$ 211,328	\$ 235,000	\$ 241,100	\$ 231,800	-1.36%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time Positions:						
Maintenance Repairperson	1.00	1.00	1.00	1.00	1.00	
Seasonal Part Time Positions:						
Seasonal Equipment Operator	2.46	2.46	2.46	2.46	2.46	
Total	3.46	3.46	3.46	3.46	3.46	\$ 134,700
Employee Benefits						48,700
Total Personal Services						\$ 183,400

Capital Outlay - Equipment Replacement Fund			
Item	Quantity	Replacement	Amount
Utility Vehicle	1	Yes	\$ 30,000
Zero Turn Mower	1	Yes	15,000
			\$ 45,000

Function:
Health and Social Services

Department:
Legislative and Council

Activity:
Economic Well-Being

GENERAL INFORMATION

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

As the federal and state governments have reduced subsidies for social programs, the City has experienced increases in requests for assistance from local agencies that provide social service programs. The agency allocations for the past five (5) years and the budgeted subsidies for 2024/2025 are as follows:

<u>Agency</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>	<u>2023/2024</u>	<u>Budgeted 2024/2025</u>
Senior Resources*	\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 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>30,000</u>	<u>30,000</u>
	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 55,000</u>	<u>\$ 60,000</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 that subsidy was maintained for 2023/2024 and 2024/2025.

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. MCSA requested and received a \$5,000 increase in their allocation for a total contribution of \$30,000 for 2023/2024 and the \$30,000 allocation was maintained for 2024/2025.

Function:
Health and Social Services

Department:
Legislative and Council

Activity:
Economic Well-Being

	<u>Actual</u> <u>2021/2022</u>	<u>Actual</u> <u>2022/2023</u>	<u>Budget</u> <u>2023/2024</u>	<u>Revised</u> <u>Estimate</u> <u>2023/2024</u>	<u>Budget</u> <u>2024/2025</u>	<u>Percent</u> <u>Change</u>
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	37,500	55,000	60,000	60,000	60,000	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 37,500</u>	<u>\$ 55,000</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>	0.00%
Funding Sources						
General Revenues	<u>\$ 37,500</u>	<u>\$ 55,000</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>	0.00%

Function:
Community and Economic Development

Department:
Community Development

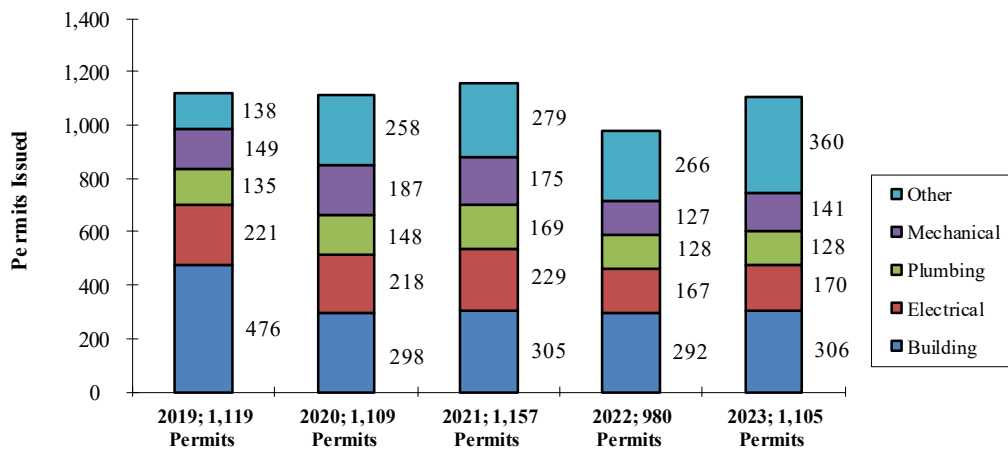
Activity:
Community Development

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 2023/2024 revised estimate is \$100 less than the original 2023/2024 budget. The small decrease is due to the net effects of: (1) a reduction of \$2,300 in personal services costs, (2) a \$5,100 increase in commodities, and (3) a \$2,900 decrease in contractual services.

The 2024/2025 budget is \$46,200 (4.0%) more than the original 2023/2024 budget. This overall increase is due to the net effects of: (1) a \$45,700 (5.6%) increase in personal services costs, (2) a \$3,200 decrease in commodities, and (3) a \$3,700 increase in contractual services.

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 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
Building/Construction Permits & Inspection Services:					
Construction Permits: Building, Electrical, Mechanical and Plumbing Permits Issued	906	807	745	750	750
Sign Permits	26	39	28	25	25
Demolition Permits	12	19	15	14	15
Right of Way Permits: Curb Cut, Excavation and Sidewalk Permits Issued	212	202	317	320	300
Number of New Commercial Buildings	3	15	13	16	10
New Commercial Project Values	\$ 370,400	\$ 15,965,358	\$ 1,366,626	\$ 29,000,000	\$ 20,000,000
Number of Remodel/Rehab Commercial Buildings	114	172	204	200	150
Remodel/Rehab Commercial Project Values	\$ 7,308,968	\$ 25,936,831	\$ 22,959,608	\$ 45,000,000	\$ 2,500,000
Number of New Residential Buildings	43	26	8	10	11
Number of New Residential Units	114	52	10	14	31
New Residential Project Values	\$ 15,924,554	\$ 12,343,396	\$ 2,685,950	\$ 2,800,000	\$ 4,500,000
Number of Remodel/Rehab Residential Buildings	630	601	582	520	500
Remodel/Rehab Residential Project Values	\$ 3,250,179	\$ 4,275,617	\$ 3,798,108	\$ 3,500,000	\$ 3,000,000
Permit Fees	\$ 167,473	\$ 299,939	\$ 352,874	\$ 390,000	\$ 350,000
Construction Inspections	1,397	1,677	1,502	1,175	1,000
Site Plan Review Meetings	7	15	7	4	6
Building Plan/Permit Reviews	247	462	385	352	300
Rental Housing Services:					
Rental Housing Inspections - Total	730	1,300	1,267	1,550	1,550
Initial/triennial Inspections	390	800	748	800	800
Reinspections	288	450	462	650	650
2nd Reinspections	12	25	22	60	60
3rd & Subsequent Reinspections	0	0	3	5	5
Exterior Reinspections	4	13	9	15	15
Complaint Inspections	36	12	23	20	20
Rental Housing Fees	\$ 20,497	\$ 30,198	\$ 60,097	\$ 72,000	\$ 60,000

	Actual 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
Code Enforcement Services:					
Nuisance Complaints - Total	1,594	1,989	1,487	1,516	1,500
Grass/Weeds Noticed	641	738	576	650	650
Grass/Weeds Contracted	132	184	218	247	250
Snow Noticed	178	84	0	50	50
Snow Contracted	70	35	0	15	15
Property Conditions Noticed	775	1,167	911	816	800
Property Conditions Contracted	204	272	264	204	200
Nuisance Citations/Assessment Fees	\$ 118,313	\$ 134,712	\$ 148,021	\$ 135,000	\$ 135,000
Properties on Full-Time Mow List	33	24	16	14	10
Properties on Full-Time Snow List	24	14	10	8	10
Vehicles Towed/Impounded	28	19	4	4	5
Properties Posted	174	134	82	75	70
Writ of Possessions	17	7	17	20	15
Planning & Zoning Services:					
Planning & Zoning Commission Meetings	7	9	4	5	6
Development Plan	0	2	2	1	1
Rezoning Requests	1	1	0	1	1
Right-of-Way Easement Requests	1	3	0	1	1
Right-of-Way Vacation Requests	5	3	0	1	1
Subdivision Requests	3	4	2	1	1
Zoning Board of Adjustment Meetings	5	7	9	9	9
Conditional Use Requests	0	3	5	4	6
Variance Appeal Request	9	10	11	12	10

RECENT ACCOMPLISHMENTS

The Community Development department continues to focus on creating vibrant communities throughout the City. We continue to work with the Iowa Economic Development Authority (IEDA) on the Ignite Vitality: Mulberry Neighborhood Project, and implementing programs that support the businesses and quality of life throughout the community.

The City Planner fully implemented the vacant and commercial property maintenance standard that has resulted in the improvement or removal of dozens of buildings. Six properties have been returned to private ownership and the tax rolls under the property disposal policy adopted in FY 2023. Staff has implemented a more robust method for promoting and selling properties, including posting “For Sale” signs on properties, updating the website, and establishing a schedule of sales.

The Small Business Forgivable Loan programs and the new façade program administered by the Greater Muscatine Chamber of Commerce and Industry (GMCCI) are being utilized by small businesses. All accumulated small business forgivable loan funds were expended in 2022/2023, and to date in 2023/2024, two small business forgivable loans and four building code/ADA improvement loans have been approved. Façade grants were made to 26 area businesses.

The Upper Story Housing Conversion project, creating two units from underutilized commercial space and funded by IEDA, is complete and the units are occupied. Staff has also continued to work with Martin-Gardner Architecture and Bi-State Regional Planning Commission to meet grant requirements while proceeding through design. A construction contract has now been approved for improvement to nine properties in the east 200 block of 2nd Street.

While staff has primarily focused on activating the previous awards, we are also continuing to work with the community grant writer to evaluate new or renewal funding opportunities. The overwhelming and unanticipated grant award success rate has kept staff busy, but most grants are in or nearing the full operational phase. IEDA continues to promote the Thriving Communities designation and giving each community an opportunity to promote the City for housing development.

Working with the Housing Council, we continue to educate the public on housing market issues at all income levels within community. The primary events offered for public education are an annual housing summit and the 3D Housing Press Conference, but they have also included presentations to smaller groups. In addition, a group of community representatives, including the Community Development Director, presented to the IEDA on the efforts to improve housing in the community and was awarded one of 11 Thriving Communities Designations. This allowed the Director to subsequently present at the Iowa Housing Summit and as part of a webinar series sponsored by IEDA to promote development opportunities in the community.

Establishment of the Construction Appeals and Advisory Board will help staff in the process of updating the building code. Establishing processes and implementation of City Code revisions has been the focus of 2023, allowing staff to progressively address nuisance properties with the most appropriate tools, such as abatements, and citations.

A downtown assessment was completed by the IEDA's Downtown Resource Center. The assessment identified many positive attributes of downtown Muscatine and made recommendations to promote visitors 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.

Muscatine Heart & Soul completed phase two of the community input process and created statements reflecting what the residents identified as the unique and valuable attributes of the community. Community meetings and a survey were completed where residents were able to concur with the statements. The Heart and Soul statements were then adopted by City Council.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025

- Implement infrastructure, commercial revitalization, and housing façade improvements that are identified as part of Ignite Vitality: Mulberry. **(Excellent Customer Service, Vibrant Community, Healthy Community, Public Safety, Public Infrastructure)**
- Complete the Comprehensive Plan revision. **(Vibrant Community, Healthy Community; Safe Community)**
- Pursue funding to address community needs and support planning and implementation initiatives. **(Vibrant Community, Healthy Community)**
- Utilize and promote tools to support housing and economic investment. **(Vibrant Community, Healthy Community)**
- Implement a pilot program for owner-occupied property maintenance. **(Vibrant Community)**

- Implement tools and processes to support developers and contractors to navigate the building and permitting process. (**Excellent Customer Service, Vibrant Community, Healthy Community**)
- Prioritize recommendations in the Housing Market Analysis for implementation. (**Vibrant Community, Healthy Community**)

Function:
Community and Economic Development

Department:
Community Development

Activity:
Community Development

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 707,796	\$ 772,889	\$ 816,000	\$ 813,700	\$ 861,700	5.60%
Commodities	8,972	8,502	12,900	18,000	9,700	-24.81%
Contractual Services	224,940	207,211	330,600	327,700	334,300	1.12%
Capital Outlay	7,674	1,860	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 949,382	\$ 990,462	\$ 1,159,500	\$ 1,159,400	\$ 1,205,700	3.98%
Funding Sources						
Community Development Revenues	\$ 503,824	\$ 590,392	\$ 398,200	\$ 633,500	\$ 567,200	42.44%
General Revenues	445,558	400,070	761,300	525,900	638,500	-16.13%
Total Funding Sources	\$ 949,382	\$ 990,462	\$ 1,159,500	\$ 1,159,400	\$ 1,205,700	3.98%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time Positions/Position Allocations:						
Community Development Director	0.70	0.70	0.70	0.62	0.55	
Assistant Community Development Director	1.00	1.00	1.00	1.00	1.00	
Building Division Manager	0.25	1.00	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	-	-	-	-	
Community Services Officer I	0.50	1.50	1.50	1.50	1.50	
Total Full Time	7.12	7.87	7.87	7.79	7.72	
Part-Time Positions:						
Inspector II	0.47	0.00	0.00	0.00	0.00	
Office Assistant	0.38	0.50	0.50	0.54	0.53	
Total	7.97	8.37	8.37	8.33	8.25	\$ 613,400
Employee Benefits						248,300
Total Personal Services						\$ 861,700

Capital Outlay - Equipment Replacement Fund			
Item	Quantity	Replacement	Amount
Building Inspection Vehicle	1	Yes	\$ 27,000

Function:
Community and Economic Development

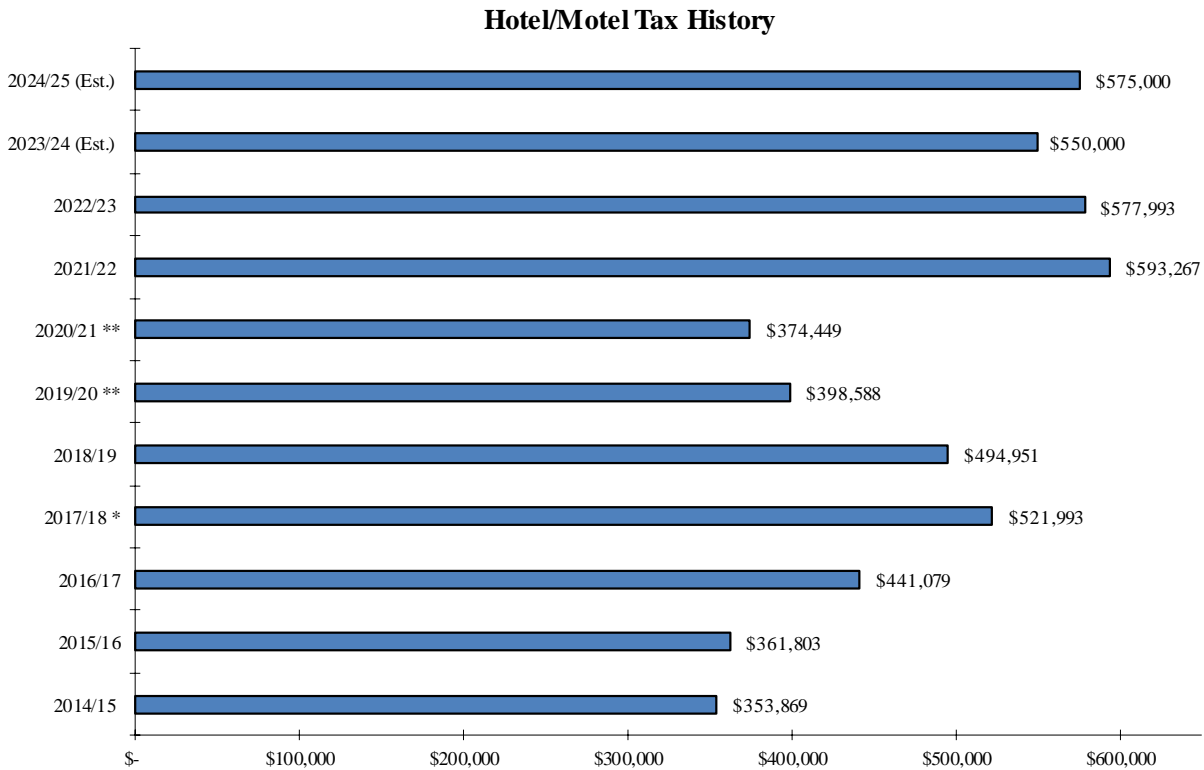
Department:
Legislative and Council

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 2023/2024 and 2024/2025:



* 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

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 fiscal years 2022/2023 and 2023/2024 with the funding allocation originally set at \$125,000 each year. GMCCI requested and received an increase of \$10,000 (to \$135,000) for fiscal year 2023/2024. The \$135,000 allocation was continued for 2024/2025.

The City had been continuing to maintain its CVB enterprise fund and these payments have been made to GMCCI from the CVB enterprise fund. The CVB enterprise fund will be closed out in the 2024/2025 fiscal year, with the balance (\$102,000) being used to fund that portion of the 2024/2025 allocation to GMCCI. A \$33,000 transfer from this budget to the CVB fund will bring the total Tourism and Marketing funding to \$135,000 in the 2024/2025 budget. In future years the allocations for Tourism and Marketing will be made directly from the Economic Development budget in the General Fund.

The 2023/2024 budget included \$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 2023/2024 budget also included an estimated \$10,000 for TIF-related legal and professional services.

The 2024/2025 budget again includes \$43,000 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 and \$10,000 for TIF-related legal and professional services.

The 2023/2024 revised estimate for the Economic Development budget is the same amount (\$178,000) as the original 2023/2024 budget.

The 2024/2025 Economic Development budget totals \$86,000 which is \$92,000 (51.69%) less than the revised estimate for 2023/2024. As noted previously, the \$33,000 Tourism allocation in this budget will be supplemented with the \$102,000 balance in the CVB enterprise funds to bring the total allocations to the budgeted amount of \$135,000.

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 and GMCCI partnered in 2023 to create a small business façade grant program that to date has approved 29 grants to businesses totaling \$98,192. The City also continued to provide small business forgivable loans up to \$25,000 to assist with building improvements and business startup costs. Monthly economic development meetings continued throughout 2023/2024. The City entered into Tax Increment Financing (TIF) agreements with Kent Corporation, Musco Lighting, and is in the process of negotiating a TIF agreement with Merge Urban Developers.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025

- Continue to partner with GMCCI and local lending institutions to provide small business loans and grants 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 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	45,596	43,000	53,000	53,000	53,000	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	<u>93,612</u>	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>	<u>33,000</u>	-73.60%
Total Expenditures	<u>\$ 139,208</u>	<u>\$ 168,000</u>	<u>\$ 178,000</u>	<u>\$ 178,000</u>	<u>\$ 86,000</u>	-51.69%
Funding Sources						
Hotel/Motel Tax	\$ 93,612	\$ 125,000	\$ 125,000	\$ 125,000	\$ 33,000	-73.60%
Tax Increment Funds for Economic Development	<u>45,596</u>	<u>43,000</u>	<u>53,000</u>	<u>53,000</u>	<u>53,000</u>	0.00%
Total Funding Sources	<u>\$ 139,208</u>	<u>\$ 168,000</u>	<u>\$ 178,000</u>	<u>\$ 178,000</u>	<u>\$ 86,000</u>	-51.69%

Function:
Public Works

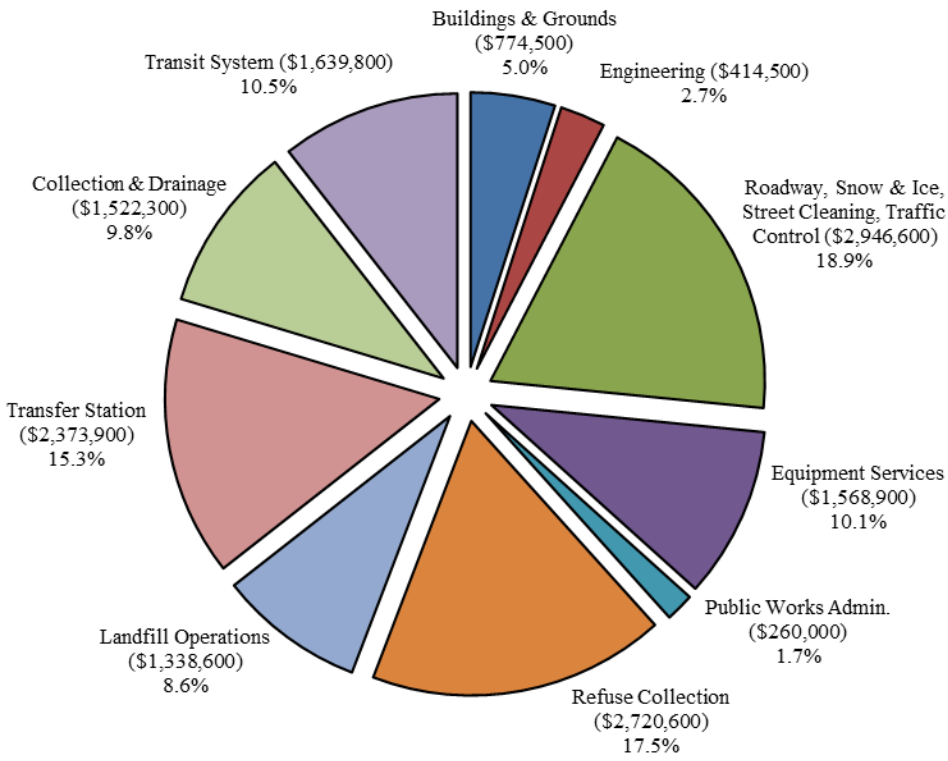
Department:
Public Works

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 2024/2025 fiscal year.

2024/2025 Public Works Budgets by Activity
\$15,559,700



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 2024/2025 these fees total \$81,300 and this amount has been included as revenue to the General Fund.

CURRENT TRENDS AND ISSUES

The 2023/2024 revised estimate is \$9,600 higher than the original budget due to increased personal services costs. This increase includes wage adjustments, retirement pay for the one-third allocation of the Administrative Secretary to this budget, and the one-third allocation of the six-week overlap allowed for with the hiring of the new Administrative Secretary.

The 2024/2025 budget is \$8,700 (3.5%) higher in total than the 2023/2024 budget. This increase includes (1) an increase of \$8,800 in personal services costs, (2) a \$1,000 increase in commodities, (3) a \$300 increase in contractual services, (4) a \$2,000 decrease in capital outlay, and (5) a \$600 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 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
Operating Expenditures - All Public Works Activities	\$12,689,105	\$13,901,341	\$14,008,640	\$15,397,900	\$15,559,700
Full Time Employees - All Public Works Activities	44	46	46	46	46
Part Time Employees - All Public Works Activities	36	43	45	45	45
Infrastructure Projects Under Construction	4	6	5	4	6
Infrastructure Projects Completed	1	4	2	3	4

RECENT ACCOMPLISHMENTS

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

Public Works assisted on several events and projects this year. Public Works and other city departments, worked together in the spring to prepare and maintain flood control devices for a top ten record flood. For the first time, the City implemented temporary flood protection barriers on the downtown sidewalk between Mississippi Drive from Cedar Street to Iowa Avenue. This barrier kept flood water from entering the buildings between Iowa and

Sycamore Street and kept access open to the city-owned parking lot between Sycamore and Cedar Street. Once the barrier was constructed, Public Works staff monitored and maintained pumps behind the wall to pump storm and seep water over the wall and into the river. This was a 24-hour operation that highlighted the teamwork and leadership abilities of City staff. Several lessons were learned during this process, including that the barrier walls used, which are filled with sand (Hesco walls) are labor and material intensive, and set up and removal is very time consuming. To make this wall installation easier in the future, City Council approved the purchase of a Muscle Wall, a plastic, water-filled system that hooks together to make a continuous flood barrier. This material arrived this fall and is now stored and ready for deployment for a future flood event.

RAGBRAI (Register's Annual Great Bicycle Ride Across Iowa) passed through Muscatine in late July. The Public Works department assisted with traffic and crowd control by setting up barricades in multiple locations. Public Works staff worked with the Parks department to dredge and haul material away from the bicycle dip site at the old boat launch area.

Public Works assisted multiple agencies and local businesses in August to support the installation of the World's Largest Watermelon Slice art piece in Riverside Park near Millennium Plaza. In late fall, Public Works assisted the Art Center with the design and installation of the foundation for the Zenith art installation in the center of the roundabout at Mulberry and 2nd Streets.

This year Public Works updated the City's sidewalk policy to allow for replacement of existing service walks. A summer intern was hired who was able to completely inventory all sidewalks within the city limits to determine the amount of missing sidewalk as well as the condition of existing sidewalks. This work will allow us to move forward and conduct routine and complaint-driven inspections with the goal of improving the walkability in the community.

Public Works also updated two sections of City Code regarding work conducted in the City's rights of way. Improvements were made to enforcement of right of way requirements and enforcement of requirements for subdivision construction. The adopted updates should simplify the permitting process for applicants by reducing the number of permits needed. The fee structure was also updated to allow for increased fees to better cover costs associated with staff time for inspections.

Supply issues continue to be our main concern this year. For the most part, we have been able to manage through these delays and we have learned to plan ahead and expect cost increases for future projects.

Public Works continues to take the lead on multiple infrastructure and other improvement projects throughout the community. The Public Works Director is tasked with overseeing the operations of Solid Waste and Refuse Collection, Building and Grounds, MuscaBus, Vehicle Maintenance, Collection and Drainage, Engineering, Roadway Maintenance, Snow and Ice Removal, Street Cleaning, and Traffic Control. In addition, this year the oversight and liaison duties at the Muscatine Municipal Airport were transferred to the Public Works Director.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025

- Review, select, and budget for a building condition assessment and replacement software for asset and inventory management for the Building & Grounds division, and potentially other divisions. **(Strategic Plan – Excellent Customer Service)**
- To complete creation of a document and SOPs for which department does what tasks, within the city. **(Strategic Plan – Excellent Customer Service, Reliable Public Infrastructure)**
- To budget and provide training to staff for CPR, and fire extinguishers. **(Strategic Plan – Safe Community)**

- To enter into a contract with a design firm to begin design for the Isett Avenue Corridor Reconstruction Project. **(Strategic Plan – Reliable Public Infrastructure)**
- To update our flood plan to include the installation of the demountable flood wall on Mississippi Drive from Cedar Street to Iowa Avenue. **(Strategic Plan – Reliable Public Infrastructure, Safe Community)**
- To complete construction of a vehicle wash bay at Public Works **(Strategic Plan – Excellent Customer Service, Reliable Public Infrastructure)**
- To finalize and implement the community wayfinding plan. **(Strategic Plan – Excellent Customer Service, Vibrant Community)**
- To create and implement a sidewalk replacement cost share plan. **(Strategic Plan – Excellent Customer Service, Safe Community, Reliable Public Infrastructure)**
- To complete an ADA ramp inventory and assessment to provide costs for strategic planning to install or replace non-compliant ramps and street crossings. **(Strategic Plan – Excellent Customer Service, Safe Community, Reliable Public Infrastructure)**

Function:
Public Works

Department:
Public Works

Activity:
Public Works Administration

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 196,336	\$ 209,334	\$ 215,200	\$ 224,800	\$ 224,000	4.09%
Commodities	1,526	943	4,900	4,900	5,900	20.41%
Contractual Services	8,723	11,592	12,200	12,500	12,500	2.46%
Capital Outlay	2,720	-	2,000	1,700	-	
Transfers	16,400	17,000	17,900	17,900	18,500	3.35%
Total Expenditures	\$ 225,705	\$ 238,869	\$ 252,200	\$ 261,800	\$ 260,900	3.45%
Funding Sources						
Road Use Taxes	\$ 151,205	\$ 162,269	\$ 173,300	\$ 182,900	\$ 179,600	3.64%
Administrative Fees	74,500	76,600	78,900	78,900	81,300	3.04%
Total Funding Sources	\$ 225,705	\$ 238,869	\$ 252,200	\$ 261,800	\$ 260,900	3.45%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time Position/Position Allocations:						
Public Works Director	1.00	1.00	1.00	1.00	1.00	
Administrative Secretary	0.33	0.33	0.33	0.33	0.33	
Total Full Time	1.33	1.33	1.33	1.33	1.33	\$ 160,200
Employee Benefits						63,800
Total Personal Services						\$ 224,000

Function:
Public Works

Department:
Public Works

Activity:
Roadway Maintenance

GENERAL INFORMATION

The Roadway Maintenance activity includes the repair and maintenance of all roadways in the City of Muscatine except the U.S. 61 By-Pass and a small portion of Business Route U.S. 61 which are maintained by the State of Iowa. There is a total of over 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 2023/2024 revised estimate is \$55,800 more than the original budget. This overall increase is due to a \$12,200 decrease in personal services costs, a \$14,200 decrease in contractual services, and an \$82,200 increase in capital outlay. Personal services costs are under budget due to savings from vacancies in positions and new employees starting at lower steps in the pay plan. The increase in capital outlay is due to a \$54,500 allocation to purchase a muscle wall to assist in mitigating flooding along Mississippi Drive, and the actual cost of the dump truck exceeding the budgeted amount by \$26,700.

The 2024/2025 budget is \$206,900 (13.4%) more than the 2023/2024 budget. Personal services costs increased by \$38,200 (4.0%); contractual services decreased by \$6,300; and capital outlay increased by \$175,000. The capital outlay allocation for 2024/2025 totals \$370,000 and includes asphalt/concrete grinding (\$100,000), a new tracked skid loader (\$80,000), a new dump truck (\$130,000), and a new crack seal machine (\$60,000).

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 \$3,659,600 for 2024/2025. Of this amount, \$3,372,000 will be funded from Road Use Taxes and \$287,600 from Public Works revenues. Specific information concerning the Road Use Tax Fund is included in the Special Revenue Funds section of the City budget.

GOAL STATEMENT

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

PERFORMANCE MEASURES

	Actual 2021	Actual 2022	Actual 2023	Estimated 2024	Estimated 2025
Centerline Miles of Streets Maintained	128	128	128	128	128
Hot Mix/Cold Mix Used (tons)	18,496 (1)	278	325	300	300
Pothole Patching (16” squares)	10,600 (2)	1,861	3,140	3,000	2,800
Crack Sealing (feet)	22,611	535 (3)	29,100	25,000	25,000
Modified Subbase Supplied – square yards (City Projects)	30,500	16,000	53,080	50,000	50,000

1. The 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 modified subbase this year:

- West Hill Sewer Separation Project – Phase 5A
- West Hill Sewer Separation Project – Phase 5B
- West Hill Sewer Separation Project – Phase 6A

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

RECENT ACCOMPLISHMENTS

- This division implemented “See Click Fix” for tracking customer requests, which impacted how the division schedules the response time for addressing complaints. The See Click Fix service goal is to address a concern within five business days. **(Excellent Customer Service)**
- The crack sealing program was implemented this year and it was a big part of the Roadway Maintenance division’s work accomplished this year. **(Reliable Public Infrastructure)**
- The division built heavy-duty chicanes in-house and installed them on the trail at the railroad crossings. One is at the east end of the riverfront and one is near the Kent/McKee building. These improvements were made out of necessity after the original chicanes were continually being vandalized and broken. **(Safe Community)**
- This division was able to place 325 tons of asphalt this year (240 tons of hot mix and 85 tons of cold patch). **(Reliable Public Infrastructure)**
- A new bulldozer was purchased by the City in October 2023 and it is being used to maintain the West Hill Sewer Separation Project ravine. The bulldozer is operated by Roadway Maintenance personnel. **(Safe Community)**
- RAGBRAI (Register’s Annual Great Bicycle Ride Across Iowa) passed through Muscatine this year, and with it there was a lot of traffic control and detours that had to be set up by the entire Roadway Maintenance crew. This accounted for half of the budgeted overtime for Roadway Maintenance. **(Safe Community)**

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025

- Complete Phase II of the Fulliam Avenue Reconstruction project. **(Reliable Public Infrastructure)**
- Continue to conduct on-the-job training with new employees on operations and procedures. **(Excellent Customer Service)**
- Crack seal 30 blocks following the full-depth concrete and hot mix asphalt (HMA) overlay that was completed 3-5 years ago to help prolong the life of the roadways. **(Reliable Public Infrastructure).**
- Re-establish proper drainage in trouble areas by cleaning and digging ditches where needed. **(Safe Community, Reliable Public Infrastructure)**

Function:
Public Works

Department:
Public Works

Activity:
Roadway Maintenance

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 966,185	\$ 917,919	\$ 955,100	\$ 942,900	\$ 993,300	4.00%
Commodities	110,034	118,789	147,100	147,100	147,100	0.00%
Contractual Services	311,433	252,020	251,900	237,700	245,600	-2.50%
Capital Outlay	389,786	385,110	195,000	277,200	370,000	89.74%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 1,777,438</u>	<u>\$ 1,673,838</u>	<u>\$ 1,549,100</u>	<u>\$ 1,604,900</u>	<u>\$ 1,756,000</u>	13.36%
Funding Sources						
Road Use Taxes	\$ 1,713,320	\$ 1,634,050	\$ 1,528,400	\$ 1,582,300	\$ 1,734,700	13.50%
Street Revenues	17,484	17,485	17,000	17,500	17,500	2.94%
Insurance Reimbursement	-	6,582	-	-	-	
FEMA Reimbursement	20,727	-	-	-	-	
Other	25,907	15,721	3,700	5,100	3,800	2.70%
Total Funding Sources	<u>\$ 1,777,438</u>	<u>\$ 1,673,838</u>	<u>\$ 1,549,100</u>	<u>\$ 1,604,900</u>	<u>\$ 1,756,000</u>	13.36%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
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	4.00	3.00	3.00	3.00	4.00	
Equipment Operator II	3.00	2.00	2.00	3.00	3.00	
Equipment Operator I	2.00	4.00	4.00	3.00	2.00	
Maintenance Worker II	0.10	0.10	0.10	0.10	0.10	
Administrative Secretary	0.33	0.33	0.33	0.33	0.33	
Total	11.43	11.43	11.43	11.43	11.43	\$ 645,200
Employee Benefits						348,100
Total Personal Services						<u>\$ 993,300</u>

Capital Outlay			
Item:	Quantity	Replacement	Amount
Asphalt/Concrete Grinding			\$ 100,000
Tracked Skidloader	1	Yes	80,000
Dump Truck	1	Yes	130,000
Crackseal Machine	1	Yes	60,000
			<u>\$ 370,000</u>

Function:
Public Works

Department:
Public Works

Activity:
Traffic Control Operations

GENERAL INFORMATION

The Traffic Control Operations activity was established to separately account for traffic control activities including street striping, street signs, and various other traffic control functions.

In most communities this activity would be funded at a substantially higher level. However, in Muscatine the municipally owned utility, Muscatine Power and Water, provides direct benefits to the general city operation by providing all street lighting including installation, maintenance, and operating costs. All maintenance and operational costs for traffic signals are paid by the utility with the exception of two traffic signals located outside of the utility's service district. These services are provided in lieu of a payment in taxes to the City.

CURRENT TRENDS AND ISSUES

The revised estimate for 2023/2024 is \$700 more than the original budget. Personal services costs are \$4,300 more than the original budget and contractual services are \$3,600 less than budgeted amount.

The 2024/2025 budget is \$28,700 (13.9%) more than the original 2023/2024 budget. Personal services costs increased by \$11,200 (11.8%) and capital outlay increased by \$17,500. The capital outlay allocation for 2024/2025 includes \$16,500 to replace approximately 820 traffic signs and \$25,000 to purchase a replacement paint striping machine.

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 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
Number of Street Signs Maintained	6,358	6,379	6,659	6,650	6,650
Number of New Signs Installed	371	334	396	350	350
Lineal Feet of Street Striping	327,263	326,075	344,902	345,000	345,000
Number of Stop Bars Painted	321	138	359	350	350
Number of Arrows Painted	442	405	479	480	480
Number of Handicapped Stalls Marked	105	0	105	105	105
Number of Regular Parking Stalls Painted	2,668	450	689	675	675
Number of Crosswalks Painted	232	150	267	250	250
Number of Railroad Crossings Painted	34	32	33	34	34
Traffic Committee Meetings	12	10	14	12	12
Number of Signs Removed	0	0	5	10	0
Number of Sign Posts Maintained	4,446	4,430	4,586	4,580	4,580
Number of Special Events (Setup and Tear Down)	N/A	N/A	25	25	25
Number of Detours (Setup and Tear Down)	N/A	N/A	6	6	6

RECENT ACCOMPLISHMENTS

The paint striping program started on July 10 and was completed on July 21. Weikert Contracting from Cedar Falls was awarded the paint striping bid. They were very prompt on starting their work and finished in a timely manner. The City paint striping crew started on June 19 painting the downtown parking stalls, then to crosswalks and stop bars at the busiest intersections in the city, followed by all of the school crosswalks in preparation for the start of the school year. Staff also paint-striped the parking lot at the Municipal Golf Course.

Sign replacements continued throughout the year, along with sign re-installations after construction projects, and repair or replacement of damaged signs and posts. Staff also coordinated and placed signs and no parking cones for multiple events and for construction work. A former employee (on a part-time basis) maintains GIS (Geographic Information System) maps for the department and continues to produce maps for detours, leaf routes, street closures, street sweeping, transit maps, refuse collection route maps, and specialty maps for other departments. Public Works staff continued bi-monthly meetings to discuss traffic issues that arise, review projects for proper traffic control, and requests for street closures.

The division is required to set up and take down detour signs and/or other traffic control devices for all special events. There are many special events throughout the year (parades, Melon City Criterium, Cinco De Mayo, Fall Fashion Show, Holiday Show, and the Weed Park Lighting Event, to name just a few).

RAGBRAI (Register’s Annual Great Bicycle Ride Across Iowa) passed through Muscatine in late July 2023. This required the entire crew to set up and tear down traffic control equipment used at the event. The tear down portion was completed on a Saturday requiring a significant amount of overtime.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025

- Continue to update GIS layers with maintenance work completed for rock on non-hard-surface alleys, culverts, street painting, street sweeping, sign replacements, and sign/post repairs. **(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 by the FHWA (Federal Highway Administration). **(Reliable Public Infrastructure, Safe Community)**
- Complete Zone 2 for replacement of aged-out signs by using the newly implemented replacement policy. **(Reliable Public Infrastructure,)**
- Train more staff on GIS. **(Reliable Public Infrastructure, Safe Community)**

Function:
Public Works

Department:
Public Works

Activity:
Traffic Control

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 80,510	\$ 92,313	\$ 95,100	\$ 99,400	\$ 106,300	11.78%
Commodities	16,442	4,149	14,400	14,400	14,400	0.00%
Contractual Services	69,727	66,380	74,000	70,400	74,000	0.00%
Capital Outlay	8,487	28,873	23,500	23,500	41,000	74.47%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 175,166</u>	<u>\$ 191,715</u>	<u>\$ 207,000</u>	<u>\$ 207,700</u>	<u>\$ 235,700</u>	13.86%
Funding Sources						
Road Use Taxes	\$ 175,166	\$ 191,715	\$ 207,000	\$ 206,400	\$ 235,700	13.86%
Miscellaneous Revenues	-	-	-	1,300	-	
Total Funding Sources	<u>\$ 175,166</u>	<u>\$ 191,715</u>	<u>\$ 207,000</u>	<u>\$ 207,700</u>	<u>\$ 235,700</u>	13.86%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time Positions:						
Equipment Operator III	1.00	1.00	1.00	1.00	1.00	
Part Time:						
GIS Mapping Technician	-	-	-	0.11	0.10	
Total	1.00	1.00	1.00	1.11	1.10	\$ 66,300
Employee Benefits						40,000
Total Personal Services						<u>\$ 106,300</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Traffic Signs	820	Yes	\$ 16,000
Paint Striping Machine	1	Yes	25,000
			<u>\$ 41,000</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 2023/2024 revised estimate is \$55,300 less than the original budget. Personal services costs are under the original budget by \$800 and commodities are under budget by \$54,500 due to less salt needing to be purchased due to the prior year inventory available. This savings in salt purchase costs has been moved to Roadway Maintenance budget which allowed for the purchase of the muscle wall for river flooding mitigation in downtown Muscatine.

The 2024/2025 budget is \$10,700 (1.7%) less than the original 2023/2024 budget primarily due to a decreased allocation for capital outlay. Budgeted capital outlay items include a snow package for a dump truck (\$160,000) and two salt spreader stands (\$20,000). The 2024/2025 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
2022/2023	10,550	14

The 2023/2024 revised estimate and 2024/2025 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 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
Number of Storms	20	13	14	19	19
Tons of Salt Used (includes 50/50 mix)	2,137	1,421	2,139	2,700	2,700
Tons of Sand Used	797	0	0	500	500
Gallons Calcium Chloride Used	5,000	0	200	2,000	2,000
Brine Used	5,000	2,901	9,000	12,000	12,000

RECENT ACCOMPLISHMENTS

During the winter of 2022/2023, the City experienced 14 snow events which was an increase from the previous winter with 13 snow events. The City used 1,887 tons of salt, 252 tons of sand, and 9,000 gallons of salt brine. Overall, it was a fairly light winter.

The City is still using last year’s salt supply and 1,200 tons of salt is on order through the Iowa Department of Transportation (IDOT). There was a price increase of 3.8% for salt this year. Once there is space in the salt dome, the salt will be delivered. At the time this was written, there had been one snow event (Nov. 26, 2023) which had 3.5 inches of snow. The crews handled this snow by running their salt routes.

The division has five new employees who have less than one year of service with the City, and they are training on the job.

There are still challenges in getting new equipment and when new equipment is available, the prices are significantly higher.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025

- Continue to evaluate and increase the use of brine applications during winter operations. **(Safe Community)**
- Continue to meet inter-departmentally about goals/procedures to further train the new equipment operators and explain what our standard is as “Muscatine’s Snow Fighters”. **(Safe Community, Excellent Customer Service)**
- Provide training to individuals from other departments who are willing to assist during winter operations (i.e. driving snow plow trucks, operating snow plows, salt applications, and different snow routes which are used during winter operations). **(Safe Community, Excellent Customer Service)**
- Continue to train employees as well as the public on the changes to the City Code and policies regarding snow removal operations, the updated snow emergency policy, and the new snow push back policy with the goal of pushing back the snow on one side of the street within 24 hours. **(Safe Community, Excellent Customer Service)**

Function:
Public Works

Department:
Public Works

Activity:
Snow and Ice Control

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 66,569	\$ 50,480	\$ 84,700	\$ 83,900	\$ 84,000	-0.83%
Commodities	253,244	195,284	239,800	185,300	239,800	0.00%
Contractual Services	63,073	33,017	95,900	95,900	95,900	0.00%
Capital Outlay	18,108	23,414	190,000	190,000	180,000	-5.26%
Transfers	-	-	-	-	-	
Total Expenditures	\$ 400,994	\$ 302,195	\$ 610,400	\$ 555,100	\$ 599,700	-1.75%
Funding Sources						
Road Use Taxes	\$ 395,985	\$ 297,070	\$ 606,400	\$ 548,700	\$ 594,700	-1.93%
Reimbursement of Expenses	5,009	5,125	4,000	6,400	5,000	25.00%
Total Funding Sources	\$ 400,994	\$ 302,195	\$ 610,400	\$ 555,100	\$ 599,700	-1.75%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time Positions:						
Equipment Operator III	N/A	N/A	N/A	N/A	N/A	
Equipment Operator II	N/A	N/A	N/A	N/A	N/A	
Equipment Operator I	N/A	N/A	N/A	N/A	N/A	
Total	N/A	N/A	N/A	N/A	N/A	\$ 45,000
Employee Benefits						39,000
Total Personal Services						\$ 84,000

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Snow Package for Dump Truck	1	Yes	\$ 160,000
Salt Spreader Stand	2	Yes	20,000
			\$ 180,000

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 2023/2024 revised estimate is under the original budget by \$3,200. There was a \$600 increase in personal services costs, a \$300 increase in commodities, and a \$4,100 decrease in capital outlay with the actual cost of the new street sweeper coming in under the budgeted amount.

The 2024/2025 budget is \$168,700 (32.2%) less than the 2023/2024 budget. Personal services costs increased by \$11,000 (6.0%), contractual services increased by \$300, and capital outlay decreased by \$180,000. The 2024/2025 capital outlay allocation is for a new leaf machine at \$100,000. The 2024/2025 budget again includes funding for temporary employment agency services to assist with the leaf pickup program.

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 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
Miles of Streets Cleaned with Sweeper	88	88	88	88	88
Employee Hours for Leaf Program	1,537	1,339	1,904	1,240	1,200
Temporary Employment Agency Hours for Leaf Program	0	0	0	1,140	1,200
Fall Leaf Loads	218	138	221	200	200
Spring Leaf Loads	10	5	4	5	5

RECENT ACCOMPLISHMENTS

Spring street sweeping began April 3 with the newest trained operator and was followed by a rotation of operators throughout the season. Staff completed all of the sweeper routes twice and started a third pass before the end of the sweeping season. In addition to normal routes, the street sweepers were dispatched to sweep “Rain Routes” four times throughout the spring and early summer to sweep debris off the street after a moderate/heavy rain.

The division took delivery of a new mechanical (Elgin Pelican) sweeper in September and it was used until it was too cold, which ended the sweeping season until next spring.

Spring leaf collection in 2023 was the first week of April, with one leaf truck running through all eight zones one time.

This year’s fall leaf pickup had its share of challenges with the leaves not falling until later in the fall. Then, it snowed 3.5 inches on November 26, so collection operations were halted to change to snow removal operations and equipment. Collections resumed on November 28 in Zone 6 and Zones 7, and Zone 8 received a third pass.

There was \$25,000 budgeted this year for temporary employees for the leaf pickup program. This was a big help as it freed up full-time employees to work on other department tasks.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025

- Continue to train new Equipment Operators and give current operators an annual training refresher. **(Healthy Community)**
- Continue to utilize temporary/seasonal employees to assist with the leaf pickup program. **(Excellent Customer Service)**
- Create a rotating schedule for sweeper operators (rotate operators after 1 or 2 weeks). **(Excellent Customer Service)**
- Create a new, updated, and more efficient schedule for leaf collection. **(Excellent Customer Service)**

Function:
Public Works

Department:
Public Works

Activity:
Street Cleaning

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 145,600	\$ 165,008	\$ 182,400	\$ 183,000	\$ 193,400	6.03%
Commodities	8,397	9,900	9,400	9,400	9,400	0.00%
Contractual Services	36,055	24,682	52,100	52,400	52,400	0.58%
Capital Outlay	-	-	280,000	275,900	100,000	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 190,052	\$ 199,590	\$ 523,900	\$ 520,700	\$ 355,200	-32.20%
Funding Sources						
Road Use Taxes	\$ 190,052	\$ 199,590	\$ 523,900	\$ 520,700	\$ 355,200	-32.20%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time Positions/Position Allocations:						
Equipment Operator II	1.90	1.90	1.90	1.90	1.90	
Total Full Time	1.90	1.90	1.90	1.90	1.90	\$ 114,600
Employee Benefits						78,800
Total Personal Services						\$ 193,400

Capital Outlay			
Item	Quantity	Replacement	Amount
Leaf Machine	1	Yes	\$ 100,000

Function:
Public Works

Department:
Public Works

Activity:
Engineering Operations

GENERAL INFORMATION

Staffing in the Engineering division has evolved over the last several years. 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 2022/2023 budget a Senior Engineer position was added; however, there was a change in City Engineers in May of 2023, and a decision was made to not fill this position at this time.

As mentioned above, the City had been using independent contractors as construction project managers/inspectors and this arrangement has been fully phased out as of the end of the 2023 calendar year. In the future, the plan is to have the project management/inspections done in-house.

CURRENT TRENDS AND ISSUES

The revised estimate for 2023/2024 is \$157,100 less in total than the original budget. Personal services costs are \$127,500 less than the original budget due to not filling the Senior Engineer position and new employees starting at lower steps in the pay plan. Capital outlay in the revised estimate is \$38,900 less than the original budget primarily due to not needing the vehicle that was budgeted for the Senior Engineer. These decreases were partially offset by a \$300 increase in commodities and a \$9,000 increase in contractual services. The increase in contractual services allows funds for engineering consulting fees, if needed, for projects that may need formal plans.

The budget for 2024/2025 is \$13,000 (3.2%) more than the 2023/2024 revised estimate. There is a \$26,700 increase in personal services costs compared to the revised estimate, a \$300 decrease in commodities, a \$6,200 increase in contractual services, and a \$19,600 decrease in capital outlay. The 2024/2025 budget continues the current staffing of 2.75 full-time equivalent (FTE) positions and allows for a .27 FTE intern. The budget includes \$20,000 for engineering consulting fees, if needed, for projects that may need formal plans.

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 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
Right-of-Way Permits Processed	350	364	434	427	383
Permits Closed	315	284	337	312	312
Utility Locates Processed	4,954	3,501	3,038	3,439	3,200
Percent and Amount of Billed Time to Projects (City Engineer)	59.4% \$73,747	33.7% \$46,249	N/A	40.0% \$50,000	40.0% \$55,000
Percent and Amount of Billed Time to Projects (Inspector III)	67.5% \$31,008	88.5% \$86,606	N/A	80% \$90,000	80% \$95,000

RECENT ACCOMPLISHMENTS

- Construction on Grandview Avenue has been completed with two punch list items remaining - full functionality has been restored to the public.
- Park Avenue 4-Lane to 3-Lane Conversion project - final audit is being completed.
- 67th Avenue Sidewalk project has been closed out.
- Fulliam Avenue Reconstruction Phase 1 has been closed out.
- HAWK Crossing for Musser Park has been completed.
- Attended Muscatine Trails Committee meetings.
- Attended MAGIC (Muscatine Area Geographical Information Consortium) Board meetings in a technical staff role.
- Attended and participated in MP&W (Muscatine Power & Water) coordination meetings and strived to keep a positive working relationship with MP&W.
- As sponsor for the Mississippi River Levees (Mad Creek Levee and Muscatine Island Levee), led coordination with departments to address deficiencies as outlined by the US Army Corps of Engineers (ACE).
- Joined the American Flood Coalition in conjunction with the University of Iowa Flood Center in an effort to improve the City's overall flooding as well as its flood response system.
- Attended Public Works staff meetings.
- Acted as a resource to the Streets division for a multitude of repairs within the City.
- Provided construction management for Fulliam Avenue Reconstruction Phase 1.

- Provided construction management for West Hill Sewer Separation Project Phase 5.
- Provided construction management for West Hill Sewer Separation Project Phases 6-A and 6-B.
- Served as City Lead for the design of the West Hill Sewer Separation Project Phase 6-C.
- Continued to implement Iowa Statewide Urban Design and Specifications (SUDAS) as the City's Design Standard and to normalize that standard with contractors.
- Initiated development of a supplement to SUDAS to more specifically meet the City's needs.
- Participated in site plan review meetings for new developments in the City and within a two-mile radius as well as monitored work performed within the City's rights-of-way associated with these private developments.
- Served as a resource to the Parks department for multiple projects and potential projects.
- Revised the right-of-way permit system to eliminate confusion and better serve the public.
- Managed the inspection and assessment of all city sidewalks (excluding ADA panels).
- Worked in conjunction with the Planning and Community Development department to improve coordination and to highlight future areas of improvement with internal processes and with City Code.
- Tracked contractors working within the right-of-way to ensure that construction was meeting the City standards.
- Completed all Utility Locate requests.
- Served or is serving as the point of contact for the designs and construction of:
 - Muscatine Police department/Muscatine County Sheriff's department training facility.
 - South End Community Improvement Projects (HAWK crossing, Taylor Park)
 - Redundant Forcemain from Musser Park to the Water Pollution Control Plant
 - 67th Avenue Sidewalk
 - MuscaBus Vehicle Wash Bay
 - Isett Avenue Corridor Reconstruction Project
 - Lake Park Boulevard Storm Water Improvements
 - West Hill Sewer Separation Project
 - Fulliam Avenue Reconstruction Project
 - Grandview Avenue Reconstruction

- West Hill Ravine Grading
- Public Works Fuel Tank Replacement Project
- Park Avenue West Bridge Replacement Project

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025

- To complete and close out the West Hill Phase 6-A and 6-B Project. **(Strategic Plan – Reliable Public Infrastructure, Vibrant Community)**
- To complete the design of and let bids for the Isett Avenue Corridor Project. **(Strategic Plan – Reliable Public Infrastructure, Vibrant Community)**
- To serve as liaison for the Project Management Team for:
 - West Hill Sewer Separation Project, Phase 6-A and 6-B Construction – 2024 – 2025
 - West Hill Sewer Separation Project, Phase 6-C Construction – 2024 – 2026
 - West Hill Sewer Separation Project, Phase 6-D and 6-E Design and Construction – 2024 – 2028
 - Police Department Shooting Range and Training Facility – 2024 – 2025
 - Street Maintenance Full Depth Concrete Patching Project – 2024 – 2025
 - Street Maintenance Asphalt Overlay Project – 2024 – 2025
 - Street Maintenance Sidewalk Program – 2024 – 2025
 - Fulliam Reconstruction Project, Houser to Kindler, Construction – 2023 – 2026
 - East Hill Multiuse Facility, Design – 2024 – 2025
 - Isett Avenue Corridor Planning and Design – 2024 – 2025
 - Park Avenue West Bridge Replacement Design and Construction – 2024 – 2025
 - Dredge Dewatering Site Relocation Design and Construction – 2024 – 2025
 - Redundant Force Main Project Construction – 2024 – 2025

(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 implement a supplement to SUDAS in order to specify construction methods that are unique to the City of Muscatine. **(Strategic Plan – Reliable Public Infrastructure)**
- To implement a revised stormwater requirement for private development into City Code in order to help reduce flooding within the city. **(Strategic Plan – Reliable Infrastructure, Safe Community)**
- To complete an assessment of all ADA ramps within the City and to develop a plan to replace any non-compliant ramps. **(Strategic Plan – Reliable Infrastructure, Safe Community)**

Function:
Public Works

Department:
Public Works

Activity:
Engineering Operations

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 328,004	\$ 316,821	\$ 444,700	\$ 317,200	\$ 343,900	-22.67%
Commodities	4,203	4,443	8,800	9,100	8,800	0.00%
Contractual Services	19,431	32,145	42,600	51,600	57,800	35.68%
Capital Outlay	56,777	3,692	62,500	23,600	4,000	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 408,415</u>	<u>\$ 357,101</u>	<u>\$ 558,600</u>	<u>\$ 401,500</u>	<u>\$ 414,500</u>	-25.80%
Funding Sources						
Engineering Fees	\$ 137,450	\$ 44,974	\$ 207,900	\$ 160,000	\$ 180,000	-13.42%
Road Use Tax	270,965	312,127	350,700	238,300	234,500	-33.13%
Miscellaneous	-	-	-	3,200	-	
Total Funding Sources	<u>\$ 408,415</u>	<u>\$ 357,101</u>	<u>\$ 558,600</u>	<u>\$ 401,500</u>	<u>\$ 414,500</u>	-25.80%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time Positions:						
City Engineer	1.00	1.00	1.00	1.00	1.00	
Senior Engineer	0.00	0.00	1.00	0.00	0.00	
Right-of-Way Inspector	0.75	0.75	0.75	0.75	0.75	
Inspector III	1.00	1.00	1.00	1.00	1.00	
Total Full Time	<u>2.75</u>	<u>2.75</u>	<u>3.75</u>	<u>2.75</u>	<u>2.75</u>	
Part Time:						
Interns	0.00	0.27	0.27	0.27	0.27	
Total	2.75	3.02	4.02	3.02	3.02	\$ 239,000
Employee Benefits						104,900
Total Personal Services						<u>\$ 343,900</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Workstation Laptop	1	No	<u>\$ 4,000</u>

Function:
Transfers

Department:
City Administrator

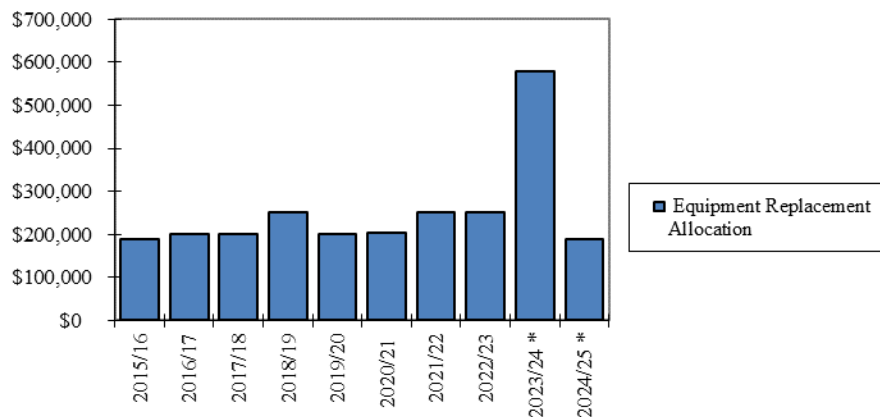
Activity:
Equipment Replacement Transfer

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 originally 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.



* General Fund allocations were originally set at \$400,000 for the revised estimate and \$368,000 for the 2024/2025 Budget. Prior to finalizing the budget, the Police department located three new police patrol vehicles that were immediately available, and since there were concerns about vehicle availability after July 1, the \$180,000 allocation for these vehicles was moved to the 2023/2024 revised estimate.

CURRENT TRENDS AND ISSUES

Since the 2015/2016 fiscal year, the General Fund annual allocations to the Equipment Replacement Fund have generally been between \$200,000 and \$250,000. The original budget transfer for 2023/2024 was \$400,000 and, as noted in the footnote to the above chart, this was increased to \$580,000, which reflected moving \$180,000 of the transfer originally budgeted for 2024/2025 to the 2023/2024 revised estimate. This left the 2024/2025 funding transfer at \$188,000 (this would have been \$368,000 before moving the \$180,000 allocation).

Purchases from the Equipment Replacement Fund in the 2023/2024 revised estimate total \$753,200. This amount includes \$100,900 of funding carried forward from 2022/2023 for two Police patrol vehicles (Tahoes). Purchases in the revised estimate include the \$100,900 for the Police patrol vehicles carried forward from the prior year, \$122,300 for two Police patrol vehicles budgeted in 2023/2024 (department purchased two Silverado pickups since Tahoes were not available), \$27,500 for a Community Development Building Inspector vehicle, \$66,600 for a mini-excavator for the Cemetery, \$32,600 for a utility vehicle for the Cemetery, \$91,600 for two Park Maintenance trucks, \$37,500 for a wide area mower for Park Maintenance, \$47,700 for a rough mower for Kent Stein Park, \$32,600 for a utility vehicle for Park Maintenance, and \$13,900 for a zero-turn mower for Park Maintenance. The revised estimate also includes \$180,000 for three additional Police patrol vehicles moved from the 2024/2025 budget to the 2023/2024 revised estimate. The balance in the Equipment Replacement Fund on June 30, 2024 is estimated at \$82,045.

Purchases from the Equipment Replacement Fund in 2024/2025 total \$214,500. This includes \$27,000 for a Community Development Building Inspector vehicle, \$62,500 for an incident command vehicle for the Fire department, \$30,000 for a utility vehicle for the Cemetery, \$15,000 for a zero-turn mower for the Cemetery, and \$80,000 for a one-ton truck for Park Maintenance. The balance in the Equipment Replacement Fund on June 30, 2025 is estimated at \$63,745.

It should be noted that the vehicles being replaced in both 2023/2024 and 2024/2025 are vehicles identified by the Vehicle Maintenance Supervisor as being in the poorest condition and were recommended for replacement.

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 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	<u>250,000</u>	<u>250,000</u>	<u>400,000</u>	<u>580,000</u>	<u>188,000</u>	-53.00%
Total Expenditures	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 400,000</u>	<u>\$ 580,000</u>	<u>\$ 188,000</u>	-53.00%
Funding Sources						
General Revenues	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 400,000</u>	<u>\$ 580,000</u>	<u>\$ 188,000</u>	-53.00%

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 was again due to the accumulated balance in the Transit fund due to the CARES Act and other additional federal funding.

The 2023/2024 budget included 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 was needed due to rising fuel and maintenance costs, and to lessen the projected decrease in the Transit fund balance in 2023/2024.

The 2024/2025 budget includes a tax levy of \$.07346 per \$1,000 of valuation for public transportation which will generate \$78,578 (including the utility replacement excise tax, the commercial/industrial State reimbursement, and the business property tax credit reimbursement).

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 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers			206,678	206,678	78,578	-61.98%
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 206,678</u>	<u>\$ 206,678</u>	<u>\$ 78,578</u>	-61.98%
Funding Sources						
Transit Tax Levy	\$ -	\$ -	\$ 198,284	\$ 198,284	\$ 74,718	-62.32%
Utility Tax Replacement						
Excise Tax	-	-	646	646	282	-56.35%
Commercial and Industrial						
State Reimbursement	-	-	2,698	2,698	1,769	-34.43%
Business Property Tax						
Credit Reimbursement	-	-	5,050	5,050	1,809	-64.18%
Total Funding Sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 206,678</u>	<u>\$ 206,678</u>	<u>\$ 78,578</u>	-61.98%

Function:
Transfers

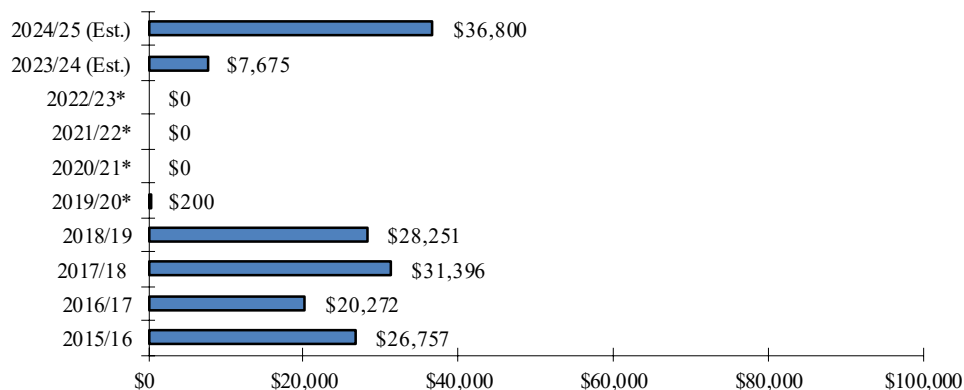
Department:
City Administrator

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 2015/2016 follows:

General Fund Airport Subsidies



* The small subsidy for 2019/2020 and zero subsidies for 2020/2021, 2021/2022, and 2022/2023 were 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 \$36,800 during the past ten years. The subsidies for 2019/2020, 2020/2021, 2021/2022, 2022/2023 and estimated 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.

CURRENT TRENDS AND ISSUES

The 2023/2024 revised estimate subsidy is \$7,675 compared to the original budget of \$3,650. This increase is due to the increase in legal fees related to the Airport Management Agreement. The budgeted subsidy for fiscal year 2024/2025 is \$36,800.

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 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	-	-	3,650	7,675	36,800	908.22%
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,650</u>	<u>\$ 7,675</u>	<u>\$ 36,800</u>	908.22%
Funding Sources						
General Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,650</u>	<u>\$ 7,675</u>	<u>\$ 36,800</u>	908.22%

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 and 2024.

In late 2022, the City was approached by Muscatine Power and Water (MP&W) with a proposal to develop a solar energy facility on 140 acres of airport property. The proposal includes an initial development period which provides the city with annual rental payments of \$40 per acre until MP&W initiates a solar development. If MP&W makes a decision to pursue a solar development on the property, the “operating period” begins. Annual operating rent for year one is \$800 per acre with an annual escalation of 2.5% through year 25. City Council approval of this agreement is pending. This arrangement will allow the City to continue to rent the airport property for farming purposes until a solar development begins. The City is also considering using a portion of the airport property for the construction of a new police range and training site.

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 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 2023/2024 and 2024/2025 is \$46,500. Carver Aero, as fixed base operator (FBO), will make payments to the City of \$13,300 in 2023/2024 and \$13,700 in 2024/2025.

The City 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 was 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 was near completion in 2023 with 85% State funding and a 15% local match.

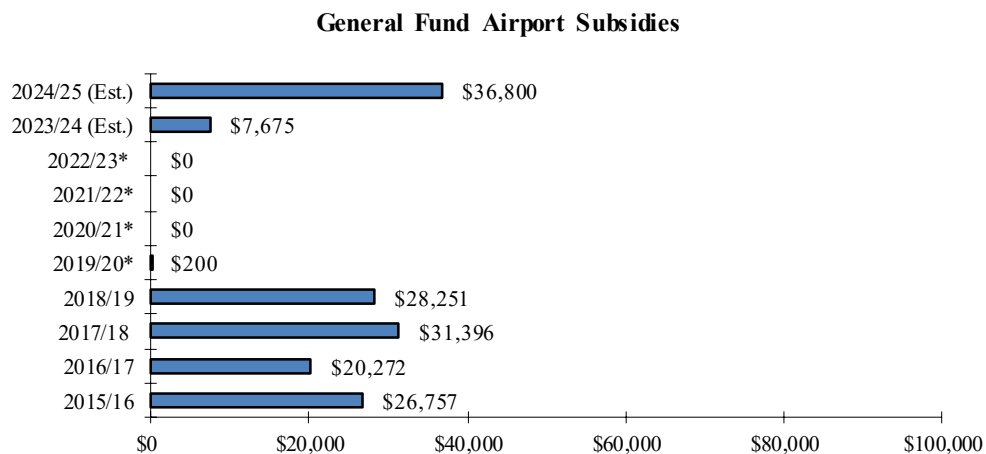
Engineering design was completed in 2019/2020 for the reconstruction of Taxiway A. Construction was substantially completed in calendar year 2021 and the contract was closed out in June of 2022. Federal Aviation Administration (FAA) funding was originally set at 90% of project costs. After the fiscal 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 in the design phase or underway in 2023/2024 include (1) Phase I and Phase II of the Fuel System Relocation project (with 80% State funding), (2) the purchase of snow removal equipment (with 90% FAA

funding), and (3) Lights, PAPIs, and REILS for Runway 12/30 (with 90% FAA funding). These projects are 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:



* The small subsidy for 2019/2020 and zero subsidies for 2020/2021, 2021/2022, and 2022/2023 were 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, 2022/2023 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 Airport fund had a beginning fund balance of \$29,925 in the 2023/2024 fiscal year. With those funds available, the 2023/2024 original budget included a General Fund subsidy of \$3,650 and the 2023/2024 revised estimate increases the subsidy to \$7,675. This subsidy brings the ending fund balance for 2023/2024 to zero. The 2024/2025 budget includes a General Fund subsidy of \$36,800. This increase is due to the discontinuation of federal funding for airport operations. 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.

Airport expenditures for the 2023/2024 revised estimate are projected at \$134,700, which is \$3,800 more than the original 2023/2024 budget. This increase is due to an increased allocation for legal services related to the airport management agreement.

The 2024/2025 budget is \$3,400 more than the original 2023/2024 budget. This is due to a \$3,100 increase in insurance costs, and a \$300 increase in transfers.

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 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
Hangars Maintained	20	23	23	23	23
Hangar Spaces Rented	20	23	22	22	22
Airport Advisory Meetings	6	7	7	7	6
Hangar Rentals	\$31,738	\$38,471	\$39,592	\$40,000	\$40,000
FBO Lease	\$12,172	\$12,540	\$12,916	\$13,300	\$13,700
Fuel Commissions	\$8,129	\$7,720	\$8,198	\$8,200	\$8,200
Farm Lease Revenue	\$34,000	\$34,000	\$34,000	\$34,000	\$34,000
General Fund Subsidy	\$0	\$0	\$0	\$7,675	\$36,800

RECENT ACCOMPLISHMENTS:

In recent years, the Community Development Director was the liaison between the airport and the City of Muscatine. That role was transferred to the Public Works Director in late 2023. In 2020, the fixed base operator (FBO) changed from longtime operator Carver Aero, LLC to REVV Aviation. REVV maintained the existing staff from Carver Aero so the change did not negatively impact the knowledge and experience of the team operating the airport. The City and the Airport Advisory Commission have been meeting with REVV to discuss their plans and ideas for the airport operation in the future.

Bolton & Menk, as the airport engineer/consultant, has continued to assist the airport with design and plans for Phase I and Phase II of the Fuel System Relocation Project. Funding for this project is 80% from State grants with the 20% local match included in the spring 2024 bond issue.

In addition, design is underway for Precision Approach Path Indicator (PAPI) lighting, and Runway End Identifier Lights (REIL) for Runway 12/30 and the parallel taxiway. Funding for this project is 90% from a Federal Aviation Administration (FAA) grant with the 10% local match included in the spring 2024 bond issue.

The Snow Removal Equipment (SRE) that was budgeted in 2023/2024 received no bids from vendors. The airport consultant and staff believe this is primarily because only the equipment was requested, (plow, etc.) as opposed to requesting a carrier vehicle (truck, tractor, loader, etc.) on which to mount the equipment. Most vendors price this equipment with a vehicle, and to get them to only supply and attach the equipment to an existing vehicle was not well received. With the assistance of Bolton & Menk, staff is working with the Federal Aviation Administration (FAA) to determine other options available to obtain SRE, including adding a carrier vehicle to the grant request to make it more attractive for vendors to bid. This will remain a priority and a goal for next year.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025:

- To complete Phase I and II 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 construction on the PAPIs and REILs. **(Strategic Plan - Reliable Public Infrastructure)**
- To work with the Fixed Base Operator (FBO) to devise strategies to promote awareness of the airport and the benefit it provides to the community. **(Strategic Plan - Vibrant Community)**

Airport Operations

Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 23,396	\$ 60,725	\$ 31,550	\$ 29,925	\$ 0
Revenues					
Fixed Base Operator Fee	\$ 12,540	\$ 12,916	\$ 13,000	\$ 13,300	\$ 13,700
Hangar Rentals	38,471	39,592	40,000	40,000	40,000
Reimbursement of Costs	1,658	1,678	1,200	1,600	1,600
Farm Leases	34,000	34,000	34,000	34,000	34,000
Fuel Commissions	7,720	8,198	7,500	8,200	8,200
Interest	0	988	0	0	0
Federal FAA Grants (CARES Act and American Rescue Plan Act)	46,500	1,625	0	0	0
Transfers In					
General Fund Subsidy	<u>0</u>	<u>0</u>	<u>3,650</u>	<u>7,675</u>	<u>36,800</u>
Total Revenues	<u>\$ 140,889</u>	<u>\$ 98,997</u>	<u>\$ 99,350</u>	<u>\$ 104,775</u>	<u>\$ 134,300</u>
Funds Available	\$ 164,285	\$ 159,722	\$ 130,900	\$ 134,700	\$ 134,300
Expenditures	<u>103,560</u>	<u>129,797</u>	<u>130,900</u>	<u>134,700</u>	<u>134,300</u>
Ending Balance, June 30	<u>\$ 60,725</u>	<u>\$ 29,925</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Increase (Decrease) in Fund Balance	\$ 37,329	\$ (30,800)	\$ (31,550)	\$ (29,925)	\$ 0

Function:
Business Type

Department:
Community Development

Activity:
Airport Operations

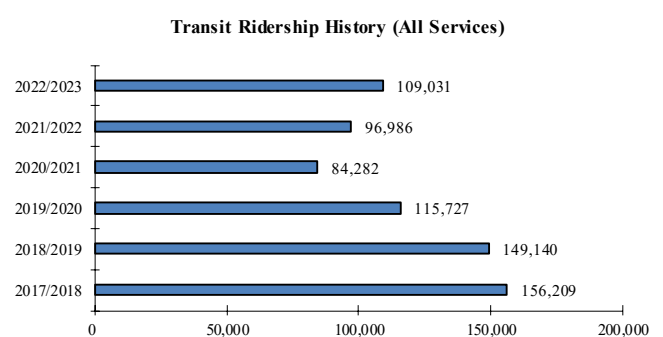
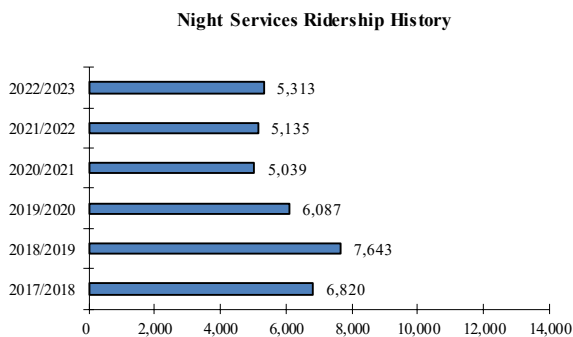
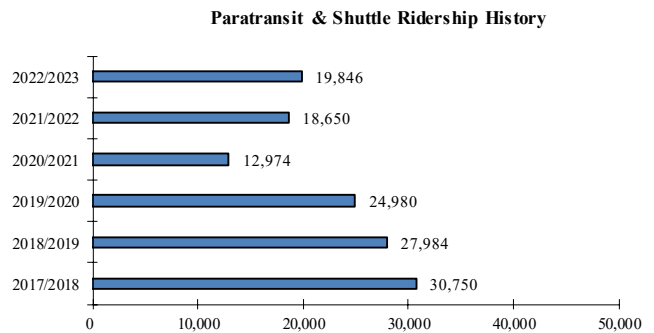
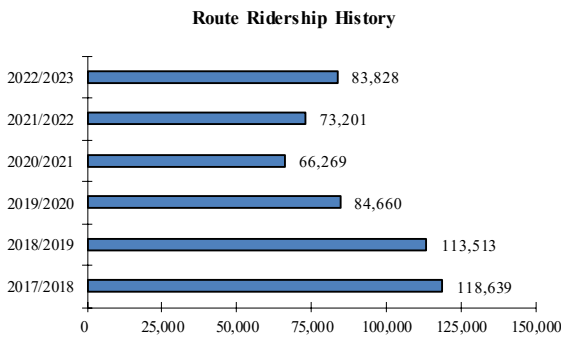
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	1,503	2,833	5,400	5,400	5,400	0.00%
Contractual Services	91,458	116,063	114,300	118,100	117,400	2.71%
Capital Outlay	-	-	-	-	-	
Transfers	<u>10,600</u>	<u>10,900</u>	<u>11,200</u>	<u>11,200</u>	<u>11,500</u>	2.68%
Total Expenditures	<u>\$ 103,561</u>	<u>\$ 129,796</u>	<u>\$ 130,900</u>	<u>\$ 134,700</u>	<u>\$ 134,300</u>	2.60%
Funding Sources						
Airport Revenues	\$ 140,889	\$ 98,997	\$ 95,700	\$ 97,100	\$ 97,500	1.88%
General Fund Operating Subsidy	<u>-</u>	<u>-</u>	<u>3,650</u>	<u>7,675</u>	<u>36,800</u>	908.22%
Total Funding Sources	<u>\$ 140,889</u>	<u>\$ 98,997</u>	<u>\$ 99,350</u>	<u>\$ 104,775</u>	<u>\$ 134,300</u>	35.18%

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 2017/2018 on a fiscal year basis is in the following graphs. The decreases in 2019/2020 and 2020/2021 were 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 2023/2024 revised estimate includes \$49,000 from American Rescue Plan Act (ARPA) funds. This grant, and others in previous years, were awarded to provide relief funds to state, local, and tribal government transit systems that were negatively impacted by the COVID-19 pandemic. Other federal operating assistance is estimated at \$415,100 for 2023/2024.

Federal capital support has also been used, primarily to purchase buses. The 2023/2024 revised estimate includes \$459,800 in federal capital grants, which is the estimated federal share of the cost of three new buses. These buses were ordered in previous years but have not yet been received due to availability issues.

The 2024/2025 budget includes \$276,800 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 2023/2024 it is anticipated that the City will receive \$274,200 in State operating funding for the Transit operation and in 2024/2025 an estimated \$277,000 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 was again due to the accumulated balance in the Transit fund due to the additional federal funding awarded.

The 2023/2024 budget included 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 was budgeted due to increased fuel and bus maintenance costs, and to lessen the projected decrease in the Transit fund balance in 2023/2024.

The 2024/2025 budget includes a tax levy of \$.07346 per \$1,000 of valuation for public transportation which will generate \$78,578 (including the utility replacement excise tax, the commercial/industrial State reimbursement, and the business property tax credit reimbursement). The decreased tax rate was budgeted in order to not increase the City's overall tax rate for 2024/2025. This reduction was possible due to the available balance in the Transit fund.

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 2024/2025 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 2023/2024 are \$177,500 more than the original budget primarily due to (1) a \$78,900 capital outlay increase due to increased bus costs, and (2) a \$105,700 increase in transfers for the matching funds for the original grant for the Vehicle Wash Bay project. The matching funds for the Vehicle Wash Bay were budgeted to be transferred in the 2022/2023 budget; however, due to the uncertainty of whether this project would proceed, the funds were not transferred. After the 2023/2024 budget was adopted, an additional \$400,000 State grant was awarded and a decision was made to proceed with the project. An additional \$205,000 in proceeds from the spring 2024 bond issue will complete the financing of the Wash Bay project.

The 2024/2025 budget is \$47,900 (3.0%) more than the original 2023/2024 budget. This increase is due to the net effects of (1) a \$31,800 (3.8%) increase in personal services costs, (2) a \$17,900 increase in contractual services (primarily for increased dispatch software annual maintenance costs (\$12,000) and increased insurance costs (\$2,500), (3) a \$700 increase in administrative fees, and (4) a \$2,500 decrease in capital outlay. The capital outlay allocation of \$353,300 in the operating budget is for the purchase of two buses (\$325,600) and route

tracking software (\$27,700). The bus purchases are subject to grant funding which is estimated at \$276,800 (85%) in federal funding.

Transit charges for services, which includes fares, passes, and waivers, is estimated at \$138,000 for 2024/2025. 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 2023/2024 and 2024/2025.

The Transit fund shows a balance at the end of 2024/2025 of \$41,228, a decrease of \$310,422 from the revised estimate ending balance. This fund balance reduction includes matching funds for bus purchases not yet approved for funding, and the ending fund balance is expected to be higher than budgeted. 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 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
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	66,269	73,201	83,828	85,700	89,200
Paratransit Passengers	12,974	18,650	19,846	18,600	19,000
JARC for Work (Night Service)	4,998	5,135	5,313	5,400	5,500
New Freedom (Night Service)	41	0	44	100	100
Total Passengers (1)	84,282	96,986	109,031	109,800	113,800

1. The decreases in passengers in 2019/2020, 2020/2021, and 2021/2022 were due to the COVID-19 pandemic. Passenger numbers started increasing in 2022/2023.

RECENT ACCOMPLISHMENTS:

MuscaBus had an increase in ridership this past year (July 1, 2022 to June 30, 2023) of 12% over the previous year. The fixed route system was up 15% (10,627 rides) over the previous year. The paratransit shuttle was up 6% (1,196 rides) and the JARC/New Freedom (evening service) was up 4% (222 rides). Muscabus provided approximately 1,500 free rides to kids in Kindergarten through 12th grade over the summer months of June, July, and August. We plan to continue to offer free rides to kids on the route buses next summer.

MuscaBus provided transportation for community events again this past year. These include rides for the Junior Police Academy on June 5, the Community Block Party at Discovery Park on September 8, Parks and Recreation’s Cemetery Walk on September 24, Community Development events on February 22 and September 26, a Community Foundation event on October 12, and to Biz Town 6th graders on the route system on October 13. We also provided free rides to veterans on the route system on November 10. MuscaBus participated in the Aging Adult Resource Fair on April 28, the Stanley Center for Peace and Security Sustainability Fair on June 2, and the Parks and Recreation Trunk or Treat event on October 28.

MuscaBus applied for a Public Transit Infrastructure Grant (PTIG) on May 1, 2023 to help fund the drive-through vehicle wash bay. Notice was received on August 8, 2023 that MuscaBus was awarded \$400,000 to help fund the wash bay. The City Council awarded the construction project contract to Bill Bruce Builders and the first pre-construction meeting was held on November 7, 2023. The projected date to begin construction is March 4, 2024 with completion scheduled by the end of September, 2024.

The Transit Supervisor continues to participate in the Iowa Public Transit Association (IPTA) Board, Traffic Meetings, Region 9 Technical Committee, and the Muscatine Consortium meetings. She also attended the State Legislative meetings with the IPTA in March, the Iowa Passenger Summit in May, the IPTA Conference and Roadeo in July, and the Mid-West Transit Conference held in Kansas City, Missouri in September. She was also a panelist for a Women in Transit Presentation in May.

On October 25, the system had the tri-annual Compliance Review with the Iowa DOT (IDOT). IDOT staff spent the day reviewing records and went for a ride on a route bus. The Title VI policy update was also required this year and was submitted on October 10.

Muscabus received delivery of two low-floor mini buses on January 18, 2023 and they were placed into service in March. The drivers and passengers are pleased with the new buses. Another low-floor bus has been ordered and is expected to arrive in the Spring of 2024. The Iowa DOT has not yet issued new contracts to replace buses 251 and 252. Staff is hopeful that the contracts will be sent soon and an order for replacement buses can be submitted. In July, a new commercial was filmed to air on MP&W (Muscatine Power & Water) cable featuring the low-floor buses. The drivers always enjoy being told by the public that they have seen the commercial. A new camera system was installed in the buses in August and is fully functioning.

The MuscaBus drivers continue to do annual safety training. There has been staff turnover this past year in key positions, but fewer than the previous year. On June 8, Helen Cooper was awarded the IPTA Dispatcher of the Year at the IPTA Conference in Coralville, Iowa. This was the first year the award was presented. On June 9, Jada Peiffer was awarded the MuscaBus Driver of the Year and she participated in the annual Roadeo on June 10 along with Toni Hollingshed. On July 21, MuscaBus held the annual Driver Appreciation Day to show our thanks to the staff for all they do for the City. Jada Peiffer and Helen Cooper were recognized for their awards by the City Council on July 20.

OBJECTIVES TO BE ACCOMPLISHED 2024/2025:

- To provide CPR training for all transit staff. **(Safe Community)**
- To obtain a fixed route bus tracking app to improve rider experience (subject to funding). **(Excellent Customer Service)**
- To partner with the Art Center to add public art to the bus shelters. **(Vibrant Community)**

Transit System

Fund Statement

	<u>Actual</u> <u>2021/2022</u>	<u>Actual</u> <u>2022/2023</u>	<u>Budget</u> <u>2023/2024</u>	<u>Revised</u> <u>Estimate</u> <u>2023/2024</u>	<u>Budget</u> <u>2024/2025</u>
Beginning Balance, July 1	\$ 517,458	\$ 369,197	\$ 546,397	\$ 553,872	\$ 351,650
Revenues	<u>1,380,719</u> (2)	<u>1,434,047</u> (2)	<u>1,421,978</u> (3)	<u>1,567,178</u> (3)	<u>1,329,378</u> (4)
Funds Available	\$ 1,898,177	\$ 1,803,244	\$ 1,968,375	\$ 2,121,050	\$ 1,681,028
Expenditures (1)	<u>1,528,980</u>	<u>1,249,372</u>	<u>1,591,900</u>	<u>1,769,400</u>	<u>1,639,800</u>
Ending Balance, June 30	<u>\$ 369,197</u>	<u>\$ 553,872</u>	<u>\$ 376,475</u>	<u>\$ 351,650</u>	<u>\$ 41,228</u>

Increase (Decrease) in					
Fund Balance	\$ (148,261)	\$ 184,675	\$ (169,922)	\$ (202,222)	\$ (310,422)

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 included a \$198,930 Transit tax levy which is estimated to yield \$206,678.
4. The budget for 2024/2025 includes a \$75,000 Transit tax levy which is estimated to yield \$78,578.

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>2021/2022</u>	<u>Actual</u> <u>2022/2023</u>	<u>Budget</u> <u>2023/2024</u>	<u>Revised</u> <u>Estimate</u> <u>2023/2024</u>	<u>Budget</u> <u>2024/2025</u>
Transit Charges	\$ 126,378	\$ 133,719	\$ 135,000	\$ 135,000	\$ 138,000
Transit Grants					
Operating Subsidies:					
Federal Operating Grant	\$ 0	\$ 375,222	\$ 530,000	\$ 415,100	\$ 541,000
State Vehicle Use Tax	314,489	326,883	280,000	274,200	277,000
Federal CARES Act Funding	431,448	0	0	0	0
CRSSA Funding	506,797	5,353	0	0	0
ARPA Funding	0	218,636	0	49,000	0
Other Operating Grants	858	0	0	0	0
Capital Grants:					
Federal Funds - Buses	0	0	268,800	0	276,800
Prior Year Federal Capital Grants for Buses	0	0	0	459,800	0
Prior Year CARES Grant for Buses	0	356,922	0	0	0
Subtotal - Grants	<u>\$ 1,253,592</u>	<u>\$ 1,283,016</u>	<u>\$ 1,078,800</u>	<u>\$ 1,198,100</u>	<u>\$ 1,094,800</u>
General Fund Support:					
Transit Tax Levy	0 (1)	0 (1)	206,678 (2)	206,678 (2)	78,578 (3)
Sale of Vehicles	0	0	1,000	7,400	3,000
Interest	473	17,311	500	20,000	15,000
Other	<u>276</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 1,380,719</u>	<u>\$ 1,434,047</u>	<u>\$ 1,421,978</u>	<u>\$ 1,567,178</u>	<u>\$ 1,329,378</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 included a \$198,930 Transit tax levy which is estimated to yield \$206,678.
3. The budget for 2024/2025 reflects a reduction in the Transit tax levy in order to keep the City's overall tax rate substantially the same.

Function:
Business Type

Department:
Public Works

Activity:
Transit System

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 755,568	\$ 772,112	\$ 829,200	\$ 821,600	\$ 861,000	3.84%
Commodities	107,964	116,206	135,700	135,700	135,700	0.00%
Contractual Services	170,900	198,430	247,700	248,200	265,600	7.23%
Capital Outlay	370,053	249,776	355,800	434,700	353,300	-0.70%
Transfers	22,100	22,800	23,500	129,200	24,200	2.98%
Total Expenditures	\$ 1,426,585	\$ 1,359,324	\$ 1,591,900	\$ 1,769,400	\$ 1,639,800	3.01%
Funding Sources						
Transit Charges	\$ 126,378	\$ 133,719	\$ 135,000	\$ 135,000	\$ 138,000	2.22%
Transit Grants	315,347	702,105	1,078,800	1,149,100	1,094,800	1.48%
CARES Act Funding	431,448	356,922	-	-	-	
CRSSA Fundng	506,797	5,353	-	-	-	
ARPA Fundng	-	218,636	-	49,000	-	
Transit Tax Levy	-	-	206,678	206,678	78,578	
Sale of Vehicles	-	-	1,000	7,400	3,000	200.00%
Interest	473	17,311	500	20,000	15,000	2900.00%
Other	276	2	-	-	-	
Total Funding Sources	\$ 1,380,719	\$ 1,434,048	\$ 1,421,978	\$ 1,567,178	\$ 1,329,378	-6.51%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time Positions/Position Allocations:						
Transit Supervisor	1.00	1.00	1.00	1.00	1.00	
Maintenance Worker II	0.20	0.20	0.20	0.20	0.20	
Total Full Time	1.20	1.20	1.20	1.20	1.20	
Part Time Positions:						
Transit Driver	11.12	11.12	11.43	11.29	11.29	
Transit Dispatcher	2.09	2.09	1.74	1.88	1.88	
Transportation Serviceperson	0.59	0.59	0.63	0.63	0.63	
Total Part Time	13.80	13.80	13.80	13.80	13.80	
Total	15.00	15.00	15.00	15.00	15.00	\$ 689,700
Employee Benefits						171,300
Total Personal Services						\$ 861,000

Capital Outlay			
Item	Quantity	Replacement	Amount
Light-Duty Buses	2	Yes	\$ 325,600
Route Tracking Software	1	No	27,700
			\$ 353,300

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>Levee</u>	<u>Totals</u>
	<u>General</u>	<u>Sycamore 4th to 5th St.</u>	<u>Chestnut Street</u>	<u>W. 2nd Street</u>	<u>Sycamore Street</u>	<u>W. 3rd Street</u>	<u>E. 3rd Street</u>	<u>Cedar Street</u>		
Free Parking	167	0	0	16 (4 hour)	13 (3 hour)	0	0	5 (3 hour)	465 (24 hour)	666
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	<u>494</u>	<u>19</u>	<u>27</u>	<u>41</u>	<u>95</u>	<u>25</u>	<u>158</u>	<u>57</u>	<u>483</u>	<u>1,399</u>

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.

	<u>Rev. Estimate</u> <u>Exp. Impact</u>	<u>2021/2022</u> <u>Exp. Impact</u>
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 2023/2024 Revised Estimate for the Parking division is under the original budget in total by \$3,500. This overall decrease is due to a \$5,900 savings in personal services costs due to savings from a vacancy in one of the Meter Attendant positions with the new employee starting at a lower step in the pay plan. This savings was partially offset by (1) a \$2,300 increase in printing services which included purchasing both the yellow payment envelopes for the tickets and a supply of paper tickets used by the Meter Attendants during inclement weather and also used by the Police department, (2) a \$400 increase in capital outlay for body cameras for the Meter Attendants, and (3) a net \$300 decrease in various other line items.

The budget for 2024/2025 is \$9,400 (4.9%) higher than the 2023/2024 budget. This increase is due to (1) a \$7,700 (4.7%) increase in personal services costs which reflects the implementation of the new compensation plan and the increase in health insurance costs, (2) a \$1,200 increase in contractual services, and (3) 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 \$4,100 to \$82,816 in the Revised Estimate and decrease by \$17,000 to \$65,816 in the fiscal year 2024/2025 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 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
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)	9,291	8,337	9,777	10,500	10,500
Overtime Tickets Paid or Dismissed	7,389	6,202	7,845	8,500	8,500
Percent Paid or Dismissed	79.53%	74.39%	80.24%	80.95%	80.95%
Handicapped Tickets Issued (2)	27	36	14	20	20
Handicapped Tickets Paid or Dismissed	21	36	12	18	18
Percent Paid or Dismissed	77.78%	100%	85.71%	90%	90%
Other Parking Tickets Issued (2)	2,005	1,659	1,373	1,400	1,400
Other Tickets Paid or Dismissed	1,404	1,066	955	1,000	1,000
Percent Paid or Dismissed	70.02%	64.26%	69.56%	71.43%	71.43%
Overall Collection Rate	77.84%	72.81%	78.93%	79.85%	79.85%
Leased Parking Spaces Available	193	193	193	193	193
Spaces Leased	184	181	177	180	180
Percentage Leased	95.34%	93.78%	91.71%	93.26%	93.26%
Fines Collected by County Treasurer	\$24,864	\$27,475	\$25,157	\$26,000	\$26,000
Courtesy Tickets Issued	390	47	30	40	40
Tickets for Over 2-Hour Once per Day in Each Block Time Limit on 2 nd Street	695	924	871	900	900

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 and into 2021/2022 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 there are still concerns with COVID-19 and its variants, businesses are now open in the downtown area with no restrictions. There has been increased downtown traffic, and parking revenues have increased to close 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 decreased slightly to 91.71% in 2022/2023. The number of spaces currently leased in 2023/2024 has increased to 93.26%.

There was a change in one of the Parking Meter Attendants this year with the new employee starting on October 11, 2023. In an effort to better coordinate the work of the meter attendants, beginning on November 1, 2023, Parking staff has been meeting each Wednesday morning. This meeting includes both Parking Meter Attendants, the Parking Coordinator, the Senior Account Clerk that serves as trainer for the Meter Attendants, and the Finance Director. This has assisted in identifying issues the Meter Attendants have had, brainstorming solutions to issues, and has also assisted in coordinating meter and other repairs to be performed by Public Works staff.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025:

- * 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)**

Parking System

Fund Statement

	<u>Actual</u> <u>2021/2022</u>	<u>Actual</u> <u>2022/2023</u>	<u>Budget</u> <u>2023/2024</u>	<u>Revised</u> <u>Estimate</u> <u>2023/2024</u>	<u>Budget</u> <u>2024/2025</u>
Beginning Balance, July 1	\$ 42,465	\$ 69,081	\$ 61,381	\$ 86,916	\$ 82,816
Revenues					
Parking Fees (2)	\$ 57,785	\$ 79,626	\$ 76,000	\$ 76,000	\$ 76,000
Parking Permits	47,690	49,418	48,000	48,000	48,000
Meter Hoods	5,503	7,960	1,000	1,000	1,000
Fines	76,911	65,187	55,000	58,000	58,000
Interest	100	3,312	200	2,000	2,000
Miscellaneous	16	0	100	100	100
Total Revenues	<u>\$ 188,005 (3)</u>	<u>\$ 205,503</u>	<u>\$ 180,300</u>	<u>\$ 185,100</u>	<u>\$ 185,100</u>
Funds Available	\$ 230,470	\$ 274,584	\$ 241,681	\$ 272,016	\$ 267,916
Expenditures (1)	<u>161,389 (4)</u>	<u>187,668 (4)</u>	<u>192,700 (4)</u>	<u>189,200 (4)</u>	<u>202,100 (4)</u>
Ending Balance, June 30	<u>\$ 69,081</u>	<u>\$ 86,916</u>	<u>\$ 48,981</u>	<u>\$ 82,816</u>	<u>\$ 65,816</u>

Increase (Decrease) in					
Fund Balance	\$ 26,616	\$ 17,835	\$ (12,400)	\$ (4,100) (5)	\$ (17,000) (5)

1. Expenditures include changes in compensated absences.
2. In 2013/2014 parking meter rates were increased from \$.30 to \$.50/hour for 2-hour meters and from \$.20 to \$.25/hour for 10-hour meters. These rates have been continued in the 2024/2025 budget.
3. Parking revenues were impacted by the COVID-19 pandemic beginning in March of 2020 and continuing into 2021/2022.
4. 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 2024/2025 budget.
5. The 2023/2024 revised estimate shows an annual operating deficit of \$4,100; as revenues have been estimated conservatively, the actual deficit will likely be less than shown. An operating deficit of \$17,000 is also shown for fiscal year 2024/2025 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. Since January 1, 2021, this budget has included cost allocation reductions to address the revenue decreases. Parking in the downtown area has now returned to pre-pandemic levels.

Function:
Business Type

Department:
Finance

Activity:
Parking System

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 132,126	\$ 151,762	\$ 162,300	\$ 156,400	\$ 170,000	4.74%
Commodities	3,783	2,672	2,800	2,800	2,800	0.00%
Contractual Services	10,464	9,938	10,500	12,500	11,700	11.43%
Capital Outlay	-	6,408	2,200	2,600	2,200	0.00%
Transfers	13,900	14,400	14,900	14,900	15,400	3.36%
Total Expenditures	<u>\$ 160,273</u>	<u>\$ 185,180</u>	<u>\$ 192,700</u>	<u>\$ 189,200</u>	<u>\$ 202,100</u>	4.88%
Funding Sources						
Parking Fees	\$ 128,754	\$ 137,004	\$ 125,000	\$ 125,000	\$ 125,000	0.00%
Parking Fines	59,135	65,187	55,000	58,000	58,000	5.45%
Interest	100	3,312	200	2,000	2,000	900.00%
Miscellaneous	16	-	100	100	100	
Total Funding Sources	<u>\$ 188,005</u>	<u>\$ 205,503</u>	<u>\$ 180,300</u>	<u>\$ 185,100</u>	<u>\$ 185,100</u>	2.66%

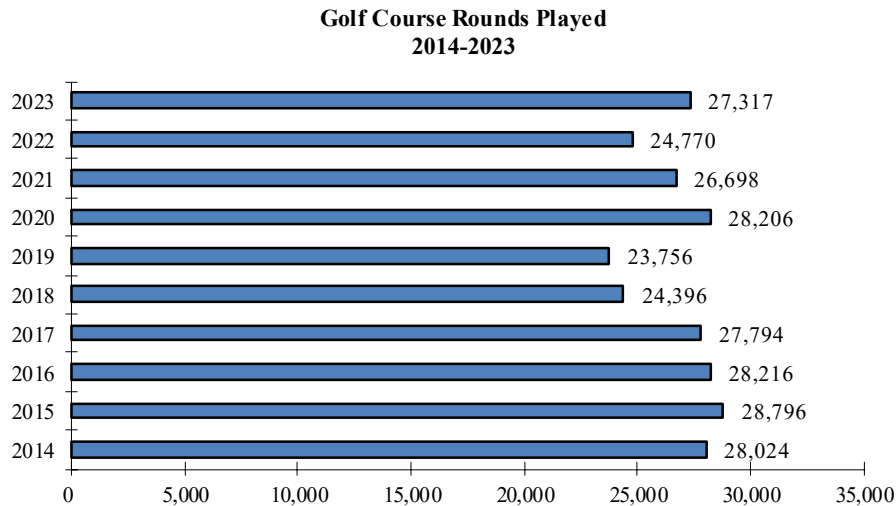
Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time Positions/Position Allocations:						
Finance Director	0.05	0.05	0.05	0.05	0.05	
Parking Meter Repairperson	0.10	0.10	0.10	0.10	0.10	
Groundskeeper	0.25	0.25	0.25	0.25	0.25	
Finance Secretary/Parking Coordinator	0.50	0.50	0.50	0.50	0.50	
Total Full Time	<u>0.90</u>	<u>0.90</u>	<u>0.90</u>	<u>0.90</u>	<u>0.90</u>	
Part Time Positions:						
Meter Attendant	1.25	1.39	1.39	1.39	1.39	
Total	<u>2.15</u>	<u>2.29</u>	<u>2.29</u>	<u>2.29</u>	<u>2.29</u>	\$ 123,900
Employee Benefits						46,100
Total Personal Services						<u>\$ 170,000</u>

Capital Outlay			
Item:	Quantity	Replacement	Amount
Electronic Meters	12	Yes	<u>\$ 2,200</u>

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 28,024 rounds played 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. Play increased to 27,317 (10.3%) in 2023. 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 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 increased by \$1.00 per round for the 2023 season and the season passes increased by \$25.00. Cart rental fees also increased by \$1.00 per rental for the 2023 season. Green fee rates are budgeted to increase by \$1.00 per round for the 2024 season and cart rental fees are budgeted to increase by \$1.00 per rental for the 2024 season. Season passes are budgeted to remain the same for the 2024 season.

<u>WEEK DAYS</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Budgeted 2024</u>
Adults						
9 holes	\$ 17.00	\$ 18.00	\$ 19.00	\$20.00	\$21.00	\$22.00
18 holes	\$ 21.00	\$ 22.00	\$ 23.00	\$24.00	\$25.00	\$26.00
Senior Citizens						
9 holes	\$ 16.00	\$ 17.00	\$ 18.00	\$19.00	\$20.00	\$21.00
18 holes	\$ 19.00	\$ 20.00	\$ 21.00	\$22.00	\$23.00	\$24.00
Junior						
9 holes	\$ 6.00	\$ 7.00	\$ 8.00	\$ 9.00	\$10.00	\$11.00
18 holes	\$ 6.00	\$ 7.00	\$ 8.00	\$ 9.00	\$10.00	\$11.00

<u>WEEK DAYS</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Budgeted 2024</u>
Adults 1-3 p.m.						
9 holes	\$ 12.00	\$ 13.00	\$ 14.00	\$15.00	\$16.00	\$17.00
18 holes	\$ 14.00	\$ 15.00	\$ 16.00	\$17.00	\$18.00	\$19.00
Senior Citizens 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

WEEKENDS AND HOLIDAYS

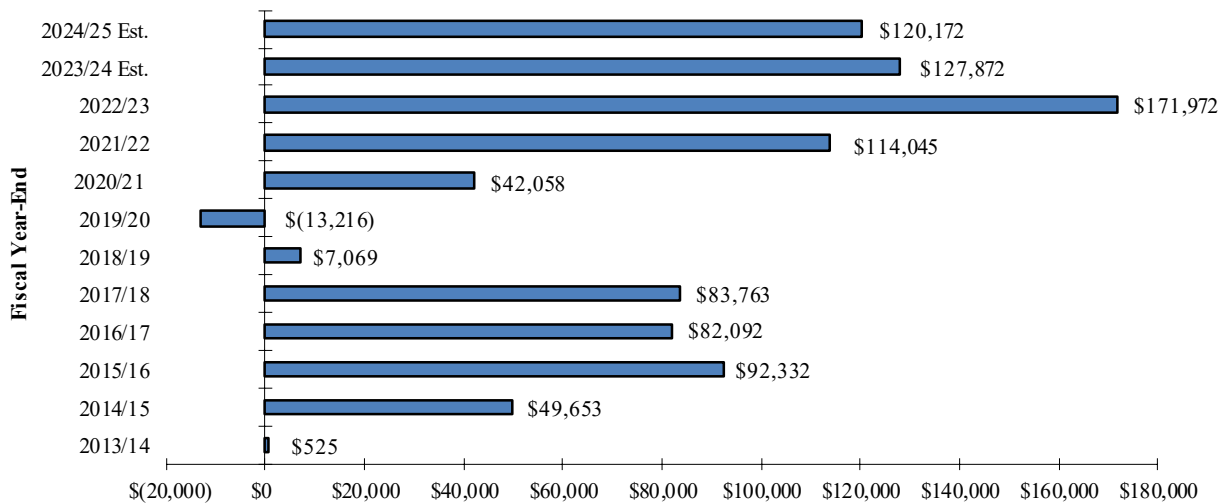
18 Holes						
Adult	\$ 23.00	\$ 24.00	\$ 25.00	\$26.00	\$27.00	\$28.00
Senior Citizens	\$ 21.00	\$ 22.00	\$ 23.00	\$24.00	\$25.00	\$26.00
Juniors	\$ 7.00	\$ 8.00	\$ 8.00	\$ 9.00	\$10.00	\$11.00

SEASON PASSES

Adults	\$ 630.00	\$655.00	\$655.00	\$680.00	\$ 705.00	\$705.00
Juniors	\$ 115.00	\$140.00	\$140.00	\$165.00	\$ 190.00	\$190.00
Senior Citizens	\$ 540.00	\$565.00	\$565.00	\$590.00	\$ 615.00	\$615.00
College Student Pass	\$ 350.00	\$375.00	\$375.00	\$400.00	\$ 425.00	\$425.00
Family Pass	\$1,010.00	\$1,035.00	\$1,035.00	\$1,060.00	\$1,085.00	\$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 2013/2014 were 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.

Golf Course Fund Balance History (Includes Inventories)



CURRENT TRENDS AND ISSUES:

Golf Clubhouse

A separate Golf Clubhouse activity within the Golf Fund was established at the time the City changed from a contracted golf professional to a City employee golf professional. This budget includes wages and benefits for staff, food and beverage items for resale, golf merchandise for resale, lease of golf carts, and various other items needed for the clubhouse.

Revised estimate expenditures for the Golf Clubhouse are \$42,800 more in total than the original budget. This overall increase is due (1) a \$2,100 increase in personal services costs which includes a new seasonal Assistant Golf Pro position not included in the original budget, (2) a \$27,000 increase in commodities due to an increase in items purchased for resale, (3) a \$13,000 increase in contractual services due to increases in insurance, cart rentals and sales tax, and (3) a \$700 increase in capital outlay.

The budgeted expenditures for 2024/2025 are \$85,100 (19.9%) more than the original 2023/2024 budget. Personal services costs increased by \$19,200, which includes the new seasonal Assistant Golf Pro, commodities increased by \$25,000, primarily for items purchased for resale, contractual services increased by \$23,900 due to increases in insurance, cart rentals, and sales tax, and capital outlay increased by \$17,000. The capital outlay allocation of \$22,000 includes funding for new driving range mats (\$10,000) and a new furnace/air conditioner unit (\$12,000). 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

The 2023/2024 revised estimate is \$26,600 more than the original budget. This overall increase is due to (1) a \$500 decrease in personal services costs, (2) a \$6,500 increase in commodities due to fertilizer, pesticide, and other operating supply cost increases, (3) a \$4,400 increase in contractual services, and (4) a \$16,200 increase in capital outlay due to the increased cost for the utility vehicle with sprayer.

The 2024/2025 budget is \$8,700 (1.5%) less than the original 2023/2024 budget. Personal services costs increased by \$11,500 (3.9%), commodities increased by \$2,000, contractual services increased by \$4,100, capital outlay decreased by \$27,500, and transfers increased by \$1,200. The capital outlay allocation of \$68,500 includes funds for the purchase of a pull behind rough mower (\$30,000), a new utility vehicle (\$25,000), a used utility vehicle (\$10,000), and a greens roller (\$3,500).

Summary Information

Based on budget assumptions, it is estimated that the fund balance in the Golf Course fund, including inventory, at the end of 2023/2024 will be \$127,872 and the fund balance at the end of 2024/2025 is estimated to decrease to \$120,172. The decrease is primarily due to the increased wage and benefit costs. 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 2024 golf season. Daily greens fees are budgeted to increase by \$1.00 per round 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 upcoming equipment replacement needs at the golf course.

The 2024 season will be the 19th 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 2020	Actual 2021	Actual 2022	Actual 2023	Estimated 2024
Golf Maintenance Operations:					
Top Dressed Greens	9	9	10	8	10
Stimped Greens	17	18	16	17	15
Aerified Greens	2	2	2	2	2
Acres Maintained	170	170	170	170	170
Acres Mowed Per Week	257	257	257	257	257
New Trees Planted	9	125	5	27	10
Bluebirds Fledged	12	11	9	8	10
Rolled Greens	40	46	44	38	45
Verti-cut Greens	6	7	7	6	7

According to the National Recreation and Park Association 2021 Agency Performance Review, 57% of Midwestern agencies maintain golf courses.

	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Estimated 2024
Clubhouse Operations					
Round Played	28,206	26,698	24,770	27,317	27,300
Events	24	29	27	28	28
Leagues	7	5	5	6	6
Season Passes Sold	185	201	197	203	205
Driving Range Tokens Sold	4,580	5,022	4,957	5,755	5,775
Gift Cards Sold	\$49,284	\$53,998	\$55,521	\$68,301	\$59,900
Lesson Hours	72	30	98	80	100
Total Beer Sales (Units)	37,436	37,383	39,009	43,119	42,900
Total Food and Beverages (Units)	22,492	26,773	26,094	27,786	27,750
Simulator Usage (\$)	\$775	\$100	\$408	\$2,013	\$2,250
Merchandise Sales (\$)	\$47,547	\$47,373	\$57,636	\$72,207	\$71,000

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 6, 2023, as the winter brought light to moderate snow, but since it melted quickly, the golf course opened earlier than normal. Fortunately, the course did not have any snow mold damage and the grass was in good shape to open for the season. In early spring, staff spent a lot of time cleaning up sticks and branches from the winter due to winter winds and some heavy, wet snow. There were no major irrigation breaks on the golf course due to adding additional valves to blow out the irrigation system in the fall. March through May were warm months which allowed the course to be open almost every day, which resulted in strong play in the spring. However, there was some stress on the course from a lack of rain. June and July were good weather months and the course was busy. However, due to a lack of rain, the golf course continued to show signs of stress, especially in the non-irrigated rough areas. August and September were dry months with strong play. Staff had to use the irrigation system and it did a great job in keeping the golf course in good shape. October was a normal month and staff was able to complete a lot of aerification and spraying of the golf course for weeds. In November, staff planted some trees out of the tree nursery near the end of the driving range. Staff also blew out the irrigation system. The golf course was closed on December 8th and the course is in very good shape starting next spring.

There are dead ash trees that will need to come down at the course and a tree replacement plan is in place. Currently, we have 27 trees in the tree nursery ready to go and staff should be able to get them planted sometime in late fall or early spring.

Staff has looked at adding a few tee boxes to shorten several holes to make them easier to play and more enjoyable. Staff continues to try to figure out where the best locations are for these with the least amount of cost. This spring, staff will try a few locations and get feedback from golfers.

Again this year, staff attended the Iowa Turf Grass Conference and Trade Show to look for new ideas to make the golf course the best it can be and to get recertified for chemical application. It was a worthwhile experience and staff always gets new ideas that can be used to make the golf course better.

Staff has started to plan the tree trimming process on tee boxes to open up the teeing space so golfers can use the entire tee to alleviate wear. Staff have identified trees that need some trimming and staff hopes to get those done in the winter down time.

Once again, there was a struggle to get 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

The Golf Course had a very solid year. There were increases in every category of play from last year. The weather to start the season was spectacular and the momentum that was gained early in the season kept going through the end of the season.

The new simulator in the clubhouse helped get the season started early. Staff held a Demo Day on the simulator after receiving delivery of the new equipment. The event allowed golfers, who were eagerly awaiting Spring, the opportunity to test out the new equipment. This event led to quite a few sales and helped build momentum in golf shop sales the same way the beautiful spring weather led to the increased rounds.

The course had a very busy outing schedule this season. The outings hosted varied from Iowa PGA Junior events, annual bar outings, to new employee outings hosted by local corporations. These outings are a great source of revenue for the golf course, not only in greens and cart fees, but also in the food and beverage sales. Everyone seemed very happy with their outings this year and staff looks forward to all groups returning next year.

OBJECTIVES TO BE COMPLETED IN 2024/2025:

Golf Maintenance Operations

- To look 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 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 pursue bunker repairs and/or renovations as needed for better playability. **(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 continue to explore additional training opportunities for the Golf Course Supervisor and staff. **(Strategic Plan – Excellent Customer Service)**

- To look at adding some tees 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 on getting the greens to be firm and for the golf ball to have a good roll while putting. **(Strategic Plan – Excellent Customer Service)**
- To look at putting a new shelter on #13 tee to give golfers a place to go in inclement weather. **(Strategic Plan – Excellent Customer Service)**
- To continue to reach out and look for quality help 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 each year. A 4-6% 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 in new golfers and making them feel welcome and comfortable. This will include engaging with all residents not only at the golf course but also throughout the community. Golf is starting to see a trend for non-traditional avenues of entry into the sport and it is our responsibility to showcase different ways to enjoy the range and golf course. **(Strategic Plan – Wellness, Respect, Professionalism)**

Golf Course Operations

Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 3,016	\$ 75,063	\$ 61,663	\$ 132,963	\$ 88,863
Revenues	<u>872,330 (2)</u>	<u>1,018,491 (3)</u>	<u>955,100 (4)</u>	<u>1,021,000 (5)</u>	<u>1,064,400 (5)</u>
Funds Available	<u>\$ 875,346</u>	<u>\$ 1,093,554</u>	<u>\$ 1,016,763</u>	<u>\$ 1,153,963</u>	<u>\$ 1,153,263</u>
Expenditures:					
Golf Course Maintenance					
Operations	\$ 449,411	\$ 501,675	\$ 568,000	\$ 594,600	\$ 559,300
Golf Clubhouse Operations	<u>350,872</u>	<u>458,916</u>	<u>427,700</u>	<u>470,500</u>	<u>512,800</u>
Total Expenditures (1)	<u>\$ 800,283</u>	<u>\$ 960,591</u>	<u>\$ 995,700</u>	<u>\$ 1,065,100</u>	<u>\$ 1,072,100</u>
Ending Balance, June 30	\$ 75,063	\$ 132,963	\$ 21,063	\$ 88,863	\$ 81,163
Allowance for Inventory	<u>38,982</u>	<u>39,009</u>	<u>38,982</u>	<u>39,009</u>	<u>39,009</u>
Net Balance, June 30	<u><u>\$ 114,045</u></u>	<u><u>\$ 171,972</u></u>	<u><u>\$ 60,045</u></u>	<u><u>\$ 127,872</u></u>	<u><u>\$ 120,172</u></u>
Increase (Decrease) in Fund Balance	\$ 72,047	\$ 57,900	\$ (40,600)	\$ (44,100)	\$ (7,700)

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 were increased 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. Golf fees are budgeted to increased for the 2024 golf season by \$1.00 per round for greens fees and by \$1.00 for each golf cart rental.

Golf Course

Summary of Revenues

	<u>Actual</u> <u>2021/2022</u>		<u>Actual</u> <u>2022/23</u>		<u>Budget</u> <u>2023/2024</u>		<u>Revised</u> <u>Estimate</u> <u>2023/2024</u>		<u>Budget</u> <u>2024/2025</u>
Season Passes	\$ 125,145	(1)	\$ 133,068	(2)	\$ 134,700	(3)	\$ 135,000		\$ 135,000
Greens Fees	249,151	(1)	288,635	(2)	278,000	(3)	310,000	(4)	325,000
Interest	150		4,388		300		300		300
Rental of Buildings	50		0		0		0		0
Lessons	3,405		5,435		6,000		6,000		6,000
Golf Cart Rental	240,365		273,842	(2)	264,000	(3)	285,000	(4)	303,000
Pull Cart Rental	477		433		800		400		800
Driving Range Fees	21,174		23,535		24,000		24,500		24,500
Simulator Fees	332		1,937		2,500		2,500		2,500
Catering Fee	75		0		0		0		0
Beer Sales	98,263		113,531		100,500		105,000		110,000
Food and Beverage Sales	47,503		53,060		50,000		51,000		55,000
Merchandise Sales	53,504		71,698		60,000		65,000		65,000
Miscellaneous Sales	591		1,291		2,000		2,000		2,000
Rebate - Soft Drink Supplier	2,000		3,000		3,000		3,000		3,000
Sales Tax	27,663		31,355		28,900		30,900		31,900
Sale of Equipment	0		3,960		0		0		0
Donation	1,576		1,653		0		0		0
Reimbursement of Damages	0		6,220		0		0		0
Miscellaneous	906		1,450		400		400		400
Total Revenues	<u>\$ 872,330</u>		<u>\$ 1,018,491</u>		<u>\$ 955,100</u>		<u>\$ 1,021,000</u>		<u>\$ 1,064,400</u>

1. Golf fees increased for the 2022 golf season by \$1.00 per round for greens fees and by \$25 for season passes.
2. Golf fees were increased 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.
3. The 2023/2024 budget reflects a full fiscal year with the rate increases budgeted for the 2023 golf season.
4. Golf fees are budgeted to increase for the 2024 golf season by \$1.00 per round for greens fees and by \$1.00 for each golf cart rental.

Function:
Business Type

Department:
Parks and Recreation

Activity:
Golf Maintenance Operations

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 227,385	\$ 261,786	\$ 293,100	\$ 292,600	\$ 304,600	3.92%
Commodities	79,474	91,036	93,200	99,700	95,200	2.15%
Contractual Services	41,201	46,087	48,000	52,400	52,100	8.54%
Capital Outlay	68,130	61,122	96,000	112,200	68,500	-28.65%
Transfers	35,400	36,500	37,700	37,700	38,900	3.18%
Total Expenditures	\$ 451,590	\$ 496,531	\$ 568,000	\$ 594,600	\$ 559,300	-1.53%
Funding Sources						
Golf Funds	\$ 451,590	\$ 496,531	\$ 568,000	\$ 594,600	\$ 559,300	-1.53%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
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	2.57	
Total	4.56	4.56	4.56	4.56	4.57	\$ 216,600
Employee Benefits						88,000
Total Personal Services						\$ 304,600

Capital Outlay			
Item	Quantity	Replacement	Amount
Pull Behind Rough Mower	1	Yes	\$ 30,000
Utility Vehicle (New)	1	Yes	25,000
Utility Vehicle (Used)	1	Yes	10,000
Greens Roller	1	Yes	3,500
			\$ 68,500

Function:
Business Type

Department:
Parks and Recreation

Activity:
Golf Clubhouse Operations

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 139,017	\$ 182,483	\$ 207,200	\$ 209,300	\$ 226,400	9.27%
Commodities	112,822	139,708	109,600	136,600	134,600	22.81%
Contractual Services	99,032	117,741	105,900	118,900	129,800	22.57%
Capital Outlay	-	18,984	5,000	5,700	22,000	340.00%
Transfers	-	-	-	-	-	
Total Expenditures	\$ 350,871	\$ 458,916	\$ 427,700	\$ 470,500	\$ 512,800	19.90%
Funding Sources						
Golf Fees and Sales	\$ 350,871	\$ 458,916	\$ 427,700	\$ 470,500	\$ 512,800	19.90%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time:						
Golf Professional	1.00	1.00	1.00	1.00	1.00	
Part Time:						
Clubhouse Supervisor	1.35	1.35	1.35	1.06	0.66	
Assistant Golf Pro	-	-	-	0.29	0.69	
Cashier	0.77	0.75	0.75	0.75	0.77	
Laborer/Ranger	0.35	0.37	0.37	0.37	0.35	
Total Part Time	2.47	2.47	2.47	2.47	2.47	
Total	3.47	3.47	3.47	3.47	3.47	\$ 169,600
Employee Benefits						56,800
Total Personal Services						\$ 226,400

Capital Outlay		
<i>Item</i>	<i>Replacement</i>	<i>Amount</i>
Furnace/Air Conditioner	Yes	\$ 12,000
Range Mats	Yes	10,000
		<u>\$ 22,000</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 2023/2024 revised estimate is \$800 less than the original budget. Personal services decreased by \$200, commodities decreased by \$400, and contractual services decreased by \$200.

The 2024/2025 budget is \$300 (1.3%) more than the 2023/2024 budget. Personal services costs increased by \$900 (5.2%), commodities decreased by \$400, and contractual services decreased by \$200.

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, in 2021/2022 a \$9,896 subsidy was needed, and in 2022/2023 a general fund subsidy of \$4,338 was needed to eliminate the deficit balance.

The number of boat slip rentals and the corresponding revenue is dependent on river conditions each year, fuel prices, and other factors. In 2012 sixty-nine (69) boat slips were rented. The number 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, in the 2022 season twenty-seven (27) slips were rented, and in the 2023 season twenty-three (23) 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 2024 and 2025 boating seasons. The history of rates is shown in the following chart:

TYPE OF BOAT

	<u>2010-2014</u>	<u>2015-2017</u>		<u>2018-2025</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 2021	Actual 2022	Actual 2023	Estimated 2024	Estimated 2025
Boat Slips Rented*	28	27	23	30	30
Boat Slips Available*	58	58	58	58	58
Percent Rented	48%	47%	52%	52%	52%
Courtesy Boat Slips Available	13	13	13	13	13

* Includes the Long Dock and House Boat slips.

RECENT ACCOMPLISHMENTS:

The Park Maintenance division had staff changes prior to the 2023 opening of the boat harbor. In the spring, other staff members were cross-trained on dock maintenance and repairs. Training included how to raise and lower each dock section as well as proper dock care. With the staff changes, the department lost two certified pesticide applicators with aquatic endorsements. The Parks department will continue training to replace those applicators.

The spring 2023 flood kept staff busy removing driftwood and debris from the harbor and dock slips.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025:

- 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 2024. **(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 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 800
Revenues					
Boat Slip Rentals	\$ 13,871	\$ 15,029	\$ 23,700	\$ 23,700	\$ 23,700
Overnight Slip Rentals	0	0	200	200	200
Interest	0	2	0	0	0
Other	2	8	0	0	0
Transfer from General Fund:					
Subsidy to Eliminate Deficit	<u>9,896 (2)</u>	<u>4,338 (2)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 23,769</u>	<u>\$ 19,377</u>	<u>\$ 23,900</u>	<u>\$ 23,900</u>	<u>\$ 23,900</u>
Funds Available	\$ 23,769	\$ 19,377	\$ 23,900	\$ 23,900	\$ 24,700
Expenditures (1)	<u>23,769</u>	<u>19,377</u>	<u>23,900</u>	<u>23,100</u>	<u>24,200</u>
Ending Balance, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 800</u>	<u>\$ 500</u>
Increase (Decrease) in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 800	\$ (300)

1. Expenditures include changes in compensated absences.
2. Transfers from the General Fund eliminated the deficit balances at the end of 2021/2022 and 2022/2023.

Function:
Business Type

Department:
Parks and Recreation

Activity:
Boat Harbor Operations

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 17,010	\$ 17,780	\$ 17,400	\$ 17,200	\$ 18,300	5.17%
Commodities	104	40	800	400	400	-50.00%
Contractual Services	4,809	3,536	4,200	4,000	4,000	-4.76%
Capital Outlay	-	-	-	-	-	
Transfers	1,500	1,500	1,500	1,500	1,500	0.00%
Total Expenditures	\$ 23,423	\$ 22,856	\$ 23,900	\$ 23,100	\$ 24,200	1.26%
Funding Sources						
Boat Harbor Revenues	\$ 13,871	\$ 15,029	\$ 23,700	\$ 23,700	\$ 23,700	0.00%
Overnight Slip Rentals	-	-	200	200	200	
Other	2	10	-	-	-	
Transfer from General Fund	9,896	4,338	-	-	-	
Total Revenues	\$ 23,769	\$ 19,377	\$ 23,900	\$ 23,900	\$ 23,900	0.00%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time:						
Maintenance Repairperson	0.25	0.25	0.25	0.25	0.25	\$ 15,400
Employee Benefits						2,900
Total Personal Services						\$ 18,300

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 2023/2024 revised estimate and 2024/2025 budget allow for fuel purchases and fuel sales to continue at recent year levels. The 2023/2024 revised estimate is \$1,400 less than the original budget due to the net effect of (1) an \$1,800 decrease primarily for the purchase of fuel for resale, and (2) a \$400 increase in repair and maintenance services for fire extinguisher inspections.

The 2024/2025 budget is also \$1,400 (11.7%) less than the original 2023/2024 budget. Commodities are \$1,800 less and repair and maintenance services are \$400 more than the 2023/2024 budget. The budget projection shows this operation having a fund balance of \$200 on June 30, 2024 and a minimal fund balance of \$400 on June 30, 2025. 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 2021	Actual 2022	Actual 2023	Estimated 2024	Estimated 2025
Gallons of Gasoline Sold	1,630	1,504	1,319	1,600	1,600
Gallons of Diesel Fuel Sold	118	416	0	300	300
Hours Open	167	167	167	167	167

RECENT ACCOMPLISHMENTS:

The gas dock was operational from Memorial Day to Labor Day in 2023. Staff continues to focus on hiring and properly training seasonal staff for the operation of the gas dock. Staff was available at the gas dock to serve boaters during scheduled hours as well as for appointments made through the Parks office. Repairs were made to the gas dock to provide a safer environment for both the general public and staff.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025:

- 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

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025
Beginning Balance (Deficit), July 1	\$ (4,095)	\$ (2,125)	\$ (3,325)	\$ (3,252)	\$ (3,052)
Revenues					
Fuel Sales	\$ 8,613	\$ 8,321	\$ 10,700	\$ 10,700	\$ 10,700
Miscellaneous	5	7	100	100	100
Transfer from General Fund: Subsidy to Eliminate Deficit	0	33	0	0	0
Total Revenues	\$ 8,618	\$ 8,361	\$ 10,800	\$ 10,800	\$ 10,800
Funds Available	\$ 4,523	\$ 6,236	\$ 7,475	\$ 7,548	\$ 7,748
Expenditures	6,648	9,488	12,000	10,600	10,600
Ending Balance (Deficit), June 30	\$ (2,125)	\$ (3,252)	\$ (4,525)	\$ (3,052)	\$ (2,852)
Allowance for Inventory	4,550	3,252	4,550	3,252	3,252
Net Balance, June 30	\$ 2,425	\$ 0	\$ 25	\$ 200 (1)	\$ 400 (1)
Increase (Decrease) in Net Fund Balance	\$ 1,970	\$ (1,127)	\$ (1,200)	\$ 200	\$ 200

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 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 1,820	\$ 2,226	\$ 2,600	\$ 2,600	\$ 2,600	0.00%
Commodities	4,017	5,977	8,400	6,600	6,600	-21.43%
Contractual Services	811	1,285	1,000	1,400	1,400	40.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 6,648</u>	<u>\$ 9,488</u>	<u>\$ 12,000</u>	<u>\$ 10,600</u>	<u>\$ 10,600</u>	-11.67%
Funding Sources						
Fuel Sales	\$ 8,613	\$ 8,321	\$ 10,700	\$ 10,700	\$ 10,700	0.00%
Miscellaneous Revenue	5	7	100	100	100	0.00%
Subsidy to Eliminate Deficit	-	33	-	-	-	
Total Funding Sources	<u>\$ 8,618</u>	<u>\$ 8,361</u>	<u>\$ 10,800</u>	<u>\$ 10,800</u>	<u>\$ 10,800</u>	0.00%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Part Time:						
Seasonal Laborer	0.09	0.09	0.09	0.09	0.09	\$ 2,300
Employee Benefits						300
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 2023 tournament was also cancelled due to low registration numbers.

After cancellation of the 2023 tournament a decision was made to discontinue this tournament in future years. The balance in this fund, estimated at \$31,676, is budgeted to remain in this fund and can be used in the event that soccer-related items may be needed for the new Sports Dome.

Soccer Events (1)

Fund Statement

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025
Beginning Balance, July 1	\$ 54,940	\$ 40,088	\$ 67,488	\$ 31,276	\$ 31,476
Revenues					
Event Fees (2)	\$ 13,930 (3)	\$ (2,025) (4)	\$ 50,000	\$ 0	\$ 0
Merchandise Sales	6,222	10	4,000	0	0
Interest	52	947	0	200	200
Total Revenues	\$ 20,204	\$ (1,068)	\$ 54,000	\$ 200	\$ 200
Funds Available	\$ 75,144	\$ 39,020	\$ 121,488	\$ 31,476	\$ 31,676
Expenditures	\$ 35,056	\$ 7,744	45,900	\$ 0	0
Ending Balance, June 30	\$ 40,088 (2)	\$ 31,276 (2)	\$ 75,588 (2)	\$ 31,476 (5)	\$ 31,676 (5)

Increase (Decrease) in Fund Balance	\$ (14,852)	\$ (8,812)	\$ 8,100	\$ 200	\$ 200
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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 were collected in the fiscal year prior to the event which is held in July each year. This resulted 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.
4. The College Search Kickoff Soccer Event was cancelled in both July of 2022 and July of 2023. On year-end statements, the negative revenue amount (due to the timing of refunds) was shown as an expense.
5. The budget allows for the balance to remain in this fund through the end of 2024/2025 fiscal year in the event that soccer-related items may be needed for the new Sports Dome.

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, 2022,

2023, and 2024. 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 2024/2025, 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. The 2021/2022 transfer was 30.2%, the 2022/2023 transfer was 30.4%, and the 2023/2024 transfer was 27.5%.

The 2024/2025 budget continues to include transfers from the Ambulance Fund to the Fire department budget to fund an allocation of the fire positions used in providing ambulance services. The funding transfer for 2024/2025 is \$1,651,500, which is 29.6% of the Fire department personal services costs. 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 \$450,000 for the 2023/2024 revised estimate and \$500,000 for the 2024/2025 budget.

The revised estimated expenditures for 2023/2024 are \$33,700 (1.5%) less than the original 2023/2024 budget. This overall decrease is due to the net effect of (1) a \$3,700 decrease in personal services costs, (2) a \$14,500 decrease in commodities, (3) an \$11,200 decrease in contractual services primarily due to decreases in the travel and education line item, (4) a \$3,400 decrease in capital outlay due to a less than anticipated cost for the purchase of a pediatric software system, and (5) a \$900 decrease in transfers.

The 2024/2025 budget is \$435,300 (19.8%) more than the original 2023/2024 budget. This overall increase is due to the net effect of (1) a \$5,400 increase in personal services costs, (2) a \$5,800 decrease in commodities, (3) a \$24,000 increase in contractual services primarily due to an increase in the travel and education line item and an increase in insurance costs, (4) a \$219,100 increase in capital outlay, and (5) a \$192,600 increase in transfers. The 2024/2025 budget includes an allocation of \$248,400 for capital outlay including \$9,600 for six Surface Pro computers, \$64,800 for four power stair chairs, and \$174,000 for five power load cot systems.

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 2020	Actual 2021	Actual 2022	Actual 2023	Estimated 2024
Urban Zone Medical Responses	2,721	3,138	3,110	3,149	3,100
Suburban/Rural Zone Medical Responses	441	555	520	520	550
Out of Territory Medical Responses	58	65	62	54	55
Interfacility Transfers	1,404	1,465	1,505	1,358	1,350
Total EMS Calls	4,624	5,223	5,197	5,081	5,055
EMS Calls as % of Total Fire Calls	91.9%	90.8%	85.8% (2)	88.0% (2)	89.0% (2)
EMS Training Hours	2,473	4,259 (3)	4,797 (3)	4,929 (3)	4,800 (3)
Urban Response Time Compliance (8:59 minutes or less on at least 90% of calls)	90.1%	88.8% (1)	92.6%	92.3%	92.0%
Suburban/Rural Response Time Compliance (14:59 minutes or less on at least 90% of calls)	94.8%	95.0%	95.7%	96.5%	96.0%

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 beginning in 2022.
3. Beginning in 2021, EMS training hours include paramedic school attendance hours.

RECENT ACCOMPLISHMENTS:

- Offered Stop the Bleed and CPR classes for residents. This was well received and many additional requests were made for additional offerings.
- Purchased and placed into service new cots and new cot scales. This enhances our service and patient care abilities and provides the most up to date equipment for patient transport.
- Continued to work with the local hospital on the timing of transports to ensure safety of our crews and patients during nighttime hours.
- Worked with the local hospital to clarify and develop a better system of night time transfer responses to keep the patient condition and needs in mind as well as the safety of the transport and staff involved.
- Added three paramedics to the tactical EMS support of the multi-jurisdictional Special Response Team (SWAT); our staff continue to obtain training and education and share that with other 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.
- Placed into service new equipment, including a vent system for multiple ambulances.
- Continued to be a progressive EMS department; this includes not only our ongoing cardiac enzyme testing but also now includes the use of cot scales so that when weight-based medication dosages are needed we can assure accuracy.

- Continued utilization of the part time ambulance program to decrease staffing shortages, assist during staff attendance at paramedic program sessions, and provide more interaction with potential future full-time employees and community members. Three additional part time staff members were added this year.
- Continued the educational process to transition department EMT Basics to the Paramedic level certification. This program is a recruitment tool for the department as well as a way to develop paramedics within our agency. Four staff members attended the paramedic class this year.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025:

- During 2024 the department will continue to build upon the foundation of EMS public education that started last year with Stop the Bleed and CPR classes. The department will continue to provide these courses and look to enhance our offerings. Staff will also look to reinstitute our educational efforts in the area of elderly slips, trips, and falls. We have one instructor for this course on staff and will seek to utilize National Fire Academy materials to update the program and train additional staff to teach on this topic. *(This goal relates to City goals and values of Wellness, Professionalism, and Excellence)*
- By the end of 2024 the department will increase the training of our staff to include additional pediatric related courses. This includes not only the Pediatric Advanced Life Support course but will also include the Neonatal Resuscitation Program. This is an effort to improve our capabilities and to help health care in the community due to the shortage of obstetric and gynecological care providers. *(This goal relates to City goals and values of Wellness, Professionalism, and Excellence)*
- The department will undertake a review of the concept of community paramedicine, including an assessment of whether this element of health care is feasible within our community. Staff will collaborate with community partners such as Trinity Muscatine and Unity Point Health for this review. If the assessment finds that this project is feasible, then we will begin to plan for development of the program and its implementation. The assessment will be completed prior to the end of 2024, with recommendations available prior to the next fiscal year. *(This goal relates to City goals and values of Professionalism, Innovation, Wellness, and Excellence)*

Ambulance Operations

Fund Statement

	Actual 2021/2022	Actual 2022/23	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025
Beginning Balance, July 1	\$ 411,731	\$ 379,390	\$ 150,790	\$ 408,013	\$ 497,513
Revenues					
Ambulance Fees	\$ 1,674,413	\$ 1,703,835	\$ 1,770,000	\$ 1,770,000	\$ 1,770,000
Ambulance Fees - GEMT Funds	401,791 (2)	504,517 (2)	290,000 (2)	450,000 (2)	500,000 (2)
Ambulance Fees (Prior Year Amount Over (Under) Accrual)	(19,716)	92,669	0	0	0
Township Subsidies	31,400	31,400	31,400	31,400	31,400
Interest	148	3,107	500	3,500	3,000
Reimbursement of Damages	15,776	839	0	0	0
Other	400	0	0	0	0
	<u>\$ 2,104,212</u>	<u>\$ 2,336,367</u>	<u>2,091,900</u>	<u>\$ 2,254,900</u>	<u>\$ 2,304,400</u>
Total Revenues					
Funds Available	\$ 2,515,943	\$ 2,715,757	2,242,690	\$ 2,662,913	\$ 2,801,913
Expenditures (1)	<u>2,136,553</u>	<u>2,307,744</u>	<u>2,199,100</u>	<u>2,165,400</u>	<u>2,634,400</u>
Ending Balance, June 30	<u>\$ 379,390</u>	<u>\$ 408,013</u>	<u>\$ 43,590</u>	<u>\$ 497,513</u>	<u>\$ 167,513</u>
Increase (Decrease) in Fund Balance	\$ (32,341)	\$ 28,623	\$ (107,200)	\$ 89,500	\$ (330,000)

1. Expenditures include changes in compensated absences.
2. The GEMT (Ground Emergency Medical Transportation) funds for Medicaid patients began in 2019/2020. Estimated revenues are shown for 2023/2024 and 2024/2025.

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 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 213,177	\$ 178,448	\$ 200,500	\$ 196,800	\$ 205,900	2.69%
Commodities	146,586	162,640	172,900	157,500	167,100	-3.35%
Contractual Services	263,725	287,989	286,500	275,300	310,500	8.38%
Capital Outlay	1,110	48,874	29,300	25,900	248,400	747.78%
Transfers	<u>1,531,700</u>	<u>1,625,900</u>	<u>1,509,900</u>	<u>1,509,900</u>	<u>1,702,500</u>	12.76%
Total Expenditures	<u>\$ 2,156,298</u>	<u>\$ 2,303,851</u>	<u>\$ 2,199,100</u>	<u>\$ 2,165,400</u>	<u>\$ 2,634,400</u>	19.79%
Funding Sources						
Ambulance Fees	\$ 2,056,488	\$ 2,301,021	\$ 2,060,000	\$ 2,220,000	\$ 2,270,000	10.19%
County Subsidy	31,400	31,400	31,400	31,400	31,400	0.00%
Interest	148	3,107	500	3,500	3,000	500.00%
Other	<u>16,176</u>	<u>839</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Funding Sources	<u>\$ 2,104,212</u>	<u>\$ 2,336,367</u>	<u>\$ 2,091,900</u>	<u>\$ 2,254,900</u>	<u>\$ 2,304,400</u>	10.16%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time:						
Ambulance Billing Manager	1.00	1.00	1.00	1.00	1.00	
Office Coordinator	-	-	0.50	0.50	0.50	
Part Time:						
Ambulance Attendants	1.30	0.81	0.70	0.65	0.65	
Office Coordinator	<u>0.25</u>	<u>0.25</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total	2.55	2.06	2.20	2.15	2.15	\$ 147,000
Employee Benefits						<u>58,900</u>
Total Personal Services						<u>\$ 205,900</u>

Capital Outlay			
Item:	Quantity	Replacement	Amount
Surface Pro Computers	6	Yes	\$ 9,600
Power Stair Chair	4	Yes	64,800
Powerload Cot System	5	Yes	174,000
			<u>\$ 248,400</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 had been continuing to maintain its CVB enterprise fund and these payments have been made to GMCCI from the CVB enterprise fund. The CVB enterprise fund will be closed out in the 2024/2025 fiscal year, with the balance (\$102,000) being used to fund that portion of the 2024/2025 allocation to GMCCI. A \$33,000 transfer from the Economic Development budget to the CVB fund will bring the total Tourism and Marketing funding to \$135,000 in the 2024/2025 budget. In future years the allocations for Tourism and Marketing will be made directly from the Economic Development budget in the General Fund.

Muscatine Convention and Visitors Bureau (CVB)

Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 140,258	\$ 105,083	\$ 105,183	\$ 107,705	\$ 101,705
Revenues					
Interest	\$ 113	\$ 2,622	\$ 100	\$ 4,000	\$ 295
Transfers In					
General Fund - Hotel/Motel Tax	<u>93,612 (1)</u>	<u>125,000</u>	<u>125,000 (2)</u>	<u>125,000</u>	<u>33,000</u>
Total Revenues	<u>\$ 93,725</u>	<u>\$ 127,622</u>	<u>\$ 125,100</u>	<u>\$ 129,000</u>	<u>\$ 33,295</u>
Funds Available	\$ 233,983	\$ 232,705	\$ 230,283	\$ 236,705	\$ 135,000
Expenditures	<u>128,900</u>	<u>125,000</u>	<u>135,000 (3)</u>	<u>135,000</u>	<u>135,000</u>
Ending Balance, June 30	<u>\$ 105,083</u>	<u>\$ 107,705</u>	<u>\$ 95,283</u>	<u>\$ 101,705</u>	<u>\$ 0 (4)</u>

Increase (Decrease) in Fund Balance	\$ (35,175)	\$ 2,622	\$ (9,900)	\$ (6,000)	\$ (101,705)
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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.
4. This fund will be closed out at the end of 2024/2025 with future funding for the Tourism and Marketing program funded directly from the General Fund.

Function:
Business Type

Department:
Muscatine Convention and Visitors Bureau

Activity:

Muscatine Convention and Visitors Bureau

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	125,000	125,000	135,000	135,000	135,000	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	3,900	-	-	-	-	
Total Expenditures	<u>\$ 128,900</u>	<u>\$ 125,000</u>	<u>\$ 135,000</u>	<u>\$ 135,000</u>	<u>\$ 135,000</u>	0.00%
Funding Sources						
City Hotel/Motel Tax Allocation	\$ 93,612	\$ 125,000	\$ 125,000	\$ 125,000	\$ 33,000	-73.60%
Interest	113	2,622	100	4,000	295	
Total Funding Sources	<u>\$ 93,725</u>	<u>\$ 127,622</u>	<u>\$ 125,100</u>	<u>\$ 129,000</u>	<u>\$ 33,295</u>	-73.39%

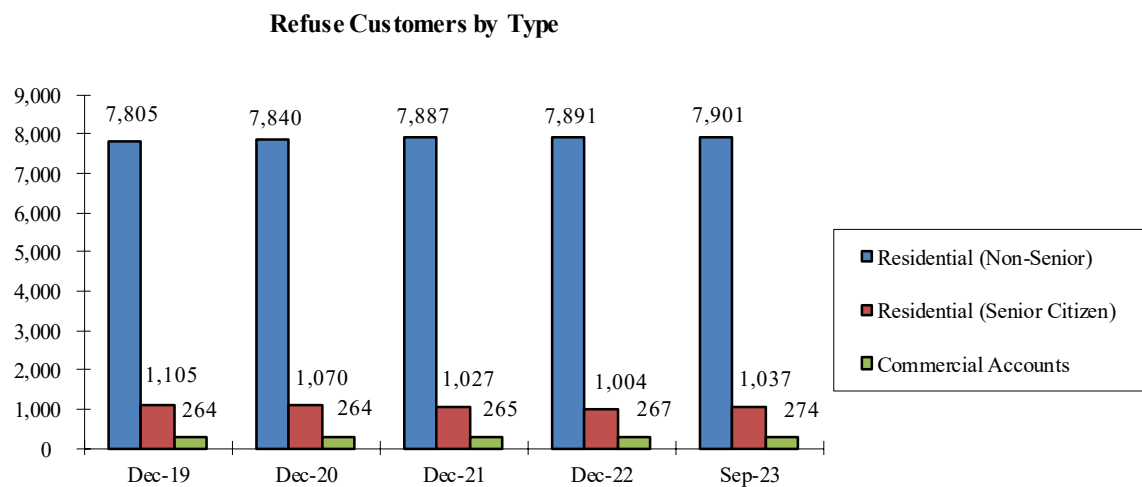
SOLID WASTE MANAGEMENT FUNDS

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 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.

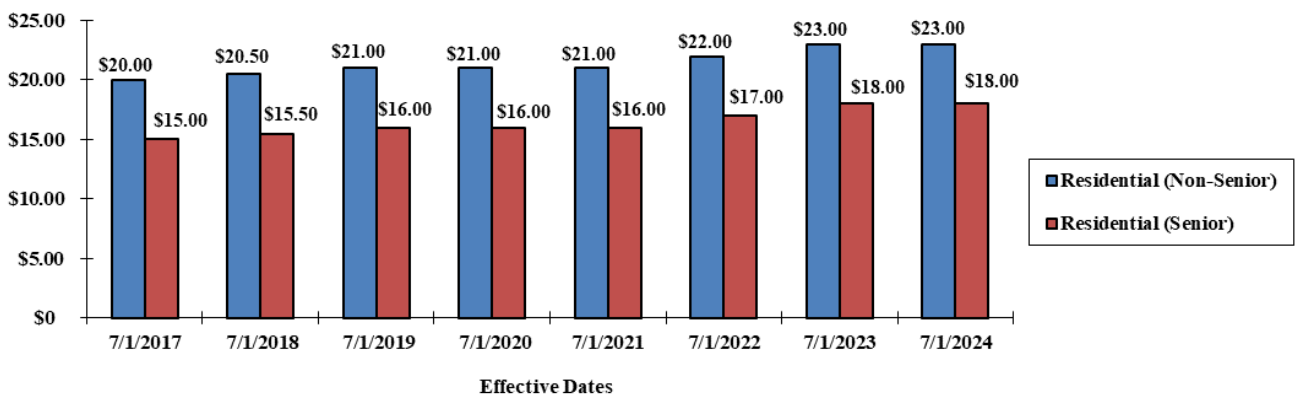
The original contract with Allied Waste (now Republic Services) was scheduled to end on March 31, 2016. In December 2015 City Council approved a 5-year extension to this contract. For the first year of the new contract, the rate remained at \$3.43 per customer per month. For the 2nd through the 5th year of the new contract the per-customer per-month rate increased 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.

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 included another \$1.00 increase to the residential rates. This increase was needed to fund increased wage and benefit costs, increased fuel costs, and to provide funds for replacement of refuse collection vehicles. No rate increase is budgeted for 2024/2025.

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 2023/2024 and 2024/2025 budgets each include \$510,000 for Transfer Station fees for disposal of an estimated 8,500 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 2023/2024 are \$9,600 more than the original budget. This overall increase is due to the net effect of (1) personal services costs are \$9,900 less than the original budget due to an employee changing from family to single health insurance coverage, and decreases in workers compensation and unemployment costs, (2) commodities are \$35,500 less due to a reduced allocation for purchases for resale resulting from discontinuing purchasing yard waste bags and instead purchasing yard waste bag stickers for resale, (3) contractual services are \$65,000 more due to increased vehicle repair and maintenance services costs, and (4) capital outlay is \$10,000 less than the original budget due to purchasing a rear-loading refuse vehicle rather than the automated vehicle originally budgeted.

The budgeted expenditures for 2024/2025 are \$99,600 (3.8%) more than the original 2023/2024 budget. This overall increase is due to the net effect of (1) personal services costs are \$40,500 (4.7%) more than the prior year budget, (2) commodities are \$35,500 less due to changing from the resale of yard waste bags to yard waste stickers, (3) contractual services are \$1,600 less, (4) capital outlay is \$93,000 more than the prior year budget, and (4) transfers are \$3,200 more. The capital outlay increase is primarily due to the 2024/2025 budget including \$320,000 for a new automated refuse collection vehicle. The capital outlay budget also includes \$23,000 for a five-yard compost bucket and hitch assembly, and \$6,000 for a navigation routing system for the refuse collection vehicles.

The 2024/2025 budget includes \$418,700 for the contracted curbside recycling service at the rate of \$3.86 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 \$2,556,000 for both the 2023/2024 revised estimate and the 2024/2025 budget. As noted previously, residential refuse collection rates are budgeted to remain at \$23.00 per month for regular residential customers and \$18.00 per month for senior customers for the 2024/2025 fiscal year. The department will 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 2023/2024 and 2024/2025 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 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
Tons of Refuse Collected	8,940	8,653	8,394	8,500	8,500
Regular Residential Customers	7,232	7,457	7,307	7,326 (1)	7,470
Senior Residential Customers	1,070	1,013	1,004	1,037 (1)	1,037
Commercial and Industrial Customers	264	270	267	274	275
Ripley’s Mobile Home Court – Residential Units	263	261	240	231	240
Fruitland Residential Customers	345	345	344	344	344
Single Sort Curbside Recycling (Tons)	1,260	1,259	1,158	1,280	1,280
Curbside Pickups (fiscal year)	4,271	4,654	4,705	4,500	4,500

1. September customer numbers were used for 2023/2024 since the Muscatine Power & Water report with this information was not yet available.

RECENT ACCOMPLISHMENTS:

Refuse Collection employees continue to provide excellent service to the community. Staff members work early morning hours in all weather conditions and do so safely. The division requested and received an additional position in the 2023/2024 budget. This position is funded partially from the Refuse Collection budget and partially from the Transfer Station budget. While the full impact of the addition of this position has not been experienced due to health issues of another employee, what has been experienced to date has proven to be a big help to this operation.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025:

- Evaluate costs for possible implementation of a residential yard waste curbside cart collection program. **(Excellent Customer Service)**
- Review collection routes for efficiency and implement any changes to routes.
- Review the Solid Waste Management pages of the City website and update the information on services provided, as needed. **(Excellent Customer Service)**
- Continue to cross train staff on all operations of the Solid Waste division.

Refuse Collection Fund

Fund Statement

	<u>Actual</u> <u>2021/2022</u>	<u>Actual</u> <u>2022/2023</u>	<u>Budget</u> <u>2023/2024</u>	<u>Revised</u> <u>Estimate</u> <u>2023/2024</u>	<u>Budget</u> <u>2024/2025</u>
Beginning Balance, July 1	\$ 196,631	\$ 207,399	\$ 311,099	\$ 409,943	\$ 377,943
Revenues					
Charges for Services	\$ 2,352,439	\$ 2,461,460 (2)	\$ 2,556,000 (3)	\$ 2,556,000 (3)	\$ 2,556,000
Sales - Yard Waste Bags/Stickers	13,120	13,031	15,800	13,000	13,000
Compost Site Fees	8,262	16,907	11,500	16,900	16,900
Interest	77	7,108	200	5,000	4,000
Sales Tax	6,894	7,430	6,800	6,800	6,800
Donations	0	0	0	900	0
Sale of Equipment	21,006	0	0	0	0
Miscellaneous	44	48	0	0	0
Transfers In:					
Surcharge Part II	44,277	41,781	0	0	0
Total Revenues	<u>\$ 2,446,119</u>	<u>\$ 2,547,765</u>	<u>\$ 2,590,300</u>	<u>\$ 2,598,600</u>	<u>\$ 2,596,700</u>
Funds Available	\$ 2,642,750	\$ 2,755,164	\$ 2,901,399	\$ 3,008,543	\$ 2,974,643
Expenditures (1)	<u>2,435,351</u>	<u>2,345,221</u>	<u>2,621,000</u>	<u>2,630,600</u>	<u>2,720,600</u>
Ending Balance, June 30	<u>\$ 207,399</u>	<u>\$ 409,943</u>	<u>\$ 280,399</u>	<u>\$ 377,943</u>	<u>\$ 254,043</u>

Increase (Decrease) in					
Fund Balance	\$ 10,768	\$ 202,544	\$ (30,700)	\$ (32,000)	\$ (123,900)

1. Expenditures include changes in compensated absences.
2. 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.
3. A rate increase of \$1.00 per month for all residential customers went into effect July 1, 2023. This increase was needed to fund increased personal services, fuel, and maintenance costs, and to plan for funding of future refuse collection vehicles. This increased the regular residential rate to \$23.00 per month and the senior rate to \$18.00. This increase in the residential rates increased revenues by approximately \$105,000 each year.

Function:
Business Type Activity

Department:
Public Works

Activity:
Refuse Collection

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 757,921	\$ 807,287	\$ 862,700	\$ 852,800	\$ 903,200	4.69%
Commodities	67,203	78,468	107,900	72,400	72,400	-32.90%
Contractual Services	1,269,861	1,253,132	1,290,900	1,355,900	1,289,300	-0.12%
Capital Outlay	192,360	83,497	256,000	246,000	349,000	36.33%
Transfers	141,377	141,881	103,500	103,500	106,700	3.09%
Total Expenditures	\$ 2,428,722	\$ 2,364,265	\$ 2,621,000	\$ 2,630,600	\$ 2,720,600	3.80%
Funding Sources						
Charges for Services	\$ 2,352,439	\$ 2,461,460	\$ 2,556,000	\$ 2,556,000	\$ 2,556,000	0.00%
Sales-Yard Waste Bags/Stickers	13,120	13,031	15,800	13,000	13,000	-17.72%
Compost Site Fees	8,262	16,907	11,500	16,900	16,900	46.96%
Sales Tax	6,894	7,430	6,800	6,800	6,800	0.00%
Interest	77	7,108	200	5,000	4,000	
Sale of Equipment	21,006	-	-	-	-	
Miscellaneous	44	48	-	900	-	
Total Funding Sources	\$ 2,401,842	\$ 2,505,984	\$ 2,590,300	\$ 2,598,600	\$ 2,596,700	0.25%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time:						
Solid Waste Manager	0.35	0.35	0.35	0.35	0.35	
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)	0.50	0.50	
Refuse Driver/Maint. Worker	-	-	0.50	0.50	0.50	
Total Full Time	7.60	7.60	8.60	8.60	8.60	
Part Time:						
Compost Site Technicians	0.78	0.78	0.84	0.84	0.84	
Refuse Driver I	0.73	0.73	0.73	0.73	0.73	
Refuse Collection Laborers	0.81	0.81	0.45	0.45	0.45	
Clerk	0.38	0.38	- (1)	-	-	
Total	10.29	10.29	10.62	10.62	10.62	\$ 598,300
Employee Benefits						304,900
Total Personal Services						\$ 903,200
1. Effective 7-1-23 the part time Clerk was moved to a full time position, allocated 50% to Refuse Collection and 50% to Transfer Station.						

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Automated Residential Refuse Truck	1	Yes	\$ 320,000
Five Yard Compost Bucket and Hitch Assembly	1	No	23,000
Navigation Routing System	8	No	6,000
			<u>\$ 349,000</u>

SOLID WASTE MANAGEMENT FUNDS

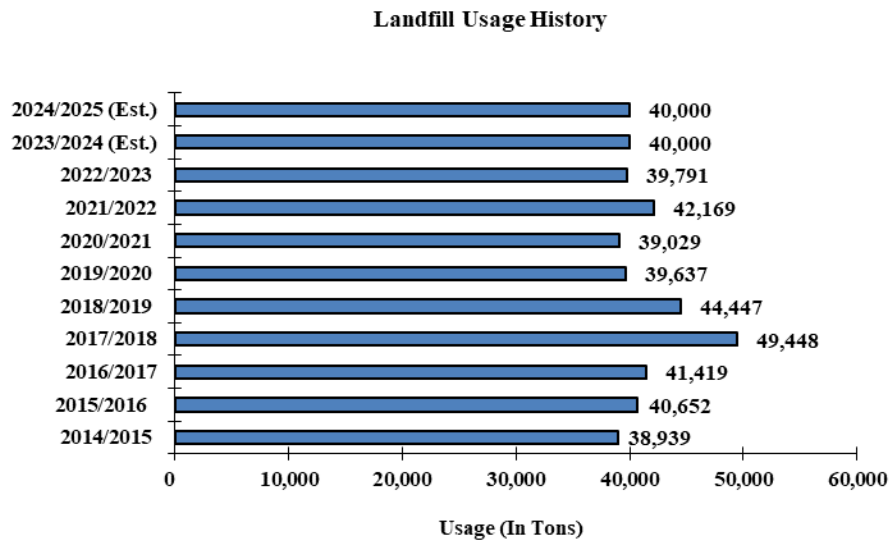
LANDFILL OPERATIONS

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 2014/2015 as well as the projected waste volumes for 2023/2024 and 2024/2025.

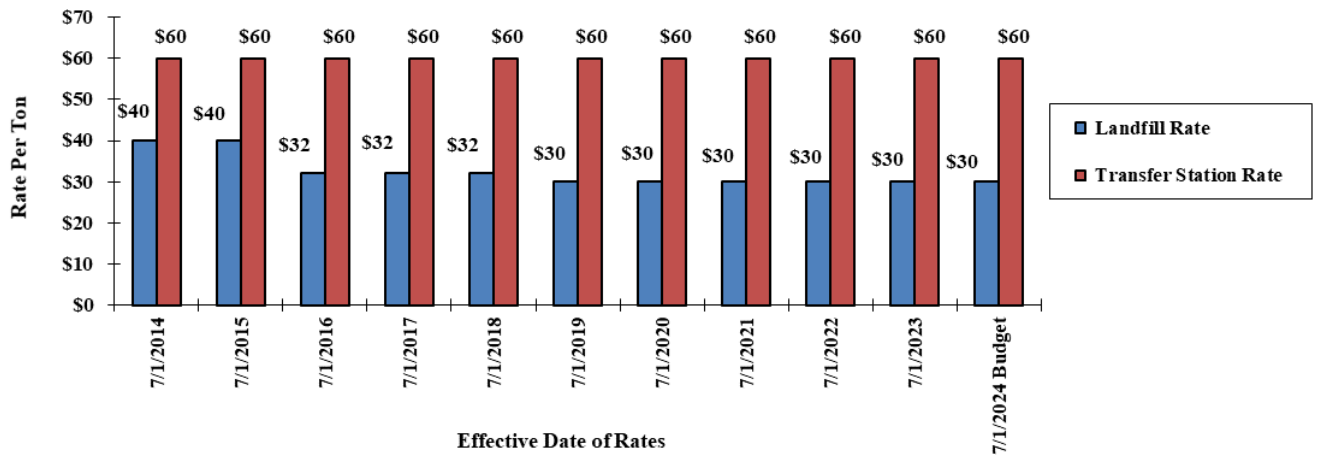


Volumes at the landfill have fluctuated over the years shown above and the number and types of users have changed. The State of Iowa has also enacted regulations for volume reduction and restrictions on materials that can be deposited in landfills. The increase in waste volume in 2017/2018 is attributed 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 2014/2015 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 2024/2025 budgets. This change was needed to continue to fund capital expenditures at the Transfer Station.

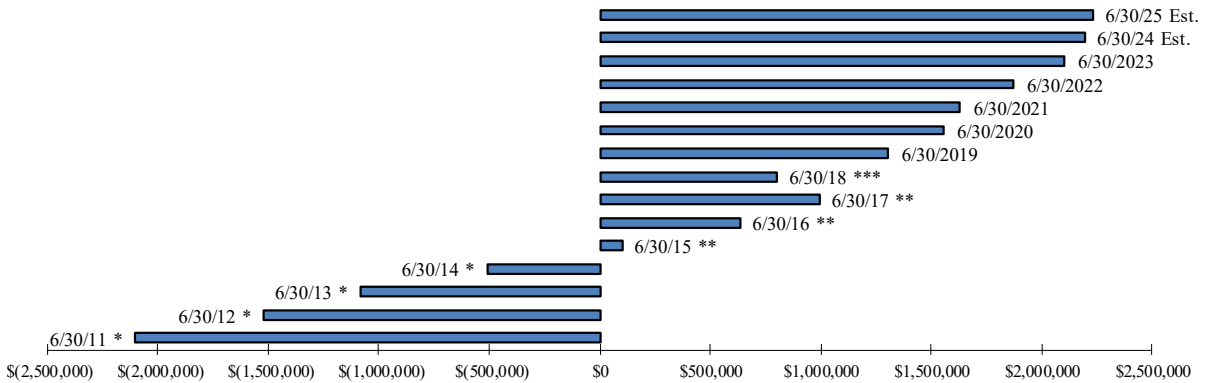
Transfer Station and Landfill Rates (Per Ton)



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 thirteen (13) 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, to \$1,872,168 as of June 30, 2022, and to \$2,102,982 as of June 30, 2023. The fund balance is estimated to increase to \$2,192,382 at the end of fiscal year 2023/2024, and increase by \$38,000 to \$2,230,382 at the end of the 2024/2025 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 2023/2024 are \$39,900 more than the original budget. This overall increase is due to (1) a \$300 increase in personal services costs, (2) a \$22,400 increase in contractual services, and (3) a \$17,200 increase in transfers. The increase in contractual services is due to an increase in engineering services related to the SCADA system upgrade. 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 2024/2025 for the Landfill are \$91,300 (7.3%) more than the original 2023/2024 budget. The increase in expenditures is due to (1) a \$6,600 increase in personal services costs, (2) a \$40,500 increase in contractual services, (3) a \$25,000 increase in capital outlay, and (4) a \$19,200 increase in transfers. The increase in contractual services includes \$40,000 for tree removal in the fence lines. The capital outlay allocation for 2024/2025 of \$75,000 is for tree and stump removal from the borrow area at the Landfill site.

The waste volume for 2024/2025 is estimated at 40,000 tons which is the same as the 2023/2024 budget and revised estimate.

Landfill fees for 2024/2025 are budgeted at \$1,159,400 based on an estimated 40,000 tons. This is the same as the 2023/2024 budget and 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 2024/2025 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 increase by \$89,400 to \$2,192,382 at the end of the 2023/2024 fiscal year. The fund balance at the end of the 2024/2025 fiscal year is estimated to increase by \$38,000 to \$2,230,382. 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 2023/2024 revised estimate and 2024/2025 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 2023/2024 and 2024/2025. 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 2023/2024 and 2024/2025 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 require 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 2023/2024 and 2024/2025 is \$163,200 and the amount to be transferred to the Post-Closure Reserve for both of these years is estimated at \$60,100.

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 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
Tons of Waste Disposed	39,029	42,169	39,791	40,000	40,000
Estimated Landfill Capacity Remaining in Constructed Cells (Tons)	317,301	275,132	235,341	189,571 (1)	149,571
Years of Current Landfill Space Remaining in Constructed Cells (Estimate)	7.9	6.8	5.9	4.7	3.7
Estimated Landfill Capacity Remaining in Permitted Area (Tons)	N/A	N/A	N/A	533,478 (1)	493,478
Years of Current Landfill Space Remaining in Permitted Area (Estimate)	N/A	N/A	N/A	12.8 (2)	11.8
Leachate Collected in Gallons	2,669,502	1,871,860	1,687,937	1,500,000	1,500,000

1. Based on updated air space analysis in 2023
2. Years of Permitted Area remaining based on 41,615 of tons/year

RECENT ACCOMPLISHMENTS:

Work continues with waste being deposited in Cell #5. Compaction rates are exceeding the requirements of the operations contract, thus extending the number of years of life left in the landfill. Leachate generation is down from the previous year. The State’s assessment of corrective measures order is near completion with acquisition of the parcel of property needed as part of the order.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025:

- Continue to study any potential gas to energy projects and select the best possible vendor to work with on a future agreement. **(Healthy Community)**
- Complete the tree clearing projects that include fence lines and borrow areas.
- To continue to identify areas to regrade and reduce leachate generation. **(Healthy Community)**
- Identify projects for grant funding through State Environmental Management System (EMS) Program. **(Healthy Community)**
- Work on updating the County/City Landfill operations agreement

Landfill Operations

Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 1,630,574	\$ 1,872,168	\$ 1,778,468	\$ 2,102,982	\$ 2,192,382
Revenues					
Charges for Services	\$ 1,209,822	\$ 1,145,169	\$ 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	4,591	134,194	3,000	80,000	80,000
Transfers In:					
Landfill Surcharge Reserve	<u>21,084</u>	<u>19,896</u>	<u>20,000 (4)</u>	<u>20,000 (4)</u>	<u>20,000 (4)</u>
Total Revenues	<u>\$ 1,352,674</u>	<u>\$ 1,416,436</u>	<u>\$ 1,299,600</u>	<u>\$ 1,376,600</u>	<u>\$ 1,376,600</u>
Funds Available	\$ 2,983,248	\$ 3,288,604	\$ 3,078,068	\$ 3,479,582	\$ 3,568,982
Expenditures (1)	<u>1,111,080</u>	<u>1,185,622</u>	<u>1,247,300</u>	<u>1,287,200</u>	<u>1,338,600</u>
Ending Balance, June 30	<u><u>\$ 1,872,168</u></u>	<u><u>\$ 2,102,982</u></u>	<u><u>\$ 1,830,768</u></u>	<u><u>\$ 2,192,382</u></u>	<u><u>\$ 2,230,382</u></u>
Increase (Decrease) in Fund Balance	\$ 241,594	\$ 230,814	\$ 52,300	\$ 89,400	\$ 38,000

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 2023/2024 revised estimate and 2024/2025 budget are each based on an estimated 40,000 tons of waste.
4. The 2023/2024 and 2024/2025 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 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Transfers In					
Surcharge Fees	<u>21,084</u>	<u>19,896</u>	<u>20,000</u> (1)	<u>20,000</u> (1)	<u>20,000</u> (1)
Funds Available	\$ 21,084	\$ 19,896	\$ 20,000	\$ 20,000	\$ 20,000
Expenditures					
Transfers to Landfill Fund	<u>21,084</u>	<u>19,896</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</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
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1. Transfers are based on 40,000 tons for the 2023/2024 Revised Estimate and the 2024/2025 Budget at \$.50/ton.

Landfill Surcharge Reserve Part II

Waste Reduction, Recycling, and Small Business Pollution Prevention

Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Transfers In					
Surcharge Fees	<u>44,278</u>	<u>41,781</u>	<u>42,000</u> (1)	<u>42,000</u> (1)	<u>42,000</u> (1)
Funds Available	\$ 44,278	\$ 41,781	\$ 42,000	\$ 42,000	\$ 42,000
Expenditures					
Transfers to Transfer Station Fund	<u>44,278</u>	<u>41,781</u>	<u>42,000</u>	<u>42,000</u>	<u>42,000</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
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1. Transfers are based on 40,000 tons for the 2023/2024 Revised Estimate and the 2024/2025 Budget at \$1.05/ton.

Landfill Closure Reserve (1)

Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 1,478,042	\$ 1,630,548	\$ 1,783,048	\$ 1,793,792	\$ 1,956,992
Revenues					
Transfers In					
Landfill Fund	<u>152,506</u>	<u>163,244</u>	<u>152,500</u>	<u>163,200 (2)</u>	<u>163,200 (2)</u>
Funds Available	\$ 1,630,548	\$ 1,793,792	\$ 1,935,548	\$ 1,956,992	\$ 2,120,192
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u>\$ 1,630,548</u>	<u>\$ 1,793,792</u>	<u>\$ 1,935,548</u>	<u>\$ 1,956,992</u>	<u>\$ 2,120,192</u>

Increase (Decrease) in					
Fund Balance	\$ 152,506	\$ 163,244	\$ 152,500	\$ 163,200	\$ 163,200

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 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 1,116,434	\$ 1,170,037	\$ 1,223,637	\$ 1,230,118	\$ 1,290,218
Revenues					
Transfers In					
Landfill Fund	<u>53,603</u>	<u>60,081</u>	<u>53,600</u>	<u>60,100 (2)</u>	<u>60,100 (2)</u>
Funds Available	\$ 1,170,037	\$ 1,230,118	\$ 1,277,237	\$ 1,290,218	\$ 1,350,318
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u>\$ 1,170,037</u>	<u>\$ 1,230,118</u>	<u>\$ 1,277,237</u>	<u>\$ 1,290,218</u>	<u>\$ 1,350,318</u>

Increase (Decrease) in					
Fund Balance	\$ 53,603	\$ 60,081	\$ 53,600	\$ 60,100	\$ 60,100

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 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 67,195	\$ 71,330	\$ 74,800	\$ 75,100	\$ 81,400	8.82%
Commodities	4,358	10,457	17,400	17,400	17,400	0.00%
Contractual Services	685,426	710,836	770,000	792,400	810,500	5.26%
Capital Outlay	19,310	41,393	50,000	50,000	75,000	50.00%
Transfers	<u>334,571</u>	<u>350,002</u>	<u>335,100</u>	<u>352,300</u>	<u>354,300</u>	5.73%
Total Expenditures	<u>\$ 1,110,860</u>	<u>\$ 1,184,018</u>	<u>\$ 1,247,300</u>	<u>\$ 1,287,200</u>	<u>\$ 1,338,600</u>	7.32%
Funding Sources						
Charges for Services	\$ 1,209,822	\$ 1,145,169	\$ 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	4,591	134,194	3,000	80,000	80,000	2566.67%
Transfers In:						
Surcharge Reserve	<u>21,084</u>	<u>19,896</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	0.00%
Total Funding Sources	<u>\$ 1,352,674</u>	<u>\$ 1,416,436</u>	<u>\$ 1,299,600</u>	<u>\$ 1,376,600</u>	<u>\$ 1,376,600</u>	5.92%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time:						
Solid Waste & Sewer System Manager	0.35	0.35	-	-	-	
Solid Waste Manager	-	-	0.35	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	\$ 55,300
Employee Benefits						<u>26,100</u>
Total Personal Services						<u>\$ 81,400</u>

Capital Outlay	
Item	Amount
Tree and Stump Removal	<u>\$ 75,000</u>

SOLID WASTE MANAGEMENT FUNDS

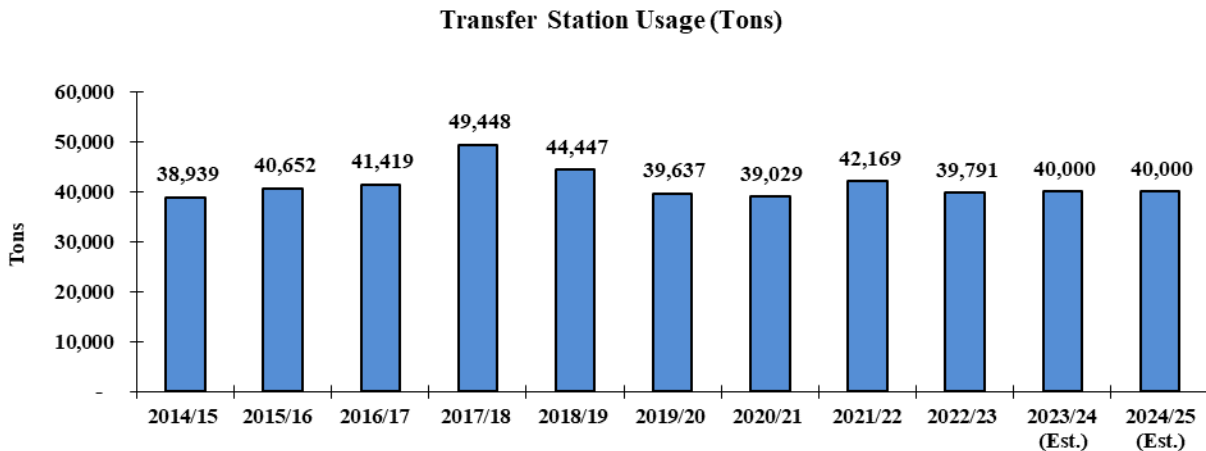
TRANSFER STATION OPERATIONS

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 2023/2024 revised estimate and 2024/2025 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 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 2024/2025 budgets.

The 2023/2024 revised estimate expenditures are \$53,200 more than the original budget. This overall increase is due to the net effects of (1) a \$10,100 decrease in personal services costs primarily due to an employee changing from family to single health insurance coverage, (2) an \$1,800 increase in commodities, (3) a \$63,500 increase in contractual services due to increased repair and maintenance services costs, and (4) a \$2,000 decrease in capital outlay. The increase in repair and maintenance services costs includes \$40,000 to replace the floor of one of the transfer trailers and \$19,000 for repairs to the crane.

Revised estimate tipping fee revenue is estimated at \$2,069,900. Based on revised estimate revenues and expenditures, a fund balance of \$275,961 is projected for June 30, 2024.

The budgeted expenditures for 2024/2025 are \$147,000 (6.6%) more than the original 2023/2024 budget. The 2024/2025 budget is based on 40,000 tons of waste, the same tonnage as the 2023/2024 budget and revised estimate. The \$147,000 expenditure increase is due to (1) a \$19,100 (4.7%) increase in personal services costs, (2) a \$2,800 increase in commodities, (3) a \$48,900 increase in contractual services due primarily to increased repair and maintenance services and insurance costs, (4) a \$76,000 increase in capital outlay, and (4) a \$200 increase in transfers. The increased repair and maintenance services costs include \$41,000 to replace the floor of another transfer trailer.

The 2023/2024 budgeted tipping fees are estimated at \$2,069,900 based on the 40,000-ton estimate. Other revenue for both 2023/2024 and 2024/2025 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 \$114,461 at the end of the 2024/2025 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 2024/2025. 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 2023/2024 revised estimate and 2024/2025 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 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
Tons of Waste Processed	39,029	42,169	39,791	40,000	40,000
Tons Recycled (Contractor) – Republic Services	1,262	1,202	1,158	1,200	1,200
Gallons of Waste Oil Collected	2,600	1,800	1,850	1,900	1,900

RECENT ACCOMPLISHMENTS:

The tipping floor replacement project was completed in March of 2023. The project was completed on time, under budget, and under bid. This project received an award from the Iowa Concrete Paving Association for the top concrete restoration project of 2023. Staff continues to complete maintenance and repairs to the Transfer Station buildings and grounds.

The annual free appliance and electronics drop-off weeks took place in July with a favorable turnout for both weeks.

A power surge associated with a spring storm caused electrical issues for the scale and storm water pumps. Staff was able to do use an alternative system to weigh in customers and kept the Transfer Station open while the regular scale was repaired.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025:

- Continue to train staff and implement the State Environmental Management System (EMS) program; identify and apply for grant opportunities through this program. **(Healthy Community)**
- Establish a no idle policy for equipment. **(Healthy Community)**
- Complete landscaping projects on the grounds.
- Work on design for a new entrance sign at the Transfer Station. **(Excellent Customer Service)**
- Expand the safety program for all staff at the Transfer Station. **(Excellent Customer Service)**

Transfer Station Operations

Fund Statement

	<u>Actual</u> <u>2021/2022</u>	<u>Actual</u> <u>2022/2023</u>	<u>Budget</u> <u>2023/2024</u>	<u>Revised</u> <u>Estimate</u> <u>2023/2024</u>	<u>Budget</u> <u>2024/2025</u>
Beginning Balance, July 1	\$ 387,619	\$ 383,654	\$ 351,254	\$ 333,861	\$ 275,961
Revenues					
Charges for Services	\$ 2,138,287	\$ 2,114,500	\$ 2,069,900 (2)	\$ 2,069,900 (2)	\$ 2,069,900 (2)
Recycling Commissions	5,177	3,938	5,000	4,000	4,000
Recycling Center Rental Fees	60,000	60,000	60,000	60,000	60,000
Sales Tax	7,273	8,778	8,000	10,000	10,000
Electronic Waste Disposal Fees	14,528	15,960	15,500	15,500	15,500
Appliance Disposal Fees	9,351	10,155	9,000	9,000	9,000
Sale of Equipment	7,032	0	0	0	0
Interest	355	6,453	700	2,000	2,000
Reimbursement of Damages	0	0	0	9,800	0
Other	59	125	0	0	0
Transfers In:					
Surcharge Reserve	44,277	41,781	42,000	42,000	42,000
Total Revenues	<u>\$ 2,286,339</u>	<u>\$ 2,261,690</u>	<u>\$ 2,210,100</u>	<u>\$ 2,222,200</u>	<u>\$ 2,212,400</u>
Funds Available	\$ 2,673,958	\$ 2,645,344	\$ 2,561,354	\$ 2,556,061	\$ 2,488,361
Expenditures (1)	<u>2,290,304</u>	<u>2,311,483</u>	<u>2,226,900</u>	<u>2,280,100</u>	<u>2,373,900</u>
Ending Balance, June 30	<u>\$ 383,654</u>	<u>\$ 333,861</u>	<u>\$ 334,454</u>	<u>\$ 275,961</u>	<u>\$ 114,461</u>

Increase (Decrease) in					
Fund Balance	\$ (3,965)	\$ (49,793)	\$ (16,800)	\$ (57,900)	\$ (161,500)

- Expenditures include changes in compensated absences.
- The revenue estimates for the 2023/2024 revised estimate and the 2024/2025 budget are each 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 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 316,627	\$ 329,966	\$ 405,400	\$ 395,300	\$ 424,500	4.71%
Commodities	39,867	40,352	35,900	37,700	38,700	7.80%
Contractual Services	1,790,495	1,881,136	1,755,100	1,818,600	1,804,000	2.79%
Capital Outlay	137,112	51,672	26,000	24,000	102,000	292.31%
Transfers	4,100	4,300	4,500	4,500	4,700	4.44%
Total Expenditures	\$ 2,288,201	\$ 2,307,426	\$ 2,226,900	\$ 2,280,100	\$ 2,373,900	6.60%
Funding Sources						
Charges for Services	\$ 2,138,287	\$ 2,114,500	\$ 2,069,900	\$ 2,069,900	\$ 2,069,900	0.00%
Recycling Commissions	5,177	3,938	5,000	4,000	4,000	-20.00%
Recycling Center Rental	60,000	60,000	60,000	60,000	60,000	0.00%
Sales Tax	7,273	8,778	8,000	10,000	10,000	25.00%
Tire, E-Waste, Appliance Charges	23,879	26,115	24,500	24,500	24,500	0.00%
Other	7,446	6,578	700	11,800	2,000	
Transfer from Surcharge Reserve	44,277	41,781	42,000	42,000	42,000	0.00%
Total Funding Sources	\$ 2,286,339	\$ 2,261,690	\$ 2,210,100	\$ 2,222,200	\$ 2,212,400	0.10%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time:						
Solid Waste Manager	0.30	0.30	0.30	0.30	0.30	
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	0.50	0.50	
Clerk	-	-	0.50 (1)	0.50	0.50	
Total Full Time	3.30	3.30	4.30	4.30	4.30	
Part Time:						
Clerk	0.36	0.36	- (1)	-	-	
Total	3.66	3.66	4.30	4.30	4.30	\$ 267,100
Employee Benefits						157,400
Total Personal Services						\$ 424,500
1. Effective 7-1-23 the part time Clerk was budgeted to be moved to a full time position, allocated 50% to the Transfer Station.						

Capital Outlay			
Item	Quantity	Replacement	Amount
Transfer Trailer	1	Yes	\$ 95,000
Handicap Door Opener	1	Yes	7,000
			\$ 102,000

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. 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. A new sewer rate study was completed in 2023. Based on the results of that study, the annual funding transfer will continue at \$400,000 for the 2023/2024 through 2027/2028 fiscal years.

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 to prioritize the digester conversion project with other needs at the Water Pollution Control Plant.

In 2022, a Facilities Planning Project was completed for the WPCP. The planning project identified several priority projects including the UV Disinfection System and the Plant and Pumping Stations Electrical Package Updates. Engineering for the UV project began in 2022/2023 and continued in 2023/2024. Construction of this project is currently underway and it is expected to be completed by the end of the 2023/2024 fiscal year at a total cost of approximately \$1,085,000. Funding for this project will be from the WPCP Replacement Reserve.

At the time the 2023/2024 budget was being developed, the Plant and Pumping Stations Electrical Package Updates were thought to be the next highest priority projects. In developing the 2024/2025 budget, however, several other projects have been determined to have a higher priority including (1) the Lift Station HVAC project, (2) the Houser Street Lift Station Upgrades project, and (3) the Grit Building HVAC project. The total cost of these projects is estimated at \$690,000. Design of these projects will begin in 2023/2024 with construction to follow in 2024/2025. These projects will also be funded from this Reserve. The 2024/2025 budget includes an estimated \$70,000 for the design of the Plant and Pumping Stations Electrical Package Updates. Construction will then be scheduled in 2025/2026.

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 \$55+ 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 the remaining phases of this project over the next four 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 2024/2025 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 were expected to be sufficient to cash flow project costs until midway through the 2023/2024 fiscal year when State Revolving Fund (SRF) loans were expected to be needed to fund the costs of Phase 6 of this project as well as the final work required at the Papoose Pump Station once Phase 6 has been completed.

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 2023/2024 and 2024/2025 are \$960,240 and \$970,360, respectively. Interest and fees on the loan are \$163,400 in 2023/2024 and \$147,480 in 2024/2025. The principal payments on this loan are \$796,000 in 2023/2024 and \$822,000 in 2024/2025.

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

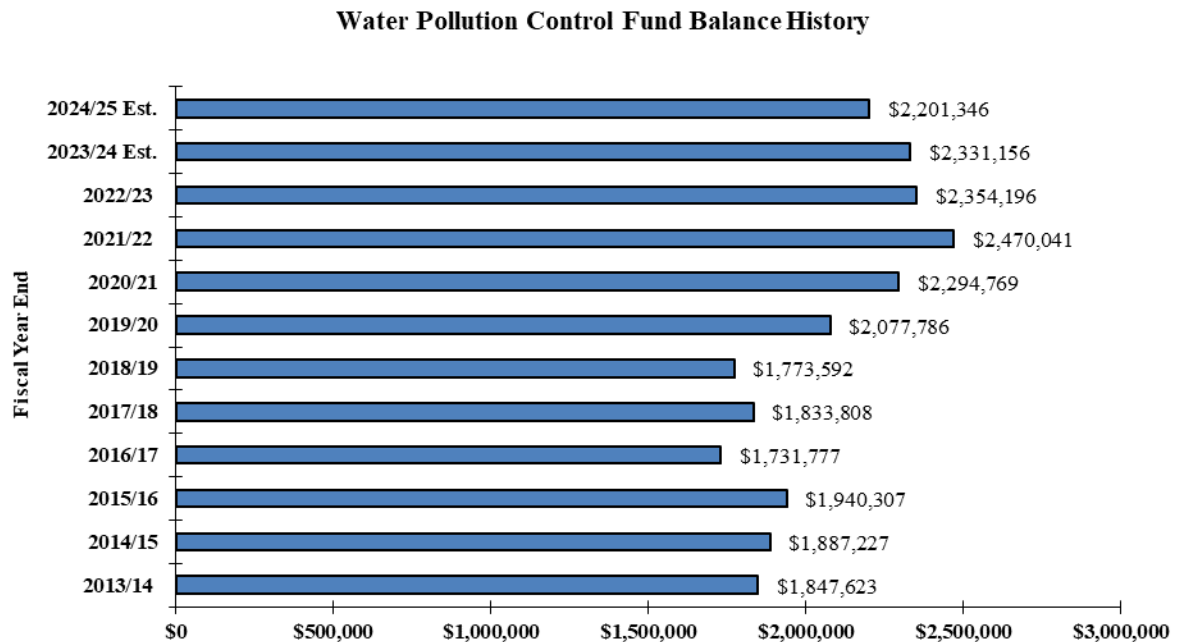
improvements was approximately \$18.5 million with \$2 million funded from the WPCP Replacement Reserve and \$16.5 million from the State Revolving Fund Loan program. Construction on this project began in December, 2008 and the contract for this project was closed out in June of 2013.

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 accepts 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. 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 was completed in 2022/2023. The UV Disinfection System project was rated as the highest priority in the Plan. This project is currently in progress and is scheduled to be completed by the end of 2023/2024. The next highest priority projects identified include (1) the Lift Station HVAC project, (2) the Houser Street Lift Station Upgrades project, and (3) the Grit Building HVAC project. The total cost of these projects is estimated at \$690,000. Design of these projects will begin in 2023/2024 with construction to follow in 2024/2025.

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.



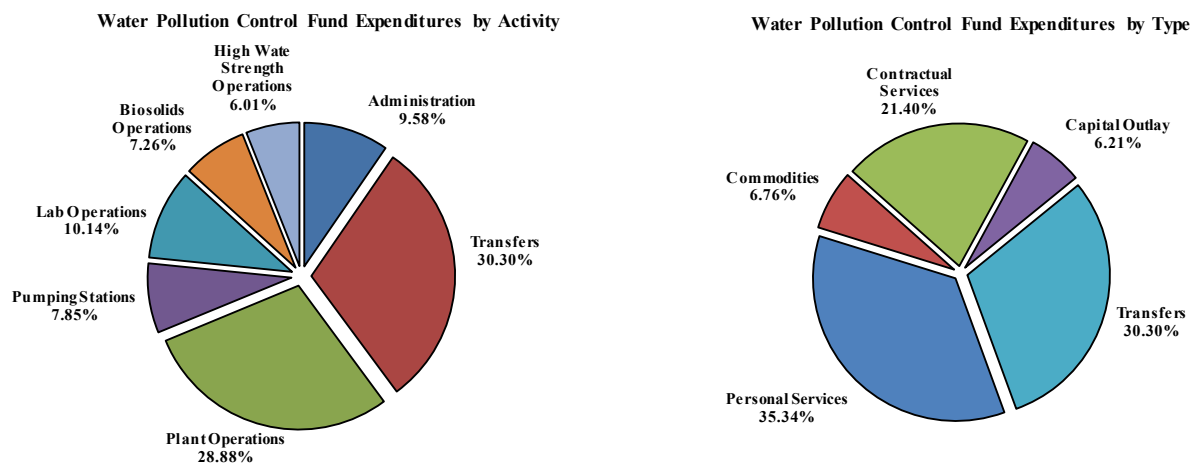
The fund balances listed above fluctuated partly as a result of variable volumes received from industrial customers. In addition, the City increased rates during this time period to cover inflationary cost increases and to ensure sufficient funds would be available for the debt service requirements on 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 studies since the revised rate structure was implemented. The most recent rate study was completed in 2023. The rates recommended by this study were adopted by an ordinance which sets rates to be effective July 1, 2023 and annually thereafter for the next four years (through July 1, 2027). The rate study recommended (1) 3% annual increases in sewer rates over the next five years, and (2) 5% annual increases in the collection and drainage rates for the next four years and 3% for the fifth year.

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 2024/2025. 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 2024/2025:



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 2023/2024 revised estimate expenditures are \$1,500 less in total than the original budget. There were increases or decreases in each of the individual activity budgets including (1) a \$14,600 decrease in the Water Pollution Control Administration budget, (2) a \$19,300 increase in the Plant Operations budget, (3) a \$24,100

increase in the Pumping Stations budget, (4) a \$100 decrease in the Lab budget, (5) a \$6,700 decrease in the Biosolids budget, and (6) a \$23,500 decrease in the High Strength Waste Operations budget.

The 2024/2025 budgeted expenditures of \$6,279,910 are \$234,770 (3.9%) more than the original 2023/2024 budget. This overall increase is due to (1) a \$65,300 (3.0%) increase in personal services costs, (2) a \$55,300 (15.0%) increase in commodities, (3) a \$101,300 (8.2%) increase in contractual services, (4) a \$5,800 (1.50%) decrease in capital outlay, and (5) an \$18,670 (1.0%) increase in transfers.

As noted previously, a new rate study was completed in 2023. The ordinance adopting the recommendations of the study was adopted which set 3% rate increases annually over the next five years.

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 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
Million Cubic Feet of Wastewater Treated		198.5	144.4	160.9	174.8	190.0
Biological Oxygen Demand Treated (1,000 lbs./yr.)		5,211 (1)	5,010	5,093	4,987	4,677
Total Suspended Solids Treated (1,000 lbs./yr.)		3,087	2,775	2,241	2,553	2,610
Number of Customer Bills	Industrial	112	112	112	112	112
	Non-Industrial	<u>110,901</u>	<u>111,617</u>	<u>112,120</u>	<u>112,232</u>	<u>112,300</u>
	Total	111,013	111,729	112,232	112,344	112,412

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 2020	Actual 2021	Actual 2022	Actual 2023	Estimated 2024
High Strength Solid Waste Received in Tons (1)	1,569	2,774	3,913	2,700	2,700
HSW Liquid Waste Received in Gallons (1)	3,306,364	3,949,980	1,785,148 (4)	1,506,569	1,650,000
Gallons of Sludge/Number of Acres	5,956,106/ 438	8,434,384/ 459	10,485,813/ 546 (5)	10,268,461/ 474	10,500,000/ 546
Lift Station Preventive Maintenance Tasks (PMs)	4,616 (3)	4,818 (3)	4,700	4,808	4,800
Lift Station Corrective Work Orders (CMs)	130	138	130	144	140
Plant Preventive Maintenance Tasks	5,151 (3)	6,618 (3)	5,367 (2)	6,629	6,700
Plant Corrective Work Orders	219 (3)	219 (3)	73 (2)	100	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 (the HSW facility opened in May 2020).
2. PMs were reduced by lack of labor due to the COVID-19 pandemic in 2020 and 2021. CMs were lower in 2022 due to lack of parts due to supply chain issues.
3. Implementation of the new Preventive Maintenance software was not complete in 2020 and 2021.
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 Water Pollution Control department continues to focus on their mission of recovering resources and transforming water. The department is responsible for wastewater treatment, stormwater retention, and resource recovery, by returning clean water to the environment, applying highly enriched biosolids to agricultural ground, and reducing regional landfilling of food waste.

The department's goals of excellent customer service, a safe, vibrant and healthy community, along with reliable public infrastructure, have been the focus of this year's projects. The UV disinfection system replacement project was engineered, bid, and started this year to ensure clean water is returned to the Mississippi River. The old system was outdated and needed to be upgraded to ensure permit compliance throughout the disinfection season. The new system is more robust and will give better treatment for many years.

The completion of the sewer rate study ensured that projects like the UV replacement project could be completed with minimal impacts to rate payers. It also allowed the Capital Improvement Plan (CIP) to proceed which outlines what needs the facility and outlying lift stations will face in the coming decade. This plan allows staff to prioritize critical projects to begin now while planning for the needs and costs of future projects. This will ensure the safety of the staff, permit compliance, and the continued health of the community as well as those downstream.

The nutrient reduction study was submitted to the Iowa Department of Natural Resources and will be revisited during the permit application process next spring to determine what technologies and processes will be used to reduce nutrient loading or if we can defer this to a later date.

The Operations and Maintenance division has a new maintenance manager. The City used an extensive process to replace the manager of all operations and maintenance at the plant and all lift stations. The new hire is the first licensed electrician to be hired by the department and will be a great asset to have on staff. A three month overlap with the retiring manager was budgeted and allowed for a smooth transition. Multiple projects are planned to replace critical components included in the CIP in coming years.

The Lift Stations division has taken control of the recently constructed Love's Lift Station that not only serves the Love's Truckstop, but was upsized to also serve the surrounding land that is targeted for development. It is expandable so that as the area grows it will be able to take in more wastewater to pump to the plant. The Lift Stations division will also be replacing many needed items listed in the CIP in the coming years to ensure continuous operation.

The Biosolids (Sludge) division had a very successful application season due to unseasonably warm and dry weather allowing for soy beans to come out early and application to proceed nearly unhindered by rain or cold. Over 10 million gallons of nutrient rich biosolids were applied over 474 acres of farm ground providing the fields with needed nitrogen, phosphorus, and micro-nutrients in a natural method not available to other farmers.

The Muscatine Environmental Laboratory had a very busy year with audits, installation of a new lab Biological Oxygen Demand (BOD) testing robot, and wastewater scan sampling for COVID and other infectious diseases tracking in our community. The Chemist determined the plant loading limits for the pretreatment program by calculating metals, BOD, and other parameters. The limits were applied to all of the 13 major industrial facilities in Muscatine. The lab continues to work with Muscatine County residents for required certified septic and drinking water testing.

The High Strength Waste division had another busy year with nearly 4,000 tons of food waste diverted from regional landfills. The WPCP department was awarded the Iowa Society of Solid Waste Operations 2022 Innovative Project Award, the national Water Environment Federation 2023 Project Excellence Award, and the national Solid Waste Association of North America 2023 Sustainable Materials Management Organization Award honorable mention.

The Stormwater division continues to work toward capturing and cleaning more stormwater before it enters the river. These innovative practices located at the City Hall Bio cell, the Sycamore Alley Bio cell, and the Mulberry Native Habitat Basin, capture pollutants found in stormwater runoff and cleans the water before sending it back to the river. Work is also ongoing at the Muscatine Slough to provide more efficient flow, cleaning the water using wetlands, and providing more recreational opportunities.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025:

- To move through the Capital Improvement Plan (CIP) and finish the Lift Station HVAC Package, the Houser Street Lift Station Upgrades, and the Grit Building HVAC by June of 2025. **(Council Goals of Reliable Public Infrastructure and Healthy Community)**
- To implement the new, upgraded maintenance software for better efficiency and less corrective maintenance needed. **(Council Goals of Reliable Public Infrastructure and Healthy Community)**
- To begin writing the new permit application to the Iowa Department of Natural Resources. **(Council Goals of Reliable Public Infrastructure and Healthy Community)**
- To update the new Health and Safety Manual.

- To begin work on the Roughing Filter Replacement Project as outlined in the CIP. (**Council Goals of Reliable Public Infrastructure and Healthy Community**)
- To begin planning for the Isett and Papoose Lift Station projects as outlined in the CIP. (**Council Goals of Reliable Public Infrastructure and Healthy Community**)
- To explore using the biogas created at the plant for energy generation or sale to the natural gas pipeline. (**Council Goals of Reliable Public Infrastructure and Unique New Revenue Streams**)
- To complete succession planning for the Chemist position as well as other key positions. (**Council Goal of Reliable Public Infrastructure**)
- To continue working with key stakeholders in attracting new industry to Muscatine.

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
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>\$ 8,170,000</u>	<u>\$ 851,760</u>	<u>\$ 9,021,760</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
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	\$ 415,000	\$ 45,650	\$ 460,650

Water Pollution Control Fund
Water Pollution Control Plant Replacement Reserve
Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 2,013,274	\$ 2,327,640	\$ 2,652,640	\$ 2,765,763	\$ 1,743,763
Revenues					
Interest	\$ 2,206	\$ 69,533	\$ 50,000	\$ 60,000	\$ 50,000
Transfers In					
Water Pollution Control					
Operations Fund	<u>400,000 (1)</u>	<u>400,000 (1)</u>	<u>400,000 (2)</u>	<u>400,000 (2)</u>	<u>400,000 (2)</u>
Total Revenues	<u>\$ 402,206</u>	<u>\$ 469,533</u>	<u>\$ 450,000</u>	<u>\$ 460,000</u>	<u>\$ 450,000</u>
Funds Available	<u>\$ 2,415,480</u>	<u>\$ 2,797,173</u>	<u>\$ 3,102,640</u>	<u>\$ 3,225,763</u>	<u>\$ 2,193,763</u>
Expenditures					
Transfers Out:					
High Strength Waste Receiving Station	\$ 87,840 (3)	\$ 0	\$ 0	\$ 0	\$ 0
UV Disinfection System	0	31,410 (4)	1,125,000 (4)	1,053,000 (4)	0
Lift Station HVAC Package	0	0	0	400,000 (5)	0
Houser Lift Station Upgrades	0	0	0	20,000 (5)	180,000 (5)
Grit Building HVAC	0	0	0	9,000 (5)	81,000 (5)
Plant Electrical Package	0	0	40,000 (6)	0 (6)	40,000 (6)
Lift Station Electrical Package	0	0	30,000 (6)	0 (6)	30,000 (6)
Total Expenditures	<u>\$ 87,840</u>	<u>\$ 31,410</u>	<u>\$ 1,195,000</u>	<u>\$ 1,482,000</u>	<u>\$ 331,000</u>
Ending Balance, June 30	<u><u>\$ 2,327,640</u></u>	<u><u>\$ 2,765,763</u></u>	<u><u>\$ 1,907,640</u></u>	<u><u>\$ 1,743,763</u></u>	<u><u>\$ 1,862,763</u></u>

Increase (Decrease) in Fund Balance	\$ 314,366	\$ 438,123	\$ (745,000)	\$ (1,022,000)	\$ 119,000
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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 will continue at \$400,000 for 2023/2024 through 2027/2028, as recommended by the 2023 rate study.
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. A Capital Planning Study was completed in 2022. The UV Disinfection System project was rated as the highest priority in this study and will be completed in 2023/2024.
5. The Lift Station HVAC Package, the Houser Lift Station Upgrades, and the Grit Building HVAC, have been determined to be the next highest priority projects. These projects will be completed in 2023/2024 and 2024/2025.
6. The original 2023/2024 budget included \$70,000 for the design of the Plant Electrical System Package and the Lift Station Electrical Package. Engineering for these projects has been deferred to the 2024/2025 fiscal year.

West Hill Sewer Separation Project Long-Term Financing Plan Reserve

Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 4,185,577	\$ 4,590,010	\$ 4,996,010	\$ 5,120,636	\$ 5,700,636
Revenues:					
Interest	\$ 4,433	\$ 130,626	\$ 6,000	\$ 180,000	\$ 180,000
Transfers In:					
Water Pollution Control Fund (1)	200,000	200,000	200,000	200,000	200,000
Collection & Drainage Fund (1)	200,000	200,000	200,000	200,000	200,000
Total Revenues	<u>\$ 404,433</u>	<u>\$ 530,626</u>	<u>\$ 406,000</u>	<u>\$ 580,000</u>	<u>\$ 580,000</u>
Funds Available	\$ 4,590,010	\$ 5,120,636	\$ 5,402,010	\$ 5,700,636	\$ 6,280,636
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>\$ 4,590,010</u></u>	<u><u>\$ 5,120,636</u></u>	<u><u>\$ 5,402,010</u></u>	<u><u>\$ 5,700,636</u></u>	<u><u>\$ 6,280,636</u></u>
Increase (Decrease) in Fund Balance	\$ 404,433	\$ 530,626	\$ 406,000	\$ 580,000	\$ 580,000

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 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 128,687	\$ 130,025	\$ 131,823	\$ 146,432	\$ 163,272
Revenues:					
Interest	\$ 583	\$ 15,609	\$ 1,000	\$ 16,000	\$ 16,000
Transfers In:					
Water Pollution Control Fund	<u>941,515</u>	<u>950,618</u>	<u>960,240</u>	<u>960,240</u>	<u>970,360</u>
Total Revenues	<u>\$ 942,098</u>	<u>\$ 966,227</u>	<u>\$ 961,240</u>	<u>\$ 976,240</u>	<u>\$ 986,360</u>
Funds Available	<u>\$ 1,070,785</u>	<u>\$ 1,096,252</u>	<u>\$ 1,093,063</u>	<u>\$ 1,122,672</u>	<u>\$ 1,149,632</u>
Expenditures:					
Bonds	\$ 747,000	\$ 771,000	\$ 796,000	\$ 796,000	\$ 822,000
Interest and Fees (1)	<u>193,760</u>	<u>178,820</u>	<u>163,400</u>	<u>163,400</u>	<u>147,480</u>
Total Expenditures	<u>\$ 940,760</u>	<u>\$ 949,820</u>	<u>\$ 959,400</u>	<u>\$ 959,400</u>	<u>\$ 969,480</u>
Ending Balance, June 30	<u><u>\$ 130,025</u></u>	<u><u>\$ 146,432</u></u>	<u><u>\$ 133,663</u></u>	<u><u>\$ 163,272</u></u>	<u><u>\$ 180,152</u></u>
Increase (Decrease) in Fund Balance	\$ 1,338	\$ 16,407	\$ 1,840	\$ 16,840	\$ 16,880

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 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025
Beginning Balance, July 1	\$ 2,294,769	\$ 2,470,041	\$ 2,276,873	\$ 2,354,196	\$ 2,331,156
Revenues	5,819,018	5,961,991	5,978,500	6,020,600	6,150,100
Funds Available	\$ 8,113,787	\$ 8,432,032	\$ 8,255,373	\$ 8,374,796	\$ 8,481,256
Expenditures (1)	5,643,746	6,077,836	6,045,140	6,043,640	6,279,910
Ending Balance, June 30	\$ 2,470,041	\$ 2,354,196	\$ 2,210,233	\$ 2,331,156	\$ 2,201,346
Increase (Decrease) in Fund Balance	\$ 175,272	\$ (115,845)	\$ (66,640)	\$ (23,040)	\$ (129,810)

1. Expenditures include changes in compensated absences.

Water Pollution Control Operations Fund

Summary of Revenues

	<u>Actual</u> <u>2021/2022</u>		<u>Actual</u> <u>2022/2023</u>		<u>Budget</u> <u>2023/2024</u>		<u>Revised</u> <u>Estimate</u> <u>2023/2024</u>		<u>Budget</u> <u>2024/2025</u>	
Sewer Charges-Residential and Commercial (Billed by MP&W)	\$ 3,577,125	(1)	\$ 3,699,793	(1)	\$ 3,783,900	(2)	\$ 3,783,900	(2)	\$ 3,897,400	(2)
Industrial and City-billed Commercial Sewer Charges	1,592,471	(1)	1,648,800	(1)	1,622,700	(2)	1,677,800	(2)	1,734,800	(2)
Charges for Fats, Oils, and Grease (FOG)	255,598		163,595		200,000		150,000		150,000	
Charges for High Strength Waste	120,399		185,235		180,000		150,000		150,000	
Wastewater Discharge Permits	1,350		5,760		1,600		1,600		1,600	
Interest	2,164		54,710		4,000		40,000		30,000	
Sale of Equipment/Other Sales	1,788		0		5,000		5,000		0	
Analytical Income	101,164		97,073		100,000		100,000		100,000	
Wastewater Samples	0		13,000		0		26,000		0	
Sales Tax	62,650		67,465		65,000		68,000		68,000	
Reimbursements of Damages	89,831		0		0		0		0	
Reimbursements for Diesel Fuel	14,445		0		14,300		16,300		16,300	
Miscellaneous	33		26,560		2,000		2,000		2,000	
Total Revenues	\$ 5,819,018		\$ 5,961,991		\$ 5,978,500		\$ 6,020,600		\$ 6,150,100	

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 2023/2024 budget reflected a 3% rate increase effective July 1, 2023. After the budget was adopted, City Council approved the recommended rate increases in the 2013 rate study of 3% per year for the next five years.

Water Pollution Control Operations Fund

Summary of Expenditures

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Administration	\$ 2,316,166	\$ 2,458,681	\$ 2,426,840	\$ 2,412,240	\$ 2,504,210
Plant Operations	1,655,552	1,631,584	1,721,500	1,740,800	1,813,400
Pumping Stations	476,966	671,006	476,900	501,000	492,700
Laboratory Operations	456,858	534,408	511,500	511,400	636,500
Biosolids Operations	375,760	422,682	452,600	445,900	455,800
High Strength Waste Operations	<u>347,952</u>	<u>363,704</u>	<u>455,800</u>	<u>432,300</u>	<u>377,300</u>
Total Expenditures	<u>\$ 5,629,254</u>	<u>\$ 6,082,065</u>	<u>\$ 6,045,140</u>	<u>\$ 6,043,640</u>	<u>\$ 6,279,910</u>

Function:
Business Type

Department:
Water Pollution Control

Activity:
Administration

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 230,718	\$ 239,081	\$ 247,500	\$ 247,600	\$ 260,300	5.17%
Commodities	4,730	4,408	4,900	4,900	4,900	0.00%
Contractual Services	205,411	252,850	290,600	275,900	336,500	15.79%
Capital Outlay	22,842	91,774	-	-	-	
Transfers	1,852,465	1,870,568	1,883,840	1,883,840	1,902,510	0.99%
Total Expenditures	<u>\$ 2,316,166</u>	<u>\$ 2,458,681</u>	<u>\$ 2,426,840</u>	<u>\$ 2,412,240</u>	<u>\$ 2,504,210</u>	3.19%
Funding Sources						
Sewer Charges	\$ 2,475,720	\$ 2,298,771	\$ 2,432,000	\$ 2,481,500	\$ 2,421,700	-0.42%
Interest	2,164	54,710	4,000	40,000	30,000	650.00%
Total Funding Sources	<u>\$ 2,477,884</u>	<u>\$ 2,353,481</u>	<u>\$ 2,436,000</u>	<u>\$ 2,521,500</u>	<u>\$ 2,451,700</u>	0.64%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time Positions:						
Director of Water Pollution Control	1.00	1.00	1.00	1.00	1.00	
Office Coordinator	1.00	1.00	1.00	1.00	1.00	
Total	2.00	2.00	2.00	2.00	2.00	\$ 188,900
Employee Benefits						71,400
Total Personal Services						<u>\$ 260,300</u>

Function:
Business Type

Department:
Water Pollution Control

Activity:
Plant Operations

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 704,492	\$ 730,403	\$ 864,500	\$ 874,800	\$ 864,000	-0.06%
Commodities	182,254	172,871	182,400	183,500	193,300	5.98%
Contractual Services	584,118	675,836	563,900	571,700	583,100	3.40%
Capital Outlay	173,040	45,788	110,700	110,800	173,000	56.28%
Transfers	11,648	6,686	-	-	-	
Total Expenditures	\$ 1,655,552	\$ 1,631,584	\$ 1,721,500	\$ 1,740,800	\$ 1,813,400	5.34%
Funding Sources						
Sewer Charges	\$ 1,485,455	\$ 1,531,799	\$ 1,633,600	\$ 1,647,900	\$ 1,725,500	5.63%
Sales Tax	62,650	67,465	65,000	68,000	68,000	4.62%
Other Revenues	15,828	32,320	17,900	19,900	19,900	11.17%
Insurance Reimbursement	89,831	-	-	-	-	
Sale of Equipment	1,788	-	5,000	5,000	-	
Total Funding Sources	\$ 1,655,552	\$ 1,631,584	\$ 1,721,500	\$ 1,740,800	\$ 1,813,400	5.34%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
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 II	2.00	-	-	-	1.00	
Treatment Plant Operator I	1.00	3.00	3.00	3.00	2.00	
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	1.00	1.00	
Total Full Time	6.75	6.75	7.75	7.75	7.75	
Part Time:						
Custodian II	0.73	0.73	-	-	-	
Total	7.48	7.48	7.75	7.75	7.75	\$ 541,700
Employee Benefits						322,300
Total Personal Services						\$ 864,000

Capital Outlay			
Item	Quantity	Replacement	Amount
Moyno Pump Parts	1	Yes	\$ 15,000
1-Ton Truck w/ Dump Bed	1	Yes	75,000
Wall Mount Weld Fume Exhaust	1	Yes	5,000
Lawn Mower	1	Yes	18,000
Maintenance Roof Replacement Phase 3	1	Yes	60,000
			\$ 173,000

Function:
Business Type

Department:
Water Pollution Control

Activity:
Pumping Stations

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 179,385	\$ 188,730	\$ 194,700	\$ 194,300	\$ 205,900	5.75%
Commodities	35,619	70,881	31,300	57,000	45,300	44.73%
Contractual Services	154,576	177,178	169,400	168,800	184,500	8.91%
Capital Outlay	107,387	234,217	81,500	80,900	57,000	-30.06%
Transfers	-	-	-	-	-	
Total Expenditures	\$ 476,967	\$ 671,006	\$ 476,900	\$ 501,000	\$ 492,700	3.31%
Funding Sources						
Sewer Charges	<u>\$ 476,967</u>	<u>\$ 671,006</u>	<u>\$ 476,900</u>	<u>\$ 501,000</u>	<u>\$ 492,700</u>	3.31%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time:						
Lift Station/Plant Maintenance						
Supervisor	1.00	1.00	1.00	1.00	1.00	
Treatment Plant Mechanic I	1.00	1.00	1.00	1.00	1.00	
Total	2.00	2.00	2.00	2.00	2.00	\$ 140,200
Employee Benefits						65,700
Total Personal Services						<u>\$ 205,900</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Slough Building Improvements	1	No	\$ 10,000
Check Valve for Cannon Avenue Lift Station	1	Yes	12,000
Rotating Assembly for Stewart Road Lift Station	1	Yes	30,000
3-ton Chainfalls and Trolleys for Mad Creek and Stormwater Lift Stations	2	Yes	5,000
			<u>\$ 57,000</u>

Function:
Business Type

Department:
Water Pollution Control

Activity:
Laboratory Operations

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 328,515	\$ 354,626	\$ 360,500	\$ 361,500	\$ 380,600	5.58%
Commodities	60,591	81,975	81,100	81,100	81,100	0.00%
Contractual Services	33,072	33,846	39,600	42,700	43,100	8.84%
Capital Outlay	34,680	63,961	30,300	26,100	131,700	334.65%
Transfers	-	-	-	-	-	
Total Expenditures	\$ 456,858	\$ 534,408	\$ 511,500	\$ 511,400	\$ 636,500	24.44%
Funding Sources						
Sewer Charges	\$ 355,694	\$ 437,335	\$ 411,500	\$ 411,400	\$ 536,500	30.38%
Analytical Charges	101,164	97,073	100,000	100,000	100,000	0.00%
Total Funding Sources	\$ 456,858	\$ 534,408	\$ 511,500	\$ 511,400	\$ 636,500	24.44%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time:						
Chemist	1.00	1.00	1.00	1.00	1.00	
Laboratory Technician I	2.00	2.00	2.00	2.00	2.00	
Total Full Time	3.00	3.00	3.00	3.00	3.00	
Part Time:						
Laboratory Technician I	0.73	0.73	0.73	0.73	0.73	
Total	3.73	3.73	3.73	3.73	3.73	\$ 266,400
Employee Benefits						114,200
Total Personal Services						\$ 380,600

Capital Outlay			
Item	Quantity	Replacement	Amount
ICP-AE (Spectrophotometer) Upgrade	1	Yes	\$ 90,000
Lab Information Management System	1	No	40,000
pH Meter	1	Yes	1,700
			\$ 131,700

Function:
Business Type

Department:
Water Pollution Control

Activity:
Biosolids Operations

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 281,307	\$ 300,022	\$ 299,000	\$ 298,100	\$ 313,400	4.82%
Commodities	38,150	44,231	50,900	52,600	81,300	59.72%
Contractual Services	19,803	40,532	29,200	31,200	32,600	11.64%
Capital Outlay	36,500	37,897	73,500	64,000	28,500	-61.22%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 375,760</u>	<u>\$ 422,682</u>	<u>\$ 452,600</u>	<u>\$ 445,900</u>	<u>\$ 455,800</u>	0.71%
Funding Sources						
Sewer Charges	<u>\$ 375,760</u>	<u>\$ 422,682</u>	<u>\$ 452,600</u>	<u>\$ 445,900</u>	<u>\$ 455,800</u>	0.71%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
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	1.00	1.00	1.00	1.00	1.00	
Total	3.00	3.00	3.00	3.00	3.00	\$ 191,200
Overtime						20,600
Employee Benefits						101,600
Total Personal Services						<u>\$ 313,400</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
6" Supply Hose (660 feet)	1	Yes	\$ 7,500
5" Drag Hose (990 feet)	1	Yes	8,500
3-Point Hose Cart	1	Yes	12,500
			<u>\$ 28,500</u>

Function:
Business Type

Department:
Water Pollution Control

Activity:
High Strength Waste Operations

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 170,912	\$ 172,838	\$ 187,600	\$ 170,800	\$ 194,900	3.89%
Commodities	21,047	12,348	18,400	18,900	18,400	0.00%
Contractual Services	142,411	178,518	149,800	166,200	164,000	9.48%
Capital Outlay	13,582	-	100,000	76,400	-	-100.00%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 347,952</u>	<u>\$ 363,704</u>	<u>\$ 455,800</u>	<u>\$ 432,300</u>	<u>\$ 377,300</u>	-17.22%
Funding Sources						
Fats, Oils, & Grease (FOG) Fees	\$ 255,598	\$ 163,595	\$ 200,000	\$ 150,000	\$ 150,000	-25.00%
High Strength Waste Fees	<u>120,399</u>	<u>185,235</u>	<u>180,000</u>	<u>150,000</u>	<u>150,000</u>	-16.67%
Total Funding Sources	<u>\$ 375,997</u>	<u>\$ 348,830</u>	<u>\$ 380,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	-21.05%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
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	\$ 118,800
Employee Benefits						<u>76,100</u>
Total Personal Services						<u>\$ 194,900</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 is nearing completion. Bids were received early in 2023 and construction began in the summer of 2023 on Phases 6-A and 6-B of this project.

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. \$3.2 million each year). Local Option Sales Taxes and the set-aside funds were 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.

State Revolving Fund (SRF) Loans were 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. Initial interest on this loan is based on Loan proceeds drawn down as needed for project costs. The current interest rate for the SRF loan is 2.0%. The City completed the first SRF loan for this project in the amount of \$8 million for Phases 6-A and 6-B in August of 2023. The repayment period on this loan is 10 years 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 2023/2024 revised estimate for the Collection and Drainage operations activity is over the original budget by \$107,700. Personal services costs are projected to be \$11,800 less than the original budget due to position vacancies and contractual services are estimated to be \$16,200 less than the original budget. Capital outlay is \$135,700 higher than budgeted primarily due to the purchase of a backhoe for \$131,900. The allocation for the backhoe was carried forward from the prior year budget.

The 2024/2025 budget is \$8,500 (.6%) less than the 2023/2024 original budget. This decrease is due to the net effect of (1) a \$20,100 (3.5%) increase in personal services costs, (2) a \$5,000 decrease in contractual services, (3) a \$110,000 increase in capital outlay, and (4) a \$133,600 decrease in transfers. The capital outlay allocation of \$160,000 is for minor sewer maintenance projects (\$60,000) and new sewer lining projects (\$100,000).

Budgeted transfers for 2024/2025 include \$350,000 to the Sewer Extension Reserve based on the most recent rate study. Transfers also include \$200,000 to the reserve for the West Hill Sewer Separation project, \$18,500 for the cost allocation of the Communications Manager position, and a total of \$19,400 in administrative transfers for general, information technology, and public works administration.

The Collection and Drainage fee is currently \$14.07 per customer per month. This fee was effective July 1, 2023 based on the ordinance approved by City Council in 2023 setting both sewer and collection and drainage fees for five years with the rates effective each July 1 from July 1, 2023 through July 1, 2027. 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.

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 2020	Actual 2021	Actual 2022	Actual 2023	Estimated 2024
Sewers Cleaned and Flushed (Miles)	24	22	22	20	25
CCTV Inspections (Feet)	1,000	1,000	10,500	14,310	10,000
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	13	12
Inspection of Off-Road Sanitary Sewers (Man Hours)	155	150	416	225	300
Inspection and Maintenance of Storm Water Discharge and Intake Points (Man Hours)	78	96	375	334	350
Cleaning Storm Structures (Man Hours)	1,246	1,087	495	272	300
Corrective Repairs – Sewers	11	10	5	8	10
Corrective Repairs – Structures	6	10	14	13	15
Corrective Repairs – Force Mains	0	0	0	0	0
Utility Locates - Total	4,935	3,347	3,038	3,439	3,200
After Hours	12	12	15	19	15
Request for Service Responses – Total	22	31	48	22	30
After Hours	11	11	15	10	10
Sanitary Sewer Overflows (SSO)	8	4	9	3	3
Backups Due to City Lines	4	4	12	6	5
Routine Equipment Operation/Maintenance (Man Hours)	580	584	500	138	250
Work for Other Departments (Man Hours)	600	580	300	384	400
Work on Capital Improvement Projects (Man Hours)	550	416	550	250	350

RECENT ACCOMPLISHMENTS:

- Assisted the Public Works Street division with snow removal and flood protection.
- Flushed all of Zone 4 which was 20.3 miles.

- Worked with Engineering on multiple projects including:
 1. West Hill 5A and 5B — televised combination pipes (new storm) and laterals as needed, weekly meetings, and flushing sewers.
 2. West Hill 6A and 6B — televised all sanitary sewer, lateral investigation, basement investigations, planning meeting, bi-weekly meetings, and flushing sewers.
 3. Grandview Avenue — televised sewers, weekly meetings, flushing sewers.
 4. Fulliam Avenue — televised sewers, weekly meetings, flushing sewers.
 5. Levee — Walked the levee with the Corps of Engineers, maintenance
- CCTV 14,310 feet of sewer
- Inspected all off-road manholes (397)
- Inspected all off-road sanitary sewers (18.5 miles)
- Inspected all off-road intake and discharge points (446)
- Worked with Water Pollution Control Plant staff on multiple projects including:
 1. Cleaning and vacuuming out lift stations
 2. Flushing lines
 3. Cleaning tanks at the plant
- Staff rebuilt six catch basins
- Staff repaired five sanitary sewers
- Staff replaced 50 feet of storm sewer on Bidwell Road and replaced 80 feet of storm sewer near the Geneva Golf Course
- Fixed six sanitary sewer issues and five storm sewer issues.
- Staff lined 2,228 feet of sewer

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025:

- Complete Zone 5 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)
- Line 2,500 feet of sewer at multiple locations.

Collection and Drainage Fund

Sewer Extension and Improvement Reserve (1)

Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 1,394,837	\$ 1,682,982	\$ 1,522,982	\$ 2,044,033	\$ 1,929,033
Revenues					
Interest	\$ 1,593	\$ 51,134	\$ 25,000	\$ 50,000	\$ 50,000
Sewer Connection Fees	63,675	5,530	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>\$ 415,268</u>	<u>\$ 406,664</u>	<u>\$ 390,000</u>	<u>\$ 415,000</u>	<u>\$ 415,000</u>
Funds Available	<u>\$ 1,810,105</u>	<u>\$ 2,089,646</u>	<u>\$ 1,912,982</u>	<u>\$ 2,459,033</u>	<u>\$ 2,344,033</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)	31,713	45,613	\$ 0	30,000	0
Shamrock Drive Sewer Repair	95,410	0	0	0	0
Total Expenditures	<u>\$ 127,123</u>	<u>\$ 45,613</u>	<u>\$ 0</u>	<u>\$ 530,000</u>	<u>\$ 0</u>
Ending Balance, June 30	<u>\$ 1,682,982</u>	<u>\$ 2,044,033</u>	<u>\$ 1,912,982</u>	<u>\$ 1,929,033</u>	<u>\$ 2,344,033</u>

Increase (Decrease) in Fund Balance	\$ 288,145	\$ 361,051	\$ 390,000	\$ (115,000)	\$ 415,000
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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 2023/2024. The cost estimate for project construction is \$3.6 million. Construction is scheduled to begin in 2024/2025 and continue in 2025/2026. Funding for the construction will be from a State Revolving Fund Loan.
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**

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 819,960	\$ 860,528	\$ 298,928	\$ 709,934	\$ 573,434
Revenues					
Collection and Drainage Fees	\$ 1,466,459 (1)	\$ 1,504,372 (1)	\$ 1,524,200 (2)	\$ 1,579,600 (2)	\$ 1,658,600 (2)
Grease Discharge Permits	13,315	21,535	18,000	20,000	20,000
Interest	929	21,447	1,500	20,000	15,000
ICAP Safety Grant	1,000	0	0	0	0
Miscellaneous	962	10,196	100	100	100
Total Revenues	<u>\$ 1,482,665</u>	<u>\$ 1,557,550</u>	<u>\$ 1,543,800</u>	<u>\$ 1,619,700</u>	<u>\$ 1,693,700</u>
Funds Available	<u>\$ 2,302,625</u>	<u>\$ 2,418,078</u>	<u>\$ 1,842,728</u>	<u>\$ 2,329,634</u>	<u>\$ 2,267,134</u>
Expenditures:					
Collection and Drainage	\$ 1,331,784	\$ 1,631,431	\$ 1,530,800	\$ 1,638,500	\$ 1,522,300
Stormwater Operations	<u>110,313</u>	<u>76,713</u>	<u>117,800</u>	<u>117,700</u>	<u>103,700</u>
Total Expenditures	<u>\$ 1,442,097</u>	<u>\$ 1,708,144</u>	<u>\$ 1,648,600</u>	<u>\$ 1,756,200</u>	<u>\$ 1,626,000</u>
Ending Balance, June 30	<u>\$ 860,528</u>	<u>\$ 709,934</u>	<u>\$ 194,128</u>	<u>\$ 573,434</u>	<u>\$ 641,134</u>

Increase (Decrease) in Fund Balance	\$ 40,568	\$ (150,594)	\$ (104,800)	\$ (136,500)	\$ 67,700
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1. Monthly collection and drainage charges on sewer bills were \$13.15 in 2021/2022. The rate increased to \$13.40 in 2022/2023 and increased again to \$14.07 per customer per month in 2023/2024.
2. City Council approved the recommended rate increases in the new rate study of 5% effective July 1, 2023. A 5% increase was approved for four years and 3% for the fifth year.

Function:
Business Type

Department:
Public Works

Activity:
Collection and Drainage

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 523,651	\$ 552,551	\$ 578,400	\$ 566,600	\$ 598,500	3.48%
Commodities	21,461	27,903	50,000	50,000	50,000	0.00%
Contractual Services	102,339	87,377	130,900	114,700	125,900	-3.82%
Capital Outlay	72,740	358,600	50,000	185,700	160,000	220.00%
Transfers	<u>611,593</u>	<u>605,000</u>	<u>721,500</u>	<u>721,500</u>	<u>587,900</u>	-18.52%
Total Expenditures	<u>\$ 1,331,784</u>	<u>\$ 1,631,431</u>	<u>\$ 1,530,800</u>	<u>\$ 1,638,500</u>	<u>\$ 1,522,300</u>	-0.56%
Funding Sources						
Collection & Drainage Fees	<u>\$ 1,331,784</u>	<u>\$ 1,631,431</u>	<u>\$ 1,530,800</u>	<u>\$ 1,638,500</u>	<u>\$ 1,522,300</u>	-0.56%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time Positions/Position Allocations:						
Sewer Maintenance						
Supervisor	1.00	1.00	1.00	1.00	1.00	
Equipment Operator III	2.00	2.00	2.00	2.00	3.00	
Equipment Operator II	1.00	1.00	2.00	2.00	1.00	
Equipment Operator I	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	5.78	5.78	5.78	5.78	5.78	\$ 389,400
Employee Benefits						<u>209,100</u>
Total Personal Services						<u>\$ 598,500</u>

Capital Outlay	
Item	Amount
Sewer Maintenance Projects	\$ 60,000
Sewer Lining	<u>100,000</u>
	<u>\$ 160,000</u>

STORM WATER OPERATIONS

GENERAL INFORMATION:

The Storm Water activity budget was first established January 1, 2005 in order to address federal regulations which were placing additional demands on cities to monitor, regulate, and treat storm water. This program has been funded 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 2023/2024 revised estimate is \$100 less than the original budget due to the net effect of (1) an increase of \$700 in personal services costs, and (2) an \$800 decrease in capital outlay.

The 2024/2025 budget is \$14,100 (12.0%) less than the original budget for 2023/2024. This overall decrease includes (1) a \$4,900 increase in personal services costs, and (2) a \$19,000 decrease in capital outlay (no capital outlay items were approved).

GOAL STATEMENT:

To develop and implement a comprehensive fiscal and pollution prevention program to assist the City in its efforts to comply with Environmental Protection Agency (EPA) Phase II storm water requirements.

PERFORMANCE MEASURES

	Actual 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
Grease Discharge Permits Issued	124	128	145	140	140
Food Service Establishments Inspected for Fats, Oils, and Grease (FOG)	27	17	21	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	15	15	15	15	15
Construction Site Inspections	20	24	6 (2)	10	10
River and Creek Samples Taken	17	21	14 (1)	14 (1)	21
Tests Performed on River and Creek Samples	102	126	84 (1)	84 (1)	126

1. Sampling decreased due to new equipment being brought online requiring double testing for startup, and lack of staff time. Increased sampling will resume in the spring of 2024.
2. Fewer construction projects in 2022/2023.

RECENT ACCOMPLISHMENTS:

The Storm Water division continues to maintain the multiple storm water practices around the City. These include the Mulberry Native Habitat Basin, the City Hall Bio-cell, the Sycamore Alley Bio-cell, and the Houser Street Pollinator Park. New informational signage at these locations highlights their benefits including species diversification and beautification of the urban environment.

A new railing was installed in the Pollinator Park across the bridge at the park's north entrance. This railing beautifies the area while adding much needed safety for users. The project included new concrete aprons for the approaches on both ends to add structural integrity to deteriorated areas.

Staff has started planning for possible improvements to the Muscatine Slough, including the western portion that runs to the Transfer Station driveway. City Council requested plans for more recreational opportunities as well as beautification efforts in the slough and surrounding area. The Storm Water division will work with others in Public Works and the Parks departments to present options to City Council.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025:

- Continue to remove at least 10% of the invasive species in the natural habitat areas maintained by this division throughout the city. **(Healthy Community)**
- Clean the Mulberry Native Habitat Stormwater Basin of excess vegetation for better function, reduced maintenance, and beautification. **(Healthy Community)**
- Install a turnaround at the end of the Pollinator Park drive to accommodate buses for tours (subject to funding). **(Healthy Community)**
- Begin the study of the slough for increased recreational opportunities and better function as stormwater retention. **(Healthy Community)**

Function:
Business Type

Department:
Water Pollution Control

Activity:
Storm Water Operations

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 63,179	\$ 65,656	\$ 68,200	\$ 68,900	\$ 73,100	7.18%
Commodities	1,220	4,972	2,800	2,800	2,800	0.00%
Contractual Services	16,064	6,085	27,800	27,800	27,800	0.00%
Capital Outlay	29,850	-	19,000	18,200	-	-100.00%
Transfers	-	-	-	-	-	
Total Expenditures	\$ 110,313	\$ 76,713	\$ 117,800	\$ 117,700	\$ 103,700	-11.97%
Funding Sources						
Grease Discharge Permits	\$ 13,315	\$ 21,535	\$ 18,000	\$ 20,000	\$ 20,000	11.11%
Collection & Drainage Funds	96,998	55,178	99,800	97,700	83,700	-16.13%
Total Funding Sources	\$ 110,313	\$ 76,713	\$ 117,800	\$ 117,700	\$ 103,700	-11.97%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time Position:						
Inspector II	0.33	0.33	0.33	0.33	0.33	
Environmental Coordinator	0.25	0.25	0.25	0.25	0.25	
Total Full Time	0.58	0.58	0.58	0.58	0.58	\$ 48,900
Employee Benefits						24,200
Total Personal Services						\$ 73,100

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 \$840,651 for 2023/2024 and it is budgeted to increase to \$928,120 for 2024/2025. FICA and Medicare contribution rates will remain at 6.20% and 1.45%, respectively, for 2024/2025. The IPERS rate will remain at 9.44% in 2024/2025.

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 further decreased to 22.98% for 2023/2024. The rate will decrease further to 22.66% for 2024/2025. Property tax funding for police and fire pension will increase from the \$1,521,577 budgeted for 2023/2024 to \$1,612,016 budgeted for 2024/2025.

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, \$48,419 in 2021/2022, and \$106,758 in 2022/2023. The retiree medical costs are estimated at \$40,000 for the 2023/2024 revised estimate and \$45,000 the 2024/2025 budget.

The Employee Benefits Special Revenue Fund tax levy also funds premiums for health insurance, dental insurance, life insurance, worker's compensation, and unemployment costs for employee benefits associated with the General Fund. Also included is funding for police and fire medical insurance costs for on-the-job injuries of current employees. The police and fire pension systems provide disability payments for police officers and firefighters injured on the job. However, the pension systems do not include a provision for funding medical costs resulting from these injuries. For 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. The premium is budgeted to increase further to \$72,100 for 2024/2025 through 2026/2027.

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 \$2,613,649 for 2024/2025. 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. Effective January 1, 2024, rates were increased by 8% to \$836.58 and \$2,225.35 respectively, for single and family coverage. The annual out-of-pocket maximums were maintained at \$1,200 and \$2,400, respectively, for single and family coverage.

Employee benefit costs for life insurance will increase from the \$14,289 budgeted in 2023/2024 to \$14,937 in 2024/2025. 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 2024/2025.

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. The dental insurance rate increased to \$33.23 effective January 2022. The dental insurance rates were maintained at \$33.23 for 2023. The dental insurance rate decreased 5% to \$31.57 for 2024 due to continued lower claim levels. 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.

Employee contributions 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 2024/2025, the cost of dental insurance for General Fund employees is budgeted at \$47,642 compared to the \$53,811 budgeted for 2023/2024.

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, it increased to .91 for 2021/2022, and remained at .91 for 2022/2023. For 2023/2024, the experience modification increased to .92 and it is expected to decrease to .69 for 2024/2025. The tax funding amount for General Fund employee workers' compensation budgeted for 2023/2024 was \$44,050 and it is expected to decrease to \$34,111 for 2024/2025.

The City's unemployment rate effective January 1, 2016 was .4% of \$28,300 of wages and the rate was .3% of \$29,300 of wages effective January 1, 2017. The rate effective January 1, 2018 was .5% of \$29,900 of wages and the rate was .7% of \$30,600 of wages effective January 1, 2019. The rate effective January 1, 2020 was 1.2% of \$31,600 of wages and the rate effective January 1, 2021 decreased to 1% of \$32,400 of wages. The rate effective January 1, 2022 was 1% of \$34,800 of wages and the rate effective January 1, 2023 was .9% of \$36,100 of wages. The rate effective January 1, 2024 decreased to .1% of \$38,200 of wages. The 2024/2025 budget provides funding for this rate to be .5% of applicable wages of \$40,000 as of January 1, 2025. The tax funding amount for 2024/2025 is estimated at \$33,272 compared to the \$61,366 originally budgeted for 2023/2024. The decrease in rates in recent years is due in part to changes by the Iowa Workforce Development department requiring seasonal employees to have a one-week waiting period and shortening the maximum eligibility window by 10 weeks.

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 \$15,789 for 2024/2025 compared to \$14,702 budgeted for 2023/2024.

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 2024/2025 is budgeted at \$18,042.

CURRENT TRENDS AND ISSUES:

The Employee Benefits tax levy rate for the 2024/2025 budget is set at a rate lower than the rate that would be needed to fund 100% of the costs of General Fund employee benefits. For 2024/2025, \$130,299 of General Fund employee benefit costs are budgeted to be funded from the General Fund balance instead of the Employee Benefits tax levy. This allowed the overall City property tax rate in the 2024/2025 budget to remain the same at \$15.67209/\$1,000 of valuation.

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 2024/2025 beginning fund balance of \$199,207, the Employee Benefit tax levy for 2024/2025 is \$4,873,393 compared to the \$4,809,929 budgeted for 2023/2024. This requires a tax levy rate of \$4.77363 per \$1,000 of valuation compared to \$4.70493 for the 2023/2024 budget year, an increase of 1.46% in the levy rate.

Employee Benefits Fund

Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 213,065	\$ 142,089	\$ 86,710	\$ 144,422	\$ 199,207
Revenues					
Property Tax	4,498,446	4,765,532	\$ 4,794,257	\$ 4,794,257	\$ 4,855,355
Utility Tax Replacement Excise Tax	16,755	17,110	15,672	15,672	18,038
Commercial/Industrial State Reimbursement	186,425	169,469	144,437	144,437	117,318
Business Property Tax Credit Reimbursement	0	0	122,096	122,096	119,961
Total Revenues	<u>\$ 4,701,626</u>	<u>\$ 4,952,111</u>	<u>\$ 5,076,462</u>	<u>\$ 5,076,462</u>	<u>\$ 5,110,672</u>
Funds Available	<u>\$ 4,914,691</u>	<u>\$ 5,094,200</u>	<u>\$ 5,163,172</u>	<u>\$ 5,220,884</u>	<u>\$ 5,309,879</u>
Expenditures					
Transfers Out					
Police Retirement	\$ 757,231	\$ 716,860	\$ 739,847	\$ 744,532	\$ 800,012
Fire Retirement	837,628	780,839	781,730	749,147	812,004
Police & Fire Retiree Medical	48,419	106,758	45,000	40,000	45,000
Health Insurance	2,062,992	2,227,622	2,449,089	2,422,311	2,613,649
Dental Insurance	45,279	47,113	53,811	47,095	47,642
Life Insurance	13,302	13,770	14,289	13,987	14,937
Police and Fire Medical					
Insurance	60,366	60,367	60,366	60,366	72,100
Long-term Disability Insurance	13,674	14,112	14,702	14,651	15,789
Post-Employment Health Plan	65,251	88,586	24,618	32,795	18,042
Workers Compensation	43,697	42,105	44,050	34,569	34,111
Unemployment	56,214	55,917	61,366	21,573	33,272
Deferred Compensation	0	0	0	0	5,500
FICA/IPERS	768,549	795,729	874,304	840,651	928,120
Employee Benefit Levy Reduction	0	0	0	0	(130,299)
Total Expenditures	<u>\$ 4,772,602</u>	<u>\$ 4,949,778</u>	<u>\$ 5,163,172</u>	<u>\$ 5,021,677</u>	<u>\$ 5,309,879</u>
Ending Balance, June 30	<u>\$ 142,089</u>	<u>\$ 144,422</u>	<u>\$ 0</u>	<u>\$ 199,207</u>	<u>\$ 0</u>
Increase (Decrease) in Fund Balance	\$ (70,976)	\$ 2,333	\$ (86,710)	\$ 54,785	\$ (199,207)

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 2021/2022 and 2022/2023 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 2023/2024 is estimated at \$199,207, compared to the zero balance originally budgeted for similar reasons. That balance will be used for employee benefit costs in 2024/2025.

SPECIAL REVENUE FUNDS

EMERGENCY TAX LEVY / EMERGENCY FUND

GENERAL INFORMATION/HISTORY:

Through the 2023/2024 fiscal year, State statutes allowed 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 was at its limit. This tax was required to be levied in a Special Revenue Fund and transferred to the General Fund. Beginning in 2024/2025, the State eliminated the separate emergency tax levy and combined it with the General Fund levy, for a new Combined General Fund levy.

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 remained in the Emergency Tax Levy fund through the 2023/2024 fiscal year.

CURRENT TRENDS AND ISSUES:

The 2023/2024 budget included 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.

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 2023/2024. With interest, those funds have grown to \$86,162. These funds are budgeted to be transferred to the General Fund in 2024/2025.

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. These funds have remained in the Emergency Fund and are budgeted to be transferred to the General Fund in 2024/2025. These funds have grown to \$604,533 with interest.

As noted previously, the State eliminated the Emergency Tax Levy beginning in the 2024/2025 budget and implemented a Combined General Fund Levy. The Combined General Fund Levy (CGFL) combines the previous General Fund levy maximum of \$8.10 per \$1,000 of valuation and the previous Emergency Tax Levy maximum of \$.27 per \$1,000 valuation. The CGFL is accounted for in the General Fund. The remaining balance of \$690,695 in the Emergency Levy is budgeted to be transferred to the General Fund in 2024/2025.

Emergency Tax Levy Fund

Fund Statement

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025
Beginning Balance, July 1	\$ 647,562	\$ 648,217	\$ 300,555	\$ 665,695	\$ 685,695
Revenues					
Property Tax	\$ 134,196	\$ 254,702	\$ 275,126	\$ 275,126	\$ 0 (2)
Utility Tax Replacement Excise Tax	500	914	899	899	0 (2)
Commercial/Industrial State Reimbursement	5,561	9,058	7,719	7,719	0 (2)
Business Property Tax Credit Reimbursement	0	0	7,007	7,007	0 (2)
Interest	655	17,478	100	20,000	5,000
Total Revenues	\$ 140,912	\$ 282,152	\$ 290,851	\$ 310,751	\$ 5,000
Funds Available	\$ 788,474	\$ 930,369	\$ 591,406	\$ 976,446	\$ 690,695
Expenditures					
Transfers Out					
General Fund:					
Emergency Tax Levy (Current Year)	\$ 140,257	\$ 264,674	\$ 290,751	\$ 290,751	\$ 0
Emergency Tax Levy (Prior Year Balance)	0	0	0	0	86,162 (3)
COVID - Local Government Relief Funds	0	0	150,500 (1)	0 (1)	604,533 (3)
Total Expenditures	\$ 140,257	\$ 264,674	\$ 441,251	\$ 290,751	\$ 690,695
Ending Balance, June 30	\$ 648,217	\$ 665,695	\$ 150,155	\$ 685,695	\$ 0
Increase (Decrease) in Fund Balance	\$ 655	\$ 17,478	\$ (150,400)	\$ 20,000	\$ (685,695)

1. As part of balancing the 2023/2024 budget, \$150,500 of the State COVID Relief funds were budgeted to be transferred to the General Fund. This transfer was reduced to zero in the revised estimate to due other revenues coming in higher than budgeted.
2. The State eliminated the Emergency Tax Levy beginning in the 2024/2025 budget; instead the State implemented a Combined General Fund levy which is accounted for in the General Fund.
3. The balance in this fund is budgeted to be transferred to the General Fund in 2024/2025 to assist in balancing the General Fund budget.

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 2024/2025. 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.

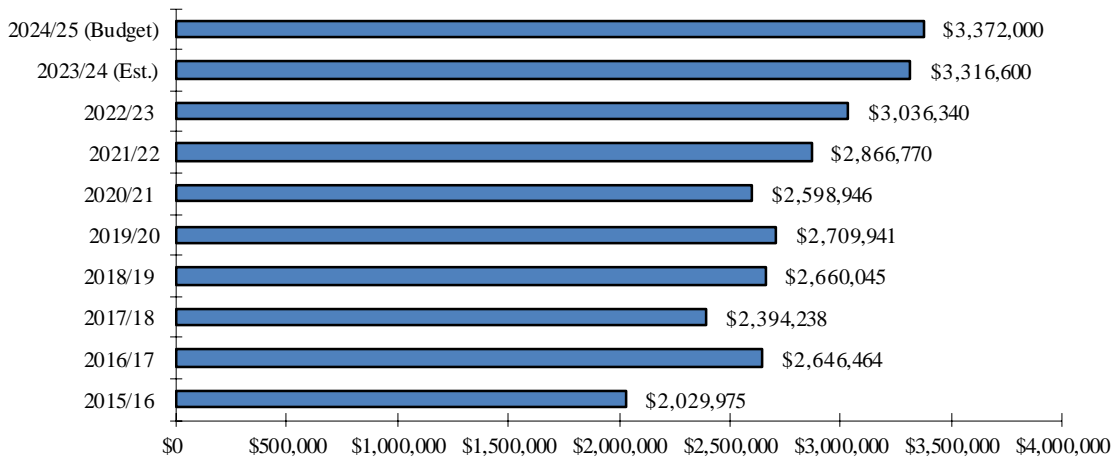
Road Use Tax Revenue History



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 2023/2024 and 2024/2025 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 \$3,188,800 for the 2023/2024 revised estimate and \$3,212,600 for the 2024/2025 budget. This is equivalent to \$134.00 per capita for the revised estimate and \$135.00 for the 2024/2025 budget. Per capita rates of \$132.00 and \$133.00, respectively, were provided by the Iowa Department Transportation (IDOT). In recent years, however, the actual road use tax receipts have exceeded the estimates providing by the IDOT and the City is cautiously using rates \$2.00 per capita higher than the rates provided by the 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 2023/2024 revised estimate and the 2024/2025 budget include \$3,316,600 and \$3,372,000 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 over \$1 million to be available each year for various pavement management projects. These projects have included full depth concrete patching, street resurfacing work, and alley resurfacing projects.

In addition to the 2023/2024 revised estimate transfer of \$3,316,600 to the General Fund for Public Works operating activities, a total of \$298,100 will be used for other capital projects. The capital project allocations include \$44,500 for the Pavement Management program, \$104,800 for a portion of the Lake Park Bridge deck repairs, \$138,800 for a portion of the engineering design costs for the Park Avenue West Bridge replacement, and \$10,000 for improvements to existing sidewalks including ADA handicap ramps. Local option tax funds in 2023/2024 will also provide \$1,215,500 for work on the Fulliam Avenue reconstruction project, bringing the total to \$1,513,600 in funding for pavement management projects in 2023/2024.

The 2024/2025 budget includes a transfer of \$3,372,000 to the General Fund for Public Works operating activities. The budget also includes a total of \$645,000 for other pavement management projects including

\$375,000 for Pavement Management projects, \$140,000 for the balance of the Lake Park Bridge deck repairs, \$105,000 for the balance of the engineering design costs for the Park Avenue West Bridge replacement, and \$25,000 for improvements to existing sidewalks including ADA handicap ramps. The \$645,000 road use tax allocation for the Pavement Management projects will be combined with \$820,000 of local option sales tax funding to bring the total allocation to \$1,465,000 for pavement management projects. This total funding allocation will allow the City to complete a significant amount of pavement management work in 2024/2025.

The largest project under construction in 2023/2024 and 2024/2025 is the Fulliam Avenue Reconstruction project which is scheduled to be completed over three years (2023, 2024, and 2025). 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, 2025 is projected at \$304,063 based on estimated road use taxes of \$134.00 per capita for 2023/2024 and \$135.00 per capita in 2024/2025. With accruing two months of road use tax receipts at fiscal year-end, a minimum of \$300,000 in fund balance is generally needed in order to keep the actual cash balance in a positive position at year-end. 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 2024/2025 fiscal year.

Road Use Tax Fund

Fund Statement

	<u>Actual</u> <u>2021/2022</u>	<u>Actual</u> <u>2022/2023</u>	<u>Budget</u> <u>2023/2024</u>	<u>Revised</u> <u>Estimate</u> <u>2023/2024</u>	<u>Budget</u> <u>2024/2025</u>
Beginning Balance, July 1	\$ 1,727,448	\$ 1,769,027	\$ 999,827	\$ 1,534,363	\$ 1,108,463
Revenues					
Road Use Tax (1)	<u>\$ 3,190,810</u>	<u>\$ 3,312,189</u>	<u>\$ 3,093,600</u>	<u>\$ 3,188,800</u> (2)	<u>\$ 3,212,600</u> (2)
Funds Available	<u>\$ 4,918,258</u>	<u>\$ 5,081,216</u>	<u>\$ 4,093,427</u>	<u>\$ 4,723,163</u>	<u>\$ 4,321,063</u>
Expenditures					
Transfers Out:					
General Fund	\$ 2,866,770	\$ 3,036,340	\$ 3,418,600	\$ 3,316,600	\$ 3,372,000
Capital Projects Funds:					
Asphalt Overlay/Other					
Street Improvements	159,389	41,071	332,000	44,500	375,000 (3)
Lake Park Bridge Deck Repairs	0	26	0	104,800	140,000
Park Avenue West Bridge Replacement	0	0	0	138,800	105,000
New Sidewalk Program	23,072	306,795	0	0	0
New Sidewalks - Grandview	100,000	0	0	0	0
Sidewalk Imp/ADA Handicap Ramps	0	0	0	10,000	25,000
Fulliam Avenue Improvements	<u>0</u>	<u>162,621</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 3,149,231</u>	<u>\$ 3,546,853</u>	<u>\$ 3,750,600</u>	<u>\$ 3,614,700</u>	<u>\$ 4,017,000</u>
Ending Balance, June 30	<u>\$ 1,769,027</u>	<u>\$ 1,534,363</u>	<u>\$ 342,827</u>	<u>\$ 1,108,463</u>	<u>\$ 304,063</u>

Increase (Decrease) in Fund Balance	\$ 41,579	\$ (234,664)	\$ (657,000)	\$ (425,900)	\$ (804,400)
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Per Capita Road Use Taxes (Actual and Estimated)	\$ 134.08	\$ 139.19	\$ 130.00	\$ 134.00 (2)	\$ 135.00 (2)
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1. Revenues for both the Revised Estimate and the FY 25 Budget are normally based on IDOT estimates for road use taxes. Actual road 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 2023/2024 road use tax at \$132.00 per capita and FY 2024/2025 at \$133.00 per capita.
2. In recent years the actual road use taxes have exceeded the IDOT's estimates. Both the Revised Estimate and the FY 2024/2025 Budget have been increased by \$2.00 per capita to \$134.00 in the Revised Estimate and \$135.00 in the FY 2024/2025 Budget.
3. Based on budget assumptions for Fulliam and the other projects, approximately \$375,000 of road use taxes is expected to be available for other pavement management projects. An additional \$125,000 is expected to be available in the Pavement Management portion of Local Option Sales Tax, which brings the total available for other Pavement Management projects to \$500,000.

SPECIAL REVENUE FUNDS

LOCAL OPTION SALES TAX FUND

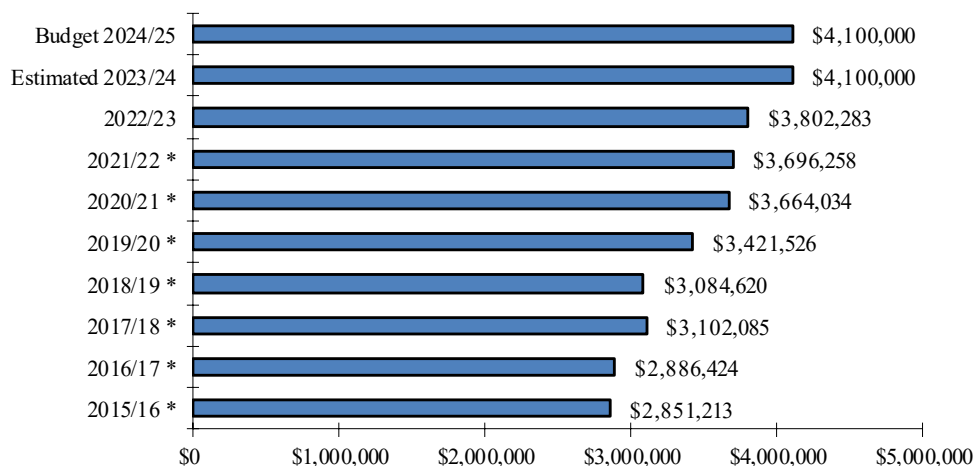
GENERAL INFORMATION:

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 amounts shown for both 2023/2024 and 2024/2025 are based on the actual local option sales tax receipts for the most recent twelve months.

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



** Both the 2023/24 and 2024/25 estimates are based on actual local option sales tax receipts for the last 12 months.

CURRENT TRENDS AND ISSUES:

For both the revised estimate for 2023/2024 and the 2024/2025 budget, the estimated local option sales tax revenues are \$4,100,000. These amounts are based on actual sales tax revenue for the last twelve months. Of the local option sales tax revenues, 20% (\$820,000) will be transferred to the Local Option Sales Tax sub-fund designated for Pavement Management projects per the Local Option Sales Tax renewal referendum. 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 2023/2024 and Estimated 2024/2025**

	Estimated <u>2023/2024</u>	Projected <u>2024/2025</u>
Projects:		
West Hill Sewer Separation - Completion of Phases 5-A and 5-B, and Non-SRF Loan Funded Portions of Phases 6-A and 6-B, and 6-C	\$ 2,085,400	\$ 755,000
Interest due on SRF Loan for Phases 6-A and 6-B	125,778	160,000
Principal due on SRF Loan for Phases 6-A and 6-B	-	731,000
Interest due on SRF Loan for Phase 6-C	-	189,873
	<u>\$ 2,211,178</u>	<u>\$ 1,835,873</u>
Totals	<u>\$ 2,211,178</u>	<u>\$ 1,835,873</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 nearing completion on Phases 5-A and 5-B of the project. The Phase 5 construction is scheduled to be completed in the spring of 2024.

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 were projected to be sufficient to fund project costs through both phases of Phase 5.

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 current project cost estimates, PFM estimates the SRF Loans needed to complete the financing of this project to total \$23,045,000. The City issued the first SRF loan in August of 2023 for phases 6-A and 6-B in the amount of \$8,000,000. The interest rate for this SRF loan is 2.0%. The next SRF Loan is currently estimated at \$5,612,000 for Phase 6-C with an estimated interest rate of 3.0%. The SRF Loan for Phases 6-D and 6-D is currently estimated at \$9,433,000 with an interest rate of 3.5%. The amounts of the loans for Phases 6-C, and 6-D and 6-E will be updated when the bids for the projects are received.

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 local option sales tax renewal referendums, funding transfers of \$820,000 in both the revised estimate and the 2024/2025 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 (including funds carried forward from 2022/2023) are estimated for the current and upcoming fiscal year as follows:

**Local Option Sales Tax-Funded Pavement Management Projects
Revised Estimate 2023/2024 and Estimated 2024/2025**

	Estimated <u>2023/2024</u>	Projected <u>2024/2025</u>
Project:		
Pavement Management Program	\$ 1,215,500	\$ 945,000

The largest project under construction in 2023/2024 and 2024/2025 is the Fulliam Avenue Reconstruction project which is scheduled to be completed over three years (2023, 2024, and 2025). 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.

The \$820,000 Local Option Sales Tax allocation for the Pavement Management program in 2024/2025 and the \$645,000 allocation of Road Use Taxes for the Pavement Management program will allow for \$1,465,000 in street improvements to be completed in 2024/2025.

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</u> <u>2021/2022</u>	<u>Actual</u> <u>2022/2023</u>	<u>Budget</u> <u>2023/2024</u>	<u>Revised</u> <u>Estimate</u> <u>2023/2024</u>	<u>Budget</u> <u>2024/2025</u>
Beginning Balance, July 1	\$ 1,011,007	\$ 1,398,626	\$ 300,006	\$ 1,133,766	\$ 2,242,588
Revenues					
Local Option Sales Tax	\$ 3,869,916	\$ 4,083,733	\$ 3,340,000	\$ 4,100,000 (1)	\$ 4,100,000 (2)
Interest	1,794	43,779	100	40,000	25,000
Total Revenues	<u>\$ 3,871,710</u>	<u>\$ 4,127,512</u>	<u>\$ 3,340,100</u>	<u>\$ 4,140,000</u>	<u>\$ 4,125,000</u>
Funds Available	<u>\$ 4,882,717</u>	<u>\$ 5,526,138</u>	<u>\$ 3,640,106</u>	<u>\$ 5,273,766</u>	<u>\$ 6,367,588</u>
Expenditures					
Transfers Out:					
West Hill Sewer Project	\$ 2,709,151	\$ 3,575,625	\$ 2,672,100	\$ 2,085,400	\$ 755,000
Debt Service Fund:					
SRF Loan for 6-A and 6-B - Principal	0	0	0	0	731,000
SRF Loan for 6-A and 6-B - Interest	0	0	0	125,778	160,000
SRF Loan for 6-C - Interest	0	0	0	0	189,873
Pavement Management Program (3)	774,940	816,747	668,000	820,000	820,000
Total Expenditures	<u>\$ 3,484,091</u>	<u>\$ 4,392,372</u>	<u>\$ 3,340,100</u>	<u>\$ 3,031,178</u>	<u>\$ 2,655,873</u>
Ending Balance, June 30	<u>\$ 1,398,626</u>	<u>\$ 1,133,766</u>	<u>\$ 300,006</u>	<u>\$ 2,242,588</u>	<u>\$ 3,711,715 (4)</u>
Increase (Decrease) in Fund Balance	\$ 387,619	\$ (264,860)	\$ 0	\$ 1,108,822	\$ 1,469,127

1. The Revised Estimate Local Option Tax revenue amount of \$4.1 million is based on the most recent 12 months of local option sales tax receipts.
2. The 2024/2025 Local Option Tax revenue is conservatively estimated at \$4,100,000, the same estimate used for 2023/2024.
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. The fund balance at the end of 2024/2025 will be used for future West Hill Sewer Separation project costs and the debt service principal and interest payments on the State Revolving Fund loans issued to fund Phase 6 of this project.

Local Option Sales Tax Fund
Pavement Management Allocation (20%)

Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 0	\$ 381	\$ 0	\$ 817,138	\$ 421,638
Revenues					
Transfers In:					
Local Option Sales Tax (1)	774,940	816,747	\$ 668,000	\$ 820,000 (2)	\$ 820,000 (3)
Interest	<u>381</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 775,321</u>	<u>\$ 816,757</u>	<u>\$ 668,000</u>	<u>\$ 820,000</u>	<u>\$ 820,000</u>
Funds Available	<u>\$ 775,321</u>	<u>\$ 817,138</u>	<u>\$ 668,000</u>	<u>\$ 1,637,138</u>	<u>\$ 1,241,638</u>
Expenditures					
Transfers Out:					
Pavement Management (Street and Alley Resurfacing, Full Depth Patching, Crack Sealing, etc.)	\$ 774,940	\$ 0	\$ 668,000	\$ 0	\$ 125,000
Fulliam Avenue Reconstruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,215,500</u>	<u>820,000</u>
Total Expenditures	<u>\$ 774,940</u>	<u>\$ 0</u>	<u>\$ 668,000</u>	<u>\$ 1,215,500</u>	<u>\$ 945,000</u>
Ending Balance, June 30	<u>\$ 381</u>	<u>\$ 817,138</u>	<u>\$ 0</u>	<u>\$ 421,638</u>	<u>\$ 296,638</u>

Increase (Decrease) in Fund Balance	\$ 381	\$ 816,757	\$ 0	\$ (395,500)	\$ (125,000)
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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 estimated \$4,100,000 in local option sales tax for 2023/2024.
- The 2024/2025 Local Option Tax revenue is conservatively estimated at 20% of the estimated \$4,100,000 local option sales tax revenue (the same estimate used for 2023/2024).

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 2023/2024 revised estimate expenditures total \$1,180,200 for one-time capital purchases or programs as detailed in the attached list.

The 2024/2025 budgeted expenditures total \$742,200 for one-time capital purchases or programs as detailed in the attached list.

The original budgets for both 2022/2023 and 2023/2024 included transfers to the General Fund in the amounts expected to be needed to balance the General Fund budgets and maintain services to residents. These amounts were estimated at \$324,200 for 2022/2023 and \$327,100 for 2023/2024 which totaled \$651,300. The transfers were budgeted with the stipulation that if the full amount of ARPA funds allowed for each year was not needed to balance the General Fund budget, that these funds would remain in the ARPA fund to be used for additional one-time capital or other expenditures. With other revenues exceeding the budget estimates, neither of these transfers were needed, and those funds remained in the ARPA fund.

Based on currently estimated project costs, the ending balance on June 30, 2025 is estimated at \$956,773. This balance is higher than projected due to (1) not needing to make the transfers to the General Fund in 2022/2023

and 2023/2024 (\$651,300), (2) interest earned on the ARPA funds totaling an estimated \$172,182, and (3) the net actual project costs to date being less than projected. It is proposed that the remaining funds be allocated to fund any increased costs for the remaining projects and to new City projects with funding shortfalls. One of the projects expected to have a funding shortfall is the Indoor Sports Dome. Bids on this project are expected to be received in July of 2024.

American Rescue Plan Act (ARPA) Fund

Fund Statement

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025
Beginning Balance, July 1	\$ 0	\$ 1,755,523	\$ 1,834,023	\$ 2,795,373	\$ 1,688,973
Revenues					
American Rescue Plan Act Funds	\$ 1,766,688 (1)	\$ 1,766,688 (1)	\$ 0	\$ 0	\$ 0
Interest	1,688	86,694	20,000	73,800	10,000
Total Revenues	<u>\$ 1,768,376</u>	<u>\$ 1,853,382</u>	<u>\$ 20,000</u>	<u>\$ 73,800</u>	<u>\$ 10,000</u>
Funds Available	<u>\$ 1,768,376</u>	<u>\$ 3,608,905</u>	<u>\$ 1,854,023</u>	<u>\$ 2,869,173</u>	<u>\$ 1,698,973</u>
Expenditures					
Expenditures from ARPA Fund	\$ 12,853	\$ 598,339	\$ 384,800	\$ 808,300	\$ 54,000
Transfers Out:					
General Fund:					
Projected Revenue Reductions	0	0	327,100	0	0
Capital Projects Funds:					
ARPA Projects and Programs	0	215,193	927,500	287,500	248,200
Public Art - 2nd Mulberry Roundabout	0	0	0	41,400	0
New Sidewalk Program	0	0	0	43,000	140,000
Clark House Elevator	0	0	0	0	300,000
Total Expenditures (2)	<u>\$ 12,853</u>	<u>\$ 813,532</u>	<u>\$ 1,639,400</u>	<u>\$ 1,180,200</u>	<u>\$ 742,200</u>
Ending Balance, June 30	<u>\$ 1,755,523</u>	<u>\$ 2,795,373</u>	<u>\$ 214,623</u>	<u>\$ 1,688,973</u>	<u>\$ 956,773 (3)</u>
Increase (Decrease) in Fund Balance	\$ 1,755,523	\$ 1,039,850	\$ (1,619,400)	\$ (1,106,400)	\$ (732,200)

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.
3. This balance must be expended or obligated by December 31, 2024. Projects could include additional funding for Indoor Sports Dome.

Budgeted Uses of ARPA Funds
Actual Fiscal Year 2021/2022, Actual Fiscal Year 2022/2023, 2023/2024 Revised Estimate, and Fiscal Year 2024/2025 Budget

	<u>Actual Costs FY 22</u>	<u>Actual Costs FY 23</u>	<u>FY 24 Revised Estimate</u>	<u>Estimated FY 25</u>	<u>Total Est'd Costs FY 22 thru FY 25</u>
Project 1 - General Fund Funding to Maintain City Services	\$ - (Not Needed)	\$ - (Not Needed)	\$ - (Not Needed)	\$ - (Not Needed)	\$ - (Not Needed)
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	7,920.00	-	16,539.00
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	\$ 7,920.00	\$ -	\$ 84,829.62
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	-	60,488.55	-	-	60,488.55
Subtotal - Project 3	\$ -	\$ 67,045.35	\$ -	\$ -	\$ 67,045.35
Project 4 - Community Development - City Plan Updates					
Housing Study	\$ -	\$ -	\$ 39,773.80	\$ -	\$ 39,773.80
Community Development Comprehensive Plan Update	-	-	85,000.00	-	85,000.00
Subtotal - Project 4	\$ -	\$ -	\$ 124,773.80	\$ -	\$ 124,773.80
Project 5 - Community Development New Programs or Program Expansions					
Large Format Scanner	\$ -	5,465.00	-	\$ -	\$ 5,465.00
Large Monitor	-	3,372.45	-	-	3,372.45
Grant Writer	9,354.76	26,400.00	-	-	35,754.76
Heart and Soul Coordinator	-	9,258.48	-	-	9,258.48
Neighborhood/Housing Initiatives (revolving loan fund, property maintenance pilot project, etc.)	-	1,803.64	-	248,196.36	250,000.00
Economic Recovery/Development Initiatives for Small Businesses (loans, grants, etc. (Administered by GMCCI)	-	-	159,000.00	-	159,000.00
Cleanup of Property on Grandview Avenue	-	15,950.00	3,726.00	-	19,676.00
Subtotal - Project 5	\$ 9,354.76	\$ 62,249.57	\$ 162,726.00	\$ 248,196.36	\$ 482,526.69
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	\$ 382,844.54	\$ 295,419.80	\$ 248,196.36	\$ 939,313.46

	Actual Costs FY 22	Actual Costs FY 23	FY 24 Revised Estimate	Estimated FY 25	Total Est'd Costs FY 22 thru FY 25
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	\$ -	\$ -	\$ 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	-	-	3,795.00	-	3,795.00
3. Asset Management Program Including Software Service	-	-	-	52,000.00	52,000.00
Facility upgrades including security-related projects:					
1. Replacement of public seating in Council Chambers	-	-	14,398.65	-	14,398.65
2. Council Chambers Carpet, etc.	-	-	4,941.85	-	4,941.85
3. Office Chairs (15), desks (2), and Standup Computer Workstations (2)	-	-	8,444.77	2,000.00	10,444.77
4. Keycard entry system for Public Safety Building and Main Public Works Bldg	-	273,854.39	21,088.38	-	294,942.77
5. Outdoor Security Camera System - Parks	-	-	100,000.00	-	100,000.00
6. Police Body Cameras and Server	-	72,706.12	6,000.00	-	78,706.12
7. Backup Generators - City Hall and Public Works	-	-	172,474.00	-	172,474.00
Unlikely to be funded through the regular budget process:					
1. Local matching funds for the Art Sculpture - 2nd & Mulberry Roundabout	-	8,042.93	41,400.00	-	49,442.93
2. GPS Field Painter for Soccer Complex	-	44,950.00	-	-	44,950.00
3. Flagpole and installation for the Library	-	-	8,500	-	8,500.00
4. Fire - shipping containers for Live Fire Training	-	18,009.27	8,933.68	-	26,942.95
5. Camera system for Public Safety Building parking lot (former Kum and Go)	-	-	21,500	-	21,500.00
6. Cemetery Chapel improvements - grind, tuckpoint, and seal building exterior	-	-	80,279	-	80,278.79
Funds allowed to assist in balancing the FY 2023/2024 budget (none needed)	-	-	-	-	-
Infrastructure improvements:					
1. Additional funding for New Sidewalk Program (Devitt is next sidewalk project)	-	-	43,000	140,000.00	183,000.00
2. Clark House Elevators	-	-	-	300,000.00	300,000.00
Subtotal -Estimated Costs of Projects Identified Above for Phase 2	<u>\$ -</u>	<u>\$ 430,687.71</u>	<u>\$ 884,755.12</u>	<u>\$ 494,000.00</u>	<u>\$ 1,809,442.83</u>
Total - Phase 1 and Phase 2	<u>\$ 12,852.76</u>	<u>\$ 813,532.25</u>	<u>\$ 1,180,174.92</u>	<u>\$ 742,196.36</u>	<u>\$ 2,748,756.29</u>

Total ARPA Funds Awarded	\$ 3,533,376.70
Interest Allocation FY 22	1,687.73
Interest Allocation FY 23	86,693.47
Interest Allocation - 1st Half of FY 24	48,761.84
Est'd Interest Allocation- 2nd Half of FY	25,000.00
Estimate of FY 25 Interest	10,000.00
Total ARPA plus Interest	<u>\$ 3,705,519.74</u>
Estimated Unobligated Balance	<u>\$ 956,763.45</u> *

* It is proposed that the remaining funds be allocated to fund any increased costs for the remaining projects and to new City projects with funding shortfalls. One of the projects expected to have a funding shortfall is the Indoor Sports Dome. Bids on this project are expected to be received in July of 2024.

SPECIAL REVENUE FUNDS

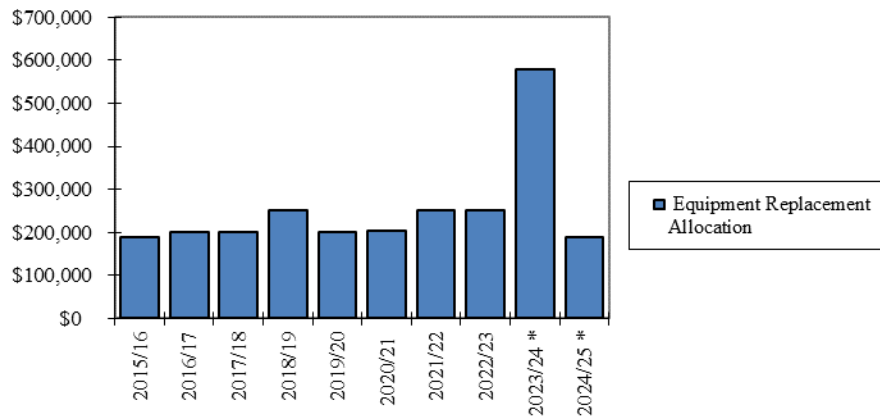
EQUIPMENT REPLACEMENT FUND

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.



* General Fund allocations were originally set at \$400,000 for the revised estimate and \$368,000 for the 2024/2025 Budget. Prior to finalizing the budget, the Police department located three new police patrol vehicles that were immediately available, and since there were concerns about vehicle availability after July 1, the \$180,000 allocation for these vehicles was moved to the 2023/2024 revised estimate.

CURRENT TRENDS AND ISSUES

Since the 2015/2016 fiscal year, the General Fund annual allocations to the Equipment Replacement Fund have generally been between \$200,000 and \$250,000. The original budget transfer for 2023/2024 was \$400,000 and, as noted in the footnote to the above chart, this was increased to \$580,000, which reflected moving \$180,000 of the transfer originally budgeted for 2024/2025 to the 2023/2024 revised estimate. This left the 2024/2025 funding transfer at \$188,000 (this would have been \$368,000 before moving the \$180,000 allocation).

Purchases from the Equipment Replacement Fund in the 2023/2024 revised estimate total \$753,200. This amount includes \$100,900 of funding carried forward from 2022/2023 for two Police patrol vehicles (Tahoes). Purchases in the revised estimate include the \$100,900 for the Police patrol vehicles carried forward from the prior year, \$122,300 for two Police patrol vehicles budgeted in 2023/2024 (department purchased two Silverado pickups since Tahoes were not available), \$27,500 for a Community Development Building Inspector vehicle, \$66,600 for a mini-excavator for the Cemetery, \$32,600 for a utility vehicle for the Cemetery, \$91,600 for two Park Maintenance trucks, \$37,500 for a wide area mower for Park Maintenance, \$47,700 for a rough mower for Kent Stein Park, \$32,600 for a utility vehicle for Park Maintenance, and \$13,900 for a zero-turn mower for Park Maintenance. The revised estimate also includes \$180,000 for three additional Police patrol vehicles moved from the 2024/2025 budget to the 2023/2024 revised estimate. The balance in the Equipment Replacement Fund on June 30, 2024 is estimated at \$82,045.

Purchases from the Equipment Replacement Fund in 2024/2025 total \$214,500. This includes \$27,000 for a Community Development Building Inspector vehicle, \$62,500 for an incident command vehicle for the Fire department, \$30,000 for a utility vehicle for the Cemetery, \$15,000 for a zero-turn mower for the Cemetery, and \$80,000 for a one-ton truck for Park Maintenance. The balance in the Equipment Replacement Fund on June 30, 2025 is estimated at \$63,745.

Equipment Replacement Fund

Fund Statement

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025
Beginning Balance, July 1	\$ 105,319	\$ 30,480	\$ 86,180	\$ 231,645	\$ 82,045
Revenues					
Interest	\$ 184	\$ 4,688	\$ 100	\$ 3,000	\$ 1,000
Lease of Vehicle (Police Grant)	7,200	7,200	7,200	7,200	7,200
Sale of Vehicles	14,724	9,578	0	0	0
Reimbursement of Damages	0	0	0	13,400	0
Transfers In					
General Fund Allocation	250,000	250,000	400,000	580,000 (1)	188,000 (1)
Total Revenues	\$ 272,108	\$ 271,466	\$ 407,300	\$ 603,600	\$ 196,200
Funds Available	\$ 377,427	\$ 301,946	\$ 493,480	\$ 835,245	\$ 278,245
Expenditures					
Equipment Purchases	346,947	70,301	421,000	753,200	214,500
Ending Balance, June 30	\$ 30,480	\$ 231,645	\$ 72,480	\$ 82,045	\$ 63,745
Increase (Decrease) in Fund Balance	\$ (74,839)	\$ 201,165	\$ (13,700)	\$ (149,600)	\$ (18,300)

1. General Fund allocations were originally set at \$400,000 for the revised estimate and \$368,000 for the 2024/2025 budget. Prior to finalizing the budget, the Police department located three new police patrol vehicles that were immediately available, and since there were concerns about vehicle availability after July 1, the \$180,000 allocation for these vehicles was moved to the 2023/2024 revised estimate.

Functions:

Public Safety
Community & Economic Development
Culture and Recreation

Departments:

Fire
Community Development
Parks and Recreation

Activity:

Equipment Replacement

Capital Outlay			
Item	Quantity	Replacement	Amount
Community Development: Building Inspector Vehicle	1	Yes	\$ 27,000
Fire: Incident Command Vehicle	1	Yes	62,500
Cemetery: Utility Vehicle	1	Yes	30,000
Zero-Turn Mower	1	Yes	15,000
Park Maintenance: One-ton Truck	1	Yes	80,000
			<u>\$ 214,500</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 and 2024/2025 budgets restored 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. There was no transfer made to this fund in 2021/2022. In 2022/2023, \$44,890 of unspent funds in the library budget were transferred to the Computer Replacement Fund.

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, in 2021/2022 \$26,633 was expended, and in 2022/2023 \$9,436 was expended from this fund.

The 2023/2024 revised estimate includes \$26,100 of computer related purchases and the 2024/2025 budget has an estimated \$15,000 for computer related purchases. In 2023/2024 and 2024/2025, 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 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025
Beginning Balance, July 1	\$ 59,424	\$ 62,918	\$ 62,918	\$ 84,023	\$ 0
Revenues					
Interest	\$ 69	\$ 1,847	\$ 0	\$ 0	\$ 0
Transfers In					
General Fund	50,000	40,000	50,000	50,000	50,000
Total Revenues	\$ 50,069	\$ 41,847	\$ 50,000	\$ 50,000	\$ 50,000
Funds Available	\$ 109,493	\$ 104,765	\$ 112,918	\$ 134,023	\$ 50,000
Expenditures					
Computer-Related Purchases	46,575	20,742	50,000	134,023	50,000
Ending Balance, June 30	\$ 62,918	\$ 84,023	\$ 62,918	\$ 0	\$ 0
Increase (Decrease) in Fund Balance	\$ 3,494	\$ 21,105	\$ 0	\$ (84,023)	\$ 0

Computer Replacement Fund - Library

Fund Statement

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025
Beginning Balance, July 1	\$ 50,000	\$ 23,413	\$ 15,000	\$ 59,364	\$ 33,764
Revenues					
Interest	\$ 46	\$ 497	\$ 0	\$ 500	\$ 0
Transfer In:					
Library Remaining Appropriations	0	44,890	0	0	0
Total Revenues	\$ 46	\$ 45,387	\$ 0	\$ 500	\$ 0
Funds Available	\$ 50,046	\$ 68,800	\$ 15,000	\$ 59,864	\$ 33,764
Expenditures					
Computer-Related Purchases	\$ 26,633	\$ 9,436	\$ 10,000	\$ 26,100	\$ 15,000
Total Expenditures	\$ 26,633	\$ 9,436	\$ 10,000	\$ 26,100	\$ 15,000
Ending Balance, June 30	\$ 23,413	\$ 59,364	\$ 5,000	\$ 33,764	\$ 18,764
Increase (Decrease) in Fund Balance	\$ (26,587)	\$ 35,951	\$ (10,000)	\$ (25,600)	\$ (15,000)

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.

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.

CURRENT TRENDS AND ISSUES:

The 2021/2022 and 2022/2023 budgets included transfers to the General Fund for TIF Administrative and Professional Support costs and the TIF Economic Development grant to the Chamber (GMCCI) which totaled \$213,400 and \$217,464, respectively. In prior years these allocations were funded from the Southend TIF fund. The 2023/2024 revised estimate and 2024/2025 budget also include transfers which total \$243,700 and \$256,200, 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 the 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, for 2021/2022 the amount claimed was \$157,400 less than the amount available, and for 2022/2023, the amount claimed was \$173,700 less than the amount available. The amount claimed for 2023/2024 is \$239,000, which is approximately \$172,400 less than the amount available. The amount claimed for 2024/2025 is \$256,200, which is approximately \$159,700 less than the amount available.

The balance in the Downtown TIF fund is estimated at \$8,429 at the end of the 2024/2025 fiscal year.

Tax Increment Fund - Downtown

Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 9,878	\$ 9,448	\$ 8,948	\$ 12,129	\$ 7,929
Revenues					
Incremental Taxes	\$ 212,849 (1)	\$ 216,893 (2)	\$ 243,500	\$ 239,000 (3)	\$ 256,200 (4)
Interest	<u>121</u>	<u>3,252</u>	<u>200</u>	<u>500</u>	<u>500</u>
Total Revenues	<u>\$ 212,970</u>	<u>\$ 220,145</u>	<u>\$ 243,700</u>	<u>\$ 239,500</u>	<u>\$ 256,700</u>
Funds Available	<u>\$ 222,848</u>	<u>\$ 229,593</u>	<u>\$ 252,648</u>	<u>\$ 251,629</u>	<u>\$ 264,629</u>
Expenditures:					
Transfers:					
TIF Administrative and Professional Support Costs	\$ 170,400 (5)	\$ 174,464	\$ 200,700	\$ 200,700	\$ 213,200
Economic Development Grant (GMCCI)	<u>43,000 (5)</u>	<u>43,000</u>	<u>43,000</u>	<u>43,000</u>	<u>43,000</u>
Total Expenditures	<u>\$ 213,400</u>	<u>\$ 217,464</u>	<u>\$ 243,700</u>	<u>\$ 243,700</u>	<u>\$ 256,200</u>
Ending Balance, June 30	<u><u>\$ 9,448</u></u>	<u><u>\$ 12,129</u></u>	<u><u>\$ 8,948</u></u>	<u><u>\$ 7,929</u></u>	<u><u>\$ 8,429</u></u>
Increase (Decrease) in Fund Balance	\$ (430)	\$ 2,681	\$ 0	\$ (4,200)	\$ 500

1. For the 2021/2022 year, the City certified approximately \$157,400 less than the total available increment.
2. For the 2022/2023 year, the City certified approximately \$173,700 less than the total available increment.
3. For the 2023/2024 year, the City certified approximately \$172,400 less than the total available increment.
4. For the 2024/2025 year, the City certified approximately \$159,700 less than the total available increment.

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 were 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 was made in 2023/2024. The rebates are subject to annual appropriation.

The 2022/2023 expenditures included \$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.

In June of 2022 the City entered into a development agreement with Love's Travel Stops & Country Stores, Inc. for the construction of a Love's Travel Stop at the northeast corner of the U.S. 61/Grandview Avenue intersection. This project also included (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 will open other property

in this area for future developments. The TIF rebate and a \$500,000 economic development grant will reimburse Love's for the upsizing of the lift station to serve a larger area as well as for the access road. The TIF rebates will be 50% of the incremental taxes for a 20-year period up to a maximum of \$1,130,000. The first rebate under this agreement will be in 2024/2025. The rebates are subject to annual appropriation.

CURRENT TRENDS AND ISSUES:

Incremental tax revenue for 2023/2024 is estimated at \$1,346,400. In 2023/2024 Southend TIF funds will be used to fund \$355,900 in debt requirements for the portion of the May 2020 bond issue that funded the Downtown Streetscaping project. In 2023/2024 TIF funds will also be used for the 9th year rebate under Wal-View Developments Agreement #1 (estimated at \$347,700), the 7th year rebate under Wal-View Agreement #2 (estimated at \$167,100), the second-year rebate under the Musco Sports Lighting Project #2 Agreement (estimated at \$58,800), and the first-year rebate under the Grandview Senior Lofts Agreement (estimated at \$13,600). In 2023/2024 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 2023/2024 revised estimate also includes \$150,000 of funding for the new City Wayfinding Program.

For 2023/2024 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 \$1,203,300 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 2024/2025 the City is claiming \$1,420,000 of incremental taxes from this district which will fund \$354,700 in debt requirements for the bond issue that funded the Downtown Streetscaping project), the 10th and final year rebate under Wal-View Developments Agreement #1 (estimated at \$320,000), the 8th year rebate under Wal-View Agreement #2 (estimated at \$175,000), the 3rd year payment for the Musco Sports Lighting rebate (\$60,000), the second year rebate for Grandview Senior Lofts (\$36,000), and the first year rebate for Love's Travel Stops and County Stores (\$70,000). TIF funding for the forgivable loan programs will continue in 2024/2025. Those include funding for the Small Business Forgivable Loan program in the amount of \$150,000 and funding for the forgivable loan program for downtown façade improvements in the amount of \$100,000. The Forgivable Loan program for City Code compliance will be discontinued in 2024/2025. The 2024/2025 budget also includes funding of \$200,000 to continue the City Wayfinding Program.

For 2024/2025 the City is claiming approximately \$1,286,700 less than the total incremental taxes available from this TIF district. The estimated balance in this fund at the end of 2024/2025 is \$307,309. 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 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 524,590	\$ 477,116	\$ 310,016	\$ 329,709	\$ 343,009
Revenues:					
Incremental Taxes	\$ 1,145,999 (1)	\$ 1,259,009 (2)	\$ 1,372,000	\$ 1,346,400 (3)	\$ 1,420,000 (4)
Interest	908	21,472	1,000	10,000	10,000
Total Revenues	<u>\$ 1,146,907</u>	<u>\$ 1,280,481</u>	<u>\$ 1,373,000</u>	<u>\$ 1,356,400</u>	<u>\$ 1,430,000</u>
Funds Available	<u>\$ 1,671,497</u>	<u>\$ 1,757,597</u>	<u>\$ 1,683,016</u>	<u>\$ 1,686,109</u>	<u>\$ 1,773,009</u>
Expenditures:					
Tax Rebate - A & E Convenience, LLC	\$ 3,081 (6)	\$ 0	\$ 0	\$ 0	\$ 0
Tax Rebate - Wal-View Project #1	310,584	312,959	360,000	347,700	320,000 (10)
Tax Rebate - Wal-View Project #2	177,816	179,220	175,000	167,100	175,000
Tax Rebate - Musco Sports Lighting Project #2	0	48,709 (7)	64,000	58,800	60,000
Tax Rebate - Grandview Senior Lofts	0	0	17,000	13,600 (8)	36,000
Tax Rebate - Love's Travel Stops and Country Stores	0	0	0	0	70,000 (9)
Transfers Out:					
Small Business Forgivable Loan Program	100,000	100,000	100,000	100,000	150,000
Forgivable Loan Program - Code Improvements	50,000	50,000	50,000	50,000	0
Forgivable Loan Program - Façade Improvements	100,000	100,000	100,000	100,000	100,000
Forgivable Loan - Grandview Avenue Businesses	50,000	130,000	0	0	0
Riverfront Amphitheater - Preliminary Design	50,000	150,000	0	0	0
City Wayfinding Program	0	0	150,000	150,000	200,000
Transfers Out:					
Debt Service Fund - Downtown Streetscaping (5)					
Bonds	295,000	305,000	310,000	310,000	315,000
Interest	57,900	52,000	45,900	45,900	39,700
Total Expenditures	<u>\$ 1,194,381</u>	<u>\$ 1,427,888</u>	<u>\$ 1,371,900</u>	<u>\$ 1,343,100</u>	<u>\$ 1,465,700</u>
Ending Balance, June 30	<u>\$ 477,116</u>	<u>\$ 329,709</u>	<u>\$ 311,116</u>	<u>\$ 343,009</u>	<u>\$ 307,309 (11)</u>
Increase (Decrease) in Fund Balance	\$ (47,474)	\$ (147,407)	\$ 1,100	\$ 13,300	\$ (35,700)

1. For the 2021/2022 year, the City certified approximately \$563,300 less than the total available in incremental taxes.
2. For the 2022/2023 year, the City certified approximately \$1,174,600 less than the total available in incremental taxes.
3. For the 2023/2024 year, the City certified approximately \$1,203,300 less than the total available in incremental taxes.
4. For the 2024/2025 year, the City certified approximately \$1,286,700 less than the total available in incremental taxes.
5. Funding for the Downtown Streetscaping project was included in the May 2020 bond issue with debt service payments to be funded from this tax increment fund. The first bond payments were made in 2020/2021.
6. Fiscal year 2021/2022 was the final year for the A&E TIF rebate.
7. Fiscal year 2022/2023 was the first year for the Musco Project #2 rebate.
8. Fiscal year 2023/2024 is the first year for the Grandview Senior Lofts rebate (10 years, 100%).
9. Fiscal year 2024/2025 is the first year for the Love's Travel Stops rebate (20 years, 50%).
10. Fiscal year 2024/2025 will be the final year for the Wal-View Project #1 rebate.
11. 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
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>\$ 2,295,000</u>	<u>\$ 187,300</u>	<u>\$ 2,482,300</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 \$72,159 at the end of the 2024/2025 year can be used for other improvements in this area.

Tax Increment Fund - Cedar Development

Fund Statement

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025
Beginning Balance, July 1	\$ 66,303	\$ 66,369	\$ 66,369	\$ 68,159	\$ 70,159
Revenues					
Incremental Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest	66	1,790	0	2,000	2,000
Total Revenues	\$ 66	\$ 1,790	\$ 0	\$ 2,000	\$ 2,000
Funds Available	\$ 66,369	\$ 68,159	\$ 66,369	\$ 70,159	\$ 72,159
Expenditures:					
Tax Rebate (1)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Ending Balance, June 30	\$ 66,369	\$ 68,159	\$ 66,369	\$ 70,159	\$ 72,159

Increase (Decrease) in					
Fund Balance	\$ 66	\$ 1,790	\$ 0	\$ 2,000	\$ 2,000

1. The final year of rebate payments to VMI Northport Commons was in 2018/2019.

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 the rebate 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 rebate for 2022/2023 was \$13,532. The 2022/2023 rebate was 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, the rebate for 2021/2022 was \$27,563, and the rebate for 2022/2023 was \$34,674. The rebate for 2023/2024 is estimated at \$34,600 and the estimated rebate for 2024/2025 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 2024/2025 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

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 15,046	\$ 17,043	\$ 19,243	\$ 19,784	\$ 22,784
Revenues					
Incremental Taxes	\$ 43,886	\$ 50,360	\$ 38,000	\$ 37,100	\$ 38,000
Interest	43	587	0	500	500
Total Revenues	<u>\$ 43,929</u>	<u>\$ 50,947</u>	<u>\$ 38,000</u>	<u>\$ 37,600</u>	<u>\$ 38,500</u>
Funds Available	<u>\$ 58,975</u>	<u>\$ 67,990</u>	<u>\$ 57,243</u>	<u>\$ 57,384</u>	<u>\$ 61,284</u>
Expenditures:					
Tax Rebate - Villas at MCC (1)	\$ 14,369	\$ 13,532 (3)	\$ 0	\$ 0	\$ 0
Tax Rebate - Harrison Lofts (2)	27,563	34,674	38,000	34,600	38,000
Total Expenditures	<u>\$ 41,932</u>	<u>\$ 48,206</u>	<u>\$ 38,000</u>	<u>\$ 34,600</u>	<u>\$ 38,000</u>
Ending Balance, June 30	<u><u>\$ 17,043</u></u>	<u><u>\$ 19,784</u></u>	<u><u>\$ 19,243</u></u>	<u><u>\$ 22,784</u></u>	<u><u>\$ 23,284</u></u>
Increase (Decrease) in Fund Balance	\$ 1,997	\$ 2,741	\$ 0	\$ 3,000	\$ 500

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 was 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 was 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 were originally set at ten years at 50%. This agreement was amended in 2023 to increase the rebate payments made to Fridley Properties, LLC for out lot developments from 50% to 75% each for ten years. This increase was to provide further incentives for the development of the out lots, with the intent that Fridley's would pass on a portion of the rebates to developers of the out lots. The first out lot to be developed was Out Lot #1 with the new Scooter's Coffee. The first rebate payment for Out Lot #1 was 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 the rebate was \$62,239; for 2021/2022 the incremental taxes were \$82,033 and the rebate was \$59,681; and for 2022/2023 the incremental taxes were \$67,812 and the rebate was \$59,948.

For 2023/2024 the incremental taxes are \$75,676 and the rebate is \$45,406 for the Fridley Theatres parcel. The 2023/2024 incremental taxes for Out Lot #1 are \$13,902 and the rebate \$6,951.

For 2024/2025 incremental taxes for the Fridley Theatres parcel are estimated at \$95,167 and the rebate is estimated at \$57,100. The 2024/2025 incremental taxes for Out Lot #1 are estimated at \$16,525 and the rebate is estimated at \$14,000.

Tax Increment Fund - Fridley Theatres and Fridley Properties

Fund Statement

	Actual 2021/2022	Actual 2021/2022	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025
Beginning Balance, July 1	\$ 37,593	\$ 45,761	\$ 53,861	\$ 55,030	\$ 60,530
Revenues					
Incremental Taxes	\$ 67,825	\$ 67,812	\$ 58,000	\$ 57,000	\$ 74,000
Interest	24	1,405	0	1,000	1,000
Total Revenues	<u>\$ 67,849</u>	<u>\$ 69,217</u>	<u>\$ 58,000</u>	<u>\$ 58,000</u>	<u>\$ 75,000</u>
Funds Available	<u>\$ 105,442</u>	<u>\$ 114,978</u>	<u>\$ 111,861</u>	<u>\$ 113,030</u>	<u>\$ 135,530</u>
Expenditures:					
Tax Rebate - Fridley Theatres (1)	\$ 59,681	\$ 59,948	\$ 50,000	\$ 45,500	\$ 60,000
Tax Rebate - Fridley Outlot #1 (2)	0	0	8,000	7,000	14,000
Total Expenditures	<u>\$ 59,681</u>	<u>\$ 59,948</u>	<u>\$ 58,000</u>	<u>\$ 52,500</u>	<u>\$ 74,000</u>
Ending Balance, June 30	<u><u>\$ 45,761</u></u>	<u><u>\$ 55,030</u></u>	<u><u>\$ 53,861</u></u>	<u><u>\$ 60,530</u></u>	<u><u>\$ 61,530</u></u>

Increase (Decrease) in Fund Balance	\$ 8,168	\$ 9,269	\$ 0	\$ 5,500	\$ 1,000
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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 were all 50% for a maximum of 10 years in the original agreement. Outlot #1 is the Scooter's Coffee parcel.
3. The Fridley's development agreement was amended in 2023 to increase the rebate percentage for the Outlots to 75% for ten years beginning in 2024/2025.

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 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 and the rebate for 2022/2023 was \$500,947 for the fourth year of the agreement.

The estimated rebate for 2023/2024 is \$530,000. For 2024/2025, the rebate percentage drops to 95% and the rebate is estimated at \$400,000. Rebates under this development agreement are subject to annual appropriation.

Tax Increment Fund - Riverview Hotel Development

Fund Statement

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025
Beginning Balance, July 1	\$ 1,233	\$ 1,289	\$ 1,289	\$ 1,556	\$ 1,556
Revenues					
Incremental Taxes	\$ 662,315	\$ 500,947	\$ 560,000	\$ 530,000	\$ 400,000
Interest	56	267	0	0	0
Total Revenues	<u>\$ 662,371</u>	<u>\$ 501,214</u>	<u>\$ 560,000</u>	<u>\$ 530,000</u>	<u>\$ 400,000</u>
Funds Available	<u>\$ 663,604</u>	<u>\$ 502,503</u>	<u>\$ 561,289</u>	<u>\$ 531,556</u>	<u>\$ 401,556</u>
Expenditures:					
TIF Rebate - Riverview Hotel Development (1)	\$ 662,315	\$ 500,947	\$ 560,000	\$ 530,000	\$ 400,000
Total Expenditures	<u>\$ 662,315</u>	<u>\$ 500,947</u>	<u>\$ 560,000</u>	<u>\$ 530,000</u>	<u>\$ 400,000</u>
Ending Balance, June 30	<u><u>\$ 1,289</u></u>	<u><u>\$ 1,556</u></u>	<u><u>\$ 1,289</u></u>	<u><u>\$ 1,556</u></u>	<u><u>\$ 1,556</u></u>
Increase (Decrease) in Fund Balance	\$ 56	\$ 267	\$ 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, for 2021/2022 was \$76,560, and \$76,376 for 2022/2023. For 2023/2024 the estimated rebate is \$103,900 and for 2024/2025 the rebate is estimated at \$107,000. Rebates under this agreement are subject to annual appropriation.

Tax Increment Fund - North University

Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 8,034	\$ 11,281	\$ 14,881	\$ 15,155	\$ 19,355
Revenues					
Incremental Taxes	\$ 79,793	\$ 79,777	\$ 110,000	\$ 107,700	\$ 107,000
Interest	14	473	0	400	400
Total Revenues	<u>\$ 79,807</u>	<u>\$ 80,250</u>	<u>\$ 110,000</u>	<u>\$ 108,100</u>	<u>\$ 107,400</u>
Funds Available	<u>\$ 87,841</u>	<u>\$ 91,531</u>	<u>\$ 124,881</u>	<u>\$ 123,255</u>	<u>\$ 126,755</u>
Expenditures:					
TIF Rebate - HNI (1)	<u>\$ 76,560</u>	<u>\$ 76,376</u>	<u>\$ 110,000</u>	<u>\$ 103,900</u>	<u>\$ 107,000</u>
Total Expenditures	<u>\$ 76,560</u>	<u>\$ 76,376</u>	<u>\$ 110,000</u>	<u>\$ 103,900</u>	<u>\$ 107,000</u>
Ending Balance, June 30	<u><u>\$ 11,281</u></u>	<u><u>\$ 15,155</u></u>	<u><u>\$ 14,881</u></u>	<u><u>\$ 19,355</u></u>	<u><u>\$ 19,755</u></u>
Increase (Decrease) in Fund Balance	\$ 3,247	\$ 3,874	\$ 0	\$ 4,200	\$ 400

1. 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 and the rebate for 2022/2023 was \$50,145. The estimated rebate for 2023/2024 is \$60,700 and the rebate is estimated at \$78,000 for 2024/2025. Rebates under this agreement are subject to annual appropriation.

Tax Increment Fund - WDS Urban Renewal Area

Fund Statement

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025
Beginning Balance, July 1	\$ 5,187	\$ 8,933	\$ 12,733	\$ 13,047	\$ 17,547
Revenues					
Incremental Taxes	\$ 53,860	\$ 53,849	\$ 66,000	\$ 64,800	\$ 78,000
Interest	15	410	0	400	500
Total Revenues	<u>\$ 53,875</u>	<u>\$ 54,259</u>	<u>\$ 66,000</u>	<u>\$ 65,200</u>	<u>\$ 78,500</u>
Funds Available	<u>\$ 59,062</u>	<u>\$ 63,192</u>	<u>\$ 78,733</u>	<u>\$ 78,247</u>	<u>\$ 96,047</u>
Expenditures:					
TIF Rebate - White Distribution (1)	\$ 50,129	\$ 50,145	\$ 66,000	\$ 60,700	\$ 78,000
Total Expenditures	<u>\$ 50,129</u>	<u>\$ 50,145</u>	<u>\$ 66,000</u>	<u>\$ 60,700</u>	<u>\$ 78,000</u>
Ending Balance, June 30	<u><u>\$ 8,933</u></u>	<u><u>\$ 13,047</u></u>	<u><u>\$ 12,733</u></u>	<u><u>\$ 17,547</u></u>	<u><u>\$ 18,047</u></u>
Increase (Decrease) in Fund Balance	\$ 3,746	\$ 4,114	\$ 0	\$ 4,500	\$ 500

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 was 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 was \$70,527. The rebate for 2023/2024 is estimated at \$66,700 and the rebate for 2024/2025 is estimated at \$73,000. Rebates under this agreement are subject to annual appropriation.

Tax Increment Fund - Hershey Building

Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 0	\$ 3,003	\$ 3,003	\$ 5,521	\$ 5,621
Revenues					
Incremental Taxes Commercial and Industrial	\$ 92,593	\$ 72,879	\$ 72,000	\$ 66,700	\$ 73,000
State Reimbursement	3,003	0	0	0	0
Interest	<u>0</u>	<u>166</u>	<u>0</u>	<u>100</u>	<u>100</u>
Total Revenues	<u>\$ 95,596</u>	<u>\$ 73,045</u>	<u>\$ 72,000</u>	<u>\$ 66,800</u>	<u>\$ 73,100</u>
Funds Available	<u>\$ 95,596</u>	<u>\$ 76,048</u>	<u>\$ 75,003</u>	<u>\$ 72,321</u>	<u>\$ 78,721</u>
Expenditures:					
TIF Rebate	\$ 92,593 (1)	\$ 70,527	\$ 72,000	\$ 66,700	\$ 73,000
Total Expenditures	<u>\$ 92,593</u>	<u>\$ 70,527</u>	<u>\$ 72,000</u>	<u>\$ 66,700</u>	<u>\$ 73,000</u>
Ending Balance, June 30	<u>\$ 3,003</u>	<u>\$ 5,521</u>	<u>\$ 3,003</u>	<u>\$ 5,621</u>	<u>\$ 5,721</u>
Increase (Decrease) in Fund Balance	\$ 3,003	\$ 2,518	\$ 0	\$ 100	\$ 100

1. 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 first rebate under this agreement was made in 2022/2023 for \$25,108 to TIF Oak Park/JNP Oak Park LP for their development of the senior living complex. The 2023/2024 revised estimate includes \$26,700 for the second-year rebate. The 2024/2025 budget includes \$30,000 for the estimated third year rebate.

Tax Increment Fund - Oak Park

Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 2,800	\$ 3,244	\$ 6,244
Revenues					
Incremental Taxes	\$ 0	\$ 27,921	\$ 30,000	\$ 29,500	\$ 30,000
Interest	<u>0</u>	<u>431</u>	<u>0</u>	<u>200</u>	<u>200</u>
Total Revenues	<u>\$ 0</u>	<u>\$ 28,352</u>	<u>\$ 30,000</u>	<u>\$ 29,700</u>	<u>\$ 30,200</u>
Funds Available	<u>\$ 0</u>	<u>\$ 28,352</u>	<u>\$ 32,800</u>	<u>\$ 32,944</u>	<u>\$ 36,444</u>
Expenditures:					
TIF Rebate (1)	<u>\$ 0</u>	<u>\$ 25,108</u> (1)	<u>\$ 30,000</u>	<u>\$ 26,700</u>	<u>\$ 30,000</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 25,108</u>	<u>\$ 30,000</u>	<u>\$ 26,700</u>	<u>\$ 30,000</u>
Ending Balance, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 3,244</u></u>	<u><u>\$ 2,800</u></u>	<u><u>\$ 6,244</u></u>	<u><u>\$ 6,444</u></u>
Increase (Decrease) in Fund Balance	\$ 0	\$ 3,244	\$ 0	\$ 3,000	\$ 200

1. Fiscal year 2022/2023 was 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 revised includes \$66,000 for the estimated first-year rebate to Colorado Senior Lofts, LLC for their development of the senior living complex. The 2024/2025 budget includes \$40,000 for the estimated second year rebate.

Tax Increment Fund - Colorado Senior Lofts

Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Incremental Taxes	\$ 0	\$ 0	\$ 70,000	\$ 66,000	\$ 40,000
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>\$ 70,000</u>	<u>\$ 66,000</u>	<u>\$ 40,000</u>
Funds Available	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 70,000</u>	<u>\$ 66,000</u>	<u>\$ 40,000</u>
Expenditures:					
TIF Rebate (1)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 70,000</u>	<u>\$ 66,000</u>	<u>\$ 40,000</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 70,000</u>	<u>\$ 66,000</u>	<u>\$ 40,000</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 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 Iowa Urban Renewal laws require 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 was made in 2023/2024. Rebates are subject to annual appropriation.

CURRENT TRENDS AND ISSUES:

The 2023/2024 revised estimate includes \$12,100 for the first-year rebate to NPSW Enterprises, LLC, and \$8,100 to be transferred to the Low and Moderate Income (LMI) set aside fund.

The 2024/2025 budget includes \$24,000 for the 2nd year rebate, and \$16,000 to be transferred to the Low and Moderate Income (LMI) set aside fund.

Tax Increment Fund - Arbor Commons

Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,400
Revenues					
Incremental Taxes	\$ 0	\$ 0	\$ 24,000	\$ 23,600	\$ 40,000
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>\$ 24,000</u>	<u>\$ 23,600</u>	<u>\$ 40,000</u>
Funds Available	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 24,000</u>	<u>\$ 23,600</u>	<u>\$ 43,400</u>
Expenditures:					
TIF Rebate (1)	\$ 0	\$ 0	\$ 14,500	\$ 12,100	\$ 24,000
Transfers Out:					
Low and Moderate Income Setaside Fund (2)	<u>0</u>	<u>0</u>	<u>\$ 9,500</u>	<u>8,100</u>	<u>16,000</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 24,000</u>	<u>\$ 20,200</u>	<u>\$ 40,000</u>
Ending Balance, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 3,400</u></u>	<u><u>\$ 3,400</u></u>
Increase (Decrease) in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 3,400	\$ 0

1. Fiscal year 2023/2024 was 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 (TIF) FUND – STEAMBOAT APARTMENTS

GENERAL INFORMATION:

In March of 2021 the City approved the development agreement with JNB Family 1, LP and Ales Foundation for their construction of 42-units of rental housing on Steamboat Way for low and moderate income individuals and families. The development agreement provides for 15 years of TIF rebates at 70% of the incremental taxes with a maximum total rebate of \$460,000. The first rebate under this agreement will be made in 2024/2025. Rebates are subject to annual appropriation.

CURRENT TRENDS AND ISSUES:

The 2024/2025 budget includes \$30,000 for the estimated first-year rebate to JNB Family 1, LP and Ales Foundation for their development of rental housing units.

Tax Increment Fund - Steamboat Apartments

Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Incremental Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 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>\$ 0</u>	<u>\$ 0</u>	<u>\$ 30,000</u>
Funds Available	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 30,000</u>
Expenditures:					
TIF Rebate (1)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 30,000</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</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>\$ 0</u></u>	<u><u>\$ 0</u></u>

Increase (Decrease) in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
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- Fiscal year 2024/2025 will be the first year of a 15-year 70% TIF rebate agreement with JNP Family 1, LP for Steamboat Apartments.

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 revised estimate includes \$12,100 for the first-year rebate to NPSW Enterprises, LLC with \$8,100 transferred to the Low and Moderate Income (LMI) set aside fund.

The 2024/2025 budget includes an estimated \$24,000 for the second-year rebate to NPSW Enterprises, LLC with \$16,000 transferred to the Low and Moderate Income (LMI) set aside fund.

No LMI projects have been identified for the set aside funds for the 2024/2025 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 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,100
Revenues					
Transfer In:					
Arbor Commons LMI Setaside (1)	\$ 0	\$ 0	\$ 9,500	\$ 8,100	\$ 16,000
Total Revenues	\$ 0	\$ 0	\$ 9,500	\$ 8,100	\$ 16,000
Funds Available	\$ 0	\$ 0	\$ 9,500	\$ 8,100	\$ 24,100
Expenditures:					
LMI-Related Projects/Programs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Ending Balance, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,500</u>	<u>\$ 8,100</u>	<u>\$ 24,100</u>
Increase (Decrease) in Fund Balance	\$ 0	\$ 0	\$ 9,500	\$ 8,100	\$ 16,000

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 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 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, in 2021/2022 were \$246,584, and in 2022/2023 were \$244,755. 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 2023/2024 and 2024/2025 are both estimated at \$300,000 for budgeting purposes. 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 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Reinvestment District Proceeds (1)	\$ 246,584	\$ 244,755	\$ 350,000	\$ 300,000	\$ 300,000
Total Revenues	<u>\$ 246,584</u>	<u>\$ 244,755</u>	<u>\$ 350,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>
Funds Available	\$ 246,584	\$ 244,755	\$ 350,000	\$ 300,000	\$ 300,000
Expenditures					
Riverview Hotel Development (1)	<u>246,584</u>	<u>244,755</u>	<u>350,000</u>	<u>300,000</u>	<u>300,000</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
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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. There are no expenditures in the 2023/2024 revised estimate or 2024/2025 budget. The balance in this fund is estimated at \$32,868 on June 30, 2025.

Community Block Grant Fund

Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 31,195	\$ 31,226	\$ 25,150	\$ 32,068	\$ 32,568
Revenues					
Interest	\$ 31	\$ 842	\$ 0	\$ 500	\$ 300
Total Revenues	\$ 31	\$ 842	\$ 0	\$ 500	\$ 300
Funds Available	\$ 31,226	\$ 32,068	\$ 25,150	\$ 32,568	\$ 32,868
Expenditures					
Transfers Out:					
Home Ownership Program	\$ 0	\$ 0	13,600	\$ 0	\$ 0
Total Expenditures	\$ 0	\$ 0	\$ 13,600	\$ 0	\$ 0
Ending Balance, June 30	\$ 31,226	\$ 32,068	\$ 11,550	\$ 32,568	\$ 32,868
Increase (Decrease) in Fund Balance	\$ 31	\$ 842	\$ (13,600)	\$ 500	\$ 300

SPECIAL REVENUE FUNDS

COMMUNITY DEVELOPMENT DEPARTMENT GRANT FUNDS (6)

GENERAL INFORMATION:

The Community Development (CD) department was awarded six (6) grants which will further the City's and the CD department's goals. A brief description of each grant is as follows:

1. The Community Development Block Grant (CDBG) Comprehensive Neighborhood Improvement Grant will fund improvements in the designated 6th and Mulberry area and totals \$1,738,000. This grant was awarded by the Iowa Economic Development Authority (IEDA) and the Bi-State Regional Planning Commission is administering this grant (as required by the IEDA). This project includes a range of housing development and improvements, commercial facades, and economic development, as well as an array of place-making and community enhancement features. The grant period is from March 25, 2023 through March 15, 2027. It is projected that \$400,000 of grant funds will be expended in 2023/2024, \$673,800 in 2024/2025, with the balance to be expended in future years.
2. The Iowa Economic Development Authority (IEDA) Downtown Housing Grant is for two units above 100 W. 2nd Street and totals \$200,000. The IEDA, using funding available through the American Rescue Plan Act, started a program to provide funding for the development of downtown upper-story housing. Staff worked with four potential developers to identify a project that met the IEDA requirements for design and readiness and submitted a grant application for the development of two upper-story units at 100 West 2nd Street. Staff was notified in May of 2022 that Muscatine had been awarded a \$200,000 grant through this program. The grant requires a 25% match, which will be provided by the developer, Downtown Investors LLC, to complete the conversion of formerly vacant office space into two two-bedroom market-rate housing units in the historic building. It is projected that the full amount of the \$200,000 grant will be expended in 2023/2024
3. The CDBG Downtown Revitalization Grant totals \$650,000. Each year the IEDA allocates CDBG funds to the Downtown Revitalization (DTR) Program to assist communities to improve the attractiveness of their core business districts. Communities are eligible for up to \$650,000 to improve buildings in the downtown core. This is primarily a façade program, which requires defining a target area that is blighted with at least 25% of the buildings being in a fair or poor condition. The City was awarded and accepted this grant in February of 2023. The grant period is from February 25, 2023 through February 28, 2026. In 2022/23, \$67,831 in grant funds were expended. It is projected that \$195,643 of grant funds will be expended in 2023/2024, and \$386,526 in 2024/2025, which will close out this grant.
4. The Affordable Connectivity Program (ACP) Grant originally totaled \$83,234, but has since been reduced to approximately \$17,000. The purpose of this program was to increase enrollment in the ACP which subsidizes internet subscription fees for low-income households
5. The National Park Service Grant for Downtown Historic Revitalization totals \$747,148. The total project budget is \$858,388 which provides funding to address the preservation needs of up to 11 historic downtown properties. The grant will provide \$747,148 to support rehabilitation work, including architecture, engineering, and construction. The local share is \$111,240 which includes the in-kind value of staff time to administer and implement the program as well as private resources and funding available through the existing facade program. The grant period is from September 1, 2023 through

August 31, 2026. It is projected that \$100,000 of grant funds will be expended in 2023/2024 and the balance of \$647,148 in 2024/2025.

6. The Nuisance and Abandoned Property State Grant totals \$100,000. This State grant will provide funding to demolish and clear five properties in the 6th and Mulberry Neighborhood in conjunction with the other improvements in that area. New homes are planned to be built at these five sites.

CURRENT TRENDS AND ISSUES:

Fund statements follow for each of these grants. In addition to these grants, the Community Development department also received a Lead Hazard Reduction and Healthy Homes Grant in the amount of \$2,956,932.31. Information on this grant immediately follows the Municipal Housing Agency budgets.

Community Development Block Grant Fund
Comprehensive Neighborhood Improvement Grant
Fund Statement (Fund 8142)

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Federal Grant	\$ 0	\$ 2,603	\$ 0	\$ 400,000	\$ 673,800
Total Revenues	<u>\$ 0</u>	<u>\$ 2,603</u>	<u>\$ 0</u>	<u>\$ 400,000</u>	<u>\$ 673,800</u>
Funds Available	<u>\$ 0</u>	<u>\$ 2,603</u>	<u>\$ 0</u>	<u>\$ 400,000</u>	<u>\$ 673,800</u>
Expenditures					
Grant Expenditures	<u>\$ 0</u>	<u>\$ 2,603</u>	<u>\$ 0</u>	<u>\$ 400,000</u>	<u>\$ 673,800</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

Iowa Economic Development Authority (IEDA)

Downtown Housing Grant

Fund Statement (Fund 8143)

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Federal Grant	\$ 0	\$ 0	\$ 0	\$ 200,000	\$ 0
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 200,000</u>	<u>\$ 0</u>
Funds Available	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 200,000</u>	<u>\$ 0</u>
Expenditures					
Grant Expenditures	\$ 0	\$ 0	\$ 0	\$ 200,000	\$ 0
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 200,000</u>	<u>\$ 0</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

Community Development Block Grant Fund

Downtown Revitalization Grant

Fund Statement (Fund 8144)

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ (64,357)	\$ 0
Revenues					
Federal Grant	\$ 0	\$ 3,474	\$ 0	\$ 260,000	\$ 386,526
Total Revenues	<u>\$ 0</u>	<u>\$ 3,474</u>	<u>\$ 0</u>	<u>\$ 260,000</u>	<u>\$ 386,526</u>
Funds Available	<u>\$ 0</u>	<u>\$ 3,474</u>	<u>\$ 0</u>	<u>\$ 195,643</u>	<u>\$ 386,526</u>
Expenditures					
Grant Expenditures	\$ 0	\$ 67,831	\$ 0	\$ 195,643	\$ 386,526
Ending Balance, June 30	<u><u>\$ 0</u></u>	<u><u>\$ (64,357)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
Increase (Decrease) in Fund Balance	\$ 0	\$ (64,357)	\$ 0	\$ 64,357	\$ 0

Federal Communications Commission

Affordable Connectivity Grant

Fund Statement (8145)

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	0
Revenues					
Federal Grant	\$ 0	\$ 0	\$ 0	\$ 17,000	\$ 0
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,000</u>	<u>\$ 0</u>
Funds Available	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,000</u>	<u>\$ 0</u>
Expenditures					
Grant Expenditures	\$ 0	\$ 0	\$ 0	\$ 17,000	\$ 0
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,000</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>\$ 0</u></u>
Increase (Decrease) in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

National Park Service Grant

Downtown Historic Revitalization Grant

Fund Statement (Fund 8146)

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Federal Grant	\$ 0	\$ 0	\$ 0	\$ 100,000	\$ 647,148
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 100,000</u>	<u>\$ 647,148</u>
Funds Available	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 100,000</u>	<u>\$ 647,148</u>
Expenditures					
Grant Expenditures	\$ 0	\$ 0	\$ 0	\$ 100,000	\$ 647,148
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 100,000</u>	<u>\$ 647,148</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

Iowa Economic Authority Grant (IEDA)

Nuisance and Abandoned Property State Grant

Fund Statement (Fund 8147)

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Federal Grant	\$ 0	\$ 0	\$ 0	\$ 100,000	\$ 0
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 100,000</u>	<u>\$ 0</u>
Funds Available	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 100,000</u>	<u>\$ 0</u>
Expenditures					
Grant Expenditures	\$ 0	\$ 0	\$ 0	\$ 100,000	\$ 0
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 100,000</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>\$ 0</u></u>
Increase (Decrease) in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

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.

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 were significantly impacted by street reconstruction work and that also continued 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 provided for loans up to \$10,000 per business to a maximum of \$200,000 with funding from the Southend Tax Increment fund (TIF). A total of \$185,000 was expended for this assistance in 2021/2022 and 2022/2023.

CURRENT TRENDS AND ISSUES:

The City allocated \$100,000 in annual funding for the original Small Business Forgivable Loan program from 2014/2015 through 2023/2024. The allocation has been increased to \$150,000 beginning in 2024/2025. This increase was offset by eliminating the \$50,000 allocation for the forgivable loan program for City Code compliance and ADA improvements to small businesses in designated blighted areas of the City discussed below. Funding for this program is from incremental taxes received in the Southend Tax Increment fund (TIF).

In 2019 a 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 were \$50,000 from 2019/2020 through 2023/2024. This allocation has been eliminated beginning in 2024/2025 with those funds redirected to the original Small Business Forgivable Loan program.

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. That funding level has been continued through the 2024/2025 budget.

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 their respective 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 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 201,528	\$ 62,736	\$ 0	\$ 68,323	\$ 0
Revenues					
Loan Reimbursements	\$ 31,120	\$ 5,070	\$ 0	\$ 0	\$ 0
Interest	18	0	0	0	0
Miscellaneous	70	0	0	0	0
Transfers In:					
Southend Tax Increment Funds	100,000	100,000	100,000	100,000	150,000
Southend Tax Increment Funds - Grandview Avenue Corridor (1)	<u>50,000</u>	<u>130,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 181,208</u>	<u>\$ 235,070</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 150,000</u>
Funds Available	<u>\$ 382,736</u>	<u>\$ 297,806</u>	<u>\$ 100,000</u>	<u>\$ 168,323</u>	<u>\$ 150,000</u>
Expenditures					
Small Business Loans	\$ 270,000	\$ 94,483	\$ 100,000	\$ 168,323	\$ 150,000
Economic Assistance - Grandview Avenue Corridor (1)	<u>50,000</u>	<u>135,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 320,000</u>	<u>\$ 229,483</u>	<u>\$ 100,000</u>	<u>\$ 168,323</u>	<u>\$ 150,000</u>
Ending Balance, June 30	<u><u>\$ 62,736</u></u>	<u><u>\$ 68,323</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
Increase (Decrease) in Fund Balance	\$ (138,792)	\$ 5,587	\$ 0	\$ (68,323)	\$ 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 were significantly impacted by street reconstruction work and that also continued to be impacted by the COVID-19 pandemic.

Small Business Forgivable Loan Program - Code Compliance (1)

Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 60,085	\$ 25,180	\$ 0	\$ 45,363	\$ 0
Revenues					
Interest	\$ 95	\$ 183	\$ 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>0</u>
Total Revenues	<u>\$ 50,095</u>	<u>\$ 50,183</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 0</u>
Funds Available	<u>\$ 110,180</u>	<u>\$ 75,363</u>	<u>\$ 50,000</u>	<u>\$ 95,363</u>	<u>\$ 0</u>
Expenditures					
Small Business Loans	<u>\$ 85,000</u>	<u>\$ 30,000</u>	<u>\$ 50,000</u>	<u>\$ 95,363</u>	<u>\$ 0</u>
Total Expenditures	<u>\$ 85,000</u>	<u>\$ 30,000</u>	<u>\$ 50,000</u>	<u>\$ 95,363</u>	<u>\$ 0</u>
Ending Balance, June 30	<u><u>\$ 25,180</u></u>	<u><u>\$ 45,363</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
Increase (Decrease) in Fund Balance	\$ (34,905)	\$ 20,183	\$ 0	\$ (45,363)	\$ 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. This program has been discontinued beginning in the 2024/2025 budget.

Small Business Forgivable Loan Program - Second Street Façade Improvements (1)

Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 100,000	\$ 187,657	\$ 0	\$ 287,331	\$ 0
Revenues					
Interest	\$ 23	\$ 5,019	\$ 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>\$ 100,023</u>	<u>\$ 105,019</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>
Funds Available	<u>\$ 200,023</u>	<u>\$ 292,676</u>	<u>\$ 100,000</u>	<u>\$ 387,331</u>	<u>\$ 100,000</u>
Expenditures					
Small Business Loans	\$ 0	\$ 0	\$ 100,000	\$ 387,331	\$ 100,000
Architectural Services	<u>12,366</u>	<u>5,345</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 12,366</u>	<u>\$ 5,345</u>	<u>\$ 100,000</u>	<u>\$ 387,331</u>	<u>\$ 100,000</u>
Ending Balance, June 30	<u><u>\$ 187,657</u></u>	<u><u>\$ 287,331</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
Increase (Decrease) in Fund Balance	\$ 87,657	\$ 99,674	\$ 0	\$ (287,331)	\$ 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 2023/2024 revised estimate includes \$2,900 in forfeiture fund revenues and \$5,000 in forfeiture fund expenditures.

The 2024/2025 budget includes an estimated \$5,000 in both 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 \$12,124 on June 30, 2025.

Police Forfeitures Fund

Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 10,935	\$ 13,439	\$ 13,439	\$ 14,224	\$ 12,124
Revenues					
Forfeiture Funds	\$ 2,776	\$ 865	\$ 5,000 (1)	\$ 2,900 (1)	\$ 5,000 (1)
Interest	<u>6</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 2,782</u>	<u>\$ 871</u>	<u>\$ 5,000</u>	<u>\$ 2,900</u>	<u>\$ 5,000</u>
Funds Available	\$ 13,717	\$ 14,310	\$ 18,439	\$ 17,124	\$ 17,124
Expenditures					
Forfeiture Expenditures	\$ 278	\$ 86	\$ 5,000 (1)	\$ 5,000 (1)	\$ 5,000 (1)
Total Expenditures	<u>\$ 278</u>	<u>\$ 86</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>
Ending Balance, June 30	<u><u>\$ 13,439</u></u>	<u><u>\$ 14,224</u></u>	<u><u>\$ 13,439</u></u>	<u><u>\$ 12,124</u></u>	<u><u>\$ 12,124</u></u>

Increase (Decrease) in Fund Balance	\$ 2,504	\$ 785	\$ 0	\$ (2,100)	\$ 0
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1. Amounts for the 2023/2024 and 2024/2025 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 were set aside in this Special Revenue Fund for future housing-related purposes.

CURRENT TRENDS AND ISSUES:

The 2023/2024 revised estimate and the 2024/2025 budget each have \$50,000 budgeted to be transferred to the Lead Hazard Reduction Grant fund to cover the Housing Agency match required by the grant agreement. The estimated balance in this fund at the end of 2024/2025 is \$56,398.

HUD Legal Settlement Fund (Public Housing)

Fund Statement

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025
Beginning Balance, July 1	\$ 0	\$ 147,422	\$ 151,398	\$ 151,398	\$ 103,898
Revenues					
Reimbursement of Damages	\$ 147,403	\$ 0	\$ 0	\$ 0	\$ 0
Interest	19	3,976	2,500	2,500	2,500
Total Revenues	\$ 147,422	\$ 3,976	\$ 2,500	\$ 2,500	\$ 2,500
Funds Available	\$ 147,422	\$ 151,398	\$ 153,898	\$ 153,898	\$ 106,398
Expenditures:					
Transfer Out:					
Lead Reduction Grant	0	0	0	50,000	50,000
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 50,000	\$ 50,000
Ending Balance, June 30	\$ 147,422	\$ 151,398	\$ 153,898	\$ 103,898	\$ 56,398
Increase (Decrease) in Fund Balance	\$ 147,422	\$ 3,976	\$ 2,500	\$ (47,500)	\$ (47,500)

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 currently 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 has been managed by the City through a contractual agreement with the Hershey Board. The City, however, will be discontinuing providing management services for Hershey Manor as of June 30, 2024.

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 2023/2024 revised estimate expenditures for the Clark House are over the budgeted amount by \$709,850. This increase is due to the net effect of (1) a \$72,170 decrease in personal services costs, (2) a \$4,900 increase in commodities, (3) a \$79,120 increase in contractual services, and (4) a \$698,000 increase in capital outlay. The decrease in personal services is primarily due to not filling the new Maintenance Repairperson position due to the upcoming staff reorganization related to discontinuing the management agreement for Hershey Manor. The increase in contractual services is due to increased pest control services and the need for a water extraction service after a water line break. The capital outlay increase is for apartment rehabilitation and appliance replacements (\$29,000), structural flooring and sprinkler system repairs carried forward from prior year (\$124,000), an increase in the roof replacement estimate (\$5,000), common area flooring carried over from the prior year (\$20,000), ADA upgrades carried over from the prior year (\$20,000), and the beginning of the elevator renovation project (\$500,000). The elevator renovation cost estimate is \$1,000,000 and the project is

scheduled to begin this spring. It is estimated that the project will be 50% complete by June 30, 2024. As such, 50% of the cost has been included in the 2023/2024 revised estimate with the other 50% in the 2024/2025 budget.

The Clark House budgeted expenditures for fiscal year 2024/2025 total \$1,266,950 which is \$411,210 (48.1%) more than the original 2023/2024 budget. The budget includes a decrease of \$1,960 in personal services costs, an increase of \$1,350 in commodities, an increase of \$35,820 in contractual services, and an increase of \$376,000 in capital outlay. The capital outlay allocation of \$561,800 includes funds for apartment rehabilitation including appliance replacements as needed (\$25,000), funds for five heating and air units (\$10,000), flooring in the common area (\$20,000), door handle replacements (\$5,000), \$1,800 for a computer replacement, and \$500,000 for the completion of the elevator renovations.

The 2023/2024 revised estimate revenues for the Clark House are \$151,100 more than the original budget. The HUD capital funds allocation of \$273,000 is \$73,000 more than the original budget and the HUD operating subsidy of \$207,000 is \$27,000 more than the original budget. The revenue increase also includes a \$15,000 increase in tenant rents, a \$15,000 increase in interest revenue, \$12,200 from an insurance reimbursement, and an \$8,900 increase in miscellaneous revenue. Tenant rents are based on tenant incomes according to HUD public housing program regulations.

The 2024/2025 budgeted revenues for the Clark House total \$1,228,500, which is \$480,300 more than the original 2023/2024 budget. The increase is due to a \$161,300 increase in HUD capital funds, a \$5,000 increase in interest revenue, a \$15,000 increase in tenant rents, a \$1,500 decrease in HUD operating subsidy, and a \$500 increase in miscellaneous revenue. The 2024/2025 budget also includes a \$300,000 transfer from the City's American Rescue Plan Act (ARPA) fund to complete the financing of the elevator project. The 2024/2025 budget includes an estimated \$178,500 in HUD operating subsidy funding and an estimated \$361,300 in HUD capital funds, which is the full amount of the 2023 capital grant to be expended for the elevator renovations.

The Clark House and Sunset Park are considered one project by HUD for accounting purposes. In the 2023/2024 revised estimate the combined Clark House and Sunset Park revenues are \$1,453,500 and the combined expenditures are \$2,074,080. This will result in an estimated \$620,580 decrease in the operating reserve to \$269,566 at the end of 2023/2024. This decrease is due to several maintenance projects including the elevator renovations at the Clark House, roof and vent replacement at the Clark House, structural flooring and sprinkler repairs at the Clark House, and exterior lighting at Sunset Park.

The 2024/2025 budgeted expenditures for the Clark House and Sunset Park total \$1,710,260 and revenues are budgeted at \$1,564,500. This will decrease the operating reserve by \$145,760 to \$123,806 at the end of 2024/2025. The combined public housing revenue estimate includes a total of \$361,300 of HUD capital funds, \$357,000 in HUD operating subsidy, and \$485,000 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 2023/2024 revised estimate expenditures for Sunset Park are \$118,540 more in total than the original budget. Personal services costs are \$44,630 less than the original budget, commodities are \$9,900 more, contractual services are \$43,270 more, and capital outlay is \$110,000 more than the original budget. The

decrease in personal services is primarily due to not filling the new Maintenance Repairperson position due to the upcoming staff reorganization related to discontinuing the management agreement for Hershey Manor. The capital outlay increase of \$110,000 is for exterior lighting carried forward from the prior year budget.

The 2024/2025 Sunset Park budgeted expenditures are \$53,360 (13.7%) more than the original 2023/2024 budget. This overall increase is the result of (1) a \$22,810 increase in personal services costs, (2) a \$450 increase in commodities, (3) a \$23,400 increase in contractual services, and (4) a \$6,700 increase in capital outlay. The increase in personal services costs is due to a staff reorganization resulting from the discontinuation of the management agreement for Hershey Manor. The 2024/2025 capital outlay allocation totals \$59,400 and includes \$25,000 for apartment rehabilitation including appliance replacements as needed, \$20,000 for foundation repairs, and \$14,400 for steel entry doors.

Revised estimate revenues for Sunset Park are \$162,500 more than the original budget. The HUD capital funds increased by \$79,700, the HUD operating subsidy increased by \$35,500, tenant rents increased by \$45,000, and other revenue increased by \$2,300.

Revenues for Sunset Park for 2024/2025 are estimated at \$336,000, which includes \$155,000 in rents, \$178,500 in HUD operating subsidy, and \$2,500 in other revenue. As mentioned above, the 2023 HUD capital funds are being allocated to the Clark House for the elevator renovations. 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.

The City has been providing management services for this facility since 1983. This arrangement will be terminated as of June 30, 2024. All costs associated with the operation of the project have been 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 agreement with the Hershey Board. From this management fee, the City has been 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 \$10,000 more than the original budget. There were increases and decreases throughout the budget. The net increase is due to (1) a \$4,100 decrease in personal services costs, (2) a \$1,300 increase in commodities, (3) a \$20,200 increase in contractual services, and (4) a \$7,400 decrease in capital outlay.

Revenues for the 2023/2024 revised estimate include \$214,600 in rental payments from the tenants and an estimated \$298,700 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 increased again to \$882 effective June 1, 2023.

As noted previously, the City has given notice to the Hershey Board that the City will be terminating the management agreement as of June 30, 2024. Because of this transition, there is no City budget for 2024/2025.

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. In 2023/2024, five (5) stability vouchers were added, bringing the total number of vouchers to 385.

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 \$187,779 at the end of 2021/2022 and it increased to \$199,957 at the end of 2022/2023. At the time the budget was completed, the Administrative Reserve was expected to decrease to \$195,617 at the end of 2023/2024 and further decrease to \$131,877 at the end of 2024/2025. These amounts are based on funding estimates available when the budget was prepared. Housing staff will continue to closely monitor HUD funding and expenditures for this program.

Federal contributions for fiscal year 2024/2025 are estimated at \$2,413,400 for the Section 8 Voucher Program, which includes \$2,107,400 for housing assistance payments (HAPS) and \$306,000 for administration of the program. These are budget estimates based on information available at the time the budget was prepared. The Section 8 Voucher Program budget for housing assistance payments will be adjusted if the HUD funds are lower or higher than the budget estimates. It is uncertain whether the HUD administrative fee will remain the same, decrease, or increase in calendar years 2024 and 2025. 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 2024 funding, the City has not been provided sufficient HUD funds to provide housing assistance to the maximum number of individuals or families possible (385). 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 and 2023, HUD restored funding for 100% of a fulltime FSS Coordinator due to the increased participation in this program.

The 2024/2025 budget includes funding of \$83,900 for a fulltime Housing Specialist assigned as the FSS Coordinator. Incidental expenses are estimated at \$8,640 in 2024/2025 which will be funded from Section 8 Housing Voucher Program administrative funding. Due to regulation changes in 2023, forfeited escrow funds now need to be accounted for separately and can be used for incidental needs of current, active FSS participants. Expenditures to date have been for bus passes for clients in need of transportation. There is an estimated \$1,000 for such expenses in the 2024/2025 budget.

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 2023/2024 revised estimate and the 2024/2025 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 the costs of a fulltime Housing Specialist have been allocated to this program.

The 2023/2024 revised estimate is \$95,600 more than the original budget due to an increased allocation for down payment assistance for eligible individuals and families that complete the Home Ownership classes, purchase homes, and that meet the eligibility requirements. Grant funding from the HOME Investment Partnership Program is funding the additional down payment assistance.

The 2024/2025 budget is \$197,600 more than the original budget for 2023/2024. The 2024/2025 budget continues the increased allocation for down payment assistance funded from the HOME grant.

The 2023/2024 revised estimate and the 2024/2025 budget include HOME grant funds of \$100,000 and \$200,000, respectively, to be used for down payment and closing cost assistance for those completing this program, if they meet the income eligibility requirements for this assistance.

The Local Housing Trust will provide \$28,000 of funding for the Home Ownership Program in 2024/2025. HUD Comprehensive Housing Counseling grant funding has also been received for this program. This funding was \$2,985 in 2020/2021, \$6,198 in 2021/2022, and \$20,670 in 2022/2023. This grant funding is estimated at \$12,400 in 2023/2024 and \$12,000 in 2024/2025. The 2023/2024 revised estimate and 2024/2025 budget include HOME grant funding for down payment assistance of \$100,000 and \$200,000 respectively. The revenues also include HOME grant funding for Administration of this program of \$5,000 in 2023/2024 and \$10,000 in 2024/2025. The balance in this fund has been decreasing in recent years and is estimated at \$13,693 at the end of 2024/2025. 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.

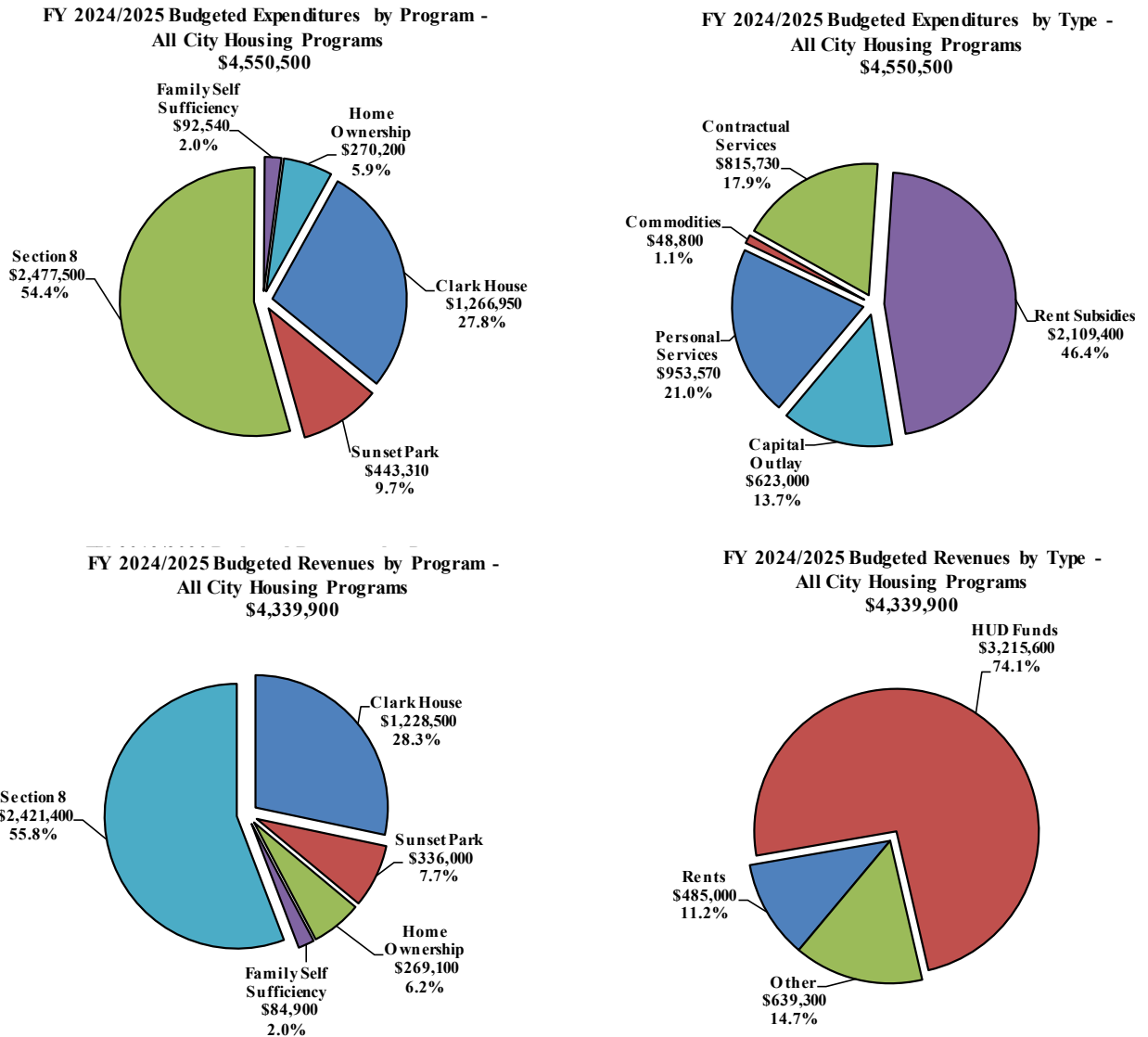
SUNSET PARK CHILDREN'S EDUCATION PROGRAM

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. In 2018/2019, Flickinger Learning Center began 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 2023/2024 revised estimate or the 2024/2025 budget.

CURRENT TRENDS AND ISSUES:

Budgeted operating expenditures for the City's Clark House, Sunset Park, Section 8 Voucher, and Home Ownership Program, total \$4,550,500 for 2024/2025 with budgeted revenues of \$4,339,900. 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 2024/2025 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 2024/2025 total \$74,600 and are allocated as follows:

Clark House	\$31,100
Sunset Park	15,300
Section 8 Voucher Program	<u>28,200</u>
	<u>\$74,600</u>

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 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
Public Housing:					
Clark House					
Units Months Available	1,200	1,200	1,200	1,200	1,200
Months Unit is Leased	1,136	1,101	1,138	1,138	1,140
Vacancy Rate	5.33%	8.25%	5.17%	5.17%	5.00%
Sunset Park					
Units Months Available	600	600	600	600	600
Months Unit is Leased	577	565	561	556	570
Vacancy Rate	3.83%	5.83%	6.50%	7.33%	5.00%
Combined					
Units Months Available	1,800	1,800	1,800	1,800	1,800
Months Unit is Leased	1,713	1,666	1,699	1,694	1,710
Percent Days Vacant	4.83%	7.44%	5.61%	5.89%	5.00%
Hershey Manor: (1)					
Units Months Available	600	600	600	600	N/A
Months Unit is Leased	511	543	558	572	N/A
Vacancy Rate	14.83%	9.50%	7.00%	4.67%	N/A
Section 8 Voucher Program:					
Unit Months Under Lease	3,846	3,846	3,930	4,476	4,560
Average Units Under Lease	320	321	328	373	380
Earned Administrative Fees	\$ 211,148	\$ 245,670	\$ 260,536	\$ 300,400	\$ 306,000
Housing Assistance Payments	\$ 1,516,232	\$ 1,755,050	\$ 1,788,348	\$ 2,048,300	\$ 2,107,400
Family Self Sufficiency:					
Total Participants	37	42	41	45	50
Participants with Escrow Balance	12	13	25	25	30
Participants Enrolled in Education	5	7	10	15	15
Participants Becoming Employed	9	18	30	30	30

1. 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 a 3% vacancy rate 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. The City will be discontinuing the Hershey Manor Management agreement effective June 30, 2024.

PERFORMANCE MEASURES (Continued):

	Actual 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
Housing Counseling (Homeownership): (2)					
Clients Completing 8 Hour Class	0	22	41	45	50
Counseling/Households Served	2	77	254	230	115
Clients < 80% Median Income	2	77	245	220	110
Clients Purchasing Housing	0	5	0	10	15
Section 8 Homeownership Clients					
Purchasing Housing	1	0	0	1	2
Clients Completing Renter					
Counseling	0	51	213	175	60

- 1) 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:

Muscatine Municipal Housing Agency (MMHA) staff has had a busy year. The Housing Choice Voucher Program Housing Specialists have conducted 12 briefings (group meetings required of all program participants) for 703 applicants, up from 628 invited last fiscal year. Last year, 296 families attended a briefing, of which 38 families leased up. This year, 334 families attended a briefing, of which 89 families signed leases for the Housing Choice Voucher program. Leasing up remains difficult due to the lack of participating properties. The Housing Specialist hired last fall continues to increase her Voucher caseload while also working half-time on the Family Self Sufficiency Program. Housing Choice Voucher participation is higher than any of the current staff have experienced resulting in the increase in the agency’s HUD budget authority and HAP reserves.

New regulations for the Family Self-Sufficiency (FSS) Program were released in 2022, which required the program be put on hold for almost 6 months while a new program plan and policies were developed. At the beginning of 2023, staff started enrolling new participants and established the new Program Coordinating Committee. Enrollment is steadily increasing, but the coordinators are balancing increasing enrollment with ensuring clients actively work the program.

Vacancy rates in the City’s public housing program have been higher than normal in recent years. In recent months, however, the Public Housing Specialists have moved 37 tenants into the Clark House and Sunset Park. An additional 15 tenants have moved into Hershey Manor. Occupancy seems to be getting more stable, compared to the initial impact after the four new rent-restricted housing projects came online in recent years.

In August of 2022, the Hershey Manor refinancing was completed which allowed funding for replacement of the HVAC system and the replacement of windows. All interior window work has been completed including window installation, remediating the window rot, window trim, and placement of new Corian countertops in each unit and all common spaces. The contractor will now finish re-siding the building’s distressed areas. The HVAC project is 85% complete. However, the manufacturer received a bad batch of compressor parts, which the HVAC contractor is working to replace under the warranty.

In October 2023, City staff notified the Benjamin Hershey Memorial Convalescent Home Board that the City of Muscatine would no longer be providing management services to Hershey Manor effective July 1, 2024. The termination of the contract will have some budget implications for the public housing program; these are accounted for in the 2024/2025 budgets.

The Housing Counselor spent much of the last year rebuilding the program and catching up on client services. Marketing materials were developed and distributed. Staff met with realtors and lenders, and attended training to sustain certifications. These efforts have been successful, with participants in every 8-hour homebuyer course offered, and 17 families buying their first homes, including 10 with down payment assistance. The Counselor offered 35 renter education classes in 2023, providing valuable information on tenant-landlord responsibilities and fair housing to every household on the Voucher waiting list. The Muscatine Municipal Housing Agency has also started offering the homebuyer education course in Spanish.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025:

- **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.

Section 8 Housing Choice Voucher Program

- Maintain an average of 350 vouchers under lease throughout the fiscal year.
- Expend 100% of housing assistance funding awarded.
- Maintain High Performer status on SEMAP (Section 8 Management Assessment Program).

Family Self-Sufficiency (FSS) Program

- 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

- Offer six Home Ownership classes in the fiscal year.
- Offer six renter counseling classes in the fiscal year.
- Increase participation in the Housing Choice Voucher Home Ownership Program.

**Public Housing Program
Clark House and Sunset Park
Fund Statement**

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Operating Reserve, July 1	\$ 577,552	\$ 707,545	\$ 604,075	\$ 890,146	\$ 269,566
Revenues					
Dwelling Rentals	\$ 445,104	\$ 482,781	\$ 425,000	\$ 485,000	\$ 485,000
Federal Grants:					
Operating Subsidy	434,394	360,049	360,000	422,500	357,000
CARES Act Grant	28,561	0	0	0	0
HUD Capital Funds:					
2019 Grant	38,753	0	0	0	0
2020 Grant	60,354	130,534	0	92,000	0
2021 Grant	0	293,762	0	0	0
2022 Grant	0	0	300,000	360,700	0
2023 Grant	0	0	0	0	361,300
Interest Income	463	23,548	10,000	25,000	15,000
Insurance Reimbursements	28,204	2,820	0	12,200	0
Laundry Fees	10,666	9,796	10,000	10,000	10,000
Cell Tower Leases	27,722	32,225	28,200	28,700	28,700
Miscellaneous	12,192	12,041	6,700	17,400	7,500
Transfer in:					
ARPA Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>300,000</u>
Total Revenues	<u>\$ 1,086,413</u>	<u>\$ 1,347,556</u>	<u>\$ 1,139,900</u>	<u>\$ 1,453,500</u>	<u>\$ 1,564,500</u>
Funds Available	<u>\$ 1,663,965</u>	<u>\$ 2,055,101</u>	<u>\$ 1,743,975</u>	<u>\$ 2,343,646</u>	<u>\$ 1,834,066</u>
Expenditures					
Clark House	\$ 619,333	\$ 710,966	\$ 855,740	\$ 1,565,590	\$ 1,266,950
Sunset Park	<u>337,087</u>	<u>453,989</u>	<u>389,950</u>	<u>508,490</u>	<u>443,310</u>
Total Expenditures (1)	<u>\$ 956,420</u>	<u>\$ 1,164,955</u>	<u>\$ 1,245,690</u>	<u>\$ 2,074,080</u>	<u>\$ 1,710,260</u>
Operating Reserve, June 30	<u><u>\$ 707,545</u></u>	<u><u>\$ 890,146</u></u>	<u><u>\$ 498,285</u></u>	<u><u>\$ 269,566</u></u>	<u><u>\$ 123,806</u></u>
Increase (Decrease) in Operating Reserve	\$ 129,993	\$ 182,601	\$ (105,790)	\$ (620,580)	\$ (145,760)

1. Expenditures include changes in compensated absences.

**Public Housing Program
Clark House and Sunset Park
Summary of Revenues**

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025
Clark House:					
Dwelling Rentals	\$ 315,833	\$ 324,154	\$ 315,000	\$ 330,000	\$ 330,000
Federal Grants:					
Operating Subsidy	213,016	180,025	180,000	207,000	178,500
CARES Act Grant	9,640	0	0	0	0
HUD Capital Funds:					
2019 Grant	29,977	0	0	0	0
2020 Grant	38,541	72,474	0	0	0
2021 Grant	0	143,351	0	92,000	0
2022 Grant	0	0	200,000	181,000	0
2023 Grant	0	0	0	0	361,300
Interest Income	463	23,556	10,000	25,000	15,000
Laundry Fees	10,666	9,796	10,000	10,000	10,000
Insurance Reimbursement	28,204	2,820	0	12,200	0
Cell Tower Leases	27,722	32,225	28,200	28,700	28,700
Miscellaneous	6,640	2,980	5,000	13,400	5,000
Transfer in:					
ARPA Funds	0	0	0	0	300,000
Subtotal	\$ 680,702	\$ 791,381	\$ 748,200	\$ 899,300	\$ 1,228,500
Sunset Park:					
Dwelling Rentals	\$ 129,271	\$ 158,627	\$ 110,000	\$ 155,000	\$ 155,000
Federal Grants:					
Operating Subsidy	221,378	180,024	180,000	215,500	178,500
CARES Act Grant	18,921	0	0	0	0
HUD Capital Funds:					
2019 Grant	8,776	0	0	0	0
2020 Grant	21,813	58,060	0	0	0
2021 Grant	0	150,411	0	0	0
2022 Grant	0	0	100,000	179,700	0
Interest Income	0	(8)	0	0	0
Miscellaneous	5,552	9,061	1,700	4,000	2,500
Subtotal	\$ 405,711	\$ 556,175	\$ 391,700	\$ 554,200	\$ 336,000
Total	\$ 1,086,413	\$ 1,347,556	\$ 1,139,900	\$ 1,453,500	\$ 1,564,500

Function:
Business Type

Department:
Housing

Activity:
Clark House

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 223,177	\$ 245,776	\$ 323,140	\$ 250,970	\$ 321,180	-0.61%
Commodities	20,341	27,903	25,200	30,100	26,550	5.36%
Contractual Services	311,078	357,664	321,600	400,720	357,420	11.14%
Capital Outlay	70,133	78,258	185,800	883,800	561,800	202.37%
Transfers	-	-	-	-	-	
Total Expenditures	\$ 624,729	\$ 709,601	\$ 855,740	\$ 1,565,590	\$ 1,266,950	48.05%
Funding Sources						
Dwelling Rentals	\$ 315,833	\$ 324,154	\$ 315,000	\$ 330,000	\$ 330,000	4.76%
Interest Income	463	23,556	10,000	25,000	15,000	50.00%
Federal Grants:						
Operating Subsidy	213,016	180,025	180,000	207,000	178,500	-0.83%
HUD Capital Funds	68,518	215,825	200,000	273,000	361,300	80.65%
HUD CARES Act Funds	9,640	-	-	-	-	
Cell Tower Leases	27,722	32,225	28,200	28,700	28,700	1.77%
Office Space Lease	-	-	4,000	4,000	4,000	0.00%
Insurance Reimbursements	28,204	2,820	-	12,200	-	
Miscellaneous	17,306	12,776	11,000	19,400	11,000	0.00%
Transfer In:						
American Rescue Plan Act Funds	-	-	-	-	300,000	
Total Funding Sources	\$ 680,702	\$ 791,381	\$ 748,200	\$ 899,300	\$ 1,228,500	64.19%
Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
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	0.60	
Maintenance Repairperson	0.10	0.10	0.87	0.87	0.50	
Custodian II	0.10	0.10	-	-	-	
Housing Program Supervisor	0.25	0.25	0.25	0.25	0.25	
Housing Specialist	1.00	1.00	1.00	1.00	1.00	
Total Full Time	2.10	2.10	2.77	2.77	2.50	
Part Time:						
Custodian II	0.76	0.76	0.78	0.78	0.81	
Office Assistant	0.05	0.05	0.05	0.05	0.05	
Total Part Time	0.81	0.81	0.83	0.83	0.86	
Total	2.91	2.91	3.60	3.60	3.36	\$ 215,130
Employee Benefits						106,050
Total Personal Services						\$ 321,180

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Apartment Rehabilitation	6	Yes	\$ 15,000
Appliances	10	Yes	10,000
PTAC Units (Apartment Heating and Air Conditioning Units)	5	Yes	10,000
Common Area Flooring		Yes	20,000
Replace Apartment Door Handles	100	Yes	5,000
Computer	1	Yes	1,800
Elevator Renovations (Final 50% of Project Cost)	2	Yes	500,000
Total			<u>\$ 561,800</u>

Function:
Business Type

Department:
Housing

Activity:
Sunset Park Housing

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 148,976	\$ 158,678	\$ 205,130	\$ 160,500	\$ 227,940	11.12%
Commodities	17,228	27,416	16,150	26,050	16,600	2.79%
Contractual Services	98,573	171,145	115,970	159,240	139,370	20.18%
Capital Outlay	72,310	96,750	52,700	162,700	59,400	12.71%
Transfers	-	-	-	-	-	
Total Expenditures	\$ 337,087	\$ 453,989	\$ 389,950	\$ 508,490	\$ 443,310	13.68%
Funding Sources						
Dwelling Rentals	\$ 129,271	\$ 158,627	\$ 110,000	\$ 155,000	\$ 155,000	40.91%
Federal Grants:						
Operating Subsidy	221,378	180,024	180,000	215,500	178,500	-0.83%
HUD Capital Funds	30,589	208,471	100,000	179,700	-	-100.00%
HUD CARES Act Funds	18,921	-	-	-	-	
Miscellaneous	5,552	9,053	1,700	4,000	2,500	47.06%
Total Funding Sources	\$ 405,711	\$ 556,175	\$ 391,700	\$ 554,200	\$ 336,000	-14.22%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
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	0.40	
Housing Specialist	0.50	0.50	0.50	0.50	0.50	
Housing Program Supervisor	0.15	0.15	0.15	0.15	0.25	
Maintenance Repairperson	0.35	0.35	0.70	0.70	0.50	
Custodian II	0.35	0.35	-	-	-	
Total Full Time	1.70	1.70	1.70	1.70	1.75	
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	0.56	
Total Part Time	0.08	0.08	0.08	0.08	0.61	
Total	1.78	1.78	1.78	1.78	2.36	\$ 152,770
Employee Benefits						75,170
Total Personal Services						\$ 227,940

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Apartment Rehabilitation	5	Yes	\$ 15,000
Appliance Replacements	10	Yes	10,000
Steel Entry Doors	50	Yes	14,400
Foundation Repairs			20,000
			<u>\$ 59,400</u>

Hershey Manor

Fund Statement

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025 (4)
Revenues					
Dwelling Rentals	\$ 214,198	\$ 216,931	\$ 211,700 (1)	\$ 214,600 (3)	\$ 0
Housing Assistance Payments - HUD	286,602	296,319	317,500 (1)	314,600 (3)	0
HUD Payment Reduction for Vacancies	(48,036)	(29,203)	(39,700) (1)	(15,900) (3)	0
Interest Income	616	6,039	2,000	8,100	0
Laundry Income	4,786	4,079	4,300	4,000	0
CARES Act Funding	3,346	0	0	0	0
Total Revenues	\$ 461,512	\$ 494,165	\$ 495,800	\$ 525,400	\$ 0
Operating Expenditures	351,745	382,919	447,600	463,050	0
Residual Receipts Before Depreciation, Principal Retirement, and Reserves	\$ 109,767	\$ 111,246	\$ 48,200	\$ 62,350	\$ 0
Additional Budget Items:					
Principal Retirement	(66,013)	(38,864)	(37,909)	(37,909)	0
Replacement Reserve Transfers	(30,833)	(31,381)	(35,004)	(35,004)	0
Debt Service Reserve Transfers	(49,668)	(8,278)	0	0	0
Portion of Above Interest from Reserve Funds	(607)	(1,117)	(2,000)	(8,100)	0
Transfers from Residual Receipts Reserve (2)	10,000	0	0	0	0
Transfers from Replacement Reserve (2)	19,005	19,504	33,400	26,000	0
Net Surplus (Deficit)	\$ (8,349)	\$ 51,110	\$ 6,687	\$ 7,337	\$ 0
Surplus (Deficit) per Unit Month	\$ (13.92)	\$ 85.18	\$ 11.15	\$ 12.23	\$ 0
		Increase due to re-financing the property loan			

1. The 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 was allowed for in the 2023/2024 budget.
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 2023/2024 revised estimate HUD Housing Assistance Payments and dwelling rental amounts shown are based on the approved fair market rent amount of \$882 per month. A 3.0% vacancy rate is allowed for in the revised estimate.
4. The City has given notice that it will no longer provide management services to Hershey Manor effective July 1, 2024; accordingly, no City budget is shown for the 2024/2025 fiscal year.

Function:
Community and Economic Development

Department:
Housing

Activity:
Hershey Manor Housing

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 101,342	\$ 109,138	\$ 114,230	\$ 110,130	\$ -	-100.00%
Commodities	8,508	7,079	8,000	9,300	-	-100.00%
Contractual Services	154,319	143,916	166,540	186,740	-	-100.00%
Capital Outlay	24,672	12,761	33,400	26,000	-	-100.00%
Interest/Mortgage Insurance	62,904	110,025	125,430	125,430	-	-100.00%
Total Expenditures	\$ 351,745	\$ 382,919	\$ 447,600	\$ 457,600	\$ -	-100.00%
Funding Sources						
Dwelling Rentals	\$ 214,198	\$ 216,931	\$ 211,700	\$ 214,600	\$ -	-100.00%
Housing Assistance						
Payments - HUD	238,566	267,116	277,800	298,700	-	-100.00%
HUD-CARES Act Funds	3,346	-	-	-	-	-100.00%
Interest Income	616	6,039	2,000	8,100	-	-100.00%
Other Income	4,786	4,079	4,300	4,000	-	-100.00%
Total Funding Sources	\$ 461,512	\$ 494,165	\$ 495,800	\$ 525,400	\$ -	-100.00%
Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time:						
Housing Maintenance						
Supervisor	0.25	0.25	0.25	0.25	-	
Custodian II	0.05	0.05	-	-	-	
Housing Program Supervisor	0.10	0.10	0.10	0.10	-	
Housing Specialist	0.50	0.50	0.50	0.50	-	
Maintenance Repairperson	0.05	0.05	0.10	0.10	-	
Total Full Time	0.95	0.95	0.95	0.95	-	
Part Time:						
Custodian	0.51	0.53	0.53	0.53	-	
Total	1.46	1.48	1.48	1.48	-	\$ -
Employee Benefits						-
Total Personal Services						\$ -

Section 8 Voucher Program

Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 132,154	\$ 209,619	\$ 190,484	\$ 199,957	\$ 195,617
Revenues:					
HUD Contributions-Housing Assistance Payments	\$ 1,755,050	\$ 1,788,348	\$ 1,800,800	\$ 2,048,300	\$ 2,107,400
HUD Contributions-Administration	245,670	260,536	265,600	300,400	306,000
HUD Contributions-Family Self-Sufficiency	49,167	79,477	78,700	80,700	83,900
HUD Contributions-Admin CARES Act	72,692	0	0	0	0
FSS Escrow Forfeitures	9,772	4,810	0	2,300	1,000
Fraud Recovery - HUD Portion	1,631	2,168	1,000	6,000	1,000
Fraud Recovery - Admin Portion	1,631	2,168	1,000	6,000	1,000
Interest - Admin Reserve	196	5,558	3,000	9,000	6,000
Total Revenues	<u>\$ 2,135,809</u>	<u>\$ 2,143,065</u>	<u>\$ 2,150,100</u>	<u>\$ 2,452,700</u>	<u>\$ 2,506,300</u>
Funds Available	<u>\$ 2,267,963</u>	<u>\$ 2,352,684</u>	<u>\$ 2,340,584</u>	<u>\$ 2,652,657</u>	<u>\$ 2,701,917</u>
Expenditures:					
Housing Assistance Payments	\$ 1,744,613	\$ 1,817,166	\$ 1,801,800	\$ 2,056,600	\$ 2,109,400
Voucher Program Administration	190,835	252,838	302,400	308,310	368,100
Family Self-Sufficiency Coordinator:					
Grant Funded Portion	49,167	79,477	78,700	80,700	83,900
Non-Grant Funded Portion	1,037	3,246	0	11,430	8,640
Voucher Admin - CARES Act	72,692	0	0	0	0
Total Expenditures	<u>\$ 2,058,344</u>	<u>\$ 2,152,727</u>	<u>\$ 2,182,900</u>	<u>\$ 2,457,040</u>	<u>\$ 2,570,040</u>
Ending Balance, June 30	<u>\$ 209,619</u>	<u>\$ 199,957</u>	<u>\$ 157,684</u>	<u>\$ 195,617</u>	<u>\$ 131,877</u>
Ending Balance Reserved for:					
Housing Assistance Payments (1)	\$ 21,840	\$ 0	\$ 21,840	\$ 0	\$ 0
Administration	187,779	199,957	135,844	195,617	131,877
Total Ending Balance	<u>\$ 209,619</u>	<u>\$ 199,957</u>	<u>\$ 157,684</u>	<u>\$ 195,617</u>	<u>\$ 131,877</u>

Increase (Decrease) in Fund Balance	\$ 77,465	\$ (9,662)	\$ (32,800)	\$ (4,340)	\$ (63,740)
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- 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 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 114,924	\$ 160,714	\$ 204,820	\$ 209,680	\$ 271,260	32.44%
Commodities	2,524	4,776	3,500	5,150	4,050	15.71%
Contractual Services	1,818,001	1,904,513	1,890,080	2,144,280	2,200,390	16.42%
Capital Outlay	-	-	5,800	5,800	1,800	-68.97%
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 1,935,449</u>	<u>\$ 2,070,003</u>	<u>\$ 2,104,200</u>	<u>\$ 2,364,910</u>	<u>\$ 2,477,500</u>	17.74%
Funding Sources						
HUD Contributions	\$ 2,000,720	\$ 2,048,884	\$ 2,066,400	\$ 2,348,700	\$ 2,413,400	16.79%
HUD CARES Act Funds	72,692	-	-	-	-	
Repayment Agreements	3,262	4,336	2,000	12,000	2,000	0.00%
Interest	196	5,558	3,000	9,000	6,000	100.00%
Other Income	9,772	4,810	-	-	-	
Total Funding Sources	<u>\$ 2,086,642</u>	<u>\$ 2,063,588</u>	<u>\$ 2,071,400</u>	<u>\$ 2,369,700</u>	<u>\$ 2,421,400</u>	16.90%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time:						
Community Development Director	0.05	0.05	0.05	0.05	0.05	
Housing Program Supervisor	0.50	0.50	0.50	0.33	0.50	
Housing Specialist	1.00	1.50	1.50	1.75	2.00	
Total Full Time	<u>1.55</u>	<u>2.05</u>	<u>2.05</u>	<u>2.13</u>	<u>2.55</u>	
Part Time:						
Office Assistant	0.43	0.53	0.53	0.45	0.53	
Total	1.98	2.58	2.58	2.58	3.08	\$ 174,640
Employee Benefits						96,620
Total Personal Services						<u>\$ 271,260</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Computer	1	Yes	<u>\$ 1,800</u>

Function:
Community and Economic Development

Department:
Housing

Activity:
Family Self Sufficiency Program

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 49,205	\$ 80,235	\$ 72,880	\$ 80,160	\$ 88,290	21.14%
Commodities	25	-	-	2,300	1,000	
Contractual Services	974	2,488	5,820	9,670	3,250	-44.16%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 50,204	\$ 82,723	\$ 78,700	\$ 92,130	\$ 92,540	17.59%
Funding Sources						
HUD Contribution	\$ 49,167	\$ 79,477	\$ 78,700	\$ 80,700	\$ 83,900	6.61%
Section 8 HUD Admin Funds	1,037	3,246	-	9,130	7,640	
FSS Escrow Forfeitures	-	-	-	2,300	1,000	
Total Funding Sources	\$ 50,204	\$ 82,723	\$ 78,700	\$ 92,130	\$ 92,540	17.59%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time:						
Housing Specialist	0.70	1.00	1.00	1.00	1.00	\$ 53,260
Employee Benefits						35,030
Total Personal Services						\$ 88,290

**Public Housing
Home Ownership Program
Fund Statement**

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	38,512	25,962	\$ 54,979	\$ 16,893	\$ 14,793
Revenues:					
HUD Counseling Grant	\$ 6,198	\$ 20,670	\$ 14,000	\$ 12,400	\$ 12,000
Housing Trust - Down Payment Assistance (DPA)	0	0	0	18,800	18,800
Local Housing Trust Funds	16,223	42,801	45,000	29,500	28,000
State HOME Grant - Administration	0	0	0	5,000	10,000
State HOME Grant - Down Payment Assistance	0	0	0	100,000	200,000
Interest	20	537	100	400	300
Transfer from CDBG Fund:					
Housing Rehab Reimbursements	<u>0</u>	<u>0</u>	<u>13,600</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 22,441</u>	<u>\$ 64,008</u>	<u>\$ 72,700</u>	<u>\$ 166,100</u>	<u>\$ 269,100</u>
Funds Available	\$ 60,953	\$ 89,970	\$ 127,679	\$ 182,993	\$ 283,893
Expenditures	<u>34,991</u>	<u>73,077</u>	<u>72,600</u>	<u>168,200</u>	<u>270,200</u>
Ending Balance, June 30	<u><u>25,962</u></u>	<u><u>16,893</u></u>	<u><u>\$ 55,079</u></u>	<u><u>\$ 14,793</u></u>	<u><u>\$ 13,693</u></u>
Increase (Decrease) in Fund Balance (1)	\$ (12,550)	\$ (9,069)	\$ 100	\$ (2,100)	\$ (1,100)

Function:
Community and Economic Development

Department:
Housing

Activity:
Home Ownership Program

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 31,934	\$ 38,271	\$ 41,100	\$ 41,200	\$ 44,900	9.25%
Commodities	57	228	500	600	600	20.00%
Contractual Services	3,000	34,578	31,000	126,400	224,700	624.84%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	<u>\$ 34,991</u>	<u>\$ 73,077</u>	<u>\$ 72,600</u>	<u>\$ 168,200</u>	<u>\$ 270,200</u>	272.18%
Funding Sources						
HUD Counseling Grant	\$ 6,198	\$ 20,670	\$ 14,000	\$ 12,400	\$ 12,000	-14.29%
Local Housing Trust Fund	16,223	42,801	45,000	29,500	28,000	-37.78%
Transfer from CDBG Fund - Housing Rehab Reimb.	-	-	13,600	-	-	-100.00%
Housing Trust - Down Payment Assistance	-	-	-	18,800	18,800	
State HOME Grant - Administration	-	-	-	5,000	10,000	
State HOME Grant - Down Payment Assistance	-	-	-	100,000	200,000	
Interest	20	537	100	400	300	200.00%
Total Funding Sources	<u>\$ 22,441</u>	<u>\$ 64,008</u>	<u>\$ 72,700</u>	<u>\$ 166,100</u>	<u>\$ 269,100</u>	270.15%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time:						
Housing Specialist	0.50	0.50	0.50	0.50	0.50	
Total	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	\$ 27,300
Employee Benefits						17,600
Total Personal Services						<u>\$ 44,900</u>

**Public Housing
Sunset Park Education Program
Fund Statement**

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 6,681	\$ 6,922	\$ 7,109	\$ 7,109	\$ 7,109
Revenues:					
Contributions - United Way	\$ 234	\$ 0	\$ 0	\$ 0	\$ 0
Interest	7	187	0	0	0
Total Revenues	<u>\$ 241</u>	<u>\$ 187</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Funds Available	\$ 6,922	\$ 7,109	\$ 7,109	\$ 7,109	\$ 7,109
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u><u>6,922</u></u>	<u><u>7,109</u></u>	<u><u>\$ 7,109</u></u>	<u><u>\$ 7,109</u></u>	<u><u>\$ 7,109</u></u>

Increase (Decrease) in Fund Balance	\$ 241	\$ 187	\$ 0	\$ 0	\$ 0
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SPECIAL REVENUE FUND

LEAD HAZARD REDUCTION GRANT

GENERAL INFORMATION:

Of the approximately 10,000 housing units in Muscatine, almost 80% of them were built before 1979 and are at-risk of containing lead-based paint on some or all surfaces. If these surfaces are not maintained they may begin to peel or chip, causing an increased risk to the health of young children. Due to this hazard, the identification of peeling paint is a component of all rental inspections, and if identified, can require costly mitigation.

Each year the U.S. Department of Housing and Urban Development provides funding for testing and remediation of lead-based paint and other hazards in homes occupied by low-income families where young children live or visit. While it was determined a number of years ago that there was a need to address the potential presence of lead-based paint in local homes, it was also known that grant applications for this program go through a competitive process and require a technical application. As a result, a contract with Impact 7G was brought to the October 20, 2022, meeting of City Council. The contract was approved and work on the grant application began.

At the April 20, 2023 meeting, City Council approved submitting the grant application with a focus on the most concentrated area of eligible homes, Census Tract 508, which is in the center of the City and includes the Mulberry Revitalization Program area, to maximize resources and realize the greatest impact. In November of 2023, Council approved accepting the Lead Hazard Reduction and Healthy Homes Grant.

The Lead Hazard Reduction Grant Program's goal is to maximize the number of children under the age of six protected from lead poisoning. The program assists governments in developing a program to identify and control lead-based paint hazards in eligible privately-owned rental or owner-occupied housing populations. In addition, there is Healthy Homes Supplemental funding available to enhance the lead-based paint hazard control activities by comprehensively identifying and addressing other hazards that affect occupant health.

Over the 4-year grant period, lead and other hazards will be addressed in 65 homes. The total program budget is approximately \$3.337 million, including \$2,556,932 for the Lead Hazard Reduction Program. The grant will pay for testing for lead, purchasing necessary testing equipment, making blood testing in potentially affected children available, staff to implement the program, staff and contractor training, and compliance activities. An additional \$400,000 from the Healthy Homes Program will be used to address other hazards that contribute to multiple childhood diseases and injuries in the home, such as mold, allergens, and carbon monoxide. Additionally, remaining funds will come from locally available resources to provide the approved match. These match resources include Housing Agency resources (\$100,000), Community Development Block Grant funds (\$250,000), and landlord contributions.

CURRENT TRENDS AND ISSUES:

The 2023/2024 revised estimate totals \$557,800. Personal services are \$93,500. The Community Development Director will be allocated 15% to this project effective January 1, 2024. A Program Manager and a Program Specialist will be hired and allocated to this program. Commodities are \$4,400 and contractual services are \$428,100. Contractual services include program marketing, environmental assessments, training and certifications for new employees, and \$250,000 for payments to homeowners and contractors for lead remediation. The 2023/2024 revised estimate also includes \$31,800 in capital outlay for two new computers (\$4,000), two new tablets (\$3,000), and an x-ray florescence analyzer required for lead testing (\$24,800).

The 2023/2024 revenues include \$447,800 from the Lead Hazard Reduction Grant, \$50,000 from the Healthy Homes Grant, \$10,000 in landlord contributions, and a \$50,000 transfer from the HUD Legal Settlement fund.

The 2024/2025 budget includes expenditures totaling \$1,244,300. The 2024/2025 budget will be the first full year of grant expenditures. The budget includes \$196,900 for personal services costs, \$4,400 for commodities, and \$1,043,000 in contractual services. The 2024/2025 contractual services allocation continues funding for environmental assessments, employee training, and \$750,000 for payments to homeowners for hazard remediations.

The 2024/2025 revenues include \$1,014,300 from the Lead Hazard Reduction Grant, \$150,000 from the Healthy Homes Grant, \$30,000 in landlord contributions, and a \$50,000 transfer from the HUD Legal Settlement fund.

GOAL STATEMENT:

To improve the living conditions of families with children under the age of 6 by removing environmental hazards from homes.

PERFORMANCE MEASURES:

	Actual 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
Completed Lead Hazard Reduction Projects	N/A	N/A	N/A	10	20
Completed Healthy Homes Projects	N/A	N/A	N/A	10	20

RECENT ACCOMPLISHMENTS:

In November of 2023, City Council approved accepting the Lead Hazard Reduction and Healthy Homes Grants. At the time the budget was being prepared, job recruitment for the Program Manager and the Program Specialist were in progress. Program expenses have been identified. Employee training and recruiting families and landlords to participate in the program will account for the majority of the expenditures in the first year.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025:

- **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.
 - Provide lead hazard reduction and safe work practices training and certification opportunities to contractors and construction workers.
 - Provide information to neighborhood residents and property owners on the risks related to lead and other health hazards and how to participate in the programs.

**Community Development
Lead Hazard Reduction Grant
Fund Statement**

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	0	0	\$ 0	\$ 0	\$ 0
Revenues:					
Lead Hazard Reduction Grant	\$ 0	\$ 0	\$ 0	\$ 447,800	\$ 1,014,300
Healthy Homes Grant	0	0	0	50,000	150,000
Landlord Contributions	0	0	0	10,000	30,000
Transfers In:					
HUD Legal Settlement Funds	0	0	0	50,000	50,000
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 557,800</u>	<u>\$ 1,244,300</u>
Funds Available	\$ 0	\$ 0	\$ 0	\$ 557,800	\$ 1,244,300
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>557,800</u>	<u>1,244,300</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 (1)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Function:
Community and Economic Development

Department:
Community Development

Activity:
Lead Hazard Reduction Grant

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ 93,500	\$ 196,900	
Commodities	-	-	-	4,400	4,400	
Contractual Services	-	-	-	428,100	1,043,000	
Capital Outlay	-	-	-	31,800	-	
Interest/Mortgage Insurance	-	-	-	-	-	
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 557,800</u>	<u>\$ 1,244,300</u>	
Funding Sources						
Lead Hazard Reduction Grant	\$ -	\$ -	\$ -	\$ 447,800	\$ 1,014,300	
Healthy Homes Grant	-	-	-	50,000	150,000	
Landlord Contributions	-	-	-	10,000	30,000	
Transfer In:						
HUD Legal Settlement	-	-	-	50,000	50,000	
Total Funding Sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 557,800</u>	<u>\$ 1,244,300</u>	
Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time/Full Time Allocations:						
Community Development						
Director	-	-	-	0.08	0.15	
Grant Program Manager	-	-	-	0.42	1.00	
Grant Intake Specilaist	-	-	-	0.42	1.00	
Total	-	-	-	0.91	2.15	\$ 119,600
Employee Benefits						77,300
Total Personal Services						<u>\$ 196,900</u>

DEBT SERVICE FUND

DEBT SERVICE FUND

GENERAL INFORMATION:

Bond and interest payments on outstanding long-term debt are basically made from two (2) types of debt repayment funds: the Debt Service Fund and Revenue Sinking Funds. Revenue Sinking Funds are considered part of the Enterprise Fund structure and consequently are included in that section of the budget document.

The Debt Service Fund accounts for general obligation (G.O.) bonds, which are backed by the full faith and credit of the City of Muscatine. As of July 1, 2024, the City's G.O. bonds outstanding on existing bond issues will total \$12,090,000. The City will be issuing \$4,880,000 in new general obligation bonds in June of 2024. This will bring the total G.O. bonds outstanding on July 1, 2024 to \$16,970,000. This amount includes debt that will be funded from enterprise and tax increment funds.

In August of 2023, the City entered into a general obligation State Revolving Fund (SRF) Loan of \$8,000,000 to finance Phases 6-A and 6-B of the West Hill Sewer Separation project. This loan will be repaid with local option sales tax funds and does not impact the City's general obligation debt service tax levy rate. Additional SRF general obligation loans will be issued for Phase 6-C and Phases 6-D and 6-E of the West Hill Sewer Separation project. The West Hill Sewer project is mandated by an E.P.A. Consent Order to be completed by 2028.

The City traditionally issues bonded debt every other year. A list of the projects to be funded from the May 2024 issue and the estimated bond funding requirements are in the following chart.

City of Muscatine
Projects to be Funded from the June 2024 Bond Issue

	2024 Bond Requirements
Community Development:	
Building Demolition Projects	\$ 200,000
Parks:	
Soccer Fields #1 - #6 Irrigation System Improvements	221,000
Weed Park Lagoon Bank Stabilization Project	500,000
Indoor Sports Dome (Local Share)	700,000
Deferred Building Maintenance Projects:	
Roofs, Windows, Doors, etc.	260,000
Airport Projects:	
Taxiway Widening Project (Local Share)	49,000
Relocate Fuel System Phase 1 (Local Share)	100,000
Lights, PAPIs, and REILs for Runway 12/30 (Local Share)	65,000
Relocate Jet A Fuel Tank (Local Share)	80,000
Police Department:	
Training Facility (Shooting Range, etc.) - City's 50% Share	700,000
Fire Department:	
Fire Engine	918,000
New Ambulance	280,000
Public Works Department:	
Vehicle Wash Bay - Local Share (Series B)	205,000
Public Works Fuel Tank and Pump Replacements	500,000
Total Bond Issue (Before Issuance Costs)	\$ 4,778,000
Estimated Bond Issuance Costs/Underwriters Discount	102,000
Total Bond Issue	\$ 4,880,000

CURRENT TRENDS AND ISSUES:

The debt service tax levy rate for the current 2023/2024 fiscal year is \$2.04192 per \$1,000 of valuation. This rate will decrease to \$1.98112 (a decrease of 2.8%) for 2024/2025. This reduction was possible due to structuring the principal payments for the June 2024 bond issue to have a reduced principal amount due in the first year (2024/2025). The budget also uses \$40,000 of the balance in the debt service fund to fund debt requirements in 2024/2025. This was done to keep the City's overall property tax rate at approximately the same rate as the prior year.

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 significantly impacting the debt service tax levy rate. 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 five 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, interest, and \$40,000 from the debt service fund balance total \$2,350,310. This is the approximate amount necessary to support debt payments of \$2,018,426 (the total estimated requirement for property tax supported debt in 2024/2025), the estimated debt service requirements on the June 2024 bond issue of \$328,384, and the \$3,500 bond paying agent fees. Funds from the Southend Tax Increment fund will fund \$354,700 and funds from the Water Pollution Control fund will fund \$92,650 of general obligation debt requirements in 2024/2025. Local option sales tax funds will fund the \$891,000 in loan principal and interest due in 2024/2025 on the SRF loan for Phases 6-A and 6-B for the West Hill Sewer Separation project.

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, 2024 is as follows:

**City of Muscatine
Legal Debt Margin Estimate
As of July 1, 2024**

Actual Valuation January 1, 2022	\$ 1,907,143,338
State Limit (5%)	0.05
Debt Limit	\$ 95,357,167

Bonded Debt:

Current General Obligation Debt July 1, 2024	\$ 12,090,000	
New General Obligation Bond Issue in June 2024	4,880,000	
General Obligation State Revolving Fund Loan (Annual Appropriation Amount)	731,000	
		\$ 17,701,000

Percent of Debt Limit Used (Before Tax Increment Rebate Obligations) 18.6%

Estimated Tax Increment Rebate Obligations July 1, 2024:

R.L. Fridley Theatres Inc. - 15 years to maximum of \$1,500,000; declining percentages 95% to 50% (began in 2015/2016)	\$ 932,597	
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)		
<u>Subject to annual appropriation</u> ; Annual appropriation for FY 25 listed.	14,000	
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)		
<u>Subject to annual appropriation</u> ; only next year considered debt for legal debt margin computation; Annual appropriation for FY 25 is listed.	320,000	
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). <u>Subject to annual appropriation</u> . Annual appropriation for FY 25 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). <u>Subject to annual appropriation</u> . Annual appropriation for FY 25 is listed.	400,000	
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). <u>Subject to annual appropriation</u> . Annual appropriation for FY 25 is listed.	38,000	
HNI Corporation Development Agreement - 50% for 10 years to a maximum of \$3,811,000 (began in 2019/2020). <u>Subject to annual appropriation</u> . Annual appropriation for FY 25 is listed.	107,000	
White Distribution & Supply Development Agreement - 50% for 10 years to a maximum of \$445,000 (began in 2020/2021). <u>Subject to annual appropriation</u> . Annual appropriation for FY 25 is listed.	78,000	
TIF Oak Park Development Agreement - 70% for 15 years to a maximum of \$497,445 (began in 2022/2023). <u>Subject to annual appropriation</u> . Annual appropriation for FY 25 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). <u>Subject to annual appropriation</u> ; Annual appropriation for FY 25 listed	40,000	
Bush Development LLC and Hershey Property LLC Development Agreement - 100% for 10 years to a maximum of \$700,000 (began in 2021/2022). <u>Subject to annual appropriation</u> . Annual appropriation for FY 25 is listed.	73,000	
Musco Sports Lighting LLC Development Agreement - 50% for 10 years to a maximum of \$515,000 (began in 2022/2023). <u>Subject to annual appropriation</u> ; Annual appropriation for FY 25 is listed.	60,000	
MVHA Colorado Lofts Development Agreement - 100% for 10 years to a maximum of \$460,000 (will begin in 2023/2024). <u>Subject to annual appropriation</u> ; Annual appropriation for FY 25 is listed.	40,000	
MVHA Grandview Lofts Development Agreement - 100% for 10 years to a maximum of \$460,000 (will begin in 2023/2024). <u>Subject to annual appropriation</u> ; Annual appropriation for FY 25 is listed.	36,000	
JNB Family 1 LP Steamboat Apartments Development Agreement - 70% for 15 years to a maximum of \$460,000 (will begin in 2024/2025). <u>Subject to annual appropriation</u> . Annual appropriation for FY 25 listed.	30,000	
Love's Travel Stops and Country Stores, Inc. Development Agreement - 50% for 20 years to a maximum of \$1,130,000; payments will begin in 2024/2025) <u>Subject to annual appropriation</u> . Annual appropriation for FY 25 is listed.	70,000	
		\$ 2,443,597

Percent of Debt Limit Used for Tax Increment Rebate Obligations 2.6%

Total Debt Subject to Debt Limit	20,144,597
Legal Debt Margin	\$ 75,212,570
Percent of Legal Debt Limit Used	21.1%

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	\$ 57,214,300
Total Debt Subject to Debt Limit	<u>20,144,597</u>
Debt Margin Using Self-Imposed Limit	<u><u>\$ 37,069,703</u></u>
Percent of Self-Imposed Debt Limit Used	35.2%

The City's general obligation debt on a per capita basis is \$1,049.29 as of June 30, 2024.

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 2023 for fifteen (15) TIF rebates to be paid in 2024/2025. 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 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 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 104,143	\$ 111,601	\$ 67,860	\$ 92,192	\$ 96,157
Revenues					
Property Tax	\$ 2,362,274	\$ 2,237,601 (1)	\$ 2,248,596	\$ 2,248,596	\$ 2,182,363 (4)
Utility Tax Replacement Excise Tax	8,158	7,454	6,799	6,799	7,500 (4)
Commercial and Industrial Replacement Funds	90,987	76,685	69,012	69,012	51,701
Business Property Tax Credit Reimbursement	0	0	52,989	52,989	48,746
Interest	927	21,525	1,000	5,000	20,000
Transfers In:					
Southend Tax Increment Fund	352,900	357,000	355,900	355,900	354,700
Water Pollution Control Fund	92,950	95,150	91,400	91,400	92,650
Local Option Sales Tax Fund (for SRF Loan)	0	0	0	125,778	1,080,873
Total Revenues	<u>\$ 2,908,196</u>	<u>\$ 2,795,415</u>	<u>\$ 2,825,696</u>	<u>\$ 2,955,474</u>	<u>\$ 3,838,533</u>
Funds Available	<u>\$ 3,012,339</u>	<u>\$ 2,907,016</u>	<u>\$ 2,893,556</u>	<u>\$ 3,047,666</u>	<u>\$ 3,934,690</u>
Expenditures					
General Obligation Bonds:					
Charges for Services	\$ 3,000	\$ 2,800	\$ 3,500	\$ 3,500	\$ 3,500
Bonds	2,555,000	2,295,000	2,375,000	2,375,000	2,090,000
Interest	342,738	517,024	447,231	447,231	375,776
State Revolving Fund Loan (General Obligation):					
Bonds	0	0	0	0	731,000
Interest	0	0	0	125,778 (2)	349,873
Estimated Debt Requirements New Issue:					
Bonds	0	0	0	0	100,000 (3)
Interest	0	0	0	0	228,384 (3)
Total Expenditures	<u>\$ 2,900,738</u>	<u>\$ 2,814,824</u>	<u>\$ 2,825,731</u>	<u>\$ 2,951,509</u>	<u>\$ 3,878,533</u>
Ending Balance, June 30	<u>\$ 111,601</u>	<u>\$ 92,192</u>	<u>\$ 67,825</u>	<u>\$ 96,157</u>	<u>\$ 56,157</u>

Increase (Decrease) in Fund Balance	\$ 7,458	\$ (19,409) (1)	\$ (35)	\$ 3,965	\$ (40,000) (4)
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Debt Service Tax Levy Rates (Per \$1,000 of Taxable Valuation)	\$ 2.32232	\$ 2.20086	\$ 2.04192	\$ 2.04192	\$ 1.98512
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- 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.
- Estimated interest due in fiscal year 2023/2024 on the SRF loan is shown; the actual interest will be based on the timing of the drawdown requests under this loan.
- The budget for 2024/2025 includes estimates of the debt service requirements on the June 2024 bond issue. The estimated debt service requirements on this issue were provided by PFM, the City's financial advisor for the bond issue.
- The 2024/2025 budget is based on a \$4,880,000 bond issue with a lower principal amount in the first year payment due in 2024/2025, as well as using \$40,000 of debt service fund balance. This allowed the debt service tax levy rate (and overall City tax rate) to be reduced by approximately \$.21 per \$1,000 of valuation.

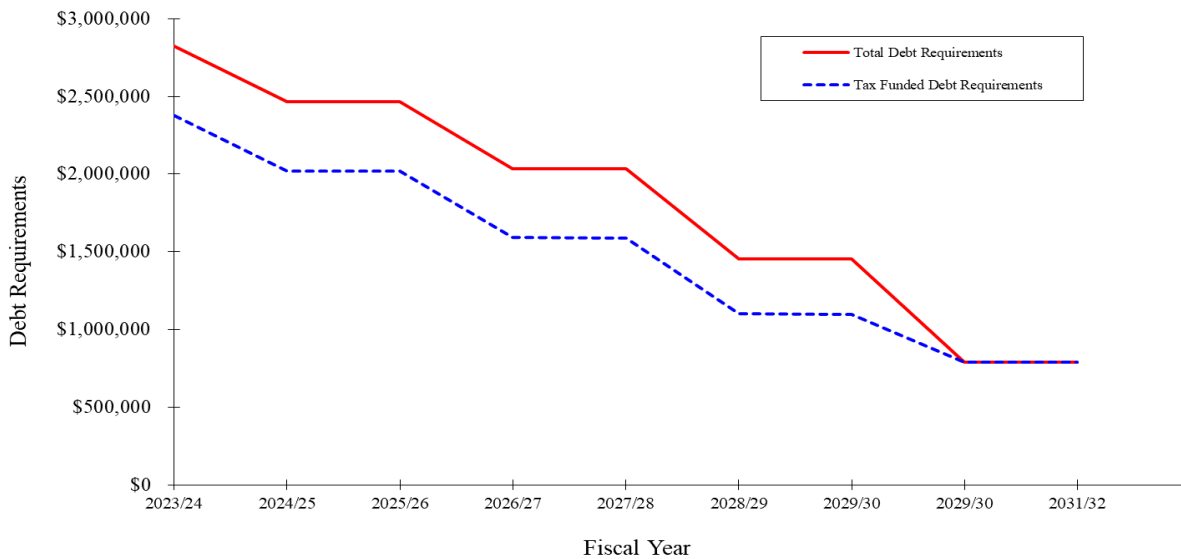
DEBT SERVICE FUND

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
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	\$ 14,465,000	\$ 1,851,811	\$ 16,316,811	\$ 2,942,950	\$ 13,373,861

Annual Bond and Interest Requirements - General Obligation Bonds



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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2023/24	<u>\$ 405,000</u>	<u>\$ 8,505</u>	<u>\$ 413,505</u>
Total	<u><u>\$ 405,000</u></u>	<u><u>\$ 8,505</u></u>	<u><u>\$ 413,505</u></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
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>\$ 1,380,000</u>	<u>\$ 63,189</u>	<u>\$ 1,443,189</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
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>\$ 2,605,000</u>	<u>\$ 286,150</u>	<u>\$ 2,891,150</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
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>\$ 4,320,000</u>	<u>\$ 352,400</u>	<u>\$ 4,672,400</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
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>\$ 5,755,000</u>	<u>\$ 1,141,567</u>	<u>\$ 6,896,567</u>

DEBT SERVICE FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

General Obligation Corporate Purpose Bonds

**Dilapidated Building Demolitions, Soccer Fields #1 - #6 Irrigation System,
Weed Park Lagoon Bank Stabilization, Indoor Sports Dome (Local Share),
City Building Deferred Maintenance Projects, Airport Projects (Local Share),
Police Training Facility (City Share), New Fire Engine, New Ambulance, Public
Works Fuel Tank and Pumps Replacements, and Vehicle Wash Bay (Series B)**

\$4,880,000 Total Issue Dated June 5, 2024 (1)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2024/25	\$ 100,000	\$ 234,713	\$ 334,713
2025/26	355,000	232,350	587,350
2026/27	360,000	214,600	574,600
2027/28	500,000	196,600	696,600
2028/29	525,000	171,600	696,600
2029/30	550,000	145,350	695,350
2030/31	580,000	117,850	697,850
2031/32	605,000	88,850	693,850
2033/34	640,000	58,600	698,600
2032/33	665,000	26,600	691,600
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 4,880,000</u>	<u>\$ 1,487,113</u>	<u>\$ 6,367,113</u>

1. This is the actual debt service schedule for this issue. Since the 2024/2025 budget was completed prior to the bond sale, the budget included estimated debt service requirements on this issue.

LOCAL OPTION SALES TAX FUND
STATEMENT OF BOND AND INTEREST REQUIREMENTS

State Revolving Fund Loan

West Hill Sewer Separation Project - Phases 6-A and 6-B

\$8,000,000 Loan Dated August 11, 2023

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2023/24	\$ 0	\$ 125,778 *	\$ 125,778
2024/25	731,000	160,000	891,000
2025/26	745,000	145,380	890,380
2026/27	760,000	130,480	890,480
2027/28	775,000	115,280	890,280
2028/29	791,000	99,780	890,780
2029/30	807,000	83,960	890,960
2030/31	823,000	67,820	890,820
2031/32	839,000	51,360	890,360
2032/33	856,000	34,580	890,580
2033/34	873,000	17,460	890,460
Total	<u>\$ 8,000,000</u>	<u>\$ 1,031,878</u>	<u>\$ 9,031,878</u>

* Estimated interest due in fiscal year 2023/2024; actual will be based on the timing of the drawdown requests under this loan.

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 2023/2024 revised estimate and the 2024/2025 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 \$820,000 annually. In 2024/2025, the Local Option Sales Tax funding for pavement management projects of \$945,000 (which includes funds carried forward from 2023/2024), will be supplemented with a \$375,000 allocation of Road Use Tax funds that total to \$1,320,000 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 now substantially completed. Engineering design began in 2022/2023 and will continue in 2023/2024 and 2024/2025 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 sidewalk began in 2020/2021 and was completed in the summer of 2022. The 67th Street Sidewalk construction was completed in 2022/2023. At the time the budget was being developed, the next sidewalk project was planned to be on Devitt Avenue. The budget included \$140,000 for this project which was planned to be funded from American Rescue Plan Act (ARPA) funds. After the budget was adopted, a decision was made to defer the Devitt Avenue sidewalk. A decision has not yet been made on an alternate sidewalk project for 2024/2025.

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 with the goal of full completion by the 2028 Consent Order deadline. 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 2024. 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. Engineering design was underway in 2022/2023 and 2023/2024 for Phase 6-C of this project. Bids were received for Phase 6-C on April 2, 2024. The 2024/2025 funding amount reflects the final work on Phases 6-A and 6-B, a portion of the construction work on Phases 6-C and 6-D, 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 first SRF loan for Phases 6-A and 6-B in the amount of \$8 million was dated August 11, 2023. SRF loan funds are drawn down as needed to fund project costs. The next SRF loan for Phase 6-C is planned for July or August of 2024. Up to three SRF loans were projected to be needed to fund the multiple contracts 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 2024-2025 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 2024/2025 funding amount is for the balance of the engineering design costs for the new bridge and the start of the bridge construction. Construction is scheduled to be completed in calendar year 2025 with 100% of the construction costs to be funded from grant funds. Funding for the engineering design will be from Road Use Tax funds.

Isett Avenue Reconstruction – Planning Phase – The City was awarded a \$2.1 million federal grant for the planning phase of the Isett Avenue Reconstruction project. An estimated \$1,050,000 is budgeted to be expended in the 2024/2025 fiscal year. This grant will fund 100% of the planning costs for this project.

Muscatine Indoor Sports Dome – Engineering design is near completion and bids are expected to be received in July of 2024 for this new multi-use year-round facility. Funding will be from a \$1 million Iowa Economic Development Administration grant; \$2 million in private contributions; \$400,000 in funding from Muscatine County; \$700,000 in City bond proceeds; with additional funding from the City's ARPA (American Rescue Plan Act) allocation.

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. Bids on this project were received in May of 2024.

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 was included in the June 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 2024 bond issue included \$260,000 in funding for these projects. The 2024/2025 funding amount is for column repair and building sealing for City Hall, a new rubber roof for the Library, and funds to replace a HVAC multi-stack module at the Public Safety Building.

Fire Engine - The May 2024 bond issue included \$918,000 in funding for a new front-line fire engine. This fire engine will replace a reserve engine that is 30 years old.

Ambulance with Power Load - The May 2024 bond issue included \$280,000 in funding for a new front-line ambulance. This ambulance will replace a 2015 ambulance with over 202,000 miles.

City Wayfinding Program - In January of 2023, the City entered into a contract with Corbin Design to create a Wayfinding Masterplan for the City of Muscatine. The Wayfinding Master Plan was 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 planned to be completed over multiple years with funding from tax increment funds. The 2024/2025 funding allocation is \$200,000.

New Police Range and Training Facility - Although not located directly on the Mississippi River, the former Police Pistol Range was severely damaged by extended flooding in 2019. Since flooding of this building has occurred several times in recent years, it was determined that a new building to be located on higher ground or at a different site was needed. The former range building was demolished in 2020/2021. The City contracted for consultant services to assist in identifying suitable sites for the new range. After the initial site was not approved for the necessary rezoning, a decision was made to locate the new facility on City-owned property at the Muscatine Airport. Final engineering design and the start of construction is planned for the 2024/2025 fiscal year. The Muscatine County Sheriff's department has agreed to pay 50% of the cost of locating a suitable site and constructing a new range facility.

Water Pollution Control Plant (WPCP) and Lift Stations Upgrades - The WPCP Facilities Plan completed in 2022/2023 identified upgrades at the WPCP and the lift stations as priority projects. Projects for 2024/2025 include the Houser Lift Station upgrades, the Grit Building HVAC project, and engineering design for the WPCP and Lift Stations electrical upgrades.

Papoose Redundant Sewer Line – Project Design and Start of Construction - 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. 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 is nearing

completion in 2023/2024 and construction is expected to begin in 2024/2025 and continue in 2025/2026. This will allow construction to be completed by the mandated deadline.

Airport – Relocate Fuel Tank Project - The City was awarded a grant from the Iowa Department of Transportation that will fund 80% of the cost of this project. The local match for the grant was funded from the May 2024 bond issue. This project is scheduled to be completed in 2024/2025.

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 grant was funded from the May 2024 bond issue. This project is scheduled to be completed in 2024/2025.

SUMMARY:

The following pages identify and describe all capital projects currently in the planning stage or under construction in 2023/2024 as well as those planned for 2024/2025. This section also includes listings of these projects for both 2023/2024 and 2024/2025. Total capital project costs are estimated at \$18,952,000 for 2023/2024 and \$20,393,100 for 2024/2025.

A separate listing of capital outlay items included in department operating budgets in 2024/2025 is also included in this section of the budget for informational purposes. These items total \$3,648,900, which brings the total budget for capital outlay and capital projects to \$24,042,000 for 2024/2025.

**CAPITAL IMPROVEMENT PROJECTS
CAPITAL PROJECTS FUND**

FISCAL YEAR 2023/2024 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 2023/2024, the Road Use Tax funds were used for the overlay patch on 67th Street for \$44,500 and Local Option Sales Tax funds are being used for the Fulliam Avenue reconstruction project. The Fulliam project is being done over three calendar years (2023, 2024, and 2025) since 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 2023/2024 Funding Amount</u>
Local Option Sales Tax Funds	\$ 1,215,500
Road Use Tax Funds	<u>44,500</u>
	<u>\$ 1,260,000</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 2023/2024 include the final construction costs on the Grandview Avenue project, engineering, and related costs. The Grandview Avenue project was substantially completed by the end of calendar year 2023. Federal grant funds, Muscatine Power & Water reimbursements for utility work, and bond proceeds supplemented the Transfer of Jurisdiction funding for this project. Engineering design is underway in 2023/2024 for the roundabout at the Carver Corner intersection, the final phase of the Corridor project, with construction scheduled for a future year.

<u>Funding Sources</u>	<u>FY 2023/2024 Funding Amount</u>
Federal Grant Funds	\$ 177,500
Prior Year Bond Proceeds	<u>387,500</u>
	<u>\$ 565,000</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.

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. 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. This project was substantially completed by the end of 2022/2023 at a cost of \$307,390. The 2023/2024 funding amount is for engineering design of sidewalks on Devitt Avenue. After the budget was adopted, a decision was made to defer the Devitt Avenue sidewalk project.

<u>Funding Sources</u>	<u>FY 2023/2024 Funding Amount</u>
Road Use Tax Funds	\$ 43,000

Future Impact on Operating Budget: None, since sidewalks in residential areas are the responsibility of the property owners.

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. This project is scheduled to begin in 2023/2024 and be completed in 2024/2025.

<u>Funding Sources</u>	<u>FY 2023/2024 Funding Amount</u>
Road Use Tax Funds	\$ 104,800

Future Impact on Operating Budget: No impact on future operating budgets is expected.

Park Avenue West Bridge Replacement Project: 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.

<u>Funding Sources</u>	<u>FY 2023/2024 Funding Amount</u>
Road Use Tax Funds	\$ 138,800

Future Impact on Operating Budget: No impact on future operating budgets is expected.

Isett Avenue Reconstruction – Planning Phase: The City was awarded a \$2.1 million federal grant for the planning phase of the Isett Avenue Reconstruction project. This grant will fund 100% of the planning costs for this project. The consultant selection process for this project is underway in 2023/2024 and \$315,000 is estimated to be expended for this project this fiscal year.

<u>Funding Sources</u>	<u>FY 2023/2024 Funding Amount</u>
Federal Grant	\$ 315,000

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 the RDG 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 2023/2024 Funding Amount</u>
Donations	\$ 33,100

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 to 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. An additional \$221,000 in bond funding was included in the June 2024 bond issue to complete the financing of this project. This project was completed in the 2023/2024 fiscal year.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
Prior and Current Year Bond Proceeds	\$ 335,400

Future Impact on Operating Budget: Maintenance costs should be reduced with the new irrigation system. Specific savings cannot be determined.

Parks Playground Resurfacing Projects: This project includes playground resurfacing improvements at Eversmeyer Park and at Oak Park which were completed in 2023/2024

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
Prior Year Bond Proceeds	\$ 32,600

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 and this project also includes replacing the deck and making a safer surface. Engineering for this project was completed in 2023/2024 and construction is scheduled to begin in 2023/2024 and be completed by the end of the 2024 calendar year.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
Current Year Bond Proceeds	\$ 200,000

Future Impact on Operating Budget: Maintenance costs should be reduced with this project. Specific cost 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 2023/2024.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
Community Foundation Grant Funds	\$ 393,000

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.

Muscatine Indoor Sports Dome: Engineering design is near completion and bids are expected to be received in July of 2024 for this new multi-use year-round facility. Funding will be from a \$1 million Iowa Economic Development Administration grant; \$2 million in private contributions; \$400,000 in funding from Muscatine County; \$700,000 in City bond proceeds; with additional funding from the City’s ARPA (American Rescue Plan Act) allocation. At the time the budget was being prepared, the project was expected to be 50% completed by the end of the 2023/2024 fiscal year. However, determining the final design and engineering specifications for this project took longer than expected and delayed the project bidding.

<u>Source</u>	FY 2023/2024 <u>Funding Amount</u>
State Grant, Private Contributions, County Contribution, and Bond Proceeds	\$ 2,075,000

Future Impact on Operating Budget: Revenues for 2024/2025 for this new facility are budgeted at \$207,000 in facility user fees. Expenses for 2024/2025 are budgeted at \$281,200 and include: (1) \$217,500 in personal services costs, (2) \$5,000 in commodities, and (3) \$58,700 in contractual services. Personal services costs include (1) \$64,600 for a full-time facility program supervisor, (2) \$33,200 for three-quarters of a fulltime maintenance repairperson, (3) \$56,100 for part-time employee wages, (4) \$21,000 for employee pension and retirement costs, and (5) \$42,600 in employee health and other insurance costs. These revenues and expenditure amounts have been included in the new Muscatine Sports Dome activity budget in the General Fund section of this budget.

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 project funds, and funding transfers will be made from the ARPA fund to the respective capital project fund. In 2023/2024, these capital project funds include the balance of the cost of the Housing Study (\$64,800), the Comprehensive Plan Update (\$85,000), Neighborhood and Economic Recovery Initiatives (\$159,000), and the final work on the Grandview Avenue Cleanup project (\$3,700).

<u>Funding Source</u>	FY 2023/2024 <u>Funding Amount</u>
Transfers from ARPA Fund	\$ 312,500

Future Impact on Operating Budget: No impact is expected from these projects.

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 was included in the June 2024 bond issue for these demolitions.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
Prior and Current Year Bond Proceeds	\$ 117,000

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 and the June 2024 bond issue included \$260,000. The 2023/2024 projects include Airport hangar roof replacements, replacement of the range hood at the Fire department, 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>
Prior Year Bond Proceeds	\$ 264,000

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.

Watermelon Sculpture on Muscatine Riverfront: This sculpture was fabricated by Silver Hawk Fabrication (formerly Hoffman Inc.) of Muscatine; painting of the sculpture was by artist Yohan Umana Urena. This sculpture was installed in September of 2023 and is believed to be the world’s largest watermelon sculpture. Donations funded 100% of the cost of this project.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
Donations	\$ 41,700

Future Impact on Operating Budget: None

New Police Range and Training Facility: Although not located directly on the Mississippi River, the former Police Pistol Range was severely damaged by extended flooding in 2019. Since flooding of this building has occurred several times in recent years, it was determined that a new building to be located on higher ground or at a different site was needed. The former range building was demolished in 2020/2021. The City contracted for consultant services to assist in identifying suitable sites for the new range. After the initial site was not approved for the necessary rezoning, a decision was made to locate the new facility on City-owned property at the Muscatine Airport. Construction is scheduled for 2023/2024 and 2024/2025. The Muscatine County Sheriff’s department has agreed to pay 50% of the cost of locating a suitable site and constructing a new range facility.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
Current Year Bond Proceeds	\$ 700,000

Future Impact on Operating Budget: Impacts on future operating budgets are expected to be similar to the impacts of the previous range.

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 included \$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 was completed in 2023/2024.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
Art Center Grants	\$ 74,200

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 were supplemented with American Rescue Plan Act (ARPA) funds to completed the financing of this project. This project began in 2022/2023 and was completed in 2023/2024.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
Donations	\$ 12,000
American Rescue Plan Act Funding	<u>41,400</u>
	<u>\$ 53,400</u>

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 planned to be completed over the next several years with funding from future tax increment funds. The 2023/2024 funding amount includes the final design costs and the start of the first phase of this project.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
Southend Tax Increment Funds	\$ 119,400

Future Impact on Operating Budget: No impact is expected

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 was 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. This project is scheduled to be completed by the end of the 2023/2024 fiscal year.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
Current Year Bond Proceeds	\$ 500,000

Future Impact on Operating Budget: There will be savings in annual insurance costs with the new fuel tanks. The amount cannot be determined.

Storm and Sanitary Sewer Improvements: In 2007, the City signed a Consent Order with the Environmental Protection Agency (E.P.A.) which requires the City to complete specific major sewer separation projects by 2028. In 2008, voters approved extending the local option sales tax for a 10-year period beginning July 1, 2009 with 80% of these funds allocated for sewer improvements including the projects mandated by the Consent Order. Construction on the second and final phase of the Hershey Avenue sewer improvement project was completed in 2011/2012. This was a major project mandated by the Consent Order. The remaining project in the Consent Order is the separation of the combined sewers in the West Hill area. Many of the City’s sewer improvement projects have been funded through the one (1) percent local option sales tax and others have been funded through sewer fees allocated to the Sewer Extension and Improvement Reserve in the Collection and Drainage Fund. 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 four 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 fiscal year 2023/2024. 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. Engineering design was underway in 2022/2023 and 2023/2024 for Phase 6-C of this project. Bids were received for Phase 6-C on April 2, 2024. The 2023/2024 funding amount reflects the final work on Phases 5-A and 5-B, construction on Phases 6-A and 6-B, the start of construction on Phase 6-C, construction engineering and inspection services 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 first SRF loan for Phases 6-A and 6-B in the amount of \$8 million was dated August 11, 2023. SRF loan funds are drawn down as needed to fund project costs. The next SRF loan for Phase 6-C is planned for July or August of 2024.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
Local Option Sales Tax Funds	\$ 2,085,400
State Revolving Fund (SRF) Loan	5,671,000
Sale of Property	<u>45,000</u>
	<u>\$ 7,801,400</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.

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 2023/2024. Construction is scheduled for calendar year 2025 which will allow for construction to be completed by the mandated deadline.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
Sewer Extension and Improvement Reserve	\$ 30,000

Future Impact on Operating Budget: The design of this project will not have an impact on future operating budgets.

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. Engineering design for this project was completed in 2022/2023 and construction is on schedule to be completed in 2023/2024.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
WPCP Plant Replacement Reserve	\$ 1,053,000

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 Upgrades: The WPCP Facilities Plan completed in 2022/2023 identified upgrades at the WPCP and the lift stations as priority projects. In addition to the UV Disinfection Project discussed above, the 2023/2024 revised estimate includes \$400,000 for the Lift Station HVAC package, \$20,000 for engineering design for the Houser Lift Station upgrades, and \$9,000 for the engineering design for the Grit Building HVAC project.

<u>Funding Source</u>	<u>FY 2023/2024 Funding Amount</u>
WPCP Plant Replacement Reserve	\$ 429,000

Future Impact on Operating Budget: There will be savings in maintenance costs with these projects. The amount of savings, however, cannot be determined.

Transfer Station Tipping Floor and Other Repair Projects: The tipping floor at the Transfer Station dated back to 1995 when the Transfer Station opened. Approximately six inches had 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 in 2023/2024.

<u>Funding Sources</u>	<u>FY 2023/2024 Funding Amount</u>
Prior Year Bond Proceeds	\$ 107,300

Future Impact on Operating Budget: There will be savings in maintenance costs with these projects. 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 at \$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 was put on hold. Transit staff submitted an application for additional grant funding based on the bids received for the project and was

awarded \$400,000 in additional grant funding for this project. The 2023/2024 funding amount is for the balance of the engineering design and construction costs for the new facility.

<u>Funding Sources</u>	<u>FY 2023/2024 Funding Amount</u>
State Grants	\$ 822,600
Current Year Bond Proceeds	205,000
Transfer from the Transit Fund (Grant Match)	105,700
Interest	<u>5,000</u>
	<u>\$ 1,328,000</u>

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 – 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 engineering design for this project was completed in 2023/2024 and construction is scheduled to begin in 2023/2024 and be completed in 2024/2025. The local match for the grant was funded from the June 2024 bond issue.

<u>Funding Sources</u>	<u>FY 2023/2024 Funding Amount</u>
State Grant	\$ 206,700
Current Year Bond Proceeds	<u>100,000</u>
	<u>\$ 306,700</u>

Future Impact on Operating Budget: None

Airport Fuel System Project Phase 2 - Jet A Fuel Tank: 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 engineering design for this project was completed in 2023/2024 and construction is scheduled to begin in 2023/2024 and be completed in 2024/2025. The local match for the grant will be funded from the June 2024 bond issue.

<u>Funding Sources</u>	<u>FY 2023/2024 Funding Amount</u>
State Grant	\$ 160,000
Current Year Bond Proceeds	<u>80,000</u>
	<u>\$ 240,000</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 engineering design for this project was completed in 2023/2024 and construction is scheduled to begin in 2023/2024 and be completed in 2024/2025. The local match for the project will be funded from the June 2024 bond issue.

<u>Funding Sources</u>	<u>FY 2023/2024 Funding Amount</u>
Federal Aviation Administration (FAA) Grant	\$ 292,500
Current Year Bond Proceeds	<u>65,000</u>
	<u>\$ 357,500</u>

Future Impact on Operating Budget: There will be savings in maintenance costs with this project. The amount of savings, however, cannot be determined.

**CAPITAL IMPROVEMENT PROJECTS
CAPITAL PROJECTS FUND**

FISCAL YEAR 2024/2025 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 2024/2025, the Local Option Sales Tax funds will be used for the 2nd year of the Fulliam Avenue reconstruction project. The Fulliam project is scheduled 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 2024/2025 budget includes \$820,000 for the Fulliam Avenue project and allows up to \$500,000 in funding for other pavement management projects.

<u>Funding Source</u>	<u>FY 2024/2025 Funding Amount</u>
Local Option Sales Tax Funds	\$ 945,000
Road Use Tax Funds	<u>500,000</u>
	<u>\$ 1,320,000</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 and was completed in 2023/2024 on Grandview Avenue, which is the third phase of the Corridor improvement project.

Engineering design is underway in 2023/2024 and will continue in 2024/2025 for the roundabout at the Carver Corner intersection, the final phase of the Corridor project, with construction scheduled for a future year.

<u>Funding Sources</u>	<u>FY 2024/2025 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. 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. This project was substantially completed by the end of 2022/2023 at a cost of \$307,390. The 2023/2024 funding amount was for engineering design of sidewalks on Devitt Avenue which were originally budgeted to be funded from the City’s American Rescue Plan Act (ARPA) allocation. After the budget was adopted, a decision was made to defer the Devitt Avenue sidewalk. A decision has not yet been made on an alternate sidewalk project for 2024/2025.

<u>Funding Sources</u>	<u>FY 2024/2025 Funding Amount</u>
American Rescue Plan Act (ARPA) Funds	\$ 140,000

Future Impact on Operating Budget: None, since sidewalks in residential areas are the responsibility of the property owners.

Existing Sidewalk Improvements (Included ADA Ramps): A plan to improve existing sidewalks including ADA ramps is scheduled to begin in 2024/2025. This program will be funded from road use tax funds.

<u>Funding Sources</u>	<u>FY 2024/2025 Funding Amount</u>
Road Use Tax Funds	\$ 25,000

Future Impact on Operating Budget: None, since sidewalks in residential areas are the responsibility of the property owners.

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. This project is scheduled to begin in 2023/2024 and be completed in 2024/2025.

<u>Funding Sources</u>	<u>FY 2024/2025 Funding Amount</u>
Road Use Tax Funds	\$ 140,000

Future Impact on Operating Budget: No impact on future operating budgets is expected.

Park Avenue West Bridge Replacement Project: During inspections of the bridges in the City, the Park Avenue West bridge was designated as a bridge that needed to be replaced. Engineering design for the new bridge began in 2023/2024 and is scheduled to be completed in 2024/2025. Construction is scheduled to begin in 2024/2025 and be completed in 2025/2026 with 100% of the construction costs to be funded from grant funds.

<u>Funding Sources</u>	<u>FY 2024/2025 Funding Amount</u>
Road Use Tax Funds	\$ 105,000
State Grant Funds	<u>335,000</u>
	<u>\$ 440,000</u>

Future Impact on Operating Budget: No impact on future operating budgets is expected.

Isett Avenue Reconstruction – Planning Phase: The City was awarded a \$2.1 million federal grant for the planning phase of the Isett Avenue Reconstruction project. This grant will fund 100% of the planning costs for this project. The consultant selection process for this project has been completed and the consultant began work on the project in 2023/2024. The planning phase will continue in 2024/2025 and 2025/2026.

<u>Funding Sources</u>	<u>FY 2024/2025 Funding Amount</u>
Federal Grant	\$ 1,050,000

Future Impact on Operating Budget: No impact on future operating budgets is expected.

Muscatine Indoor Sports Dome: Engineering design was completed and bids are scheduled to be received in July of 2024 for this new multi-use year-round facility. Funding will be from a \$1 million Iowa Economic Development Administration grant; \$2 million in private contributions; \$400,000 in funding from Muscatine County; \$700,000 in City bond proceeds; with additional funding from the City’s ARPA (American Rescue Plan Act) allocation. At the time the budget was being prepared, the project was expected to be 50% completed by the end of the 2023/2024 fiscal year. However, determining the final design and engineering specifications for this project took longer than expected and delayed the project bidding.

<u>Source</u>	<u>FY 2024/2025 Funding Amount</u>
State Grant, Private Contributions, County Contribution, and Bond Proceeds	\$ 2,030,000

Future Impact on Operating Budget: Revenues for 2024/2025 for this new facility are budgeted at \$207,000 in facility user fees. Expenses for 2024/2025 are budgeted at \$281,200 and include: (1) \$217,500 in personal services costs, (2) \$5,000 in commodities, and (3) \$58,700 in contractual services. Personal services costs include (1) \$64,600 for a full-time facility program supervisor, (2) \$33,200 for three-quarters of a fulltime maintenance repairperson, (3) \$56,100 for part-time employee wages, (4) \$21,000 for employee pension and retirement costs, and (5) \$42,600 in employee health and other

insurance costs. These revenue and expenditure amounts have been included in the new Muscatine Sports Dome activity budget in the General Fund section of this budget.

Parks Playground Resurfacing Projects: Playground resurfacing improvements scheduled to be completed in 2024/2025 include the playgrounds at Brook Street Park and Lucas Street Park.

<u>Funding Source</u>	<u>FY 2024/2025 Funding Amount</u>
Prior and Future Year Bond Proceeds	\$ 45,000

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 and this project also includes replacing the deck and making a safer surface. Engineering for this project was completed in 2023/2024 and construction is scheduled to begin in 2023/2024 and be completed by the end of the 2024 calendar year.

<u>Funding Source</u>	<u>FY 2024/2025 Funding Amount</u>
Prior Year Bond Proceeds	\$ 500,000

Future Impact on Operating Budget: Maintenance costs should be reduced with this project. Specific cost savings cannot be determined.

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 project funds, and funding transfers will be made from the ARPA fund to the respective capital project fund. In 2024/2025, the remaining capital project funding is for the balance of the cost of the Economic Recovery Initiatives (\$248,200). ARPA funds are required to be expended or obligated no later than December 31, 2024.

<u>Funding Source</u>	<u>FY 2024/2025 Funding Amount</u>
Transfers from ARPA Fund	\$ 248,200

Future Impact on Operating Budget: No impact is expected from this project.

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 was included in the June 2024 bond issue for these demolitions.

<u>Funding Source</u>	<u>FY 2024/2025 Funding Amount</u>
Prior 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 additional funding for these projects and the June 2024 bond issue included \$260,000. The 2024/2025 funding amount is for column repair and building sealing for City Hall, a new rubber roof for the Library, and funds to replace a HVAC multi-stack module at the Public Safety Building.

<u>Funding Source</u>	<u>FY 2024/2025 Funding Amount</u>
Prior Year Bond Proceeds	\$ 193,000

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.

Fire Engine: The May 2024 bond issue included 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 2024/2025 Funding Amount</u>
Prior Year Bond Proceeds	\$ 918,000

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 included 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 2024/2025 Funding Amount</u>
Prior Year Bond Proceeds	\$ 280,000

Future Impact on Operating Budget: There will be savings in annual maintenance costs with the new ambulance. The amount cannot be determined.

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 planned to be completed over the next several years with funding from future tax increment funds. Work on this project is scheduled to begin in 2023/2024 and continue in 2024/2025 and future years.

<u>Funding Source</u>	<u>FY 2024/2025 Funding Amount</u>
Southend Tax Increment Funds	\$ 200,000

Future Impact on Operating Budget: No impact is expected

New Police Range and Training Facility: Although not located directly on the Mississippi River, the former Police Pistol Range was severely damaged by extended flooding in 2019. Since flooding of this building has occurred several times in recent years, it was determined that a new building to be located on higher ground or at a different site was needed. The former range building was demolished in 2020/2021. The City contracted for consultant services to assist in identifying suitable sites for the new range. After the initial site was not approved for the necessary rezoning, a decision was made to locate the new facility on City-owned property at the Airport. Construction is scheduled for 2023/2024 and 2024/2025. The Muscatine County Sheriff's department has agreed to pay 50% of the cost of locating a suitable site and constructing a new range facility.

<u>Funding Source</u>	<u>FY 2024/2025 Funding Amount</u>
Prior Year Bond Proceeds	\$ 371,200
Muscatine County Contribution	<u>700,000</u>
	<u>\$ 1,071,200</u>

Future Impact on Operating Budget: Impacts on future operating budgets are expected to be similar to the impacts of the previous range.

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 four 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 fiscal year 2023/2024. 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. Engineering design was underway in 2022/2023 and 2023/2024 for Phase 6-C of this project. Bids were received for Phase 6-C on April 2, 2024. Bids are expected to be received in the spring of 2025 for Phases 6-D and 6-E of this project.

The 2024/2025 funding amount reflects the final work on Phases 6-A and 6-B, a portion of the construction work on Phases 6-C and 6-D, 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 first SRF loan for Phases 6-A and 6-B in the amount of \$8 million was dated August 11, 2023. The next SRF loan for Phase 6-C is planned for July or August of 2024. SRF loan funds are drawn down as needed to fund project costs.

<u>Funding Source</u>	<u>FY 2024/2025 Funding Amount</u>
Local Option Sales Tax Funds	\$ 755,000
State Revolving Fund Loan Proceeds	<u>8,000,000</u>
	<u>\$ 8,755,000</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.

Papoose Redundant Sewer Line: 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 2023/2024. Construction is scheduled for calendar year 2025 (fiscal years 2024/2025 and 2025/2026). This will allow for construction to be completed by the mandated deadline.

<u>Funding Source</u>	<u>FY 2024/2025 Funding Amount</u>
State Revolving Fund (SRF) Loan	\$ 1,800,000

Future Impact on Operating Budget: This project will reduce future maintenance costs. Specific costs savings cannot be determined.

Water Pollution Control Plant (WPCP) and Lift Stations Upgrades: The WPCP Facilities Plan completed in 2022/2023 identified upgrades at the WPCP and the lift stations as priority projects. The UV Disinfection Project, completed in 2023/2024, was the highest priority project. The projects for the 2024/2025 budget include \$180,000 for Houser Street Lift Station upgrades, \$81,000 for the Grit Building HVAC project, and \$70,000 for the WPCP and Lift Station electrical upgrades

<u>Funding Source</u>	<u>FY 2024/2025 Funding Amount</u>
WPCP Plant Replacement Reserve	\$ 331,000

Future Impact on Operating Budget: There will be savings in maintenance costs with these projects. The amount of savings, however, cannot be determined.

Transfer Station Tipping Floor and Other Repair Projects: The tipping floor at the Transfer Station dated back to 1995 when the Transfer Station opened. Approximately six inches had 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 be completed in 2023/2024. The 2024/2025 funding amount is to replace four HVAC units.

<u>Funding Sources</u>	<u>FY 2024/2025 Funding Amount</u>
Prior Year Bond Proceeds	\$ 32,000

Future Impact on Operating Budget: There will be savings in maintenance costs with this project. The amount of savings, however, cannot be determined.

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 engineering design for this project was completed in 2023/2024 and construction is scheduled to begin in 2023/2024 and be completed in 2024/2025. The local match for the project was funded from the June 2024 bond issue.

<u>Funding Sources</u>	<u>FY 2024/2025 Funding Amount</u>
State Grant	\$ 166,800
Prior Year Bond Proceeds	<u>41,700</u>
	<u>\$ 208,500</u>

Future Impact on Operating Budget: None

Airport Fuel System Project Phase 2 - Jet A Fuel Tank: 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 engineering design for this project was completed in 2023/2024 and construction is scheduled to begin in 2023/2024 and be completed in 2024/2025. The local match for the grant was funded from the June 2024 bond issue.

<u>Funding Sources</u>	<u>FY 2024/2025 Funding Amount</u>
State Grant	\$ 160,000
Prior Year Bond Proceeds	<u>40,000</u>
	<u>\$ 200,000</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 engineering design for this project was completed in 2023/2024 and construction is scheduled to begin in 2023/2024 and be completed in 2024/2025. The local match for the project was funded from the June 2024 bond issue.

<u>Funding Sources</u>	<u>FY 2024/2025 Funding Amount</u>
Federal Aviation Administration (FAA) Grant	\$ 292,500
Prior Year Bond Proceeds	<u>32,500</u>
	<u>\$ 325,000</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 2023/2024

<u>Project</u>	<u>Revised Estimate 2023/2024</u>	<u>Funding Sources/Comments</u>
Street and Sidewalk Projects:		
Ongoing Pavement Management	\$ 1,260,000	Road use tax and local option sales tax
Transfer of Jurisdiction-Grandview/Carver Corner Design	565,000	IDOT grants and prior year bond proceeds
Park Avenue Portion to 3-Lane	6,000	Estimated final engineering costs
New Sidewalk Program-Engineering Design	43,000	Road use tax
Existing Sidewalk Improvements-Including ADA ramps	10,000	Road use tax
Lake Park Bridge Deck Repairs	104,800	Engineering and beginning of construction; road use tax
Park Avenue West Bridge Replacement	138,800	Engineering design; road use tax
Isett Avenue Reconstruction - Planning Phase	315,000	100% federal grant
Parks Projects:		
Riverfront Development Project	700	Available balance
Riverfront Master Plan - Amphitheater Design	33,100	Estimated FY 24 project costs; funded by Keep Muscatine Beautiful
Soccer Fields 1-6 Irrigation Improvements	335,400	Final project costs; bond proceeds
Playground/Aquatic Center Improvement Projects	32,600	Prior year bond proceeds
Weed Park Lagoon Bank Stabilization Project	200,000	Engineering and start of construction; bond proceeds
Southend Community Projects	393,000	Estimated final project costs; donation funding
Indoor Sports Dome	2,075,000	Engineering and estimated portion of construction; State grant, private contributions, County contribution, and City bond funding
American Rescue Plan Act (ARPA) Projects:		
Housing Study	64,800	Contribution and ARPA funding
Comprehensive Plan Update	85,000	ARPA funding
Neighborhood Initiatives	159,000	ARPA funding
Grandview Cleanup Project	3,700	ARPA funding
Other Projects:		
Levee Inspections/Improvements	5,000	Prior year levee tax levy balance
Building Demolitions	117,000	Property sales and bond proceeds
Public Building Deferred Maintenance	264,000	Prior and current year bond proceeds
Carver Corner Drainage Improvements	43,000	City share; Collection and Drainage funds
Watermelon Sculpture Project	41,700	Final project costs; funded from donations
Dredge Spoils Site Relocation Study	9,500	Funding to be determined
TIF Development Agreement Legal Fees	16,500	Reimbursed by developers or future TIF funds
Police Range Replacement	350,000	Estimated portion in FY 24; costs shared with County; City bond proceeds
Public Art - 2nd and Mulberry Roundabout	53,800	Final project costs; donations and ARPA funding
Art Center Japanese Garden Restoration	74,200	Final project costs; grant funding
City Wayfinding Project	119,400	Estimated FY 24 costs; Southend TIF funding
Public Works Fuel Tanks and Pumps	500,000	Bond funding
Subtotal - General Government	<u>\$ 7,419,000</u>	
Water Pollution Control:		
West Hill Sewer Separation Project	\$ 7,801,400	Estimated FY 24 project costs; local option tax and SRF loan
Papoose Redundant Sewer Line - Design	30,000	Sewer Extension Reserve
Lift Station HVAC Package	400,000	Water Pollution Control Plant Replacement Reserve
Houser Lift Station Upgrade - Engineering	20,000	Water Pollution Control Plant Replacement Reserve
Grit Building HVAC - Engineering	9,000	Water Pollution Control Plant Replacement Reserve
UV Disinfection System	1,053,000	Water Pollution Control Plant Replacement Reserve
Subtotal - Water Pollution Control	<u>\$ 9,313,400</u>	
Transfer Station		
Transfer Station Tipping Floor and Other Projects	<u>\$ 107,300</u>	Prior year bond proceeds for crack sealing and roof repairs
Transit System:		
Vehicle Wash Bay	<u>\$ 1,328,000</u>	Estimated FY 24 project costs; IDOT grants, transit funds, and bond proceeds
Airport:		
Airport Zoning Ordinance Update	\$ 500	Estimated FY 24 final project costs; State grant and prior year bond proceeds
Airport - Move Fuel System Phase I	258,300	Estimated FY 24 project costs; State grant and bond proceeds
Airport - Relocate Jet A Fuel Tank	200,000	Estimated FY 24 project costs; State grant and bond proceeds
Airport - Lights, PAPIs, REILs for Runway 12/30 and Parallel Taxiway	325,000	Estimated FY 24 project costs; FAA grant and bond proceeds
Airport - Taxiway Widening Project	500	Final project costs; bond proceeds
Subtotal - Airport Projects	<u>\$ 784,300</u>	
Total	<u><u>\$ 18,952,000</u></u>	

City of Muscatine
Capital Project Appropriations
Fiscal Year Basis
Budget 2024/2025

<u>Project</u>	<u>Budget</u> <u>2024/2025</u>	<u>Funding Sources/Comments</u>
Street and Sidewalk Projects:		
Ongoing Pavement Management	\$ 1,320,000	Local option sales tax and road use tax
Transfer of Jurisdiction-Carver Corner	230,700	Estimated FY 25 design costs; prior year bond proceeds
Existing Sidewalk Improvements Including ADA ramps	25,000	Road use tax
New Sidewalk Program	140,000	American Rescue Plan Act (ARPA) funding
Lake Park Bridge Deck Repairs	140,000	Estimated FY 25 construction costs; road use tax
Park Avenue West Bridge Replacement	440,000	Estimated FY 25 engineering and project costs; grant and road use tax
Isett Avenue Reconstruction - Planning Phase	1,050,000	100% grant funded
Parks Projects:		
Indoor Sports Dome	2,030,000	Estimated FY 25 portion of construction costs; State grant, private contributions, County contribution, and City bond funding
Playground (Brook Street and Lucas) Improvements	45,000	Prior and future year bond proceeds
Weed Park Lagoon Bank Stabilization Project	300,000	Estimated FY 25 portion of project costs; prior year bond proceeds
Cemetery Fence and Gate Replacement	5,500	Available fund balance
American Rescue Plan Act (ARPA) Projects:		
Economic Recovery Initiatives	248,200	ARPA funding
Other Projects:		
Levee Improvements/Maintenance	5,000	Prior year levee tax levy balance
Building Demolitions	100,000	Prior year bond proceeds
Public Building Deferred Maintenance Projects	193,000	Prior year bond proceeds
Fire Engine	918,000	Prior year bond proceeds
Ambulance	280,000	Prior year bond proceeds
City Wayfinding Project	200,000	Estimated FY 25 project costs; funded from Southend TIF funds
New Police Range Facility	1,071,200	Estimated portion in FY 25; costs shared with County; City bond proceeds
Subtotal - General Government	<u>\$ 8,741,600</u>	
Water Pollution Control:		
West Hill Sewer Separation Project	\$ 8,755,000	Estimated FY 25 project costs; local option tax and SRF loan
Papoose Redundant Sewer Line	1,800,000	Estimated FY 25 project costs; SRF loan
Houser Lift Station Upgrades	180,000	Estimated FY 25 project costs; Plant Replacement Reserve
Grit Building HVAC Project	81,000	Estimated FY 25 project costs; Plant Replacement Reserve
WPCP and Lift Stations Electrical Upgrades	70,000	Estimated FY 25 project costs; Plant Replacement Reserve
Subtotal - Water Pollution Control	<u>\$ 10,886,000</u>	
Transfer Station		
Transfer Station Tipping Floor and Other Projects	<u>\$ 32,000</u>	Four HVAC units; prior year bond proceeds
Airport:		
Airport - Move Fuel System Phase I	208,500	Estimated FY 25 final costs; State grant and prior year bond proceeds
Airport - Relocate Jet A Fuel Tank	200,000	Estimated FY 25 final costs; State grant and prior year bond proceeds
Airport - Lights, PAPIs, REILs for Runway 12/30 and Parallel Taxiway	325,000	Estimated FY 25 final project costs; FAA grant and bond proceeds
Subtotal - Airport Projects	<u>\$ 733,500</u>	
Total	<u><u>\$ 20,393,100</u></u>	

**City of Muscatine
Capital Outlay in Department Operating Budgets
Budget 2024/2025**

<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>
General Fund					
Computer Operations					
Storage Array	\$ 13,000	\$ 13,000	\$ -	\$ -	\$ -
Servers	31,500	31,500	-	-	-
Computer Replacement Fund	50,000	50,000	-	-	-
Subtotal	\$ 94,500	\$ 94,500	\$ -	\$ -	\$ -
Buildings and Grounds					
Window Air Conditioners - City Hall (3)	\$ 1,500	\$ 1,500	\$ -	\$ -	\$ -
Subtotal	\$ 1,500	\$ 1,500	\$ -	\$ -	\$ -
Community Development					
Building Inspector Vehicle	\$ 27,000	\$ -	\$ 27,000	\$ -	\$ -
Subtotal	\$ 27,000	\$ -	\$ 27,000	\$ -	\$ -
Police Operations					
Squad Car Video Units (2)	\$ 12,000	\$ 12,000	\$ -	\$ -	\$ -
Subtotal	\$ 12,000	\$ 12,000	\$ -	\$ -	\$ -
Fire Operations					
Incident Command Vehicle	\$ 62,500	\$ -	\$ 62,500	\$ -	\$ -
Battery Operated Positive Pressure Ventilation Fans (2)	12,000	12,000	-	-	-
Rescue Cribbing System	14,800	14,800	-	-	-
Subtotal	\$ 89,300	\$ 26,800	\$ 62,500	\$ -	\$ -
Cemetery Operations					
Utility Vehicle	\$ 30,000	\$ -	\$ 30,000	\$ -	\$ -
Zero Turn Mower	15,000	-	15,000	-	-
Subtotal	\$ 45,000	\$ -	\$ 45,000	\$ -	\$ -
Park Maintenance					
Fuel Tank	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -
One-Ton Truck	80,000	-	80,000	-	-
Subtotal	\$ 105,000	\$ 25,000	\$ 80,000	\$ -	\$ -
Aquatic Center					
Pump	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -
Check Valve	2,500	2,500	-	-	-
Subtotal	\$ 12,500	\$ 12,500	\$ -	\$ -	\$ -
Recreation					
Gymnastics Mats	\$ 3,000	\$ 3,000	\$ -	\$ -	\$ -
Subtotal	\$ 3,000	\$ 3,000	\$ -	\$ -	\$ -
Soccer Complex					
Shop Entrance Door Replacement	\$ 3,000	\$ 3,000	\$ -	\$ -	\$ -
Subtotal	\$ 3,000	\$ 3,000	\$ -	\$ -	\$ -
Library					
Library Materials (Books, CDs, Digital Media)	\$ 140,200	\$ 140,200	\$ -	\$ -	\$ -
Public Seating and Furniture	10,000	10,000	-	-	-
Subtotal	\$ 150,200	\$ 150,200	\$ -	\$ -	\$ -
Engineering					
Workstation Laptop	\$ 4,000	\$ -	\$ -	\$ 4,000	\$ -
Subtotal	\$ 4,000	\$ -	\$ -	\$ 4,000	\$ -

**City of Muscatine
Capital Outlay in Department Operating Budgets
Budget 2024/2025**

<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>
Roadway Maintenance					
Asphalt/Concrete Grinding	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ -
Tracked Skid Loader	80,000	-	-	80,000	-
Dump Truck	130,000	-	-	130,000	-
Crackseal Machine	60,000	-	-	60,000	-
Subtotal	<u>\$ 370,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 370,000</u>	<u>\$ -</u>
Snow & Ice Control					
Snow Package for Dump Truck	\$ 160,000	\$ -	\$ -	\$ 160,000	\$ -
Salt Spreader Stands (2)	20,000	-	-	20,000	-
Subtotal	<u>\$ 180,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 180,000</u>	<u>\$ -</u>
Street Cleaning					
Leaf Machine	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ -
Subtotal	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ -</u>
Traffic Control					
Traffic Signs	\$ 16,000	\$ -	\$ -	\$ 16,000	\$ -
Paint Striping Machine	25,000	-	-	25,000	-
Subtotal	<u>\$ 41,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,000</u>	<u>\$ -</u>
Subtotal - General Fund	<u>\$ 1,238,000</u>	<u>\$ 328,500</u>	<u>\$ 214,500</u>	<u>\$ 695,000</u>	<u>\$ -</u>
Enterprise Funds					
Transit:					
Light Duty Buses (2)	\$ 325,600	\$ -	\$ -	\$ -	\$ 325,600
Route Tracking Software	27,700	-	-	-	27,700
Subtotal	<u>\$ 353,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 353,300</u>
Parking					
Electronic Parking Meters	\$ 2,200	\$ -	\$ -	\$ -	\$ 2,200
Subtotal	<u>\$ 2,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,200</u>
Golf Maintenance					
Pull Behind Rough Mower	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000
Utility Vehicle (New)	25,000	-	-	-	25,000
Utility Vehicle (Used)	10,000	-	-	-	10,000
Greens Roller	3,500	-	-	-	3,500
Subtotal	<u>\$ 68,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,500</u>
Golf Clubhouse					
Furnace/Air Conditioner	\$ 12,000	\$ -	\$ -	\$ -	\$ 12,000
Range Mats	10,000	-	-	-	10,000
Subtotal	<u>\$ 22,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,000</u>
Ambulance					
Surface Pro Computers (6)	\$ 9,600	\$ -	\$ -	\$ -	\$ 9,600
Power Stair Chair (4)	64,800	-	-	-	64,800
Powerload Cot System (5)	174,000	-	-	-	174,000
Subtotal	<u>\$ 248,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 248,400</u>
Refuse Collection					
Automated Residential Refuse Truck	\$ 320,000	\$ -	\$ -	\$ -	\$ 320,000
Five Yard Compost Bucket and Hitch Assembly	23,000	-	-	-	23,000
Navigation Routing System	6,000	-	-	-	6,000
Subtotal	<u>\$ 349,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 349,000</u>

**City of Muscatine
Capital Outlay in Department Operating Budgets
Budget 2024/2025**

<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>
Landfill					
Tree and Stump Removal	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
Subtotal	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
Transfer Station					
Transfer Trailer	\$ 95,000	\$ -	\$ -	\$ -	\$ 95,000
Handicap Door Opener	7,000	-	-	-	7,000
Subtotal	\$ 102,000	\$ -	\$ -	\$ -	\$ 102,000
Water Pollution Control Plant					
Plant Operations:					
Moyno Pump Parts	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000
1-Ton Truck w/ Dump Bed	75,000	-	-	-	75,000
Wall-Mount Weld Fume Exhaust	5,000	-	-	-	5,000
Replace Hustler Lawn Mower	18,000	-	-	-	18,000
Maintenance Roof Replacement Phase 3	60,000	-	-	-	60,000
Pumping Stations:					
Slough Building Improvements	10,000	-	-	-	10,000
Check Valve - Cannon Station	12,000	-	-	-	12,000
Rotating Assembly - Stewart Station	30,000	-	-	-	30,000
3-Ton Chain Falls and Trolleys (2)	5,000	-	-	-	5,000
Lab Operations:					
ICP-AE (Spectrophotometer) Upgrade	90,000	-	-	-	90,000
Lab Information Management System	40,000	-	-	-	40,000
pH Meter	1,700	-	-	-	1,700
Biosolids:					
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
Subtotal	\$ 390,200	\$ -	\$ -	\$ -	\$ 390,200
Collection and Drainage					
Sewer Maintenance Projects	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000
Sewer Lining	100,000	-	-	-	100,000
Subtotal	\$ 160,000	\$ -	\$ -	\$ -	\$ 160,000
Subtotal - Enterprise Funds	\$ 1,770,600	\$ -	\$ -	\$ -	\$ 1,770,600
Other Funds - Public Housing and Internal Services Funds					
Public Housing Funds					
Clark House - Apartment Rehabs	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000
Clark House - Appliance Replacements	10,000	-	-	-	10,000
Clark House - Heating & Air Units (5)	10,000	-	-	-	10,000
Clark House - Common Area Flooring	20,000	-	-	-	20,000
Clark House - Replace Entry Door Handles	5,000	-	-	-	5,000
Clark House - Computer	1,800	-	-	-	1,800
Clark House - Elevator Renovations (50% of Cost)	500,000	-	-	-	500,000
Sunset - Apartment Rehabs	15,000	-	-	-	15,000
Sunset - Appliance Replacements	10,000	-	-	-	10,000
Sunset - Steel Entry Doors	14,400	-	-	-	14,400
Sunset - Foundation Repairs	20,000	-	-	-	20,000
Subtotal	\$ 621,200	\$ -	\$ -	\$ -	\$ 621,200
Voucher Program					
Computer Replacement	\$ 1,800	\$ -	\$ -	\$ -	\$ 1,800
Subtotal	\$ 1,800	\$ -	\$ -	\$ -	\$ 1,800

**City of Muscatine
Capital Outlay in Department Operating Budgets
Budget 2024/2025**

<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>
Equipment Services Internal Services Fund					
Shop Scan Tool	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000
Battery Cable Crimping Tool	2,300	-	-	-	2,300
Subtotal	<u>\$ 17,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,300</u>
			-		
Subtotal - Other Funds	<u>\$ 640,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 640,300</u>
Total - All Operating Funds	<u>\$ 3,648,900</u>	<u>\$ 328,500</u>	<u>\$ 214,500</u>	<u>\$ 695,000</u>	<u>\$ 2,410,900</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 2023/2024 and 2024/2025. The balance in this trust on June 30, 2025 is estimated at \$925,919.

Perpetual Care Trust

Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 903,684	\$ 911,927	\$ 916,927	\$ 915,919	\$ 920,919
Revenues					
Perpetual Care	<u>8,243</u>	<u>3,992</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Funds Available	\$ 911,927	\$ 915,919	\$ 921,927	\$ 920,919	\$ 925,919
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30	<u>\$ 911,927</u>	<u>\$ 915,919</u>	<u>\$ 921,927</u>	<u>\$ 920,919</u>	<u>\$ 925,919</u>
Increase (Decrease) in Fund Balance	\$ 8,243	\$ 3,992	\$ 5,000	\$ 5,000	\$ 5,000

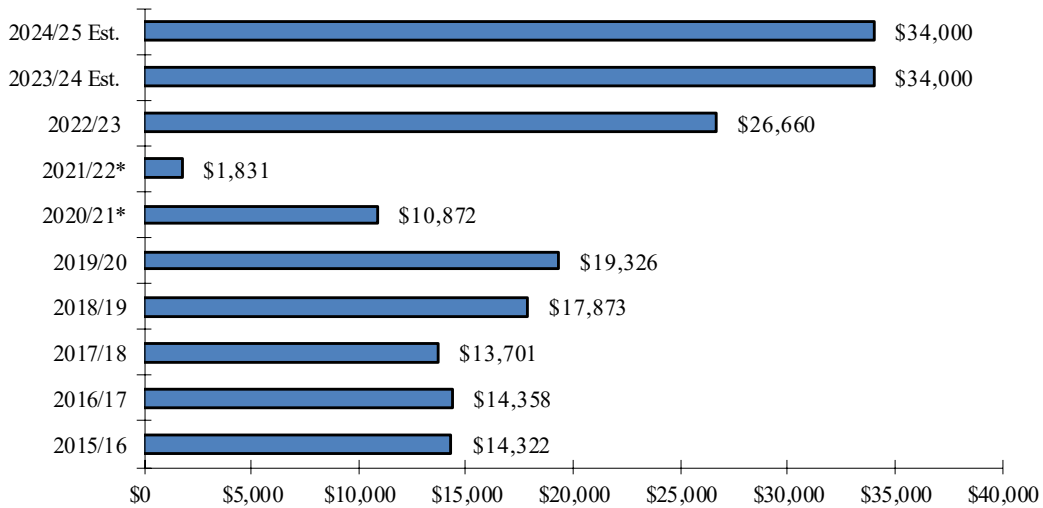
TRUST AND AGENCY FUNDS
PERPETUAL CARE INTEREST TRUST

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 2015/2016 through the budgeted amount for 2024/2025 is shown in the following graph.

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. Interest rates have been increasing since those years.

Beginning in 1991/92 and continuing through 2022/2023 (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, \$42,520 in 2021/2022, and \$61,752 in 2022/2023. The revised estimate for 2023/2024 projects a General Fund subsidy of \$83,200 and \$73,900 is the estimated subsidy for 2024/2025. The increased subsidy in these years is primarily due to increased Cemetery operating expenditures.

Perpetual Care Interest Trust

Fund Statement

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Interest	1,831	26,660	18,000	34,000	34,000
Funds Available	\$ 1,831	\$ 26,660	\$ 18,000	\$ 34,000	\$ 34,000
Expenditures					
Transfers Out Cemetery Operations	1,831	26,660	18,000	34,000	34,000
Ending Balance, June 30	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Increase (Decrease) in					
Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

TRUST AND AGENCY FUNDS

SPECIAL CEMETERY TRUSTS

GENERAL INFORMATION:

This budget consists of thirteen (13) individual trust funds associated with specific graves or mausoleums at the City's Greenwood Cemetery. The trust agreements provide that interest earned on the trusts be used for specified purposes, generally floral arrangements at specified times each year or for maintenance of mausoleum structures as needed.

CURRENT TRENDS AND ISSUES:

The Special Cemetery Trusts are non-expendable trusts, now considered Permanent Funds of the City. An estimated \$1,500 in interest is expected to be earned on these funds in both 2023/2024 and 2024/2025. Trust expenditures are estimated at \$1,000 for both 2023/2024 and 2024/2025.

Special Cemetery Trusts (1)

Fund Statement

	<u>Actual</u> <u>2021/2022</u>	<u>Actual</u> <u>2022/2023</u>	<u>Budget</u> <u>2023/2024</u>	<u>Revised</u> <u>Estimate</u> <u>2023/2024</u>	<u>Budget</u> <u>2024/2025</u>
Beginning Balance, July 1	\$ 52,416	\$ 51,949	\$ 52,449	\$ 53,426	\$ 53,926
Revenues					
Interest	<u>52</u>	<u>1,777</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>
Funds Available	<u>\$ 52,468</u>	<u>\$ 53,726</u>	<u>\$ 53,949</u>	<u>\$ 54,926</u>	<u>\$ 55,426</u>
Expenditures					
Florist Services	\$ 519	\$ 0	\$ 1,000	\$ 1,000	\$ 1,000
Transfers Out:					
Administrative Fees	<u>0</u>	<u>300</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 519</u>	<u>\$ 300</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>
Ending Balance, June 30	<u><u>\$ 51,949</u></u>	<u><u>\$ 53,426</u></u>	<u><u>\$ 52,949</u></u>	<u><u>\$ 53,926</u></u>	<u><u>\$ 54,426</u></u>
Increase (Decrease) in Fund Balance	\$ (467)	\$ 1,477	\$ 500	\$ 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 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 0	\$ 289,435	\$ 297,235	\$ 318,269	\$ 326,269
Revenues					
Donations	\$ 289,398	\$ 20,830	\$ 0	\$ 0	\$ 0
Interest	<u>37</u>	<u>8,004</u>	<u>7,500</u>	<u>8,000</u>	<u>8,000</u>
Total Revenues	<u>\$ 289,435</u>	<u>\$ 28,834</u>	<u>\$ 7,500</u>	<u>\$ 8,000</u>	<u>\$ 8,000</u>
Funds Available	<u>\$ 289,435</u>	<u>\$ 318,269</u>	<u>\$ 304,735</u>	<u>\$ 326,269</u>	<u>\$ 334,269</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>\$ 289,435</u></u>	<u><u>\$ 318,269</u></u>	<u><u>\$ 304,735</u></u>	<u><u>\$ 326,269</u></u>	<u><u>\$ 334,269</u></u>
Increase (Decrease) in Fund Balance	\$ 289,435	\$ 28,834	\$ 7,500	\$ 8,000	\$ 8,000

J. Donald McPike Bequest Trust - Cemetery or Other Park Projects

Fund Statement

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025
Beginning Balance, July 1	\$ 0	\$ 72,359	\$ 74,459	\$ 79,567	\$ 81,567
Revenues					
Donations	\$ 72,350	\$ 5,207	\$ 0	\$ 0	\$ 0
Interest	9	2,001	2,000	2,000	2,000
Total Revenues	<u>\$ 72,359</u>	<u>\$ 7,208</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>
Funds Available	<u>\$ 72,359</u>	<u>\$ 79,567</u>	<u>\$ 76,459</u>	<u>\$ 81,567</u>	<u>\$ 83,567</u>
Expenditures:					
Commodities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contractual Services	0	0	0	0	0
Capital Outlay	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>\$ 72,359</u></u>	<u><u>\$ 79,567</u></u>	<u><u>\$ 76,459</u></u>	<u><u>\$ 81,567</u></u>	<u><u>\$ 83,567</u></u>
Increase (Decrease) in Fund Balance	\$ 72,359	\$ 7,208	\$ 2,000	\$ 2,000	\$ 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 2023/2024 and 2024/2025 budgets include \$14,500 and \$15,000, 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 2023/2024 revised estimate expenditures total \$30,900, which includes \$14,500 for Channel 5 programming. The 2024/2025 budgeted expenditures total \$31,500, which includes \$15,000 for Channel 5. The estimated balance in this trust on June 30, 2025 is \$147,201.

Library Gift and Memorial Trust

Fund Statement

	<u>Actual</u> <u>2021/2022</u>	<u>Actual</u> <u>2022/2023</u>	<u>Budget</u> <u>2023/2024</u>	<u>Revised</u> <u>Estimate</u> <u>2023/2024</u>	<u>Budget</u> <u>2024/2025</u>
Beginning Balance, July 1	\$ 54,757	\$ 53,138	\$ 57,138	\$ 95,301	\$ 129,201
Revenues					
Donations	\$ 14,665	\$ 39,041	\$ 16,000	\$ 27,100	\$ 12,000
Federal Grant - ARPA	4,945	0	0	0	0
State Grant	25,747	25,589	20,000	24,600	24,500
Miscellaneous Sales	2,754	4,534	2,000	2,000	2,000
LENA Program Donation	0	0	8,400	10,600	10,500
Interest	69	2,093	500	500	500
Total Revenues	<u>\$ 48,180</u>	<u>\$ 71,257</u>	<u>\$ 46,900</u>	<u>\$ 64,800</u>	<u>\$ 49,500</u>
Funds Available	<u>\$ 102,937</u>	<u>\$ 124,395</u>	<u>\$ 104,038</u>	<u>\$ 160,101</u>	<u>\$ 178,701</u>
Expenditures					
Library Materials	\$ 201	\$ 186	\$ 0	\$ 300	\$ 500
Contractual Services	27,776	4,959	5,000	5,500	5,500
LENA Program Fees	8,450	9,450	8,400	10,600	10,500
Library Channel 5 Programming:					
Video Equipment (1)	0	0	0	0	0
Operating Costs	13,372 (2)	14,499 (2)	14,000 (2)	14,500 (2)	15,000 (2)
Total Expenditures	<u>\$ 49,799</u>	<u>\$ 29,094</u>	<u>\$ 27,400</u>	<u>\$ 30,900</u>	<u>\$ 31,500</u>
Ending Balance, June 30	<u><u>\$ 53,138</u></u>	<u><u>\$ 95,301</u></u>	<u><u>\$ 76,638</u></u>	<u><u>\$ 129,201</u></u>	<u><u>\$ 147,201</u></u>
Increase (Decrease) in Fund Balance	\$ (1,619)	\$ 42,163	\$ 19,500	\$ 33,900	\$ 18,000

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 2023/2024 revised estimate and 2024/2025 budget each have expenditures of \$4,000. The projected balance at the end of 2024/2025 is \$105,062.

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 2023/2024 revised estimate and 2024/2025 budget each have expenditures of \$500 budgeted to be expended from this trust. The projected balance at the end of 2024/2025 is \$49,576.

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 2023/2024 a total of \$22,500 in donations, grants, and interest, is budgeted to be received, and \$21,000 is budgeted to be expended. The projected balance in this trust is \$41,906 at the end of 2023/2024. Grants, donations, and interest budgeted to be received in 2024/2025 totals \$20,000, and \$42,500 is budgeted to be expended. The projected balance in this trust at the end of 2024/2025 is \$19,406.

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 another 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 2024/2025 budget includes \$136,000 in expenditures. The 2024/2025 budget allocation is for design work for a building addition. The projected balance in this trust at the end of 2024/2025 is \$2,655.

McWhirter-Gilmore Trust

Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 105,003	\$ 105,681	\$ 104,481	\$ 108,562	\$ 107,062
Revenues					
Interest	<u>678</u>	<u>2,881</u>	<u>800</u>	<u>2,500</u>	<u>2,000</u>
Funds Available	\$ 105,681	\$ 108,562	\$ 105,281	\$ 111,062	\$ 109,062
Expenditures					
Contractual Services	\$ 0	\$ 0	\$ 2,000	\$ 2,000	\$ 2,000
Capital Outlay	<u>0</u>	<u>0</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>
Ending Balance, June 30	<u>\$ 105,681</u>	<u>\$ 108,562</u>	<u>\$ 101,281</u>	<u>\$ 107,062</u>	<u>\$ 105,062</u>
Increase (Decrease) in Fund Balance	\$ 678	\$ 2,881	\$ (3,200)	\$ (1,500)	\$ (2,000)

Alice Schaeffer Trust

Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 47,207	\$ 47,483	\$ 47,483	\$ 48,776	\$ 49,276
Revenues					
Interest	<u>276</u>	<u>1,293</u>	<u>500</u>	<u>1,000</u>	<u>800</u>
Funds Available	\$ 47,483	\$ 48,776	\$ 47,983	\$ 49,776	\$ 50,076
Expenditures	<u>0</u>	<u>0</u>	<u>500</u>	<u>500</u>	<u>500</u>
Ending Balance, June 30	<u>\$ 47,483</u>	<u>\$ 48,776</u>	<u>\$ 47,483</u>	<u>\$ 49,276</u>	<u>\$ 49,576</u>
Increase (Decrease) in Fund Balance	\$ 276	\$ 1,293	\$ 0	\$ 500	\$ 300

Art Center Donations Trust

Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 37,708	\$ 42,741	\$ 34,641	\$ 40,406	\$ 41,906
Revenues					
Donations	\$ 10,175	\$ 13,613	\$ 4,800	\$ 2,500	\$ 2,500
Special Project Donations	4,134	75	0	3,000	3,000
Interest	45	963	100	500	500
Art Center Grants	39,700	0	5,000	7,500	5,000
Miscellaneous Sales	285	1,210	500	500	500
Reimbursements of Expenses	3,587	1,542	8,500	8,500	8,500
Other Revenue	6,110	0	0	0	0
Total Revenues	<u>\$ 64,036</u>	<u>\$ 17,403</u>	<u>\$ 18,900</u>	<u>\$ 22,500</u>	<u>\$ 20,000</u>
Funds Available	<u>\$ 101,744</u>	<u>\$ 60,144</u>	<u>\$ 53,541</u>	<u>\$ 62,906</u>	<u>\$ 61,906</u>
Expenditures					
Art Center Materials	\$ 3,005	\$ 935	\$ 3,500	\$ 5,000	\$ 8,500
Contractual Services	55,528	18,803	6,000	8,000	6,000
Capital Outlay	470	0	1,000	8,000	28,000
Total Expenditures	<u>\$ 59,003</u>	<u>\$ 19,738</u>	<u>\$ 10,500</u>	<u>\$ 21,000</u>	<u>\$ 42,500</u>
Ending Balance, June 30	<u><u>\$ 42,741</u></u>	<u><u>\$ 40,406</u></u>	<u><u>\$ 43,041</u></u>	<u><u>\$ 41,906</u></u>	<u><u>\$ 19,406</u></u>
Increase (Decrease) in Fund Balance	\$ 5,033	\$ (2,335)	\$ 8,400	\$ 1,500	\$ (22,500)

Brad Burns Trust

Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 293,781	\$ 135,706	\$ 132,006	\$ 133,655	\$ 136,655
Revenues					
Donation	\$ 147,500	\$ 0	\$ 0	\$ 0	\$ 0
Interest	<u>1,636</u>	<u>3,603</u>	<u>2,000</u>	<u>3,000</u>	<u>2,000</u>
Funds Available	<u>\$ 442,917</u>	<u>\$ 139,309</u>	<u>\$ 134,006</u>	<u>\$ 136,655</u>	<u>\$ 138,655</u>
Expenditures					
Contractual Services	\$ 9,373	\$ 5,654	\$ 125,000	\$ 0	\$ 136,000
Capital Outlay	<u>297,838</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 307,211</u>	<u>\$ 5,654</u>	<u>\$ 125,000</u>	<u>\$ 0</u>	<u>\$ 136,000</u>
Ending Balance, June 30	<u><u>\$ 135,706</u></u>	<u><u>\$ 133,655</u></u>	<u><u>\$ 9,006</u></u>	<u><u>\$ 136,655</u></u>	<u><u>\$ 2,655</u></u>
Increase (Decrease) in Fund Balance	\$ (158,075)	\$ (2,051)	\$ (123,000)	\$ 3,000	\$ (134,000)

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, increased to \$98.00 per hour in 2022/2023, and increased to \$106.00 per hour in 2023/2024. The rate is budgeted to increase to \$111.00 per hour in 2024/2025.

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 2024/2025.

CURRENT TRENDS AND ISSUES:

The 2023/2024 revised estimate expenditures are \$101,500 more than the original budget. This increase is due to the net effect of (1) a \$2,200 increase in personal services costs, (2) a \$9,800 decrease in commodities, and (3) a \$109,100 increase in contractual services primarily due to increased outside repair and maintenance services costs.

The 2024/2025 budget is \$139,000 (9.7%) more than the original 2023/2024 budget. The budget includes an increase of \$28,500 (6.9%) in personal services costs, a \$9,800 decrease in commodities, a \$106,400 increase in contractual services, a \$13,300 increase in capital outlay, and a \$600 increase in transfers. The increase in contractual services is primarily due to an increase in outside repair and maintenance services. The 2024/2025 capital outlay allocation of \$17,300 is for a new scan tool for the shop (\$15,000) and a battery cable crimping tool (\$2,300).

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 \$92.00 per hour to \$96.00 per hour in 2021/2022, to \$98.00 per hour for 2022/2023, and to \$106.00 per hour for 2023/2024. This rate is budgeted to increase to \$111.00 per hour in 2024/2025. The Equipment Services operation is expected to have a deficit balance (before inventory) of \$85,370 on June 30, 2025. The balance including the fuel and parts inventories is \$50,166.

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 \$500,000 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 2020/2021	Actual 2021/2022	Actual 2022/2023	Estimated 2023/2024	Estimated 2024/2025
Autos, Pickups, Flatbeds Serviced	178	181	188	200	200
Trucks, Buses, Garbage Trucks Serviced	107	116	113	105	105
Heavy Equipment/Tractors Serviced	33	18	34	33	33
Gallons of Gasoline Dispensed	104,754	104,005	101,024	105,000	105,000
Gallons of Diesel Fuel Dispensed	48,748	42,621	40,803	40,000	40,000
Preventative Maintenance Work Orders	853	899	832	850	850
Emergency Maintenance Work Orders	535	486	478	500	500
Work Orders Completed	1,388	1,385	1,310	1,350	1,350

RECENT ACCOMPLISHMENTS:

Supply chain issues continue to be a challenge. The department has made efforts to have parts on hand before the vehicles come into the shop so they are not sitting idle any longer than necessary. The technicians are checking the fleet as it comes in for regular service work and identifying issues early, getting parts first, and scheduling the repairs. The department purchased a scissors lift for the shop to assist staff when working with heights. The lift is used both for safety and for productivity.

The department continues to make great strides in getting the City’s fleet updated. A comprehensive list is being kept which helps identify vehicles that are in need of being replaced.

The fuel pump, tank, and monitoring system project is moving forward. At the time the budget was being developed, staff was in the process of getting a contract signed with the vendor. The project is then scheduled to start in the spring.

OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025:

- Continue updating the vehicle replacement list.
- To start and finish the fuel island replacement project while still efficiently providing fuel to City vehicles.
- To monitor the billed hours charged out for vehicle/equipment repairs for each employee and look to increase the percentage of hours billed.

Equipment Services Operations

Fund Statement

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025
Beginning Balance (Deficit), July 1	\$ (3,204)	\$ (90,104)	\$ (83,104)	\$ (104,770)	\$ (87,270)
Revenues					
Charges for Services -					
City Departments	\$ 1,226,995 (2)	\$ 1,472,356 (4)	\$ 1,432,300 (5)	\$ 1,548,300 (5)	\$ 1,570,300 (6)
Miscellaneous	1,085	1,430	500	600	500
Total Revenues	\$ 1,228,080	\$ 1,473,786	\$ 1,432,800	\$ 1,548,900	\$ 1,570,800
Funds Available	\$ 1,224,876	\$ 1,383,682	\$ 1,349,696	\$ 1,444,130	\$ 1,483,530
Expenditures (1)	1,314,980 (3)	1,488,452 (3)	1,429,900 (3)	1,531,400 (3)	1,568,900 (3)
Ending Balance (Deficit), June 30	\$ (90,104)	\$ (104,770)	\$ (80,204)	\$ (87,270)	\$ (85,370)
Allowance for Inventory	124,694	135,536	124,694	135,536	135,536
Net Balance, June 30	\$ 34,590	\$ 30,766	\$ 44,490	\$ 48,266	\$ 50,166
Increase (Decrease) in Net Balance	\$ (86,900) (2)	\$ (14,666) (3)	\$ 2,900	\$ 17,500	\$ 1,900

1. Expenditures include changes in compensated absences.
2. The labor rate for 2021/2022 was increased from \$92.00 to \$96.00 per hour.
3. The 2021/2022, 2022/2023, 2023/2024, and 2024/2025 budgets include \$22,000 for the internal loan payments for the purchase of a vehicle lift in 2020/2021.
4. The labor rate increased to \$98.00 per hour for the 2022/2023 fiscal year.
5. The labor rate increased to \$106.00 per hour for the 2023/2024 fiscal year.
6. The labor rate is budgeted to increase to \$111.00 per hour for the 2024/2025 fiscal year.

Function:
Internal Service

Department:
Public Works

Activity:
Equipment Services Operations

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Percent Change
Expenditure Summary						
Personal Services	\$ 377,106	\$ 385,047	\$ 411,400	\$ 413,600	\$ 439,900	6.93%
Commodities	646,728	662,176	687,300	677,500	677,500	-1.43%
Contractual Services	242,523	387,970	284,000	393,100	390,400	37.46%
Capital Outlay	12,137	5,131	4,000	4,000	17,300	332.50%
Transfers	<u>42,000</u>	<u>42,600</u>	<u>43,200</u>	<u>43,200</u>	<u>43,800</u>	1.39%
Total Expenditures	<u>\$ 1,320,494</u>	<u>\$ 1,482,924</u>	<u>\$ 1,429,900</u>	<u>\$ 1,531,400</u>	<u>\$ 1,568,900</u>	9.72%
Funding Sources						
Charges for Services	\$ 1,226,995	\$ 1,472,356	\$ 1,432,300	\$ 1,548,300	\$ 1,570,300	9.63%
Other	<u>1,085</u>	<u>1,430</u>	<u>500</u>	<u>600</u>	<u>500</u>	0.00%
Total Funding Sources	<u>\$ 1,228,080</u>	<u>\$ 1,473,786</u>	<u>\$ 1,432,800</u>	<u>\$ 1,548,900</u>	<u>\$ 1,570,800</u>	9.63%

Personnel Schedule						
	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025	Budget Amount 2024/2025
Full Time:						
Vehicle Maintenance						
Supervisor	1.00	1.00	1.00	1.00	1.00	
Vehicle Mechanic II	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	
Total	4.00	4.00	4.00	4.00	4.00	\$ 278,900
Employee Benefits						161,000
Total Personal Services						<u>\$ 439,900</u>

Capital Outlay			
Item	Quantity	Replacement	Amount
Shop Scan Tool	1	Yes	\$ 15,000
Battery Cable Crimping Tool	1	Yes	2,300
Total			<u>\$ 17,300</u>

INTERNAL SERVICE FUNDS

HEALTH INSURANCE FUND

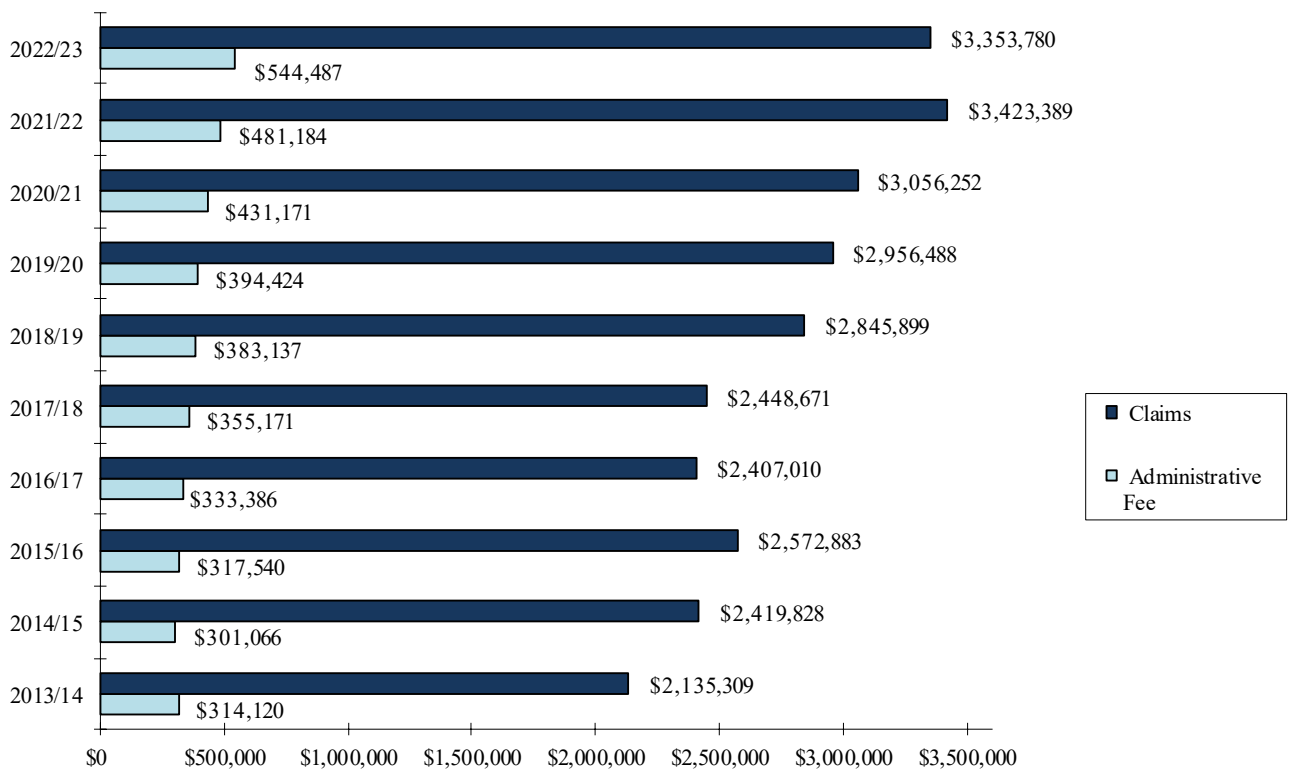
GENERAL INFORMATION:

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 2013/2014.

Health Insurance Claims and Administrative Fees

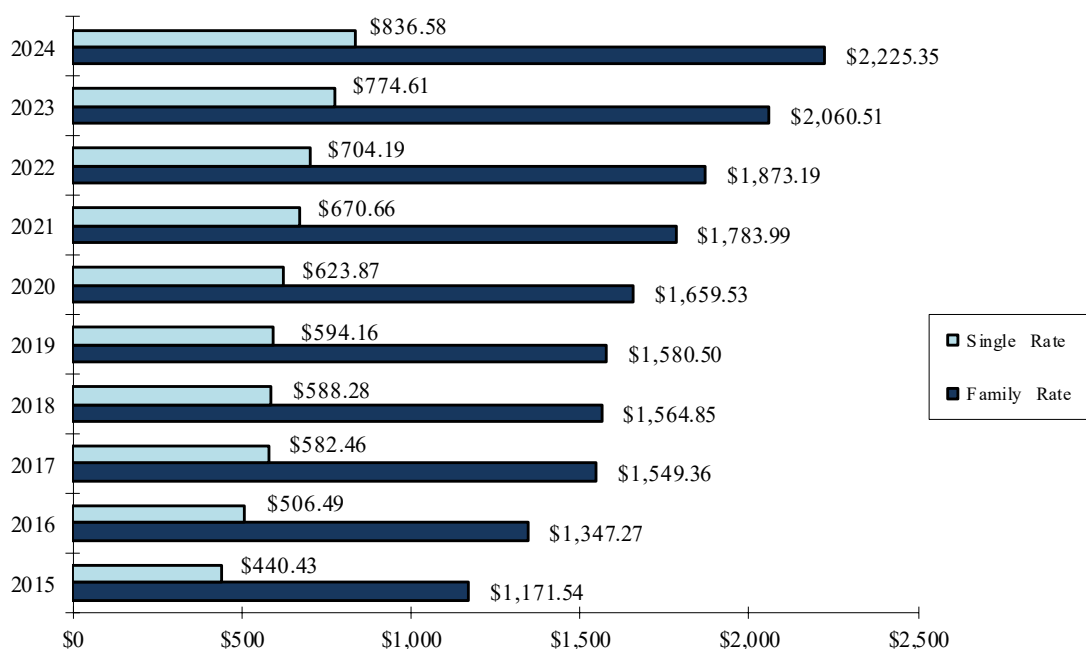


The monthly premium charges for single and family health insurance coverage for City employees, dependents, and retirees has varied significantly over the last ten years as shown in the table on the next page. For January 1, 2014 rates were \$440.43 and \$1,171.54, respectively, for single and family coverage. These rates were maintained for 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%. For January 1, 2024, rates were increased by 8%.

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, 2023, and 2024 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 rates further increased January 1, 2024 by 8%. The annual aggregate maximum level has been established at \$5,262,748 for calendar year 2024 compared to \$5,159,857 for calendar year 2023. The annual aggregate amounts reflect 125% of expected claims for calendar year 2024 for the City's group. The premium rates for 2023 included an administrative fee of \$223.74 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 2024, the monthly administrative fee increased to \$246.07 per month.

The Employee Wellness program was established by the City in 1987. The 2023/2024 revised estimate and 2024/2025 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 \$67,000 for the 2023/2024 revised estimate and \$67,900 for the 2024/2025 budget. Additional information on this program can be found in the Wellness Program activity budget in the General Fund section of this document.

The 2024/2025 budget allows for estimated health insurance claims costs of \$4,229,400 which is \$19,205 more than Wellmark's projected claims of \$4,210,195 for the City's group for calendar year 2024. Based on this claims projection, the Health Insurance fund balance is estimated at \$2,173,186 at the end of 2024/2025. 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 \$5,262,748 for 2024. In the event the City's actual claims exceed the expected amount of \$4,210,195 for calendar year 2024, 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 2024, and the budgeted claims expenditures of \$4,229,400, if claims would reach the 125% maximum level of \$5,262,748, the fund balance would decrease by \$1,033,348. This would be the "worst case" scenario. The projected fund balance of \$2,173,186 at the end of 2024/2025 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. The 2021 employee contribution rates were maintained for 2022, 2023, and 2024.

Health Insurance Fund

Fund Statement

	<u>Actual 2021/2022</u>	<u>Actual 2022/2023</u>	<u>Budget 2023/2024</u>	<u>Revised Estimate 2023/2024</u>	<u>Budget 2024/2025</u>
Beginning Balance, July 1	\$ 2,182,591	\$ 2,080,117	\$ 2,310,486	\$ 2,310,486	\$ 2,173,186
Revenues					
Interest	\$ 2,562	\$ 65,823	\$ 5,000	\$ 5,000	\$ 3,500
City Contributions	3,328,819	3,596,022	4,010,500	3,981,300	4,372,400
Employee Contributions	355,598	371,677	435,400	407,400	460,000
Retiree Contributions	146,103	174,183	185,100	153,200	164,400
Miscellaneous	<u>0</u>	<u>4,457</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 3,833,082</u>	<u>\$ 4,212,162</u>	<u>\$ 4,636,000</u>	<u>\$ 4,546,900</u>	<u>\$ 5,000,300</u>
Funds Available	<u>\$ 6,015,673</u>	<u>\$ 6,292,279</u>	<u>\$ 6,946,486</u>	<u>\$ 6,857,386</u>	<u>\$ 7,173,486</u>
Expenditures					
Health Insurance Claims	\$ 3,423,389	\$ 3,353,780	\$ 4,060,000	\$ 3,990,000	\$ 4,229,400
Administrative Fees	481,184	544,487	620,200	606,300	682,100
Special Service Coverage	1,000	1,000	2,500	1,000	1,000
Audit Fees	1,077	1,077	1,200	1,200	1,200
State Assessment	0	3,154	5,000	5,000	5,000
Wellness Tracking Program	8,487	8,741	8,700	8,700	8,700
Affordable Care Act Fees:					
PCORI Fee (Patient Centered Outcomes Research Institute)	1,641	1,752	2,000	2,000	2,000
Transfers Out:					
General Fund Wellness Program	55,778	64,802	70,000	67,000	67,900
Administrative Fee	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
Total Expenditures	<u>\$ 3,975,556</u>	<u>\$ 3,981,793</u>	<u>\$ 4,772,600</u>	<u>\$ 4,684,200</u>	<u>\$ 5,000,300</u>
Ending Balance, June 30	<u><u>\$ 2,040,117</u></u>	<u><u>\$ 2,310,486</u></u>	<u><u>\$ 2,173,886</u></u>	<u><u>\$ 2,173,186</u></u>	<u><u>\$ 2,173,186</u></u>
Increase (Decrease) in					
Fund Balance	\$ (142,474)	\$ 230,369	\$ (136,600)	\$ (137,300)	\$ 0

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 2023/2024 and 2024/2025, 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.

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.

CURRENT TRENDS AND ISSUES:

In 2017 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. 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. In 2024, the dental insurance rates were decreased to \$31.57 with an additional \$53.97 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 \$2,000. The 5% decrease was due to lower claims in recent years.

For the 2024/2025 fiscal year, City, employee, and retiree contributions, and interest are estimated at \$178,800. The administrative fee is projected to be \$9,900 and claims are estimated at \$170,500 for the year. An estimated fund balance of \$114,567 is projected for June 30, 2025.

Dental Insurance Fund

Fund Statement

	Actual 2021/2022	Actual 2022/2023	Budget 2023/2024	Revised Estimate 2023/2024	Budget 2024/2025
Beginning Balance, July 1	\$ 78,320	\$ 100,178	\$ 117,367	\$ 117,367	\$ 116,167
Revenues					
City Contributions	\$ 71,533	\$ 73,742	\$ 83,300	\$ 77,000	\$ 83,300
Employee Contributions	86,339	89,126	89,200	88,100	89,200
Retiree Contributions	3,863	5,076	6,200	4,700	5,300
Interest	100	3,229	500	1,000	1,000
Total Revenues	\$ 161,835	\$ 171,173	\$ 179,200	\$ 170,800	\$ 178,800
Funds Available	\$ 240,155	\$ 271,351	\$ 296,567	\$ 288,167	\$ 294,967
Expenditures					
Dental Insurance Claims	\$ 130,592	\$ 144,434	\$ 169,000	\$ 162,400	\$ 170,500
Administrative Fees	9,385	9,550	10,200	9,600	9,900
Total Expenditures	\$ 139,977	\$ 153,984	\$ 179,200	# \$ 172,000	\$ 180,400
Ending Balance, June 30	\$ 100,178	\$ 117,367	\$ 117,367	\$ 116,167	\$ 114,567
Increase (Decrease) in Fund Balance	\$ 21,858	\$ 17,189	\$ 0	\$ (1,200)	\$ (1,600)

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	3,100
Grain Processing Corp./Kent Feeds	Corn distillates, livestock and poultry feed, corn, soybeans, and forage	949
Muscatine Community School District	Education	839
Raymond-Muscatine Inc.	Industrial trucks and end loaders	550
Hy-Vee Food Stores	Grocery store	468
Bayer (formerly Monsanto Company)	Herbicides and ABS plastics	460
Musco Sports Lighting, Inc.	Sports lights	411
Kraft-Heinz, U.S.A.	Food processing	382
UnityPoint Health-Trinity Muscatine	Medical services	365
Wal-Mart Superstores	Discount and grocery store	320
Muscatine Power & Water	Utility	260
City of Muscatine	City government	237
County of Muscatine	County government	230
Stanley Consultants, Inc.	Engineers and architects	189
Bridgestone Bandag, LLC	Pre-cured tread rubber and related equipment and supplies	140

* Employment numbers reflect 2023 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	5.40%
HNI Corporation (HON Industries)	47,914,657	2	4.70%
Wal-View Development	33,525,905	3	3.30%
Sodarock Properties LLC	13,071,220	4	1.30%
Wal-Mart Real Estate	10,484,536	5	1.00%
Menard Inc	10,386,581	6	1.00%
Gridco LLC	10,613,370	7	1.00%
Heinz, U.S.A	10,387,572	8	1.00%
Bridgestone Bandag LLC	8,964,605	9	0.90%
MLC Land Company LLC	13,924,843	10	1.40%

(Continued)

(Continued)

<u>Taxpayer</u>	<u>Taxable Valuation*</u>	<u>Rank</u>	<u>% of Total Taxable Value</u>
Muscatine Downtown Investors LLC	9,016,316	11	0.90%
Midwest One Bank of Muscatine (Formerly First National Bank)	5,683,950	12	0.60%
Store Master Funding XIV LLC (White Distributing)	6,179,874	13	0.60%
SECO Investments	5,085,011	14	0.50%
CBI Bank and Trust (Formerly Central State Bank)	5,096,111	15	0.50%
Muscatine Medical Associates LLC	4,702,084	16	0.50%
Prime Mover Company	5,253,663	17	0.50%
Davenport Farm & Fleet, Inc.	5,411,784	18	0.50%
LHV Muscatine LLC	4,896,975	19	0.50%
Community Bank	4,875,937	20	0.50%

*January 1, 2023 valuations for property taxes to be paid in fiscal year 2024/2025.

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	1,463
Susan Clark Junior High	7-8	1960	600
Franklin Elementary	K-6	1954	280
Grant Elementary	K-6	1954	299
Jefferson Elementary	K-6	2016	422
Madison Elementary	K-6	1954	387
McKinley Elementary	K-6	1960	423
Mulberry Elementary	K-6	1962	<u>267</u>
Total			<u>4,141</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 Canadian Pacific 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 UnityPoint Health Trinity-Muscatine, one of four hospitals in the UnityPoint Health - 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>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>Single Family Homes</u>					
Number of New Homes:	3	3	11 (2)	6	8
Valuation:	\$728,190	\$597,954	\$3,633,613	\$1,632,731	\$1,827,490
<u>Home Remodel & Improvements</u>					
Number of Permits Issued:	763	796	713	629	772
Valuation:	\$4,561,866	\$2,602,838	\$3,658,207	\$4,452,691	\$4,107,865
<u>Multiple-Family Dwelling</u>					
Number of New Buildings:	18 (1)	3	9 (3)	2	2
Valuation:	\$11,359,863	\$827,390	\$20,042,437	\$2,317,880	\$785,240
<u>Commercial/Industrial/Other</u>					
Number of New Buildings:	10	6	13	13	14 (4)
Valuation:	\$5,015,417	\$2,819,014	\$6,953,649	\$27,027,756	\$47,104,376 (4)
<u>Commercial/Industrial/Other Additions & Alterations</u>					
Number of Permits Issued:	271	239	217	192	271 (5)
Valuation:	\$33,318,971	\$5,293,496	\$24,004,327	\$17,412,913	\$50,829,749 (5)
Total Permits:	1,065	1,047	963	842	1,067
Total Valuations:	\$54,984,307	\$12,140,692	\$58,292,233	\$52,843,971	\$104,654,720

1. 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.
2. 2021 new single family homes include seven homes in the new Arbor Commons Subdivision.
3. 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.
4. 2023 new commercial buildings include the new Health Clinic building with a valuation of \$30,382,917.
5. 2023 commercial additions and alterations include the McKee Button Factory Building Remodel and multiple Muscatine Community School District (MCSD) additions, remodels, and improvements.

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>
2023	3.20%	3.00%
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%

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 6/30</u>	<u>Retail Sales</u>	<u>Number of Permits</u>
2023	\$ 424,289,793	728
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

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	237
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:	
Number of acres	80
Library:	
Number of registered borrowers	19,000
Circulation	365,870
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
CGFL	Combined General Fund Levy
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