City of Muscatine, Iowa

Annual Budget

Fiscal Year 2025/2026

ANNUAL BUDGET

CITY OF MUSCATINE, IOWA

FOR THE FISCAL YEAR
JULY 1, 2025 - JUNE 30, 2026

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:

Matt Mardesen, City Administrator
Nancy A. Lueck, Finance Director
LeAnna McCullough, Accounting Supervisor

COVER:

Weed Park Lagoon

The Weed Park Lagoon Bank Stabilization Project was completed in fiscal year 2024/2025. Erosion had become a problem causing the lagoon to prematurely fill with silt. This project stabilized the water's edge by adding rip rap around the entire lagoon. The island in the upper section of the lagoon also had rip rap added and the viewing deck on the edge of the lagoon was replaced. Private donations funded restoration of the historic stone lighthouse and "duck house" on the island.

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, 2024

Christopher P. Morrill

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, 2024. This was the 40th 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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Tony Kies, Police Chief	akies@muscatineiowa.gov	563-263-9922
Brian Stineman, Public Works Director	bstineman@muscatineiowa.gov	563-263-8933
Jon Koch, Director of Water Pollution Control	jkoch@muscatineiowa.gov	563-263-2752

Introduction to the City of Muscatine

Pearl of the Mississippi

www. muscatineiowa.gov

Early History

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

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

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

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

How Muscatine got its name

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

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

Railroad Development

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

Early Muscatine Industry

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

Pearl Button Industry

John Fred Boepple, a German immigrant with a flair for making buttons, came to Muscatine in 1887. By mistake, Boepple found that fresh water mussel shells, instead of animal horns, made a stronger button that more closely resembled the fashionable buttons made of expensive import marine shells. Nicholas Barry and his sons invented a machine which turned out better buttons with less labor. Muscatine soon became the world's largest pearl button manufacturer, its factories employing half of the Muscatine workforce during the turn of the century, earning it the name of ***"Pearl Button Capital of the World."*** In 1905 over 1.5 billion pearl buttons were made in Muscatine. Today nearly all buttons are made from plastic.

Other Industrial Development

In 1892, after a nationwide investigation, **H.J. Heinz Company** decided to locate one of their principal canning plants in Muscatine, being the first expansion outside of Pittsburgh. Numerous additions have been made to this plant. This plant is now part of the Kraft Heinz Company which was formed by the merger of Kraft Foods and Heinz. The fertile soils of Muscatine make the area well known for producing some the highest quality agricultural products in the world with the famous Muscatine Melon being perhaps the most recognized.

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

Incorporation and Government

Muscatine acquired its present name in 1850. On February 21, 1851 Muscatine was incorporated by a special act of the Iowa State Legislature and is one of four Iowa cities that continues to operate under such special authority. The city is the county seat of Muscatine County and has a mayor-council form of government. Day-to-day operations of the city are carried out under the supervision of a City Administrator.

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

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

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INTRODUCTORY

SECTION

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TO: Mayor Brad Bark, Members of City Council, and Citizens of Muscatine

SUBJECT: Budget Message - FY 2025/2026

DATE: April 30, 2025

The budget for fiscal year 2025/2026 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 40th consecutive Distinguished Budget Presentation Award for the fiscal year 2024/2025 City Budget. The budget for fiscal year 2025/2026 will also be submitted for consideration for this award.

GOALS AND OBJECTIVES

The budget for 2025/2026 includes comprehensive goals and objectives for each department and activity in the operating budget. The process of developing a comprehensive management by objectives program for the community is a continual process as the needs of the community change. As a result, the city must continue to redefine its goals and set objectives as to how they can be achieved in both the short and long term. The evaluation of progress in accomplishing the prior year's objectives is an important part of the budget process between the City Council, City Administrator, and department directors.

The City Council held a goal setting session on October 30, 2024, to discuss and establish goals and objectives for 2025/2026. The Core Values, Vision Statement, Mission Statement, and strategic goals for 2025/2026 and future years as adopted and prioritized by City Council are as follows:

Core Values

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

Vision

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

Mission

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

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026 AND FUTURE YEARS

City Council adopted a Strategic Plan in December 2020 that outlined strategic goals for the City in the next two (2) to five (5) years. This Strategic Plan was re-affirmed and updated by the City Council as part of their annual goal-setting process for the 2025/2026 budget. The Strategic Plan includes five general areas as shown below. The City Council also identified potential initiatives, policies, and programs for 2025/2026 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. Continue revitalization of the Grandview Avenue Corridor, the Park Avenue Corridor, and the downtown in collaboration with key stakeholders, including residents, businesses, and industries.
2. Complete planned roadway improvements, including the Carver Corner roundabout, Fulliam Avenue improvements, and planning for the Isett Avenue Reconstruction project.
3. Initiate planning for the Park Avenue Corridor Revitalization project.
4. Continue to implement components of the Riverfront Master Plan.
5. Evaluate opportunities to leverage the Muscatine Municipal Airport and its benefits to the community.
6. Serve as a catalyst for a thriving downtown economy by partnering with downtown businesses and the Greater Muscatine Chamber of Commerce and Industry (GMCCI).
7. To complete implementation of the wayfinding project to enable residents and visitors to locate significant assets and businesses throughout the community.
8. 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. Implement the recommendations of the 2024 Housing Study in collaboration with a broad group of stakeholders, 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. Collaborate with community and healthcare partners to enhance services and improve the health and well-being of the community.
7. Continue to invest in and develop community recreational amenities that contribute to a healthy community and attract visitors, including implementation of the Bike and Pedestrian Master Plan.

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 the levels of police, fire, and emergency services.
2. Invest and plan for critical public safety capital needs to maintain the expected level of service while managing capital costs.
3. Implement effective recruitment, training, and succession planning programs to ensure staff remain current in their fields, and service levels are maintained or improved.
4. Implement technology tools, data collection, and assessment to streamline activities and improve efficiency and effectiveness of routine and emerging activities.

5. Continue to implement community policing principles and programs to build positive police-community relations.
6. Continue to invest in active fire and injury prevention public education and code enforcement programs.
7. 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 basic 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 2025/2026 AND FUTURE YEARS

The Mayor and City Council identified the following initiatives, programs, and projects for 2025/2026.

The City Administrator and Department Directors met in the fall of 2024 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)

- Evaluate and update the employee wellness program.
- 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 relevant staff training.

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

- Implement the recommendations of the 2024 Housing Study and evaluate opportunities to create needed new housing and promote infill development.
- Complete the development of the new comprehensive plan.
- Continue the substandard housing improvement/demolition program.
- Address the quality of rental housing units.
- Continue to update zoning rules to include new and more innovative zoning policies.
- Evaluate options for the long-term sustainability of the Clark House and Sunset Park Housing facilities.
- Continue to 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.

Goal 3: Economic Development Initiatives (Vibrant Community)

- Fine tune the City's business loan programs to attract and retain certain business types and focus efforts to bring new businesses and restaurants to the City.
- Implement marketing and branding policies and strategies to promote Muscatine's economic development.
- Evaluate costs and benefits of a vacant building registration program.
- Continue to support economic development projects that address long-term goals of the City including increasing the availability of quality housing, maintaining or increasing employment in the community, and providing other identified community benefits, by leveraging Tax Increment Financing and other incentives.

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

- Continue to assess and improve the City Building Inspection programs including providing ongoing professional development opportunities for staff.
- 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
  - Isett Avenue Reconstruction
  - Law Enforcement Training Facility

- West Hill Sewer Separation Project
- Redundant Papoose Force Main Project
- Fulliam/Houser Roundabout
- Fulliam Avenue Reconstruction
- Dredge Spoils Dewatering Site Relocation
- Airport Improvements (Runway Lighting, Snow Removal Equipment and Storage Facility, etc.)

- 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
  - Water Pollution Control Plant and Lift Station Improvements (per Facility Needs Report)

- Update the City's 5-Year Capital Improvement Plan

KEY BUDGET ISSUES

In developing the fiscal year 2025/2026 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 2025/2026 budget were to:

1. Maintain basic status quo service levels
2. Provide departments with the resources needed to continue to provide these 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 Beginning in 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.

The impact House File 718 had on the City of Muscatine's 2025/2026 budget included:

1. With the City of Muscatine's increase of 3.22% in taxable valuation for 2025/2026, HF 718 requires any increases between 2.75% and 3.99% to be reduced by approximately 1% (which reduced the increase in taxable valuations to 2.29%) when computing General Fund taxes.
2. This reduction resulted in the Combined General Fund Levy being reduced from the $8.37 per $1,000 of valuation to $8.28713 per $1,000 of valuation.
3. This reduction is equivalent to a reduction of $87,310 in property tax dollars available to fund General Fund services.

Legislation in 2024 for Automated Traffic Enforcement

Major provisions of this legislation included:

1. Required all local governments with traffic cameras to apply to the Iowa Department of Transportation for authorization to continue operating these devices for speeding violations, with an application required for each location.
2. While the City of Muscatine submitted applications to the IDOT for each fixed location and several locations for the mobile cameras, the City was not approved to continue operating the fixed traffic cameras for speed enforcement, and the mobile cameras were only approved for two locations.

Impact on the City of Muscatine's FY 2025/2026 Budget:

1. The City can continue using the fixed ATE cameras for red-light violations only, and can only operate the mobile cameras at two locations.
2. By limiting the use of the ATEs, the estimated impact on General Fund revenues is a reduction of $250,000. This significantly impacts the amount of funds available to fund City services, specifically police services.

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 2024/2025 and 2025/2026. The reimbursement will continue to be phased out over the next four 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 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).
6. For 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.
7. For fiscal year 2025/2026 the residential rollback increased from 46.3428% to 47.4316%; however, provisions of House File 718 (discussed in the previous section), resulted in taxable valuations that were computed at a 3.22% increase, required to be reduced to a 2.29% increase.

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 2025/2026 budget addressed the following increased costs of providing the same level of basic services to our residents:

1. All three of the City's previous 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. Impacts from this new plan continued in 2025/2026 with employees initially placed on steps 1 through 5, being eligible for step increases, in addition to the 3% across-the-board increase allowed for employees in this group.
3. Continued 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. This has moderated during the last year.

5. Long lead-times for ordering new vehicles and equipment. This also has moderated in the past year.

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". 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". Based on these factors, 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 had latitude to increase the rate up to 5% to balance future year budgets, if needed.

The 2025/2026 budget includes increasing the franchise fee back to 5%. Gas rates have moderated in recent years. The amounts of the Franchise Fees collected vary due to natural gas prices as well as natural gas usage by customers. In fiscal year 2022/2023 the franchise fee revenues totaled $429,907 (at the 3% rate). In fiscal year 2023/2024 these revenues totaled $313,906 (at the 3% rate) and the franchise fees are estimated at $312,000 for the 2024/2025 fiscal year (also at the 3% rate). With the budgeted increase to 5% for fiscal year 2025/2026, the fees are projected at $500,000 (at the 5% rate).

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 was 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 were budgeted to be used to assist in funding the larger first year wage increases in each of the three union contracts as well as implementing the new compensation plan for non-union employees.

The 2025/2026 General Fund budget includes moving approximately 50% of the one-time State COVID Relief funds ($350,000) from the 2024/2025 Revised Estimate to the 2025/2026 budget. While overall this has a neutral impact on the budget, spreading out the use of these one-time funds over two years, allows more time to implement structural budget changes in order to reach a balanced 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 2025/2026 budget.

The property tax levy rate is budgeted to increase from the current $15.67219/$1,000 of valuation to $15.95328, an increase of 1.79% in the tax rate. This increase is budgeted to address some of the concerns previously described from the impacts of recent State legislation.

- The Combined General Fund Tax Levy is set at the maximum allowed per House File 718 of $8.28713/$1,000. Prior to H.F. 718, the maximum General Fund and Emergency Fund levies totaled $8.37/$1,000. This is a .99% decrease in this levy rate.

- The Transit Taxy Levy decreased slightly (3.09%) to $.07119/$1,000 which will generate $75,000 in property tax dollars.

- The Tort Liability Levy increased 3.70% to $.48739/$1,000. The City's Insurance Agent has projected increases of 6% for most of the ICAP policies with the exception of the building and contents and auto physical damage premiums which are projected to increase by 15%. Increases range from 10% to 25% for the other policies.

- The Employee Benefits Levy increased 3.87% to $4.95853/$1,000. This levy will fund 100% of employee benefit costs for General Fund employees and uses $172,397 in beginning fund balance in the Employee Benefits fund. This funding amount includes retirement pay for three fulltime employees in the General Fund.

- The Debt Service Levy increased 8.26% to $2.14904/$1000 due to increased debt service payments on the City's current outstanding general obligation bonds.

- While the total tax levy rate is budgeted to increase by 1.79% to $15.95328/$1,000 from the current $15.67219/$1,000, it should be noted that the current year (2024/2025) rate was kept at a lower rate by using a number of one-time funds that are no longer available.

Along with the tax rate, 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 in total by .01%; actual commercial valuations increased by 6.2%; actual industrial valuations increased by .98%; actual railroad valuations decreased by 1.44%; and actual utility valuations increased by 131.71%. 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 an increase of 2.39%; commercial property taxable valuations show an increase of 7.53%; and industrial property taxable valuations show an increase of .91%.

Although taxable valuations of residential property owners increased in total by 2.39%, the impact on individual residential property owners will vary from this overall increase based on the assessed valuations determined by the County Assessor. The residential rollback increased from 46.3428% for 2024/2025 to 47.4316% for 2025/2026, an increase of 2.35%. Actual property taxes are also impacted for those qualifying for the Homestead Exemption for residential property owners age 65 or more. This exemption is $3,250 for 2024/2025 and increases to $6,500 for 2025/2026. There is also a Military Exemption for eligible property owners of $4,000 beginning in 2024/2025.

The 90% rollback for commercial and industrial properties will continue in 2025/2026 and those properties will also 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 2025/2026 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 2025/2026 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 $78,762,292 in 2025/2026 for all of the TIF areas. This value would generate $652,713 in taxes from the $8.28713 Combined General Fund tax levy. The impact on total taxes including the various other levies using the City's total tax rate of $15.95328/$1,000 rate is $1,256,517 – essentially lost city revenue that could be used to fund and maintain city operations and services. If that $78.76 million was allocated toward regular valuations for all taxing entities, the county would generate over $658,000 in taxes and the school over $1,064,000 (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 2025/2026 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 2025/2026 the City is claiming $2,522,000 in incremental taxes and approximately $1,623,900 (39.2%) of incremental taxes were not claimed by the city for 2025/2026. 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 2025/2026 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 2025/2026, the first resolution provided for an internal advance of $219,000 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, Senior Planner, 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 2025/2026 and continuing to provide the current levels of basic 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 2025/2026

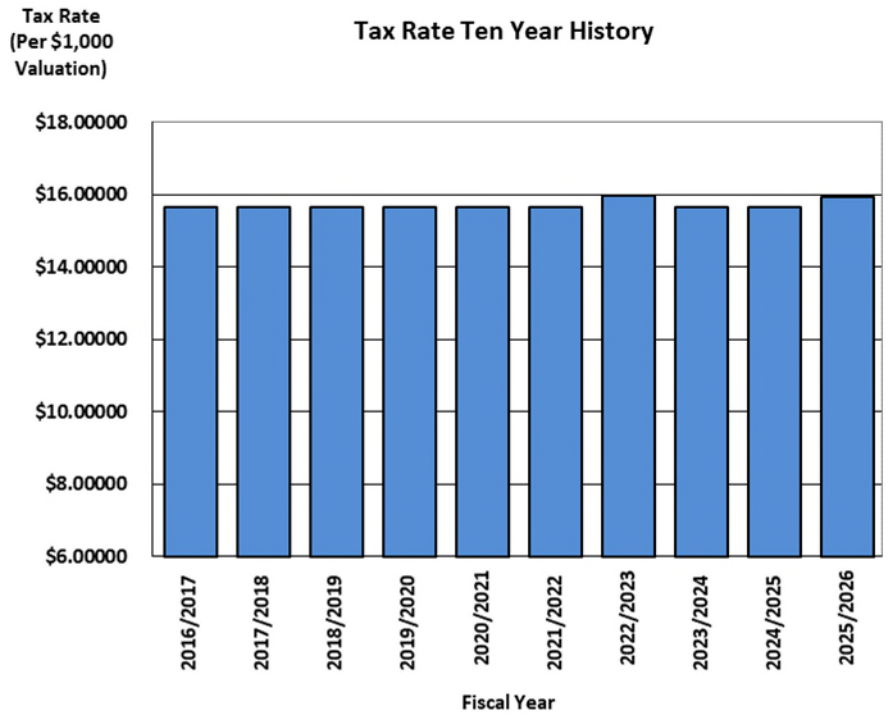
Municipalities are not immune to the same inflationary pressures that affect our residents and business community. Rising costs of fuel, utilities, asphalt, other materials, and construction costs all affect the City. With the increased cost of providing basic services, there continues to be challenges 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 1.77% between December of 2023 and December of 2024 when the City began developing the 2025/2026 budget. The MCI increase was 1.68% between December of 2022 and December of 2023; the increase was 6.69% between December of 2021 and December of 2022; and the increase was 10.82% between December of 2020 and December of 2021. The MCI has continued to increase since December of 2024, with the index increasing by an additional 1.20% between December of 2024 and April of 2025.

TAX RATE AND TAX BASE

Tax Rate

Property taxes continue to be the major revenue source for the City of Muscatine. In 2025/2026, property taxes will represent 29.8% of total city operating revenues. This is an increase from the 29.20% in fiscal year 2024/2025. The total tax levy rate for fiscal year 2025/2026 will increase from $15.67219 per $1,000 of valuation, to $15.95328, an increase of 1.79% in the tax rate. The following chart shows the property tax rates for the last nine (9) years and the budgeted rate for 2025/2026:



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.

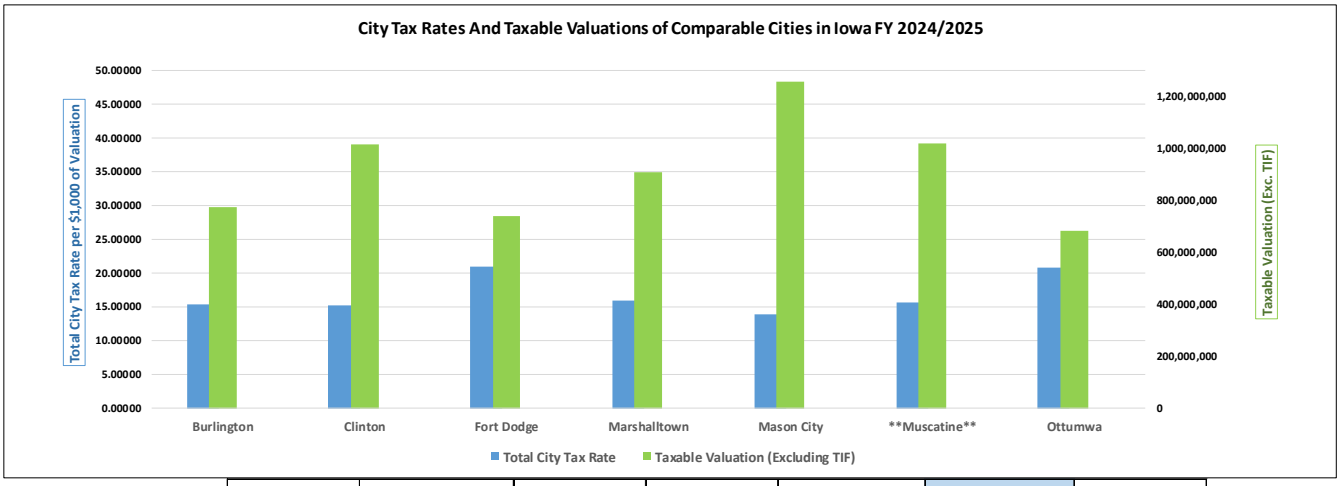
The tax rate for 2023/2024 was reduced to $15.67219 per $1,000 of valuation (a 1.9% decrease). This decrease was possible primarily due to the 8.36% increase in taxable valuations for 2023/2024. The tax rate for 2024/2025 was maintained at $15.67219 per $1,000 of valuation.

The property tax levy rate will increase from the current $15.67219/$1,000 of valuation to $15.95328, an increase of 1.79% in the tax rate. This increase is budgeted to address some of the concerns previously discussed from the impacts of recent State legislation.

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 2024/2025 fiscal year. The information is not yet available for other cities for 2025/2026.

City tax levies for this group range from $13.98329 per $1,000 of valuation for Mason City to $20.95500 for Fort Dodge. The City of Muscatine’s 2024/2025 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 $683,281,844 for Ottumwa to $1,254,446,863 for Mason City. The City of Muscatine’s taxable valuation of $1,019,046,629 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	$ 15.28735	$ 20.95500	$ 16.00000	$ 13.98329	$ 15.67219	$ 20.80779
Taxable Valuation (Exc. TIF)	$773,223,537	$ 1,015,771,414	$739,402,331	$908,851,606	$1,254,446,863	$ 1,019,046,629	$683,281,844
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	$ 13.98329	$ 36.21995	$ 1,254,446,863
Clinton	$ 15.28735	$ 46.02068	$ 1,015,771,414
Burlington	$ 15.43637	$ 39.68654	$ 773,223,537
****Muscatine****	$ 15.67219	$ 36.80354	$ 1,019,046,629
Marshalltown	$ 16.00000	$ 40.96158	$ 908,851,606
Ottumwa	$ 20.80779	$ 46.71682	$ 683,281,844
Fort Dodge	$ 20.95500	$ 48.75134	$ 739,402,331

Tax Base

Actual valuations for January 1, 2024 (valuations used for the 2025/2026 budget), increased by 1.36% as shown in the following chart.

	January 1, 2023	January 1, 2024	Increase (Decrease)	Percent Change
Residential Property	$1,303,380,668	$ 1,303,501,537	$ 120,869	0.01%
Commercial Property	346,821,301	368,331,200	21,509,899	6.20%
Industrial Property	168,078,137	169,719,778	1,641,641	0.98%
Railroads	1,425,032	1,404,573	(20,459)	-1.44%
Utilities	1,085,030	2,514,070	1,429,040	131.71%
Total Valuations	$1,820,790,168	$ 1,845,471,158	$ 24,680,990	1.36%

Taxable property valuations for 2025/2026 increased by 3.22% as shown below. The higher increase (compared to the increase in actual valuations) is primarily due to the rollback factor for residential properties increasing from 46.3428% to 47.4316%.

	January 1, 2023	January 1, 2023	Valuation Increase (Decrease)	Percent Increase (Decrease) in Taxable Value
Residential Property	$ 599,548,984	$ 613,853,660	$ 14,304,676	2.39%
Commercial Property	275,508,892	296,246,503	20,737,611	7.53%
Industrial Property	146,474,986	147,805,803	1,330,817	0.91%
Railroads	1,269,818	1,251,721	(18,097)	-1.43%
Utilities	1,085,030	2,514,070	1,429,040	131.71%
Total Valuations	$ 1,023,887,710	$ 1,061,671,757	$ 37,784,047	3.69%
Less Military Exemptions	6,767,669	11,850,045	5,082,376	75.10%
Total Net Valuation	$ 1,017,120,041	$ 1,049,821,712	$ 32,701,671	3.22%

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 2025/2026. The rollback for residential properties increased from 46.3428% to 47.4316, which was an increase of 2.35%.

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 $3,343,500 in 2025/2026. 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 2025/2026 other State funding includes $317,300 in Transit operating funds, $150,000 in Lead Hazard Reduction Grant funds, and $300,000 in Iowa Reinvestment District funds.

The fiscal year 2025/2026 budget includes an estimated $9,841,410 in federal funding for both operating and capital project costs. This includes: $2,576,970 in funding for the Section 8 Housing rental assistance program, $730,000 for operating and capital funding for the city's Public Housing Program, $18,000 for the Home Ownership Education Program, $789,700 in federal operating and capital funding for the Transit operation, $619,400 for Airport capital projects, $2,251,000 for other capital projects, $2,734,540 in Community Development department grant funding, and $121,800 in Police department grants.

CHARGES FOR SERVICES

For fiscal year 2025/2026, budgeted charges for services total $17,840,800 and comprise 27.4% of total operating revenues of the city. Charges for services were 27.3% of the total operating revenues in the 2024/2025 budget. These charges primarily involve programs and activities in the city's Enterprise Funds. Fee increases are budgeted for sanitary sewer services and collection and drainage fees for fiscal year 2025/2026.

Sewer revenues, including the separate collection and drainage charges, are estimated at $7,818,100 for 2025/2026. 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 $146,000 for 2025/2026.

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 2025.

Golf course fees and sales are estimated at $1,175,800 for 2025/2026. Golf fees were last 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. No fee increases are budgeted for the 2025 golf season.

Budgeted transfer station charges for services total $2,098,400 for 2025/2026 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 2025/2026 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 2025/2026.

Budgeted landfill charges for services total $1,159,400 for 2025/2026. The landfill rates are incorporated in the transfer station rates which are not budgeted to change for 2025/2026.

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 $2,584,000 for 2025/2026. Rates are not budgeted to change for 2025/2026 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 $2,305,000 for the 2025/2026 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 $161,000 for 2025/2026. Parking meter rates were increased from $.25 to $.40/hour for 10-hour meters and from $.50 to $.75/hour for 2-hour meters in December of 2024. The City began offering an option for parking meter fees to be paid through a Parking App at the time of the fee increase. The previous meter rates had been in effect since the 2013/2014 fiscal year.

PROGRAMS AND SERVICES

The 2025/2026 budget will provide for the continuation of most basic city services at the current levels; however, due to General Fund financial constraints, there is a net decrease in fulltime equivalent staffing for 2025/2026. Full-time equivalent (FTE) year-round employees on an entity-wide basis total 235.66 for 2025/2026. This is a net decrease of 1.72 in full-time equivalent positions compared to the original budget of 237.38 for 2024/2025. Changes in authorized positions for the 2024/2025 revised estimate and the 2025/2026 budget are as follows:

2024/2025 (Revised Estimate)

- There was a .50 FTE increase in the Transit budget. Beginning January 1, 2025, a fulltime Transit Dispatcher position was added which replaced a previously part-time position.

2025/2026 Budget

- Beginning in 2025/2026, 10% of one of the Senior Account Clerks in the Finance department will be allocated to Parking.

- Due to financial constraints in the General Fund, the 2025/2026 Fire department budget reflects not filling the vacant Assistant Fire Chief position.
- Due to financial constraints in the General Fund, the 2025/2026 Police department budget reflects not filling one Police Officer position.
- The 2025/2026 Community Development budget reflects a reduction of one fulltime position with the vacant Building Division Manager position not being filled and the City contracting for this service.
- The 2025/2026 Transit budget reflects a full year of the new fulltime Transit Dispatcher position (this was previously a 29 hour/week position).
- The 2025/2026 budget includes increasing a 29 hour/week Lab Tech position in the Water Pollution Control budget to a full-time position effective July 1, 2025.

The projected level of expenditures for the General Fund of $26,877,743 for 2025/2026 is 3.6% ($935,665) above the 2024/2025 budget of $25,942,078. The overall increase in expenditures consists of (1) an increase of $490,500 (3.5%) in salaries and wages, (2) an increase of $195,900 (3.3%) in employee benefit costs, (3) an increase of $1,200 (.1%) in commodity costs, (4) an increase of $190,600 (5.4%) in contractual services, (5) an increase of $262,200 (26.9%) in capital outlay, and (6) a decrease of $204,735 (49.4%) in transfers and assigned funding.

The 2025/2026 budget for the General Fund of the City of Muscatine provides an expenditure level to fund most core basic services at essentially the same level as in previous years for most departments.

The 2025/2026 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; however, the State no longer allows the City to issue speeding violation tickets at the five fixed locations. The City can, however, continue using the fixed ATE cameras for red-light violations, and can only operate the mobile cameras at two locations.

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 2025/2026. 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 2025/2026. Major Public Works projects scheduled for engineering design or construction in 2025/2026 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 indoor Sports Dome will be a new facility. The Sports Dome is scheduled to open in late August of 2025.

The City will continue its commitment toward effective planning and community development. This will include continuation of the building inspection and rental inspection programs, the nuisance abatement program, and several neighborhood improvements 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. 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 2025/2026 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 2025/2026 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 increase from their current funding level of $43,000 to $50,000 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. While the original budget included continuing the allocation to the Muscatine Humane Society, the terms of the contract for services were not approved by the Humane Society Board, and the City will be looking at other options for this service.

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 and was granted an increase in their allocation to $30,000 and that increased funding amount has been continued in the 2024/2025 and 2025/2026 budgets.

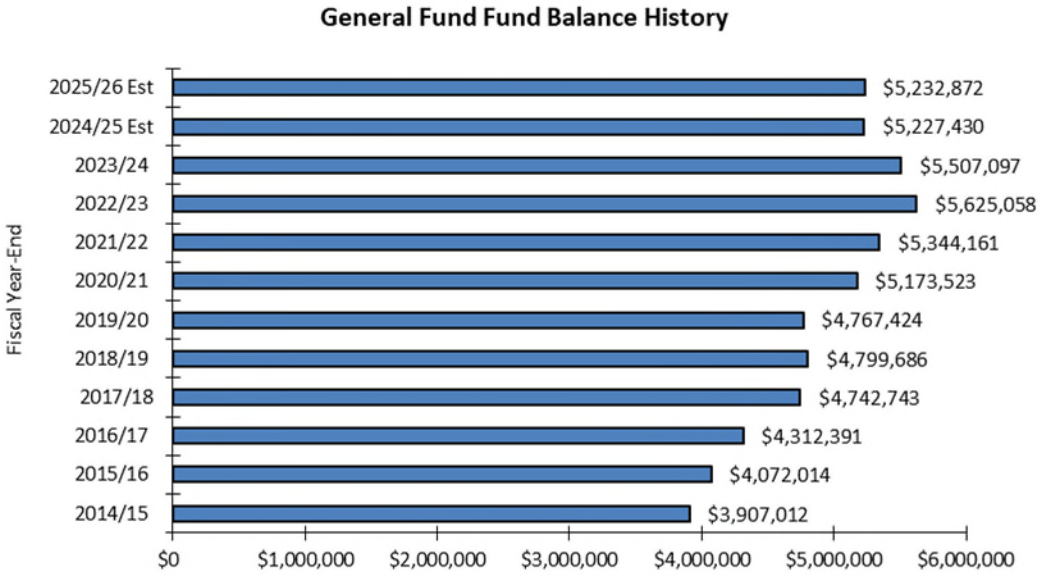
Operating expenditures budgeted for all city operations for 2025/2026 total $63,318,299, which is an increase of $1,598,812 (2.6%) from the fiscal year 2024/2025 level of $61,719,487. Operating revenues for the city total $65,222,500 for 2025/2026 compared to $63,928,321 for 2024/2025, an increase of $1,294,179 (2.0%). Capital project expenditures are estimated at $29,371,700 for the 2024/2025 revised estimate and $23,046,500 for the 2025/2026 budget.

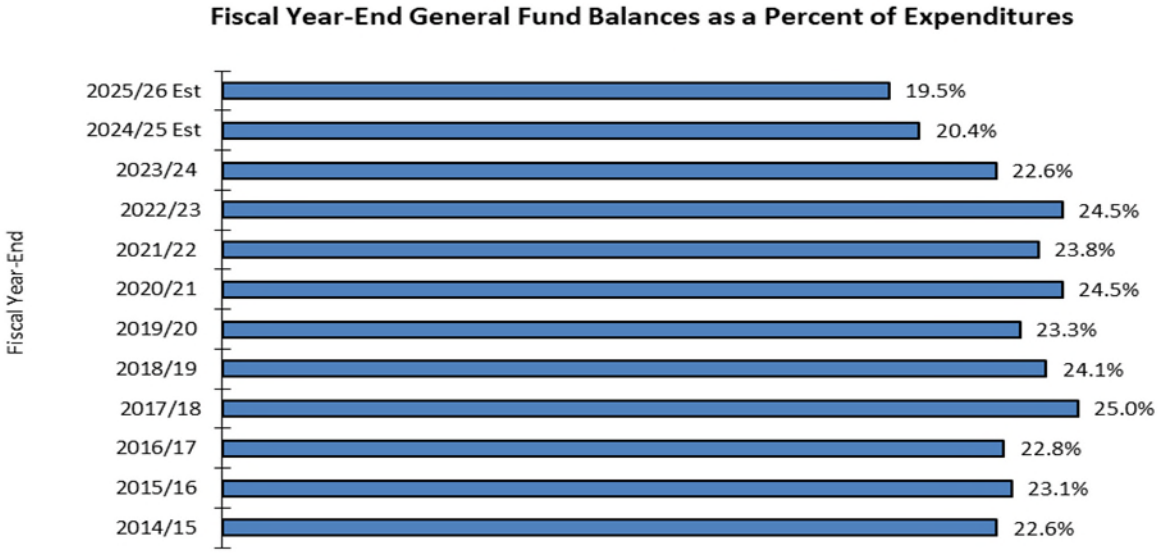
FUND BALANCE AND BUDGET POLICY ISSUES

The 2025/2026 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 2025/2026, balanced budgets were presented to and approved by Council for all funds with the exception of the Marina Enterprise fund and the Equipment Services Internal Service fund. The deficit in the Marina fund is due to the fuel inventory in that operation. The deficit in the Equipment Services fund is due to fuel and vehicle parts inventories.

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.





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 2024/2025 revised estimate and the 2025/2026 budget, the City generally budgets conservatively and, in most years, actual department expenditures are less than allowed for in the budget, which has resulted in a higher percentage of ending fund balance when compared to actual expenditures.

The estimated ending balance for 2025/2026 of $5,232,872 is 19.5% of General Fund expenditures which 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 2025/2026 budget. The 2025/2026

budget is “balanced” with budgeted revenues and transfers in $5,442 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 a one-time funding transfers into the General Fund of $350,000 was used to achieve the balanced budget. This one-time transfer is the remaining balance of State COVID Relief funds.

The City’s effort to increase the General Fund balance is in part due to comments in the 2008 Moody’s bond rating report which stated that Moody’s considered the previous minimum of 10% fund balance requirement to be “relatively narrow” and that higher reserve levels may be appropriate for challenges to the city’s financial operations. The increases in the General Fund balance in recent years and City Council formally updating the City’s minimum fund balance policy demonstrates Council’s commitment towards the goal of increasing the General Fund balance. The importance of the General Fund balance integrity is reaffirmed when the city issues debt for various community projects. When undergoing a financial review by outside rating agencies in advance of bond issuance, the current fund balance in the General Fund reflects on the City's overall financial management and is probably the single most important factor in maintaining the City's bond rating. The most recent bond rating received in 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 2025/2026 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.

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 2024/2025 revised estimate and the 2025/2026 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. The $820,000 Local Option Sales Tax allocation for the Pavement Management program in 2025/2026 and the $200,000 allocation of Road Use Taxes for the Pavement Management program will allow for $1,020,000 in street improvements to be completed in 2025/2026. 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 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 third phase of the Corridor improvement project. 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 2024/2025 for the roundabout at the Carver Corner intersection, the final phase of the Corridor project, with construction scheduled to begin in the spring of 2026. The City

has been awarded a $2.5 million STBG grant effective in 2026 for construction of the Carver Corner roundabout. The 2025/2026 funding amount includes the final engineering costs for this project and allows for construction to begin in the spring of 2026. Construction will continue in 2026/2027.

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. Various new sidewalks have been installed since the inception of this program, many of which were in school zones. The most recently completed sidewalk project was for new sidewalks on 67th Street. Design for the 67th Street sidewalk began in 2020/2021 and this project was completed in the summer of 2022. The next sidewalk project was planned to be on Devitt Avenue. After further City Council considerations, however, a decision was made to not move forward on this project at this time. The 2025/2026 funding amount reflects the $100,000 annual allocation for new sidewalks; the specific sidewalks have not yet been determined.

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.

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 three 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). Due to contractor delays, the contract for Phase 5 was not closed out until August of 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 were received on April 8, 2025 for Phase 6-D of this project.

The 2025/2026 funding amount reflects the final work on Phase 6-C, and a portion of the work on Phases 6-D and 6-E, construction engineering and inspection services and related costs, and engineering design work for the remaining phases of the West Hill Sewer project.

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. The first SRF loan for Phases 6-A and 6-B in the amount of $8 million was dated August 11, 2023. The SRF loan for Phase 6-C in the amount of $7,960,000 was dated November 1, 2024. The SRF Loan funds are drawn down as needed to pay contract costs for each phase of this project. The SRF Loan for Phase 6-D is estimated at $5,140,000.

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 on the SRF loans for the West Hill Sewer Separation project

Other Projects

Other significant capital projects budgeted for 2025-2026 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 engineering design and other preliminary costs are expected to be completed in 2024/2025 with funding from road use tax funds. Construction is scheduled for 2025/2026 with 100% of the construction costs to be funded from grant funds; engineering inspection services will be funded 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. This grant will fund 100% of the planning costs for this project. The consultant selection process for this project was completed in 2023/2024 and $1,013,000 is estimated to be expended for this project in 2024/2025. The 2025/2026 funding amount reflects the balance of the grant funds being expended in 2025/2026.

Muscatine Indoor Sports Dome – Engineering design was completed and bids were received in July of 2024 for this new multi-use year-round facility. Total project costs are expected to total over $8 million. Funding will be from a $1 million Iowa Economic Development Administration grant; $4,387,000 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 and balances remaining in several capital project funds. Now named the Musco Sports Center, this project is expected to be substantially completed by the end of the 2024/2025 year, with the final work (estimated at $500,000) to be completed in July and August of 2025. The opening of the Sports Dome is scheduled for late August, 2025.

Riverview Center Deck and Other Improvements Project - An inspection completed by a structural engineering firm confirmed there were several areas of the riverfront deck that were no longer

structurally safe. The engineering firm supplied plans for the repairs and provided a cost estimate of $205,000. This project also includes funding for replacement of the Riverview Center doors and windows at an estimated cost of $180,000.

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 June 2024 bond issue provided $200,000 of funding for demolition projects and an additional $200,000 is budgeted to be included in the spring, 2026 bond issue for these demolitions.

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. An additional $610,000 is budgeted to be included in the spring 2026 bond issue to continue these projects. The 2025/2026 projects include window replacements and painting of the Art Center house, replacing the roof overhang at City Hall, replacing a storage building at Public Works, and roof replacement for the Public Works building.

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. This fire engine is schedule to be delivered in March of 2026.

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 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 several years with funding from tax increment funds. Work on this project began in 2023/2024 and is continuing in 2024/2025 and 2025/2026.

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 had occurred several times in prior 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. At the time the budget was being prepared, construction was scheduled to begin in 2024/2025 and be completed in 2025/2026. After the budget was adopted, however, the Federal Aviation Administration (FAA) denied the City's request to have the Range located on Airport property, and staff is continuing to look for other suitable locations. Muscatine County Sheriff's department has agreed to pay 50% of the cost of locating a suitable site and constructing a new range facility. The City's share, estimated at $700,000, was included in the spring 2024 bond issue.

Ambulance Replacement - The 2025/2026 budget includes funding to replace a 2018 ambulance which currently has over 143,000 miles. This ambulance will be ordered early in 2025/2026 with an estimated delivery date mid-year in 2026. This purchase will be funded from the spring 2026 bond issue.

Water Pollution Control Plant (WPCP) and Lift Station Electrical Asset Replacement Project - The WPCP Facilities Plan completed in 2022/2023 identified electrical upgrades at the WPCP and the lift stations as priority projects. Projects also include the Houser Street Lift Station upgrades and Lift Station HVAC improvements. The WPCP and Lift Station Electrical Asset Replacement project is estimated to have a total cost of up to $5.5 million. The 2024/2025 funding amount of $1,650,000 includes engineering design costs and the start of construction for this project. The 2025/2026 funding amount is estimated at $3,250,000. This project will continue in 2026/2027 when it is scheduled to be completed. This project will be funded from a State Revolving Fund (SRF) Loan.

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 was completed in 2023/2024. Construction was originally scheduled for calendar year 2025 (fiscal years 2024/2025 and 2025/2026). This project has now been deferred to calendar year 2026. The City is awaiting notification of possible federal earmark funding for this project. If those funds are not awarded, State Revolving Loan funds will be used to finance this project. The 2026 construction schedule will still allow for construction to be completed by the mandated deadline. The 2025/2026 funding amount reflects the estimated project costs before the end of the fiscal year; the balance of the project costs will be in fiscal year 2026/2027.

Airport – Lights, PAPIs, REILs for Runway 12/30 and Parallel Taxiway Project - The City was awarded two grants from the Federal Aviation Administration (FAA) in the amounts of $600,000 and $188,500 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 2024/2025 and be completed in 2025/2026. The originally estimated local match of $66,400 for the grants was funded from the June 2024 bond issue. An additional $20,000 is budgeted to be included in the spring 2026 bond issue to complete the financing for this project.

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 is in the process of updating its Comprehensive Plan in 2024/2025 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 2025/2026 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 (2026/2027 through 2029/2030).

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 in the fund information which follows.

SUMMARY

The preparation of the fiscal year 2025/2026 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 2025/2026 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/ Matt Mardesen
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 2025/2026 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, 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, 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 2024/2025 and upcoming 2025/2026 fiscal years.

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

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

	Operating Budget	Capital Improvements Budget
April		Community Development Department prepares guidelines and forms for revision to 5-year Capital Improvements Program Procedures for adding or revising capital improvement projects distributed to departments
May	Proposed budget amendments presented to City Council Public hearing on proposed amendments City Council approval of amendments to current year budget by resolution	Capital Improvement requests submitted to Community Development Department Proposed Capital Improvement package including possible funding sources forwarded to Planning & Zoning Commission 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 begins with 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 October 30, 2024 to discuss their overall goals and objectives and the Strategic Plan for the operation of the City. On November 5, 2024 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 13th. 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 30, 2025. 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 2025/2026. 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 beginning in 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 3, 2025 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 17, 2025. 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 17 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:

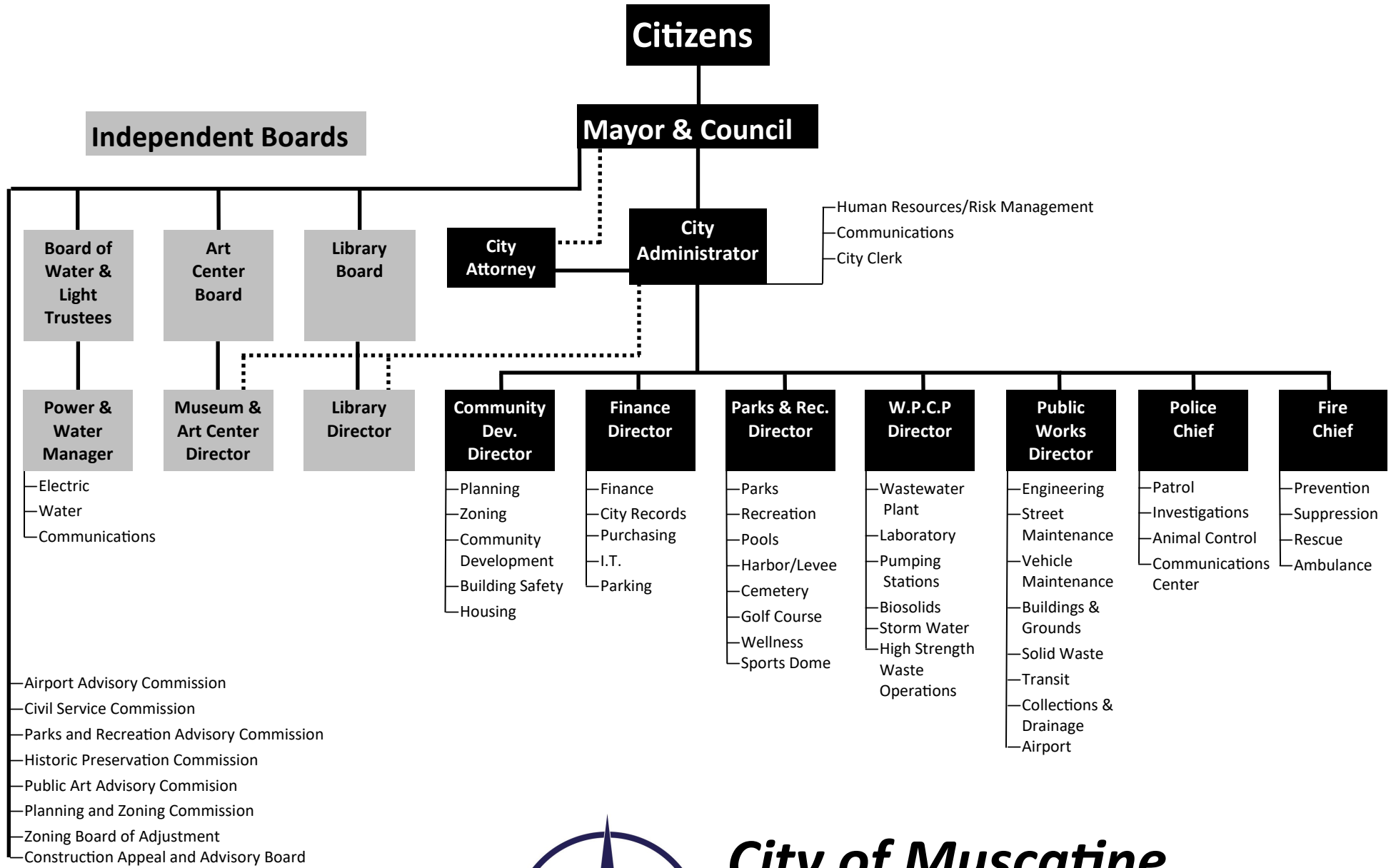
1. To permit the appropriation and expenditure of unexpended, unencumbered cash balances on hand at the end of the preceding fiscal year which had not been anticipated in the budget.

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

MUSCATINE

City of Muscatine Organizational Structure

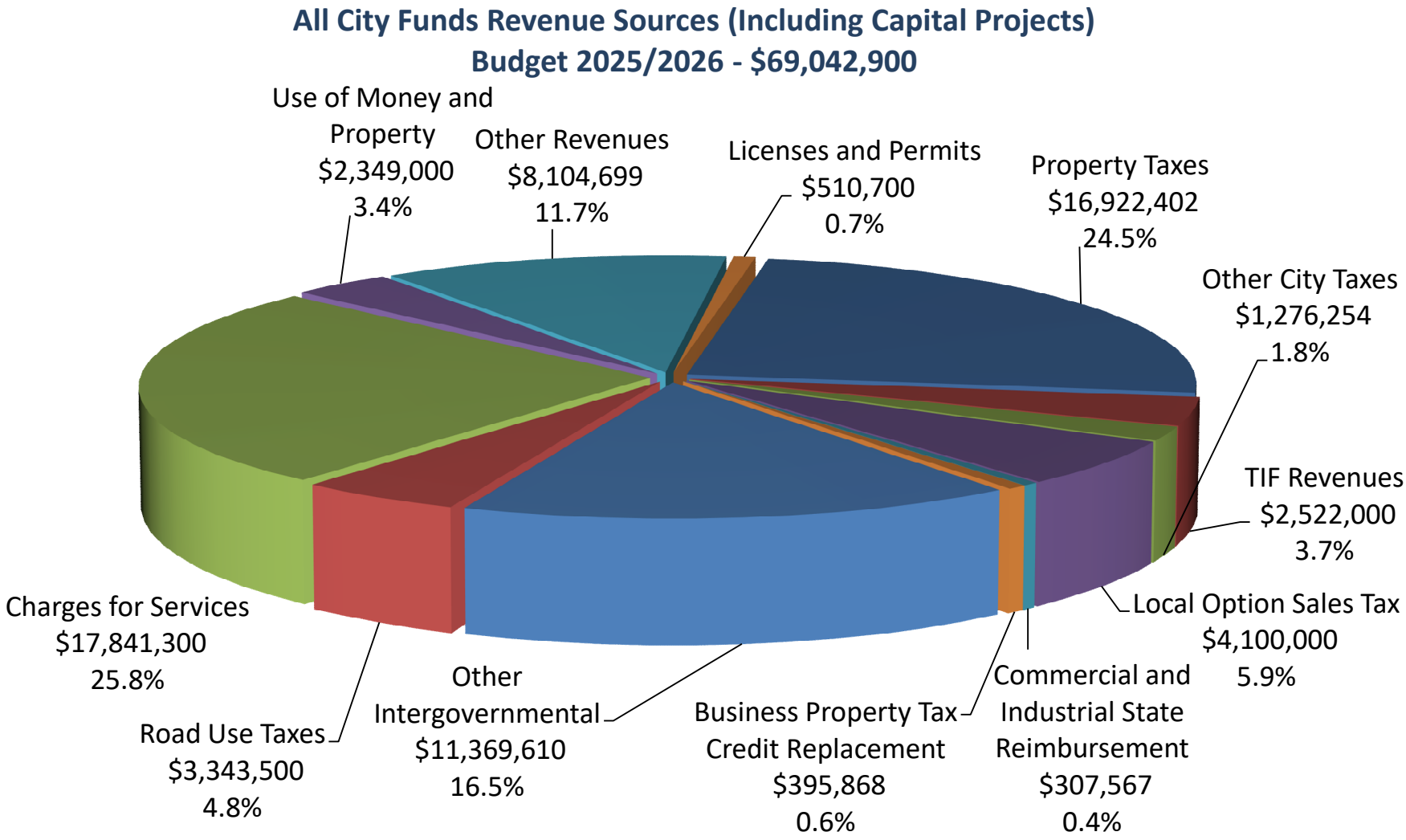
CITY OF MUSCATINE

ENTITY-WIDE BUDGET OVERVIEW 2025/2026

ALL CITY REVENUES AND EXPENDITURES - INCLUDING CAPITAL PROJECTS

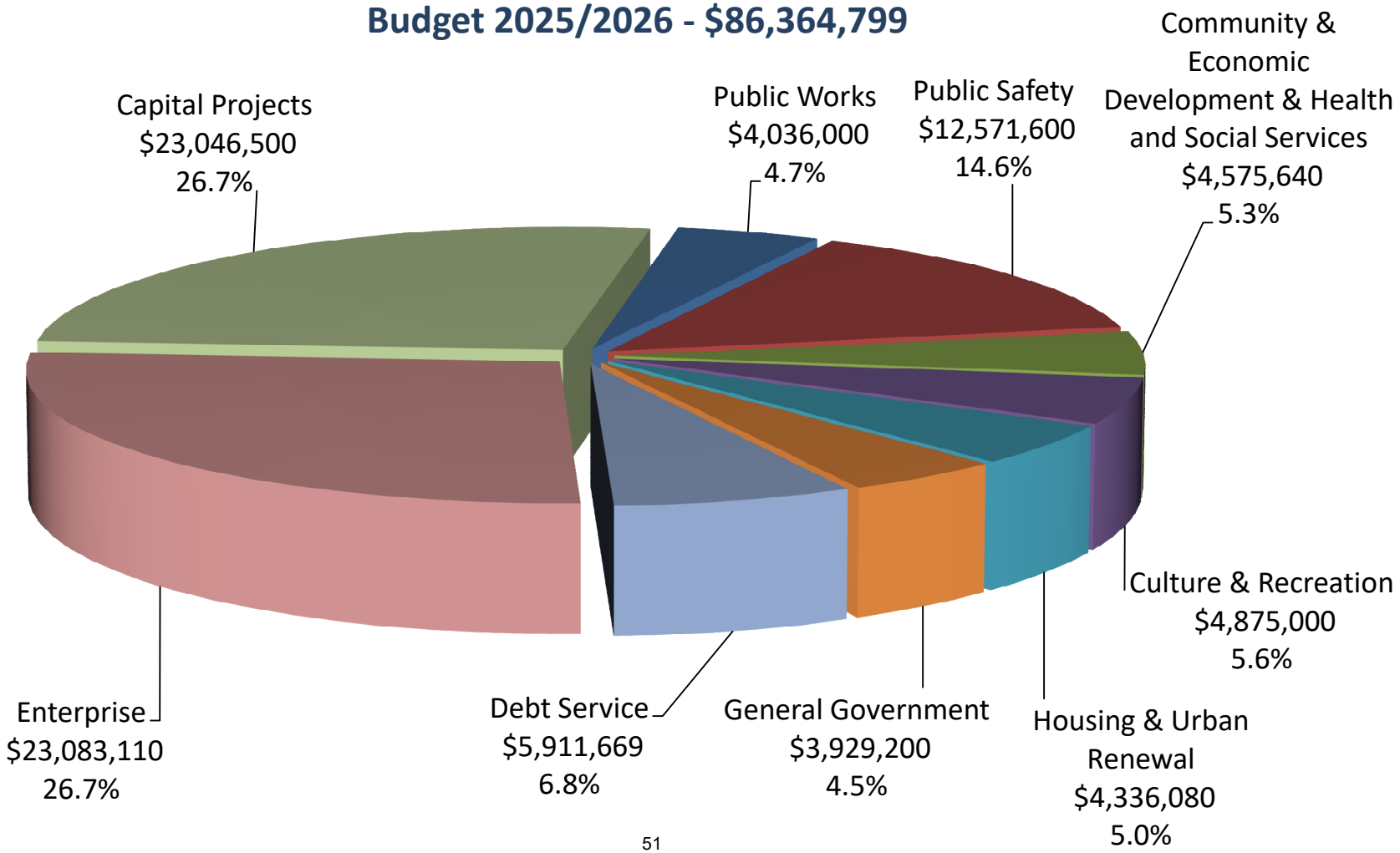
PROPERTY TAX RATE INFORMATION

Where Does the Money Come From?



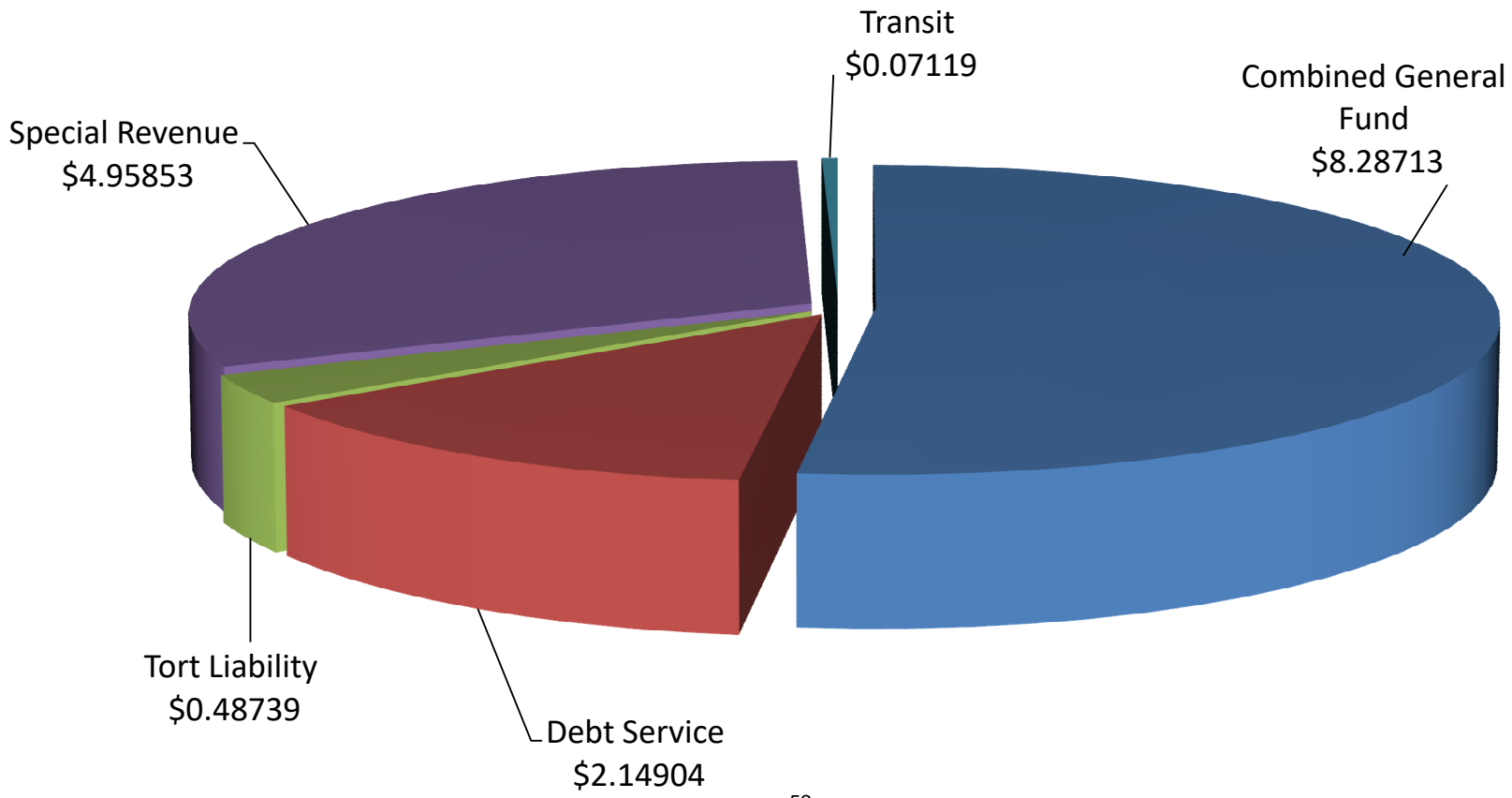
How are the Funds Used?

All City Expenditures by Function (Including Capital Projects)
Budget 2025/2026 - $86,364,799



City Tax Levy Rates by Type

FY 2025/2026
Total $15.95328/$1,000 Valuation



Where Do Each of Your Property Tax Dollars Go?

$0.417
City of Muscatine

$0.360
Muscatine Schools

$0.223
Muscatine County

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 2023/2024 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				
	General	Employee Benefits	Local Option Sales Tax	Road Use Tax	Debt Service	Water Pollution Control	Transfer Station	Refuse Collection	Other Non-Major Funds	Total
Projected Beginning Balance, July 1, 2025	$ 5,227,430	$ 172,397	$ 5,461,494	$ 1,429,008	$ 91,404	$ 2,271,706	$ 218,755	$ 246,701	$ 25,643,072	$ 40,761,967
Revenues and Other Sources										
Property Taxes	$ 9,291,458	$ 5,205,572	$ -	$ -	$ 2,425,372	$ -	$ -	$ -	$ 2,521,999	$ 19,444,401
Other City Taxes	1,249,588	18,604	4,100,000	-	8,062	-	-	-	-	5,376,254
Licenses and Permits	489,100	-	-	-	-	1,600	-	-	20,000	510,700
Intergovernmental	939,798	218,769	-	3,343,500	94,468	-	-	-	7,949,610	12,546,145
Charges for Services	1,201,900	-	-	-	-	6,095,000	2,098,400	2,584,000	7,461,900	19,441,200
Use of Money and Property	431,200	-	25,000	-	25,000	30,000	62,000	4,000	1,771,800	2,349,000
Other Revenue	1,292,199	-	-	-	-	192,000	13,000	15,000	5,643,001	7,155,200
Other Financing Sources										
Transfers In	11,987,942	-	820,000	-	2,320,703	-	42,000	-	2,940,318	18,110,963
Total Revenues and Other Sources	$ 26,883,185	$ 5,442,945	$ 4,945,000	$ 3,343,500	$ 4,873,605	$ 6,318,600	$ 2,215,400	$ 2,603,000	$ 28,308,628	$ 84,933,863
Funds Available	$ 32,110,615	$ 5,615,342	$ 10,406,494	$ 4,772,508	$ 4,965,009	$ 8,590,306	$ 2,434,155	$ 2,849,701	$ 53,951,700	$ 125,695,830
Expenditures and Other Uses										
Public Safety	$ 12,566,600	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,000	$ 12,571,600
Public Works	4,036,000	-	-	-	-	-	-	-	-	4,036,000
Health and Social Services	60,000	-	-	-	-	-	-	-	-	60,000
Culture and Recreation	4,768,000	-	-	-	-	-	-	-	107,000	4,875,000
Community and Economic Development	1,377,800	-	-	-	-	-	-	-	7,473,920	8,851,720
General Government	3,889,200	-	-	-	-	-	-	-	40,000	3,929,200
Debt Service	-	-	-	-	4,931,629	-	-	-	-	4,931,629
Business Type/Internal Service	-	-	-	-	-	5,000,000	2,273,600	2,504,300	15,840,650	25,618,550
Other Financing Uses										
Transfers Out	180,143	5,615,342	3,838,653	4,389,200	-	1,674,525	-	-	4,928,500	20,626,363
Total Expenditures and Other Uses	$ 26,877,743	$ 5,615,342	$ 3,838,653	$ 4,389,200	$ 4,931,629	$ 6,674,525	$ 2,273,600	$ 2,504,300	$ 28,395,070	$ 85,500,062
Projected Ending Balance, June 30, 2026	$ 5,232,872	$ -	$ 6,567,841	$ 383,308	$ 33,380	$ 1,915,781	$ 160,555	$ 345,401	$ 25,556,630	$ 40,195,768
Increase (Decrease) in Fund Balance	$ 5,442	$ (172,397)	$ 1,106,347	$ (1,045,700)	$ (58,024)	$ (355,925)	$ (58,200)	$ 98,700	$ (86,442)	$ (566,199)
Percent Change in Fund Balance	0.1%	-100.0%	20.3%	-73.2%	-63.5%	-15.7%	-26.6%	40.0%	-0.3%	-1.4%
Percent Ending Fund Balance of Expenditures	19.5%	0.0%	171.1%	8.7%	0.7%	28.7%	7.1%	13.8%	90.0%	47.0%

Explanations of Significant Changes in Fund Balances of Major Funds

General Fund:

The fund balance of the General Fund is budgeted to increase by $5,442 during fiscal year 2025/2026. The budgeted ending balance is 19.5% of expenditures for the year. In November of 2013 the City Council adopted a new General Fund balance policy which provides that the minimum fund balance be at least two months of expenditures which is equivalent to 16.7%. The budget for 2025/2026 with the ending balance of 19.5% of General fund expenditures more than meets the minimum fund balance target amount.

Employee Benefits Special Revenue Fund:

This fund accounts for a separate tax levy which funds employee pension and benefit costs for General Fund employees. Each year the City projects employee benefit costs when setting this levy. Due to prior year employee benefit costs being less than budgeted, there will be an estimated $172,397 beginning fund balance for 2025/2026. The Employee Benefits tax levy for 2025/2026 was set at a rate which results in utilizing this beginning balance to fund the estimated employee benefit costs for 2025/2026. This resulted in the zero-balance budgeted in this fund at the end of 2025/2026, 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 $6,567,841 for 2025/2026. 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). Bids for Phase 6-C of the West Hill Sewer project were received in April of 2024 and bids for Phase 6-D were received in April of 2025. Phase 6-E is scheduled for bidding in 2027. Phases 1 through 5 of the West Hill Sewer project 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 $1,045,700

(73.2%) to $383,308 at the end of 2025/2026. This amount represents the use of funds accumulated in the prior year being expended for street improvement projects in 2025/2026.

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 had 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 $58,024 (63.5%) for 2025/2026. This decrease was based on using a portion of the increased fund balance accumulated in the last several years.

Water Pollution Control (WPC) Fund:

The balance of the Water Pollution Control fund is budgeted to decrease by $355,925 (15.7%) in 2025/2026. The 2025/2026 WPC budget includes $482,800 in capital outlay items which contributed to the overall fund balance decrease. The 2025/2026 budgeted ending balance is 28.7% of WPC fund expenditures for the year.

Transfer Station:

Based on budget assumptions, the Transfer Station fund is projected to have a beginning fund balance of $218,755 in 2025/2026 and that balance is budgeted to decrease by $58,200 to $160,555 by the end of 2025/2026. This fund has had deficit ending balances in prior years due to capital outlay purchases. As capital purchases are critical to the efficient operation of the Transfer Station, the Transfer Station fund balance will be used for future capital outlay needs.

Refuse Collection:

The Refuse Collection fund is budgeted to increase by $98,700 (40.0%) in 2025/2026. The increase is due to prior year rate increases needed to accumulate funds for future capital outlay needs. There is no rate increase budgeted for 2025/2026.

Non-Major Funds:

The fund balance of non-major funds combined is expected to decrease by $86,442 (.3%) during 2025/2026. There are increases and decreases in the balances of the various non-major funds. The overall decrease, however, is primarily due to a $350,000 decrease in the Emergency Tax Levy / Emergency Fund. The $350,000 fund balance reduction represents transferring the remaining balance of State COVID-19 Relief funds to the General Fund in 2025/2026 which will close out this fund.

BUDGET SUMMARY SCHEDULES -

OPERATING FUNDS

City of Muscatine
Operating Funds
Budget Summary

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 35,689,943	$ 39,960,260	$ 36,959,530	$ 42,533,214	$ 40,761,967
Revenues and Other Sources					
Property Taxes	$ 17,520,995	$ 18,702,532	$ 18,695,744	$ 18,750,944	$ 19,444,401
Other City Taxes	5,297,820	5,210,773	5,298,819	5,188,019	5,376,254
Licenses and Permits	505,963	649,003	493,400	510,700	510,700
Intergovernmental	10,951,131	9,833,885	12,586,963	13,538,159	12,546,145
Charges for Services	18,015,931	18,316,364	18,993,700	18,565,800	19,441,200
Use of Money and Property	2,231,018	3,120,314	2,067,995	2,855,525	2,349,000
Other Revenue	6,771,386	7,245,423	7,362,500	7,058,800	7,155,200
Other Financing Sources					
Transfers In	13,937,603	14,360,769	17,183,835	16,913,740	18,110,963
Total Revenues and Other Sources	$ 75,231,847	$ 77,439,063	$ 82,682,956	$ 83,381,687	$ 84,933,863
Funds Available	$ 110,921,790	$ 117,399,323	$ 119,642,486	$ 125,914,901	$ 125,695,830
Expenditures and Other Uses					
Public Safety	$ 11,283,957	$ 11,956,071	$ 12,397,400	$ 12,634,600	$ 12,571,600
Public Works	2,963,309	3,278,642	3,622,000	3,454,100	4,036,000
Health and Social Services	55,000	60,000	60,000	60,000	60,000
Culture and Recreation	4,227,915	4,380,882	4,861,400	4,867,508	4,875,000
Community and Economic Development	5,246,666	6,446,326	9,182,714	9,586,069	8,851,720
General Government	3,616,190	3,666,492	3,883,200	3,985,411	3,929,200
Debt Service	3,764,644	3,820,531	3,878,533	3,732,416	4,931,629
Business Type/Internal Service	21,320,464	22,520,276	25,403,140	26,124,290	25,618,550
Other Financing Uses					
Transfers Out	18,483,385	18,736,889	20,464,635	20,708,540	20,626,363
Total Expenditures and Other Uses	$ 70,961,530	$ 74,866,109	$ 83,753,022	$ 85,152,934	$ 85,500,062
Ending Balance, June 30	$ 39,960,260	$ 42,533,214	$ 35,889,464	$ 40,761,967	$ 40,195,768

City of Muscatine
Operating Funds
Fund Statement

Fund	Estimated Balance (Deficit) 7/1/25	Revenues	Expenditures	Estimated Balance (Deficit) 6/30/26
General	$ 5,227,430	$ 26,883,185	$ 26,877,743	$ 5,232,872
Enterprise:				
Airport Operations	0	159,900	159,900	0
Transit System	380,458	1,340,743	1,616,300	104,901
Parking System	73,730	219,100	208,900	83,930
Golf Course	277,504	1,175,800	1,168,600	284,704
Boat Harbor Operations	0	25,600	25,600	0
Marina Operations	(5,828)	10,800	10,800	(5,828)
Ambulance Operations	394,751	2,344,700	2,639,200	100,251
Refuse Collection	246,701	2,603,000	2,504,300	345,401
Landfill Operations	2,403,019	1,376,600	1,372,600	2,407,019
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	1,365,863	67,900	0	1,433,763
Landfill Closure Reserve	2,114,954	160,600	0	2,275,554
Transfer Station Operations	218,755	2,215,400	2,273,600	160,555
Transfer Station Closure Reserve	33,825	0	0	33,825
Water Pollution Control	2,271,706	6,318,600	6,674,525	1,915,781
Collection and Drainage	803,557	1,753,200	2,350,800	205,957
WPCP Replacement Reserve	2,119,917	475,000	200,000	2,394,917
West Hill Sewer Reserve	6,347,998	580,000	0	6,927,998
Sewer Revenue Bond Sinking Fund	190,183	996,875	980,040	207,018
Sewer Extension and Improvement Reserve	2,404,484	415,000	6,800	2,812,684
Special Revenue:				
Employee Benefits	172,397	5,442,945	5,615,342	0
Emergency Levy	350,000	0	350,000	0
Road Use Tax	1,429,008	3,343,500	4,389,200	383,308
Community Block Grant	34,752	500	0	35,252
CDBG Neighborhood Improvement Grant	0	1,063,492	1,063,492	0
Downtown Historic Revitalization Grant	0	397,148	397,148	0
Lead Hazard Reduction Grant	0	1,503,900	1,503,900	0
Tax Increment - Downtown	17,022	262,500	262,000	17,522
Tax Increment - Southend	410,636	1,435,000	1,459,400	386,236
Tax Increment - Cedar Development	73,313	2,000	0	75,313
Tax Increment - Highway 38 NE	28,563	10,500	10,000	29,063
Tax Increment - Fridley Theatre	73,467	56,000	55,000	74,467
Tax Increment - Riverview Hotel Dev.	35,289	395,000	395,000	35,289
Tax Increment - North University	27,940	106,400	106,000	28,340
Tax Increment - White Distribution & Supply	26,846	80,500	80,000	27,346
Tax Increment - Hershey Building	13,860	80,100	80,000	13,960
Tax Increment - Oak Park	11,944	27,200	27,000	12,144
Tax Increment - Arbor Commons	8,162	47,100	47,000	8,262
Tax Increment - Steamboat Apartments	5,100	12,000	12,000	5,100
Tax Increment - Colorado Lofts	0	28,000	28,000	0
Downtown Reinvestment District	0	300,000	300,000	0
Low & Moderate Income Reserve	22,632	18,800	0	41,432
Small Business Forgivable Loan Program	0	150,000	150,000	0
Small Business Forgive Loan Code Compliance	73,260	0	0	73,260
Small Business Forgive Loan 2nd St. Facade Program	0	100,000	100,000	0
Local Option Sales Tax	5,282,432	4,125,000	3,208,653	6,198,779
Local Option Sales Tax Pavement Allocation	179,062	820,000	630,000	369,062
Equipment Replacement	101,869	9,700	0	111,569
Computer Replacement	0	40,000	40,000	0
Library Computer Replacement	28,500	0	17,500	11,000
Public Housing Operations	285,041	1,274,200	1,273,610	285,631
Section 8 Voucher Program	251,310	2,586,970	2,649,080	189,200
Home Ownership Program	17,976	173,300	183,100	8,176
Sunset Park Education Center	7,438	0	0	7,438
Public Housing Legal Settlement	128,106	2,500	50,000	80,606
Police Forfeiture Fund	16,943	5,000	5,000	16,943
Trust and Agency:				
Perpetual Care Fund	928,497	5,000	0	933,497
Perpetual Care Interest Trust	0	40,000	40,000	0
Cemetery Special Trusts	55,597	1,000	1,000	55,597
Library Trusts	153,858	37,000	24,500	166,358
Art Center Trusts	193,310	20,500	29,000	184,810
Parks and Recreation Trust	431,744	10,000	35,000	406,744
Debt Service:				
General Obligation	91,404	4,873,605	4,931,629	33,380
Internal Service/Other:				
Equipment Services	(164,383)	1,600,400	1,555,400	(119,383)
Dental Insurance	102,969	186,600	187,900	101,669
Health Insurance	2,987,096	5,076,500	5,076,500	2,987,096
Total *	$ 40,761,967	$ 84,933,863	$ 85,500,062	$ 40,195,768

*Includes interfund transactions.

City of Muscatine
Operating Funds
Revenue Summary

Fund	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
General	$ 23,204,281 *	$ 24,234,242 *	$ 26,141,444	$ 25,396,953	$ 26,883,185
Enterprise:					
Airport Operations	98,997	96,035 *	134,300	138,042	159,900
Transit System	1,540,688 *	1,523,950 *	1,329,378	1,807,678	1,340,743
Parking System	205,503	188,731	185,100	202,100	219,100
Golf Course	1,018,491	1,121,527	1,064,400	1,173,900	1,175,800
Boat Harbor Operations	19,378	22,624	23,900	24,400	25,600
Marina Operations	8,361	10,367	10,800	10,800	10,800
Ambulance Operations	2,336,480 *	2,509,800 *	2,304,400	2,311,200	2,344,700
Convention & Visitors Bureau	127,622	129,857	33,295	32,438	0
Soccer Events Fund	957	1,438	200	486	0
Refuse Collection	2,547,765	2,667,874	2,596,700	2,614,500	2,603,000
Landfill Operations	1,416,436	1,522,021	1,376,600	1,376,600	1,376,600
Landfill Surcharge Reserve Part I	19,896	19,726	20,000	20,000	20,000
Landfill Surcharge Reserve Part II	41,781	41,425	42,000	42,000	42,000
Landfill Post-Closure Reserve	60,081	67,845	60,100	67,900	67,900
Landfill Closure Reserve	163,244	160,562	163,200	160,600	160,600
Transfer Station Operations	2,261,690	2,270,263 *	2,212,400	2,215,500	2,215,400
Water Pollution Control	5,962,487	6,179,454 *	6,150,100	6,365,000	6,318,600
Collection and Drainage	1,557,550	1,602,572	1,693,700	1,671,400	1,753,200
WPCP Replacement Reserve	469,533	519,810	450,000	475,000	475,000
West Hill Sewer Reserve	530,627	647,362	580,000	580,000	580,000
Sewer Revenue Bond Sinking Fund	966,226	986,272	986,360	986,360	996,875
Sewer Extension and Improvement Reserve	406,664	453,888	415,000	430,000	415,000
Special Revenue:					
Employee Benefits	4,952,111	5,092,536	5,110,672	5,110,672	5,442,945
Emergency Levy	282,152 *	323,045 *	5,000	10,000	0
American Rescue Plan Act	1,853,382	103,471	10,000	83,501	0
Road Use Tax	3,312,189	3,350,025	3,212,600	3,319,700	3,343,500
Community Block Grant	6,919	1,484	300	1,200	500
CDBG Comprehensive Neighborhood Impr. Grant	0	21,905	673,800	650,000	1,063,492
IEDA Downtown Housing Grant	0	120,000	0	80,000	0
CDBG Downtown Revitalization Grant	0	397,325	386,526	1,119,175	0
Affordable Connectivity Grant	0	17,000	0	0	0
Downtown Historic Revitalization Grant	0	0	647,148	350,000	397,148
Nuisance & Abandoned Property Grant	0	6,278	0	93,722	0
Lead Hazard Reduction Grant	0	46,313	1,244,300	932,800	1,503,900
Tax Increment - Downtown	220,146	240,893	256,700	263,900	262,500
Tax Increment - Southend	1,280,481	1,368,114	1,430,000	1,475,000	1,435,000
Tax Increment - Cedar Development	1,790	3,154	2,000	2,000	2,000
Tax Increment - Highway 38 NE	50,947	38,407	38,500	39,600	10,500
Tax Increment - Fridley Theatre	69,217	59,694	75,000	77,100	56,000
Tax Increment - Heinz	41	0	0	0	0
Tax Increment - Riverview Hotel Development	501,214	530,070	400,000	400,000	395,000
Tax Increment - North University	80,250	109,148	107,400	110,400	106,400
Tax Increment - White Distribution & Supply	54,259	65,834	78,500	80,700	80,500
Tax Increment - Arbor Commons	0	23,887	40,000	41,100	47,100
Tax Increment - Hershey Building	73,045	66,776	73,100	75,200	80,100
Tax Increment - Oak Park	28,352	29,874	30,200	31,000	27,200
Tax Increment - Steamboat Apartments	0	0	30,000	30,800	12,000
Tax Increment - Colorado Lofts	0	65,968	40,000	34,900	28,000
Low & Moderate Income Reserve	0	8,032	16,000	14,600	18,800
Downtown Reinvestment District	244,755	264,066	300,000	300,000	300,000
Small Business Forgivable Loan Program	235,070	104,807	150,000	150,000	150,000
Small Business Forgive Loan Code Compliance	50,183	52,444	0	0	0
Small Business Forgive Loan 2nd St. Facade Program	105,019	115,012	100,000	100,000	100,000
Local Option Sales Tax	4,127,523	4,243,300	4,945,000	4,970,000	4,945,000
Equipment Replacement	273,723	622,582	196,200	265,400	9,700
Computer Replacement	87,234	73,493	50,000	53,500	40,000
Library Computer Replacement	0	0	0	1,500	0
Public Housing Operations	1,347,556	1,127,685	1,564,500	1,845,900	1,274,200
Section 8 Voucher Program	2,143,065	2,595,623	2,506,300	2,582,960	2,586,970
Home Ownership Program	64,008	48,323	269,100	276,300	173,300
Sunset Park Education Center	187	329	0	0	0
Public Housing Legal Settlement	3,976	7,005	2,500	4,500	2,500
Police Forfeiture Fund	872	2,719	5,000	5,000	5,000
Trust and Agency:					
Perpetual Care Fund	3,992	7,578	5,000	5,000	5,000
Perpetual Care Interest Trust	26,660	42,459	34,000	44,100	40,000
Cemetery Special Trusts	1,777	1,971	1,500	1,500	1,000
Library Trusts	71,257	82,287	49,500	37,000	37,000
Art Center Trusts	25,179	30,712	24,800	31,800	20,500
Parks Trust	36,043	18,408	10,000	15,500	10,000
Debt Service:					
General Obligation	2,795,415	2,897,059	3,838,533	3,695,700	4,873,605
Internal Service/Other:					
Equipment Services	1,473,786	1,312,415	1,570,800	1,493,100	1,600,400
Dental Insurance	171,173	168,550	178,800	174,300	186,600
Health Insurance	4,212,162	4,553,358	5,000,300	4,798,700	5,076,500
Total **	$ 75,231,848	$ 77,439,063	$ 82,682,956	$ 83,381,687	$ 84,933,863

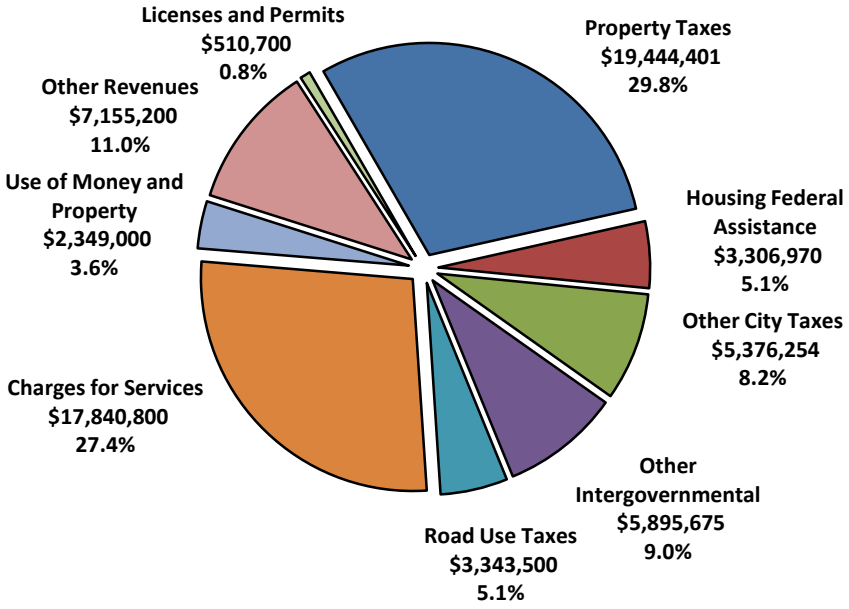
* Includes encumbrance adjustments.
** Includes interfund transactions.

City of Muscatine
Operating Funds
Expenditure Summary

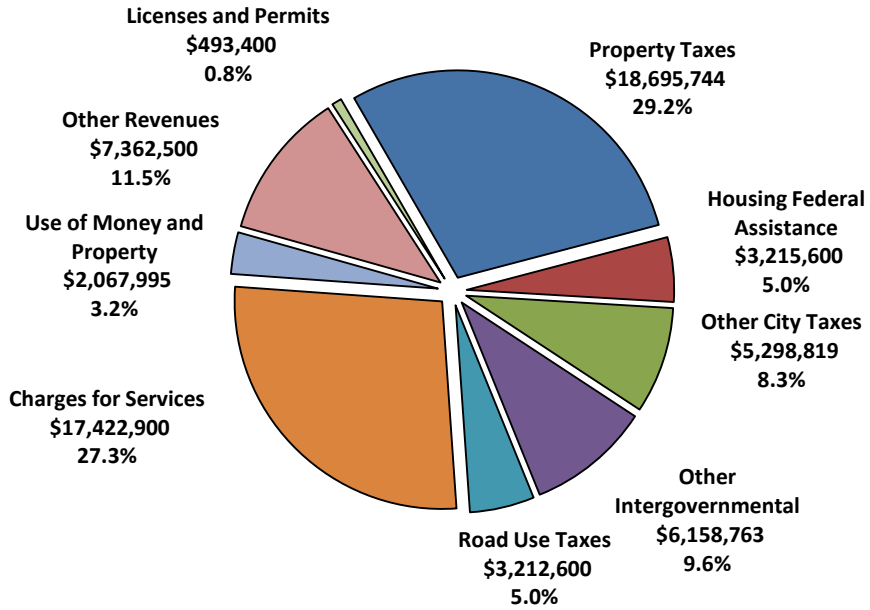
Fund	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
General	$ 22,923,384	$ 24,352,203	$ 25,942,078	$ 25,676,620	$ 26,877,743
Enterprise:					
Airport Operations	129,797	112,801	134,300	151,200	159,900
Transit System	1,356,013	1,828,943	1,639,800	1,676,100	1,616,300
Parking System	187,667	188,018	202,100	216,000	208,900
Golf Course	960,591	1,033,686	1,072,100	1,117,200	1,168,600
Boat Harbor Operations	19,378	22,624	24,200	24,400	25,600
Marina Operations	9,488	12,943	10,600	10,800	10,800
Ambulance Operations	2,307,857	2,160,262	2,634,400	2,674,000	2,639,200
Convention & Visitors Bureau	125,000	135,000	135,000	135,000	0
Soccer Event Fund	9,769	0	0	33,200	0
Refuse Collection	2,345,221	2,676,116	2,720,600	2,769,500	2,504,300
Landfill Operations	1,185,623	1,266,583	1,338,600	1,332,000	1,372,600
Landfill Surcharge Reserve I	19,896	19,726	20,000	20,000	20,000
Landfill Surcharge Reserve II	41,781	41,425	42,000	42,000	42,000
Transfer Station Operations	2,311,483	2,225,869	2,373,900	2,375,000	2,273,600
Water Pollution Control	6,078,332	6,259,835	6,279,910	6,367,110	6,674,525
Collection and Drainage	1,708,144	1,547,949	1,626,000	1,632,400	2,350,800
WPCP Replacement Reserve	31,410	1,071,256	331,000	569,400	200,000
Sewer Revenue Bond Sinking Fund	949,820	959,400	969,480	969,480	980,040
Sewer Extension and Improvement Reserve	45,613	520,937	0	2,500	6,800
Special Revenue:					
Employee Benefits	4,949,779	4,983,745	5,309,879	5,191,487	5,615,342
Emergency Levy	264,675	292,243	690,695	356,496	350,000
American Rescue Plan Act	813,532	898,546	742,200	2,083,800	0
Road Use Tax	3,546,853	3,059,580	4,017,000	3,715,500	4,389,200
Community Block Grant	70,434	0	0	0	0
CDBG Neighborhood Improvement Grant	0	21,905	673,800	650,000	1,063,492
IEDA Downtown Housing Grant	0	120,000	0	80,000	0
CDBG Downtown Revitalization Grant	0	327,299	386,526	1,124,844	0
Affordable Connectivity Grant	0	17,000	0	0	0
Downtown Historic Revitalization Grant	0	0	647,148	350,000	397,148
Nuisance & Abandoned Property Grant	0	6,278	0	93,722	0
Lead Hazard Reduction Grant	0	46,313	1,244,300	932,800	1,503,900
Tax Increment - Downtown	217,464	243,700	256,200	256,200	262,000
Tax Increment - Southend	1,427,888	1,272,487	1,465,700	1,489,700	1,459,400
Tax Increment - Highway 38 NE	48,206	34,528	38,000	34,700	10,000
Tax Increment - Fridley Theatre	59,948	52,357	74,000	66,000	55,000
Tax Increment - Heinz	4,936	0	0	0	0
Tax Increment - Riverview Hotel Development	500,947	528,537	400,000	367,800	395,000
Tax Increment - North University	76,376	103,863	107,000	102,900	106,000
Tax Increment - White Distribution & Supply	50,145	60,635	78,000	72,100	80,000
Tax Increment - Arbor Commons	0	20,125	40,000	36,700	47,000
Tax Increment - Hershey Building	70,527	66,637	73,000	67,000	80,000
Tax Increment - Oak Park	25,108	26,674	30,000	25,500	27,000
Tax Increment - Steamboat Apartments	0	0	30,000	25,700	12,000
Tax Increment - Colorado Lofts	0	65,968	40,000	34,900	28,000
Riverview Reinvestment District	244,755	264,066	300,000	300,000	300,000
Small Business Forgivable Loan Program	229,483	17,066	150,000	306,064	150,000
Small Business Forgive Loan Code Compliance	30,000	24,547	0	0	0
Small Business Forgive Loan 2nd St. Facade Program	5,345	186,974	100,000	315,369	100,000
Local Option Sales Tax	3,575,625	2,654,683	3,600,873	3,048,027	3,838,653
Equipment Replacement	72,558	741,457	214,500	276,300	0
Computer Replacement	30,178	59,768	50,000	160,611	40,000
Library Computer Replacement	0	0	15,000	23,000	17,500
Public Housing Operations	1,164,955	1,261,180	1,710,260	2,317,510	1,273,610
Section 8 Voucher Program	2,152,727	2,519,160	2,570,040	2,608,070	2,649,080
Home Ownership Program	73,077	47,540	270,200	276,000	183,100
Public Housing Legal Settlement	0	4,797	50,000	30,000	50,000
Police Forfeiture Fund	87	0	5,000	5,000	5,000
Trust and Agency:					
Perpetual Care Interest Trust	26,660	42,459	34,000	44,100	40,000
Cemetery Special Trusts	300	300	1,000	1,000	1,000
Library Trusts	29,094	39,730	31,500	21,000	24,500
Art Center Trusts	25,392	9,992	183,000	190,608	29,000
Parks Trusts	0	0	0	0	35,000
Debt Service:					
General Obligation	2,814,824	2,861,131	3,878,533	3,732,416	4,931,629
Internal Service/Other:					
Equipment Services	1,488,452	1,433,667	1,568,900	1,567,000	1,555,400
Dental Insurance	153,984	176,848	180,400	180,400	187,900
Health Insurance	3,981,793	3,836,748	5,000,300	4,798,700	5,076,500
Total *	$ 70,972,374	$ 74,866,109	$ 83,753,022	$ 85,152,934	$ 85,500,062

* Includes interfund transactions.

All City Operating Revenues By Source
Budget 2025/2026
$65,222,500



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

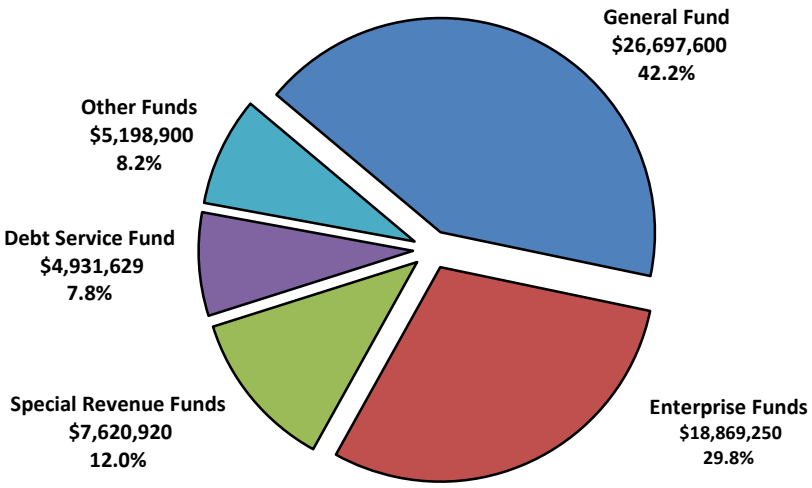


All City Funds Operating Revenues
Reconciliation Information

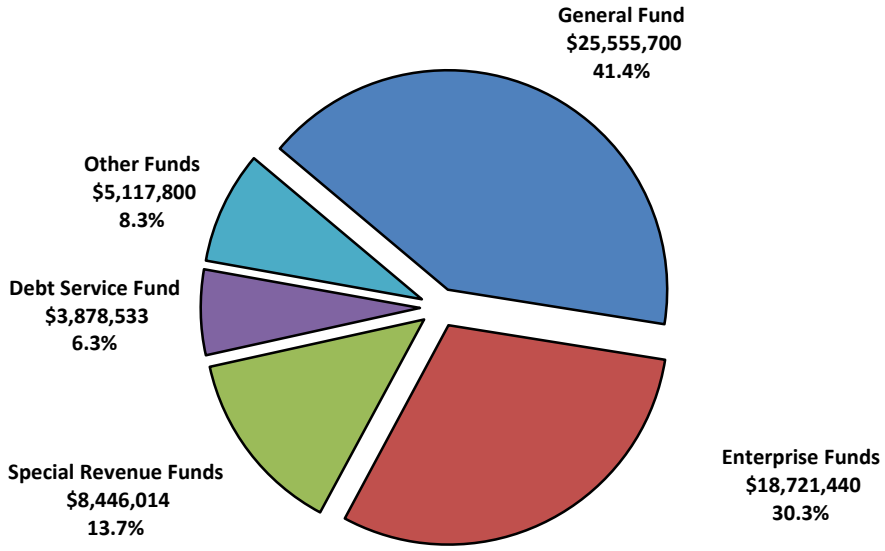
The revenue charts on the preceding page are shown net of interfund transfers. The following is a reconciliation of revenues per the summary statement to revenues net of transfers.

	2024/2025 Budget	2025/2026 Budget
Revenues per Summary Statement	$ 82,682,956	$ 84,933,863
Transfers In:		
General Fund		
Trust and Agency Funds	$ 34,000	$ 40,000
Special Revenue Funds	9,372,574	9,749,542
Health Insurance Fund	67,900	70,500
Tax Increment Funds	239,600	253,400
Enterprise Funds	1,651,500	1,874,500
Debt Service Fund		
Enterprise Funds	92,650	93,650
Tax Increment Funds	354,700	353,400
Local Option Sales Tax Fund	1,080,873	1,873,653
Equipment Replacement Fund		
General Fund	188,000	0
Computer Replacement Fund		
General Fund	50,000	40,000
Small Business Forgiveable Loan Programs		
Tax Increment Funds	250,000	250,000
Low & Moderate Income Reserve		
Tax Increment Funds	16,000	18,800
Lead Hazard Reduction Grant Fund		
HUD Legal Settlement Fund	50,000	50,000
Convention and Visitors Bureau		
General Fund	33,000	0
Airport Operations Fund		
General Fund	36,800	62,000
Transit Operations Fund		
General Fund	78,578	78,143
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	223,300	228,500
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	970,360	980,875
West Hill Sewer Separation Project Reserve Fund	400,000	400,000
Public Housing Fund		
American Rescue Plan Act Fund	300,000	0
Local Option Tax Pavement Management Allocation		
Local Option Sales Tax	820,000	820,000
Total Transfers In	17,183,835	18,110,963
Non-Budgeted Fund		
Equipment Services Operations	1,570,800	1,600,400
Budgeted Revenues Net of Transfers	$ 63,928,321	$ 65,222,500

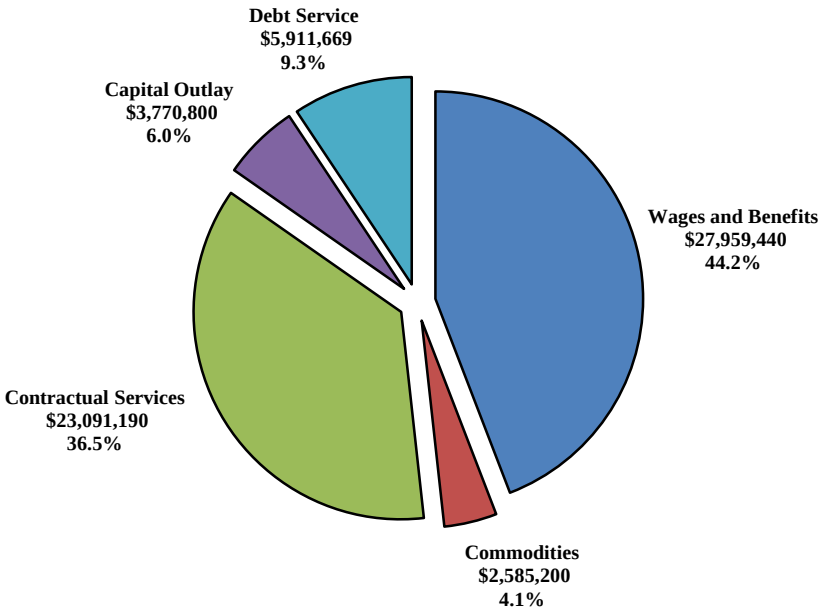
All City Operating Expenditures By Fund
Budget 2025/2026
$63,318,299



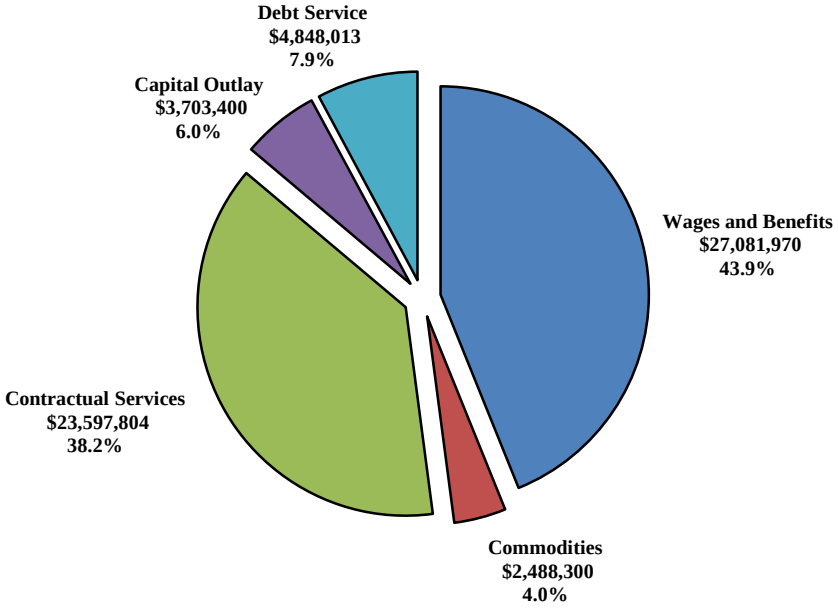
All City Operating Expenditures By Fund
Budget 2024/2025
$61,719,487



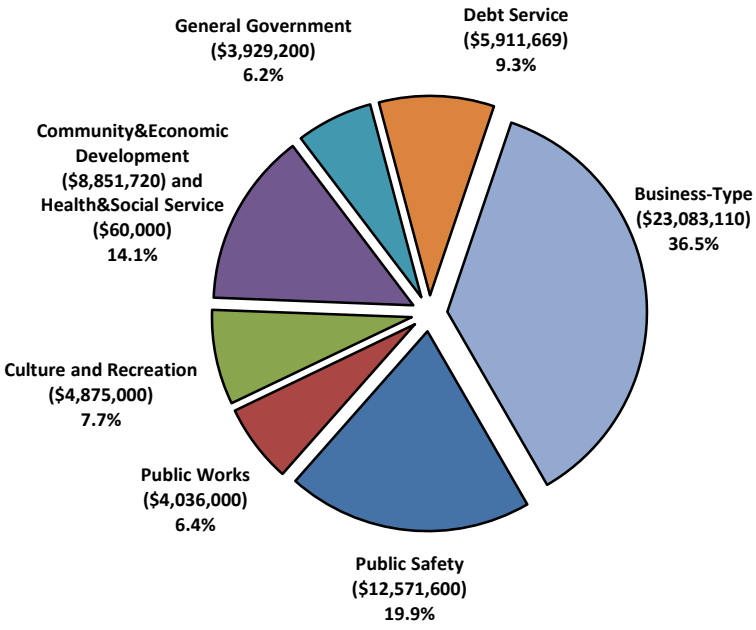
All City Operating Expenditures By Type
Budget 2025/2026
$63,318,299



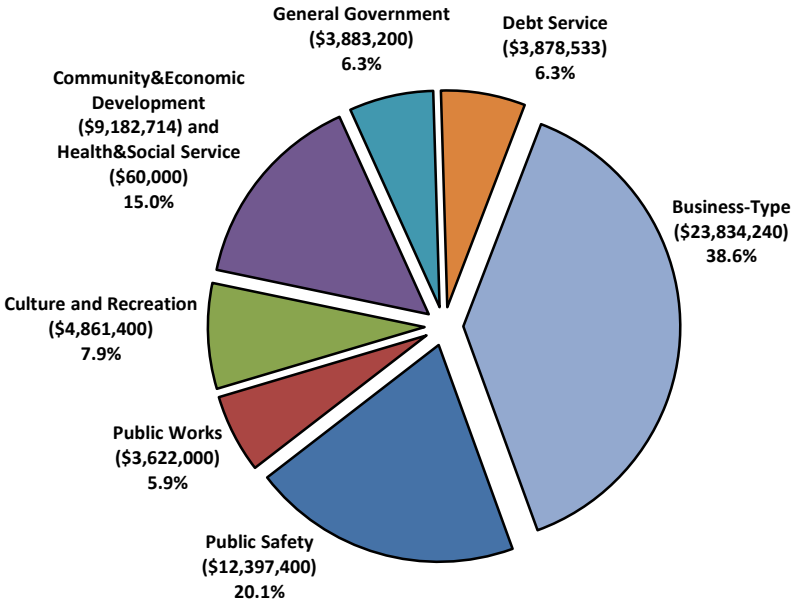
All City Operating Expenditures By Type
Budget 2024/2025
$61,719,487



All City Operating Expenditures By Function *
Budget 2025/2026
$63,318,299



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



* 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.

	2024/2025 Budget	2025/2026 Budget
Expenditures per Summary Statement	$ 83,753,022	$ 85,500,062
Transfers Out:		
General Fund		
Transit Operations Fund	$ 78,578	$ 78,143
Airport Operations Fund	36,800	62,000
Equipment Replacement Fund	188,000	0
Computer Replacement Fund	50,000	40,000
Convention & Visitors Bureau	33,000	0
Trust and Agency Funds		
General Fund	34,000	40,000
Special Revenue Funds		
General Fund	9,372,574	9,749,542
Capital Projects Fund	4,934,073	4,443,653
Tax Increment Funds	1,076,900	1,434,200
Other Special Revenue Funds	50,000	50,000
Ambulance Fund		
General Fund	1,651,500	1,874,500
Landfill Operations Fund		
Landfill Surcharge Reserve	62,000	62,000
Landfill Closure/Post-Closure Reserve	223,300	228,500
Landfill Surcharge Reserve		
Landfill Operations Fund	20,000	20,000
Transfer Station Fund	42,000	42,000
Water Pollution Control Fund		
Debt Service Fund	92,650	93,650
Sewer Reserves	1,570,360	1,580,875
Water Pollution Control Plant Replacement Reserve		
Capital Projects Fund	331,000	200,000
Collection & Drainage		
Sewer Reserves	550,000	550,000
Sewer Extention and Improvement Reserve		
Capital Projects Fund	0	6,800
Health Insurance Fund		
General Fund	67,900	70,500
Total Transfers Out	$ 20,464,635	$ 20,626,363
Non-Budgeted Fund		
Equipment Services Operations	1,568,900	1,555,400
Budgeted Expenditures Net of Transfers	$ 61,719,487	$ 63,318,299

City of Muscatine

Matrix of 2025/2026 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	$ 90,300	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 90,300
Legal Services	152,500	0	0	0	0	0	0	0	152,500
City Administrator	565,700	0	0	0	0	0	0	0	565,700
Human Resources	221,600	0	0	0	0	0	0	0	221,600
Wellness Program	70,500	0	0	0	0	0	0	0	70,500
Finance and Records	916,400	0	0	0	0	0	0	0	916,400
Computer Operations	477,700	0	0	0	0	0	0	0	477,700
Risk Management	584,000	0	0	0	0	0	0	0	584,000
Building and Grounds	810,500	0	0	0	0	0	0	0	810,500
Police Operations	0	6,233,700	0	0	0	0	0	0	6,233,700
Animal Control	0	158,200	0	0	0	0	0	0	158,200
Fire Operations	0	6,174,700	0	0	0	0	0	0	6,174,700
Library	0	0	1,351,900	0	0	0	0	0	1,351,900
Art Center	0	0	554,900	0	0	0	0	0	554,900
Park Administration	0	0	291,300	0	0	0	0	0	291,300
Park Maintenance	0	0	1,006,600	0	0	0	0	0	1,006,600
Kent Stein Park	0	0	287,200	0	0	0	0	0	287,200
Soccer Complex	0	0	280,600	0	0	0	0	0	280,600
Swimming Pools	0	0	220,100	0	0	0	0	0	220,100
Recreation	0	0	133,500	0	0	0	0	0	133,500
Cemetery	0	0	232,600	0	0	0	0	0	232,600
Sports Dome	0	0	409,300	0	0	0	0	0	409,300
Community Development	0	0	0	1,182,800	0	0	0	0	1,182,800
Economic Development	0	0	0	195,000	0	0	0	0	195,000
Economic Well-Being	0	0	0	0	60,000	0	0	0	60,000
Public Works Administration	0	0	0	0	0	274,400	0	0	274,400
Roadway Maintenance	0	0	0	0	0	2,053,000	0	0	2,053,000
Traffic Control	0	0	0	0	0	215,300	0	0	215,300
Snow and Ice Control	0	0	0	0	0	653,900	0	0	653,900
Street Cleaning	0	0	0	0	0	380,300	0	0	380,300
Engineering	0	0	0	0	0	459,100	0	0	459,100

(Continued)

(Continued)

Fund/Activity:	General Government	Public Safety	Culture and Recreation	Community and Economic Development	Health and Social Services	Public Works	Debt Service	Business Type/ Internal Service	Total
Enterprise Funds:									
Airport Operations	0	0	0	0	0	0	0	159,900	159,900
Transit Operations	0	0	0	0	0	0	0	1,616,300	1,616,300
Parking System	0	0	0	0	0	0	0	208,900	208,900
Golf Course	0	0	0	0	0	0	0	1,168,600	1,168,600
Boat Harbor Operations	0	0	0	0	0	0	0	25,600	25,600
Marina Operations	0	0	0	0	0	0	0	10,800	10,800
Ambulance Operations	0	0	0	0	0	0	0	764,700	764,700
Public Housing	0	0	0	0	0	0	0	1,273,610	1,273,610
Refuse Collection	0	0	0	0	0	0	0	2,504,300	2,504,300
Landfill Operations	0	0	0	0	0	0	0	1,082,100	1,082,100
Transfer Station	0	0	0	0	0	0	0	2,273,600	2,273,600
Collection and Drainage	0	0	0	0	0	0	0	1,800,800	1,800,800
Water Pollution Control	0	0	0	0	0	0	0	5,000,000	5,000,000
Sewer Sinking Fund	0	0	0	0	0	0	980,040	0	980,040
Special Revenue Funds:									
Southend Tax Increment	0	0	0	306,000	0	0	0	0	306,000
Highway 38 NE Tax Increment	0	0	0	10,000	0	0	0	0	10,000
Fridley Theatre Tax Increment	0	0	0	55,000	0	0	0	0	55,000
Riverview Hotel Development Tax Increment	0	0	0	395,000	0	0	0	0	395,000
North Univeristy Tax Increment	0	0	0	106,000	0	0	0	0	106,000
White Distribution & Supply Tax Increment	0	0	0	80,000	0	0	0	0	80,000
Hershey Building Tax Increment	0	0	0	80,000	0	0	0	0	80,000
Oak Park Tax Increment	0	0	0	27,000	0	0	0	0	27,000
Arbor Commons Tax Increment	0	0	0	28,200	0	0	0	0	28,200
Steamboat Tax Increment	0	0	0	12,000	0	0	0	0	12,000
Colorado Lofts Tax Increment	0	0	0	28,000	0	0	0	0	28,000
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	1,063,492	0	0	0	0	1,063,492
Downtown Revitalization	0	0	0	0	0	0	0	0	0
Downtown Historic Revitalization	0	0	0	397,148	0	0	0	0	397,148
Section 8 Housing	0	0	0	2,649,080	0	0	0	0	2,649,080
Home Ownership Program	0	0	0	183,100	0	0	0	0	183,100
Police Forfeiture Fund	0	5,000	0	0	0	0	0	0	5,000
Lead Hazard Reduction	0	0	0	1,503,900	0	0	0	0	1,503,900
Computer Replacement Fund	40,000	0	0	0	0	0	0	0	40,000
Library Computer Replacement	0	0	17,500	0	0	0	0	0	17,500
Debt Service Fund	0	0	0	0	0	0	4,931,629	0	4,931,629
Internal Service/Other Funds:									
Health Insurance Fund	0	0	0	0	0	0	0	5,006,000	5,006,000
Dental Insurance Fund	0	0	0	0	0	0	0	187,900	187,900
Trust and Agency Funds:									
Library Trusts	0	0	24,500	0	0	0	0	0	24,500
Cemetery Trust	0	0	1,000	0	0	0	0	0	1,000
Art Center Trusts	0	0	29,000	0	0	0	0	0	29,000
Parks Trust	0	0	35,000	0	0	0	0	0	35,000
Total	$ 3,929,200	$ 12,571,600	$ 4,875,000	$ 8,851,720	$ 60,000	$ 4,036,000	$ 5,911,669	$ 23,083,110	$ 63,318,299

City of Muscatine
Fulltime Employee Trends

General Fund

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Budget 2024-25	Actual 2024-25	Budget 2025-26	
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	5.83	5.95	5.95	5.95	5.95	5.95	5.85	(1)
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	6.23	6.73	6.73	6.73	6.73	6.73	6.83	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	42.73	(2)
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	41.50	41.50	41.50	43.00	44.75	47.50	47.50	47.50	47.50	47.50	46.50	(3)
Library (FTE)	13.76	14.19	13.62	13.22	12.79	13.66	12.90	12.47	12.45	12.45	12.45	
Art Center (FTE)	4.70	4.70	4.70	4.97	4.97	4.97	4.97	4.97	5.00	5.00	5.00	
Park Administration	1.50	1.50	1.50	1.50	1.50	1.50	1.50	2.13	2.13	2.13	2.13	
Park Maintenance *	5.80	5.80	5.80	5.80	5.93	6.05	6.05	6.25	6.50	6.50	6.50	
Kent Stein Park *	1.22	1.22	1.22	1.22	1.22	1.22	1.22	1.12	1.12	1.12	1.12	
Soccer Complex *	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.13	1.13	1.13	1.13	
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	1.75	1.75	1.75	
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	7.42	7.42	7.42	7.58	7.81	8.13	8.37	8.33	8.25	8.25	7.28	(4)
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	2.13	2.19	2.75	3.75	2.75	2.75	2.75	2.75	2.75	
Public Works Administration	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33	
Total General Fund	157.57	159.88	160.94	162.53	164.90	170.08	168.56	168.82	170.75	170.75	167.68	

City of Muscatine
Fulltime Employee Trends

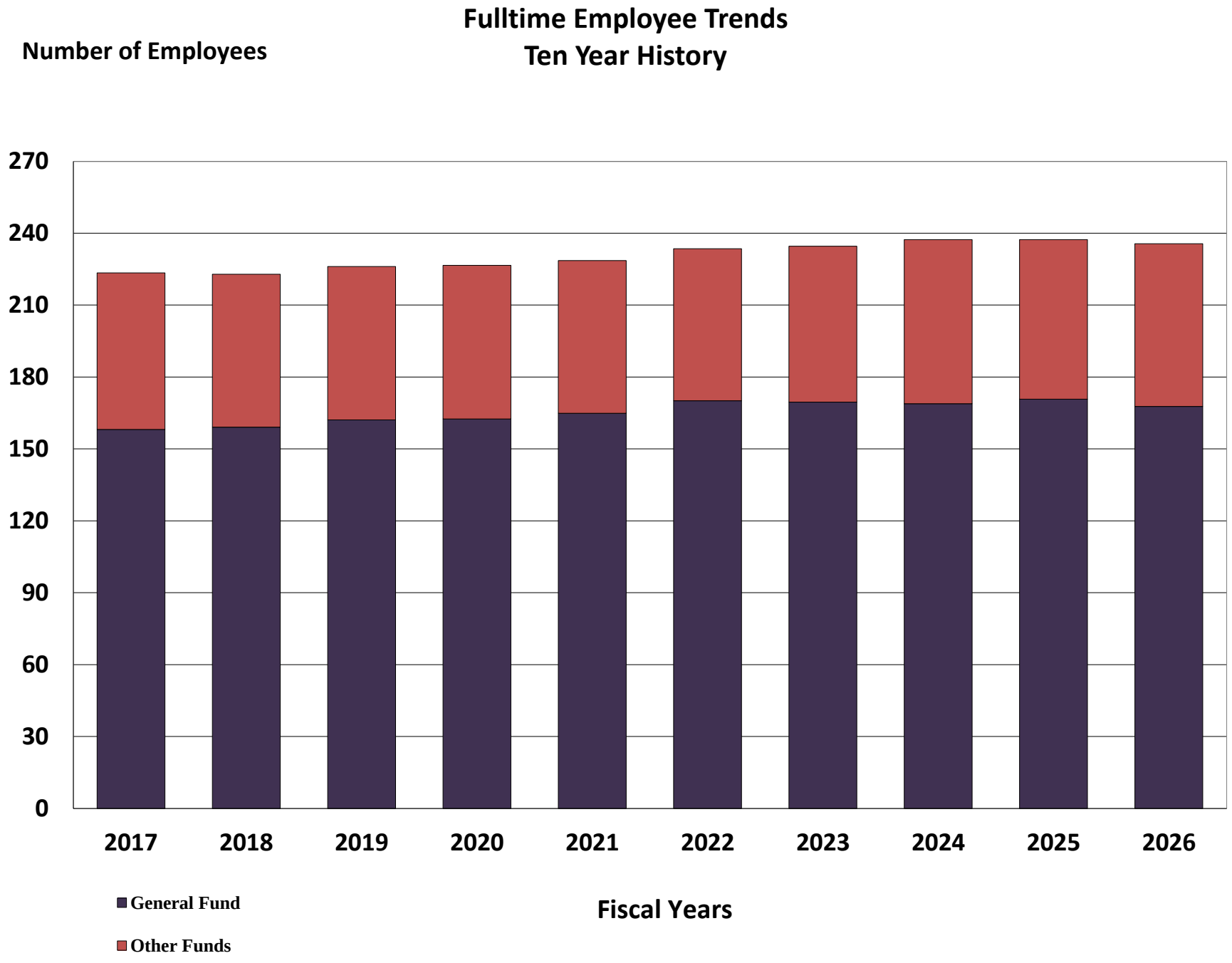
Enterprise / Other Funds

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Budget 2024-25	Actual 2024-25	Budget 2025-26	
Parking System	2.90	2.90	2.90	2.90	2.65	2.30	2.30	2.30	2.30	2.30	2.40	(1)
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 *	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.70	2.20	(5)
Refuse Collection	8.98	8.98	9.84	10.02	9.48	9.53	9.48	10.17	10.17	10.17	10.17	
Landfill	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	
Transfer Station	3.15	3.15	3.11	3.08	3.08	3.08	3.66	4.30	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	8.48	8.48	7.48	7.48	7.48	7.48	7.75	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	4.00	(6)
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	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	
Collection and Drainage	6.53	6.53	6.28	6.03	6.28	5.78	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	1.50	1.50	1.50	1.50	
Housing (FTE)	10.71	10.28	10.28	9.10	9.24	9.21	10.26	10.30	10.30	10.30	10.30	
Lead Hazard Reduction Grant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.59	2.15	2.15	2.15	
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	62.65	61.95	62.52	62.24	61.84	61.01	62.59	66.07	66.63	67.13	67.98	
Grand Total	220.22	221.83	223.46	224.77	226.74	233.52	234.58	234.89	237.38	237.88	235.66	

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

Position Changes for the 2024/2025 Revised Estimate and 2025/2026 Budget:

1. Beginning in 2025/2026, 10% of one of the Senior Account Clerks in the Finance department budget will be allocated to Parking.
2. Due to financial constraints in the General Fund, the 2025/2026 Fire department budget reflects not filling the vacant Assistant Fire Chief position.
3. Due to financial constraints in the General Fund, the 2025/2026 Police department budget reflects not filling one Police Officer position.
4. The 2025/2026 Community Development budget reflects a reduction of one fulltime position with the vacant Building Division Manager position not being filled; the City will begin contracting for these services.
5. The 2024/2025 revised estimate and 2025/2026 Transit budget includes increasing a 29 hour/week Dispatcher position to a full-time position effective January 1, 2025.
6. The 2025/2026 budget includes increasing a 29 hour/week Lab Tech position in the Water Pollution Control budget to a full-time position effective July 1, 2025.


Fulltime Employee Trends
Ten Year History
Number of Employees
270
240
210
180
150
120
90
60
30
0
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
General Fund
Other Funds
Fiscal Years

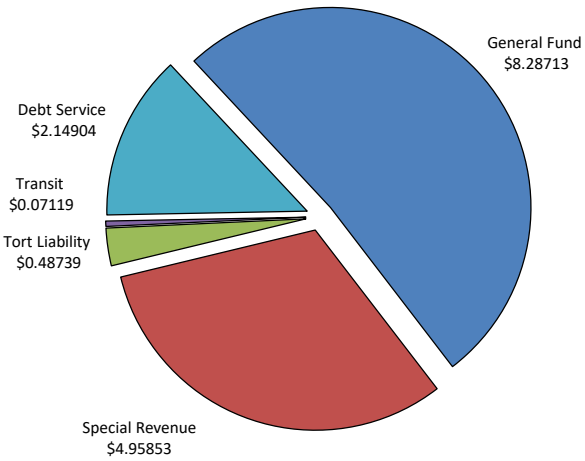
PROPERTY TAX SCHEDULES

City of Muscatine

Property Tax Levies by Type - Fiscal Years 2024/2025 and 2025/2026

	2024/2025 Budget		2025/2026 Budget				
	Collections	Levy Per $1,000 of Assessed Valuation	Collections	Levy Per $1,000 of Assessed Valuation	Percent of Levy Increase (Decrease)	Change in Dollars Levied	Percent Change in Dollars Levied
Combined General Fund (Includes Former Emergency Levy)	$ 8,544,920	$ 8.37000	$ 8,731,107	$ 8.28713	(0.99%)	$ 186,187	2.18%
Transit System	75,000	0.07346	75,000	0.07119	(3.09%)	-	0.00%
Tort Liability	479,800	0.46998	513,500	0.48739	3.70%	33,700	7.02%
Special Revenue:							
Police and Fire Retirement	$ 1,612,016	$ 1.57902	$ 1,628,516	$ 1.54571	(2.11%)	$ 16,500	1.02%
FICA/IPERS	928,120	0.90912	968,089	0.91886	1.07%	39,969	4.31%
Other Employee Benefits	2,484,172	2.43332	2,627,571	2.49396	2.49%	143,399	5.77%
Reductions	(150,915)	(0.14783)	-	-		150,915	
Subtotal	$ 4,873,393	$ 4.77363	$ 5,224,176	$ 4.95853	3.87%	$ 350,783	7.20%
Debt Service	2,189,863	1.98512	2,433,434	2.14904	8.26%	243,571	11.12%
Total	$ 16,162,976	$ 15.67219	$ 16,977,217	$ 15.95328	1.79%	$ 814,241	5.04%
Agricultural Land	5,787	3.00375	5,039	3.00375	0.00%	(748)	(12.93%)
Grand Total	$ 16,168,763	$ 15.67219	$ 16,982,256	$ 15.95328	1.79%	$ 813,493	5.03%
		$ 3.00375		$ 3.00375			

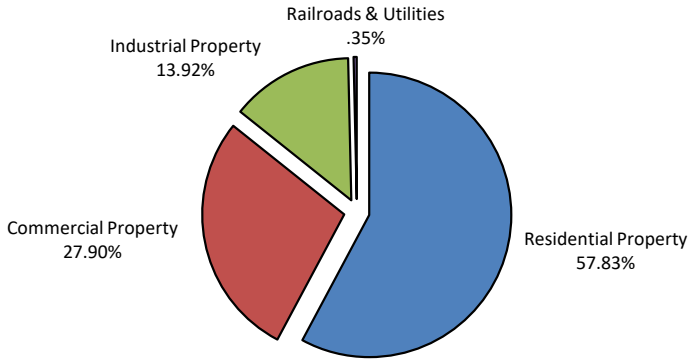
City Tax Levy Rates By Type
Budget 2025/2026
$15.95328
per $1,000 Valuation



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

	January 1, 2023	January 1, 2024	Valuation Increase (Decrease)	Percent Increase (Decrease) in Taxable Value	MEMO ONLY Percent Increase (Decrease) in Actual Value
Residential Property (1)	$ 599,548,984	$ 613,853,660	$ 14,304,676	2.39%	0.01%
Commercial Property (2)	275,508,892	296,246,503	20,737,611	7.53%	6.20%
Industrial Property (3)	146,474,986	147,805,803	1,330,817	0.91%	0.98%
Railroads (5)	1,269,818	1,251,721	(18,097)	-1.43%	-1.44%
Utilities (6)	1,085,030	2,514,070	1,429,040	131.71%	131.71%
Total Valuations	$ 1,023,887,710	$ 1,061,671,757	$ 37,784,047	3.69%	1.36%
Less Military Exemptions and Homestead Exemptions	6,767,669	11,850,045	5,082,376	75.10%	
Total Net Valuation	$ 1,017,120,041	$ 1,049,821,712	$ 32,701,671	3.22%	
MEMO ONLY Total if Gas and Electric Utilities were Included	$ 1,020,898,476	$ 1,053,574,238	$ 32,675,762	3.21%	

1. Residential taxable valuations realized a decrease in the rollback factor from 46.3428% to 47.4316% for January 1, 2024 (an increase of 2.35% 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 46.3428% for the 1-1-23 valuations and 47.4316% for the 1-1-24 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 46.3428% for the 1-1-23 valuations and 47.4316% for the 1-1-24 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 46.3428% for the 1-1-23 valuation and 47.4316% for the 1-1-24 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.

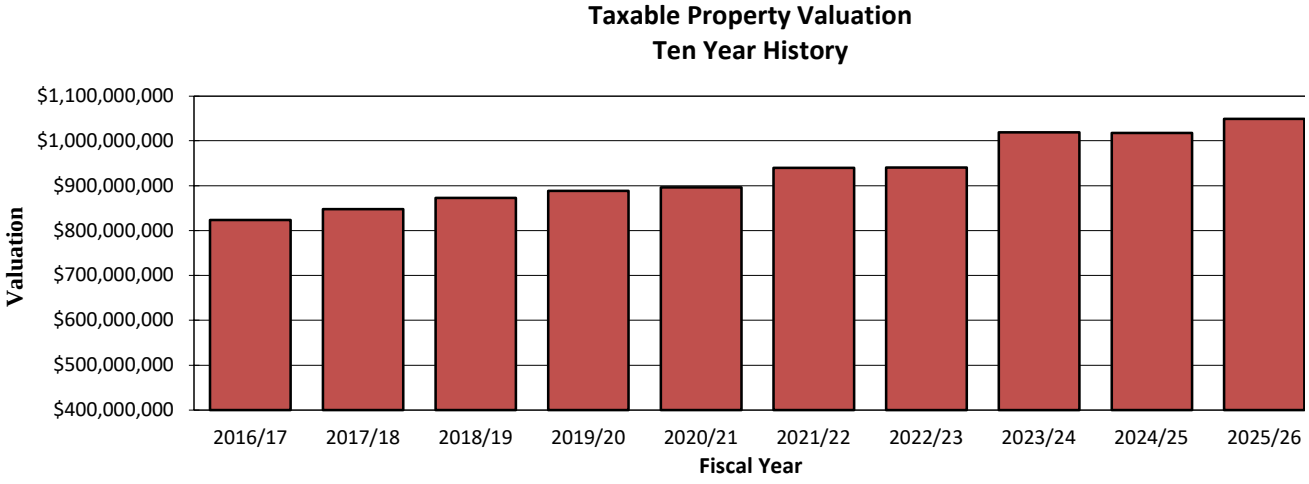


2024 Taxable Valuations by Type
(Valuations Used for 2025/2026 Tax Levy)

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

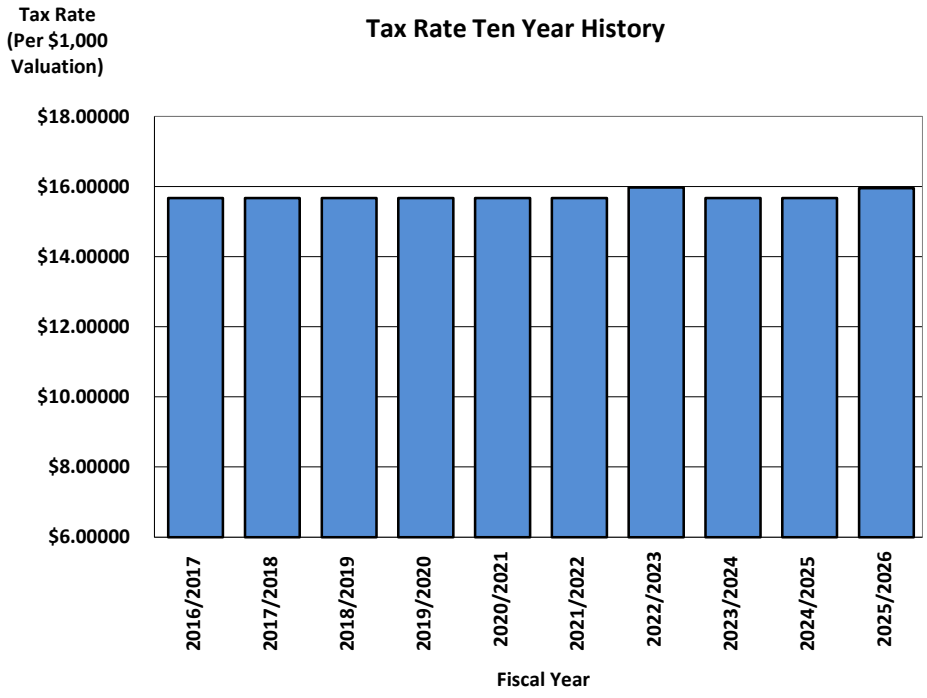
Fiscal Year	Real Property	Public Utilities	Military and New Homestead Exemptions (1)	Total	Agricultural Land
2016/17	$ 820,617,559	$ 4,669,990	$ 1,721,595	$ 823,565,954	$ 1,126,416
2017/18	844,902,037	4,613,164	1,680,836	847,834,365	1,111,462
2018/19	869,313,485	4,886,272	1,617,336	872,582,421	1,179,436
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
2025/26	1,057,905,966	3,765,791	11,850,045 (2)	1,049,821,712	1,677,264

1. The State added a $3,250 Homestead exemption for those 65 and over beginning in 2024/2025 and also increased the military exemption.
2. The State increased the Homestead exemption to $6,500 for those 65 and over beginning in 2025/2026.



City of Muscatine
City Tax Rate History
Fiscal Years 2016/2017 through 2025/2026

Fiscal Year	Tax Rate (Per $1,000 Valuation)	Percent Change
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%
2025/2026	15.95328	1.79%



Tax Levies by Entity

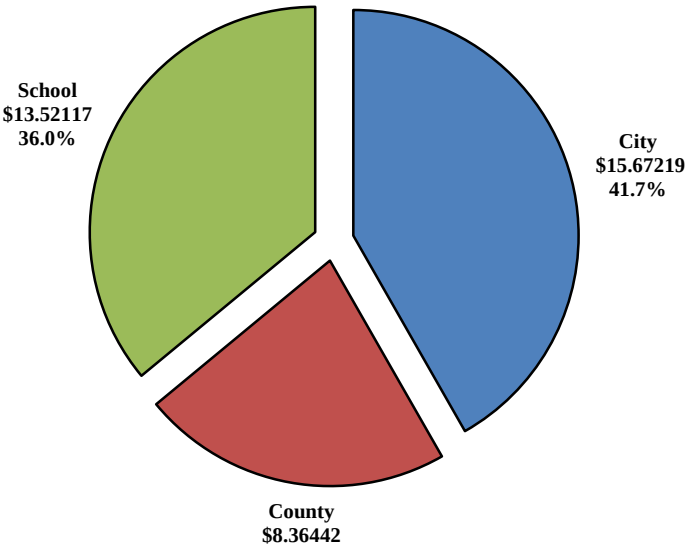
Historical Comparison

Certified Levies Per $1,000 of Valuation

	City	County	School	Total
2016/2017	$ 15.672090	$ 9.443590	$ 15.539140	$ 40.654820
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
2024/2025	15.67219	8.36442	13.52117	37.55778
Percent of 2024/2025 Total Levy	41.7%	22.3%	36.0%	100.0%
2025/2026 *	15.95328			

* Tax levy rates for 2025/2026 for Muscatine County and the Muscatine Community School district are not yet available.

Tax Levy Rates By Entity
Fiscal Year 2024/2025
$37.55778 per $1,000 Valuation



MAJOR REVENUE SOURCES SCHEDULES

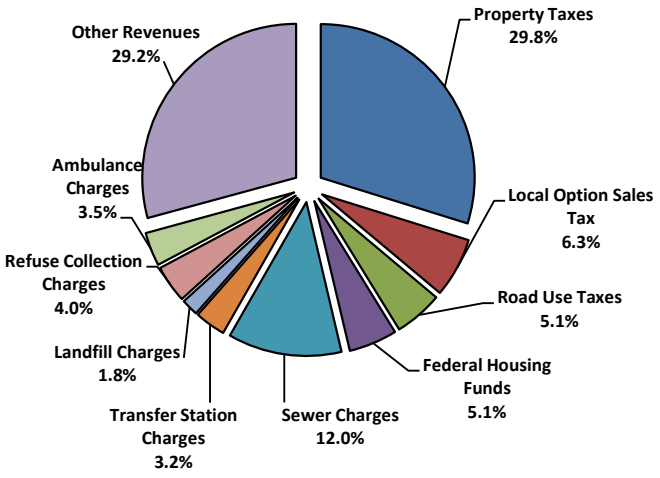
City of Muscatine
Major Revenue Sources
Fiscal Year 2025/2026 Budget

General Information

The City of Muscatine budgeted operating revenues of $65,222,500 for 2025/2026 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 2025/2026 budgeted operating revenues, 70.8% 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.

	2025/2026 Budget	Percent of Total
Property Taxes	$ 19,444,402	29.8%
Local Option Sales Tax	4,100,000	6.3%
Road Use Taxes	3,343,500	5.1%
Federal Housing Funds	3,306,970	5.1%
Sewer Charges	7,813,100	12.0%
Transfer Station Charges	2,094,400	3.2%
Landfill Charges	1,159,400	1.8%
Refuse Collection Charges	2,591,500	4.0%
Ambulance Charges	2,305,000	3.5%
Other Revenues	19,064,228	29.2%
Total Operating Revenues	$ 65,222,500	100.0%

Operating Revenues
Budget 2025/2026



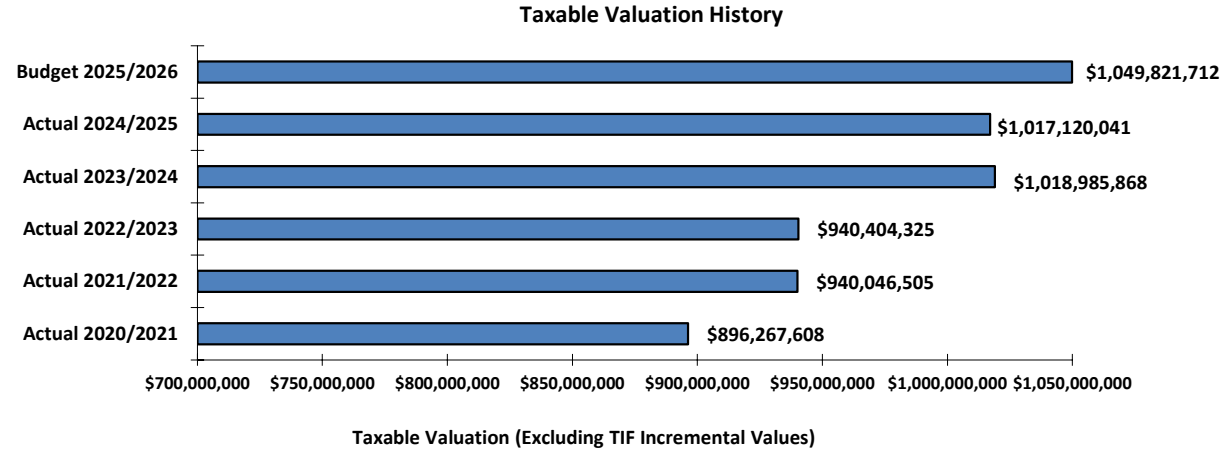
Property Taxes
FY 2025/2026 Budget $19,444,402

General Information

Property taxes comprise 29.8% 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 2025/2026. 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



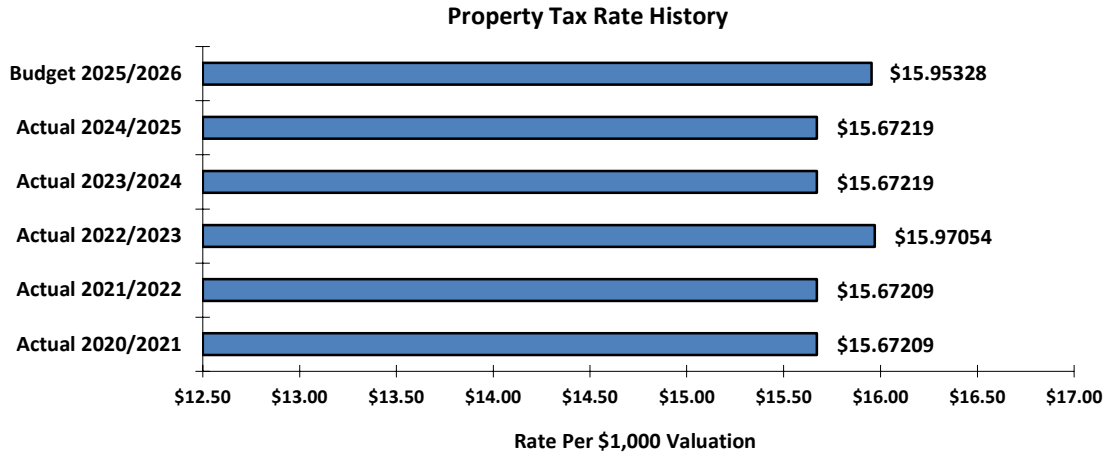
Taxable valuations are received from the County Auditor each year. Changes in taxable valuation occur due to new growth or improvements to existing properties, changes in property values by the County Assessor, changes in the State "rollback" factors for the different categories of property, and other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

The taxable property valuation for fiscal year 2025/2026 is $1,049,821,712, which is $32,701,671 (3.22%) more than the fiscal year 2024/2025 valuation of $1,017,120,041. The overall increase is due to the net effect of new growth and re-valuations by the County Assessor, the increase in the rollback for residential property, and the increase in the exemption for residential property owners age 65 and over. The residential rollback increased from 46.3428% for 2024/2025 to 47.4316% for 2025/2026, an increase of 2.35%. 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 2025/2026, however the first $150,000 of each commercial, industrial, and railroad properties were rolled back to the residential rollback of 47.4316%. Industrial property valuations increased by .91%, commercial

values increased by 7.53%, and residential properties increased 2.39% for 2025/2026. The other smaller categories of properties are railroads, which decreased in valuation by 1.43%, and utilities, which increased by 131.71%. Overall, these factors combined resulted in the 3.22% overall increase in taxable valuations.

Property Tax Rates



The City's tax rate for 2025/2026 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.

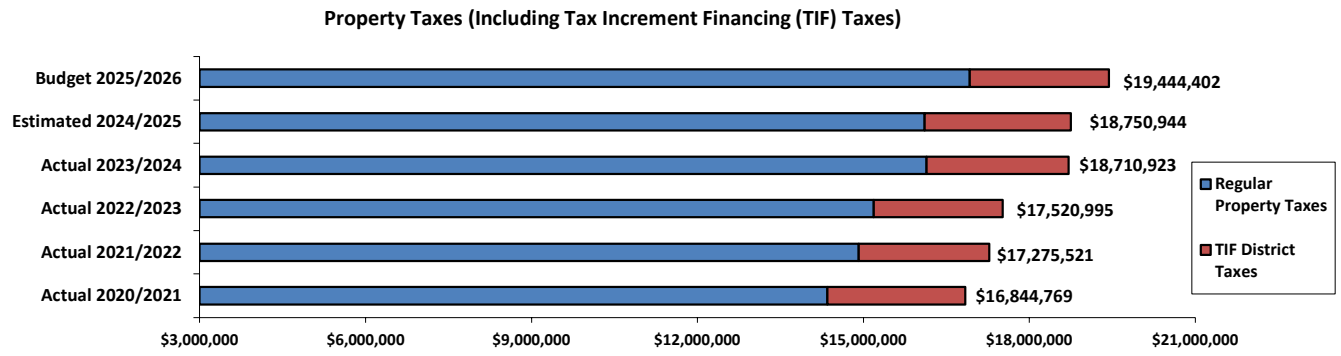
Two of the tax categories are limited by State law to maximum rates per $1,000 of valuation. These maximums are $8.37 per $1,000 of valuation for the Combined General Fund tax levy and $.95 for the Transit tax levy. The City is at less than the maximum rate for Combined General Fund and Transit levy.

While the Combined General Fund tax levy maximum rate is $8.37, House File (HF) 718 passed in 2024/2025, places restrictions on increases in tax revenues to local governments. With the City of Muscatine's increase of 3.22% in taxable valuation for 2025/2026, HF 718 requires any increases between 2.75% and 3.99% to be reduced by approximately 1% (which reduced the increase in taxable valuations to 2.29%) when computing General Fund taxes. This reduction resulted in the Combined General Fund Levy being reduced from the $8.37 per $1,000 of valuation to $8.28713 per $1,000 of valuation for fiscal year 2025/2026.

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 2025/2026 was increased to $15.95328 per $1,000 of valuation. There were increases in the tort liability, debt service, and employee benefit levies, and decreases in the transit and combined general fund levy rates.

Property Tax Revenue



Property taxes budgeted for 2025/2026 total $19,444,402 including $16,922,402 from regular property tax and $2,522,000 from tax increment financing (TIF) taxes. This is a 5.05% increase in regular property taxes and a 3.70% increase in total taxes including TIF taxes.

Local Option Sales Tax
FY 2025/2026 Budget $4,100,000

General Information

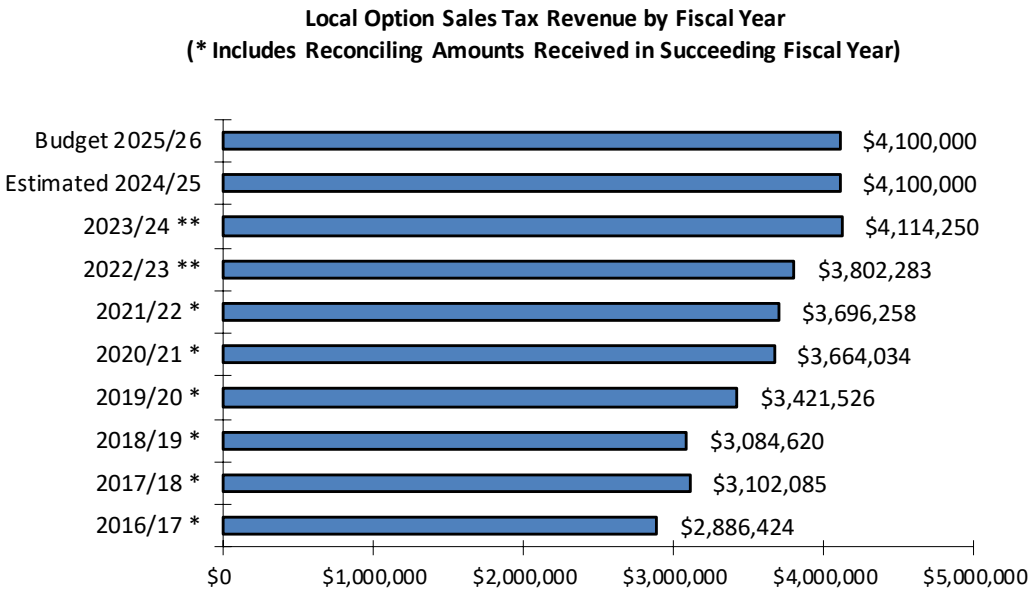
Voters in the City of Muscatine first approved the 1% local option sales tax in 1994 for a five-year period from July 1, 1994 through June 30, 1999. Proceeds from this tax were required by the referendum to be used for storm and sanitary sewer projects in the City. In 1998 voters approved the extension 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 2024/2025 and 2025/2026 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



** Beginning in 2023/24 the State is distributing local option taxes on a monthly basis; the amounts shown reflect actual receipts for the fiscal year.

Road Use Tax
FY 2025/2026 Budget $3,343,500

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.

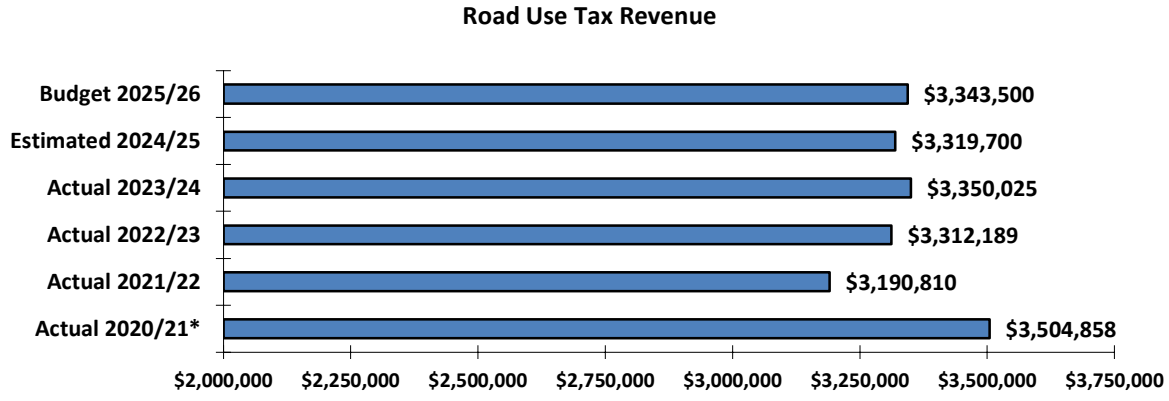
Basis of Road Use Tax Estimate

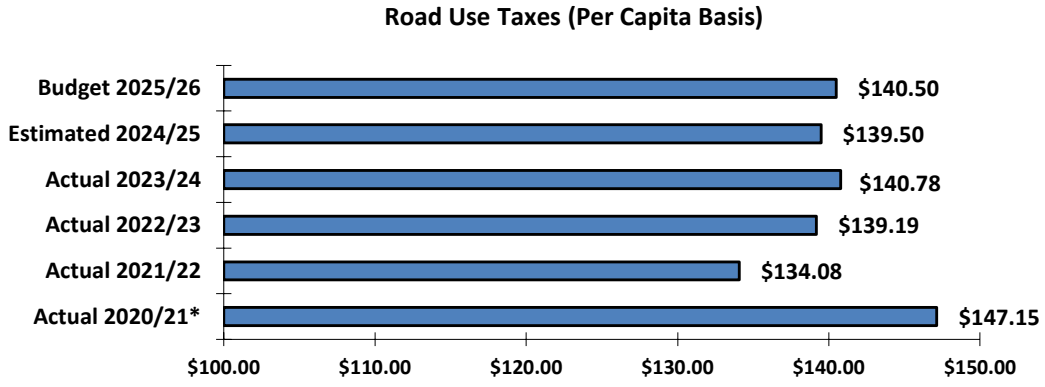
The estimated per capita rate of distribution of the Road Use Tax is provided by the Iowa Department of Transportation based on current laws regarding specific revenue to and disbursements from the State's Road Use Tax Fund.

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 2025/2026. 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 $3,319,700 for the 2024/2025 revised estimate and $3,343,500 for the 2025/2026 budget. This is equivalent to $139.50 per capita for the revised estimate and $140.50 for the 2025/2026 budget. These per capita rates were provided by the Iowa Department Transportation (IDOT).





* 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 2025/2026 Budget $3,306,970

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 2025 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.

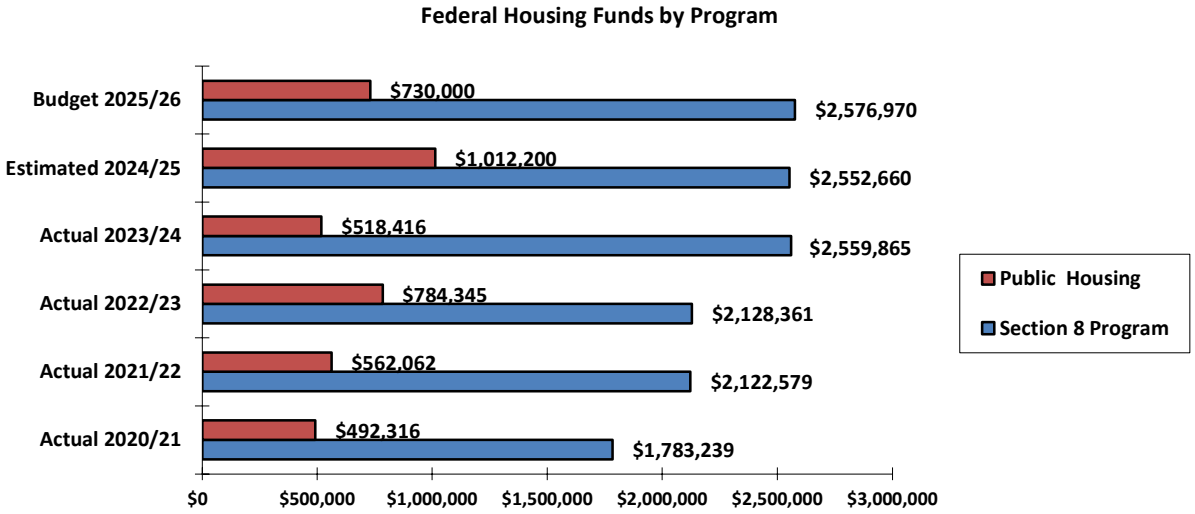
Public Housing. In most recent years the City has been eligible to receive operating assistance for the City's public housing program through the HUD Operating Subsidy program. Eligibility for receipt of these funds is computed based on rent revenue of the housing program, allowable expense levels, utility expenses, and other factors. In 2020/2021 $257,940 of HUD operating subsidy was received, in 2021/2022 the amount was $434,394, in 2022/2023 the amount was $360,049, and in 2023/2024

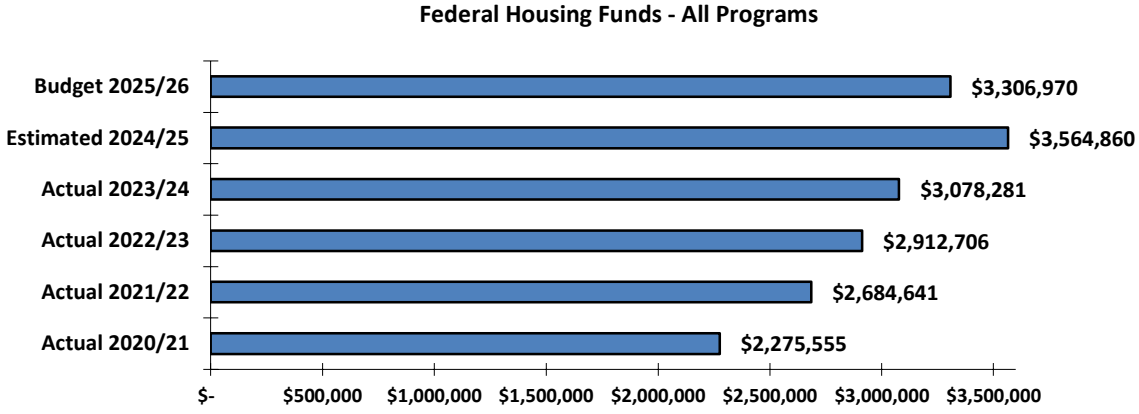
the amount was $358,313. The subsidies have been estimated at $357,000 for both the 2024/2025 revised estimate and the 2025/2026 budget.

Since 2000/2001 HUD has been allocating funds to Public Housing programs under the Capital Funds program. In 2022/2023, the City drew down $424,296 to fund eligible expenditures and in 2023/2024 $160,103 was drawn down. The 2024/2025 revised estimate reflects drawing down the balances of the 2022 and the 2023 funding allocations, which totals $655,200. The 2025/2026 budget reflects drawing down the 2024 funding allocation of $373,000 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 2024/2025 and the budgeted amounts for 2025/2026. The second chart shows the total HUD funds received and estimated to be received for the housing programs for the same years.





Sewer Charges for Services
FY 2025/2026 Budget $7,813,100

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.

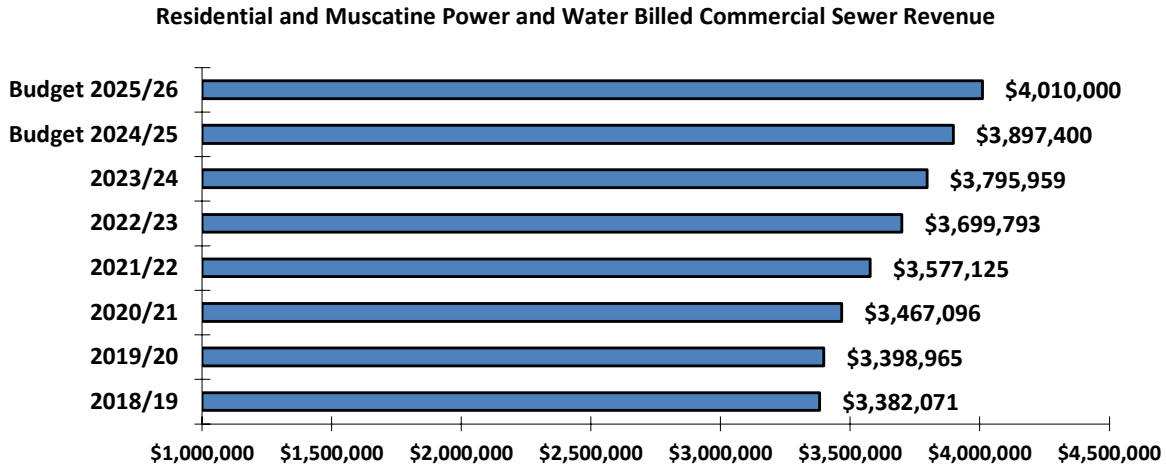
There were several multi-year sewer rate increases since the revised rate structure was implemented. The most recent rate study was completed in March of 2023. The recommended rates were adopted by ordinance which set rates to be effective July 1, 2023 and annually thereafter for the next four years (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.

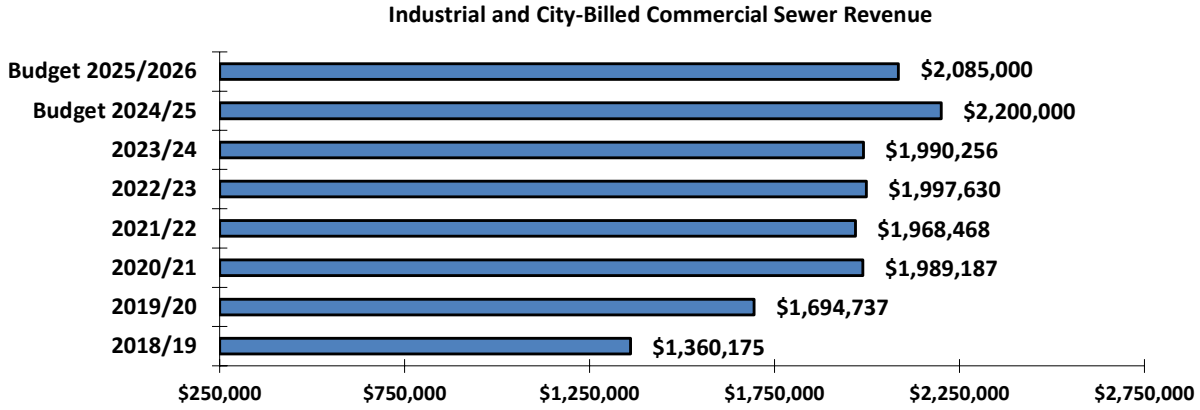
Basis of Revenue Estimates

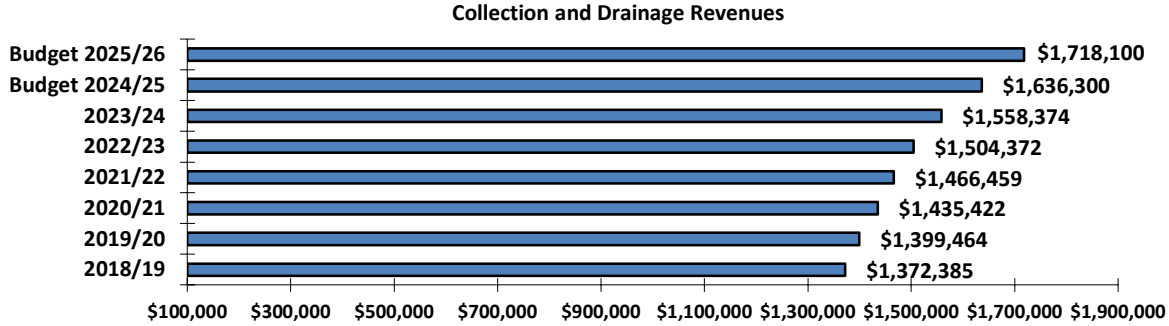
Staff at the Water Pollution Control department reviews historical residential and commercial customer usage to estimate the expected volumes to be received from these classes of customers for the upcoming year. For industrial customers, historical usage is reviewed and staff also contacts the City's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

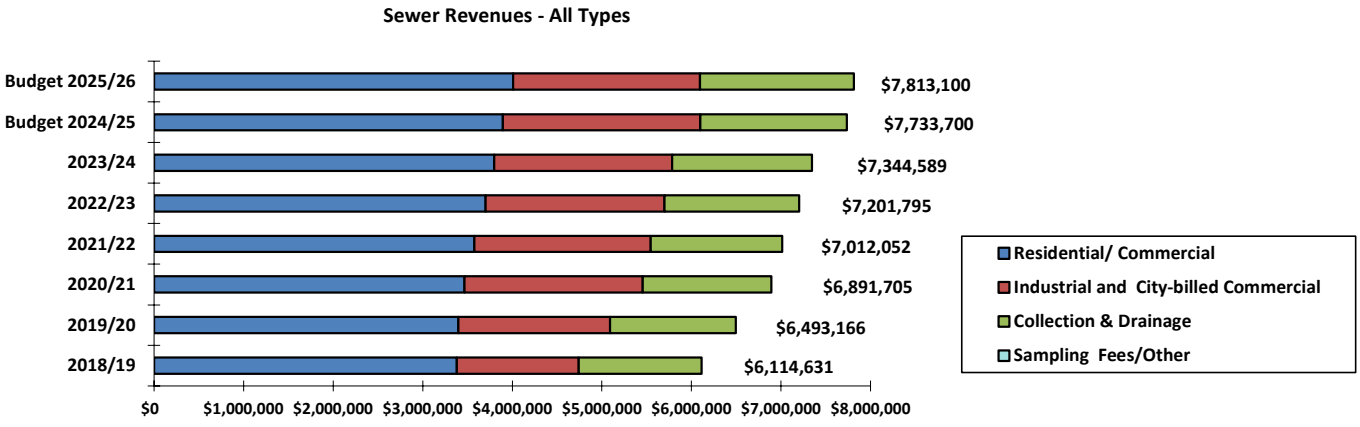
Residential and commercial sewer usage remains fairly consistent from year to year. Industrial usage, however, has varied. Industrial sewer revenue and usage decreased in prior years primarily due to reduced volumes from the City's major industrial customer, Heinz (now Kraft-Heinz). As noted above, under 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 2024/2025 and the projections for 2025/2026. The High Strength Waste Facility was completed in 2019/2020. Revenues from this operation are estimated at $180,000 and $150,000, respectively, for 2024/2025 and 2025/2026.

Sewer Revenue Trends








Sewer Revenues - All Types
Budget 2025/26
Budget 2024/25
2023/24
2022/23
2021/22
2020/21
2019/20
2018/19
$7,813,100
$7,733,700
$7,344,589
$7,201,795
$7,012,052
$6,891,705
$6,493,166
$6,114,631
$0
$1,000,000
$2,000,000
$3,000,000
$4,000,000
$5,000,000
$6,000,000
$7,000,000
$8,000,000
Residential/ Commercial
Industrial and City-billed Commercial
Collection & Drainage
Sampling Fees/Other

Transfer Station Charges for Services
FY 2025/2026 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

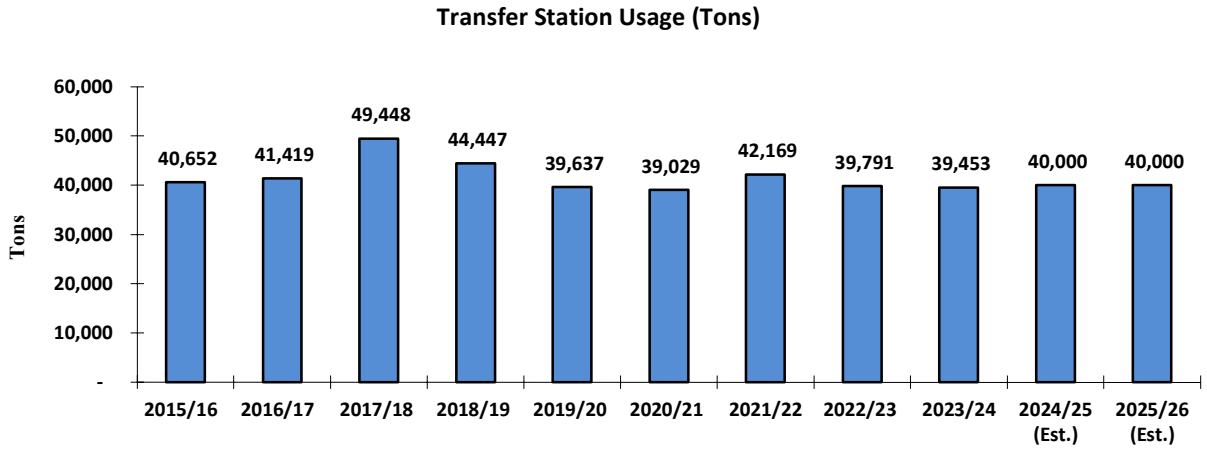
The City sets a "per ton" fee for the disposal of refuse at the Transfer Station. This fee is reviewed annually as part of the budget process. Analysis of the fees required is based on estimated volumes of refuse and estimated operating and capital expenditure needs. Consideration is also given when setting rates, to the potential loss of customers to Illinois landfills if the rates are increased significantly from their current levels.

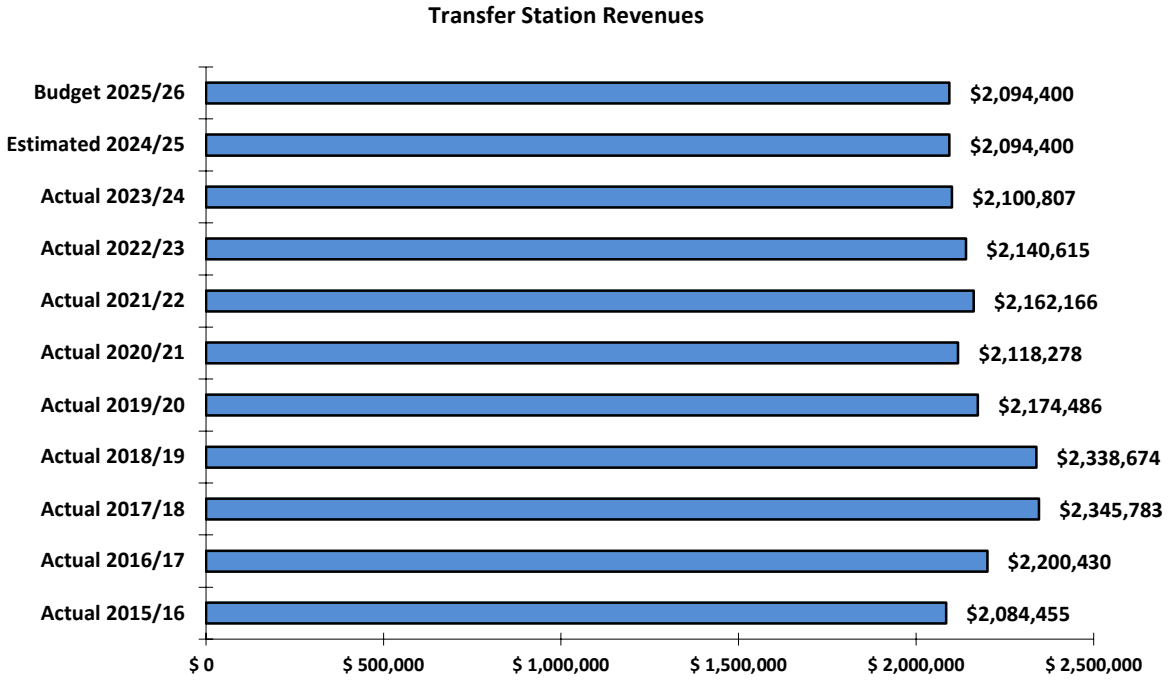
The transfer station rate was increased from $41.00 per ton to $60.00 per ton for 2009/2010 and that rate will continue through 2025/2026. The Landfill fund had a deficit balance of over $2.5 million at the end of 2009/2010 primarily due to the significant costs of developing new cells at the Landfill. 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 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, 39,791 in 2022/2023, and 39,452 in 2023/2024. The higher waste tonnage in 2017/2018 was due to debris from the 2017 tornado, wind storm, and hail storm. The 2024/2025 revised estimate and 2025/2026 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 2015/2016:





Landfill Fees
FY 2025/2026 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

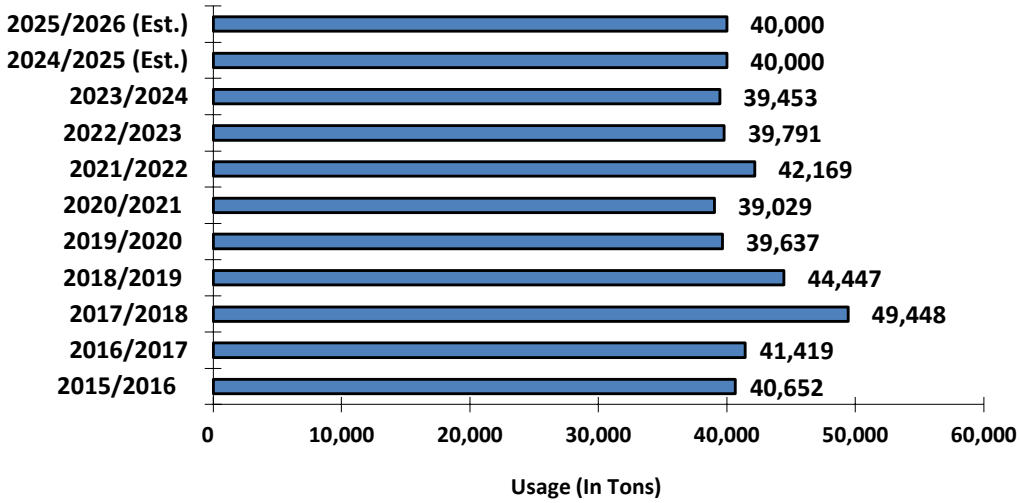
The landfill waste volume was 40,652 in 2015/2016, 41,419 in 2016/2017, 49,448 in 2017/2018, 44,447 in 2018/2019, 39,637 in 2019/2020, 39,029 in 2020/2021, 42,169 in 2021/2022, 39,791 in 2022/2023, and 39,453 in 2023/2024. The 2017/2018 increase was due to the debris from the 2017 tornado, wind storm, and hail storm. The 2024/2025 revised estimate and the 2025/2026 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 2024/2025 and 2025/2026 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 2025/2026 Budget $2,591,500

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

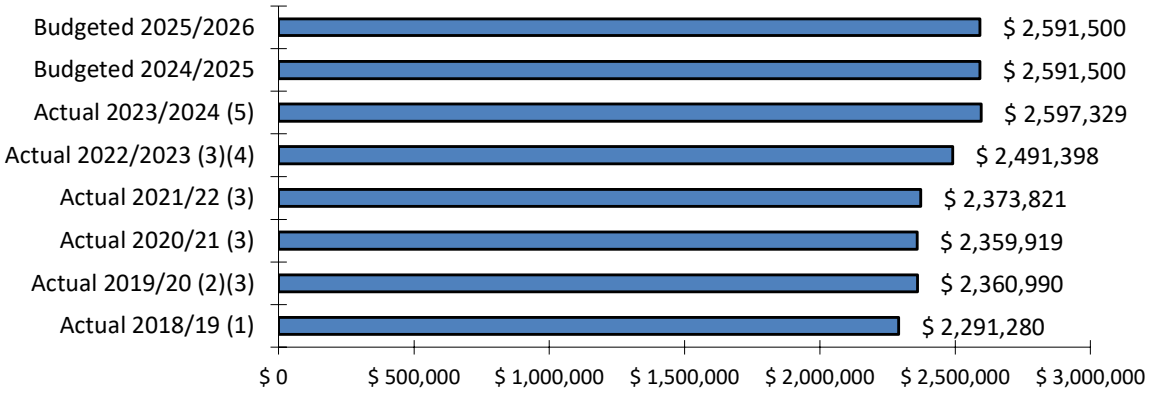
The monthly residential refuse rates were set at $20.00 for regular residential and $15.00 for senior citizens on April 1, 2011 when the contracted single sort curbside recycling program was implemented. Commercial account charges are based on the frequency of pickups and the amount of refuse collected. 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 and 2025/2026.

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

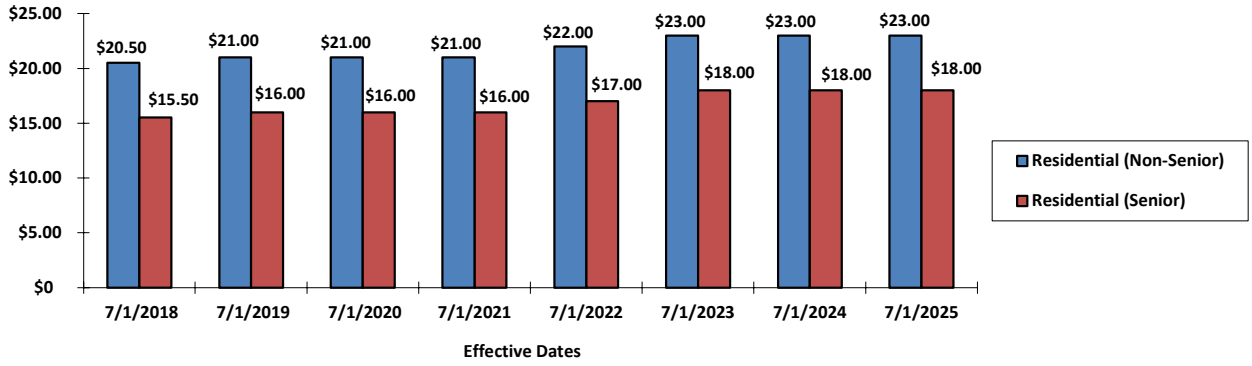
Refuse Collection revenues for the last six years, the estimated revenue for 2024/2025, and the budgeted revenue for 2025/2026 are shown in the following chart. The second chart shows the refuse collection rates since 2018/2019.

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 2025/2026 Budget $2,305,000

General Information

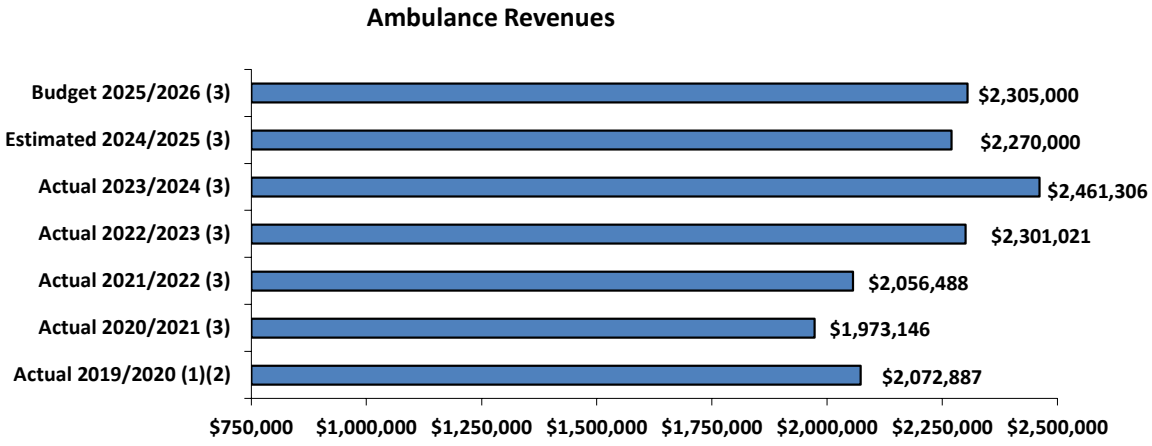
Through June 30, 2000, ambulance service for the City of Muscatine and surrounding townships was provided by a private ambulance service under contracts between the City and each respective township, and the ambulance service. The agreement with the previous ambulance provider expired on June 30, 2000.

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. Additional ambulance revenues are being received since calendar year 2020 from GEMT (Ground Transportation Medical Transportation) funding. This funding increased reimbursements for Medicaid patients.
2. 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.
3. 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, 2024, and 2025.

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, 2024/2025, and 2025/2026 budgets.

For the City's most recently completed fiscal year (2023/2024), 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 2021/2022, 2022/2023, and 2023/2024), the revised estimate for the current year (2024/2025), the approved budget for 2025/2026, and projections for the following four years (2026/2027 through 2029/2030).
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 2026/2027 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, however, vary each year. 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 three 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.

City of Muscatine
Major Governmental Fund Long-Term Financial Plans
Actual 2021/2022, 2022/2023, 2023/2024, and Revised Estimate 2024/2025, Budget 2025/2026, and Projected 2026/2027 through 2029/2030

General Fund

	Actual 2021/2022	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Preliminary Projections: Preliminary Projection 2026/2027	Preliminary Projection 2027/2028	Preliminary Projection 2028/2029	Preliminary Projection 2029/2030	Revenue/ Expenditure/ Other Footnotes
General Fund											
Revenues and Transfers In											
Taxes:											
General, Ag Land, & Mobile Home Property Taxes	$ 7,672,837	$ 7,673,875	$ 8,310,564	$ 8,572,107	$ 8,572,107	$ 8,757,545	$ 8,976,500	$ 9,200,900	$ 9,430,900	$ 9,666,700	(1)
Tort Liability Levy	319,665	329,395	368,951	479,800	479,800	513,500	528,900	544,800	561,100	577,900	(2)
Transit System Levy	-	-	199,014	75,000	75,000	75,000	75,000	75,000	75,000	75,000	(3)
Hotel/Motel Taxes	593,267	577,993	585,232	575,000	595,000	595,000	595,000	595,000	595,000	595,000	(4)
Cable Franchise Tax	124,022	111,150	99,896	111,200	100,000	100,000	100,000	100,000	100,000	100,000	(5)
Utility Franchise Fees	518,879	429,907	313,906	432,000	312,000	500,000	500,000	500,000	500,000	500,000	(6)
ST - Taxes	**9,228,670**	**9,122,320**	**9,877,563**	**10,245,107**	**10,133,907**	**10,541,045**	**10,775,400**	**11,015,700**	**11,262,000**	**11,514,600**	
Licenses and Permits:											
Construction Permits	299,939	358,032	453,477	350,000	350,000	350,000	350,000	350,000	350,000	350,000	(7)
Other Licenses and Permits	128,926	120,232	172,337	121,800	139,100	139,100	139,100	139,100	139,100	139,100	
ST - Licenses and Permits	**428,865**	**478,264**	**625,814**	**471,800**	**489,100**	**489,100**	**489,100**	**489,100**	**489,100**	**489,100**	
Fines and Forfeitures:											
Automated Traffic Enforcement Fines	474,695	510,840	377,902	500,000	280,000	250,000	250,000	250,000	250,000	250,000	(8)
Court Fines	159,857	161,044	247,371	160,000	160,000	160,000	160,000	160,000	160,000	160,000	
Other Fines and Forfeitures	37,077	24,972	22,574	23,500	23,000	23,000	23,000	23,000	23,000	23,000	
ST - Fines and Forfeitures	**671,629**	**696,856**	**647,847**	**683,500**	**463,000**	**433,000**	**433,000**	**433,000**	**433,000**	**433,000**	
Intergovernmental:											
State Commercial and Industrial Reimbursement	329,784	283,580	255,052	214,612	214,612	170,714	170,714	170,714	170,714	170,714	(9)
Phase-Out of Backfill (FY 23 through FY 30)	0	0	0	0	0	0	(42,679)	(85,358)	(128,037)	(170,714)	(10)
Business Tax Credit Reimbursement	0	0	240,282	219,451	219,451	219,484	219,484	219,484	219,484	219,484	
Library County and Illinois Contracts	137,939	138,612	140,468	147,100	145,600	148,600	153,100	157,700	162,400	167,300	
Police Grants	357,550	352,262	358,683	474,200	459,500	341,500	341,500	341,500	341,500	341,500	
Art Center State Grant	18,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	
Housing - Payment in Lieu of Taxes	33,980	37,166	38,971	37,200	39,000	39,000	40,200	41,400	42,600	43,900	
Non-Recurring Grants/Reimbursements											
FEMA and State Match Reimbursements	31,594	0	23,781	0	0	0	0	0	0	0	
Federal Grant - SCBAs	15,546	0	0	0	0	0	0	0	0	0	
Other Grants and Reimbursements	4,633	14,531	7,064	0	5,500	5,500	5,500	5,500	5,500	5,500	
ST - Intergovernmental	**929,026**	**841,151**	**1,079,301**	**1,107,563**	**1,098,663**	**939,798**	**902,819**	**865,940**	**829,161**	**792,684**	
Charges for Essential Services											
Nuisance Reimbursements/Administrative Fees	134,712	148,021	149,288	145,000	150,000	145,000	145,000	145,000	145,000	145,000	
Cemetery Burial Charges	40,965	35,915	33,440	36,000	33,000	37,300	37,300	37,300	37,300	37,300	
Engineering Services	137,450	44,974	120,496	180,000	180,000	180,000	185,400	191,000	196,700	202,600	
Police Services Agreement	56,110	57,737	59,469	61,900	61,900	63,800	65,700	67,700	69,700	71,800	
Fire Department - Various Fees	99,679	110,100	98,826	103,600	102,800	102,500	102,500	102,500	102,500	102,500	
Housing Accounting Fees	68,400	70,400	72,500	74,800	74,800	77,000	79,300	81,700	84,200	86,700	
Housing Management Fee	13,465	14,071	14,766	0	0	0	0	0	0	0	
Various Other Fees	49,378	29,595	45,375	43,500	49,700	49,500	49,500	49,500	49,500	49,500	
ST - Charges for Essential Services	**600,159**	**510,813**	**594,160**	**644,800**	**652,200**	**655,100**	**664,700**	**674,700**	**684,900**	**695,400**	

	Actual 2021/2022	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Preliminary Projections: Preliminary Projection 2026/2027	Preliminary Projection 2027/2028	Preliminary Projection 2028/2029	Preliminary Projection 2029/2030	Revenue/ Expenditure/ Other Footnotes
Charges for Optional Services (Parks, Art Center, Misc.)	**212,928**	**215,305**	**226,795**	**443,600**	**265,400**	**546,800**	**546,800**	**546,800**	**546,800**	**546,800**	(10)
Use of Money and Property:											
Interest Income	$ 5,983	$ 168,176	$ 294,020	$ 200,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	(11)
Parks Shelters, Riverview Center, Pearl City St.	49,291	45,475	53,975	46,000	47,100	58,200	58,200	58,200	58,200	58,200	
Lease - Cemetery Cell Towers	24,199	24,548	25,612	24,500	26,100	26,600	26,600	26,600	26,600	26,600	
Lease - Public Safety Cell Tower	30,988	30,988	30,988	31,000	31,000	31,000	31,000	31,000	31,000	31,000	
Other - Commissions, Rentals, etc.	30,703	38,926	30,582	37,800	47,600	65,400	65,400	65,400	65,400	65,400	
ST - Use of Money and Property	**141,164**	**308,113**	**435,177**	**339,300**	**401,800**	**431,200**	**431,200**	**431,200**	**431,200**	**431,200**	
Other Revenues:											
Cemetery Lot and Niche Sales	$ 32,263	$ 28,503	$ 31,287	$ 29,000	$ 29,000	$ 33,200	$ 33,200	$ 33,200	$ 33,200	$ 33,200	
Parks Administrative Fees	12,200	12,500	12,900	13,300	13,300	13,700	14,100	14,500	14,900	15,300	
Public Works Administrative Fees	74,500	76,600	78,900	81,300	81,300	83,800	86,300	88,900	91,600	94,300	
General Administrative Fees	397,300	405,500	417,600	429,800	429,800	442,700	456,000	469,700	483,800	498,300	
Information Technology Administrative Fee	43,000	45,100	47,300	49,600	49,600	52,100	53,700	55,300	57,000	58,700	
Communications Admin Fee (Exc. TIF Portion)	65,600	68,000	71,600	74,000	74,000	80,000	82,400	84,900	87,400	90,000	
Support Foundation Contributions	29,588	31,165	28,914	35,400	28,300	28,700	29,600	30,500	31,400	32,300	
Friends of the Art Center Contributions	28,105	27,097	29,454	30,400	31,900	31,900	32,900	33,900	34,900	35,900	
Various Other Contributions and Reimbursements	148,330	184,879	99,273	97,400	191,900	93,100	93,100	93,100	93,100	93,100	
ST - Other Revenue	**830,886**	**879,344**	**817,228**	**840,200**	**929,100**	**859,200**	**881,300**	**904,000**	**927,300**	**951,100**	
Transfers In:											
Employee Benefits Fund	$ 4,772,602	$ 4,949,779	$ 4,983,745	$ 5,309,879	$ 5,191,487	$ 5,615,342	$ 5,783,800	$ 5,957,300	$ 6,136,000	$ 6,320,100	
Emergency Levy	140,257	264,675	292,243	0	0	0	0	0	0	0	
Road Use Tax	2,866,770	3,036,340	2,858,794	3,372,000	3,412,900	3,784,200	3,232,000	3,264,300	3,296,900	3,329,900	
Perpetual Care Interest	1,831	26,660	42,459	34,000	44,100	40,000	40,000	40,000	40,000	40,000	(11)
Health Insurance Fund (Wellness)	55,778	64,802	59,873	67,900	67,700	70,500	72,600	74,800	77,000	79,300	
Ambulance Enterprise Fund	1,485,600	1,578,200	1,460,600	1,651,500	1,651,500	1,874,500	1,930,700	1,988,600	2,048,300	2,109,700	
Tax Increment/Economic Dev Admin and Legal	169,223	179,400	189,545	196,600	196,600	210,400	216,700	223,200	229,900	236,800	
Tax Increment Economic Development	43,000	43,000	43,000	43,000	43,000	43,000	50,000	50,000	50,000	50,000	
Transfer from Capital Project/Other Funds	0	9,258	0	0	0	0	0	0	0	0	
ST - Transfers	**9,535,061**	**10,152,114**	**9,930,259**	**10,674,879**	**10,607,287**	**11,637,942**	**11,325,800**	**11,598,200**	**11,878,100**	**12,165,800**	
Total Revenues and Transfers In	**$ 22,578,388**	**$ 23,204,280**	**$ 24,234,144**	**$ 25,450,749**	**$ 25,040,457**	**$ 26,533,185**	**$ 26,450,119**	**$ 26,958,640**	**$ 27,481,561**	**$ 28,019,684**	(12)
Expenditures and Transfers Out											
Salaries and Wages	$ 11,345,379	$ 12,309,951	$ 12,659,392	$ 13,870,600	$ 13,668,400	$ 14,361,200	$ 14,792,000	$ 15,235,800	$ 15,692,900	$ 16,163,700	(1)
Employee Benefits - Pension and Insurance	5,884,320	5,394,117	5,466,118	5,972,300	5,807,500	6,168,100	6,353,100	6,543,700	6,740,000	6,942,200	(2)
Commodities	1,090,407	1,084,002	964,068	1,201,200	1,103,750	1,202,400	1,238,500	1,275,700	1,314,000	1,353,400	(3)
Contractual Services	2,659,315	2,883,803	3,164,974	3,518,800	3,565,250	3,709,400	3,820,700	3,935,300	4,053,400	4,175,000	(4)
Capital Outlay	1,008,421	770,248	1,084,518	974,300	1,126,500	1,236,500	800,000	800,000	800,000	800,000	(5)
Transfers Out:											
Computer Replacement Fund	50,000	40,000	50,000	50,000	50,000	40,000	50,000	50,000	50,000	50,000	(6)
Equipment Replacement Fund	250,000	250,000	580,000	188,000	188,000	0	0	0	0	0	(7)
Transit Tax Levy	0	0	210,621	78,578	78,578	78,143	78,143	78,143	78,143	78,143	(8)
Airport Subsidy	0	0	0	36,800	40,142	62,000	30,000	30,000	30,000	30,000	(9)

	Actual 2021/2022	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Preliminary Projections: Preliminary Projection 2026/2027	Preliminary Projection 2027/2028	Preliminary Projection 2028/2029	Preliminary Projection 2029/2030	Revenue/ Expenditure/ Other Footnotes
CVB Fund Transfer or Allocation	93,612	125,000	125,000	33,000	30,000	0	0	0	0	0	(10)
Other	26,296	66,262	47,511	18,500	18,500	20,000	20,600	21,200	21,800	22,500	(11)
Total Expenditures and Transfers Out	**$ 22,407,750**	**$ 22,923,383**	**$ 24,352,202**	**$ 25,942,078**	**$ 25,676,620**	**$ 26,877,743**	**$ 27,183,043**	**$ 27,969,843**	**$ 28,780,243**	**$ 29,614,943**	
Fund Balance Increase/(Funding Gap) before State and Federal Funding for COVID Relief	**$ 170,638**	**$ 280,897**	**$ (118,058)**	**$ (491,329)**	**$ (636,163)**	**$ (344,558)**	**$ (732,924)**	**$ (1,011,203)**	**$ (1,298,682)**	**$ (1,595,259)**	
State COVID Relief Funds	0	0	0	690,695	356,496	350,000	0	0	0	0	(1)
Fund Balance Increase/(Funding Gap) with State and Federal Funding	**$ 170,638**	**$ 280,897**	**$ (118,058)**	**$ 199,366**	**$ (279,667)**	**$ 5,442**	**$ (732,924)**	**$ (1,011,203)**	**$ (1,298,682)**	**$ (1,595,259)**	(2)
							Note Funding Gaps Based on Assumptions Used				
							$ (1,032,924)	**$ (1,311,203)**	**$ (1,598,682)**	**$ (1,895,259)**	
							Funding Gaps if do NOT Bond for $300,000 for Vehicles and Equipment (Expenditure Note 7)				

Revenue Footnotes and Assumptions:

1. House File 718 became effective for the 2024/2025 fiscal year. This legislation set the maximum Combined General Fund tax levy limit of $8.37 per $1,000 of valuation. However, this legislation provides that any increase in taxable valuations over 2.99% be reduced by approximately 1%. The City's 3.22% actual increase in taxable valuations for 2025/2026 was reduced to a 2.29% increase. The growth in property tax revenue shown is based on estimated 2.5% annual increases in taxable valuations for FY 27 through FY 30.
2. Tort Liability Tax Levy - assumes 3% annual increases in this levy.
3. Transit Tax Levy - will be based on funding needs in the Transit fund; passed through the General Fund to Transit.
4. Hotel/Motel tax - assumes hotel/motel tax revenues continue at recent level.
5. Cable Franchise Fee - no annual increase or decrease is expected.
6. Utility Franchise Fee - this fee was increased to 5% for the FY 26 budget; projections reflect continuation of the 5% rate.
7. 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.
8. Reduced automated traffic enforcement (ATE) fines per State legislation in 2024 which prohibited the use of the ATE cameras for speeding violations at the five fixed locations; the ATE cameras can still be used for red light violations and the mobile ATE unit can be used only at two locations.
9. 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.
10. Charges for optional services include usage fees for the new Indoor Sports Dome beginning in FY 26.
11. Interest on the General Fund balance and Perpetual Care interest have increased beginning in 2022.
12. Most other revenue sources are shown as either flat amounts for FY 27 through FY 30 or with 3% annual increases.

Expenditure Footnotes and Assumptions:

1. Salaries and Wages - allows for 3% annual increases which include union, non-union, and step changes.
2. Employee Benefits - assumes 3% annual increases in General Fund employee benefits for FY 27 through FY 30.
3. Commodities - assumes 3% annual increases in commodities.
4. Contractual Services - assumes 3% annual increases in contractual services.
5. Estimated annual capital outlay from operating budgets; excludes any extraordinary purchases.
6. Computer Replacement Fund - $50,000 annual funding transfer; no annual increases reflected.
7. Equipment Replacement Fund - shown at zero beginning in FY 26; purchases to be funded from bond proceeds.
8. Transit Tax Levy Transfer - will equal Transit Tax levy revenues above; no net impact on General Fund balance.
9. Airport Subsidy - average of 5 years prior to the CARES Act funding in FY 20, FY 21, and FY 22.
10. CVB Enterprise Fund closed out in FY 25.
11. Other Transfers - primarily Communications Admin fee for Public Works - assumes 3% annual increase.

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

1. In October of 2020, the City received $561,628 in COVID-19 Local Government Relief funds from the State. These funds were credited to the Emergency Tax Levy / Emergency Fund. 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 and FY 26 budgets.
2. While significant funding gaps are shown in FY 27, FY 28, FY 29, and FY 30, 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 2021/2022, 2022/2023, and 2023/2024, Revised Estimate 2024/2025, Budget 2025/2026, and Projected 2026/2027 through 2029/2030

Debt Service Fund

	Actual 2021/2022	Actual 2022/2023	Actual 2023/2024	Revised Estimate 2024/2025	Budget 2025/2026	Preliminary Projections: Preliminary Projection 2026/2027	Preliminary Projection 2027/2028	Preliminary Projection 2028/2029	Preliminary Projection 2029/2030	
Debt Service Fund										
Revenues										
Taxes:										
General, Ag Land, & Mobile Home Property Taxes	$ 2,370,432	$ 2,245,055	$ 2,261,189	$ 2,190,263	$ 2,433,434	$ 2,467,131	$ 2,594,417	$ 2,528,303	$ 2,563,940	(1)
(Memo Only - Percent Change in Property Taxes Based on the Assumptions in this Preliminary Plan)						**(1.38% Inc.)**	**(5.16% Inc.)**	**(1.36% Inc.)**	**(1.41% Inc.)**	
Intergovernmental:										
State Commercial and Industrial Reimbursement	90,987	76,685	60,170	48,747	41,145	41,145	41,145	41,145	41,145	
Phase-Out of Backfill (FY 27 through FY 30)	0	0	0	0	0	(10,286)	(20,572)	(30,858)	(41,145)	(2)
Business Property Tax Credit Reimbursement	0	0	56,686	55,913	53,323	53,323	53,323	53,323	53,323	(3)
Interest	927	21,525	35,913	25,000	25,000	20,000	20,000	20,000	20,000	
Transfers In:										
Tax Increment Funds	352,900	357,000	355,900	354,700	353,400	352,000	355,500	353,800	357,000	(4)
Water Pollution Control Fund	92,950	95,150	91,400	92,650	93,650	90,250	92,700	0	0	(4)
Local Option Sales Tax Fund (for 2023 SRF Loan)	0	0	35,802	891,000	890,380	890,480	890,280	890,780	890,960	(6)
Local Option Sales Tax Fund (for 2024 SRF Loan)	0	0	0	37,427	983,273	1,007,049	1,007,207	1,006,775	1,007,754	(6)
Local Option Sales Tax Fund (for 2025 SRF Loan)	0	0	0	0	0	To be determined				(9)
Local Option Sales Tax Fund (for 2026 SRF Loan)	0	0	0	0	0	To be determined				(9)
Total Revenues	**$ 2,908,196**	**$ 2,795,415**	**$ 2,897,060**	**$ 3,695,700**	**$ 4,873,605**	**$ 4,911,092**	**$ 5,034,000**	**$ 4,863,268**	**$ 4,892,977**	
Expenditures										
Paying Agent Costs	$ 3,000	$ 2,800	$ 3,100	$ 3,500	$ 3,500	$ 3,500	$ 3,500	$ 3,500	$ 3,500	(5)
Bonds	2,555,000	2,295,000	2,375,000	2,190,000	2,515,000	2,155,000	2,350,000	1,850,000	1,915,000	(5)
Interest	342,738	517,024	447,230	610,489	539,476	455,063	383,013	302,213	235,763	(5)
Debt Service Requirements on SRF Loans to Date:										
SRF Loan Principal	0	0	0	731,000	1,539,000	1,575,000	1,612,000	1,650,000	1,690,000	(6)
SRF Loan Interest	0	0	35,802	197,427	334,653	322,529	285,487	247,555	208,714	(6)
Estimated Costs for New Issues and Loans:										
Bonds and Interest - Estimated Spring 2026 Issue	0	0	0	0	0	400,000	400,000	410,000	420,000	(7)
Bonds and Interest - Estimated Spring 2028 Issue	0	0	0	0	0	0	0	400,000	420,000	(8)
Principal and Interest - SRF Loan 2025 (Phase 6-D)	0	0	0	0	0	To be determined				(9)
Principal and Interest - SRF Loan 2026 (Phase 6-E)	0	0	0	0	0	To be determined				(9)
Total Expenditures	$ 2,900,738	$ 2,814,824	$ 2,861,132	$ 3,732,416	$ 4,931,629	$ 4,911,092	$ 5,034,000	$ 4,863,268	$ 4,892,977	
Fund Balance Increase/(Funding Gap)	**$ 7,458**	**$ (19,409)**	**$ 35,928**	**$ (36,716)**	**$ (58,024)**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	
Beginning Fund Balance	104,143	111,601	92,192	128,120	91,404	33,380	33,380	33,380	33,380	
Ending Fund Balance (Actual or Estimated)	**$ 111,601**	**$ 92,192**	**$ 128,120**	**$ 91,404**	**$ 33,380**	**$ 33,380**	**$ 33,380**	**$ 33,380**	**$ 33,380**	

Footnotes and Assumptions:

1. Debt service tax levies for FY 27 through FY 30 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.
2. After the City's FY 2021/2022 budget was adopted, legislation was adopted that will phase out the State Commercial and Industrial Reimbursement over eight years (FY 23 - FY 30) at 12.5% per year.
3. Beginning in 2023/2024, the State is transitioning the previous Business Property Tax Credits into an assessment limitation. This assessment limitation applies 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.
4. Transfers from Tax Increment and Water Pollution Control funds are based on currently outstanding debt issues.
5. Principal and interest on outstanding bond issues through the June 5, 2024 issue.
6. 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 Project Phases 6-A and 6-B, and Phase 6-C loans.

(Continued)

	Actual 2021/2022	Actual 2022/2023	Actual 2023/2024	Revised Estimate 2024/2025	Budget 2025/2026	Preliminary Projections: Preliminary Projection 2026/2027	Preliminary Projection 2027/2028	Preliminary Projection 2028/2029	Preliminary Projection 2029/2030

(Continued)

7. Preliminary estimate of debt service requirements based on a 10-year bond issue in May of 2026.
8. Information is not yet available for the bond issue in May of 2028; amounts shown are place-holders for actual bond issue debt requirements.
9. SRF Loans will be issued for Phases 6-D and 6-E of the West Hill Sewer Separation project. The amounts, timing, and interest rates for those loans have not yet been determined. Since the debt service payments on those loans will be funded from Local Option Sales Tax, those loans will not impact the fund balances in the Debt Service fund.

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 2021/2022, 2022/2023, and 2023/2024, Revised Estimate 2024/2025, Budget 2025/2026, and Projected 2026/2027 through 2029/2030

Employee Benefits Fund

	Actual 2021/2022	Actual 2022/2023	Actual 2023/2024	Revised Estimate 2024/2025	Budget 2025/2026	Preliminary Projections: Preliminary Projection 2026/2027	Preliminary Projections: Preliminary Projection 2027/2028	Preliminary Projections: Preliminary Projection 2028/2029	Preliminary Projections: Preliminary Projection 2029/2030	
Employee Benefits Fund										
Revenues										
Taxes:										
General, Ag Land, & Mobile Home Property Taxes	$ 4,515,201	$ 4,782,642	$ 4,823,279	$ 4,873,393	$ 5,224,176	$ 5,354,800	$ 5,488,700	$ 5,625,900	$ 5,766,500	(1)
Intergovernmental:										
State Commercial and Industrial Reimbursement	186,425	169,469	138,643	117,318	95,708	168,188	168,188	168,188	168,188	
Phase-Out of Backfill (FY 23 through FY 30)	0	0	0	0	0	(66,978)	(92,280)	(117,582)	(142,884)	(2)
Business Property Tax Credit Reimbursement	0	0	130,614	119,961	123,061	123,061	123,061	123,061	123,061	(3)
Total Revenues	**$ 4,701,626**	**$ 4,952,111**	**$ 5,092,536**	**$ 5,110,672**	**$ 5,442,945**	**$ 5,579,071**	**$ 5,687,669**	**$ 5,799,567**	**$ 5,914,865**	
Expenditures and Transfers Out:										
Transfers Out for General Fund Employee Benefit Costs	$ 4,772,602	$ 4,949,778	$ 4,983,746	$ 5,191,487	$ 5,615,342	$ 5,783,802	$ 5,957,316	$ 6,136,035	$ 6,320,116	(4)
Total Expenditures and Transfers Out	$ 4,772,602	$ 4,949,778	$ 4,983,746	$ 5,191,487	$ 5,615,342	$ 5,783,802	$ 5,957,316	$ 6,136,035	$ 6,320,116	
Fund Balance Increase/(Funding Gap)	**$ (70,976)**	**$ 2,333**	**$ 108,790**	**$ (80,815)**	**$ (172,397)**	**$ (204,731)**	**$ (269,647)**	**$ (336,468)**	**$ (405,251)**	(6)
Beginning Fund Balance	213,065	142,089	144,422	253,212	172,397	0	0	0	0	(5)
Ending Fund Balance (Deficit) (Actual/Estimated)	**$ 142,089**	**$ 144,422**	**$ 253,212**	**$ 172,397**	**$ 0**	**$ (204,731)**	**$ (269,647)**	**$ (336,468)**	**$ (405,251)**	(6)

Footnotes and Assumptions:

1. Assumes an annual 2.5% growth in property tax revenue for 2026/2027 through 2029/2030.
2. After the City's FY 2021/2022 budget was adopted, legislation was adopted that will phase out the State Commercial and Industrial Reimbursement over eight years (FY 23 - FY 30) at 12.5% per year.
3. Beginning in 2023/2024, the State is transitioning the previous Business Property Tax Credits into an assessment limitation. This assessment limitation applies 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.
4. Assumes 3% annual increases in General Fund employee benefits for fiscal years 2026/2027 through 2029/2030.
5. While zero beginning balances are shown for each of the years from 2026/2027 through 2029/2030, there would normally be a beginning balance due to savings in employee benefits due to vacancies. These amounts would reduce the annual funding gaps.
6. While increasing funding gaps are shown each fiscal year from 2026/2027 through 2029/2030, 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 2026/2027 through 2029/2030 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 2021/2022, 2022/2023, and 2023/2024, Revised Estimate 2024/2025, Budget 2025/2026, and Projected 2026/2027 through 2029/2030

Local Option Sales Tax Fund

	Actual 2021/2022	Actual 2022/2023	Actual 2023/2024	Revised Estimate 2024/2025	Budget 2025/2026	Preliminary Projections: Preliminary Projection 2026/2027	Preliminary Projection 2027/2028	Preliminary Projection 2028/2029	Preliminary Projection 2029/2030	
Local Option Sales Tax Fund										
Revenues										
Taxes:										
Local Option Sales Tax	$ 3,414,808	$ 4,083,733	$ 4,114,250	$ 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	455,108	0	0	0	0	0	0	0	0	(1)
Use of Money and Property:										
Interest	1,794	43,779	101,054	50,000	25,000	20,000	20,000	15,000	15,000	
Total Revenues	**$ 3,871,710**	**$ 4,127,512**	**$ 4,215,304**	**$ 4,150,000**	**$ 4,125,000**	**$ 4,181,500**	**$ 4,243,900**	**$ 4,302,300**	**$ 4,366,600**	
Expenditures and Transfers Out										
Transfers Out:										
West Hill Sewer Separation Project	$ 2,709,151	$ 3,575,625	$ 1,541,959	$ 67,600	$ 515,000	$ 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	35,802	891,000	890,380	890,480	890,280	890,780	890,960	(2)
SRF Loan #2 for West Hill Phase 6-C	0	0	0	37,427	983,273	1,007,049	1,007,207	1,006,775	1,007,754	(2)
SRF Loans #3 and #4 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	774,940	816,747	822,850	820,000	820,000	836,300	848,800	860,500	873,300	(2)
Total Expenditures	$ 3,484,091	$ 4,392,372	$ 2,400,611	$ 1,816,027	$ 3,208,653	$ 3,856,170	$ 4,681,442	$ 4,763,285	$ 4,833,819	
Fund Balance Increase/(Funding Gap)	**$ 387,619**	**$ (264,860)**	**$ 1,814,693**	**$ 2,333,973**	**$ 916,347**	**$ 325,330**	**$ (437,542)**	**$ (460,985)**	**$ (467,219)**	
Beginning Fund Balance	1,011,007	1,398,626	1,133,766	2,948,459	5,282,432	6,198,779	6,524,109	6,086,567	5,625,582	
Ending Fund Balance (Actual or Estimated)	**$ 1,398,626**	**$ 1,133,766**	**$ 2,948,459**	**$ 5,282,432**	**$ 6,198,779**	**$ 6,524,109**	**$ 6,086,567**	**$ 5,625,582**	**$ 5,158,363**	(3)

Footnotes and Assumptions:

1. Through the 2021/2022 fiscal year the Iowa Department of Revenue made estimated local option sales tax payments to the City. The following fiscal year the City received an additional payment which reconciled actual local option sales tax amounts to the estimates previously remitted to the City. Beginning in the 2023/2024 year, the State is remitting actual monthly local option tax receipts to the City each month. Local option tax revenue for 2026/2027 through 2029/2030 reflect estimated annual 1.5% increases with no reconciliation amounts.
2. The most recent local option sales tax referendum was held on March 6, 2018 and voters approved the extension of this tax for an additional 15 years to fund future sewer (80%) and street (20%) improvement projects. The 15 year extension (through June 30, 2034) was again approved by voters with 88% voting in favor of the extension. Transfers out are based on 80% of the local option tax being used for project costs or debt service payments for the West Hill Sewer Separation project and 20% for Pavement Management projects.
3. 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 2021/2022, 2022/2023, and 2023/2024, Revised Estimate 2024/2025, Budget 2025/2026, and Projected 2026/2027 through 2029/2030

Road Use Tax Fund

	Actual 2021/2022	Actual 2022/2023	Actual 2023/2024	Revised Estimate 2024/2025	Budget 2025/2026	Preliminary Projections: Preliminary Projection 2026/2027	Preliminary Projection 2027/2028	Preliminary Projection 2028/2029	Preliminary Projection 2029/2030	
Road Use Tax										
Revenues										
Intergovernmental:										
Road Use Tax	$ 3,190,810	$ 3,312,189	$ 3,350,025	$ 3,319,700	$ 3,343,500	$ 3,367,300	$ 3,391,100	$ 3,414,900	$ 3,414,900	(1)
Total Revenues	**$ 3,190,810**	**$ 3,312,189**	**$ 3,350,025**	**$ 3,319,700**	**$ 3,343,500**	**$ 3,367,300**	**$ 3,391,100**	**$ 3,414,900**	**$ 3,414,900**	
Per Capita Road Use Tax Actual/Estimated	$ 134.08	$ 139.19	$ 140.78	$ 139.50	$ 140.50	$ 141.50	$ 142.50	$ 143.50	$ 143.50	(1)
Expenditures and Transfers Out										
Transfers Out:										
General Fund Public Works Operations	$ 2,866,770	$ 3,036,340	$ 2,858,794	$ 3,412,900	$ 3,784,200	$ 3,232,000	$ 3,264,300	$ 3,296,900	$ 3,329,900	(2)
Pavement Management Capital Project	159,389	203,718	44,500	59,700	200,000	100,000	100,000	100,000	100,000	(3)
New Sidewalk Program	123,072	306,795	8,219	15,900	100,000	100,000	100,000	100,000	100,000	(4)
Other Capital Projects	0	0	148,067	227,000	305,000	0	0	0	0	(5)
Total Expenditures	$ 3,149,231	$ 3,546,853	$ 3,059,580	$ 3,715,500	$ 4,389,200	$ 3,432,000	$ 3,464,300	$ 3,496,900	$ 3,529,900	
Fund Balance Increase/(Funding Gap)	**$ 41,579**	**$ (234,664)**	**$ 290,445**	**$ (395,800)**	**$ (1,045,700)**	**$ (64,700)**	**$ (73,200)**	**$ (82,000)**	**$ (115,000)**	(6)
Beginning Fund Balance	1,727,448	1,769,027	1,534,363	1,824,808	1,429,008	383,308	318,608	245,408	163,408	
Ending Fund Balance (Actual or Estimated)	**$ 1,769,027**	**$ 1,534,363**	**$ 1,824,808**	**$ 1,429,008**	**$ 383,308**	**$ 318,608**	**$ 245,408**	**$ 163,408**	**$ 48,408**	(6)

Footnotes and Assumptions:

1. Budgeted Road Use Tax revenues have generally been based on Iowa Department of Transportation (IDOT) per capita estimates. IDOT per capita estimates have been used in the Fiscal Year 2025/2026 through 2029/2030 projections in this plan.
2. Road Use Tax transfers to the General Fund for Public Works operations are based on the average of the Actual FY 22 through Budgeted FY 26 expenditures increased by 1.0% annually for 2026/2027 through 2029/2030.
3. Transfers for the Pavement Management Program are amounts estimated to be available based on the revenue assumptions used.
4. Assumes the annual $100,000 allocation for new sidewalks continues in upcoming years.
5. Any additional Road Use Tax funding for other street projects not yet known.
6. 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 2021/2022, 2022/2023, and 2023/2024, Revised Estimate 2024/2025, Budget 2025/2026, and Projected 2026/2027 through 2029/2030

Water Pollution Control Fund

	Actual 2021/2022	Actual 2022/2023	Actual 2023/2024	Revised Estimate 2024/2025	Budget 2025/2026	Preliminary Projections: Preliminary Projection 2026/2027	Preliminary Projection 2027/2028	Preliminary Projection 2028/2029	Preliminary Projection 2029/2030	
Water Pollution Control Fund										
Revenues										
Charges for Services:										
Sewer Charges - Residential and Commercial	$ 3,577,125	$ 3,699,793	$ 3,795,959	$ 3,897,400	$ 4,010,000	$ 4,130,300	$ 4,254,200	$ 4,381,800	$ 4,513,300	(1)
Sewer Charges - Industrial	1,592,471	1,648,800	1,783,260	1,900,000	1,785,000	1,838,600	1,893,800	1,950,600	2,009,100	(1)
Charges for Fats, Oils, and Grease (FOG)	255,598	163,595	133,661	120,000	150,000	150,000	150,000	150,000	150,000	(2)
Charges for High Strength Waste	120,399	185,235	73,335	180,000	150,000	150,000	150,000	150,000	150,000	(2)
Wastewater Discharge Permits	1,350	5,760	17,415	1,600	1,600	1,600	1,600	1,600	1,600	(2)
Analytical (Lab) Charges	101,164	110,073	122,628	90,000	90,000	90,000	90,000	90,000	90,000	(2)
Use of Money and Property:										
Interest	2,164	54,710	85,269	30,000	30,000	4,000	4,000	4,000	4,000	(2)
Other Revenues:										
Miscellaneous Revenue	168,747	94,025	164,209	146,000	102,000	102,000	102,000	102,000	102,000	(2)
Total Revenues	**$ 5,819,018**	**$ 5,961,991**	**$ 6,175,736**	**$ 6,365,000**	**$ 6,318,600**	**$ 6,466,500**	**$ 6,645,600**	**$ 6,830,000**	**$ 7,020,000**	
Expenditures and Transfers Out										
Operating Budgets										
Operating Expenditures	$ 3,391,602	$ 3,733,631	$ 3,896,538	$ 4,141,000	$ 4,269,300	4,397,400	4,529,300	4,665,200	4,805,200	(3)
Capital Outlay	388,031	473,637	475,738	323,600	482,800	450,000	450,000	450,000	450,000	(4)
Transfers Out:										
Administrative Fees	218,000	224,800	232,200	239,500	247,900	255,300	263,000	270,900	279,000	(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	941,515	950,618	960,240	970,360	980,875	991,017	1,002,448	1,013,383	1,024,820	(6)
West Hill Sewer Long-Term Financing Reserve	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	(6)
Debt Service Fund	92,950	95,150	91,400	92,650	93,650	90,250	92,700	0	0	(6)
Project Funds	11,648	0	0	0	0	0	0	0	0	
Total Expenditures	$ 5,643,746	$ 6,077,836	$ 6,256,116	$ 6,367,110	$ 6,674,525	$ 6,583,967	$ 6,737,448	$ 6,799,483	$ 6,959,020	
Fund Balance Increase/(Funding Gap)	**$ 175,272**	**$ (115,845)**	**$ (80,380)**	**$ (2,110)**	**$ (355,925)**	**$ (117,467)**	**$ (91,848)**	**$ 30,517**	**$ 60,980**	(7)
Beginning Fund Balance	2,294,769	2,470,041	2,354,196	2,273,816	2,271,706	1,915,781	1,798,314	1,706,466	1,736,983	
Ending Fund Balance (Actual or Estimated)	**$ 2,470,041**	**$ 2,354,196**	**$ 2,273,816**	**$ 2,271,706**	**$ 1,915,781**	**$ 1,798,314**	**$ 1,706,466**	**$ 1,736,983**	**$ 1,797,963**	

Footnotes and Assumptions:

1. The most recent sewer rate study was completed in the spring of 2023 and sewer rates were set for the following five years (FY 2023/2024 through 2027/2028) with 3% annual increases. For this long-term financial plan, a 3% increase has also been assumed for 2028/2029 and 2029/2030.
2. The remaining revenue amounts have been continued at the 2025/2026 budgeted amounts; actual changes to be determined, if any.
3. Assumes 3% annual increases in operating expenditures for 2026/2027 through 2029/2030.
4. Allows for $450,000 of annual capital outlay purchases from operating budgets in 2026/2027 through 2029/2030.
5. Assumes 3% annual increases in administrative fees for 2026/2027 through 2029/2030.
6. The transfers to the Plant Replacement Reserve decreased from $400,000 to $200,000 based on the recommendations in the 2023 Rate Study. The remaining transfers are either flat or reflect actual debt service-related amounts.
7. Based on revenue and expenditure assumptions, small operating deficits or surpluses are projected for the 2026/2027 through 2029/2030 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 2021/2022, 2022/2023, and 2023/2024, Revised Estimate 2024/2025, Budget 2025/2026, and Projected 2026/2027 through 2029/2030

Transfer Station Fund

	Actual 2021/2022	Actual 2022/2023	Actual 2023/2024	Revised Estimate 2024/2025	Budget 2025/2026	Preliminary Projections: Preliminary Projection 2026/2027	Preliminary Projections: Preliminary Projection 2027/2028	Preliminary Projections: Preliminary Projection 2028/2029	Preliminary Projections: Preliminary Projection 2029/2030	
Transfer Station Fund										
Revenues and Transfers In										
Charges for Services:										
Transfer Station Tipping Fees - Regular Waste	$ 2,138,287	$ 2,114,500	$ 2,074,016	$ 2,069,900	$ 2,069,900	$ 2,069,900	$ 2,069,900	$ 2,069,900	$ 2,069,900	(1)
Transfer Station Other Waste Fees	29,056	26,115	26,791	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	355	6,453	12,017	2,000	2,000	2,000	2,000	2,000	2,000	(1)
Other Revenues:										
Miscellaneous Revenue	14,364	12,841	40,374	17,000	17,000	17,000	17,000	17,000	17,000	(1)
Transfers In:										
Landfill Surcharge Reserve	44,277	41,781	41,425	42,000	42,000	42,000	42,000	42,000	42,000	(1)
Total Revenues	**$ 2,286,339**	**$ 2,261,690**	**$ 2,254,623**	**$ 2,215,400**	**$ 2,215,400**	**$ 2,215,400**	**$ 2,215,400**	**$ 2,215,400**	**$ 2,215,400**	
Expenditures and Transfers Out										
Operating Budgets										
Operating Expenditures	$ 2,149,092	$ 2,255,511	$ 2,190,048	$ 2,263,600	$ 2,253,700	2,321,300	2,390,900	2,462,600	2,536,500	(2)
Capital Outlay	137,112	51,672	15,681	106,700	15,000	100,000	100,000	100,000	100,000	(3)
Administrative Fees	4,100	4,300	4,500	4,700	4,900	5,000	5,200	5,400	5,600	(4)
Total Expenditures	$ 2,290,304	$ 2,311,483	$ 2,210,229	$ 2,375,000	$ 2,273,600	$ 2,426,300	$ 2,496,100	$ 2,568,000	$ 2,642,100	
Fund Balance Increase/(Funding Gap)	**$ (3,965)**	**$ (49,793)**	**$ 44,394**	**$ (159,600)**	**$ (58,200)**	**$ (210,900)**	**$ (280,700)**	**$ (352,600)**	**$ (426,700)**	(5)
Beginning Fund Balance (Deficit)	387,619	383,654	333,861	378,255	218,755	160,555	(50,345)	(331,045)	(683,645)	
Ending Fund Balance (Actual or Estimated)	**$ 383,654**	**$ 333,861**	**$ 378,255**	**$ 218,655**	**$ 160,555**	**$ (50,345)**	**$ (331,045)**	**$ (683,645)**	**$ (1,110,345)**	(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 2026/2027 through 2029/2030.
3. Allows for $100,000 of annual capital outlay purchases from operating budgets in 2026/2027 through 2029/2030.
4. Assumes 3% annual increases in administrative fees for 2026/2027 through 2029/2030.
5. Based on the estimated waste volume and revenue and expenditure assumptions, deficit fund balances are projected for 2026/2027, 2027/2028, 2028/2029, and 2029/2030.

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, 39,791 tons in 2022/2023, and 39,453 tons in 2023/2024. 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 2021/2022, 2022/2023, and 2023/2024, Revised Estimate 2024/2025, Budget 2025/2026, and Projected 2026/2027 through 2029/2030

Refuse Collection Fund

	Actual 2021/2022	Actual 2022/2023	Actual 2023/2024	Revised Estimate 2024/2025	Budget 2025/2026	Preliminary Projections: Preliminary Projection 2026/2027	Preliminary Projections: Preliminary Projection 2027/2028	Preliminary Projections: Preliminary Projection 2028/2029	Preliminary Projections: Preliminary Projection 2029/2030	
Refuse Collection Fund										
Revenues and Transfers In										
Charges for Services:										
Refuse Collection Charges	$ 2,352,439	$ 2,461,460	$ 2,570,525	$ 2,566,000	$ 2,566,000	$ 2,566,000	$ 2,566,000	$ 2,566,000	$ 2,566,000	(1)
Yard Waste Bag Sales	13,120	13,031	8,818	7,500	7,500	7,500	7,500	7,500	7,500	(1)
Compost Site Non-Resident and Commercial Fees	8,262	16,907	17,986	18,000	18,000	18,000	18,000	18,000	18,000	(1)
Use of Money and Property:										
Interest	77	7,108	14,029	4,000	4,000	4,000	4,000	4,000	4,000	
Other Revenues:										
Miscellaneous Revenue	27,944	7,478	15,091	19,000	7,500	7,500	7,500	7,500	7,500	(1)
Transfers In:										
Landfill Surcharge Reserve	44,277	41,781	41,425	-	-	-	-	-	-	
Total Revenues	**$ 2,446,119**	**$ 2,547,765**	**$ 2,667,874**	**$ 2,614,500**	**$ 2,603,000**	**$ 2,603,000**	**$ 2,603,000**	**$ 2,603,000**	**$ 2,603,000**	
Expenditures and Transfers Out										
Operating Budgets										
Operating Expenditures	$ 2,101,614	$ 2,119,843	$ 2,283,784	$ 2,283,600	$ 2,350,400	2,420,900	2,493,500	2,568,300	2,645,300	(2)
Capital Outlay	192,360	83,497	247,407	379,200	43,000	367,000	257,000	118,000	378,000	(3)
Transfers Out:										
Administrative Fees	97,100	100,100	103,500	106,700	110,900	114,200	117,600	121,100	124,700	(4)
Forward Surcharge Funds to Transfer Station	44,277	41,781	41,425	-	-	-	-	-	-	
Total Expenditures	$ 2,435,351	$ 2,345,221	$ 2,676,116	$ 2,769,500	$ 2,504,300	$ 2,902,100	$ 2,868,100	$ 2,807,400	$ 3,148,000	
Fund Balance Increase/(Funding Gap)	**$ 10,768**	**$ 202,544**	**$ (8,242)**	**$ (155,000)**	**$ 98,700**	**$ (299,100)**	**$ (265,100)**	**$ (204,400)**	**$ (545,000)**	(5)
Beginning Fund Balance (Deficit)	196,631	207,399	409,943	401,701	246,701	345,401	46,301	(218,799)	(423,199)	
Ending Fund Balance (Actual or Estimated)	**$ 207,399**	**$ 409,943**	**$ 401,701**	**$ 246,701**	**$ 345,401**	**$ 46,301**	**$ (218,799)**	**$ (423,199)**	**$ (968,199)**	(5)

Footnotes and Assumptions:

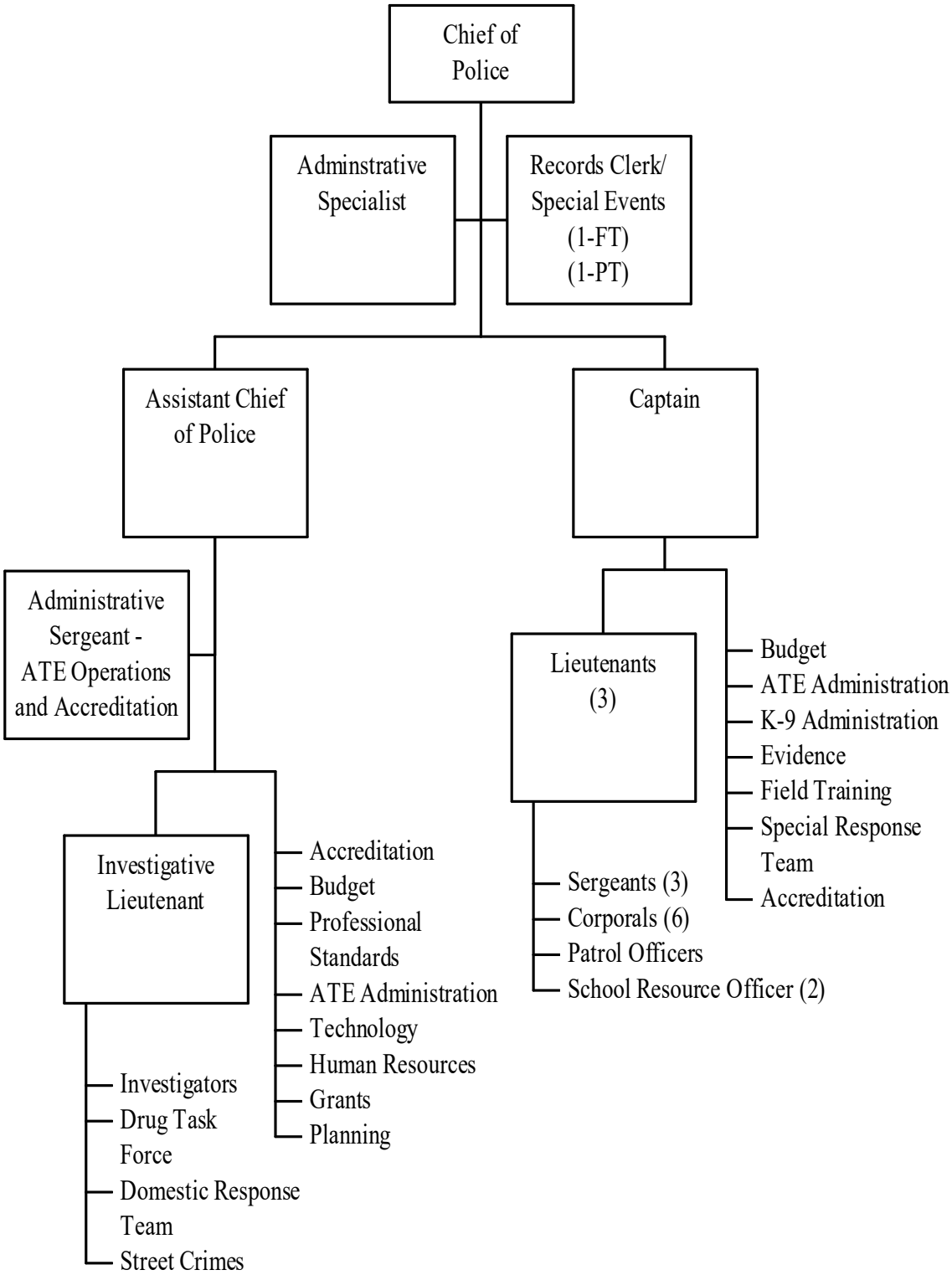
1. Revenue estimates based on FY 26 residential, senior, and commercial rates and customers. It is anticipated that these rates will need to be periodically increased to cover increased operating costs and future capital outlay needs.
2. Assumes 3% annual increases in operating expenditures for 2026/2027 through 2029/2030.
3. Capital outlay amounts from department future Capital Outlay Projections budget schedule, as adjusted by the Finance department for refuse vehicles every other year.
4. Assumes 3% annual increases in administrative fees for 2026/2027 through 2029/2030.
5. Based on the above assumptions, including capital outlay items projected to be needed in 2026/2027 through 2029/2030, deficit fund balances are projected for 2027/2028, 2028/2029, and 2029/2030. if rates would not be adjusted.

Comments:

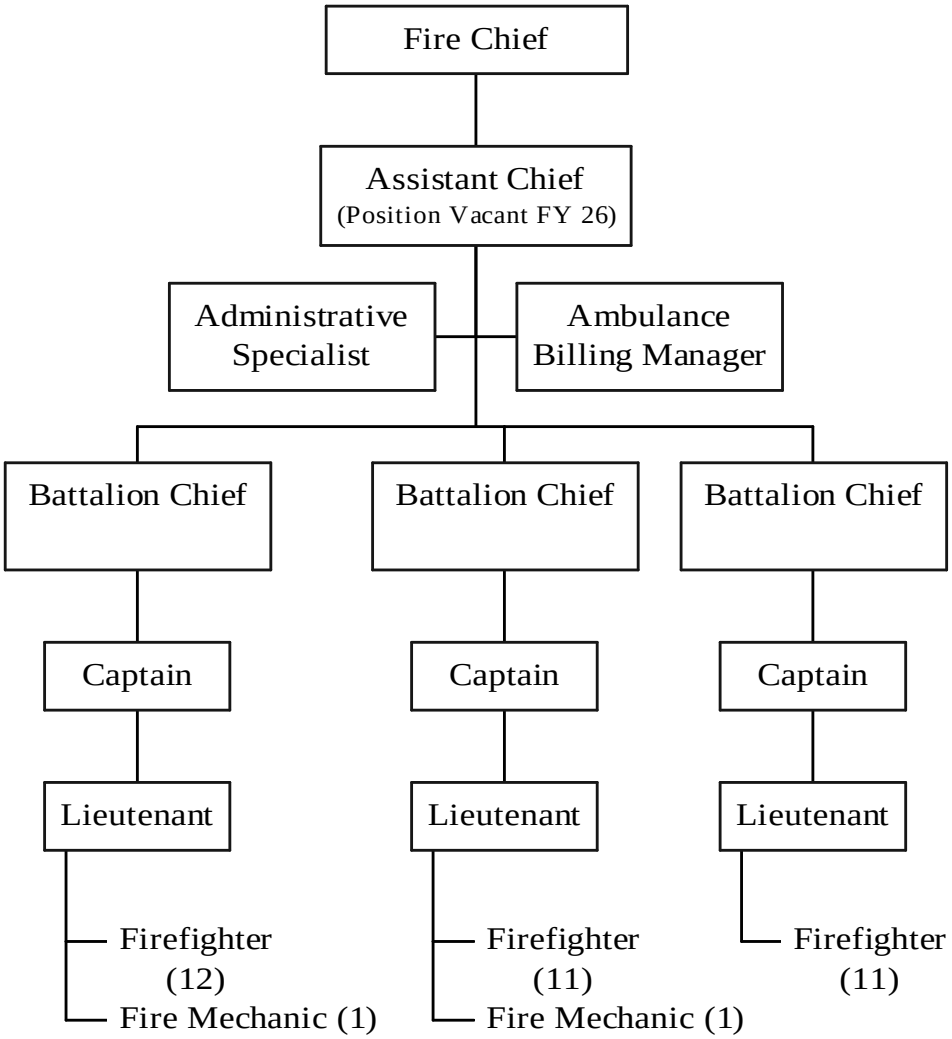
This long-term financial plan reflects the assumptions listed above including annual increases in operating expenditures and projected future capital outlay needs. While revenues are shown for all years in this schedule using the FY 26 rates, it is expected that periodic rate adjustments will be needed.

DEPARTMENT ORGANIZATIONAL CHARTS

CITY OF MUSCATINE
POLICE DEPARTMENT



CITY OF MUSCATINE
FIRE DEPARTMENT



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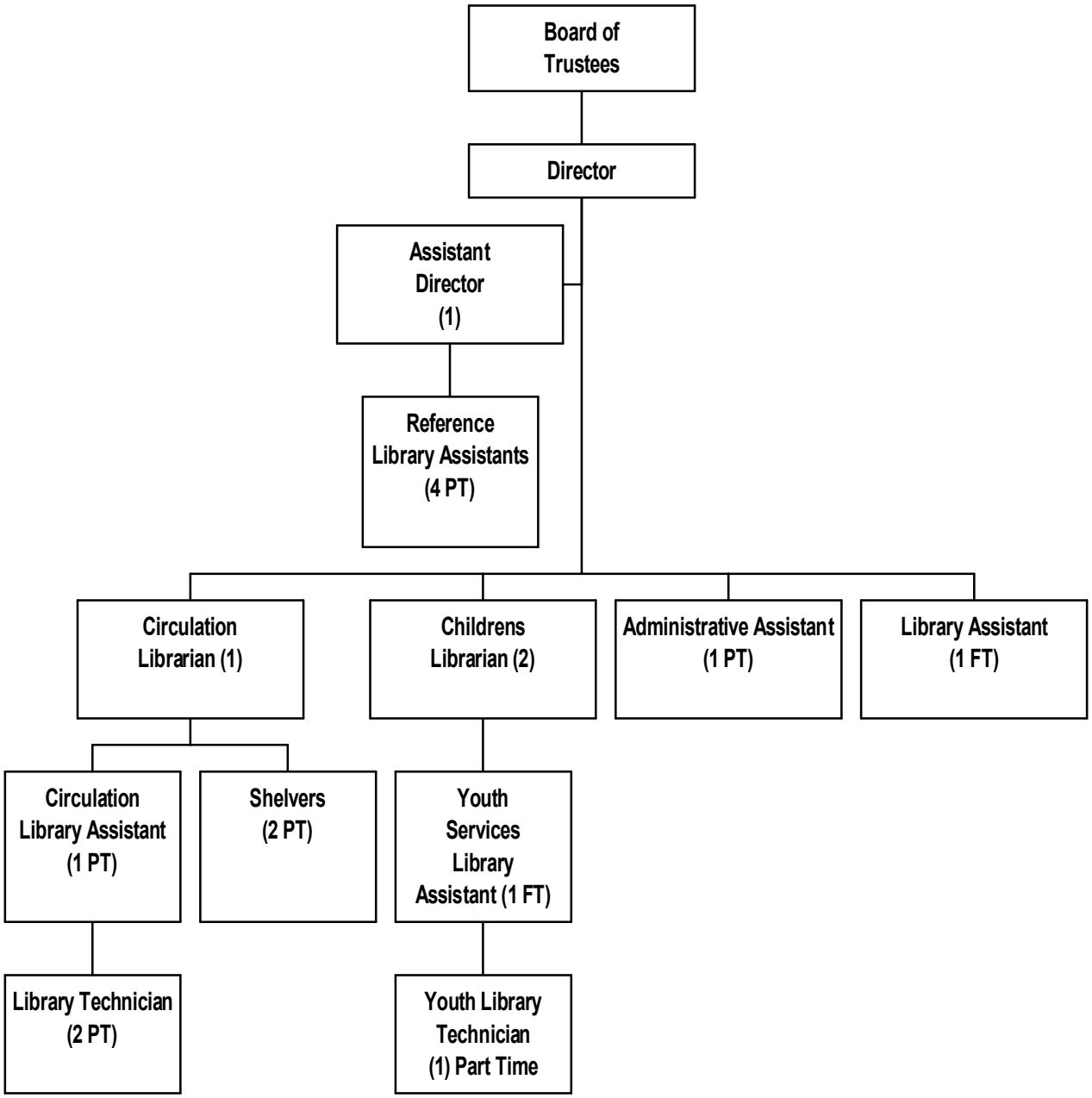
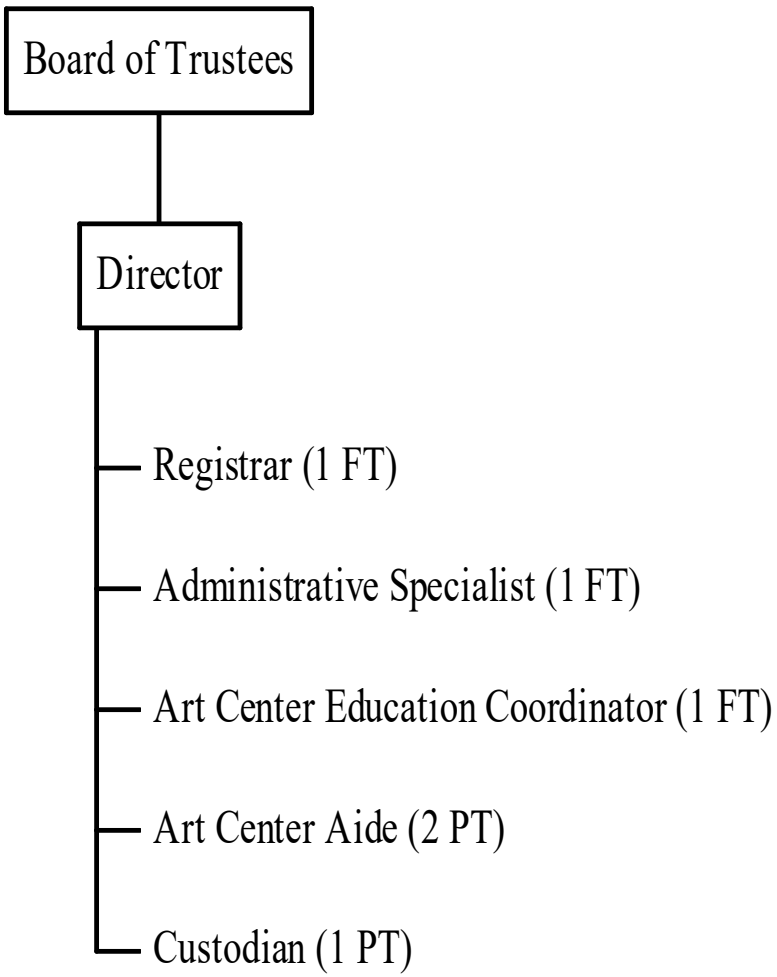
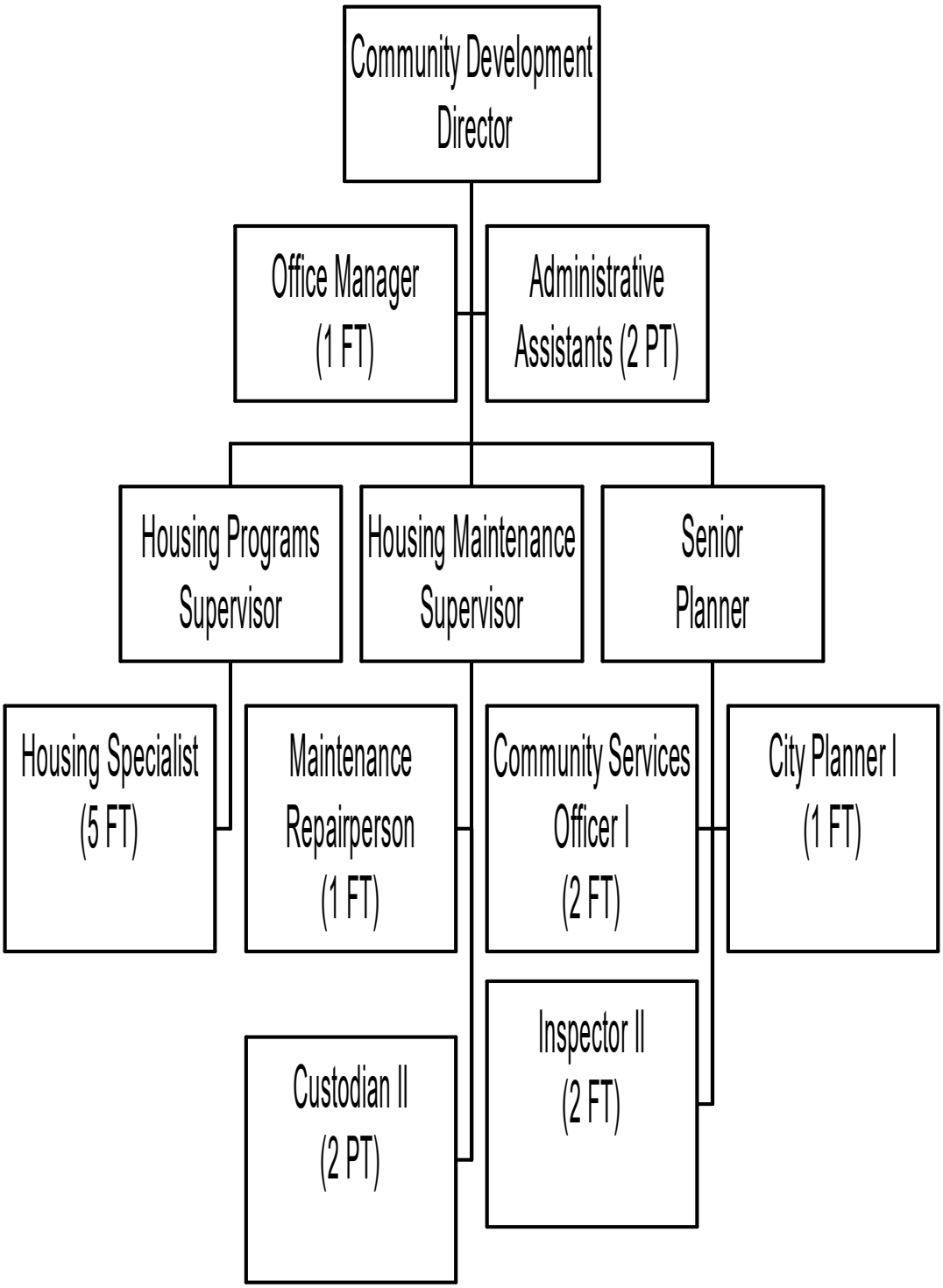
CITY OF MUSCATINE
LIBRARY



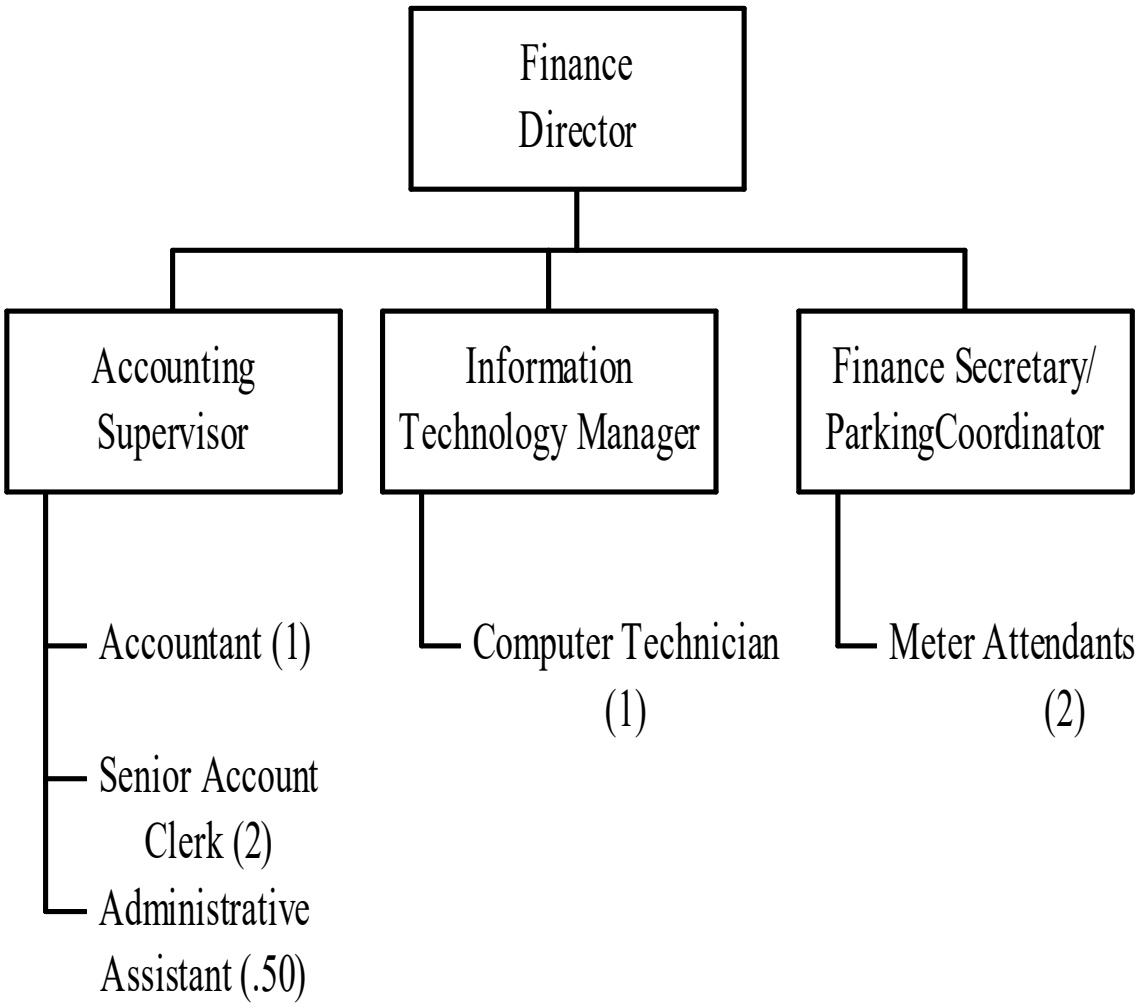
CITY OF MUSCATINE
ART CENTER



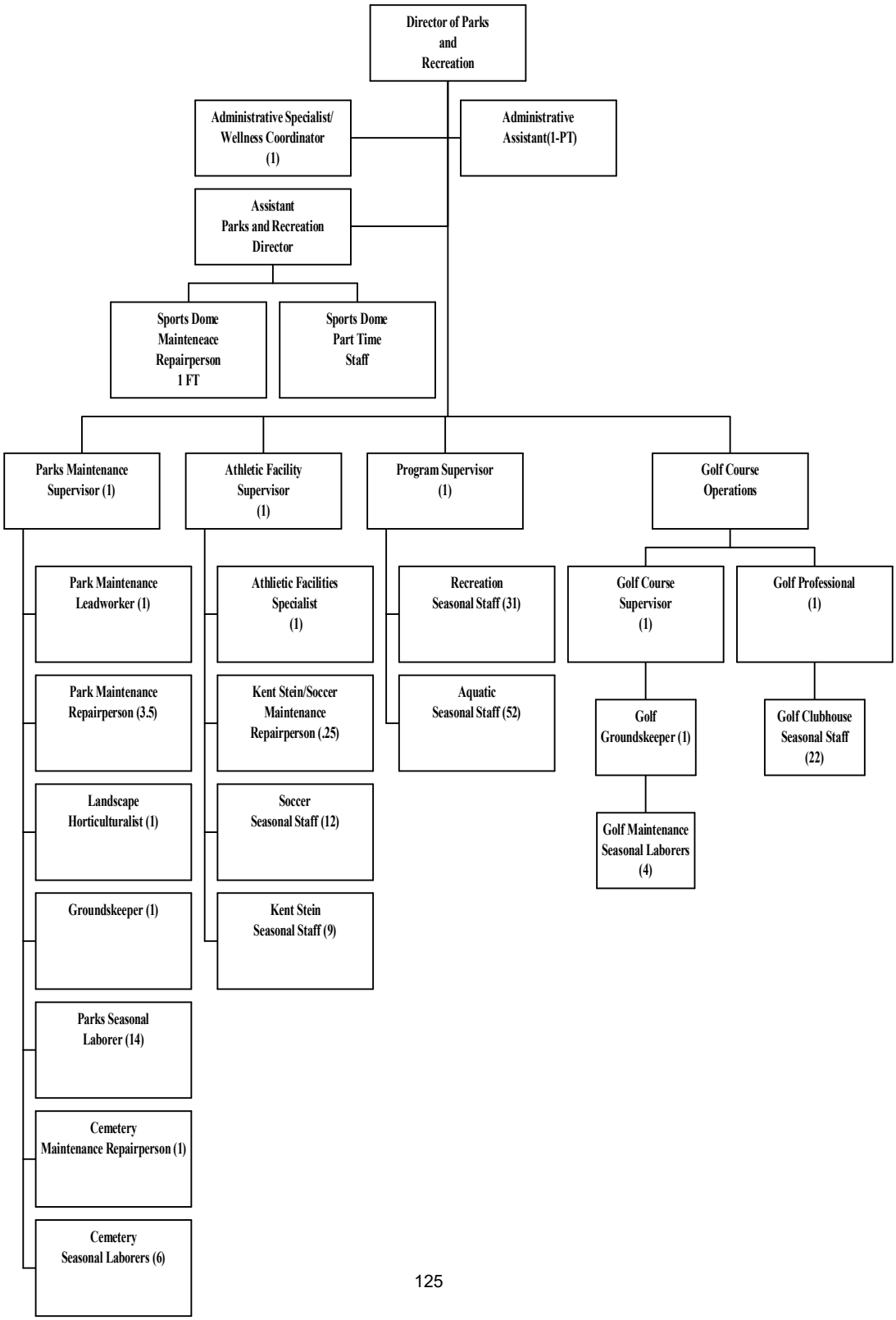
CITY OF MUSCATINE
COMMUNITY DEVELOPMENT DEPARTMENT



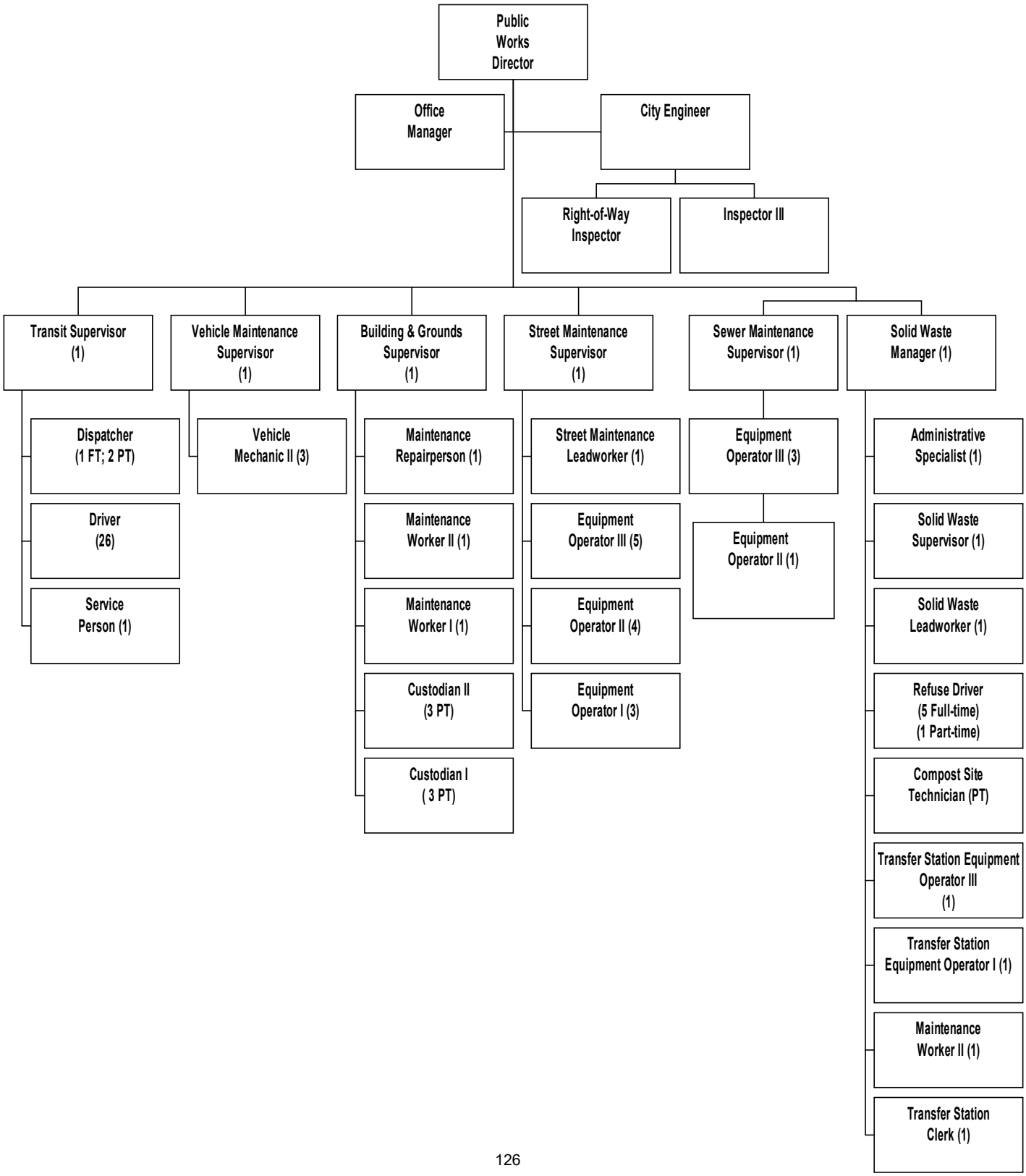
CITY OF MUSCATINE
FINANCE DEPARTMENT



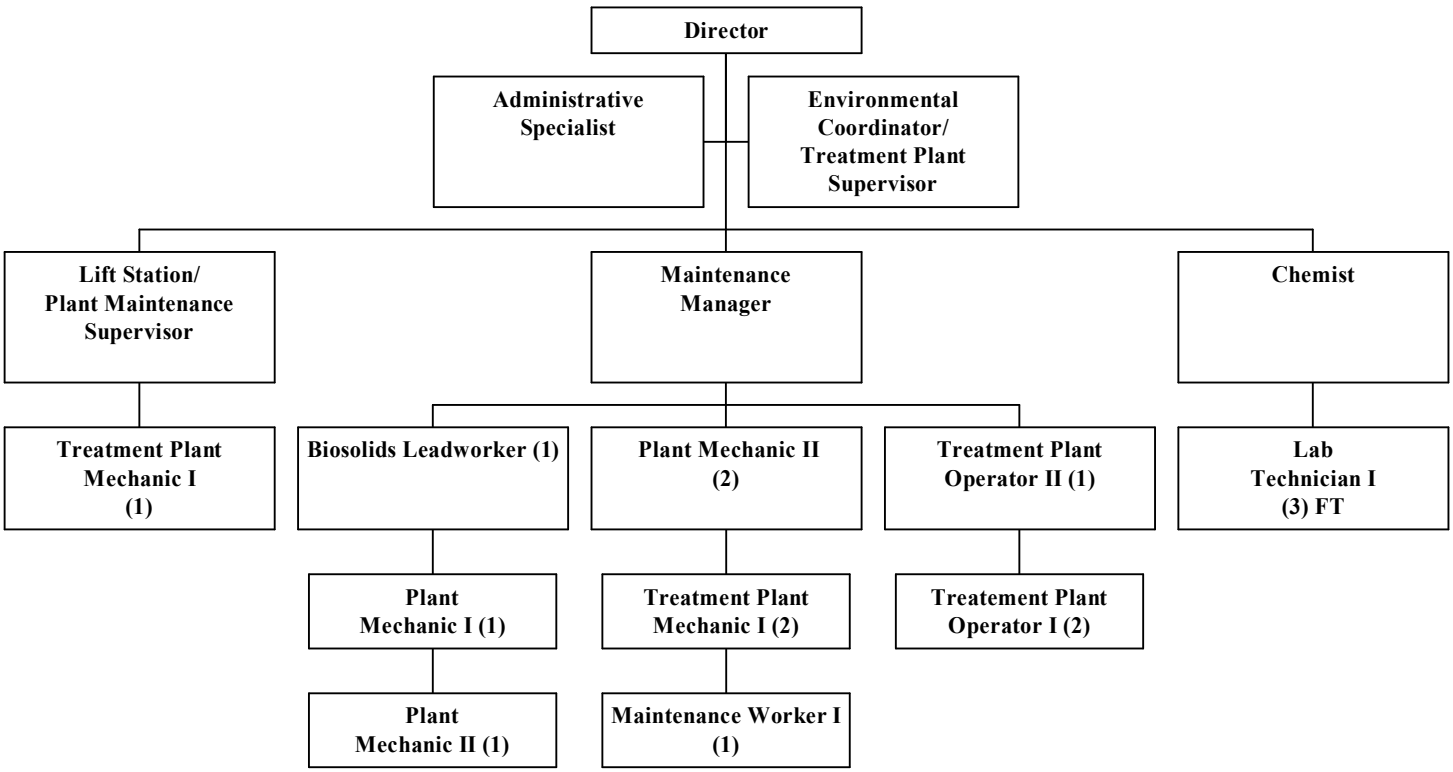
CITY OF MUSCATINE
PARKS AND RECREATION DEPARTMENT



CITY OF MUSCATINE
PUBLIC WORKS DEPARTMENT



CITY OF MUSCATINE
WATER POLLUTION CONTROL DEPARTMENT



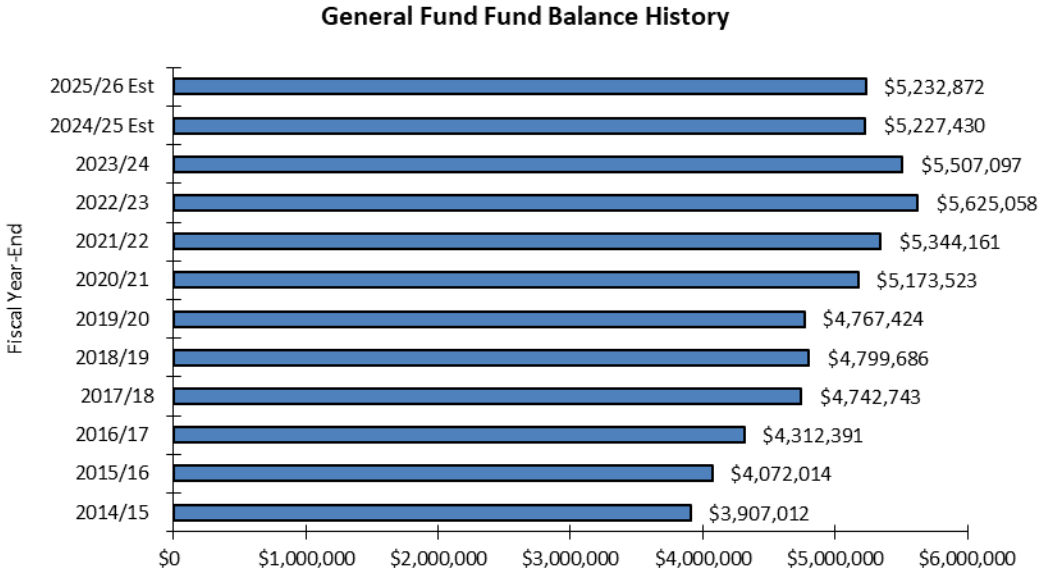
GENERAL FUND

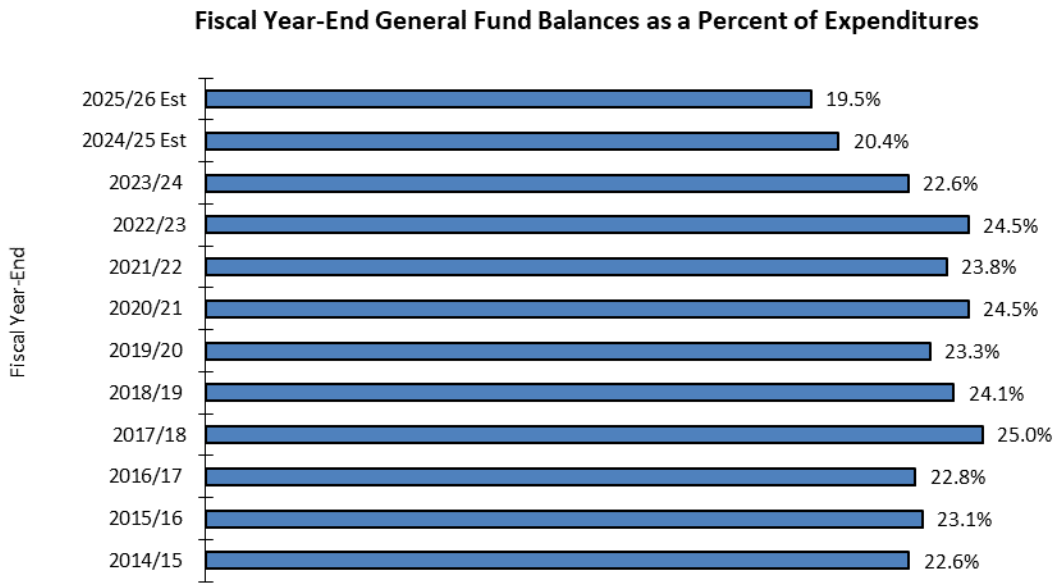
GENERAL FUND

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 2025/2026 is budgeted at $5,232,872 which is 19.5% of budgeted General Fund expenditures. The updated policy and the recent year budgets demonstrate City Council's commitment towards the goal of increasing and maintaining the General Fund balance. Additionally, General Fund revenues are budgeted conservatively and department expenditures are generally less than their approved budgets and it is expected that the actual ending balance may exceed the amount budgeted. The following charts show a history of the General Fund balances:





Key Budget Items

As discussed in the Budget Message, in developing the fiscal year 2025/2026 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 2025/2026 budget were to:

1. Maintain basic 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 property tax levy rate is budgeted to increase from the current $15.67219/$1,000 of valuation to $15.95328, an increase of 1.79% in the tax rate. This increase is budgeted due in part to the impacts of recent State legislation including the following:

Major Changes to Iowa's Property Tax System Beginning in 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.

The impact House File 718 had on the City of Muscatine's 2025/2026 budget included:

1. With the City of Muscatine's increase of 3.22% in taxable valuation for 2025/2026, HF 718 requires any increases between 2.75% and 3.99% to be reduced by approximately 1% (which reduced the increase in taxable valuations to 2.29%) when computing General Fund taxes.
2. This reduction resulted in the Combined General Fund Levy being reduced from the $8.37 per $1,000 of valuation to $8.28713 per $1,000 of valuation.
3. This reduction is equivalent to a reduction of $87,310 in property tax dollars available to fund General Fund services.

Legislation in 2024 for Automated Traffic Enforcement

Major provisions of this legislation included:

1. Required all local governments with traffic cameras to apply to the Iowa Department of Transportation for authorization to continue operating these devices for speeding violations, with an application required for each location.
2. While the City of Muscatine submitted applications to the IDOT for each fixed location and several locations for the mobile cameras, the City was not approved to continue operating the fixed traffic cameras for speed enforcement, and the mobile cameras were only approved for two locations.

Impact on the City of Muscatine's FY 2025/2026 Budget:

1. The City can continue using the fixed ATE cameras for red-light violations only, and can only operate the mobile cameras at two locations.
2. By limiting the use of the ATEs, the estimated impact on General Fund revenues is a reduction of $250,000. This significantly impacts the amount of funds available to fund City services, specifically police services.

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 2024/2025 and 2025/2026. The reimbursement will continue to be phased out over the next four 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 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).
6. For 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.
7. For fiscal year 2025/2026, the residential rollback increased from 46.3428% to 47.4316%; however, provisions of House File 718 (discussed in the previous section), resulted in taxable valuations that were computed at a 3.22% increase, required to be reduced to a 2.29% increase.

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 2025/2026 budget addressed the following increased costs of providing the same level of basic services to our residents:

1. All three of the City's previous 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. Impacts from this new plan continued in 2025/2026 with employees initially placed on steps 1 through 5, being eligible for step increases, in addition to the 3% across-the-board increase allowed for employees in this group.
3. Continued increases in the cost of operating supplies including fuel and parts.

General Fund Expenditure Assumptions

1. The 2025/2026 budget continues funding for basic services provided to residents; however, there will be some reductions due to reductions in staffing as discussed below.
2. The budget funds union and non-union wage increases as described in the previous section.
3. The 2025/2026 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.
4. For the 2025/2026 General Fund budget, fulltime equivalent (FTE) year-round staffing in the General Fund is budgeted to decrease from 170.75 FTE in the 2024/2025 budget to 167.68 FTE in the 2025/2026 budget (a decrease of 3.07 FTE positions). These changes are as follows:

   Staffing Changes in the 2025/2026 General Fund Budget**:**

   - Beginning in 2025/2026, 10% of one of the Senior Account Clerks in the Finance department will be allocated to the Parking enterprise fund budget.
   - Due to financial constraints in the General Fund, the 2025/2026 Fire department budget reflects not filling the vacant Assistant Fire Chief position.
   - Due to financial constraints in the General Fund, the 2025/2026 original Police department budget reflected not filling one Police Officer position. After the budget was adopted, the Police department chose to eliminate the contracted evidence technician position and to make other reductions to stay within the adopted budget.
   - The 2025/2026 Community Development budget reflects a reduction of one fulltime position with the vacant Building Division Manager position not being filled and the City contracting for this service.

Balancing the General Fund Budget

With the legislative impacts and restrictions on General Fund revenues and the increasing costs of providing General Fund services, the 2025/2026 budget was balanced by:

1. Using the remaining balance of the prior year State COVID Relief funds ($350,000) to assist in maintaining basic services to our residents. It should be noted that this is a one-time funding source and these funds will no longer be available to balance future year budgets.
2. The 2025/2026 budget includes an increase in the Utility Franchise Fee from the current 3% to 5% which resulted in an estimated $200,000 in additional revenue to the General Fund.
3. Most prior year budgets included an allocation of between $200,000 and $250,000 to the Equipment Replacement Fund to fund vehicles and equipment for General Fund departments (excluding Public Works department vehicles and equipment which are funded from Road Use Tax funds). For the 2025/2026 budget this allocation has been discontinued and these purchases (totaling $416,000) will be funded from the spring 2026 bond issue.
4. A reduction of 3.10 fulltime equivalent employees in the General Fund (as discussed above).

With these changes, a balanced budget for the General Fund for 2025/2026 was reached. As part of the budget discussions, it was noted that additional structural changes will most likely be needed for the 2026/2027 and future year budgets, and there was consensus between the City Council and staff that possible additional expenditure reductions and revenue enhancements will be identified well in advance of the 2026/2027 budget. Programs of the General Fund and changes associated with them are outlined in the respective departmental activity budgets which follow.

General Fund

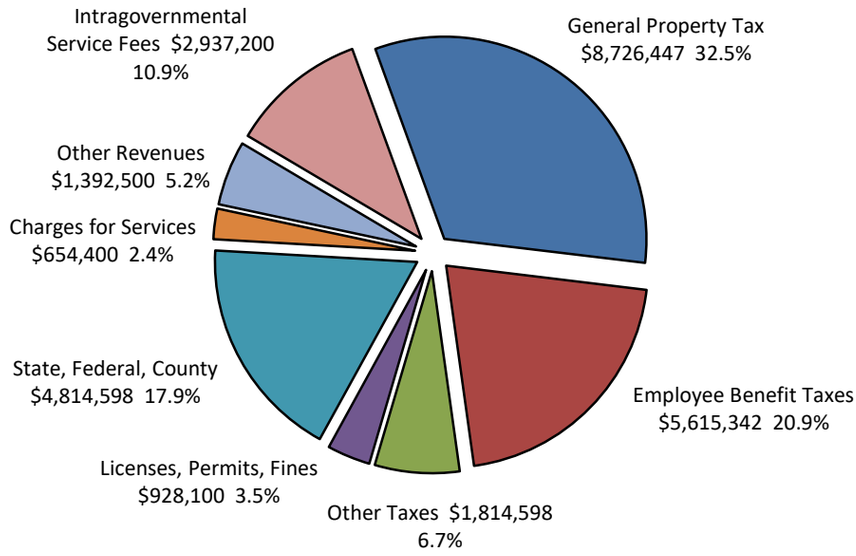
Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 5,344,161	$ 5,625,058	$ 5,334,305	$ 5,507,097	$ 5,227,430
Revenues	23,187,988	24,233,052	25,450,749	25,040,457	26,533,185
Transfer from State COVID Relief/ Emergency Fund	0	0	604,533	270,334	350,000
Transfer Prior Year Balance in Emergency Levy Fund	0	0	86,162	86,162	0
Encumbrance Variance	16,292	1,189	0	0	0
Funds Available	$ 28,548,441	$ 29,859,299	$ 31,475,749	$ 30,904,050	$ 32,110,615
Expenditures	22,923,383	24,352,202	25,942,078	25,676,620	26,877,743
Ending Balance, June 30	$ 5,625,058	$ 5,507,097	$ 5,533,671	$ 5,227,430	$ 5,232,872
Increase (Decrease) in Fund Balance	**$ 280,897**	**$ (117,961)**	**$ 199,366**	**$ (279,667)**	**$ 5,442**
Minimum Fund Balance per policy adopted in November, 2013 (16.7% of General Fund Expenditures)	**$ 3,828,000**	**$ 4,067,000**	**$ 4,332,000**	**$ 3,851,000**	**$ 4,489,000**
Amount Over (Under) Fund Balance Policy Minimum of 16.7%	**$ 1,797,058**	**$ 1,440,097**	**$ 1,201,671**	**$ 1,376,430**	**$ 743,872**
Ending Balance as a Percent of General Fund Expenditures	**24.5%**	**22.6%**	**21.3%**	**20.4%**	**19.5%**

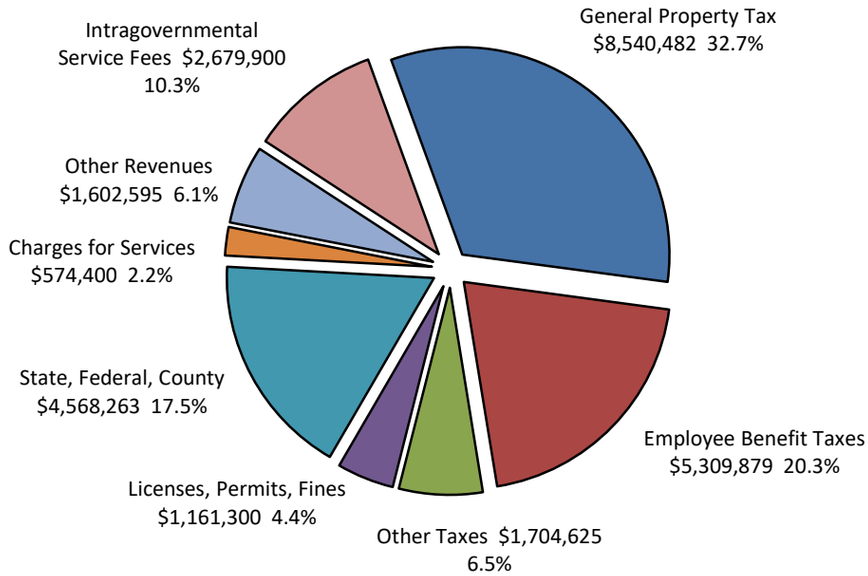
Explanation of Increases or Decreases in Fund Balances:

In prior years the City's financial policies provided that the fund balance of the General Fund be at least 10% of expenditures. The Moody's bond rating report in 2008 stated "Moody's considers the 10% level to be relatively narrow, and higher reserve levels may mitigate any unforeseen one-time expenses that may challenge financial operations". With that in mind, City Council has been budgeting for incremental increases in the General Fund balance as part of the budget process in recent years. In November of 2013 the City Council adopted a new General Fund balance policy providing that the minimum fund balance be at least two months of expenditures which is equivalent to 16.7%. The budget meets this 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 any of the fiscal years from 2018/2019 through the 2025/2026 budget.

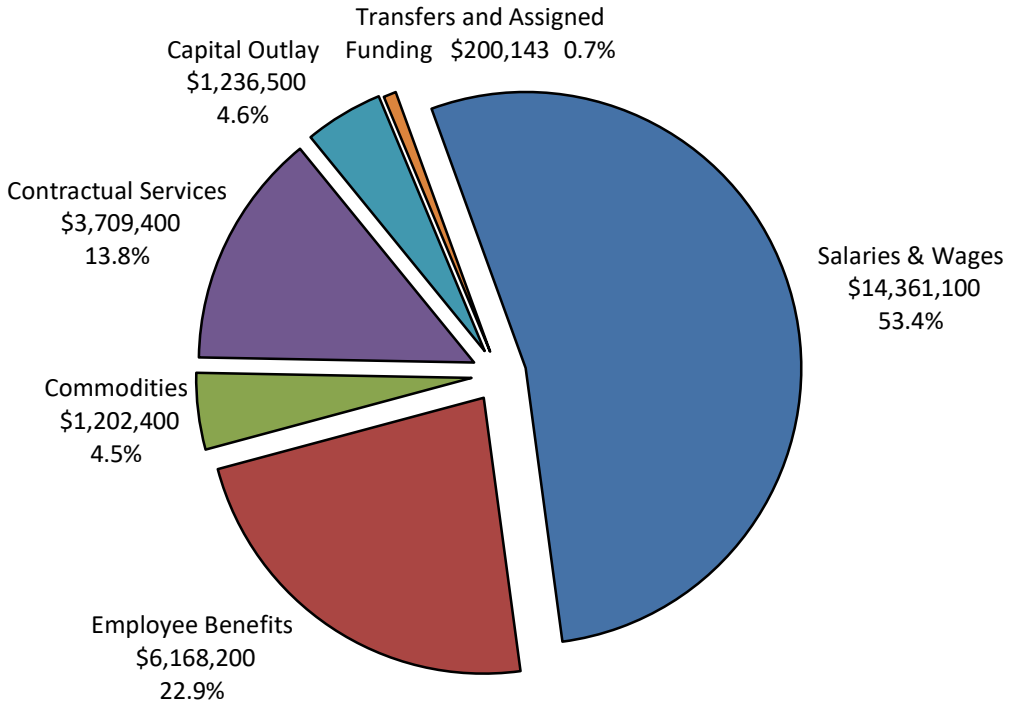
General Fund Revenues By Source
Budget 2025/2026
$26,883,185



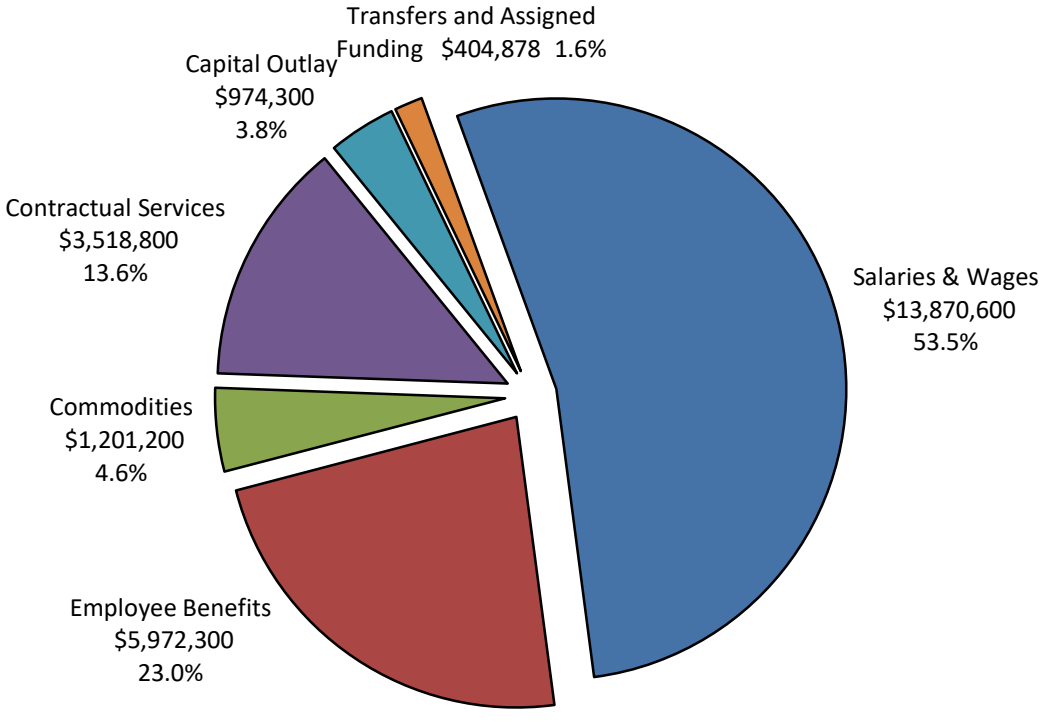
General Fund Revenues By Source
Budget 2024/2025
$26,141,444



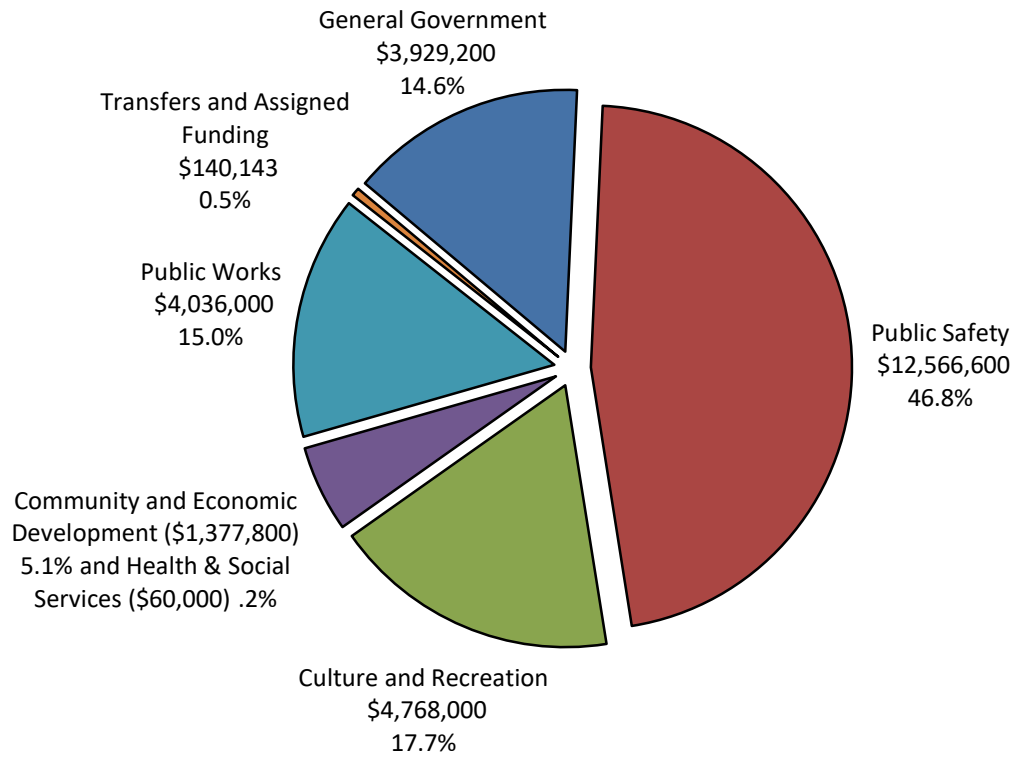
General Fund Expenditures By Type
Budget 2025/2026
$26,877,743



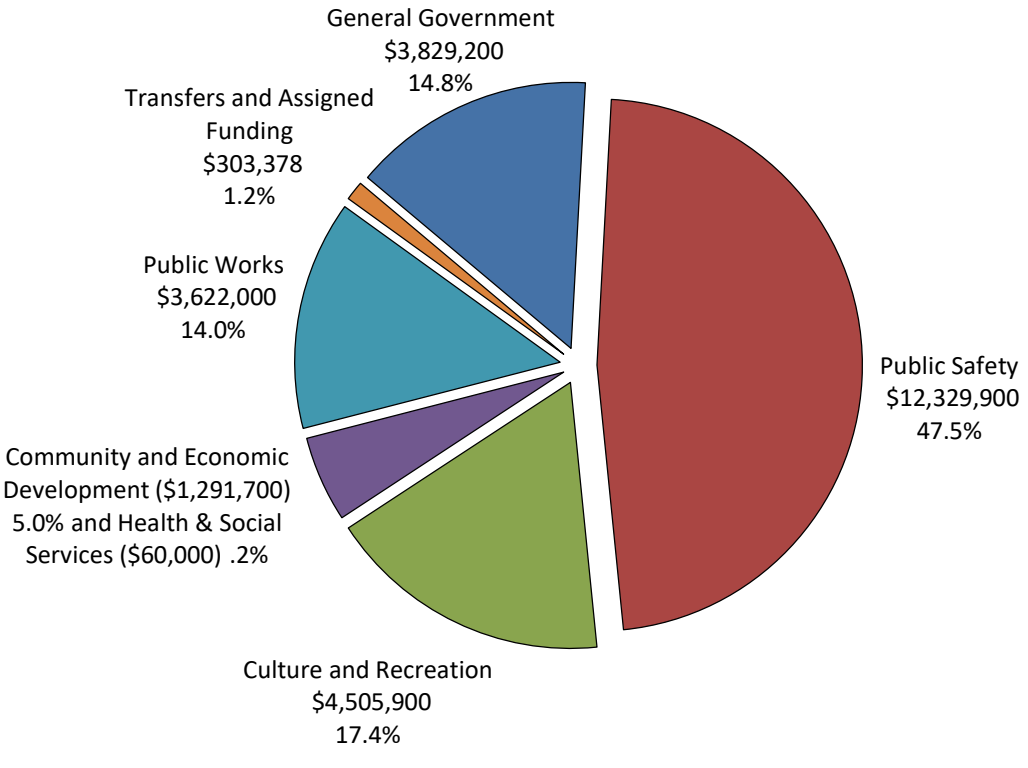
General Fund Expenditures By Type
Budget 2024/2025
$25,942,078



General Fund Expenditures By Function
Budget 2025/2026
$26,877,743



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



General Fund

Revenues by Type

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change from 2024/2025 Budget
Taxes	$ 9,122,321	$ 9,877,563	$ 10,245,107	$ 10,133,907	$ 10,541,045	2.9%
Licenses and Permits	478,264	625,814	471,800	489,100	489,100	3.7%
Fines and Forfeitures	696,855	647,847	683,500	463,000	433,000	-36.6%
Intergovernmental Revenue	841,151	1,079,301	1,107,563	1,098,663	939,798	-15.1%
Charges for Services	726,118	820,955	1,088,400	917,600	1,201,900	10.4%
Use of Money and Property	308,113	435,177	339,300	401,800	431,200	27.1%
Miscellaneous Revenues	863,052	816,136	840,200	929,100	859,200	2.3%
Transfers In	10,152,114	9,930,259	11,365,574	10,963,783	11,987,942	5.5%
Total	$ 23,187,988	$ 24,233,052	$ 26,141,444	$ 25,396,953	$ 26,883,185	2.8%

General Fund
Revenue Summary

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change from 2024/2025 Budget
Direct and Indirect						
Property Tax Revenues						
General Property Taxes	$ 7,620,309	$ 8,253,025	$ 8,513,295	$ 8,513,295	$ 8,700,009	2.19%
Ag Land Tax	5,365	5,471	5,787	5,787	5,038	-12.94%
Tort Liability Levy	328,217	367,565	478,026	478,026	511,673	7.04%
Transit System Levy	0	198,266	74,718	74,718	74,737	0.03%
Mobile Home Tax	20,767	20,939	21,400	21,400	21,400	0.00%
Special Revenue:						
Emergency Levy (Current Year)	264,675	292,243	0	0	0	
Police Retirement	716,860	743,552	800,012	783,471	818,814	2.35%
Fire Retirement	780,839	758,972	812,004	792,406	809,702	-0.28%
Police and Fire Medical Insurance	60,367	60,367	72,100	60,637	60,637	-15.90%
Police and Fire Retiree Medical Costs	106,758	69,224	45,000	60,000	60,000	33.33%
Long-term Disability Insurance	14,112	14,464	15,789	15,777	16,140	2.22%
Workers Compensation Insurance	42,105	34,732	34,111	23,115	22,997	-32.58%
Unemployment Insurance	55,917	21,040	33,272	13,998	6,625	-80.09%
Health Insurance	2,227,622	2,372,061	2,613,649	2,554,445	2,674,075	2.31%
Life Insurance	13,770	14,198	14,937	14,908	15,392	3.05%
Dental Insurance	47,113	45,589	47,642	48,223	52,496	10.19%
Post Employment Health Plan	88,586	32,876	18,042	43,323	104,637	479.96%
Deferred Compensation	0	0	5,500	8,310	5,738	4.33%
FICA/IPERS	795,730	816,670	928,120	903,173	968,089	4.31%
Employee Benefit Levy Reduction	0	0	(130,299)	(130,299)	0	-100.00%
Subtotal	$ 13,189,113	$ 14,121,254	$ 14,403,105	$ 14,284,713	$ 14,928,199	3.65%
Non-Property Tax Revenues/Reimbursements						
Hotel/Motel Taxes	$ 577,993	$ 585,232	575,000	$ 595,000	$ 595,000	3.48%
Cable Franchise Tax	111,150	99,896	111,200	100,000	100,000	-10.07%
Utility Franchise Fees	429,907	313,906	432,000	312,000	500,000	15.74%
Utility Tax Replacement Excise Tax:						
General	27,434	31,129	31,625	31,625	31,098	-1.67%
Tort Liability	1,178	1,386	1,774	1,774	1,827	2.99%
Transit	0	748	282	282	263	
Commercial/Industrial State Reimbursement:						
General	271,908	238,687	201,527	201,527	159,934	-20.64%
Tort Liability	11,672	10,631	11,316	11,316	9,406	-16.88%
Transit	0	5,734	1,769	1,769	1,374	-22.33%
Other State Contributions - Moneys & Credits	4,532	5,064	0	5,500	5,500	
Business Property Tax Credit Reimbursement:						
General	0	224,865	206,071	206,071	205,625	-0.22%
Tort Liability	0	10,015	11,571	11,571	12,093	4.51%
Transit	0	5,402	1,809	1,809	1,766	-2.38%
Subtotal	$ 1,435,774	$ 1,532,695	$ 1,585,944	$ 1,480,244	$ 1,623,886	2.39%

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change from 2024/2025 Budget
Intergovernmental Revenues						
Road Use Tax	$ 3,036,340	$ 2,858,794	$ 3,372,000	$ 3,412,900	$ 3,784,200	12.22%
Subtotal	$ 3,036,340	$ 2,858,794	$ 3,372,000	$ 3,412,900	$ 3,784,200	12.22%
Licenses and Permits						
Beer, Liquor, and Cigarettes	$ 36,676	$ 44,587	$ 36,700	$ 40,000	$ 40,000	8.99%
Animal	3,082	7,854	5,000	5,000	5,000	0.00%
Miscellaneous	6,810	6,785	6,800	6,800	6,800	0.00%
Subtotal	$ 46,568	$ 59,226	$ 48,500	$ 51,800	$ 51,800	6.80%
Cemetery Fees						
Lot and Niche Sales	$ 28,503	$ 31,287	$ 29,000	$ 29,000	$ 33,200	14.48%
Lease of Property-Cell Towers	24,548	25,612	24,500	26,100	26,600	8.57%
Burial Fees	35,915	33,440	36,000	33,000	37,300	3.61%
Miscellaneous Charges	1,095	16,965	15,000	18,500	19,000	26.67%
Commissions/Currently Lease of Operations	24,975	11,878	19,000	25,000	25,000	31.58%
Maintenance Fees (Cemetery Steps)	400	0	400	400	400	0.00%
Reimbursement of Damages	7,480	0	0	0	0	
Perpetual Care Interest	26,660	42,459	34,000	44,100	40,000	17.65%
Subtotal	$ 149,576	$ 161,641	$ 157,900	$ 176,100	$ 181,500	14.95%
Community Development Fees						
Rental Housing Inspection Fees/Registrations	$ 60,097	$ 98,731	$ 60,000	$ 75,000	$ 75,000	25.00%
Section 8 Housing Inspection Fees	9,675	12,280	8,200	8,200	8,200	0.00%
Construction Permits	358,032	453,477	350,000	350,000	350,000	0.00%
Zoning Fees	650	775	1,000	1,500	1,000	0.00%
Board of Adjustment Fees	2,400	1,950	1,000	1,500	1,000	0.00%
Site Plan Review Fees	1,000	300	500	200	500	0.00%
Municipal Infractions Penalties	0	200	500	0	0	-100.00%
Nuisance Reimbursements/Administrative Fees	148,021	149,288	145,000	150,000	145,000	0.00%
Donations - Special Programs	0	4,250	0	5,000	0	
Miscellaneous	1,258	377	1,000	500	500	-50.00%
ARPA Heart & Soul Coordinator	9,258	0	0	0	0	
Subtotal	$ 590,391	$ 721,628	$ 567,200	$ 591,900	$ 581,200	2.47%
Parks and Recreation Revenues						
Parks - General						
Shelters	$ 8,105	$ 9,160	$ 9,000	$ 9,100	$ 12,400	37.78%
Pearl City Station Rentals	9,215	12,410	10,000	11,000	13,400	34.00%
Riverview Center Rentals	28,155	32,405	27,000	27,000	32,400	20.00%
Dog Park Permits	2,617	400	3,500	2,500	2,500	-28.57%
Maintenance Fees	245	710	600	600	600	0.00%
Concession Commission	0	800	200	200	200	0.00%
Donations	9,649	3,820	1,800	9,600	2,000	11.11%
Iowa DNR Tree Grant	10,000	2,000	0	0	0	
Other	5,327	2,183	0	500	0	
Transfers In						
Administration Fees	12,500	12,900	13,300	13,300	13,700	3.01%
Subtotal	$ 85,814	$ 76,788	$ 65,400	$ 73,800	$ 77,200	18.04%

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change from 2024/2025 Budget
Kent Stein Park						
Maintenance Fees	$ 16,592	$ 17,866	$ 21,000	$ 22,000	$ 27,500	30.95%
Commission on Concessions	4,539	4,570	5,500	5,500	5,500	0.00%
Mowing Reimbursement - Housing	7,750	3,250	7,700	7,700	7,700	0.00%
Storage Building Rental	1,200	1,200	1,200	1,200	1,200	0.00%
Other	166	0	0	0	0	
Subtotal	$ 30,247	$ 26,886	$ 35,400	$ 36,400	$ 41,900	18.36%
Soccer Complex Operations						
Maintenance Fees	$ 33,564	$ 39,672	$ 35,000	$ 47,000	$ 52,400	49.71%
Commission on Concessions	2,367	5,442	4,500	5,800	5,800	28.89%
Subtotal	$ 35,931	$ 45,114	$ 39,500	$ 52,800	$ 58,200	47.34%
Recreation						
Entry Fees/Admissions	$ 995	$ 885	$ 1,500	$ 1,000	$ 1,500	0.00%
Lessons	20,437	21,381	25,000	23,000	25,300	1.20%
League and Tournament Fees	4,561	4,594	5,500	5,000	5,000	-9.09%
Sales Tax	319	311	400	400	400	0.00%
Commissions	0	1,967	0	0	0	
Donations	1,880	600	1,700	1,700	1,700	0.00%
Other	116	35	0	0	0	
Subtotal	$ 28,308	$ 29,773	$ 34,100	$ 31,100	$ 33,900	-0.59%
Indoor Sports Dome						
Facility Usage Charges	$ 0	$ 0	$ 207,000	$ 0	$ 250,000	
Sponsorships	0	0	0	0	10,000	
Commissions on Concessions	0	0	0	0	20,000	
Subtotal	$ 0	$ 0	$ 207,000	$ 0	$ 280,000	
Aquatic Center						
Admissions	$ 82,637	$ 86,833	$ 87,000	$ 89,000	$ 108,600	24.83%
Season Passes	11,874	10,465	12,000	12,000	12,000	0.00%
Lessons	10,579	11,371	11,000	11,500	13,600	23.64%
Group Sales	16,165	19,305	18,000	19,000	20,000	11.11%
Room Rental	1,025	(5)	900	900	900	0.00%
Locker Rental	376	252	500	300	300	-40.00%
Commission on Concessions	3,740	1,773	5,500	5,500	6,000	9.09%
Miscellaneous Sales	306	315	400	300	300	-25.00%
Other	106	229	0	400	0	
Subtotal	$ 126,808	$ 130,538	$ 135,300	$ 138,900	$ 161,700	19.51%
Subtotal - Parks and Recreation	$ 307,108	$ 309,099	$ 516,700	$ 333,000	$ 652,900	26.36%
Library Revenues						
Fines and Charges	$ 1,147	$ 10	$ 0	$ 0	$ 0	
County Contributions	126,414	130,206	134,100	134,100	138,000	2.91%
Illinois Contracts	12,198	10,262	13,000	11,500	10,600	-18.46%
Printing Charges	3,628	3,979	3,600	19,000	4,000	11.11%
Other	6	73	0	900	0	
Subtotal	$ 143,392	$ 144,530	$ 150,700	$ 165,500	$ 152,600	1.26%

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change from 2024/2025 Budget
Art Center Revenues						
Class Fees	$ 2,414	$ 2,348	$ 4,500	$ 4,500	$ 4,500	0.00%
Building Rentals	454	155	200	200	200	
State Grant	15,000	15,000	15,000	15,000	15,000	0.00%
Support Foundation Contributions	31,165	28,914	35,400	28,300	28,700	-18.93%
Friends of the Art Center Contributions	27,097	29,454	30,400	31,900	31,900	4.93%
Other Contributions (American Queen/Other)	500	0	5,000	4,000	6,500	30.00%
Other Contributions (Carver Trust)	0	0	0	47,300	11,700	
Other Contributions (Credit Card Machine)	0	0	0	1,500	0	
Other	90	980	300	300	300	0.00%
Subtotal	$ 76,720	$ 76,851	$ 90,800	$ 133,000	$ 98,800	8.81%
Public Works Services						
Repair and Maintenance Services	$ 17,485	$ 17,485	$ 17,500	$ 17,500	$ 17,500	0.00%
Rental of Equipment	250	2,550	300	3,000	300	0.00%
Sale of Equipment	12,203	4,047	1,000	1,000	1,000	0.00%
Miscellaneous Sales	3,268	813	2,500	2,500	2,500	0.00%
Reimbursement for Salt	5,125	7,842	5,000	5,000	5,000	0.00%
Reimbursement of Damages	6,142	0	0	0	0	
Reimbursement of Expenses	440	3,045	0	0	0	
Other	0	0	0	300	0	
Transfers In:						
Engineering Services	44,974	120,496	180,000	180,000	180,000	0.00%
Administrative Fees	76,600	78,900	81,300	81,300	83,800	3.08%
Subtotal	$ 166,486	$ 235,178	$ 287,600	$ 290,600	$ 290,100	0.87%
Police Operations:						
Police Grants	$ 352,262	$ 358,683	$ 474,200	$ 459,500	$ 341,500	-27.98%
Court Fines	161,044	247,371	160,000	160,000	160,000	0.00%
Automated Traffic Enforcement Fines	510,840	377,902	500,000	280,000	250,000	-50.00%
Parking Violations	18,274	19,364	21,000	21,000	21,000	0.00%
Tobacco Checks/Violations	5,550	3,000	2,000	2,000	2,000	0.00%
Alarm System Charges	3,100	3,100	3,000	3,000	3,000	0.00%
Alarm Permits	225	525	600	600	600	0.00%
False Alarm Charges	2,000	3,700	1,500	3,500	3,000	100.00%
Police Services Agreement	57,737	59,469	61,900	61,900	63,800	3.07%
Animal Ordinance Fees and Fines	2,075	1,100	4,000	4,000	4,500	12.50%
Printing Charges	3,655	3,986	4,000	4,000	4,000	0.00%
MSORT Contributions	0	0	0	49,000	0	
Other Contributions	0	14,097	0	3,000	3,000	
Lease - Public Safety Cell Tower	30,988	30,988	31,000	31,000	31,000	0.00%
Reimbursements/Miscellaneous Income	51,125	24,250	45,000	25,000	25,000	-44.44%
Donation - K9 Unit	500	500	0	500	0	
Other	4,210	1,102	4,000	0	0	
Subtotal	$ 1,203,586	$ 1,149,137	$ 1,312,200	$ 1,108,000	$ 912,400	-30.47%

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change from 2024/2025 Budget
Fire Operations						
Fire Hazmat Agreements	$ 26,788	$ 26,788	$ 26,800	$ 26,800	$ 26,800	0.00%
Fire Open Burn Permits	1,050	1,175	1,000	1,000	1,000	0.00%
Fire Inspection Fees	10,165	6,092	12,000	12,000	12,000	0.00%
Fire Plan Review Fees	3,037	7,794	3,000	5,000	4,000	33.33%
Fire Assessment Fees	45	0	100	0	0	-100.00%
Confined Space Fees	43,775	31,500	36,000	32,700	32,700	-9.17%
Fireworks Fees	2,400	3,200	2,000	2,600	2,600	30.00%
Fire Protection Contracts	23,680	23,452	23,700	23,700	24,400	2.95%
Fire Reports	210	150	200	100	100	-50.00%
Alarm Permits	0	2,400	900	1,800	1,800	100.00%
False Alarm Charges	0	150	0	0	0	
Donations	700	0	0	0	0	
Insurance Reimbursement	28,131	0	0	0	0	
Reimbursement of Expenses/Other	9,786	5,860	5,000	8,000	8,000	60.00%
Subtotal	$ 149,767	$ 108,561	$ 110,700	$ 113,700	$ 113,400	2.44%
Other General Revenues						
Interest Income	$ 168,176	$ 294,020	$ 200,000	$ 250,000	$ 250,000	25.00%
Payment in Lieu of Taxes	37,166	38,971	37,200	39,000	39,000	4.84%
Housing Accounting Fees	70,400	72,500	74,800	74,800	77,000	2.94%
Housing Management Fee	14,071	14,766	0	0	0	
FEMA Reimbursements	0	23,781	0	0	0	
Other Charges	16,353	17,902	20,000	20,000	20,000	0.00%
Transfers In:						
Administrative Fees	405,500	417,600	429,800	429,800	442,700	3.00%
Health Insurance Fund (Wellness)	64,802	59,873	67,900	67,700	70,500	3.83%
Health Insurance Administrative Fee	3,000	3,000	3,000	3,000	3,000	0.00%
Information Technology Administrative Fee	45,100	47,300	49,600	49,600	52,100	5.04%
Communications Admin Fee (Exc. TIF Portion)	68,000	71,600	74,000	74,000	80,000	8.11%
Ambulance Enterprise Fund	1,345,600	1,228,000	1,407,300	1,407,300	1,630,300	15.85%
Ambulance Enterprise Fund - Additional	232,600	232,600	244,200	244,200	244,200	0.00%
Tax Increment/Economic Dev Admin Fees	179,400	189,545	196,600	196,600	210,400	7.02%
Tax Increment Economic Development	43,000	43,000	43,000	43,000	43,000	0.00%
Emergency Fund - State COVID Relief	0	0	690,695	356,496	350,000	-49.33%
Subtotal	$ 2,693,168	$ 2,754,458	$ 3,538,095	$ 3,255,496	$ 3,512,200	-0.73%
Total	$ 23,187,988	$ 24,233,052	$ 26,141,444	$ 25,396,953	$ 26,883,185	2.84%

General Fund

Expenditures by Type

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change from 2024/2025 Budget
Personal Services	$ 17,704,068	$ 18,125,510	$ 19,842,900	$ 19,475,900	$ 20,529,300	3.5%
Commodities	1,084,002	964,068	1,201,200	1,103,750	1,202,400	0.1%
Contractual Services	2,883,803	3,164,974	3,518,800	3,565,250	3,709,400	5.4%
Capital Outlay	770,248	1,084,518	974,300	1,126,500	1,236,500	26.9%
Transfers and Assigned Funding	481,262	1,013,132	404,878	405,220	200,143	-50.6%
Total	$ 22,923,383	$ 24,352,202	$ 25,942,078	$ 25,676,620	$ 26,877,743	3.6%

General Fund

Summary of Expenditures

Function/Activity	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change from FY 2025 Budget
General Government						
Mayor and Council	$ 81,370	$ 83,156	$ 90,700	$ 90,300	$ 90,300	-0.4%
Legal Services	194,759	156,454	167,500	152,500	152,500	-9.0%
City Administrator	455,552	493,806	541,900	484,200	565,700	4.4%
Human Resources	191,928	269,813	224,200	213,000	221,600	-1.2%
Wellness Program	65,490	60,860	67,900	67,700	70,500	3.8%
Finance and Records	775,003	831,771	901,500	891,700	916,400	1.7%
Information Technology	422,270	427,195	526,900	526,900	517,700	-1.7%
Risk Management	372,742	404,591	534,100	529,100	584,000	9.3%
Building and Grounds	715,943	724,448	774,500	774,500	810,500	4.6%
Subtotal	$ 3,275,057	$ 3,452,094	$ 3,829,200	$ 3,729,900	$ 3,929,200	2.6%
Public Safety						
Police Operations	$ 5,518,536	$ 5,758,404	$ 6,215,300	$ 6,316,900	$ 6,233,700	0.3%
Animal Control	150,110	155,871	157,300	157,200	158,200	0.6%
Fire Operations	5,502,892	5,636,365	5,957,300	6,016,300	6,174,700	3.6%
Subtotal	$ 11,171,538	$ 11,550,640	$ 12,329,900	$ 12,490,400	$ 12,566,600	1.9%
Culture and Recreation						
Library	$ 1,238,700	$ 1,281,895	$ 1,325,800	$ 1,325,800	$ 1,351,900	2.0%
Cable Television Operations	17,145	17,659	21,400	21,000	0	-100.0%
Art Center	441,705	455,942	491,500	532,700	554,900	12.9%
Park Administration	239,284	263,605	281,100	281,600	291,300	3.6%
Park Maintenance	976,294	862,630	926,100	1,010,300	1,006,600	8.7%
Kent Stein Park	275,921	256,385	272,800	275,200	287,200	5.3%
Soccer Complex	264,010	282,627	286,800	281,200	280,600	-2.2%
Indoor Sports Dome	0	0	281,200	5,400	409,300	45.6%
Aquatic Center	268,588	214,276	238,800	287,700	220,100	-7.8%
Recreation	117,042	106,482	148,600	146,500	133,500	-10.2%
Cemetery	211,328	239,166	231,800	230,100	232,600	0.3%
Subtotal	$ 4,050,017	$ 3,980,667	$ 4,505,900	$ 4,397,500	$ 4,768,000	5.8%

General Fund

Summary of Expenditures

Function/Activity	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change from FY 2025 Budget
Health and Social Services						
Economic Well-Being	$ 55,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	0.0%
Subtotal	$ 55,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	0.0%
Community and Economic Development						
Community Development	$ 990,462	$ 1,070,588	$ 1,205,700	$ 1,155,000	$ 1,182,800	-1.9%
Economic Development	168,000	168,950	86,000	83,000	195,000	126.7%
Subtotal	$ 1,158,462	$ 1,239,538	$ 1,291,700	$ 1,238,000	$ 1,377,800	6.7%
Public Works						
Public Works Administration	$ 238,869	$ 257,842	$ 260,900	$ 258,000	$ 274,400	5.2%
Roadway Maintenance	1,673,838	1,550,742	1,756,000	1,743,600	2,053,000	16.9%
Traffic Control	191,715	195,056	235,700	213,600	215,300	-8.7%
Snow and Ice Control	302,195	411,972	599,700	481,100	653,900	9.0%
Street Cleaning	199,590	492,792	355,200	331,500	380,300	7.1%
Engineering	357,102	370,238	414,500	426,300	459,100	10.8%
Subtotal	$ 2,963,309	$ 3,278,642	$ 3,622,000	$ 3,454,100	$ 4,036,000	11.4%
Transfers and Assigned Funding						
Transit System Subsidy	$ 0	$ 210,621	$ 78,578	$ 78,578	$ 78,143	-0.6%
Airport Subsidy	0	0	36,800	40,142	62,000	68.5%
Equipment Replacement Allocation	250,000	580,000	188,000	188,000	0	-100.0%
Subtotal	$ 250,000	$ 790,621	$ 303,378	$ 306,720	$ 140,143	-53.8%
Total	$ 22,923,383	$ 24,352,202	$ 25,942,078	$ 25,676,620	$ 26,877,743	3.6%

Function:	*Department:*
General Government	**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 2024/2025 revised estimate is $400 less than the original budget. There was a $400 decrease in employee pension and insurance costs, a $300 increase in commodities, and a $300 decrease in contractual services, which resulted in this overall $400 decrease.

The 2025/2026 budget is $400 (.4%) less than the original 2024/2025 budget. This increase is due to a reduction in employee pension and insurance costs.

PERFORMANCE MEASURES

	Actual 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
Regular Council Meetings	24	24	24	24	24
In-Depth Meetings	11	11	11	11	11
Budget Meetings	8	8	8	8	8
Other Meetings	5	5	6	5	5
Joint Meetings:					
County Board of Supervisors	1	1	2	3	3

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026 AND FUTURE YEARS

City Council held an initial goal setting session on October 30, 2024. There was also a joint goal setting session with City Council and department directors on November 6, 2024.

The Mayor and City Council identified the following initiatives, programs, and projects for 2025/2026:

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

- Evaluate and update the employee wellness program.
- 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 relevant staff training.

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

- Implement the recommendations of the 2024 Housing Study and evaluate opportunities to create needed new housing and promote infill development.
- Complete development of the new comprehensive plan.
- Continue the substandard housing improvement/demolition program.
- Address the quality of rental housing units.
- Continue to 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 facilities.
- Continue to 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.

Goal 3: Economic Development Initiatives (Vibrant Community)

- Fine tune the City's business loan programs to attract and retain certain business types and focus efforts to bring new businesses and restaurants to the City.
- Implement marketing and branding policies and strategies to promote Muscatine's economic development.
- Evaluate costs and benefits of a vacant building registration program.
- Continue to support economic development projects that address long-term goals of the City including increasing the availability of quality housing, maintaining or increasing employment in the community, and providing other identified community benefits, by leveraging Tax Increment Financing and other incentives.

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

- Continue to assess and improve the City Building Inspection programs including providing ongoing professional development opportunities for staff.
- 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
  - Isett Avenue Reconstruction
  - Law Enforcement Training Facility
  - West Hill Sewer Separation Project
  - Redundant Force Main Project
  - Fulliam/Houser Roundabout
  - Fulliam Avenue Reconstruction
  - Dredge Spoils Dewatering Site Relocation
  - Airport Improvements (Runway Lighting, Snow Removal Equipment and Storage Facility, etc.)

- 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
  - Water Pollution Control Plant and Lift Station Improvements (per Facility Needs Report)

- Update the City's 5-Year Capital Improvement Plan

Function:
General Government

Department:
Legislative and Council

Activity:

Mayor and City Council

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 41,891	$ 41,732	$ 42,000	$ 41,600	$ 41,600	-0.95%
Commodities	1,541	1,597	2,300	2,600	2,300	0.00%
Contractual Services	35,422	39,827	46,400	46,100	46,400	0.00%
Capital Outlay	2,516	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 81,370	$ 83,156	$ 90,700	$ 90,300	$ 90,300	-0.44%
Funding Sources						
General Revenues	$ 81,370	$ 83,156	$ 90,700	$ 90,300	$ 90,300	-0.44%

Personnel Schedule						
	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
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						3,800
Total Personal Services						$ 41,600

Function:	*Department:*
General Government	**Legislative and Council**

Activity:

Legal Services

GENERAL INFORMATION

The City Attorney is retained by the City on a part-time basis and paid on an hourly basis. 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 2024/2025 revised estimate for Legal Services of $152,500 is $15,000 less than the original budget. The 2024/2025 revised estimate allows for $110,000 in City Attorney costs (a reduction of $15,000 from the original budget), $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 $15,000 reduction in the allocation for the City Attorney is based on the actual hours for legal services in the first six months of the fiscal year. Actual legal costs vary from year to year due to projects and issues that arise.

The 2025/2026 legal services budget is $152,500, the same amount as the 2024/2025 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 $110,000 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 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
City Attorney Hours (excluding Human Resources hours) *	808	971	921	900	900

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

RECENT ACCOMPLISHMENTS

Legal counsel assisted with numerous legal matters in 2024/2025, 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 2025/2026

- 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 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	194,759	156,454	167,500	152,500	152,500	-8.96%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 194,759	$ 156,454	$ 167,500	$ 152,500	$ 152,500	-8.96%
Funding Sources						
General Revenues	$ 194,759	$ 156,454	$ 167,500	$ 152,500	$ 152,500	-8.96%

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

Activity:

City Administrator

GENERAL INFORMATION

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

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

CURRENT TRENDS AND ISSUES

The 2024/2025 revised estimate is $57,700 less than the original budget. Personal services costs are $61,700 less than the original budget due to the vacancy in the City Administrator position, and contractual services are $4,000 more than the original budget. The increase in contractual services is due to increases in annual software costs for the Request Management, the City's website, OpenGov, and Civic Clerk systems.

The 2025/2026 budget is $23,800 (4.4%) higher than the original 2024/2025 budget due to (1) a $23,100 increase in personal services costs, and (2) a $700 increase in contractual services. The increase in contractual services is primarily due to increased annual software subscription fees for the software systems noted in the previous paragraph.

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 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
City Council Agenda Items Presented for Approval	523	536	613	550	550
City Council Agenda Items Approved	522	519	600	538	540
Staff Meetings Held	526	502	592	585	585
Greater Muscatine Chamber of Commerce and Industry (GMCCI) Board Meetings	54	50	51	52	52
Quad City Area Managers Meetings (Bi-State)	83	99	108	100	100
International City/County Management Association (ICMA)	42	43	42	26	25
League of Cities (Board, Committees, Mid-Sized Cities, Annual and Special Meetings)	4	4	4	4	4
GMCCI Committee Meetings	10	11	6	10	10

Communications Metrics

	January 1 – December 31, 2022	January 1 – December 31, 2023	January 1 – December 31, 2024	Estimated 2025
Facebook Page Followers	10,192	11,413	12,299	13,000
Facebook Average Weekly Reach	8,820	6,413	20,541	21,000
Twitter Followers	1,524	1,522	1,547	1,600
Twitter Average Weekly Impressions	1,865	1,374	794	1,000
Instagram Followers	1,520	1,625	1,705	1,800
Instagram Average Weekly Impressions	2,769	3,742	2,779	3,000
YouTube Subscriptions	416	575	702	800
YouTube Average Weekly Watch Time	10:15	8:28	64:60	60:00
Linked-In Followers	286	394	515	525

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026 AND FUTURE YEARS

City Council held an initial goal setting session on October 30, 2024. There was also a joint goal setting session with City Council and department directors on November 6, 2024.

The Mayor and City Council identified the following initiatives, programs, and projects for 2025/2026:

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

- Evaluate and update the employee wellness program.
- 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 relevant staff training.

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

- Implement the recommendations of the 2024 Housing Study and evaluate opportunities to create needed new housing and promote infill development.
- Complete development of the new comprehensive plan.
- Continue the substandard housing improvement/demolition program.
- Address the quality of rental housing units.
- Continue to 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 facilities.
- Continue to 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.

Goal 3: Economic Development Initiatives (Vibrant Community)

- Fine tune the City's business loan programs to attract and retain certain business types and focus efforts to bring new businesses and restaurants to the City.
- Implement marketing and branding policies and strategies to promote Muscatine's economic development.
- Evaluate costs and benefits of a vacant building registration program.
- Continue to support economic development projects that address long-term goals of the City including increasing the availability of quality housing, maintaining or increasing employment in the community, and providing other identified community benefits, by leveraging Tax Increment Financing and other incentives.

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

- Continue to assess and improve the City Building Inspection programs including providing ongoing professional development opportunities for staff.
- 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
  - Isett Avenue Reconstruction
  - Law Enforcement Training Facility
  - West Hill Sewer Separation Project
  - Redundant Force Main Project
  - Fulliam/Houser Roundabout
  - Fulliam Avenue Reconstruction
  - Dredge Spoils Dewatering Site Relocation
  - Airport Improvements (Runway Lighting, Snow Removal Equipment and Storage Facility, etc.)

- 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
  - Water Pollution Control Plant and Lift Station Improvements (per Facility Needs Report)

- Update the City's 5-Year Capital Improvement Plan

Function:
General Government

Department:
City Administrator

Activity:
City Administrator

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 417,092	$ 432,509	$ 470,100	$ 408,400	$ 493,200	4.91%
Commodities	2,875	1,697	2,300	2,300	2,300	0.00%
Contractual Services	35,585	58,801	69,500	73,500	70,200	1.01%
Capital Outlay	-	799	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 455,552	$ 493,806	$ 541,900	$ 484,200	$ 565,700	4.39%
Funding Sources						
Funding Transfers for Communications Manager	$ 85,000	$ 89,500	$ 92,500	$ 92,500	$ 100,000	8.11%
General Revenues	370,552	404,306	449,400	391,700	465,700	3.63%
Total	$ 455,552	$ 493,806	$ 541,900	$ 484,200	$ 565,700	4.39%

Personnel Schedule	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
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 (to City Clerk 2024/2025)	1.00	1.00	1.00	1.00	1.00	
Total Full Time	3.00	3.00	3.00	3.00	3.00	$ 316,300
Employee Benefits						146,900
Total Personal Services						$ 463,200

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

Activity:

Human Resources

GENERAL INFORMATION

The Human Resources division consists of an allocation of 75% of the Human Resources Manager position and a 50% allocation of the Administrative Assistant. The other 25% of the Human Resources Manager position is included in the Risk Management 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 2024/2025 revised estimate is under the original budget by $11,200. This overall decrease is primarily due to eliminating the $10,000 budget allocation for employee evaluation software. There were also net decreases totaling $1,200 in various other line items.

The 2025/2026 budget is $2,600 (1.2%) less than the original 2024/2025 budget. This overall net decrease is due to a $6,100 increase in wages and benefits which was more than offset by an $8,700 reduction in contractual services (primarily due to eliminating the allocation for the employee evaluation software).

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 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
Full-time Positions Hired	30	31	23	25	25
Permanent Part-time Positions Hired	18	14	6	8	8
Retirements	12	10	5	5	5
Personnel Actions Processed	383	445	526	450	450
Employment Applications Received	282	1,477 *	989	1,000	1,000
Civil Service Examinations Administered	12	32	15	20	20
Employee Training Programs	6	5	5	5	5
Civil Service Commission Meetings	4	4	4	4	4

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

RECENT ACCOMPLISHMENTS

The Human Resources (HR) department has been active in a variety of areas this year.

HR staff is in the process of implementing an electronic payroll time entry system and an employee self- service portal. This work is being done in collaboration with the Finance department. It is expected the implementation will begin in the spring of 2025. The self-service portal will provide easier means for employees to access information about their pay and benefits and will also allow employees to make changes to tax withholdings and benefits online.

Approximately forty-nine employees have taken the leadership training course so far this fiscal year. Another session is scheduled in the spring. The Human Resources Manager and the City Administrator also created follow up training/workshops to allow employees to continue developing these skills and to assist in retaining the information.

All City employees also attended a mandatory anti-harassment/bullying training during this fiscal year. This training is available through the City's training portal as well, so new employees are able to view the material. This portal is also used to provide training topics on a variety of safety and workplace issues. The HR department is also setting up additional training opportunities available through Iowa Workforce Development that are free to employers.

The HR staff spearheaded the search process for a new City Administrator. This included the recruitment advertising, candidate review, communication with all candidates, and coordinating the interview and hiring processes. City Council approved the contract with the selected candidate in December of 2024.

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

This department 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 2025/2026

- To complete implementation of the new payroll time entry system and the employee self-service portal. **(Strategic Plan – Excellent Customer Service)**

- To conduct employee training on the use of the payroll time entry and employee self-service software systems. **(Strategic Plan – Excellent Customer Service)**

- To conduct supervisory training on various topics such as FMLA, ADA, and Fair Labor Standards to help ensure city compliance in these areas. **(Strategic Plan – Excellent Customer Service)**

- To review and determine steps for a performance management system; work to implement options identified.

Function:
General Government

Department:
City Administrator

Activity:
Human Resources

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 138,376	$ 153,045	$ 163,500	$ 162,900	$ 169,600	3.73%
Commodities	843	249	1,600	1,600	1,600	0.00%
Contractual Services	52,709	116,519	59,100	48,500	50,400	-14.72%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 191,928	$ 269,813	$ 224,200	$ 213,000	$ 221,600	-1.16%
Funding Sources						
General Revenues	$ 191,928	$ 269,813	$ 224,200	$ 213,000	$ 221,600	-1.16%

Personnel Schedule						
	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time Position Allocations:						
Human Resources Manager	0.75	0.75	0.75	0.75	0.75	
Administrative Assistant	0.50	0.50	0.50	0.50	0.50	
Total	1.25	1.25	1.25	1.25	1.25	$ 115,900
Employee Benefits						53,700
Total Personal Services						$ 169,600

Function:	*Department:*
General Government	**Parks and Recreation**

Activity:

Wellness Program

GENERAL INFORMATION

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

The program also provides 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 Administrative Specialist 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 2024/2025 is $200 less than the original budget primarily due to slight reductions in employee pension and insurance costs.

The budget for 2025/2026 is $2,600 (3.8%) more than the 2024/2025 budget due to increased personal services costs.

The budget for 2025/2026 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 2022	Actual 2023	Actual 2024	Estimated 2025	Estimated 2026
Employee Wellness Opportunities	14	12	13 (1)	14	14
Employee Wellness Participants	247	240	224	250	250
Employee Assistance Program (EAP) Participation Levels (2)	6.88%	9.72%	8.09%	10%	10%

1. New wellness activity in 2024 - Yoga Classes
2. EAP participation levels expected to increase due to the Fire and Police departments canceling their contract with Armor Up America.

	Thrive	Flu Shots	Biometric Screenings	Weight Loss Programs	Hearing Tests	Lifestyle Programs (Est.)	Fitness Scholar-ships	Blood Drives	Turkey Trot
Participants	43	30	103	N/A	N/A	43	5	N/A	0

RECENT ACCOMPLISHMENTS

The top three categories of health insurance claims for 2024 were Bones/Ligaments/Muscles, Heart and Vessels conditions, and Diabetes prevention. The Wellness program includes many offerings to address these types of claims including the Wellness reimbursements, fitness challenges, and the Daily Habits in the Wellness Center.

Annual Biometric Screenings continue to be the most well-attended offering with 103 participants. Other offerings include: Flu Shot Clinic at 30 participants, Wellness Center Challenges at 43 participants, and the Fitness Scholarship at 6 participants.

A relaunch of the Wellness Center occurred in August of 2024 and allows for the utilization of the new online app for employees, which allows employees to access the Wellness Center “on the go”.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026

- To evaluate and modify the Wellness Program offerings to best meet City employee needs. **(Strategic Plan - Healthy Community)**
- To increase overall Wellness Program participation in 2025. **(Strategic Plan - Healthy Community and Excellent Customer Service)**
- To increase participation in the Wellmark online Wellness Center. **(Strategic Plan – Healthy Community)**

Function:
General Government

Department:
Parks and Recreation

Activity:
Wellness Program

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 43,005	$ 41,493	$ 42,700	$ 42,500	$ 45,300	6.09%
Commodities	30	899	2,300	2,300	2,300	0.00%
Contractual Services	22,455	18,468	22,900	22,900	22,900	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 65,490	$ 60,860	$ 67,900	$ 67,700	$ 70,500	3.83%
Funding Sources						
Health Insurance Funds	$ 65,490	$ 60,860	$ 67,900	$ 67,700	$ 70,500	3.83%

Personnel Schedule	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time Position Allocation:						
Administrative Specialist	0.50	0.50	0.50	0.50	0.50	$ 27,400
Employee Benefits						17,900
Total Personal Services						$ 45,300

Function:	*Department:*
General Government	**Finance**

Activity:

Finance

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 2024/2025 Revised Estimate for the Finance department is $9,800 less than the original budget. There was a $10,200 decrease in personal services costs, primarily due to a Finance employee changing from family to single health insurance coverage. This decrease was partially offset by a net increase of $400 in contractual services. Significant changes in contractual services accounts include: (1) an increase of $2,400 for publishing legal notices, (2) a decrease of $2,400 for the DebtBook software annual fee for lease and subscription accounting, (3) a $300 increase in credit card fees, (4) an increase of $300 for the annual costs of the ION Wave electronic bidding software, (5) an increase of $1,000 for City-wide postage charges, and (6) a net $1,200 reduction in other accounts.

The budget for 2025/2026 is $14,900 (1.7%) higher than the original 2024/2025 budget. This overall increase is primarily due to (1) increased employee wage and benefit costs of $10,600 which reflects the 3.00% wage increase, newer employees progressing through steps in the pay plan, the increase in health insurance costs, and a reduction for allocating 10% of a Senior Account Clerk to the Parking budget, (2) a $5,500 increase due to the biannual election in 2025/2026, (3) a decrease of $5,300 due to no biannual OPEB actuarial study in 2025/2026, (4) a $3,200 increase in annual financial software maintenance costs (5% for the Cloud version of the City-wide financial software), (5) an increase of $600 for the ION Wave electronic bidding software, (6) a decrease of $2,200 in the DebtBook software annual fee for lease and subscription accounting required by new accounting standards, (7) an increase of $2,400 in the cost for publishing legal notices, (8) an increase of $1,000 in the cost for City-wide postage, and (9) a net decrease of $900 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.

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 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
Finance:					
GFOA Certificate of Achievement for Excellence in Financial Reporting	Yes	Yes	Yes	Yes	Yes
GFOA Budget Award	Yes	Yes	Yes	Yes	Yes
Moody's Investor Services Bond Rating	Aa2	Aa2	Aa2	Aa2	Aa2
City Vendors Checks Issued	4,517	4,662	4,601	4,700	4,700
City Vendor ACH Payments	197	185	182	200	200
Housing Programs Checks Issued	1,495	1,542	1,514	1,500	1,500
Housing Vendor ACH Payments	497	545	607	600	600
Payroll Checks Issued	1,050	960	843	850	850
Payroll Direct Deposit Transactions	8,563	8,946	8,816	8,900	8,900
Accounts Payable Transactions	22,506	23,230	24,682	24,700	24,700
City Receipt Transactions	11,099	13,046	11,998	12,000	12,000
Housing Receipt Transactions	2,296	2,406	2,207	1,800	1,800
Interest Earned (1)	$44,359	$1,135,645	$2,185,511	$1,800,000	$1,500,000
Purchasing:					
Purchase Orders Processed	2,981	3,091	3,108	3,100	3,100

1. The Interest Earned estimates for 2024/2025 and 2025/2026 are based on the current interest rates (these rates have declined somewhat since 2023/2024).

RECENT ACCOMPLISHMENTS

Awards. The City received GFOA's Distinguished Budget Presentation Award for the 2024/2025 Budget. This was the 40th consecutive year the City received this award. The City was awarded its 30th consecutive Certificate of Achievement for Excellence in Financial Reporting for the Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2023.

GASB Statement Implementation. GASB Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62,* was effective for the year ending June 30, 2024. This statement had minimal impacts to the City of Muscatine. GASB Statement No. 101, *Compensated Absences*, will be effective for the year ending June 30, 2025. Finance staff has participated in webinars on the requirements of this new GASB statement and the impact it will have on the City of Muscatine's financial statements.

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, the 2nd annual report in April of 2023, and the 3rd annual report in April of 2024. These funds are required to be expended or obligated by December 31, 2024.

At the October, 2024 In Depth meeting, the Finance Director reviewed the status of the various projects and programs planned to be funded with ARPA funds. This presentation included an estimate of the funds yet to be obligated as well as a list of suggested projects that could be obligated by the December 31, 2024 deadline. City Council approved the list of projects (which included additional funding for the Muscatine Sports Dome). Purchase orders or contracts were entered into by December 31, 2024 that officially obligated the remaining ARPA funds and interest earned on those funds.

General Obligation Bond Issue – June, 2024. The Finance Director worked with the City's financial advisor, bond counsel, and other City staff to complete the sale of this $4,880,000 bond issue. This issue provided funding for numerous projects recently completed, currently in progress, or scheduled for the upcoming year.

State Revolving Fund Loan for West Hill Sewer Phases 6-C. The Finance Director worked with the City's financial advisor, bond counsel, and Public Works staff to complete and finalize the $7,960,000 State Revolving Fund (SRF) Loan that is financing Phase 6-C of the West Hill Sewer Separation project.

Economic Development Incentive Programs (TIF and/or Tax Abatement). In 2024, the City Council approved the Development Agreement with Merge, LLC for a mixed use residential and commercial project at the southeast corner of Hershey Avenue and Green Street (Carver Corner). Staff is continuing to work towards completion of the Development Agreement for a similar project at the former Hawkeye Lumber site, as well as on development agreements for several other projects in the community.

Hershey Manor Management Agreement Transition. Effective July 1, 2024, the management and accounting for the Hershey Manor apartment facility was successfully transitioned from the City to the Seldin Company. Finance staff worked to complete the financial statements and audit for the fiscal year ended June 30, 2024, to complete the change to the new management company.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026

* 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 of Citizens)**

* To implement Governmental Accounting Standards Board (GASB) Statements as they become effective. Statement No. 101, *Compensated Absences*, and GASB Statement No. 102, *Certain Risk Disclosures*, will be effective for the fiscal 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 the projects/programs funded from ARPA (American Rescue Plan Act) funds and do the required ongoing reporting for these funds. ARPA funds were required to be expended or obligated by December 31, 2024. The City's ARPA funds, as well as interest earned on those funds, were all obligated by that date. Obligated funds are required to be expended by December 31, 2026. **(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 Park Avenue 4-Lane to 3-Lane Conversion project grant, 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 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 668,809	$ 670,068	$ 734,100	$ 723,900	$ 744,700	1.44%
Commodities	11,474	10,656	11,800	11,800	11,800	0.00%
Contractual Services	94,720	151,047	155,600	156,000	159,900	2.76%
Capital Outlay	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Total Expenditures	$ 775,003	$ 831,771	$ 901,500	$ 891,700	$ 916,400	1.65%
Funding Sources						
Licenses and Permits	$ 46,868	$ 59,226	$ 48,500	$ 51,800	$ 51,800	6.80%
Housing Accounting Fees	70,400	72,500	74,800	74,800	77,000	2.94%
General Revenues	657,735	700,045	778,200	765,100	787,600	1.21%
Total Funding Sources	$ 775,003	$ 831,771	$ 901,500	$ 891,700	$ 916,400	1.65%

Personnel Schedule

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
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	2.00	2.00	1.90	
Account Clerk	1.00	1.00	-	-	-	
Finance Secretary/ Parking Coordinator	0.50	0.50	0.50	0.50	0.50	
Administrative Assistant	0.38	0.50	0.50	0.50	0.50	
Total Full Time	5.83	5.95	5.95	5.95	5.85	$ 526,300
Employee Benefits						218,400
Total Personal Services						$ 744,700

Function:	*Department:*
General Government	**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 2024/2025 revised estimate is the same as the original budget.

The 2025/2026 budget is $9,200 (1.7%) less than the 2024/2025 budget. This overall decrease is primarily due to the net effects of (1) a $7,700 increase in personal services costs, (2) a $15,100 increase in contractual services (primarily ongoing software support services), (3) a $22,000 decrease in capital outlay, and (4) a $10,000 decrease in the transfer to the Computer Replacement fund.

The contracted IT staff augmentation service continues to be included in this budget at an estimated cost of $31,000. 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. This transfer was reduced to $40,000 for 2025/2026 due to limited funding available in the General Fund. 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 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
Personal Computers Maintained	221	215	213	215	215
Networks Maintained	3	3	3	3	3
Training Sessions	30	26	21	25	25

RECENT ACCOMPLISHMENTS

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

- Recovered from a catastrophic failure of the network server at the Muscatine Art Center. Since the current server is no longer covered by a service contract, the Information Technology Manager was able to locate similar hardware and physically move the storage media from the nonfunctional hardware to the new server. This creative solution minimized downtime experienced by users.

- Migrated to new hardware for both local and remote storage for the City Hall backup infrastructure. Additionally, upgraded to the current version of the backup software. The new solution provides for additional restore points as well as growth in storage requirements.

- Implemented the mPay2Park mobile app to allow downtown parking clientele to pay parking fees via credit card, Apple Pay, Google Pay, or other authorized payment methods. Parkers can see from their mobile devices when the meter will expire and have the ability to receive notifications prior to the meter expiration. Parking app users then have the ability to remotely add time to their meter up to, but not exceeding, the limit of their designated space.

- Supported parking staff in reprogramming the downtown parking meters to the new parking rate that became effective on November 7, 2024. This task also included new stickers for the rate plate displayed on the parking meters.

- Updated backup software for servers remote from City Hall to the current version of the backup software.

- Installed the new program application and database connector for the WIMS Platform that will be utilized by the laboratory at the Water Resource and Recovery Facility.

- Removed all computer and phone related technology at Hershey Manor from the city network. Since this equipment was owned by Hershey Manor, IT staff worked with the incoming management company to ensure that all equipment continued to be functional to this outside organization, yet maintained digital security for the remaining city facilities.

- Migrated outlying operations desktop computers at the Water Resource and Recovery Facility (WRRF) to laptops. This required the engineering and implementation of a wireless network through three buildings of the plant. The permanently installed desktops were experiencing a high rate of failure

due to the caustic environment in these buildings. The laptops are now only in these outlaying buildings when required, which should help with their longevity. Additionally, WRRF staff has experienced a productivity increase because the laptop can be placed closer to their work area if required.

- Renegotiated the contracts for the City's anti-malware software, Secure Internet Gateway (SIG) platform, and SIEM/SOC.

- Currently maintaining a 95.50% patch compliance across the entire organization.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026

- To engineer and install a new server infrastructure at the Muscatine Art Center. The new design will implement additional redundancy including multiple domain controllers, global catalogs, and DNS servers, as well as conforming to industry best practices. This project will use last year's highly successful upgrades at the Musser Public Library as a reference point. This project cannot be fully completed until a new collection management software is operational. **(Strategic Plan - Excellent Customer Service)**

- Complete the installation and migration of the new Virtual Machine (VM) cluster and migrate all servers from the existing VM cluster to the new one. **(Strategic Plan – Excellent Customer Service)**

- Install new kiosks at the Musser Public Library. The kiosk is a stand-alone, interactive device that allows library patrons to access information or services without interacting with staff. Services include searching for and checking out books and other library material, paying fees, etc. **(Strategic Plan - Excellent Customer Service)**

- Consult with the Muscatine Art Center staff for the selection, data migration, training, and operation of a new collection management database. The current software is obsolete and is no longer supported by the vendor. **(Strategic Plan - Excellent Customer Service)**

- Renew licensing for the City's current network switches and firewall. The current licenses will expire on October 12, 2025. If the licensing has not been renewed prior to that date, nearly all city computers and most phones will no longer be operational. Currently IT is recommending a seven-year renewal term. **(Strategic Plan - Excellent Customer Service)**

- Transfer the physical RDP server to the new VM cluster at City Hall. This server allows all police, including squad cars, and limited fire department computers, access to the police records management (Shieldware) system. **(Strategic Plan - Excellent Customer Service)**

- Implement multimedia conference room systems at both the Muscatine Recycling Center and Transfer Station and the Musser Public Library. Both facilities will be similar to other conference room installations such as the City Hall Conference Room, Police department conference room, and Fire department basement conference room. **(Strategic Plan - Excellent Customer Service)**

Function:
General Government

Department:
Finance

Activity:
Information Technology

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 236,807	$ 247,124	$ 263,400	$ 262,400	$ 271,100	2.92%
Commodities	1,461	916	2,000	2,000	2,000	0.00%
Contractual Services	144,002	129,154	167,000	171,600	182,100	9.04%
Capital Outlay	-	-	44,500	40,900	22,500	
Transfers	40,000	50,000	50,000	50,000	40,000	-20.00%
Total Expenditures	$ 422,270	$ 427,194	$ 526,900	$ 526,900	$ 517,700	-1.75%
Funding Sources						
IT Administrative Fees	$ 45,100	$ 47,300	$ 49,600	$ 49,600	$ 52,100	5.04%
General Revenues	377,170	379,894	477,300	477,300	465,600	-2.45%
Total Funding Sources	$ 422,270	$ 427,194	$ 526,900	$ 526,900	$ 517,700	-1.75%

Personnel Schedule

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time Positions:						
Information Technology Manager	1.00	1.00	1.00	1.00	1.00	
Computer Technician	1.00	1.00	1.00	1.00	1.00	
Total	2.00	2.00	2.00	2.00	2.00	$ 184,500
Employee Benefits						86,600
Total Personal Services						$ 271,100

Capital Outlay

Item:	*Quantity*	*Replacement*	*Amount*
Meraki License Renewal	1	Yes	22,500
			$ 22,500

Capital Outlay Funding Transfer

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

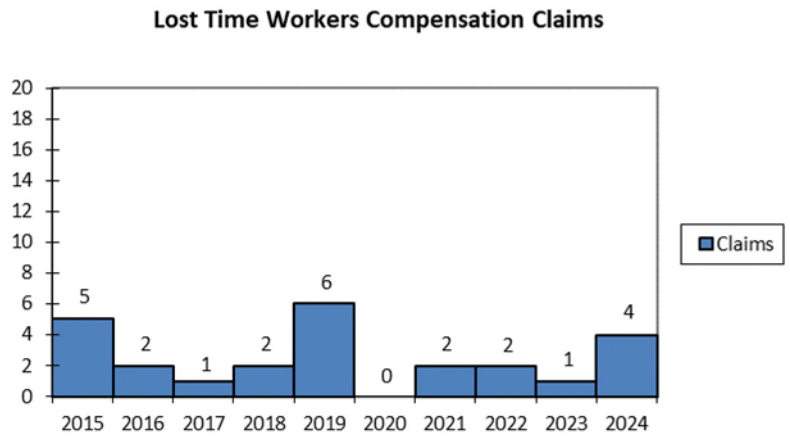
Function:	*Department:*
General Government	**City Administrator**

Activity:

Risk Management

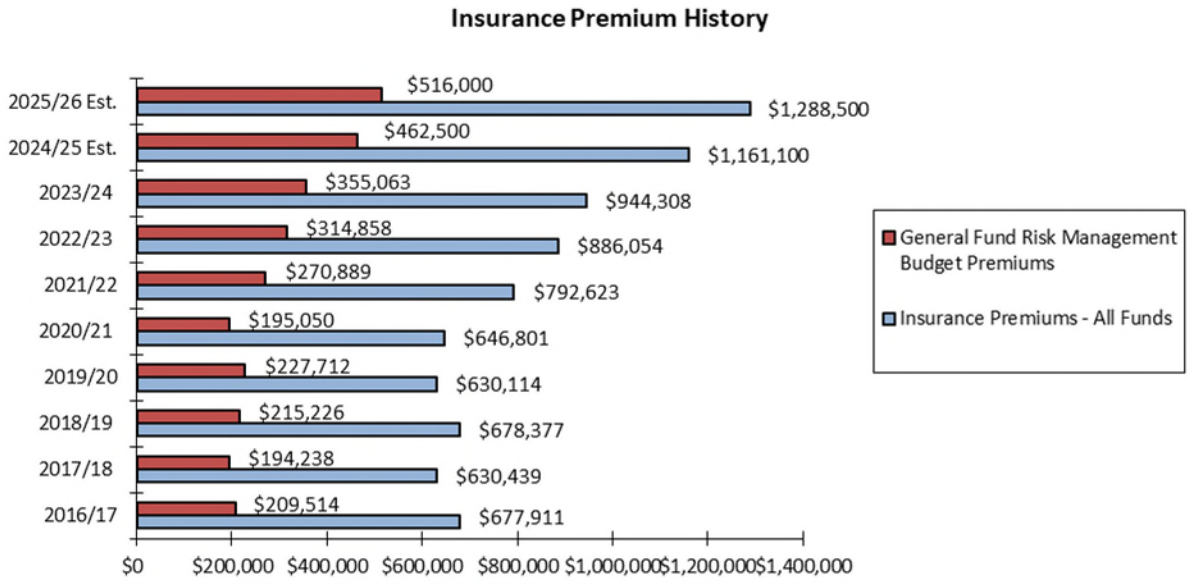
GENERAL INFORMATION

This budget includes the City's Risk Management Program, Insurance Program, and Employee Safety Program. The budget allocates funding for the Human Resources Manager's time for Risk Management and Safety Program responsibilities. The City's Wellness Program is also involved in developing and sharing safety information with City employees. There were four lost time workers compensation claims recorded for the City during calendar year 2024. The history of lost time claims for the past ten years is as follows:



The goal for 2025/2026 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 2016/2017 through the budgeted costs for 2025/2026 as well as total City insurance premiums are shown in the following graph:



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 2025/2026.

The 2024/2025 revised estimate for the Risk Management budget is $5,000 less than the original budget due to (1) a $100 decrease in personal services costs, and (2) a $4,900 decrease in insurance premiums.

The 2025/2026 Risk Management budget is $49,900 (9.3%) more than the original 2024/2025 budget due to (1) a $48,700 increase in estimated insurance costs, and (2) a $1,200 increase in personal services costs. The projected City insurance costs for the 2025/2026 fiscal year were provided by Arthur J. Gallagher and Co (AJG), the City's Agent of Record. AJG has projected increases of 6% for most of the ICAP policies with the exception of the building and contents and auto physical damage premiums which are projected to increase by 15%. Increases range from 10% to 25% for the other policies.

The total insurance amount of $1,288,500 for 2025/2026 (which includes Workers Compensation, but excludes employee health, dental, and life insurance) is $98,900 (8.3%) more than the original 2024/2025 budget of $1,189,600 and $127,400 (11.0%) higher than the 2024/2025 revised estimate of $1,161,100. These increases are reflected in most policies due to the increases noted in the previous paragraph.

Of the $1,288,500 total budgeted insurance costs, $516,000 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 General Fund Risk Management budget insurance projection of $516,000 is $48,700 (10.4%) higher than the original 2024/2025 budget of $467,300, and $53,500 (11.6%) more than the 2024/2025 revised estimate of $462,500.

The budget for 2025/2026 includes a $.48739 per $1,000 valuation Tort Liability tax levy which is a 3.7% increase from the 2024/2025 tax rate of $.46998. The Tort Liability tax levy provides funding of $19,500 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 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
Workers Compensation Experience Modification Factor	.91	.92	.83	.83	.71
Insurance Premiums Paid - All Funds	$792,623	$866,054	$944,308	$1,161,100	$1,288,500
Risk Management Insurance Premiums	$270,889	$314,858	$355,063	$462,500	$516,000
Accident Review Committee Meetings	11	10	10	12	12

RECENT ACCOMPLISHMENTS

Efforts are in progress to continue improving the City's overall safety and risk management program. 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. Staff is regularly contacted by other agencies for information about our program.

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, approximately 313 training sessions have been completed by employees. Topics ranged from general safety topics to training for fire and police.

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 meets 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 2025/2026

- Plan and conduct employment liability training topics for management staff (i.e. handling FMLA, ADA, harassment, and other issues). **(Strategic Plan – Excellent Customer Service)**

- Conduct safety audits in each department, make recommendations for improvement, and create any needed follow up plans. **(Strategic Plan – Excellent Customer Service)**

- To create guidance for departments for handling the Human Resources aspects of accident and safety policy violations to create city wide consistency. **(Strategic Plan – Excellent Customer Service)**

Function:
General Government

Department:
City Administrator

Activity:
Risk Management

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 37,499	$ 39,375	$ 41,500	$ 41,400	$ 42,700	2.89%
Commodities	3,487	3,104	9,100	9,100	9,100	0.00%
Contractual Services	331,756	362,112	483,500	478,600	532,200	10.07%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 372,742	$ 404,591	$ 534,100	$ 529,100	$ 584,000	9.34%
Funding Sources						
Tort Liability Taxes	$ 314,858	$ 355,063	$ 467,300	$ 462,500	$ 516,000	10.42%
General Revenues	57,884	49,528	66,800	66,600	68,000	1.80%
Total Funding Sources	$ 372,742	$ 404,591	$ 534,100	$ 529,100	$ 584,000	9.34%

Personnel Schedule						
	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time Position Allocation:						
Human Resources Manager	0.25	0.25	0.25	0.25	0.25	$ 30,500
Employee Benefits						12,200
Total Personal Services						$ 42,700

Function:	*Department:*
General Government	**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 2024/2025 is the same in total as the original budget. Personal services decreased by $8,800, commodities increased by $4,000, and contractual services increased by $4,800.

The 2025/2026 budget is $36,000 (4.7%) more than the 2024/2025 budget. This overall increase is due to (1) a $10,700 increase in personal services costs, (2) a $4,000 increase in commodities, (3) a $12,300 increase in contractual services, and (4) a $9,000 increase in capital outlay. 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 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
Buildings Maintained	8	8	8	8	8
Heating, Ventilation, and Air Conditioning (HVAV) and Other Service Contracts	8	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	$18,432	$22,096	$21,316	$25,000	$25,000
Major Maintenance Projects (Above $2,000) (1)	26	33	32	30	30

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

RECENT ACCOMPLISHMENTS

Building and Grounds has had a busy and challenging year. Numerous projects were completed in-house. Projects at the Art Center included washing the house windows; replacing the heat exchanger; and moving many items from the main Art Center to storage. Other in-house projects included removing a tree, and replacing or repairing several humidifiers.

At the Library, staff fixed several heat units and installed outlets and TV mounts in the children's area. Outside windows were washed; many items of furniture were moved or replaced; carpets were cleaned; downspouts and drain tile were repaired; and staff assembled and helped install the new flag pole.

City Hall work included repairing the air conditioner in the Finance department, caulking steps, and minor concrete repairs.

At the Police department this division replaced, rewired and upgraded lighting; removed items and flooring in the old locker rooms; helped to assemble new lockers; replaced a circulation pump and booster; and helped with an emergency sewer line repair.

At the Fire department staff ran new outlets in the dayroom, put a new backflow kit on the South Fire sprinkler system, and replaced a dishwasher.

Projects at Public Works included painting walls with dry erase paint and replacing the steering, mower cables, and lift arm on the riding mower.

Staff tested backflows for Parks, the Transfer Station, and Building & Grounds buildings which totaled over 50 backflows. Staff took care of cleaning, mowing, weed eating, spraying, snow and ice removal at all of our city buildings and transit shelters. Newer staff got backflow-certified and existing staff maintained their certifications.

This division also took care of overseeing many other projects this year including the deferred maintenance capital projects, city general contractor projects, and other repair projects. Deferred maintenance projects completed this year include:

Automatic Gates – Public Works
Generator – Public Works
Generator – City Hall
Commercial Hood System – Fire Department
Kitchen Remodel – Fire Department Day Room
Refrigerator and Ice Maker – Fire Department
Flag Pole Installation – Library
Retaining Wall Repair – Art Center
Door Access Control – Public Works
Dry Wall, Polyaspartic Flooring – Former Kum & Go Building
Sprinkler System Repair – Public Works
Camera and Bridges for Security System – Art Center
Hangar Roof Replacement – Airport
Air Conditioning Unit Replacement – City Hall Council Chambers
Video and Door Release Station – Public Works
Locker Room Expansion and Remodel – Police Department
Fire Alarm CPU Panel Replacement – Public Safety Building

Staff continues to ensure buildings are in good mechanical shape, are visually 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 2025/2026

- 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.
- To complete the Facility Condition Assessment with the new Asset Management software vendor.
- To fully implement the new Asset Management software.

Function:
General Government

Department:
Public Works

Activity:
Building and Grounds

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 500,893	$ 499,072	$ 527,000	$ 518,200	$ 537,700	2.03%
Commodities	55,547	56,352	62,100	66,100	66,100	6.44%
Contractual Services	126,610	158,960	183,900	188,700	196,200	6.69%
Capital Outlay	32,893	10,065	1,500	1,500	10,500	600.00%
Transfers	-	-	-	-	-	
Total Expenditures	$ 715,943	$ 724,449	$ 774,500	$ 774,500	$ 810,500	4.65%
Funding Sources						
Charges for Supplies	$ 6,877	$ 7,836	$ 7,500	$ 7,500	$ 7,500	0.00%
Sale of Equipment	346	-	-	-	-	
General Revenues	708,720	716,613	767,000	767,000	803,000	4.69%
Total Funding Sources	$ 715,943	$ 724,449	$ 774,500	$ 774,500	$ 810,500	4.65%

Personnel Schedule

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
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	2.11	2.20	2.20	1.71	1.60	
Custodian I	1.13	1.13	1.13	1.61	1.73	
Total	6.74	6.83	6.83	6.83	6.83	$ 391,600
Employee Benefits						146,100
Total Personal Services						$ 537,700

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Handicap Restroom Doors - Library	2	Yes	9,000
Window Air Conditioners - City Hall	3	Yes	1,500
			$ 10,500

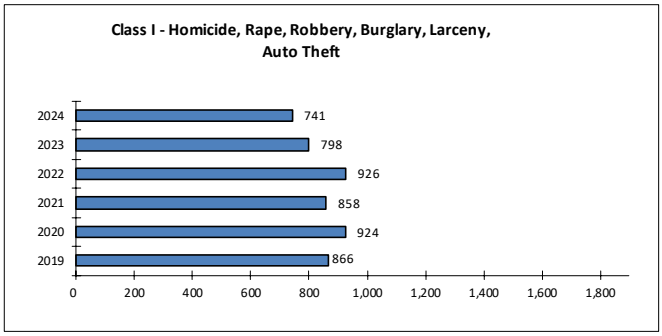
Function:	*Department:*
Public Safety	**Police**

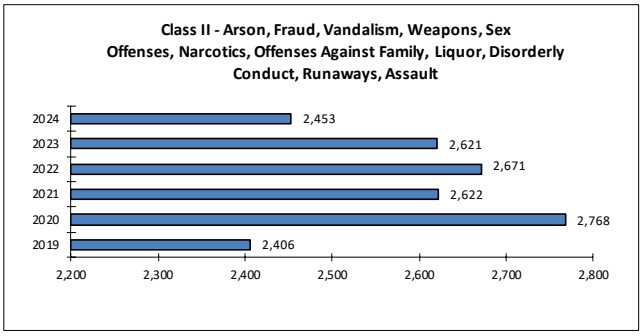
Activity:

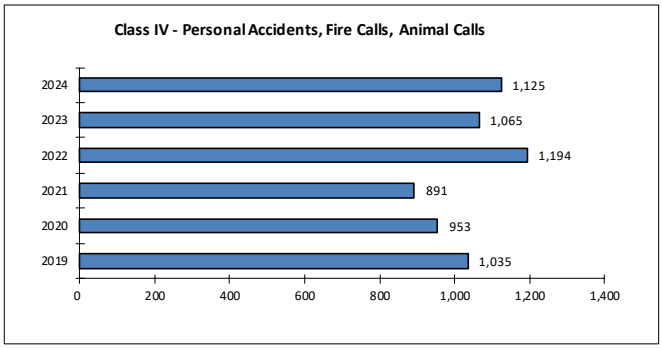
Police Operations

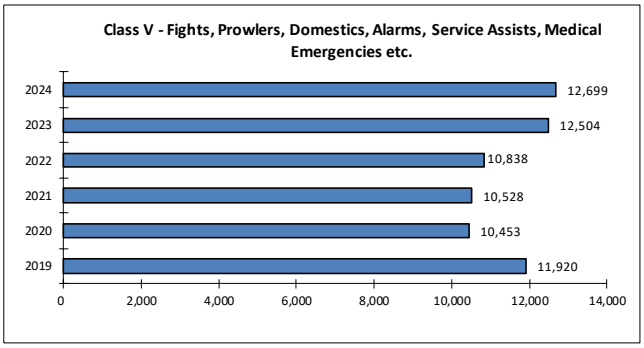
GENERAL INFORMATION

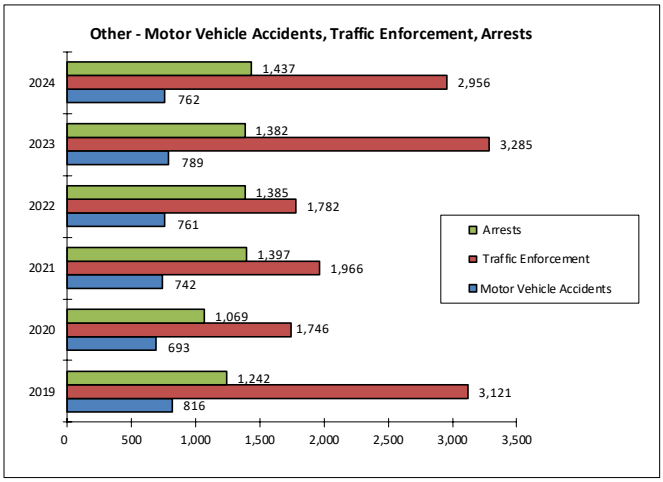
The Muscatine Police department currently includes forty-one (41) sworn officers, two (2) fulltime civilian positions, and one 29 hours per week civilian clerk position. The department is responsible for the protection of lives and property for all individuals within the City. The department currently 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:

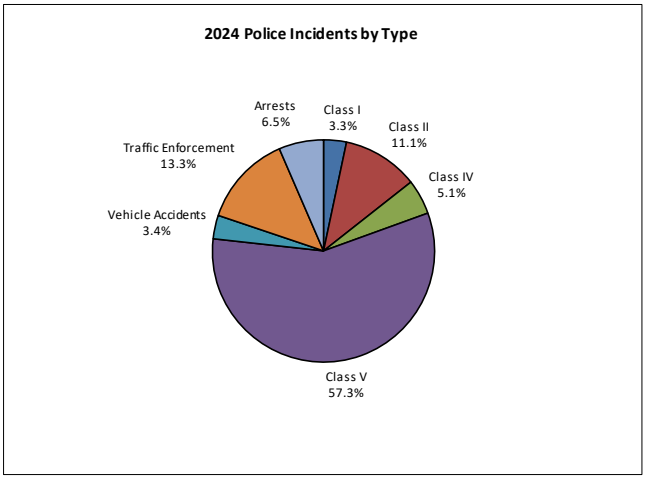












CURRENT TRENDS AND ISSUES

The revised estimate for 2024/2025 is $101,600 more than the original budget. This overall increase is due to (1) personal services costs are projected to be $43,100 less than the original budget primarily due to savings from turnover in several police officer positions during the year, (2) commodities are projected to be $3,100 more than the original budget primarily due to increased uniform and clothing costs, (3) contractual services are $48,200 more than the original budget, and (4) capital outlay is $93,400 more than the original budget. The contractual services increase includes a $29,200 increase in professional services related to the Law Enforcement Mental Health grant with those expenditures 100% funded from the grant, and various other increases. The capital outlay increase includes $18,500 due to the unexpected need to replace one of the canine units, $65,300 for body armor (which will be partially funded from $49,000 in grants and donations), and $9,600 for three radar units which will be partially funded from a State grant ($6,000 in grant funding).

The 2025/2026 budget is $18,400 (.3%) more than the original 2024/2025 budget. Personal services costs increased by $130,700 (2.3%), commodities decreased by $3,500, contractual services decreased by $124,800, and capital outlay increased by $16,000. The contractual services decrease is primarily due to no longer having expenditures funded from the Law Enforcement Mental Health grant. Due to General Fund revenue constraints the 2025/2026 budget reflected not filling one police officer position. After the budget was adopted, it was determined that this budget reduction would be accomplished by eliminating the contracted evidence technician position and making other budget reductions.

The 2025/2026 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 2025/2026 with grant expenditures of $80,600; $34,600 of Governor's Highway Safety funds are budgeted to be expended; and funding of $34,600 is estimated to be received for the City/County Drug Task Force. The budget continues funding for the two School Resource Officer positions with one at the high school and the other at the middle school. These positions are 75% ($185,000) 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 2021	Actual 2022	Actual 2023	Estimated 2024	Estimated 2025
Police Calls for Service	19,408	20,996	23,475	24,600	25,000
Overtime Hours Worked	3,845	4,283	2,627	2,800	3,400
Traffic Enforcement	1,966	1,782	3,285	3,000	3,000
Arrests	1,397	1,385	1,382	1,450	1,400
Parking Tickets Issued	2,118	1,438	1,440	1,315	1,350
Uniform Crime Report Clearance Rates	57%	55%	64%	60%	55%
Investigations Assigned	253	258	239	250	250
Investigations Cleared	85%	85%	87%	83%	85%
Automatic Traffic Enforcement (ATE):					
Red Light Violation Citations	2,732	2,828	3,522	3,400	3,000
Speed on Green Violation Citations	7,943	9,349	6,829 (1)	4,090 (2)	1,500 (2)
Department Revenue – Fiscal Year Basis	$1,172,358 (FY21/22)	$1,201,511 (FY22/23)	$1,148,037 (FY23/24)	$1,104,000 (FY24/25)	$907,900 (FY25/26)

1. Speed on Green Violations decreased in 2023 due to the mobile ATE being out of service for maintenance.
2. Speed on Green Violations decreased beginning mid-year in 2024 since the State did not approve the locations for the fixed traffic cameras; and only two locations were approved by the State for the mobile cameras.

RECENT ACCOMPLISHMENTS

The most notable accomplishments for the Muscatine Police department involves its continual commitment to the Muscatine community. The patrol division, considered to be the “face” of the department, leads with its participation in essential programs like park and walks, Police and Popsicles, Trunk or Treat and most notable, National Night Out. Traditional programs like “Shop with a Cop” and Run, Hide, Fight training for local schools and businesses continues as well. A highly successful Open House was held this year and was largely supported by patrol members.

A vital part of the patrol division is the department’s K-9 program. Currently two K-9 handlers are assigned to second and third shift duties, responding to calls for service as well as having K-9 deployment responsibilities. The department’s K-9 program was significantly changed in 2024 with the untimely death of K-9 Dex due to medical reasons and K-9 Deno leaving the department with his handler seeking employment outside of the city. With this transition, two new K-9 units were purchased.

With the intent of advancing technology, the department has made significant investments in equipment. MSORT (Muscatine’s multi-jurisdictional tactical team), recently purchased an indoor drone utilized in place of personnel during search warrants to locate violent offenders. Using this technology police personnel are more likely to resolve conflicts without personal intervention, decreasing the chance of injuries. Likewise, MSORT received outside funding for the purchase of body armor. Bullet-proof vests now carry a ten-year warranty rather than the previous five-year warranty.

The department continues to support extensive personnel training. Investing internally in our people has proven to increase job satisfaction and performance. Annual training continues for officers in Project ABLE (Active Bystandership for Law Enforcement) and occurs for newly hired officers and refresher training is provided for existing personnel. ABLE training is 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.

For a period of time, the department was fully staffed in 2024 although one officer eventually departed seeking employment outside the law enforcement community, and a second left finding employment in a neighboring agency. As a result, a shortage existed within the patrol division causing SCU (Street Crimes Unit) personnel to be reassigned to fill manpower needs.

MSORT, (Muscatine's multi-jurisdictional tactical team), was able to send three members to this year's National Tactical Operators conference held in Kansas City, Missouri. This conference provides excellent training and networking opportunities, and staff attending bring back this knowledge and expertise to the department. 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 efforts remain at the forefront of our agency's goals. The department actively seeks the public's assistance with policing efforts and seizes any opportunity to interact with the community. Programs include Code Blue, the Junior Police Academy, and the Crime Free Multi-Unit housing program. These programs continue to be a huge success and foster positive relations with members of the community. The Coffee with a Cop has been suspended until new methods for this outreach program are developed.

The department continues to support the juvenile diversion program. In 2020, because of COVID-19, the diversion program moved to an on-line format. This was followed 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.

In 2022, the department closed its firing range. Mandatory yearly firearms qualification and training continues through a partnership with the West Liberty Gun Club. The gun club has agreed to let department members use their range for a nominal fee. In 2024, the department located a parcel of City-owned land on the Muscatine Municipal Airport property suitable for a new range. The department is waiting for final approval from the Federal Aviation Administration before the project can begin. If approved, construction is anticipated to begin in the summer of 2025. The City will partner with the Muscatine County Sheriff's office to create a joint training facility and to share the costs.

Finally, a significant accomplishment in 2024 involved the implementation of grant funded mental health check-ins. Through a federal grant, the department contracted with Northland Psychological Services who conducted one-hour, mental health check-ins for each department employee. Upon completion, each employee was also offered three follow-up check-ins with the intent of gaining closure with any unresolved trauma. To date, over 33% of the department has taken advantage of the follow-up check-ins at no cost to the city. The department has since implemented policies covering the department's response to critical incidents, mental health check-ins, and peer support.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026

- To enhance 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 through the development of a community officer position and will be measured by program participation and implemented in the 2025 calendar year. **(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 goal will be to seek out a similar amount of grant awards for 2025 that will align with both City and department objectives. **(Strategic Plan - Safe Community)**

- To maintain a highly effective investigative unit which includes the Major Crimes Unit, Muscatine County Drug Task Force, and Crime Free Housing. The Muscatine County Drug Task Force had a highly successful year in 2024. The goal is to maintain a heightened level of performance throughout 2025. **(Strategic Plan - Safe Community)**

- 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; two School Resource Officers, both funded 75% by the school system, and the Muscatine Peer Support Program. **(Strategic Plan - Safe Community)**

- To initiate and finalize construction of the Police department's training facility. A location has been selected subject to the approval of the Federal Aviation Administration. Construction of the facility is expected to begin in the spring of 2025. **(Strategic Plan – Reliable Public Infrastructure)**

- To strengthen the department's personnel through training, personal development, and succession planning. In 2024, the department received its eighth consecutive award through the Commission on Accreditation for Law Enforcement Agency (CALEA), the gold standard for public safety. With effective training and sound policies, the Muscatine Police department produces very highly effective officers. **(Strategic Plan - Safe Community**)

- To maximize the efforts of the Muscatine Police department's patrol division. Offering to the community well-trained, highly effective officers is essential for public service and safety. Officer retention has been and will remain a primary goal of the department. Maintaining adequate staffing levels while minimizing turnover remains a top priority for the Police department. **(Strategic Plan - Excellent Customer Service)**

Function:
Public Safety

Department:
Police

Activity:
Police Operations

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 4,874,722	$ 5,133,689	$ 5,573,600	$ 5,530,500	$ 5,704,300	2.34%
Commodities	208,535	178,419	185,700	188,800	182,200	-1.88%
Contractual Services	419,952	355,269	444,000	492,200	319,200	-28.11%
Capital Outlay	15,326	91,027	12,000	105,400	28,000	133.33%
Transfers	-	-	-	-	-	
Total Expenditures	$ 5,518,535	$ 5,758,404	$ 6,215,300	$ 6,316,900	$ 6,233,700	0.30%
Funding Sources						
Grants	$ 352,262	$ 358,683	$ 474,200	$ 459,500	$ 341,500	-27.98%
Parking Violations	18,274	19,364	21,000	21,000	21,000	0.00%
Court Fines	161,044	247,371	160,000	160,000	160,000	0.00%
Automated Traffic Enforcement Fines	510,840	377,902	500,000	280,000	250,000	-50.00%
Fruitland Agreement	57,737	59,469	61,900	61,900	63,800	3.07%
Alarm System Charges	3,100	3,100	3,000	3,000	3,000	0.00%
Utility Franchise Fees	214,954	156,953	216,000	156,000	250,000	15.74%
General Revenues	4,200,324	4,535,562	4,779,200	5,175,500	5,144,400	7.64%
Total Funding Sources	$ 5,518,535	$ 5,758,404	$ 6,215,300	$ 6,316,900	$ 6,233,700	0.30%

Personnel Schedule

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026		Budget Amount 2025/2026
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	23.00	*	
Administrative Specialist	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	42.00		
Part Time Position:							
Clerk	0.73	0.73	0.73	0.73	0.73		
Total	43.73	43.73	43.73	43.73	42.73		$ 3,614,900
Employee Benefits							2,089,400
Total Personal Services							$ 5,704,300

* The 2025/2026 adopted budget reflected not filling one police officer position due to General Fund financial constraints. After the budget was adopted, it was determined that the budget reduction would be from eliminating the contracted evidence technician position and other reductions in this budget.

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Canine Vehicle Upfits	2	Yes	$ 28,000

Additional Capital Outlay - Equipment Replacement Fund (Bond Funded)			
Item	***Quantity***	***Replacement***	***Amount***
Patrol Vehicles	2	Yes	$ 130,000

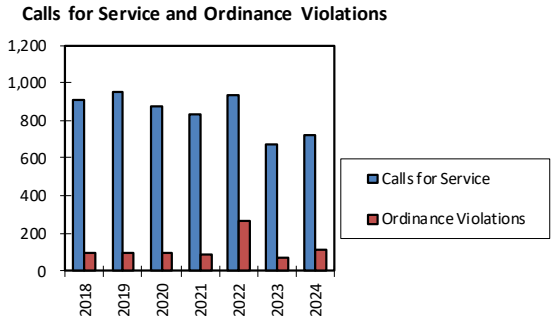
Function:	*Department:*
Public Safety	**Police**

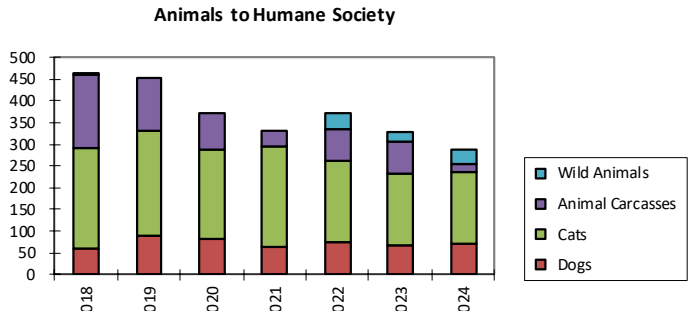
Activity:

Animal Control

GENERAL INFORMATION

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





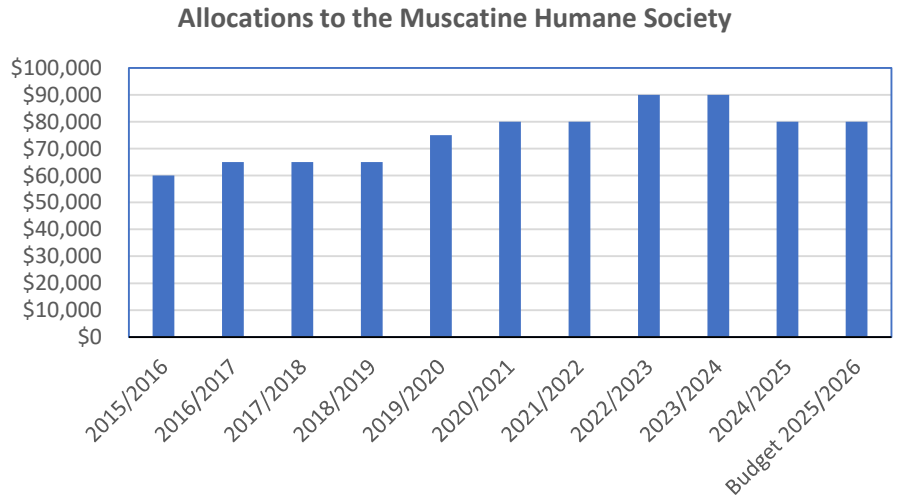
CURRENT TRENDS AND ISSUES

The 2024/2025 revised estimate is $100 less than the original 2024/2025 budget.

The 2025/2026 budget is $900 (.6%) more than the 2024/2025 budget. The overall increase is due to (1) an $1,800 increase in personal services costs, (2) a $1,200 decrease in commodities, and (3) a $300 increase contractual services. The 2025/2026 budget continues the allocation for the PetData animal 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 2024/2025 fiscal year is $80,000. That allocation has been maintained in the 2025/2026 budget.

Following is a history of the City's 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 2021	**Actual 2022**	**Actual 2023**	**Actual 2024**	**Estimated 2025**
Calls for Service	817	919	661	676	750
Ordinance Violations	90	264	73 (2)	105	135
Bite Cases	86	73	87	90	89
Animals taken to Humane Society:					
Dogs	65	74	67	69	68
Cats	228	189	164	150	165
Animal Carcasses	40	73	73	80 (3)	90 (3)
Wild Animals (transports to relocate)	0	36	22	30	27
Irresponsible Owners	N/A	2	0	4	3
Dangerous/Vicious Animals	N/A	15	7	4	8
Animal at Large	N/A	44	7	25	29
Pet Licenses Issued	N/A	648 (1)	147	511 (4)	775 (4)
Failure to Vaccinate	N/A	53	6	18	27
Failure to License	N/A	56	7	29	55 (4)
County Calls for Service	2	0	0	1	1
Fruitland Calls for Service	13	17	9	17	10
Animal Fine Revenue – Fiscal Year Basis	$3,275 (FY 21/22)	$2,075 (FY 22/23)	$1,100 (FY 23/24)	$4,000 (FY 24/25)	$4,500 (FY 25/26)
Animal License Fees – Fiscal Year Basis	$6,004 (FY 21/22)	$3,082 (FY 22/23)	$7,854 (FY 23/24)	$5,000 (FY 24/25)	$5,000 (FY 25/26)

1. Free pet licenses were issued in 2022.
2. Ordinance violations – 2023 was the first year for documented warnings for irresponsible owners.
3. Increase in animal carcasses attributed to the implementation of the "See Click Fix" reporting system.
4. Online pet registrations through PetData started in 2024. PetData also sends reminder notices.

RECENT ACCOMPLISHMENTS

The Animal Control Officer (ACO) accomplished a number of goals in calendar year 2024. She played a significant role in revising City policy regarding vicious and dangerous animals and also worked tirelessly in the development of the City's new pet licensing system, PetData, which became operational in January of 2024. In 2024, the ACO spent a significant amount of time working with the Muscatine Police department's Major Crimes Unit and the Muscatine County Attorney's Office conducting several animal rescue investigations resulting in the successful prosecution of several irresponsible pet owners.

In 2024, ACO Patel spent a great deal of time responding to and resolving "See Click Fix" reports that were submitted by the public. She consistently and diligently responds to these calls, providing timely resolution, and devotes much of her time answering the public's questions. As a result of her hard work, the residents of Muscatine are provided with a high level of customer service as well as being provided a safer, cleaner community.

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

In 2024 there were 676 ACO calls for service. Out of this call volume, 105 ordinance violation citations were issued and 37 written warnings were given. The City of Fruitland accounted for an additional 17 calls for service. The ACO was involved in 4 animal neglect cases which resulted in a total of 20 criminal charges being filed in District Court. She also assisted Muscatine County with a warrant involving 67 animals that resulted in more than 40 criminal charges in district court.

In 2024, the ACO transported 150 cats and 69 dogs to the Humane Society. Disposal of animal carcasses remained consistent with previous years, netting 80 carcasses in the 2024 calendar year. In total, the ACO transported 329 animals in 2024, which was an increase of 3 from the previous year. Additionally, 74 animals were returned to their owner before arriving at the shelter.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026

- To continue to meet or exceed the amount of enforcement actions taken within the city in 2024 by being proactive in enforcement efforts and sensitive to citizen complaints. **(Strategic Plan - Safe Community)**

- To continue to maintain positive working relationships with those agencies in which the Animal Control Officer interacts. **(Strategic Plan - Excellent Customer Service)**

- To continue to look for opportunities for public interaction in a non-enforcement setting with pet education and/or services offered to the public. **(Strategic Plan - Excellent Customer Service)**

- To promote the City's new pet licensing system (PetData) as a more accessible licensing system with the intent of gaining higher compliance rates. **(Strategic Plan - Safe Community, Excellent Customer Service)**

Function:
Public Safety

Department:
Police

Activity:
Animal Control

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 56,691	$ 57,730	$ 63,000	$ 63,800	$ 64,800	2.86%
Commodities	1,941	2,074	4,100	2,900	2,900	-29.27%
Contractual Services	91,103	96,067	90,200	90,500	90,500	0.33%
Capital Outlay	375	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 150,110	$ 155,871	$ 157,300	$ 157,200	$ 158,200	0.57%
Funding Sources						
Animal Enforcement Fines	$ 2,075	$ 1,100	$ 4,000	$ 4,000	$ 4,500	12.50%
General Revenues	148,035	154,771	153,300	153,200	153,700	0.26%
Total Funding Sources	$ 150,110	$ 155,871	$ 157,300	$ 157,200	$ 158,200	0.57%

Personnel Schedule						
	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time Position:						
Animal Control Officer	1.00	1.00	1.00	1.00	1.00	$ 54,700
Employee Benefits						10,100
Total Personal Services						$ 64,800

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

Activity:

Fire Operations

GENERAL INFORMATION

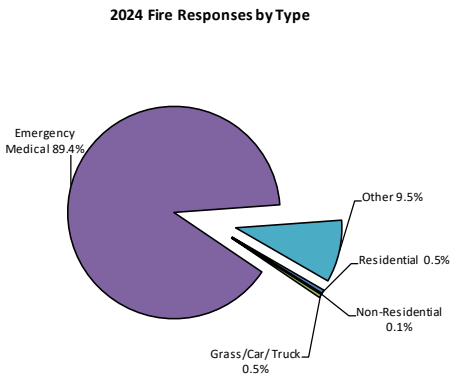
The Fire department is staffed with full time personnel and provides fire protection for the City of Muscatine as well as fire protection for adjacent areas through mutual aid agreements. The primary functions of the department include fire suppression, fire prevention through public education and code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

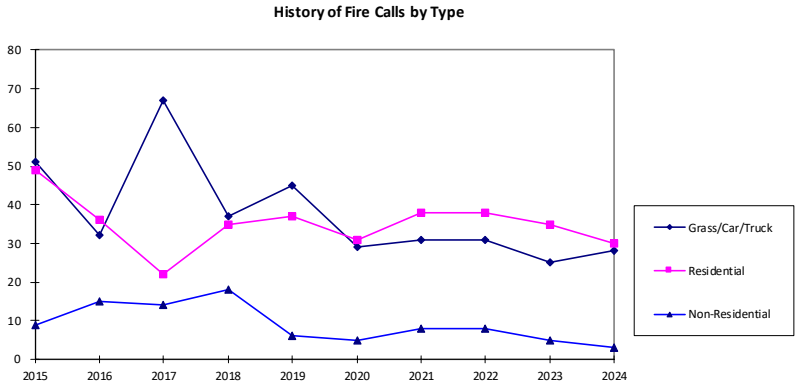
Following an independent analysis of the community's Emergency Medical Services (EMS) system, the City began full EMS delivery on July 1, 2000. As a result of that action, the City has successfully implemented a comprehensive EMS response capability and at the same time continues to respond to a wide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

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

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

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





CURRENT TRENDS AND ISSUES

The revised estimate for 2024/2025 is over the original budget by $59,000. This overall increase is due to the net effects of (1) an increase of $5,100 in personal services costs, (2) a $3,700 increase in commodities, (3) a $51,100 increase in contractual services, and (4) a $900 decrease in capital outlay. The overall personal services increase is due to an $81,100 increase in overtime due to changes related to the Fair Labor Standards Act. The overtime increase has been partially offset by a reduction in wages and benefits due to savings from staff turnover. The increase in contractual services includes (1) increased medical costs of $10,000 for on-the-job injuries and adding mental health checkups for current fire personnel, (2) an increase of $15,000 for medical costs for former fire employees that retired due to work-related injuries or illnesses, and (3) a $27,000 increase in repair and maintenance services costs for department vehicles and equipment.

The 2025/2026 Fire department budget is $217,400 (3.7%) more than the 2024/2025 budget. This increase includes: (1) personal services costs increased by $154,400 (2.8%) compared to the original 2024/2025 budget; (2) commodities increased by $6,400, (3) contractual services increased by $40,100, and (4) capital outlay increased by $16,500. Of the personal services increase, $83,700 is due to increased overtime related to the Fair Labor Standards Act. Due to General Fund financial constraints, the 2025/2026 budget reflects leaving the Assistant Fire Chief position vacant during the year. The increase in contractual services includes (1) increased medical costs of $10,000 for on-the-job injuries and adding mental health checkups for current fire personnel, (2) an increase of $15,000 for medical costs for former fire employees that retired due to work-related injuries or illnesses, and (3) a $16,000 increase in repair and maintenance services costs for department vehicles and equipment.

The 2025/2026 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 2024/2025 budget included a funding transfer of $1,651,500, which was 29.6% of the personal services costs in the original budget. The funding transfer from the Ambulance Fund in the 2025/2026 budget is $1,874,500, which is 30.4% of the Fire department personal services costs budgeted for 2025/2026. 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 2021	Actual 2022	Actual 2023	Actual 2024	Estimated 2025
All Calls for Services	5,709	5,909	5,773	5,513	5,500
Fire Training Hours	6,846	6,790	6,359	7,609	7,000
False Alarms	176	203	179	241	210
Fire Education Presentation Staff Hours	56	156	186	174	150
Number of Residents Attending Public Education Programs	300 (1)	2,800	3,650	3,750	2,500
Fire Inspections - Total	506	304	445	227	400
Inspections - Initial	265	176	303	104	240
Re-inspections	241	128	142	123	160
Burn Permits Issued	1,067	1,095	1,016	935	1,000
Outdoor Fireplace Permits	1,006	1,045	949	870	930
Open and Other Burning Permit	61	40	55	56	61
Fireworks Operational Permits Issued	10	10	12	9	9

1. The low attendance in 2021 was due to the COVID-19 pandemic.

RECENT ACCOMPLISHMENTS

- Held a controlled structure fire burn class at the Lutheran Living property. Probationary and recruits, along with our mutual aid fire department members, were in attendance for real-life hands-on training in live burns.

- Staff attended several career fairs in Iowa in a continuing effort to improve and increase recruitment efforts.

- The department hosted the Fire Explorers Day at Camp Loud Thunder and raised over $25,000 for that program.

- Held an annual Public Safety Open House in October that was well attended.

- Conducted river rescue training with Grain Processing Corporation employees and Muscatine Search and Rescue staff and performed a simulated river rescue for a person who fell in the water and needed rescued.

- A second story was added to the fire department's training facility using Conex boxes for live fire training.

- Hosted a Muscatine County Fire department Mutual Aid Meeting and training event at Station 2.

- Hosted the 30th Annual Muscatine County EMS Day at Farm and Fleet to celebrate National EMS Week.

- The department's peer support team held their annual golf outing at Bridgeside Links to raise funds for the program.

- Fire department management staff and emerging leaders participated in the City's annual leadership training.

- A chlorine leak drill was held at Muscatine Power and Water and the department's Haz Mat team participated in the joint drill.

- A high angle rescue drill was held at Grain Processing Corporation.

- Held two new 6-week firefighter recruit academies.

- Fire department staff conducted weekly Meals on Wheels deliveries to Muscatine residents.

- Designed and built an explosion simulator for a training prop.

- Purchased a new fire department command vehicle, battery operated fans, and rescue cribbing.

- Participated in Active Shooter/Rescue Task Force training that was held at Muscatine Community College.

- Held a Moment of Silence for 9/11 on September 11th at the Public Safety Building memorial site and also hosted a Public Safety 911 stair climb at the Muscatine High School stadium that day.

- Held a Moment of Silence on September 14th honoring Firefighter Mike Kruse who died in the line of duty.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026

- Continue to modify and improve the Muscatine Fire department training grounds. Once the second story of Conex boxes are set into place, continue to build out rooms on the second floor to simulate bedrooms and add an additional internal staircase to simulate making entry into basement fires. Add internal piping to use the smoke machine so a live fire does not always have to be used to decrease visibility. The project will also include beautification of the grounds, cleaning-up unnecessary items from the site, and landscaping. Dedicate and rename the training grounds after Firefighter Mike Kruse (who died in the line of duty), have a ceremony to honor Firefighter Kruse, and place signage signifying the naming of the grounds. **(Strategic Goals - Safety, Innovation, and Reliable Public Infrastructure**)

- Participate in the National 2025 Safety Stand Down. All Fire department shifts will perform an accident analysis of an EMS incident, a Fire incident, and an in-house injury. From this analysis determine future prevention measures or possible changes in our Standard Operating Procedures. **(Strategic Goal - Safety)**

- The Muscatine Fire department will host a Citizens Fire Academy to showcase our services and programs and provide hands on training in fire operations and ambulance operations. **(Strategic Goals – Excellent Customer Service, Recruitment)**

- The department will provide annual mental health wellness checks for all employees. **(Strategic Goals - Safety, Retention of Employees)**

Function:
Public Safety

Department:
Fire

Activity:
Fire Operations

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 5,092,906	$ 5,095,308	$ 5,579,200	$ 5,584,300	$ 5,733,600	2.77%
Commodities	133,356	128,780	141,200	144,900	147,600	4.53%
Contractual Services	257,408	328,586	210,100	261,200	250,200	19.09%
Capital Outlay	19,222	83,691	26,800	25,900	43,300	61.57%
Transfers	-	-	-	-	-	
Total Expenditures	$ 5,502,892	$ 5,636,365	$ 5,957,300	$ 6,016,300	$ 6,174,700	3.65%
Funding Sources						
Fire Protection Contracts and Hazmat Agreements	$ 50,468	$ 50,240	$ 50,500	$ 50,500	$ 51,200	1.39%
Ambulance Staff Funding Transfer	1,345,600	1,228,000	1,407,300	1,407,300	1,630,300	15.85%
Additional Ambulance Funding Transfer (GEMT)	232,600	232,600	244,200	244,200	244,200	0.00%
Confined Space Fees	43,775	31,500	36,000	32,700	32,700	-9.17%
Fire Inspection Fees & Permits	16,697	11,246	18,100	20,600	19,600	8.29%
Other Fees	210	2,550	1,100	1,900	1,900	72.73%
Donations	700	700	-	-	-	
Other Reimbursements	9,786	5,860	5,000	8,000	8,000	60.00%
Reimbursement of Damages	28,131	-	-	-	-	
Utility Franchise Fees	214,954	156,953	216,000	156,000	250,000	15.74%
General Revenues	3,559,971	3,916,716	3,979,100	4,095,100	3,936,800	-1.06%
Total Funding Sources	$ 5,502,892	$ 5,636,365	$ 5,957,300	$ 6,016,300	$ 6,174,700	3.65%

Personnel Schedule						
	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time Positions:						
Chief	1.00	1.00	1.00	1.00	1.00	
Assistant Chief	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	
Administrative Specialist	-	0.50	0.50	0.50	0.50	
Total Full Time	47.00	47.50	47.50	47.50	46.50	
Part Time Position:						
Office Coordinator	0.50	-	-	-	-	
Total	47.50	47.50	47.50	47.50	46.50	$ 3,433,000
Employee Benefits						2,300,600
Total Personal Services						$ 5,733,600

* Due to General Fund financial constraints, the Assistant Chief position budgeted to remain vacant through FY 2025/2026.

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Battery Extrication Rescue Tool	1	Yes	$ 43,300

Function:	*Department:*
Culture and Recreation	**Library**

Activity:

Library Operations

GENERAL INFORMATION

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

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

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

Musser Public Library is 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 2024/2025 is $134,112 and a 3% increase (to $138,000) was requested for 2025/2026. The Library has negotiated similar agreements with townships in Illinois including New Boston, Drury, and Buffalo Prairie, which generated $10,570 in revenues in 2024/2025. The Library budget for 2025/2026 reflects continuing these agreements with estimated revenues totaling $10,900.

CURRENT TRENDS AND ISSUES

The revised estimate for 2024/2025 of $1,325,800 is the same in total as the original budget. Personal services are $15,500 less than the original budget due to vacancies and new employees starting at lower steps in the pay plan; commodities are $900 lower; contractual services are $900 higher; and the revised estimate for library materials is $15,500 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 2025/2026 is $1,351,900 which is $26,100 (2.0%) more than the 2024/2025 budget. This increase is due to (1) a $41,800 increase in personal services costs, (2) a $500 decrease in commodities, (3) a $5,300 increase in contractual services, and (4) a $20,500 decrease in capital outlay for library materials. The Library budget is $25,000 less than the Library's budget request. This reduction was due to limited funding available in the General Fund. As noted previously, 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.

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 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
LIBRARY PATRONS	20,100	20,500	19,152	20,000	20,500
CIRCULATION:					
Adult Books	41,902	43,200	43,581	44,000	45,000
Young Adult Books	3,171	3,250	2,993	3,000	3,250
Juvenile Books	60,535	62,350	57,939	59,000	60,000
Magazines	2,178	2,250	1,861	2,000	2,250
DVDs	33,405	31,500	27,614	27,000	26,500
Audio	7,092	7,200	6,373	6,000	5,750
Video Games	1,365	1,400	2,384	2,500	2,750
Other	563	550	329	250	200
Internet	6,493	6,700	6,602	6,800	7,000
WiFi Usage	56,941	55,000	15,898	16,000	16,500
Databases	136,784	110,418	92,577	90,000	90,000

(Continued)	Actual 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
E Books	8,176	8,400	7,458	7,500	7,750
E Magazines	3,240	3,350	3,142	3,250	3,500
E Music	16,879	17,000	19,812	20,000	21,000
TOTAL	384,171	358,168	295,413	294,300	298,700
PROGRAMMING:					
Children's Programs	344	355	395	400	410
Children's Audience	12,076	12,045	15,054	15,250	15,500
Young Adult Programs	6	10	5	12	15
Young Adults Audience	36	50	69	75	100
Adult Programs	17	20	53	55	60
Adult Audience	341	350	1,033	1,250	1,500
Technology Classes	9	10	0	0	0
Tech Audience	9	15	0	0	0
OTHER MEASURES:					
Facebook Likes	5,882	6,255	6,300	6,350	6,400
Website Visits	121,459	122,500	101,178	105,000	110,000
Rivershare Holds	32,484	33,500	37,372	35,000	36,000
Inter-Library Loans	843	800	936	1,000	1,250
Homebound Visits	445	500	171	175	200
Homebound Circulation	1,537	1,650	1,489	1,500	1,650
Reference Questions	3,298	3,000	2,397	3,000	3,250
Building Usage	106,490	110,000	110,248	112,000	115,000
Meeting Room Usage	7,222	8,000	6,639	7,000	7,250

RECENT ACCOMPLISHMENTS

BUILDING IMPROVEMENTS

The Library made several significant building improvements over the last year. We recently installed comprehensive soundproofing in Room #104 which has had a significant impact on the quality of the meeting room space. Due to that success, we are now investigating additional soundproofing options for other high-traffic areas of the building.

A flagpole was installed on the Library property in September. This flag pole was funded entirely through ARPA funds and is 35 feet tall and can hold 2 flags. This will allow us to fly the American flag and the State flag of Iowa. Once the lighting is installed the flag will be flown 24/7 moving forward.

In the 4th quarter of 2024, the Library received a generous donation of public facing furniture from HNI. We estimate that we were able to replace 1/3 to 1/2 of our existing public furniture with this donation, which has improved the look of the library and contributes to the pride that the Library staff has when showing our facility to both the community and tourists.

STAFF DEVELOPMENT

This past year, staff were able to attend 2 in-service events, one in the Spring and one in the Fall. Implementing staff in-service events is a long-term goal and project of the Management Team and one that is important to staff success. The in-service events develop team-building and contribute to the encouragement of ground-up employee investment in the library. Typically, Library staff will visit another area library to explore and identify new services that could be incorporated into Musser Public Library's offerings. Staff feedback has been extraordinarily positive and we will continue this practice going forward.

This past fall two library staff were also selected to present at the annual State Library Conference in Des Moines. Both presentations packed the room and received positive feedback from the audience. Encouraging staff to participate in these events improves morale and contribute to professional development. Additionally, these events increase positive publicity for the Library at a State level and, by extension, the City of Muscatine. The staff at the Library want to be leaders in the public library world and this is one way to make that happen.

TECHNOLOGY IMPROVEMENTS

Per the Library's long-term goals, keeping up with technology plays an important role in our success. As part of our technology replacement plan, we recently swapped out four old kiosks for four new ones. These self-check kiosks account for over 90% of our patron checkouts. This allows us to keep Circulation staff levels at a minimum while providing quality patron service. The Library was able to obtain a 50% discount on this equipment, saving over $12,000 in hardware costs.

The Library also recently purchased new A/V hybrid meeting equipment to install in Room #104 to improve our online conference room options. By completing the installation by staff, the Library will see a cost savings associated with this technology.

PROGRAMMING IMPROVEMENTS

Over the last 18 months we have replaced two long-term full-time Youth Services Librarians who are actively working to improve programming for all ages in the community. Previously, nearly 75% of Library programming was directed at ages 0-8. One of the primary goals over the next few years is to broaden the appeal of the Library to all ages groups and more equally distribute programming to the entire community.

This process has resulted in several new programs as well as a rebranding of those programs. A vibrant programming department is crucial to capturing patron interest and ensuring long-term use of Library services.

STRATEGIC PLAN

With the completion of the Strategic Plan now in place, staff can move forward with our initiatives over the next 3 years. Those initiatives are focused on the following three pillars: Patrons, Innovation, and Community. Through the action items listed in the Strategic Plan in alignment with these pillars, the Library will continue to remain relevant far into the future and improve overall well-being in the community. Having a strong, future-focused library is a critical component to a strong and attractive community and helps to draw new workers and their families to the area.

COLLECTIONS

Over the past year Library staff have been methodically deaccessioning old, unused, and out of date materials to freshen up the collection and improve the overall appearance of the shelves and the Library in general. Through a partnership with Thriftbooks, the Library has developed a de-accessioning plan to make space for new materials in the collection. Through this process, Thriftbooks purchases these old materials each month and compensates the Library for them. That money is then used to purchase new materials and further improve the collection. The Library currently receives approximately $3,000.00 per calendar year through these sales.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026

- **EMPLOY QUALITY TALENT (Excellent Customer Service)**

  -All Management Team staff attend either a state or national conference once per year and ideally present on a topic in their area
  -Regular full-time and part-time staff attend the Spring and Fall Staff In-Service and present what they've learned to the rest of the staff
  -All staff to focus and develop one area of expertise that relates to patron services in conjunction with regular duties

- **MAINTAIN & INVEST IN TECHNOLOGY (Excellent Customer Service)**

  -Improve meeting room technology for public meeting rooms to allow for hybrid online/in-person meetings
  -Execution of the newly created Technology Replacement Plan
  -Build out hybrid meeting spaces
  -Continue replacing all Windows machines that cannot be upgraded to Windows 11

- **IMPROVE PHYSICAL FACILITIES (Reliable Public Infrastructure)**

  -Identify additional soundproofing options throughout the building
  -Leverage outdoor space: Build Patio/Reading Garden space in the Northwest corner of the property
  -Explore handicap accessible restroom options
  -Investigate restroom options near/in the Children's department
  -Identify solutions/costs to implement wayfinding
  -Explore additional interior lighting options

- **INCREASE OVERALL LIBRARY USAGE (Excellent Customer Service and Vibrant Community)**

  -Expand programming to reach all ages and interests
  -Explore off-site delivery options, i.e. "Bookmobile"
  -Expand Channel 5 viewership through new video programs (local history collections, genealogy, community stories and sharing through podcasts)
  -Continue deaccessioning old, unused materials and purchasing new, relevant materials (collection refresh)
  -Identify relevant databases
  -Improve website resources to attract more users
  -Increase collection size utilizing digital materials
  -Renew partnerships with community organizations to expand existing services

- **PROMOTE EXISTING LIBRARY RESOURCES (Excellent Customer Service and Vibrant Community)**

  -Develop new Marketing Plan
  -Expand newsletter reach
  -Expand social media reach
  -Continue producing annual reports and expand their distribution to community stakeholders

Function:
Culture and Recreation

Department:
Library

Activity:
Library Operations

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 916,612	$ 960,588	$ 1,013,600	$ 998,100	$ 1,055,400	4.12%
Commodities	10,995	8,524	12,000	11,100	11,500	-4.17%
Contractual Services	142,245	152,285	150,000	150,900	155,300	3.53%
Capital Outlay	123,958	143,490	150,200	165,700	129,700	-13.65%
Transfers	44,890	17,008	-	-	-	
Total Expenditures	$ 1,238,700	$ 1,281,895	$ 1,325,800	$ 1,325,800	$ 1,351,900	1.97%
Funding Sources						
Library Revenues	$ 16,978	$ 14,324	$ 16,600	$ 31,400	$ 14,600	-12.05%
County Contributions	126,414	130,206	134,100	134,100	138,000	2.91%
Hotel/Motel Tax	144,498	146,308	143,750	148,750	148,750	3.48%
General Revenues	950,810	991,057	1,031,350	1,011,550	1,050,550	1.86%
Total Funding Sources	$ 1,238,700	$ 1,281,895	$ 1,325,800	$ 1,325,800	$ 1,351,900	1.97%

Personnel Schedule

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
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	3.00	2.00	2.00	2.50	3.00	
Library Assistant	2.00	3.00	3.00	2.50	2.00	
Total Full Time	7.00	7.00	7.00	7.00	7.00	
Part Time Positions:						
Library Technician	1.88	1.69	1.58	1.57	1.58	
Library Assistant	2.51	2.87	2.20	2.81	2.89	
Librarian	0.67	-	0.70	-	-	
Library Shelvers	0.49	0.48	0.60	0.60	0.60	
Other Technicians	0.00	0.00	0.00	0.00	0.00	
Office Clerk	0.36	0.43	0.38	0.31	0.38	
Total Part Time	5.90	5.47	5.45	5.29	5.45	
Total	12.90	12.47	12.45	12.29	12.45	$ 816,400
Employee Benefits						239,000
Total Personal Services						$ 1,055,400

Capital Outlay

Item	*Replacement*	*Amount*
Library Materials (Books, Videos, Serials, Database Subscriptions, etc.)	Yes	129,700
		$ 129,700

Function:	*Department:*
Culture and Recreation	**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 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	17,145	17,659	21,400	21,000	-	-100.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 17,145	$ 17,659	$ 21,400	$ 21,000	$ -	-100.00%
Funding Sources						
Cable Franchise Fees	$ 17,145	$ 17,659	$ 21,400	$ 21,000	$ -	-100.00%

Function:	*Department:*
Culture and Recreation	**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 2024/2025 is $41,200 more than the original budget. Personal services costs are $23,700 more than the original budget, commodities increased by $850 in the revised estimate, contractual services increased by $11,250, and capital outlay increased by $5,400. These increases are primarily related to personnel and other costs which will be funded from a grant from the Roy J. Carver Charitable Trust totaling $59,010. Of this grant, $47,350 is expected to be expended in 2024/2025 and the remaining $11,660 will be expended in 2025/2026.

The 2025/2026 budget is $63,400 (12.9%) higher than the original 2024/2025 budget. Of this increase, $11,660 will be funded from the grant from the Roy J. Carver Charitable Trust. Personal services costs increased by $53,900 (12.1%), which includes $46,600 in retirement pay for two long-term Art Center employees. Commodities increased by $300 and contractual services increased by $9,200. The 2025/2026 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 2024/2025 and 2025/2026 for the additional costs associated with the staff reorganization implemented in 2010/2011. Budgeted contributions from those organizations total $60,200 in 2024/2025 and $60,600 in 2025/2026.

Again in 2025/2026 one-fourth (1/4) of the Hotel/Motel tax has been appropriated to support the Museum/Art Center operations. This amount is estimated at $148,750.

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 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
Attendance	21,039	18,419	14,442	15,500	16,000
Number of Classes Offered	194	179	172	175	185
Art Center Events Hosted	15	16	23	18	20
Exhibitions	19	17	18	16	16
Group Tours and Programs	93	83	80	90	100
City Calendar Website Posts	24	104	140	140	140
Facebook Posts	2,158	2,873	2,698	2,500	2,500
Newspaper Stories - Muscatine Journal, Quad City Times, etc.	112	138	92	80	80

RECENT ACCOMPLISHMENTS

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 organization 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. 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 takes into account a combination of funding sources to continue staffing at this level in 2025/2026. 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 Education Coordinator's time are funded through the Friends of the Muscatine Art Center. A 25% allocation of the City's Hotel/Motel Tax is directed towards the Muscatine Art Center's operating budget. An annual competitive grant through the Cultural Leadership Partner (CLP) program (Iowa Arts Council) covers a portion of the wages for part-time employees. Without this funding, the Muscatine Art Center would not be able to maintain weekend and Thursday evening hours.

Support from Partner Organizations

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. 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 annual obligation for wages. The organization also offsets the cost for busing when classes from Muscatine schools travel to the Muscatine Art Center for fieldtrips. 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, and enhance the organization. For example, they are currently funding two projects: (1) de Novo Marketing's rebranding efforts which will lead to a marketing plan for the Muscatine Art Center, and (2) design work for the proposed building addition including architectural fees and advising by Lord Cultural Resources.

Exhibitions

Currently on view in the Stanley Gallery is the "Muscatine History Revisited" exhibition (a massive undertaking which involved closing down the Stanley Gallery for nearly a month to complete the installation). In the historic house and linkage, visitors can explore "Faith, Flora & Flair" by Jim Elias, Jim Burr's Muscatine History Collection, the 2024 Heartfelt & Handmade Ornament Competition, selections from the Stanley Family collection, period toys and holiday decorations on view throughout the main floor of the historic house, and select Historic Calendars from the permanent collection. In 2023-24, the following exhibitions were installed in the Stanley Gallery: Birds in Art (organized by the Leigh Yawkey Art Museum), Jon Fasanelli-Cawelti: The Man Filled with Music, Mauricio Lasansky: Portraits from the Permanent Collection, Animals in Art (permanent collection and loans from a private collector), and Fashionably Dressed (historic textiles and fine art from the permanent collection). Other displays in 2023-24 included: "House of Cards" by Philip Laber, photography by John Deason, mixed media by Cory Christiansen, the Iowa Watercolor Society's Juried Exhibition, Heartfelt & Handmade Ornament Competition, Art Array 2024 – organized by the Muscatine County Arts Council, Recent Acquisitions (permanent collection), McColm & Company Toy Catalog and Historic Toys, The Iowa State Fair: Photographs by Kurt Ullrich, and Ida Block's Fashion Paintings and Drawings.

Collections

Starting in 2023, the Muscatine Art Center staff has focused on in-house exhibitions that heavily rely upon the permanent collection. In-house exhibitions are labor intensive and also require close attention to the conservation needs of the objects selected for view. For example, in 2023, nine paintings, primarily from the Regionalist Collection, were restored. The restoration costs were covered through the Muscatine Art Center Support Foundation Fund. Several more paintings, as well as about one dozen frames, are in need of conservation in 2025.

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. Since former Board of Trustees President Jim Burr passed away in 2022, his family has presented for consideration a few thousand Muscatine history objects with more expected in 2025. All items accepted into the collection are entered into the collections database, photographed, often researched, evaluated for condition, assigned a location, and housed accordingly.

Programs

In 2023/24, 8,855 individuals participated in a Muscatine Art Center program, event, class, tour, or outreach activity organized by the Education Coordinator. This number represents nearly 62% of all patrons for the fiscal year. Programs fall into several categories: Classes/Lectures (offered to the public), Public Events, Tours/Other Programs (arranged for specific groups), and Outreach. Significant partnerships and performing artists in 2023/24 included Eulenspiegel Puppet Theatre, Quad City Arts, Muscatine County Arts Council, Stanley Center for Peace and Security, Diversity Service Center of Iowa, University of Iowa Arts Share, Darwin Turner Action Theatre, University of Iowa's International Writers Program, Quad Cities Ballet Folklorico, 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 Fiesta, and Ballet Des Moines. Muscatine Art Center staff took the lead on bringing two-time Grammy award winner Terrance Simien and the Zydeco Experience to Muscatine.

The decrease in program attendance, as well as the number of group tours in 2023-24, is due to a particularly high demand for student fieldtrips in 2022-23 while the exhibition, Elephant and Piggie in We are Art, was on view. While there was a decrease in student participation during the school year, summer 2024 was especially busy for the Education Coordinator during summer SPARK. Staff along with a summer intern (funded through Friends of the Muscatine Art Center) provided fieldtrip experiences for all grade levels of SPARK, approximately 400 students. In addition, staff visited Jefferson Elementary to provide outreach programs to kindergarten with 18 visits between June 20th and July 12th. In addition, the Muscatine Art Center provides lessons and studio classes each month for homeschool students and provides a monthly activity for Grant Elementary's LEAD Lab. Other youth groups such as daycares, preschools, local and out-of-town summer camps, Flickinger Learning Center, the Muscatine Y, Junior Achievement, Big Brothers / Big Sisters, and Parents as Teachers had customized experiences at the Muscatine Art Center in the last year. Staff led tours and/or activities for a variety of adult groups and groups with special needs. Fieldtrips, youth programs, and adult tours typically require not just the Education 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, leading activities in the garden, and showing groups through the exhibitions.

The total number of programs provided in 2023/24 was 275 – marginally lower than the previous year. The Education Coordinator has responsibility for ensuring public programs are marketed, contract studio instructors are scheduled, studio supplies are appropriately stocked and ordered, and registrations are documented. For classes such as Mini Masters, Thursday Night Makerspace, homeschool, school fieldtrips, school outreach, and youth group programs, the Program Coordinator creates lesson plans, orders supplies, coordinates with organizers, schedules fellow staff members and volunteers to help, and teaches the lesson. Other responsibilities 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 Education Coordinator works irregular hours, staying late every Thursday night and working every other weekend.

Organizational Priorities

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 95 years of experience working for the Muscatine Art Center. The change will involve three out of four full-time positions – one current full-time employee will step into a different full-time position. That will still 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.

As these retirements loom, there are major projects to complete in 2025. This includes transitioning to a new collections database (a significant undertaking), conducting a thorough object-by-object evaluation, working with an architectural firm to develop a plan for the facilities and grounds, completing the rebranding and marketing project, marking the 60th anniversary of the organization, and researching potential federal, regional, and state grants.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026

- To implement the Employee Succession Plan by recruiting, training, and coaching new team members while working with retiring staff to ensure the successful transfer of information and know how. **(Strategic Plan – Excellent Customer Service, Vibrant Community)**
- To develop a new vision for the Muscatine Art Center by reimagining the facilities, grounds, programs, experiences, and institutional identity/brand. **(Strategic Plan – Excellent Customer Service, Vibrant Community, and Reliable Public Infrastructure)**

- To mark the organization's 60th anniversary in 2025 with a range of programs and events, strategic partnerships, and special additions to the collection. **(Strategic Plan – Excellent Customer Service, Vibrant Community)**
- To manage and complete all components pertaining to the collections project funded by the Roy J. Carver Charitable Trust. **(Strategic Plan – Excellent Customer Service, Vibrant Community)**
- To evaluate potential federal, regional, and state grant sources for suitability based on the Muscatine Art Center's long-term needs. **(Strategic Plan – Excellent Customer Service, Vibrant Community)**

Function:
Culture and Recreation

Department:
Art Center

Activity:
Art Center Operations

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 400,123	$ 409,016	$ 447,100	$ 470,800	$ 501,000	12.06%
Commodities	9,167	7,513	9,000	9,850	9,300	3.33%
Contractual Services	28,052	30,922	35,400	46,650	44,600	25.99%
Capital Outlay	4,363	8,491	-	5,400	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 441,705	$ 455,942	$ 491,500	$ 532,700	$ 554,900	12.90%
Funding Sources						
Art Center Revenues	$ 2,868	$ 2,503	$ 4,700	$ 4,700	$ 4,700	0.00%
Art Center Grant	15,000	15,000	15,000	15,000	15,000	0.00%
Support Foundation Contribution	31,165	28,914	35,400	28,300	28,700	-18.93%
Friends of the Art Center Contribution	27,097	29,454	30,400	31,900	31,900	4.93%
Other Contributions	590	900	5,300	53,100	18,500	249.06%
Hotel/Motel Tax	144,498	146,308	143,750	148,750	148,750	3.48%
General Revenues	220,487	232,863	256,950	250,950	307,350	19.61%
Total Funding Sources	$ 441,705	$ 455,942	$ 491,500	$ 532,700	$ 554,900	12.90%

Personnel Schedule	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time Positions:						
Art Center Director	1.00	1.00	1.00	1.00	1.00	
Administrative Specialist	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	-	-	-	
Art Center Education Coordinator	-	-	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	0.45	0.45	0.45	0.45	
Administrative Assistant	0.30	0.30	0.30	0.30	0.30	
Custodian	0.32	0.25	0.25	0.25	0.25	
Total Part Time	0.97	1.00	1.00	1.00	1.00	
Total	4.97	5.00	5.00	5.00	5.00	$ 349,200
Employee Benefits						151,800
Total Personal Services						$ 501,000

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

Activity:

Parks Administration

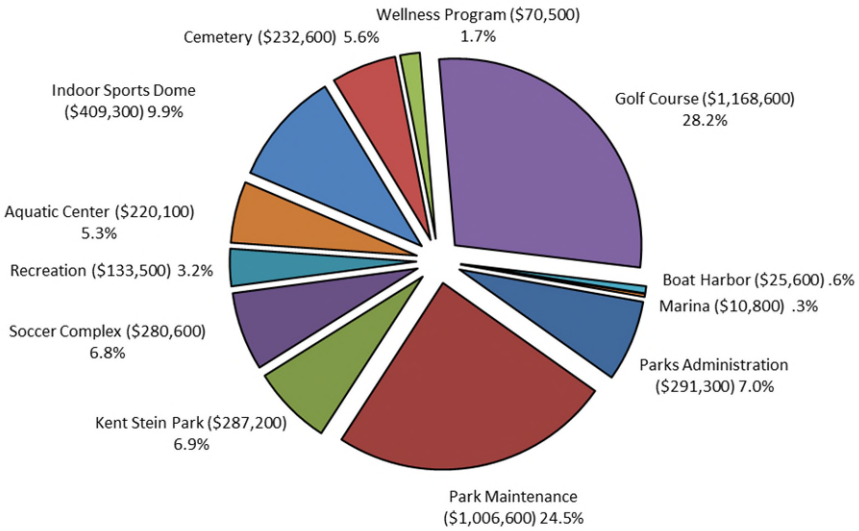
GENERAL INFORMATION

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 administrative specialist. A part-time administrative assistant 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 mid-year in 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 $13,700 for 2025/2026. 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 2025/2026 budgeted expenditures by activity for the Parks and Recreation department.

Parks and Recreation Department
Fiscal Year 2025/2026 Budget by Activity ($4,136,700)



CURRENT TRENDS AND ISSUES

The 2024/2025 revised estimate is $500 more than the original budget. Personal services decreased by $1,000 and contractual services increased by $1,500 in the revised estimate.

The 2025/2026 budget is $10,200 (3.6%) higher than the original 2024/2025 budget. Personal services costs increased by $10,300 (3.9%), and contractual services decreased by $100.

GOAL STATEMENT

To establish and maintain the most efficient leisure service delivery system possible with the available resources. This system includes the parks, recreation, and cemetery divisions as well as a golf course and a municipal boat harbor.

PERFORMANCE MEASURES

	Actual 2021/2022	**Actual 2022/2023**	**Actual 2023/2024**	**Estimated 2024/2025**	**Estimated 2025/2026**
Recreation Advisory Commission Meetings	7	7	9	9	9
Department Expenditures - All Divisions	$3,011,287	$3,413,492	$3,351,508	$3,774,100	$4,136,700
Internet Receipts Issued	630	623	573	630	630
Office Receipts Issued	1,206	1,434	1,342	1,300	1,300
Pearl City Station Rentals*	126	115	115	125	125
Riverview Center Rentals*	109	109	111	115	120
Shelters/Rose Garden Rentals	328	315	309	310	315
Parks Adopted (Calendar Year Basis)	31 (2022)	31 (2023)	33 (2024)	33 (2025)	33 (2026)
Dog Park Passes	237	153	138	140	140
Special Events Administered (by Calendar Year)	177 (2022)	191 (2023)	180 (2024)	190 (2025)	190 (2026)

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

RECENT ACCOMPLISHMENTS

Kent Stein Park, Soccer West and the Soccer Complex realized increased usage this past year. The new dome facility has increased local and regional awareness of the Muscatine facilities.

During the summer of 2024, the Muscatine Riverfront was flooded for nearly 30 days. This did cause special event and riverfront building cancellations.

The Parks and Recreation department is completing a reorganizational plan. The Assistant Director of Parks and Recreation position will be added in June 2025.

All divisions in the Parks and Recreation department continue to struggle with finding enough seasonal staff to meet the many service requests we receive. Staff continues to look for and participate in training opportunities focusing on customer service, safety and efficiencies in operations.

The Weed Park Lagoon Bank Stabilization project was successfully completed this year. Private fundraising was conducted to raise funds to repair the duck island buildings and the adjoining bridge.

The engineering review for the Riverview Deck Repair project was completed. This project will go out to bid in 2025. The Riverfront Fountain (Mississippi Mist) project is through the engineering phase, but has been delayed pending the state permitting process. This could take up to a year due to the backlog at the state level.

The Greenwood Cemetery Chapel Restoration project was completed. This involved building duct painting, new shingles and gutters, and replacing plexiglass protection on stained glass windows.

The Municipal Golf Course broke the $1 million revenue level again this year. The 2024 play and usage totals were the highest in 12 years.

The Parks and Recreation department worked cooperatively and collaborated with several community groups again this year.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026

- 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 the Musco Sports Center. **(Strategic Plan – Customer Service and Reliable Public Infrastructure) (Mission and Values – Wellness and Innovation)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Park Administration

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 219,772	$ 244,498	$ 261,700	$ 260,700	$ 272,000	3.94%
Commodities	1,213	1,938	1,600	1,600	1,600	0.00%
Contractual Services	18,299	17,169	17,800	19,300	17,700	-0.56%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 239,284	$ 263,605	$ 281,100	$ 281,600	$ 291,300	3.63%
Funding Sources						
Park Revenues	$ 63,665	$ 60,068	$ 50,300	$ 50,900	$ 50,400	0.20%
Administrative Fee	12,500	12,900	13,300	13,300	13,700	3.01%
General Revenues	163,119	190,637	217,500	217,400	227,200	4.46%
Total Funding Sources	$ 239,284	$ 263,605	$ 281,100	$ 281,600	$ 291,300	3.63%

Personnel Schedule

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time Positions/Position Allocations:						
Director of Parks and Recreation	1.00	1.00	1.00	1.00	1.00	
Administrative Specialist	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	-	-	-	-	
Administrative Assistant (Year-Round)	0.20	0.61	0.63	0.63	0.63	
Total	1.70	2.11	2.13	2.13	2.13	$ 196,300
Employee Benefits						75,700
Total Personal Services						$ 272,000

Function:	*Department:*
Culture and Recreation	**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 2024/2025 revised estimate is over the original budget by $84,200. Personal services costs are $63,100 more than the original budget primarily due to an error in the prior year budget calculation. Commodities increased by $5,600 from the original budget which includes increased fuel, fertilizer and chemical, and building repair supplies. Contractual services decreased by $3,000 and capital outlay increased by $18,500. The increase in capital outlay is due to the cost of the fuel tank installation at Weed Park coming in over budget by $9,200, and emergency electrical repairs on the boat docks ($9,300).

The 2025/2026 budget is $80,500 (8.7%) more than the original 2024/2025 budget. Personal services costs increased by $103,800 (due in part to the prior year budget error), commodities increased by $4,300, contractual services decreased by $2,600, and capital outlay decreased by $25,000. The 2025/2026 Equipment Replacement Fund budget includes $45,000 to replace a half-ton truck. Due to limited General Fund revenues, this truck is budgeted to be funded from bond proceeds.

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 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
Parks (A)	18	18	18	19 (1)	19
Park Acres (B)	247	247	247	247.1 (1)	247.1
Park Shelters	18	20	20	20	20
Miles of Trail	15.1	15.2	15.2	15.2	15.2
Playgrounds (C)	12	14	14	14	14
Buildings	13	16	16	16	13
Basketball Courts	6	6	6	6	6
Tennis/Pickleball Courts (D)	8	14	14	14	8
Dog Park (E)	1	1	1	1	1
Skate Parks	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	20	20	10 (2)	10	10
Aquatic Center	1	1	1	1	1
Interactive Fountains	1	2	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. Pocket Park addition for Mulberry Revitalization Project in 2024/2025.
2. Right of Way Miles Maintained were re-evaluated and, with City Council direction, the miles maintained were reduced in 2024.

A. According to the National Recreation and Park Association 2024 Agency Performance Review, the typical Midwestern community has one park per 2,386 residents. Muscatine has one park per 1,297 residents.

B. According to the National Recreation and Park Association 2024 Agency Performance Review, the typical Midwestern community has 10.6 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 Parks Association 2024 Agency Performance Review, the typical Midwestern community has play structures in 93% of their parks. Muscatine has 77% of their parks with play structures.

D. According to the National Recreation and Park Association 2024 Agency Performance Review, 37% of Midwestern agencies maintain tennis facilities and 42% maintain outdoor pickleball courts.

E. According to the National Recreation and Park Association 2024 Agency Performance Review, Dog Parks have a 68% prevalence in Midwestern communities.

RECENT ACCOMPLISHMENTS

The Park Maintenance division continues to provide the public with safe and friendly environments to gather and play. Shelters are heavily rented throughout the season. Maintenance staff diligently works to inspect and improve all park sites; replacement of platforms on playgrounds has been a focus in recent years. This season, the platforms for Lucas Park and 4th Street Park were replaced. Repairs and updates have been made at multiple park sites to include playground poured-in-place rubber surfacing, interactive play panels, bench coatings, and spring riders.

It is one of 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 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 local Farmer's Market.

This year the Park Maintenance division planted 63 trees. The city received a $2,000 Community Forestry Grant with a private donation of matching funds, which was used to plant trees at Lucas Park. This planting was completed with the help of volunteers from the Rotary Club. They also assisted with mulching all of the trees at Lucas Park. HNI Corporation donated $7,000 to host a tree planting event in Weed Park in the fall. It was a huge success and they would like to continue the tradition.

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: Keep Muscatine Beautiful Almost Friday Fests (May-September), United Way's Day of Caring, Melon City Criterium, Car Shows, Catfish Tournament, etc. At almost all of these events, Parks staff participated in a pre-event meeting to gather all city departments in one room to ensure the event could run safely and smoothy.

Park Maintenance was fortunate to have some seasonal staff return from the previous season. Some new staff were 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. We are going to continue to support security camera installations at several park locations.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026

- Continue to replace aged playground infrastructure on playgrounds. **(Strategic Plan - Safe Community and Healthy Community)**
- Continue to provide the downtown streets with quality hanging flower baskets, to hang baskets prior to Memorial Day weekend, and keep them growing through the end of September. **(Strategic Plan – Vibrant Community)**

- Continue to implement the downtown banner program and to change banners as requested. **(Strategic Plan – Vibrant Community)**
- Continue to expand our community tree canopy and tree initiative programs. **(Strategic Plan – Healthy Community and Safe Community)**
- Continue to help coordinate and support special events taking place throughout the park system and to meet with the coordinator of each organization prior to the event. **(Strategic Plan – Excellent Customer Service and Vibrant Community)**
- Continue to recruit, train, and retain quality seasonal staff for the 15 identified seasonal positions in the Park Maintenance budget. **(Strategic Plan - Excellent Customer Service)**
- Provide a safer park system and a reduction in vandalism through the use of security cameras in identified areas in our parks. **(Strategic Plan – Safe Community)**
- 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 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 732,364	$ 675,055	$ 714,900	$ 778,000	$ 818,700	14.52%
Commodities	98,790	93,430	93,400	99,000	97,700	4.60%
Contractual Services	87,191	80,943	92,800	89,800	90,200	-2.80%
Capital Outlay	53,577	599	25,000	43,500	-	
Transfers	4,372	12,603	-	-	-	
Total Expenditures	$ 976,294	$ 862,630	$ 926,100	$ 1,010,300	$ 1,006,600	8.69%
Funding Sources						
General Revenues	$ 921,165	$ 821,330	$ 886,700	$ 963,300	$ 966,300	8.98%
Grants	10,000	2,000	-	-	-	
Donations	9,649	3,820	1,800	9,600	2,000	
Road Use Taxes	35,480	35,480	37,600	37,400	38,300	1.86%
Total Funding Sources	$ 976,294	$ 862,630	$ 926,100	$ 1,010,300	$ 1,006,600	8.69%

Personnel Schedule

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time Positions:						
Park Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00	
Park Maintenance Leadworker	1.00	1.00	1.00	1.00	1.00	
Maintenance Repairperson	2.50	2.50	2.75	2.75	2.75	
Groundskeeper	0.75	0.75	0.75	0.75	0.75	
Landscape Horticulturalist	1.00	1.00	1.00	1.00	1.00	
Total Full Time	6.25	6.25	6.50	6.50	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	2.10	1.97	1.97	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	5.49	5.36	5.37	5.36	
Total	11.78	11.74	11.86	11.87	11.86	$ 590,900
Employee Benefits						227,800
Total Personal Services						$ 818,700

Additional Capital Outlay - Equipment Replacement Fund (Bond Funded)

Item	*Quantity*	*Replacement*	*Amount*
1/2 Ton Truck	1	Yes	$ 45,000

Function:	*Department:*
Culture and Recreation	**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 2024/2025 is over the original budget by $2,400. Personal services costs decreased by $3,600, commodities decreased by $2,500, contractual services increased by $500, and capital outlay increased by $8,000. The capital outlay increase is due to a carry-forward of funds from 2023/2024 for restroom improvements.

The 2025/2026 budget is $14,400 (5.3%) more than the original 2024/2025 budget. Personal services increased by $1,400 (.7%), commodities decreased by $2,500, contractual services increased by $500, and capital outlay increased by $15,000. The capital outlay allocation of $15,000 for 2025/2026 is to purchase Ag-lime material to maintain excellent ball diamonds for user groups. The 2025/2026 Equipment Replacement Fund budget also includes $135,000 in funding to replace a one-ton truck ($80,000) and a rough mower ($55,000). Due to limited General Fund revenues, these items are budgeted to be funded from bond proceeds.

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 2022	Actual 2023	Actual 2024	Estimated 2025	Estimated 2026
Ball Diamonds Maintained	20	20	20	20	20
Total Hours of Usage (1)	5,701	5,991	7,413	7,500	7,500
Number of Tournaments (2)	13	19	30	32	32
Number of Leagues/Camps	34	34	34	34	34
Concession Revenue	$4,539	$5,500	$3,945	$5,000	$5,000
Total Revenues	$27,868	$30,247	$35,400	$36,500	$36,500

(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.

RECENT ACCOMPLISHMENTS

Kent Stein Park was open March 23 through November 3 in 2024. Staff continued to maintain and improve the park by performing daily, weekly, and monthly tasks. Some of those tasks were lip management on all diamonds, changing florescent bulbs to LED, and painting all walk-through doors on both concession buildings. Staff was able to provide additional ball diamond preparations throughout the tournament season by servicing fields during scheduled events. Staff continued to improve areas around the west concession building by adding sod from Soccer Field #11, where the new Musco Sports Center is being built.

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.

Staff continues to improve the infield playing surfaces by bringing in Ag lime and grading the infields when needed, or approximately every two weeks. Some of the other areas that need daily attention are the batter's boxes and pitcher's areas. The mound and batter box system consists of moist clay bricks and packing clay, which allows users to get a grip while not digging a hole. This assures users a safe, playable opportunity while using the facility.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026

- To continue to strive for positive relations with all representatives of associations by conducting regular meetings prior to and after their event taking place. **(Strategic Plan – Excellent Customer Service)**

- Develop a 2025/2026 Turf Care Plan 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 safety of the ball diamonds by adding material to the bottom of all fence lines. **(Strategic Plan - Safe Community)**

- To attract new tournament directors to use our excellent facility and bring not only teams into the community, but bring families to see, shop, eat, etc. **(Strategic Plan – Excellent Customer Service)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Kent Stein Park Operations

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 198,371	$ 190,921	$ 206,600	$ 203,000	$ 208,000	0.68%
Commodities	52,980	49,198	60,200	57,700	57,700	-4.15%
Contractual Services	6,514	16,266	6,000	6,500	6,500	8.33%
Capital Outlay	18,056	-	-	8,000	15,000	
Transfers	-	-	-	-	-	
Total Expenditures	$ 275,921	$ 256,385	$ 272,800	$ 275,200	$ 287,200	5.28%
Funding Sources						
Park Revenues	$ 22,497	$ 23,636	$ 27,700	$ 28,700	$ 28,700	3.61%
Housing Reimbursement	7,750	3,250	7,700	7,700	7,700	0.00%
General Revenues	245,674	229,499	237,400	238,800	250,800	5.64%
Total Funding Sources	$ 275,921	$ 256,385	$ 272,800	$ 275,200	$ 287,200	5.28%

Personnel Schedule	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time Positions/Position Allocations:						
Park Maintenance Superintendent	0.10	-	-	-	-	
Athletic Facilities Supervisor	0.25	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	0.13	0.13	
Total Full Time	0.97	1.12	1.12	1.13	1.13	
Seasonal Part Time Positions:						
Lead Groundskeeper	0.75	0.75	0.75	0.73	0.75	
Seasonal Equipment Operator/ Groundskeeper	1.98	1.98	1.98	0.91	0.92	
Total Seasonal Part Time	2.73	2.73	2.73	1.64	1.67	
Total	3.70	3.85	3.85	2.77	2.80	$ 162,400
Employee Benefits						45,600
Total Personal Services						$ 208,000

Capital Outlay		
Item	***Replacement***	***Amount***
Ag Lime Material	Yes	$ 15,000

Additional Capital Outlay - Equipment Replacement Fund (Bond Funded)			
Item	***Quantity***	***Replacement***	***Amount***
Rough Mower	1	Yes	$ 55,000
1-Ton Truck	1	Yes	80,000
			$ 135,000

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

Activity:

Soccer Complex Operations

GENERAL INFORMATION

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

Following a number of public hearings and reviews of this proposal, the City Council agreed to accept the gift and the responsibility for maintenance and scheduling of the facility. The original soccer complex consisted of six fields, two with lighting; administration, concession, and locker room facilities; a separate maintenance facility and storage area; and adequate parking to accommodate users. Two additional fields located adjacent to the original complex were developed and given to the City in 1994. 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 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 2024/2025 revised estimate is $5,600 less than the original budget. Personal services costs decreased by $2,400, commodities decreased by $4,900, contractual services increased by $1,900, and capital outlay decreased by $200.

The 2025/2026 budget is $6,200 (2.2%) less than the 2024/2025 budget due to the net effect of (1) an $800 increase in personal services costs, (2) a $4,800 decrease is commodities, (3) an $800 increase in contractual services, and (4) a $3,000 decrease in capital outlay. The 2025/2026 Equipment Replacement Fund budget also includes $46,000 in funding for a used tractor, and $40,000 for a new aerifier. Due to limited General Fund revenues, these items are budgeted to be funded from bond proceeds.

The Soccer Complex is entering its 32nd 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 2022	Actual 2023	Actual 2024	Estimated 2025	Estimated 2026
Number of Fields Maintained	12	12	12	11 (2)	11
Hours of Use for Games	2,014	1,869	2,635	2,500	2,500
Number of Tournaments (1)	9	9	9	10	10
Concession Commissions	$2,272	$2,367	$5,697	$5,800	$5,800
Total Revenues	$29,979	$33,564	$47,000	$47,000	$47,000
Number of Leagues/Camps	24	24	24	24	24
Soccer West Usage	879	1,343	1,499	1,550	1,600

1. The number of tournaments reflects the number of days those tournaments are held.
2. Field 11 is being converted into the Indoor Sports Complex.

RECENT ACCOMPLISHMENTS

The facility was open to the public from March 27 to November 5 in 2024. Staff continues to maintain the additional signage and sanitation practices throughout the complex.

The Houser Expansion project was completed and opened to the public in August of 2020. Staff has since completed the East and West drainage projects to assist with easier user access to the fields in wet conditions. All rough areas have been filled in and re-seeded; drainage and erosion control continue to be evaluated and improved. The rough areas were seeded multiple times in the spring to encourage rapid growth and promote high quality turf for the user groups.

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 in the fall to help promote quality turf and a safe playing environment as a part of our 2024 turf management plan.

Staff was able to top-dress all fields in the Soccer complex this year. 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 nutrient retention.

Staff painted all restroom and concessions doors this year. Staff cleaned the grounds after the Musco light poles were moved from Soccer West Field #11 to Soccer Complex Field #1. These relocated lights will be utilized next season to offer another lighted field to user groups.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026

- Train staff on the new irrigation system on Fields #1-6; make sure the system is ready for the season. **(Strategic Plan - Reliable Public Infrastructure)**

- Train staff on the robotic painter; continue to cross-train and have a more versatile staff.

- Continue to improve the quality of turf on Soccer West during the 2025 season while maintaining the excellent quality of turf at the main complex and maximizing usage of both areas. **(Strategic Plan - Excellent Customer Service and Safe Community)**

- Continue to strive for positive relationships with all representatives of associations by conducting regular meetings prior to their events; then follow 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 by providing monthly training throughout the year. **(Strategic Plan - Excellent Customer Service)**

- Develop a 2025-2026 Turf Care Plan; then evaluate and adjust the field maintenance and turf care programs on a weekly basis to strive for the best quality and safest playable surface possible. **(Strategic Plan – Reliable Public Infrastructure and Safe Community)**

- Continue to improve the maintenance of existing and new equipment; work with the maintenance repairperson 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 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 164,007	$ 156,865	$ 172,900	$ 170,500	$ 173,700	0.46%
Commodities	93,971	90,941	103,500	98,600	98,700	-4.64%
Contractual Services	6,032	11,284	7,400	9,300	8,200	10.81%
Capital Outlay	-	23,537	3,000	2,800	-	-100.00%
Transfers	-	-	-	-	-	
Total Expenditures	$ 264,010	$ 282,627	$ 286,800	$ 281,200	$ 280,600	-2.16%
Funding Sources						
Park Revenues	$ 35,931	$ 45,114	$ 39,500	$ 52,800	$ 52,800	33.67%
General Revenues	228,079	237,513	247,300	228,400	227,800	-7.89%
Total Funding Sources	$ 264,010	$ 282,627	$ 286,800	$ 281,200	$ 280,600	-2.16%

Personnel Schedule						
	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time Positions/Position Allocations:						
Park Maintenance Superintendent	0.10	-	-	-	-	
Athletic Facilities Supervisor	0.25	0.50	0.50	0.50	0.50	
Athletic Facilities Specialist	0.50	0.50	0.50	0.50	0.50	
Maintenance Repairperson	0.13	0.13	0.13	0.13	0.13	
Total Full Time	0.98	1.13	1.13	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	0.29	0.29	0.29	0.29	
Seasonal Equipment Operator	0.35	0.50	0.50	0.35	0.35	
Seasonal Groundskeeper	0.74	0.74	0.74	0.50	0.50	
Total Seasonal Part Time	2.10	2.13	2.13	1.74	1.74	
Total	3.08	3.26	3.26	2.87	2.87	$ 131,500
Employee Benefits						42,200
Total Personal Services						$ 173,700

Additional Capital Outlay - Equipment Replacement Fund (Bond Funded)			
Item	***Quantity***	***Replacement***	***Amount***
Tractor (Used)	1	Yes	$ 46,000
Deep Tine Aerifier	1	Yes	40,000
			$ 86,000

Function:	*Department:*
Culture and Recreation	**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 funds for the design and construction of the Muscatine Sports Dome. Funding for the project includes (1) a $1,000,000 Destination Iowa grant awarded to the City by the State of Iowa, (2) $3,687,000 in private donations, (3) $2,922,000 in City funds including bond proceeds, balances from prior projects, and American Rescue Plan Act (ARPA) funds, and (4) a contribution of $400,000 from Muscatine County.

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. 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 Sports Dome will be accounted for as an activity in the General Fund. The City's Parks and Recreation department will operate and maintain the facility.

CURRENT TRENDS AND ISSUES

At the time the original 2024/2025 budget was prepared, the Muscatine Sports Dome was projected to be operational in late 2024. The project has since been delayed with an expected opening in the summer of 2025. The 2024/2025 revised estimate has been reduced to $5,400 to reflect the later opening date. Staff anticipates hiring a full-time Assistant Parks and Recreation Director in mid-June of 2025, prior to opening the facility to support scheduling and programming of this facility. A new Maintenance Repairperson is budgeted to start in June with this position charged 75% to this budget. Other staff will be hired after completion of construction and in time for the opening of this facility. The 2024/2025 revised estimate includes $700 in commodities and $4,700 in contractual services.

Expenditures for 2025/2026 are budgeted at $409,300 and include (1) $341,600 in personal services costs, (2) $5,000 in commodities, (3) $58,700 in contractual services, and (4) $4,000 in capital outlay. Personal services costs include 100% of the Assistant Parks and Recreation Director position, (2) a 75% allocation of a fulltime Maintenance Repairperson, (3) $130,200 for part-time employee wages, (4) $32,300 for employee pension and retirement costs, and (5) $48,700 in employee health and other insurance costs. The capital outlay allocation of $4,000 is for two snow throwers. User fees for the Sports Dome are projected at $280,000 for 2025/2026.

The groundbreaking and naming event for the sports dome was held on October 20,2024. At this event, "Musco Sports Center" was announced as the official name for this facility. The Parks and Recreation staff continue to work with the Musco Sports Center design team and usage groups to ensure all necessary amenities and equipment will be available for the opening of this facility.

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

Performance measures will be determined once the facility opens

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026

- To train staff for the new facility, and make sure the facility is ready when construction is completed and the facility is opened to the public. **(Strategic Plan - Reliable Public Infrastructure)**

- To strive for positive relationships with all user groups by conducting regular meetings prior to their events; then follow up with the organizations after the event to identify strengths and opportunities for improvement. **(Strategic Plan - Excellent Customer Service)**

- To continue to support and assist other departments as requested throughout the 2025/2026 fiscal year. **(Strategic Plan - Excellent Customer Service)**

- To recruit and train quality staff for the opening of the facility and provide monthly training for staff throughout the year. **(Strategic Plan - Excellent Customer Service)**

- To work with the Maintenance Repairperson and properly document facility and equipment repairs after they have been completed. **(Strategic Plan – Reliable Public Infrastructure)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Muscatine Sports Dome

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ 217,500	$ -	$ 341,600	
Commodities	-	-	5,000	700	5,000	
Contractual Services	-	-	58,700	4,700	58,700	
Capital Outlay	-	-	-	-	4,000	
Transfers	-	-	-	-	-	
Total Expenditures	$ -	$ -	$ 281,200	$ 5,400	$ 409,300	
Funding Sources						
User Fees			$ 207,000	$ -	$ 280,000	
General Revenues	-	-	74,200	5,400	129,300	
Total Funding Sources	$ -	$ -	$ 281,200	$ 5,400	$ 409,300	

Personnel Schedule	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time Positions:						
Facility/Event Coordinator	-	-	1.00	-	-	
Assistant Parks & Recreation Director	-	-	-	-	1.00	
Maintenance Repairperson	-	-	0.75	-	0.75	
Total Full Time	-	-	1.75	-	1.75	
Part Time Positions:						
On-Site Supervisors	-	-	0.70	-	2.45	
Cashiers	-	-	0.69	-	0.90	
Seasonal Laborers	-	-	0.69	-	0.90	
Total Part Time	-	-	2.08	-	4.25	
Total	-	-	3.83	-	6.00	$ 260,700
Employee Benefits						80,900
Total Personal Services						$ 341,600

Capital Outlay			
Item:	***Quantity***	***Replacement***	***Amount***
2-Stage Snowthrowers	2	No	$ 4,000

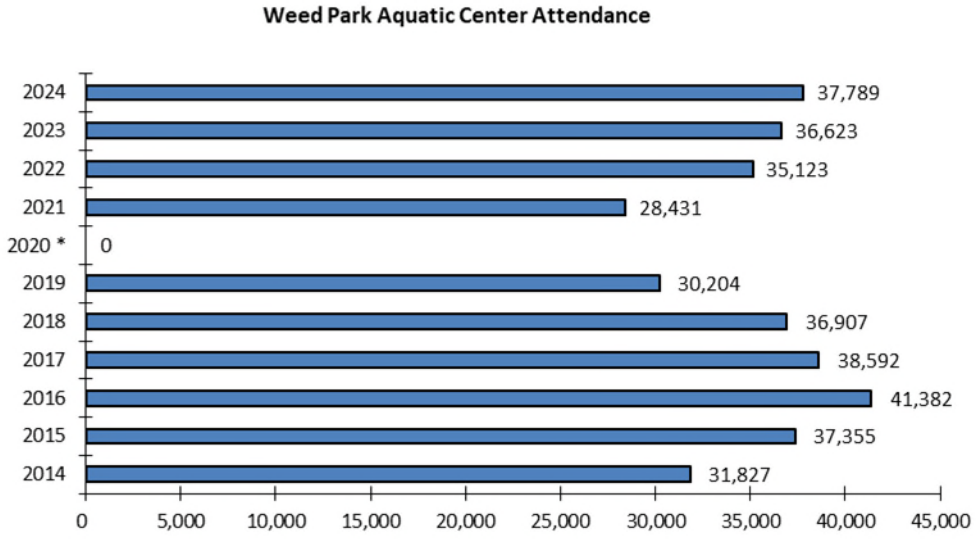
Function:	*Department:*
Culture and Recreation	**Parks and Recreation**

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 with attendance of 28,431. In 2022, attendance increased to 35,123, and attendance in the 2023 season increased to 36,623. Attendance in the 2024 season increased to 37,789. 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.



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

CURRENT TRENDS AND ISSUES

The revised estimate for 2024/2025 is $48,900 more than the original budget. Personal services costs are $1,100 less than the original budget; commodities increased by $2,500; and capital outlay increased by $45,400. The capital outlay increase is for repainting the pool basin.

The 2025/2026 budget is $18,700 (7.8%) less than the original 2024/2025 budget. Personal services costs decreased by $6,200, and capital outlay decreased by $12,500.

The 2025/2026 year will be the 22nd full budget year for the Aquatic Center. There has been a trend of increasing maintenance costs as this facility ages.

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 2022	Actual 2023	Actual 2024	Estimated 2025	Estimated 2026
Aquatic Center Attendance	35,123	36,623	37,789	37,000	37,000
Swim Lesson Enrollment	352	367	382	390	400
Season Passes Sold	71	79	81	85	85
Number of Pool Rentals	81	70	96	100	105
Special Events Attendance	661	994	988	1,000	1,000
Scholarship Pass Recipients	162	155	109	160	160

RECENT ACCOMPLISHMENTS

The Muscatine Aquatic Center had excellent attendance for the 2024 season. Over 37,700 residents and visitors enjoyed the facility, a 3.2% increase over the previous season. Favorable weather conditions and few rainouts helped offer consistent aquatic center hours.

Staff recruitment was successful this season with approximately 60% of staff returning from the prior year. Fourteen new lifeguards were hired, three of which were trained in-house at the Aquatic Center in July. The higher retention rate for staff allowed for staff to build on past trainings, mentor new lifeguards, cashiers, and slide attendants, and to provide a safe and enjoyable environment for visitors to the Muscatine Aquatic Center.

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. Staff provided excellent swim lesson instruction to participants and received many positive comments from the community.

Before and after-hours pool rentals and Multi-Purpose room rentals continue to be popular with the public. Rentals increased from 70 in 2023 to 96 in 2024, and 100 pool parties are projected for the 2025 season.

Several projects were completed at the facility before and after the season. Security cameras were installed within the facility, allowing for remote viewing of the facility to enhance safety among the visitors. Additionally, the pool basin was painted following the 2024 facility closure.

Parks and Recreation staff has begun developing an Aquatic Center master plan, with the focus on needed infrastructure upgrades. This plan will continue to be updated as new ideas are incorporated.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026

- To continue to recruit and train quality seasonal staff. **(Values - Excellent Customer Service) (Strategic Plan - Attraction and Retention of Talent)**

- To continue to increase swim lesson participation. **(Values - Excellent Customer Service and Healthy Community) (Strategic Plan - Tourism and Attractions)**

- To continue to offer the residents of Muscatine a clean, safe, and presentable aquatic center. **(Values - Excellent Customer Service and Healthy Community) (Strategic Plan - Tourism and Attractions)**

- To continue development of an aquatic center master plan focusing on infrastructure upgrades. **(Values - Excellent Customer Service) (Strategic Plan - Innovation)**

- To continue to work with area organizations and associations to fully utilize the aquatic center. **(Values - Excellent Customer Service and Healthy Community) (Strategic Plan - Innovation)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Aquatic Center

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 172,243	$ 176,080	$ 184,300	$ 183,200	$ 178,100	-3.36%
Commodities	25,531	22,058	24,900	29,500	24,900	0.00%
Contractual Services	13,801	12,943	17,100	17,100	17,100	0.00%
Capital Outlay	57,013	3,195	12,500	57,900	-	-100.00%
Transfers	-	-	-	-	-	
Total Expenditures	$ 268,588	$ 214,276	$ 238,800	$ 287,700	$ 220,100	-7.83%
Funding Sources						
Swimming Pool Revenues	$ 126,808	$ 130,537	$ 135,300	$ 138,500	$ 140,500	3.84%
General Revenues	141,780	83,739	103,500	149,200	79,600	-23.09%
Total Funding Sources	$ 268,588	$ 214,276	$ 238,800	$ 287,700	$ 220,100	-7.83%

Personnel Schedule	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Seasonal Part Time Positions:						
Swimming Pool Manager	1	1	1	1	1	
Assistant Pool Manager	2	2	2	2	2	
Lifeguard	27	27	27	27	27	
Lesson Coordinator	1	1	1	1	1	
Swimming Instructor	8	8	8	8	8	
Cashier	4	4	4	4	4	
Slide Attendants	5	5	5	5	5	
Pool Maintenance	2	2	2	2	2	
Total	50	50	50	50	50	$ 163,700
Employee Benefits						14,400
Total Personal Services						$ 178,100

Function:	*Department:*
Culture and Recreation	**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 2024/2025 revised estimate is $2,100 less than the original budget. The decrease is due to a $900 decrease in personal services costs, and a $1,200 decrease in capital outlay. The decrease in capital outlay is due to the cost of the gymnastic mats being less than budgeted.

The 2025/2026 budget is $15,100 (10.2%) less than the 2024/2025 budget. The decrease is due to (1) an $11,300 (8.4%) decrease in personal services costs, and (2) a $3,800 decrease in capital outlay.

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 2022	Actual 2023	Actual 2024	Estimated 2025	Estimate 2026
Adult Programs Offered (Including Leagues)	23	20	20	22	22
Children's Programs Offered	38	32	33	35	35
Adult Program Participants	1,980	1,592	1,781	1,800	1,800
Children's Program Participants	2,556	2,442	2,547	2,600	2,600
New Programs Offered	1	3	1	3	3
Volleyball League Teams	30	31	31	32	32

RECENT ACCOMPLISHMENTS

Participation in long-standing recreation programs has remained consistent with previous years. Gymnastics and Tee-Ball remain the most popular recreation programs, with increased demand for semi-private tennis and gymnastics lessons.

The Recreation division is grateful to be able to partner with several local organizations and volunteer groups who contribute to the success of our programs. These groups include the Melon City Bike Club, Muscatine Running Club, Muscatine Community School District, Community Y, Great River Tennis Association, and the Chamber of Commerce.

The Parks and Recreation department continues to offer the following programs and events: Soccer Skills Clinic, Boys Basketball Clinic, Get Outside Club Kickoff, Winter Blastball, Easter Egg Hunt, Tee-Ball, Summer Blastball, Volleyball Clinics, Gymnastics, Little Muskies Football, Girls Basketball Clinic, Smart Start Basketball, Fall Festival, Trunk or Treat, Candy Cane Hunt, Elves Workshop, pickleball lessons, and tennis lessons.

At the time the budget was being prepared, the Parks and Recreation administration staff was in the process of changing recreation management software from ActiveNetwork to RecDesk. This process began in November, 2024 and the new software is scheduled to launch in January of 2025.

OBJECTIVES TO BE ACOMPLISHED IN 2025/2026

- To continue to offer a number of community special events free to the Muscatine community. **(Healthy Community and Excellent Customer Service) (Strategic Plan - Tourism and Attractions)**
- To continue to offer youth recreation camps, clinics, and classes to the Muscatine community. **(Healthy Community and Excellent Customer Service) (Strategic Plan - Tourism and Attractions)**
- To continue to offer adult recreation classes and leagues to the Muscatine community. **(Healthy Community and Excellent Customer Service) (Strategic Plan - Tourism and Attractions)**
- To continue to work collaboratively with the many different groups and associations utilizing city facilities. **(Healthy Community and Excellent Customer Service) (Strategic Plan - Tourism and Attractions)**
- To continue to support other City of Muscatine departments as requested. **(Healthy Community and Excellent Customer Service) (Strategic Plan - Innovation)**
- To continue to recruit and train quality seasonal staff. **(Healthy Community and Excellent Customer Service) (Strategic Plan - Attraction and Retention of Talent)**
- 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 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 107,397	$ 97,896	$ 134,200	$ 133,300	$ 122,900	-8.42%
Commodities	4,752	4,415	5,400	5,400	5,400	0.00%
Contractual Services	4,893	4,171	5,200	5,200	5,200	0.00%
Capital Outlay	-	-	3,800	2,600	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 117,042	$ 106,482	$ 148,600	$ 146,500	$ 133,500	-10.16%
Funding Sources						
Recreation Fees	$ 28,308	$ 29,773	$ 34,100	$ 31,100	$ 31,600	-7.33%
General Revenues	88,734	76,709	114,500	115,400	101,900	-11.00%
Total Funding Sources	$ 117,042	$ 106,482	$ 148,600	$ 146,500	$ 133,500	-10.16%

Personnel Schedule	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time Positions:						
Program Supervisor	1.00	1.00	1.00	1.00	1.00	
Seasonal Part Time Positions:						
Various Instructors, Supervisors and Program Directors	23.00	23.00	23.00	23.00	23.00	
Total	24.00	24.00	24.00	24.00	24.00	$ 93,500
Employee Benefits						29,400
Total Personal Services						$ 122,900

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

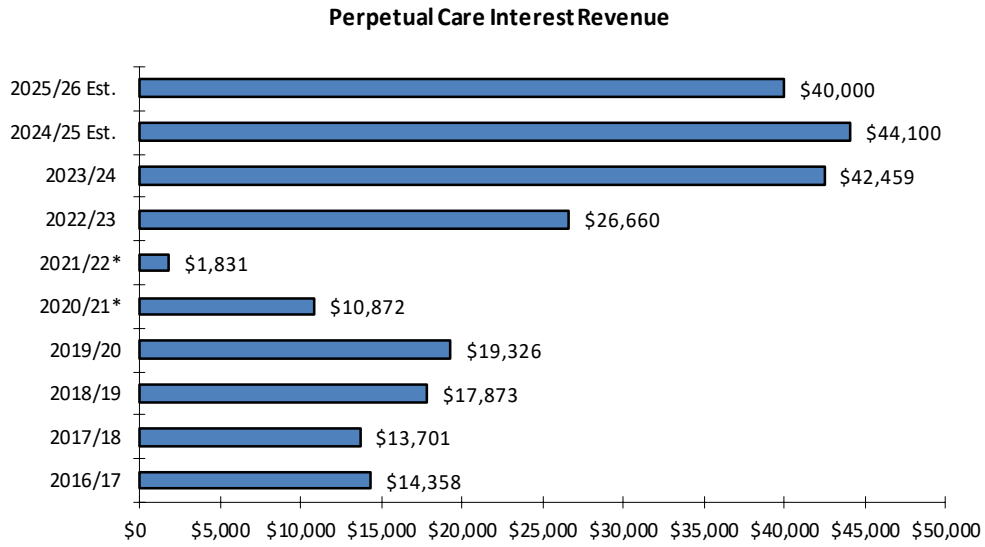
Activity:

Cemetery

GENERAL INFORMATION

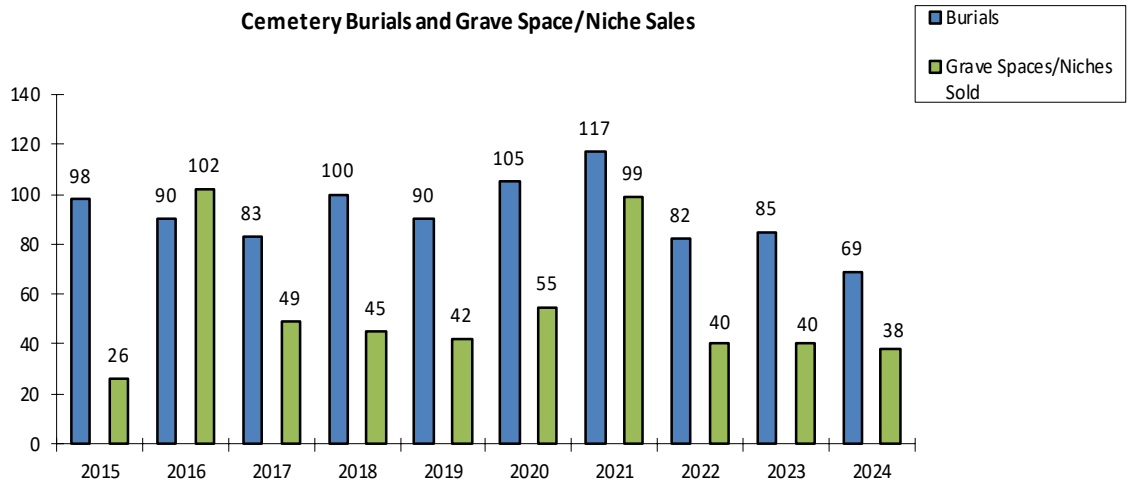
Greenwood Cemetery is a municipally owned and operated cemetery in the City of Muscatine. The Cemetery is a division of the Department of Parks and Recreation. Located on Lucas Street, the cemetery has adequate burial space for at least the next seventy-five (75) years.

Interest earnings from the Perpetual Care Fund are utilized to help support the operation of the cemetery. A percentage of all grave sales by State law are placed in the fund with the interest earnings available to support cemetery operating and improvement costs. The interest transfers from the Perpetual Care Fund to the General Fund from fiscal year 2016/2017 through 2023/2024 and the estimated amounts for 2024/2025 and 2025/2026 are as follows:



* 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, 2024 was $923,497, 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 $54,000 is expected to be needed to cover the operating costs of the cemetery for 2024/2025 and $55,600 is the estimated subsidy for 2025/2026. Fluctuations in interest rates impact interest revenue in the Perpetual Care Fund, which is a contributing factor for these subsidies. While interest rates have been increasing in recent years, a subsidy is still needed to cover increasing expenditures.

The 2024/2025 revised estimate is under the budgeted amount by $1,700. Personal services costs decreased by $700, contractual services decreased by $3,800, and capital outlay increased by $2,800. The increase in capital outlay is for the replacement of the maintenance shop heater for $2,800.

The 2025/2026 budget is $800 (.4%) more than the 2024/2025 budget due to a $1,200 (.7%) increase in personal services costs, a decrease of $7,400 in contractual services, and an increase of $7,000 in capital outlay. The capital outlay allocation is for new garage doors for the maintenance shop ($7,000). The Equipment Replacement fund includes funding of $20,000 for the purchase of a zero-turn mower for the Cemetery. Due to limited General Fund revenues, this mower is budgeted to be funded from bond proceeds.

GOAL STATEMENT

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

PERFORMANCE MEASURES

Fiscal Year Basis	Actual 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
Burials:					
Casket	42	54	38	35	45
Cremains	32	36	32	36	40
County	0	0	1	0	0
Total Burials	74	90	71	71	85
Grave Spaces Sold	66	60	49	50	60
Columbarium Niches Sold	6	7	8	5	5
Acres Maintained	80	80	80	80	80
Perpetual Care Interest (Fiscal Year Ending June 30)	$1,831	$26,660	$42,459	$44,100	$40,000
General Fund Subsidy (Fiscal Year Ended June 30)	$42,520	$61,752	$77,526	$54,000	$55,600

RECENT ACCOMPLISHMENTS

The City has contracted with Leyda, Burrus & Metz (LBM) Monuments to operate the Greenwood Cemetery office operations and the retail sales office. This was effective July 1, 2024. Under the office operations portion of the agreement, LBM is responsible for the day-to-day operations at the cemetery, which include grave space sales, burial arrangements, and general citizen inquiries. The retail sales portion of the agreement provides that LBM can use the chapel side of the building to conduct their retail sales business for monument and other ancillary sales. This was an opportune time to review the Cemetery policies and procedures. The new policies and procedures will be approved by City Council later this year.

The cemetery steps opened for the 2024 year in March and will remain open until the first measurable snowfall. Staff worked hard this year on spraying weeds; string trimming on both sides of the steps to keep weeds and grasses from encroaching; and blowing leaves and debris from the steps as needed. The donation bricks for the steps were also treated and maintained throughout the year.

New foundation lists are created for maintenance staff three times a year: spring, summer and fall. Maintenance staff was able to review the list and complete 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 results 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.

There were several improvements completed at the Greenwood Chapel including tuck pointing, a new roof, and new gutters and fascia. New plexiglass coverings for the stained-glass windows were also put in place.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026

- To provide maintenance on a weekly, monthly and yearly basis to the cemetery steps for the safety of users. **(Strategic Plan - Safety)**

- To continue to pour foundations three times/year. **(Strategic Plan - Infrastructure)**

- To continue foundation repairs throughout the Cemetery in coordination with foundation pours. (**Strategic Plan - 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 - Succession Planning)**

- To continue to recruit and train quality seasonal staff. **(Strategic Plan - Retention of Talent)**

- To build and install an additional columbarium (subject to funding). **(Strategic Plan - Infrastructure)**

- To complete the review of the Cemetery policies and guidelines for review by the City Council. **(Strategic Plan - Sustainment of Gains)**

Function:
Culture and Recreation

Department:
Parks and Recreation

Activity:
Cemetery Operations

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 159,722	$ 172,829	$ 183,400	$ 182,700	$ 184,600	0.65%
Commodities	23,503	27,942	26,600	26,600	26,600	0.00%
Contractual Services	28,103	19,128	21,800	18,000	14,400	-33.94%
Capital Outlay	-	19,268	-	2,800	7,000	
Transfers	-	-	-	-	-	
Total Expenditures	$ 211,328	$ 239,167	$ 231,800	$ 230,100	$ 232,600	0.35%
Funding Sources						
Cemetery Revenues	$ 122,916	$ 119,182	$ 123,900	$ 132,000	$ 137,000	10.57%
Perpetual Care Interest	26,660	42,459	34,000	44,100	40,000	17.65%
General Revenues	61,752	77,526	73,900	54,000	55,600	-24.76%
Total Funding Sources	$ 211,328	$ 239,167	$ 231,800	$ 230,100	$ 232,600	0.35%

Personnel Schedule

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
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	$ 136,200
Employee Benefits						48,400
Total Personal Services						$ 184,600

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Garage Doors	2	Yes	$ 7,000

Additional Capital Outlay - Equipment Replacement Fund (Bond Funded)

Item	*Quantity*	*Replacement*	*Amount*
Zero Turn Mower	1	Yes	$ 20,000

Function:	*Department:*
Health and Social Services	**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 subsidies budgeted for 2025/2026 are as follows:

Agency	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	Budget 2025/2026
Senior Resources*	$ 25,000	$ 25,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000
MCSA Homeless Prevention Program	25,000	25,000	25,000	30,000	30,000	30,000
	$ 50,000	$ 50,000	$ 55,000	$ 60,000	$ 60,000	$ 60,000

* The allocations to Senior Resources include Meals on Wheels.

CURRENT TRENDS AND ISSUES

Due to reductions in funding to the City's General Fund, the subsidies to Senior Resources 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 and that subsidy was maintained for 2023/2024, 2024/2025, and 2025/2026.

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 and 2025/2026.

Function:
Health and Social Services

Department:
Legislative and Council

Activity:
Economic Well-Being

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	55,000	60,000	60,000	60,000	60,000	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 55,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	0.00%
Funding Sources						
General Revenues	$ 55,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	0.00%

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

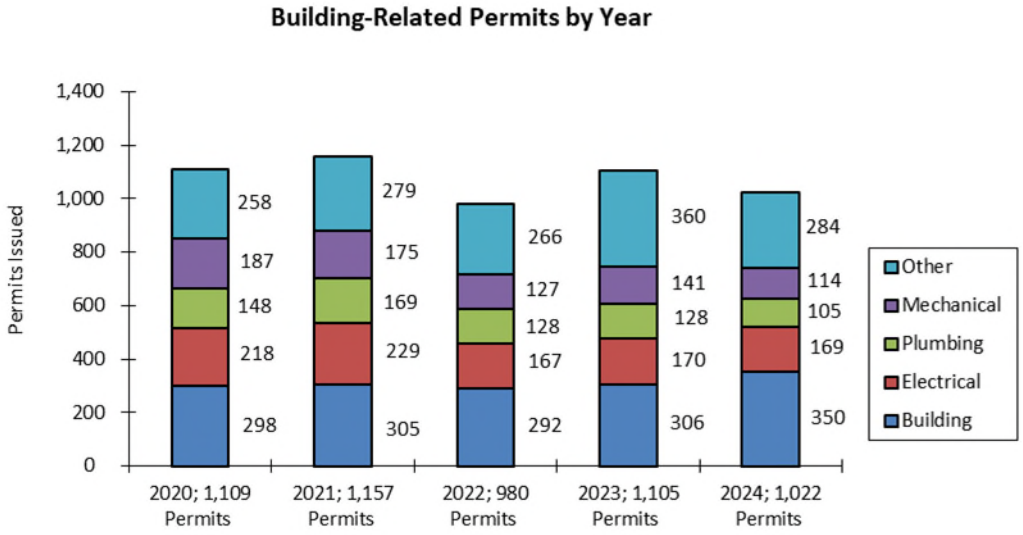
Activity:

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:



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 1,500 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 2024/2025 revised estimate is $50,700 less than the original 2024/2025 budget. Personal services are under budget by $72,000 primarily due to the vacancy in the Building Division Manager position. The personal services decrease has been partially offset by a $16,300 increase is contractual services, and a $5,000 increase in capital outlay. The $5,000 capital outlay allocation is to purchase furnishings and furniture to reorganize the office to improve operational efficiencies.

The 2025/2026 budget is $22,900 (1.9%) less than the original 2024/2025 budget. This overall decrease is due to the net effects of (1) a $90,900 (10.6%) decrease in personal services costs, (2) a $500 increase in commodities, and (3) a $67,500 increase in contractual services. The 2025/2026 budget decrease in personal services costs and increase in contractual services is due to not filling the vacant Building Division Manager position and contracting for these 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 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
Building/Construction Permits & Inspection Services:					
Construction Permits: Building, Electrical, Mechanical and Plumbing Permits Issued	807	745	722	700	710
Sign Permits	39	28	27	20	25
Demolition Permits	19	15	14	15	15
Right of Way Permits: Curb Cut, Excavation and Sidewalk Permits Issued	202	317	309	275	265
Number of New Commercial Buildings	15	13	19	16	14
New Commercial Project Values	$ 15,965,358	$ 1,366,626	$ 39,554,155	$ 37,000,000	$ 33,000,000
Number of Remodel/Rehab of Commercial Buildings	172	204	195	210	205
Remodel/Rehab Commercial Project Values	$ 25,936,831	$ 22,959,608	$ 49,856,873	$ 14,000,000	$ 20,000,000
Number of New Residential Buildings	26	8	10	18	9
Number of New Residential Units	52	10	12	60	11
New Residential Project Values	$ 12,343,396	$ 2,685,950	$ 2,294,212	$ 11,100,000	$ 2,000,000
Number of Remodel/Rehab of Residential Buildings	601	582	570	510	575
Remodel/Rehab Residential Project Values	$ 4,275,617	$ 3,798,108	$ 4,205,377	$ 4,300,000	$ 4,250,000
Permit Fees	$ 299,939	$ 352,874	$ 453,477	$ 350,000	$ 350,000
Construction Inspections	1,677	1,502	1,295	1,350	1,300
Site Plan Review Meetings	15	7	8	8	8
Building Plan/Permit Reviews	462	385	367	350	370
Rental Housing Services:					
Rental Housing Inspections - Total	1,300	1,267	1,885	1,475	1,540
Initial/triennial Inspections	800	748	961	800	850
Re-inspections	450	462	785	550	575
2nd Re-inspections	25	22	71	60	55
3rd & Subsequent Re-inspections	0	3	26	40	30
Exterior Re-inspections	13	9	19	20	25
Complaint Inspections	12	23	23	5	5
Rental Housing Fees	$ 30,198	$ 60,097	$ 98,731	$ 75,000	$ 75,000

	Actual 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
Code Enforcement Services:					
Nuisance Complaints - Total	1,989	1,487	1,676	1,420	1,320
Grass/Weeds Noticed	738	576	75	650	600
Grass/Weeds Contracted	184	218	199	160	110
Snow Noticed	84	0	19	20	20
Snow Contracted	35	0	12	10	10
Property Conditions Noticed	1,167	911	905	750	700
Property Conditions Contracted	272	264	237	185	135
Nuisance Citations/Assessment Fees	$ 134,712	$ 148,021	$ 149,288	$ 150,000	$ 145,000
Properties on Full-Time Mow List	24	16	14	12	10
Properties on Full-Time Snow List	14	10	8	7	6
Vehicles Towed/Impounded	19	4	13	10	8
Properties Posted	134	82	71	75	70
Writ of Possessions	7	17	20	22	24
Planning & Zoning Services:					
Planning & Zoning Commission Meetings	9	4	5	6	5
Development Plans	2	2	0	1	1
Rezoning Requests	1	0	1	2	1
Right-of-Way Easement Requests	3	0	0	1	1
Right-of-Way Vacation Requests	3	0	1	1	1
Subdivision Requests	4	2	3	6	4
Zoning Board of Adjustment Meetings	7	9	7	7	7
Conditional Use Requests	3	5	0	2	2
Variance Appeal Request	10	11	12	12	12

RECENT ACCOMPLISHMENTS

Development of the new comprehensive plan was initiated in the fall of 2024 with a number of focus groups, and releasing a project webpage to solicit input on community values and goals. This information will be used to develop draft goals and policies for reaction during the January design studio. Promotion of these opportunities for public input and the invitation to the community meeting was rolled out to the community in December with the Community Summit.

The Mayor, City Administrator and Community Development Director have been active in Collaborate Muscatine, an initiative to accelerate progress on community priorities and amplify the work of the key community organizations representing local government, the Chamber of Commerce, nonprofits, health care, education, and key industry groups. The Community Summit was the public unveiling of this initiative and introduction of the proposed goals for housing and education.

The Community Development department has been focused on improving and adding housing, from development of the Carver Corner and Hawkeye sites to developing a pattern book to facilitate development of small, infill lots. Through grants available for the Ignite Vitality: Mulberry project, the department has partnered with MCSA to remove unsafe structures and prepare the sites for reconstruction of new housing units. Using grant funds and resources already allocated to this project, staff are evaluating the appropriate conditions and the cost-benefit of doing this work at the time of demolition as well as potential City Code changes to streamline redevelopment. The first designs in the pattern book will include a model that will fit on these infill sites, which are often very narrow.

Work on refreshing the historic downtown continues through the Downtown Revitalization Project, a $1.2 million façade project with improvements to 9 buildings on the north side of the 200 block of East 2nd Street. This will be supplemented with similar work through the Paul Bruhn grant from the National Parks Service (NPS). The first application period ended with 13 submittals, of which the review committee recommended 6 continue through the eligibility process, including the preliminary design and review by NPS.

Enforcement of the property maintenance code continues to be actively pursued, and resulted in the demolition of 417 Mulberry. While an expensive project, this demonstrated the necessity of actively monitoring the deterioration of vacant building, especially those intertwined with adjacent properties. Upon entry, the building was found to be in significantly worse condition than believed, and a collapse of the building would have caused devastating damage to at least one adjacent building. In the 3 years of this program, 40 property owners have received notices of violations with 28 being repaired or sold and the remaining 12 demolished.

At the beginning of the year, the City owned 39 surplus properties, and CD staff has actively worked on selling these properties for redevelopment. This year 4 properties have been sold. Staff has also worked with the County over the past year to understand their requirements for the City to obtain title to vacant properties with substantial City assessments in order to get these properties reactivated in an appropriate way and actively paying taxes.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026

- Continue to implement infrastructure, commercial revitalization, and housing façade improvements that are identified as part of Ignite Vitality: Mulberry project. **(Vibrant Community, Public Infrastructure)**

- Continue implementation of housing goals as established in the Housing Market Analysis and Collaborate Muscatine. **(Vibrant Community)**

- Pursue funding to expand the City's trail system to further the goals of the Bike and Pedestrian Master Plan. **(Vibrant Community, Public Infrastructure)**

- Revise codes to support community and resident needs; encourage investment; and remove barriers to development. **(Excellent Customer Service, Vibrant Community, Public Infrastructure)**

- Implement additional tools and processes to support developers and contractors to navigate the building and permitting process. **(Excellent Customer Service, Vibrant Community)**

- Develop tools to assist residents to comply with the City Code. **(Excellent Customer Service)**

- Provide staff training to manage interactions and provide a high level of customer service. **(Excellent Customer Service)**

Function:
Community and Economic Development

Department:
Community Development

Activity:
Community Development

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 772,889	$ 808,981	$ 861,700	$ 789,700	$ 770,800	-10.55%
Commodities	8,502	10,420	9,700	9,700	10,200	5.15%
Contractual Services	207,211	249,354	334,300	350,600	401,800	20.19%
Capital Outlay	1,860	1,833	-	5,000	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 990,462	$ 1,070,588	$ 1,205,700	$ 1,155,000	$ 1,182,800	-1.90%
Funding Sources						
Community Development Revenues	$ 581,133	$ 721,628	$ 567,200	$ 591,900	$ 581,200	2.47%
General Revenues	409,329	348,960	638,500	563,100	601,600	-5.78%
Total Funding Sources	$ 990,462	$ 1,070,588	$ 1,205,700	$ 1,155,000	$ 1,182,800	-1.90%

Personnel Schedule

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026		Budget Amount 2025/2026
Full Time Positions/Position Allocations:							
Community Development Director	0.70	0.62	0.55	0.55	0.55		
Assistant Community Development Director	1.00	1.00	1.00	0.42	-		
Senior Planner	-	-	-	0.58	1.00		
Building Division Manager	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 Manager	1.00	1.00	1.00	1.00	1.00		
Community Services Officer	1.50	1.50	1.50	1.50	1.50		
Total Full Time	7.87	7.79	7.72	7.72	6.72		
Part-Time Positions:							
Administrative Assistant	0.50	0.54	0.53	0.55	0.56		
Total	8.37	8.33	8.25	8.27	7.28		$ 549,800
Employee Benefits							221,000
Total Personal Services							$ 770,800

* In 2025/2026 the City will be contracting for building inspection services in lieu of filling the vacant Building Division Manager position.

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

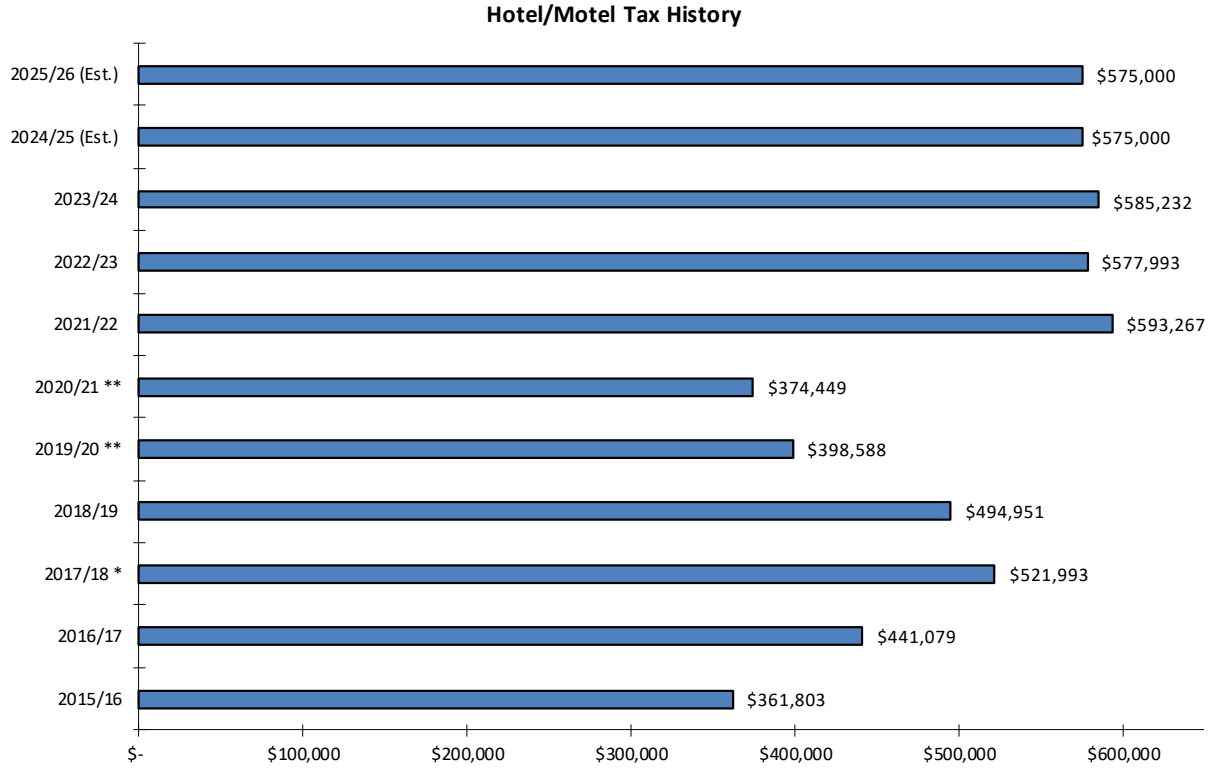
Activity:

Economic Development

GENERAL INFORMATION

The budget for this activity provides financial support for the Greater Muscatine Chamber of Commerce and Industry (GMCCI) and for the Convention and Visitors/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 2024/2025 and 2025/2026:



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

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

Through fiscal year 2012/2013, one-half of the hotel/motel tax revenue was utilized in the General Fund as general revenues and the other half was allocated to support the Art Center/Museum and the Public Library. Of the general revenue of the General Fund, the Tourism and Convention division of the Chamber of Commerce received financial support for their activities. For 2011/2012, $55,000 was included in the budget for the tourism program and that funding level was maintained for 2012/2013.

In 2012/2013 the Convention and Visitors Bureau (CVB) took steps to become a separate entity and in July of 2013 they officially became an entity separate from the Chamber. A CVB Board was established and the CVB

Manager relocated to an office in the lower level of City Hall. The City provided accounting services for the CVB operation and the CVB's funds were accounted for as a discretely presented component unit of the City through the 2014/2015 fiscal year. As of June 30, 2015, the non-profit CVB was dissolved and the CVB became an enterprise fund of the City.

The 2013/2014 budget was based on changing the CVB's funding allocation from a fixed amount each year to 25% of actual Hotel/Motel tax receipts. The CVB and the City agreed that the annual allocations to the CVB would be 25% of the prior fiscal year's actual hotel/motel tax receipts. The City must designate at least 50% of the hotel/motel taxes for eligible purposes in order to meet State Code requirements and the City more than meets these requirements with the 25% allocations to the Library, Art Center, and CVB.

The State Code specifically requires the following:

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

CURRENT TRENDS AND ISSUES

In 2020, the City and Greater Muscatine Chamber of Commerce and Industry (GMCCI) entered into an agreement for GMCCI to provide the City with Tourism and Marketing services. This agreement assigns to GMCCI the responsibility for enhancing the economic development of the City and County of Muscatine by marketing and promoting it as a destination for visitors and tourism. Specific tactics are outlined in the agreement that was implemented in the 2020/2021 fiscal year and continued in 2021/2022. GMCCI requested the agreement be extended for 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 and 2025/2026.

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 ($105,000) being used to fund that portion of the 2024/2025 allocation to GMCCI. A $30,000 transfer from this budget to the CVB fund will bring the total Tourism and Marketing funding to $135,000 in the 2024/2025 budget. Beginning in 2025/2026 the full allocations for Tourism and Marketing will be made directly from the Economic Development budget in the General Fund. That amount has been budgeted at $135,000 for 2025/2026.

The 2024/2025 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 2024/2025 budget also included an estimated $10,000 for TIF-related legal and professional services.

For the 2025/2026 budget, the Greater Muscatine Chamber of Commerce and Industry (GMCCI) requested and received a $50,000 subsidy, an increase from their previous $43,000 allocation. The 2025/2026 budget also includes $10,000 for TIF-related legal and professional services.

The 2024/2025 revised estimate for the Economic Development budget of $83,000 is $3,000 less than the original budget. This decrease was possible due to interest earned on the CVB enterprise fund balance. As noted previously, the $30,000 Tourism allocation in this budget will be supplemented with the $105,000 balance in the CVB enterprise funds to bring the total allocation to the budgeted amount of $135,000. With the 2024/2025 payment, the CVB enterprise fund will be closed out.

The 2025/2026 Economic Development budget totals $195,000 which includes $50,000 for GMCCI, $135,000 for the CVB, and $10,000 for TIF-related legal and professional services.

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; this program continued in 2024. The City also continued to provide small business forgivable loans up to $25,000 to assist with building improvements and business startup costs. The City entered into a Tax Increment Financing (TIF) agreement with Merge Urban Developers in September of 2024 for developing a 56-unit mixed use housing/commercial building. At the time the budget was being prepared, the City was in the process of negotiating a similar TIF agreement with BTS Development, LLC, now Lumber Lofts, LLC, for a 65-unit mixed-use housing/commercial building. The Lumber Lofts Development Agreement was finalized on April 17, 2025.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026

- Continue to partner with GMCCI and local lending institutions to provide small business loans to qualifying businesses. **(Vibrant Community)**
- Continue frequent 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 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	43,000	43,950	53,000	53,000	195,000	267.92%
Capital Outlay	-	-	-		-	
Transfers	125,000	125,000	33,000	30,000	-	-100.00%
Total Expenditures	$ 168,000	$ 168,950	$ 86,000	$ 83,000	$ 195,000	126.74%
Funding Sources						
Hotel/Motel Tax	$ 125,000	$ 125,000	$ 33,000	$ 30,000	$ 135,000	309.09%
Tax Increment Funds for Economic Development	43,000	43,950	53,000	53,000	60,000	13.21%
Total Funding Sources	$ 168,000	$ 168,950	$ 86,000	$ 83,000	$ 195,000	126.74%

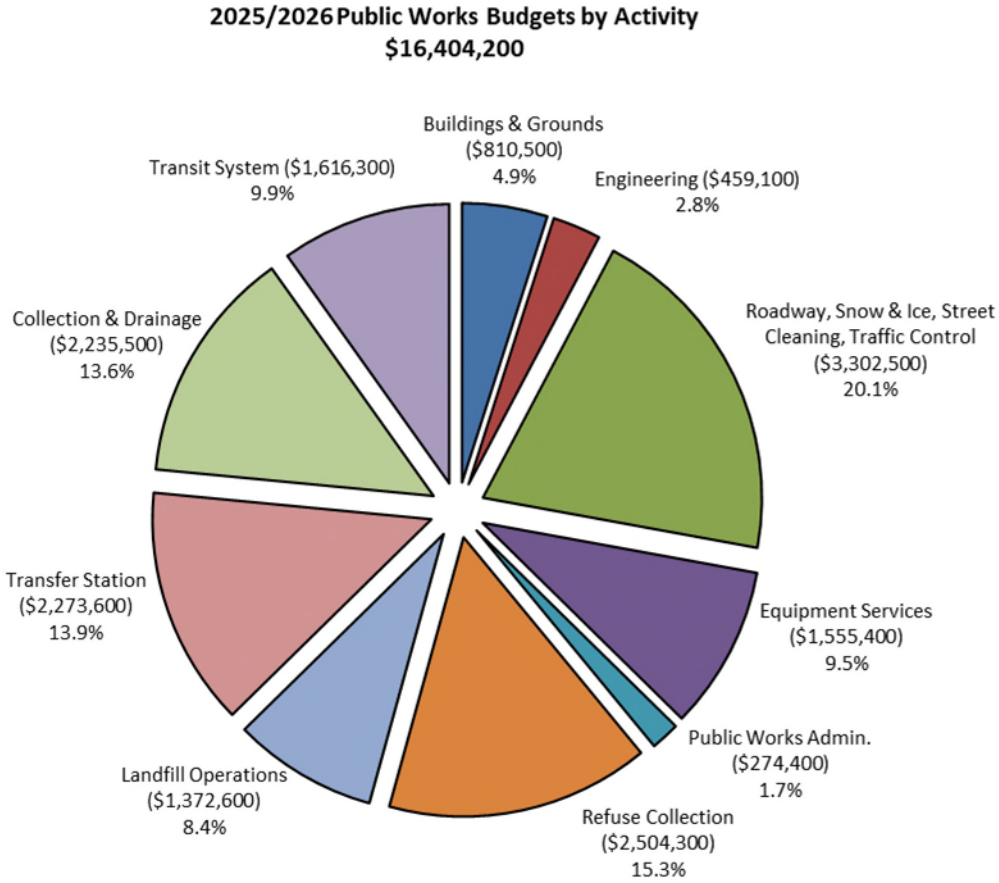
Function:	*Department:*
Public Works	**Public Works**

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 2025/2026 fiscal year.



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 2025/2026 these fees total $83,800 and this amount has been included as revenue to the General Fund.

CURRENT TRENDS AND ISSUES

The 2024/2025 revised estimate is $2,900 less than the original budget. This net decrease includes a decrease of $2,200 in personal services costs, a $1,300 decrease in commodities, and a $600 increase in contractual services.

The 2025/2026 budget is $13,500 (5.2%) more in total than the 2024/2025 budget. This increase includes (1) an increase of $5,300 in personal services costs, (2) a $1,300 decrease in commodities, (3) an $8,000 increase in capital outlay, and (4) a $1,500 increase in transfers. The capital outlay allocation is for a new copier.

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 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
Operating Expenditures - All Public Works Activities	$13,901,341	$14,008,640	$14,872,745	$15,477,600	$16,404,200
Full Time Employees - All Public Works Activities	46	46	46	47	47
Part Time Employees - All Public Works Activities	43	45	45	45	45
Infrastructure Projects Under Construction	6	5	5	6	9
Infrastructure Projects Completed	4	2	4	6	4

RECENT ACCOMPLISHMENTS

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

Public Works staff participated in several events and projects this year. In October 2023, the City of Muscatine was extended an invitation by the American Flood Coalition and the Iowa Flood Center to join the Iowa Flood Resilient Communities Cohort. The goal of the cohort is to share experiences of how communities handle flood responses as well as to help the communities identify potential projects along with potential funding for said projects. The cohort was organized through a non-profit called the American Flood Coalition (AFC) in conjunction

with the University of Iowa Flood Center (IFC). This cohort had several group meetings throughout the past year, as well as several meetings focused solely on Muscatine. The end goal of the cohort is to assist the City with the design and funding for a construction project that will reduce or eliminate flooding within the city limits. During discussion with the group, it was determined that a detention project located around Hagerman Drive would have the best opportunity for funding as well as have a large impact on localized flooding within Muscatine. The IFC provided a technical "broad view" analysis of this area that shows the feasibility and impact of detention basins located around Hagerman Drive.

In May and June of 2024, an Engineering intern conducted an evaluation of all intersection sidewalks and crossing ramps within the city limits. This inventory will allow the Engineering division to identify non-compliant Americans With Disabilities Act (ADA) crossing ramps so that a plan can be put in place to make all of the ramps compliant with Federal law.

Public Works worked with other city departments to prepare and maintain flood control devices. On July 11, 2024, the Mississippi River crested at 21.48 feet. Despite this flood, staff were able to keep Mississippi Drive open for all 4th of July events that were moved from the riverfront due to flooding. This year staff installed the recently purchased Muscle Wall on Mississippi Drive between Iowa Avenue and Cedar Street. This wall 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 wall was in place, 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 twenty-four-hour, seven-day-a-week process that highlighted the teamwork and leadership abilities of multiple staff members. Several lessons were learned during this process and we will be working to update our flood manual over the winter months in order to be prepared for the next flood.

In September, 2024, the Public Works Director attended the American Public Works Association Exposition in Atlanta, Georgia to give a presentation on the City's Mississippi Drive/Grandview Avenue Corridor Reconstruction project. This presentation was well attended and received very high grades from the attendees. This type of involvement in the American Public Works Association is important to stay relevant and up to date on trends and issues in the public works field.

In October, 2024, the Public Works Director was selected by the Iowa Concrete Paving Association (ICPA) to assist with their annual ratings tour of concrete paving projects throughout the state of Iowa. This tour was a great learning experience providing the opportunity to visit multiple communities across Iowa and review and rate their paving projects. This networking with the ICPA has the potential to benefit the City of Muscatine in multiple areas.

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 Transfer Station, Landfill, Refuse Collection, Building and Grounds, MuscaBus, Vehicle Maintenance, Collection and Drainage, Engineering, Roadway Maintenance, Snow and Ice Removal, Street Cleaning, and Traffic Control, as well as liaison duties at the Muscatine Municipal Airport.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026

- Fully implement assessment management software for the Building & Grounds division. **(Strategic Plan – Safe Community and Reliable Public Infrastructure)**
- To bid and construct indoor storage facilities for multiple departments on the former Iowa DOT property. **(Strategic Plan – Reliable Public Infrastructure)**

- To design, bid, and construct downtown street projects on Sycamore Street and Iowa Avenue. **(Strategic Plan – Reliable Public Infrastructure and Vibrant Community)**
- To install all wayfinding signage associated with Phase I of the Wayfinding Master Plan. **(Strategic Plan – Excellent Customer Service and Vibrant Community)**
- To continue the design, bidding, and construction of mandated sewer projects. **(Strategic Plan – Reliable Public Infrastructure)**
- To apply for funding for the design of projects associated with the Canadian Pacific Kansas City Railroad for grade separation and quiet zones. **(Strategic Plan – Reliable Public Infrastructure)**
- To work with community leaders to prioritize and seek funding for design and construction of riverfront projects. **(Strategic Plan – Excellent Customer Service and Vibrant Community)**
- To work with the community and other departments to define a scope for the possible revitalization of the Muscatine Slough in Kent Stein Park. **(Strategic Plan – Excellent Customer Service and Vibrant Community)**
- To schedule, plan, and host an open house during Public Works Week to allow the public to tour the Public Works facilities and meet employees, see our equipment and understand what we do. **(Strategic Plan – Excellent Customer Service and Vibrant Community)**

Function:
Public Works

Department:
Public Works

Activity:
Public Works Administration

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 209,334	$ 228,838	$ 224,000	$ 221,800	$ 229,300	2.37%
Commodities	943	935	5,900	4,600	4,600	-22.03%
Contractual Services	11,592	8,495	12,500	13,100	12,500	0.00%
Capital Outlay	-	1,674	-	-	8,000	
Transfers	17,000	17,900	18,500	18,500	20,000	8.11%
Total Expenditures	$ 238,869	$ 257,842	$ 260,900	$ 258,000	$ 274,400	5.17%
Funding Sources						
Road Use Taxes	$ 162,269	$ 178,942	$ 179,600	$ 176,700	$ 190,600	6.12%
Administrative Fees	76,600	78,900	81,300	81,300	83,800	3.08%
Total Funding Sources	$ 238,869	$ 257,842	$ 260,900	$ 258,000	$ 274,400	5.17%

Personnel Schedule						
	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time Position/Position Allocations:						
Public Works Director	1.00	1.00	1.00	1.00	1.00	
Office Manager	0.33	0.33	0.33	0.33	0.33	
Total Full Time	1.33	1.33	1.33	1.33	1.33	$ 168,800
Employee Benefits						60,500
Total Personal Services						$ 229,300

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Copier/Fax/Scanner	1	Yes	$ 8,000

Function:	*Department:*
Public Works	**Public Works**

Activity:
Roadway Maintenance

GENERAL INFORMATION

The Roadway Maintenance activity includes the repair and maintenance of all roadways in the City of Muscatine except the U.S. 61 By-Pass and a small portion of Business Route U.S. 61 which are maintained by the State of Iowa. There is a total of over 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 2024/2025 revised estimate is $12,400 less than the original budget. This overall decrease is due to a $2,400 decrease in personal services costs, an $800 decrease in contractual services, and a $9,200 decrease 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 decrease in capital outlay is due to purchased equipment coming in under budget.

The 2025/2026 budget is $297,000 (16.9%) more than the 2024/2025 budget. Personal services costs increased by $72,600 (7.3%); commodities decreased by $1,000; contractual services decreased by $1,600; and capital outlay increased by $227,000. The capital outlay allocation for 2025/2026 totals $597,000 and includes asphalt/concrete grinding ($100,000), a wheel loader ($170,000), a new dump truck ($140,000), a hydraulic cold planer ($32,000), a hydro excavator ($100,000), a side spread conveyor ($20,000), a drop deck trailer ($30,000), and upgraded iPads and laptops ($5,000).

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 $4,074,300 for 2025/2026. Of this amount, $3,784,200 will be funded from Road Use Taxes and $290,100 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 2022	**Actual 2023**	**Actual 2024**	**Estimated 2025**	**Estimated 2026**
Centerline Miles of Streets Maintained	128	128	128	128	128
Hot Mix/Cold Mix Used (tons)	278	325	377	330	330
Pothole Patching (16" squares)	1,861	3,140	4,622	4,000	4,000
Crack Sealing (feet)	535 (1)	29,100	0 (1)	25,000	25,000
Modified Subbase Supplied – square yards (City Projects)	16,000	53,080	13,039 (2)	20,000	20,000
Crushed Asphalt Used (tons)	N/A (3)	N/A (3)	544	500	500

1. Street crews worked on projects other than crack sealing in calendar years 2022 and 2024.
2. Lower modified subbase supplied in 2024 since only one City project used this material.
3. Prior to 2024, crushed asphalt was not a performance measure.

RECENT ACCOMPLISHMENTS

- This division uses the "See Click Fix" system for tracking customer requests; this system assists in scheduling and the response time for addressing complaints. The See Click Fix service goal is to address a concern within five business days.

- Crews cleaned and rocked three major ditches that had erosion or water retention issues; also replaced three culverts under the road/alley at different locations around the city.

- This division was able to place 377 tons of asphalt (335 tons of hot mix and 42 tons of cold patch).

- The month of July was spent primarily fighting the flood – including the first deployment of the recently purchased muscle wall flood barrier, and the installation of both flood gates. After the flood was over, the department was tasked with cleaning up the barriers, flood gates, streets, and the riverfront parking lot.

- The Roadway Maintenance division recently purchased two 30" x 30" x 60" concrete Lego-style block forms and has been using them to make concrete blocks with excess concrete from jobs.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026

- To complete the third and final phase of the Fulliam Avenue Reconstruction project. **(Strategic Plan – Reliable Public Infrastructure)**

- To continue to do on-the-job training with new employees on operations and procedures. **(Strategic Plan – Excellent Customer Service)**

- Replace deteriorating and failing culverts that run under the city streets and alleys. **(Strategic Plan – Reliable Public Infrastructure)**

- Begin to use the new crack-seal machine to crack-seal twenty-five city blocks. **(Strategic Plan – Excellent Customer Service)**

Function:
Public Works

Department:
Public Works

Activity:
Roadway Maintenance

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 917,919	$ 944,952	$ 993,300	$ 990,900	$ 1,065,900	7.31%
Commodities	118,789	107,947	147,100	147,100	146,100	-0.68%
Contractual Services	252,020	215,264	245,600	244,800	244,000	-0.65%
Capital Outlay	385,110	282,579	370,000	360,800	597,000	61.35%
Transfers	-	-	-	-	-	
Total Expenditures	$ 1,673,838	$ 1,550,742	$ 1,756,000	$ 1,743,600	$ 2,053,000	16.91%
Funding Sources						
Road Use Taxes	$ 1,634,050	$ 1,522,802	$ 1,734,700	$ 1,719,600	$ 2,031,700	17.12%
Street Revenues	17,485	17,485	17,500	17,500	17,500	0.00%
Insurance Reimbursement	6,142	3,045	-	-	-	
Other	16,161	7,410	3,800	6,500	3,800	0.00%
Total Funding Sources	$ 1,673,838	$ 1,550,742	$ 1,756,000	$ 1,743,600	$ 2,053,000	16.91%

Personnel Schedule

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time Position/Position Allocations:						
Street Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00	
Street Maintenance Leadworker	1.00	1.00	1.00	1.00	1.00	
Equipment Operator III	3.00	3.00	4.00	3.00	4.00	
Equipment Operator II	2.00	3.00	3.00	3.00	3.00	
Equipment Operator I	4.00	3.00	2.00	3.00	2.00	
Maintenance Worker II	0.10	0.10	0.10	0.10	0.10	
Office Manager	0.33	0.33	0.33	0.33	0.33	
Total	11.43	11.43	11.43	11.43	11.43	$ 680,900
Employee Benefits						385,000
Total Personal Services						$ 1,065,900

Capital Outlay

Item:	*Quantity*	*Replacement*	*Amount*
Asphalt/Concrete Grinding			$ 100,000
Dump Truck	1	Yes	140,000
Wheel Loader	1	Yes	170,000
Hydraulic Cold Planer	1	Yes	32,000
Hydro Excavator	1	No	100,000
Side Spread Conveyor	1	Yes	20,000
Drop Deck Trailer	1	Yes	30,000
iPads and Laptops	4	Yes	5,000
			$ 597,000

Function:	*Department:*
Public Works	**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 2024/2025 is $22,100 less than the original budget. Personal services costs are $5,000 less than the original budget; contractual services are $7,400 less; and capital outlay is $9,700 less due to the actual cost of the new paint striping machine coming in under budget.

The 2025/2026 budget is $20,400 (8.7%) less than the original 2024/2025 budget. Personal services costs decreased by $1,400 and capital outlay decreased by $19,000. The capital outlay allocation for 2025/2026 includes $16,000 to replace approximately 820 traffic signs, and $6,000 to replace approximately 200 orange traffic cones.

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 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
Number of Street Signs Maintained	6,379	6,659	6,684	6,690	6,690
Number of New Signs Installed	334	396	499	350	350
Lineal Feet of Street Striping	326,075	344,902	351,880	350,000	350,000
Number of Stop Bars Painted	138	359	358	350	350
Number of Arrows Painted	405	479	502	480	480
Number of Handicapped Stalls Marked	0	105	104	105	105
Number of Regular Parking Stalls Painted	450	689	854	675	675
Number of Crosswalks Painted	150	267	270	250	250
Number of Railroad Crossings Painted	32	33	33	34	34
Traffic Committee Meetings	10	14	10	12	12
Number of Signs Removed	0	5	8	5	5
Number of Sign Posts Maintained	4,430	4,586	4,606	4,600	4,600
Number of Special Events (Setup and Tear Down)	N/A	25	35	35	35
Number of Detours (Setup and Tear Down)	N/A	6	7	6	6

RECENT ACCOMPLISHMENTS

The paint striping program started September 16, 2024, and it was completed on September 25. Ostrom Painting from Rock Island was awarded the paint striping bid. The City paint striping crews started on August 5, 2024, painting school zone crossings, which was followed by painting crosswalks and stop bars at the busiest intersections throughout town. Staff also painted the Central Business District parking stalls.

Sign replacements continued throughout the year; this included re-installation of signs 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 the 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.

This 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). Crews set up and tore down traffic control devices for 35 events this year.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026

- Continue to update the GIS layer with our maintenance work including rocking non-hard-surface alleys; culverts; street painting; street sweeping; sign replacements; and sign/post repairs. **(Strategic Plan – Excellent Customer Service, Reliable Public Infrastructure)**

- Continue to replace old and outdated signs/posts to work toward the standard of replacing signs older than 15 years which is the standard set forth by the Federal Highway Administration (FHWA). **(Strategic Plan – Reliable Public Infrastructure, Safe Community)**

- Continue on to Zone 3 for replacement of all of the aged-out signs using our replacement policy. **(Strategic Plan – Reliable Public Infrastructure, Safe Community)**

- Train more staff on the GIS system. **(Strategic Plan – Reliable Public Infrastructure, Safe Community)**

Function:
Public Works

Department:
Public Works

Activity:
Traffic Control

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 92,313	$ 92,103	$ 106,300	$ 101,300	$ 104,900	-1.32%
Commodities	4,149	12,164	14,400	14,400	14,400	0.00%
Contractual Services	66,380	68,787	74,000	66,600	74,000	0.00%
Capital Outlay	28,873	22,002	41,000	31,300	22,000	-46.34%
Transfers	-	-	-	-		
Total Expenditures	$ 191,715	$ 195,056	$ 235,700	$ 213,600	$ 215,300	-8.66%
Funding Sources						
Road Use Taxes	$ 191,715	$ 195,056	$ 235,700	$ 213,600	$ 215,300	-8.66%
Total Funding Sources	$ 191,715	$ 195,056	$ 235,700	$ 213,600	$ 215,300	-8.66%

Personnel Schedule	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time Positions:						
Equipment Operator III	1.00	1.00	1.00	1.00	1.00	
Total	1.00	1.00	1.00	1.00	1.00	$ 64,900
Employee Benefits						40,000
Total Personal Services						$ 104,900

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Traffic Signs	820	Yes	$ 16,000
Orange Cones	200	Yes	6,000
			$ 22,000

Function:	*Department:*
Public Works	**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 2024/2025 revised estimate is $118,600 less than the original budget. Personal services costs are under the original budget by $700; commodities are under budget by $105,000 due to less salt needing to be purchased due to the carryover of the salt inventory from last winter; and capital outlay is under budget by $12,900 due to the actual cost of the purchased items being less than budgeted.

The 2025/2026 budget is $54,200 (9.0%) more than the original 2024/2025 budget. Personal services costs are $800 less than the original budget; contractual services are $25,000 more due to an increased allocation for contracted snow removal services in the downtown area; and capital outlay is $30,000 higher than the prior year budget. The capital outlay allocation of $210,000 is for a new snow package for the tandem axle vehicle. The 2025/2026 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:

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

	Cost	Snow Events
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
2023/2024	77,975	11

The 2024/2025 revised estimate and 2025/2026 budget include $50,000 and $75,000, respectively, 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 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
Number of Storms	13	14	11	19	19
Tons of Salt Used (includes 50/50 mix)	1,421	2,139	1,335	2,700	2,700
Tons of Sand Used	0	0	0	500	500
Gallons Calcium Chloride Used	0	200	400	2,000	2,000
Brine Used	2,901	9,000	13,400	14,000	14,000

RECENT ACCOMPLISHMENTS

During the winter of 2023/2024, the City experienced eleven snow events, which was down from the previous winter when there were fourteen. Although there were fewer storms, there were two major snowfalls in the second week of January, bringing 9.6 inches of snow on January 8th and 13 inches three days later on January 11th. The temperatures dropped and it got bitterly cold as crews continued to clean up from the record-breaking week of snow. The City used a total of 1,223 tons of salt, 112 tons of sand/salt mix, and 13,400 gallons of salt brine during the winter of 2023/2024.

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). The price of salt is down 2.7% from last year. Once there is space in the salt dome, the salt on order will be delivered.

There are still challenges in getting new equipment and when new equipment is available, the prices are significantly higher. The department is training four new employees for this winter season.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026

- Continue to evaluate and increase the use of brine applications during winter operations. **(Strategic Plan – Excellent Customer Service, Safe Community)**

- Continue to meet inter-departmentally about goals and procedures to further train our new equipment operators and explain what our standards are as "Muscatine's Snow Fighters". **(Strategic Plan – Excellent Customer Service, Safe Community)**

- Provide training to individuals from other departments who are willing to assist during winter operations (i.e., driving snow plow trucks, operation of snow plows, salt applications, and the different snow routes which are used during the winter). **(Strategic Plan – Excellent Customer Service, Safe Community)**

- Continue to train employees as well as the public, about the changes to the City Code; policies regarding snow removal operations; the updated snow emergency policy; and the snow push back policy which has the goal of pushing back the snow on one side of the street within 24 hours of the snow ending. **(Strategic Plan – Excellent Customer Service, Safe Community)**

Function:
Public Works

Department:
Public Works

Activity:
Snow and Ice Control

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 50,480	$ 67,393	$ 84,000	$ 83,300	$ 83,200	-0.95%
Commodities	195,284	127,640	239,800	134,800	239,800	0.00%
Contractual Services	33,017	121,942	95,900	95,900	120,900	26.07%
Capital Outlay	23,414	94,997	180,000	167,100	210,000	16.67%
Transfers	-	-	-	-	-	
Total Expenditures	$ 302,195	$ 411,972	$ 599,700	$ 481,100	$ 653,900	9.04%
Funding Sources						
Road Use Taxes	$ 297,070	$ 404,130	$ 594,700	$ 476,100	$ 648,900	9.11%
Reimbursement of Expenses	5,125	7,842	5,000	5,000	5,000	0.00%
Total Funding Sources	$ 302,195	$ 411,972	$ 599,700	$ 481,100	$ 653,900	9.04%

Personnel Schedule

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
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						38,200
Total Personal Services						$ 83,200

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Snow Package for Tandem Axle Vehicle	1	Yes	$ 210,000

Function:	*Department:*
Public Works	**Public Works**

Activity:
Street Cleaning

GENERAL INFORMATION

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

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 2024/2025 revised estimate is under the original budget by $23,700. There was a $19,900 decrease in personal services costs due to a position vacancy with the new hire at a lower grade in the pay plan, and also having single health insurance coverage; a $500 increase in commodities; a $500 decrease in contractual services; and a $3,800 decrease in capital outlay due to the actual cost of the new leaf machine coming in under the budgeted amount.

The 2025/2026 budget is $25,100 (7.1%) more than the 2024/2025 budget. Personal services costs decreased by $3,900; commodities increased by $500; contractual services decreased by $500; and capital outlay increased by $29,000. The 2025/2026 capital outlay allocation is for a new leaf machine ($107,000) and two new leaf boxes ($22,000). The 2025/2026 budget again includes funding for temporary employment agency and seasonal employees 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 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
Miles of Streets Cleaned with Sweeper	88	88	88	88	88
Employee Hours for Leaf Program	1,339	1,904	1,404	1,500	1,500
Temporary Employment Agency and Seasonal Hours for Leaf Program	0 0	0 0	T: 790 S: 197	T: 1,000 S: 450	T: 1,000 S: 450
Fall Leaf Loads	138	221	211	220	220
Spring Leaf Loads	5	4	7	10	10

T: Temporary employees
S: Seasonal employees

RECENT ACCOMPLISHMENTS

Spring Leaf pickup started April 1, 2024. The crew ran every route once and finished on April 11. The department used both of the Elgin Pelican mechanical sweepers and used the newly implemented sweeper operator schedule which ran from April 1 through June 28. This allowed the department to have a 2-week rotating schedule. Both sweepers were used to finish the first pass, which was finished at the end of April. The department used one sweeper in May and June. The department was able to sweep all the routes twice and the rain routes and construction areas on an as-needed basis. The department had a sweeper operator come in early on Friday mornings a total of ten times throughout the summer to sweep the downtown area.

During fall leaf pickup, the department made four complete passes through Zones 1-8 before Thanksgiving. There was $25,000 budgeted this year for temporary employees for the leaf pickup program. With a combination of seasonal employees from the Parks department, and temporary employment agency employees, the department was able to continually staff the leaf trucks. This was a big help as it freed up full-time employees to work on other department tasks. A new leaf machine has been ordered with a projected delivery date in March of 2025.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026

- Continue to train new Equipment Operators and give current operators an annual training refresher. **(Strategic Plan – Excellent Customer Service)**
- Continue to utilize temporary/seasonal employees to assist with the leaf pickup program. **(Strategic Plan – Excellent Customer Service)**
- Continue to use our newly implemented rotating sweeper operator schedule. **(Strategic Plan – Excellent Customer Service)**
- Review our past Leaf pickup process and determine if adjustments are needed, then implement the adjustments. **(Strategic Plan – Excellent Customer Service)**

Function:
Public Works

Department:
Public Works

Activity:
Street Cleaning

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 165,008	$ 171,824	$ 193,400	$ 173,500	$ 189,500	-2.02%
Commodities	9,900	7,985	9,400	9,900	9,900	5.32%
Contractual Services	24,682	37,110	52,400	51,900	51,900	-0.95%
Capital Outlay	-	275,873	100,000	96,200	129,000	29.00%
Transfers	-	-	-	-	-	
Total Expenditures	$ 199,590	$ 492,792	$ 355,200	$ 331,500	$ 380,300	7.07%
Funding Sources						
Road Use Taxes	$ 199,590	$ 492,792	$ 355,200	$ 331,500	$ 380,300	7.07%

Personnel Schedule						
	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time Positions/Position Allocations:						
Equipment Operator I	-	-	-	0.90	0.90	
Equipment Operator II	1.90	1.90	1.90	1.00	1.00	
Total Full Time	1.90	1.90	1.90	1.90	1.90	
						$ 124,200
Employee Benefits						65,300
Total Personal Services						$ 189,500

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Leaf Machine	1	Yes	$ 107,000
Leaf Boxes	2	Yes	22,000
			$ 129,000

Function:	*Department:*
Public Works	**Public Works**

Activity:

Engineering Operations

GENERAL INFORMATION

Staffing in the Engineering division has varied 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 was 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 2024/2025 is $11,800 more than the original budget. Personal services costs are $11,300 more due to an increased allocation for seasonal engineering intern hours, and increased overtime for the inspectors. Contractual services are $800 more than the original budget, and capital outlay is $300 less than the original budget.

The budget for 2025/2026 is $44,600 (10.8%) more than the 2024/2025 budget. There is a $37,200 increase in personal services costs, a $900 increase in contractual services, and a $6,500 increase in capital outlay. The personal services increase includes a $14,400 increase in the allocation for engineering intern hours. The 2025/2026 budget continues the current staffing level of 2.75 full-time equivalent (FTE) positions. The budget also 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 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
Right-of-Way Permits Processed	364	434	214	350	350
Permits Closed	284	337	282	300	300
Utility Locates Processed	3,501	3,038	3,147	3,200	3,200
Percent and Amount of Billed Time to Projects (City Engineer)	33.7% $46,249	N/A	36.6% $35,079	40% $60,000	40% $60,000
Percent and Amount of Billed Time to Projects (Inspectors)	88.5% $86,606	N/A	75.9% $59,497	80% $120,000	80% $120,000

RECENT ACCOMPLISHMENTS

- Grandview Avenue final audit is being completed.
- Fulliam Avenue Reconstruction Phase 2 has been closed out.
- West Hill Sewer Separation Phase 5 has been closed out.
- Grandview Avenue Sidewalk Extension Project has been closed out.
- Design for the Isett Corridor Project has begun.
- A solution for the crosswalk on Colorado Street has been chosen.
- The City Engineer attended Muscatine Trails Committee meetings.
- The City Engineer attended MAGIC 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 a coordinated effort with departments to address deficiencies as outlined by the USACE (United States Army Corps of Engineers).
- Participated in a cohort under the guidance of the American Flood Coalition in conjunction with the University of Iowa Flood Center and identified problem flooding areas in the city as well as selecting a project to address said issues.
- Attended Public Works staff meetings.
- Acted as a resource to the Streets division for multiple repairs throughout the city.

- Acted as a resource to the Collections and Drainage division for multiple repairs throughout the city.
- Acted as a resource for the Mulberry Neighborhood Revitalization project.
- Acted as a resource to the Parks department for multiple projects.
- Managed the inspection and assessment of all ADA sidewalk ramps within the city.
- Acted as a resource for the Transit Vehicle Wash Bay project.
- 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.
- Continued to implement SUDAS and the city's internal SUDAS specification as the City's Design Standard.
- Served as the design lead on all horizontal infrastructure projects.
- Completed all utility locate requests.
- Tracked contractors working within the right-of-way to ensure that construction was meeting the City's standards.
- Worked in conjunction with the Community Development department to drive and assist with developments throughout the City.
- Acted as a resource to the Vehicle Maintenance division on the Fuel Tank Replacement project.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026

- To complete and close out the West Hill Phase 6-C Project. **(Strategic Plan – Reliable Public Infrastructure)**
- To complete the design of and let bids for the Isett Avenue Corridor project. **(Strategic Plan – Reliable Public Infrastructure)**
- To serve as liaison for the following projects:
    - West Hill Sewer Separation Project, Phase 6-C Construction – 2025 - 2026
    - West Hill Sewer Separation Project, Phase 6-D Construction – 2025 - 2027
    - West Hill Sewer Separation Project, Phase 6-E Design and Construction – 2025 - 2028
    - Police Department Shooting Range and Training Facility – 2025
    - Street Maintenance Full Depth Concrete Patching Project – 2025 - 2026
    - Street Maintenance Asphalt Overlay Project – 2025 - 2026
    - Street Maintenance Sidewalk Program – 2025 - 2026
    - Fulliam Reconstruction Project, Houser to Kindler, Construction – 2025 - 2026
    - East Hill Multiuse Facility, Design – 2025 - 2026
    - Isett Avenue Corridor Planning and Design – 2025 - 2026
    - Park Avenue West Bridge Replacement Design and Construction – 2025 – 2026

- Dredge Dewatering Site Relocation Design and Construction - 2025
- Redundant Force Main Project Construction – 2025 - 2026

(Strategic Plan – Reliable Public Infrastructure)

- To be 40% 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 – Excellent Customer Service)**
- To continue to mark all of the Utility Locates for the City. **(Strategic Plan – Excellent Customer Service)**
- To continue to coordinate the Levee inspections and necessary repairs. **(Strategic Plan – Reliable Public Infrastructure)**
- To finalize the implementation of the City's 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 in order to help reduce flooding within the city. **(Strategic Plan – Reliable Public Infrastructure)**
- To develop a sustainable replacement plan for ADA sidewalk ramps and to secure additional funding for said ramps. **(Strategic Plan – Reliable Public Infrastructure, Safe Community)**
- To implement a policy for use of granular backfill on all projects that occur within City right-of-way, and ensure its continued use. **(Strategic Plan – Excellent Customer Service)**
- To design and implement one regional stormwater detention basin within the City. **(Strategic Plan – Reliable Public Infrastructure)**
- To setup a standard proposal system for consultant selection with a generic 1-year expiration date. **(Strategic Plan – Excellent Customer Service)**

Function:
Public Works

Department:
Public Works

Activity:
Engineering Operations

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 316,821	$ 316,526	$ 343,900	$ 355,200	$ 381,100	10.82%
Commodities	4,443	6,275	8,800	8,800	8,800	0.00%
Contractual Services	32,145	26,040	57,800	58,600	58,700	1.56%
Capital Outlay	3,692	21,398	4,000	3,700	10,500	162.50%
Transfers	-	-	-	-	-	
Total Expenditures	$ 357,101	$ 370,239	$ 414,500	$ 426,300	$ 459,100	10.76%
Funding Sources						
Engineering Fees	$ 44,974	$ 120,496	$ 180,000	$ 180,000	$ 180,000	0.00%
Road Use Tax	312,127	249,743	234,500	246,300	279,100	19.02%
Total Funding Sources	$ 357,101	$ 370,239	$ 414,500	$ 426,300	$ 459,100	10.76%

Personnel Schedule						
	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time Positions:						
City Engineer	1.00	1.00	1.00	1.00	1.00	
Right-of-Way Inspector	0.75	0.75	0.75	0.75	0.75	
Inspector III	1.00	1.00	1.00	1.00	1.00	
Total Full Time	2.75	2.75	2.75	2.75	2.75	
Part Time:						
Interns	0.27	0.27	0.27	0.46	0.73	
Total	3.02	3.02	3.02	3.21	3.48	$ 265,500
Employee Benefits						115,600
Total Personal Services						$ 381,100

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Computer for Right-of-Way Inspector	1	Yes	$ 2,500
Scanner	1	Yes	8,000
			$ 10,500

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

Activity:

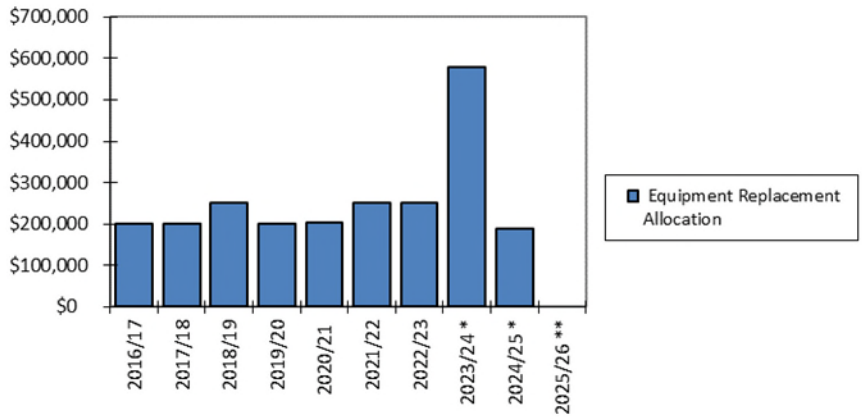
Equipment Replacement Transfer

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 $200,000 to the $400,000 originally budgeted for 2023/2024. A history of funding levels is shown below. Due to limited funding in the General Fund, no transfer is budgeted for 2025/2026, and vehicle and equipment purchases are budgeted to be funded from the Spring, 2026 bond issue.



* General Fund allocations were originally set at $400,000 for the 2023/2024 budget and $368,000 for the 2024/2025 budget. Prior to finalizing the 2024/2025 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.

** Due to limited funding in the General Fund for 2025/2026, no transfer is budgeted from the General Fund to the Equipment Replacement Fund; instead, vehicle and equipment purchases are budgeted to be funded from the Spring, 2026 bond issue.

CURRENT TRENDS AND ISSUES

Purchases from the Equipment Replacement Fund in the 2024/2025 revised estimate total $276,300. This includes $25,400 for a Community Development Building Inspector vehicle, $62,200 for an incident command vehicle for the Fire department, $20,900 for a utility vehicle for the Cemetery, $17,600 for a zero-turn mower for the Cemetery, and $73,500 for a one-ton truck for Park Maintenance. The revised estimate also includes $76,700 to replace a police vehicle that was totaled during the year; an estimated $66,700 of this cost is expected to be reimbursed by insurance. The balance in the Equipment Replacement Fund on June 30, 2025 is estimated at $101,869.

As noted previously, no funding transfer is budgeted to be made into the Equipment Replacement Fund in 2025/2026 due to limited funds being available in the General Fund. Instead, vehicle and equipment replacements are budgeted to be funded from the Spring 2026 bond issue. These include:

Police Patrol Vehicles (2)	$ 130,000
Zero-Turn Mower (Cemetery)	20,000
Half-Ton Truck (Park Maintenance)	45,000
Rough Mower (Kent Stein Park)	55,000
One-Ton Truck with Attachments (Kent Stein Park)	80,000
Deep Tine Aerifier (Soccer Complex)	40,000
Used Tractor (Soccer Complex)	46,000
	$ 416,000

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 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	250,000	580,000	188,000	188,000	-	-100.00%
Total Expenditures	$ 250,000	$ 580,000	$ 188,000	$ 188,000	$ -	-100.00%
Funding Sources						
General Revenues	$ 250,000	$ 580,000	$ 188,000	$ 188,000	$ -	-100.00%

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

Activity:

Transit Subsidy

GENERAL INFORMATION

The Muscatine City Transit System has provided public transportation for all citizens of the community since 1981. State law permits the City to levy up to $.95 per $1,000 of assessed valuation for Public Transportation outside the Combined 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 generated $210,621 (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).

The 2025/2026 budget includes a tax levy of $.07119 per $1,000 of valuation for public transportation which will generate $78,143 (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 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	-	210,621	78,578	78,578	78,143	-0.55%
Total Expenditures	$ -	$ 210,621	$ 78,578	$ 78,578	$ 78,143	-0.55%
Funding Sources						
Transit Tax Levy	$ -	$ 198,737	$ 74,718	$ 74,718	$ 74,751	0.04%
Utility Tax Replacement Excise Tax	-	748	282	282	263	-6.74%
Commercial and Industrial State Reimbursement	-	5,734	1,769	1,769	1,363	-22.95%
Business Property Tax Credit Reimbursement	-	5,402	1,809	1,809	1,766	-2.38%
Total Funding Sources	$ -	$ 210,621	$ 78,578	$ 78,578	$ 78,143	-0.55%

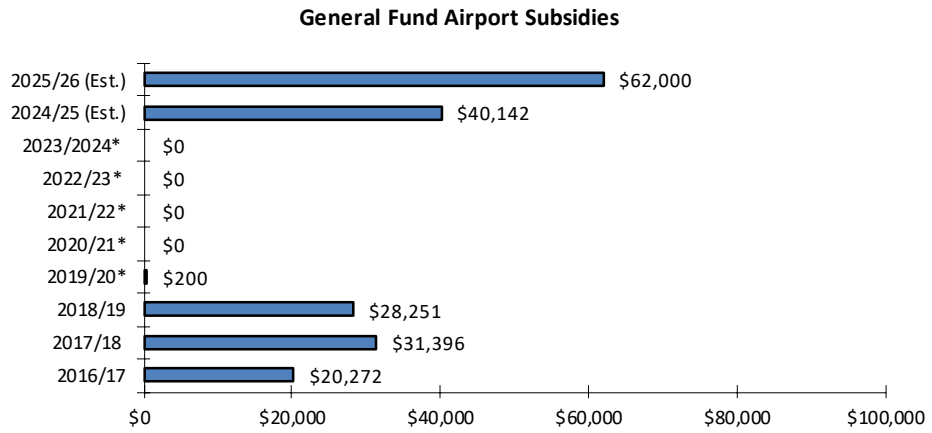
Function:	*Department:*
Transfers	**City Administrator**

Activity:

Airport Operations Subsidy

GENERAL INFORMATION

The Municipal Airport operation has been designated as an Enterprise Fund for budgeting purposes. As such, it has been necessary to make subsidy transfers from the General Fund as expenses incurred generally exceed revenues received from the operation. A summary of General Fund transfers since fiscal year 2016/2017 follows:



* The small subsidy for 2019/2020 and zero subsidies for 2020/2021, 2021/2022, 2022/2023, and 2023/2024 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 $62,000 during the past ten years. The subsidies for 2019/2020 through 2023/2024 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 2024/2025 revised estimate subsidy is $40,142 compared to the original budget of $36,800 (an increase of $3,342). This increase is due to the increase in drainage district taxes for the airport property. The budgeted subsidy for fiscal year 2025/2026 is $62,000.

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 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	-	-	36,800	40,142	62,000	68.48%
Total Expenditures	$ -	$ -	$ 36,800	$ 40,142	$ 62,000	68.48%
Funding Sources						
General Revenues	$ -	$ -	$ 36,800	$ 40,142	$ 62,000	68.48%

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) 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 have been 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 years 2023, 2024, and 2025.

In 2024, the Police department identified a parcel of City-owned land on the Muscatine Municipal Airport property suitable for a new Police firing range and training facility. The Police department is waiting for final approval from the Federal Aviation Administration before the project can begin. If approved, construction is anticipated to begin in early 2025; this will reduce the number of acres under the farm lease.

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 approved this agreement in March of 2025. This arrangement will allow the City to continue to rent the airport property for farming purposes until a solar development begins.

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 2024/2025 and 2025/2026 is $46,500. Carver Aero, as fixed base operator (FBO), will make payments to the City of $13,700 in 2024/2025 and $14,100 in 2025/2026.

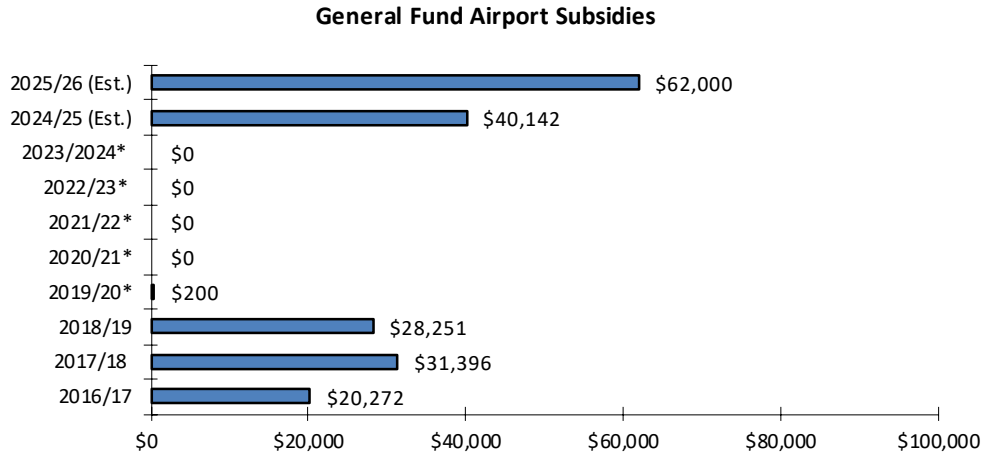
The City completed a variety of improvements at the Municipal Airport in recent years. Engineering design was completed in 2019/2020 for the reconstruction of Taxiway A. Construction was substantially completed in calendar year 2021 and the contract was closed out in June of 2022. Federal Aviation Administration (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 2024/2025 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, 2022/2023, and 2023/2024 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 original 2024/2025 budget included a General Fund subsidy of $36,800. The Airport fund has a beginning fund balance of $13,158 in the 2024/2025 revised estimate compared to the zero balance in the original budget. Due to an increase in drainage district taxes for the airport property, the 2024/2025 revised estimate subsidy has been increased to $40,142. This subsidy brings the ending fund balance for 2024/2025 to zero.

The 2025/2026 budget includes a General Fund subsidy of $62,000. This increase is primarily due to having a zero balance in this fund at the beginning of the fiscal year and the increase in drainage district

taxes. 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 2024/2025 revised estimate are projected at $151,200, which is $16,900 more than the original 2024/2025 budget. This increase is primarily due to a $15,000 increase in drainage district and other taxes on the airport property, and an increase in repair and maintenance services costs.

The 2025/2026 budget is $25,600 more than the original 2024/2025 budget. This is primarily due to the $15,000 increase in the drainage district and other taxes on the airport property, a $2,900 increase in airport insurance, a $5,000 increase for removing trees in the airport fence lines, $2,000 for spraying the fence lines once the trees are removed, 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 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
Hangars Maintained	23	23	23	23	23
Hangar Spaces Rented	23	22	20	23	22
Airport Advisory Meetings	7	7	9	10	10
Hangar Rentals	$38,471	$39,592	$39,283	$40,000	$40,000
FBO Lease	$12,540	$12,916	$13,304	$13,700	$14,100
Fuel Commissions	$7,720	$8,198	$7,857	$8,200	$8,200
Farm Lease Revenue	$34,000	$34,000	$34,000	$34,000	$34,000
General Fund Subsidy	$0	$0	$0	$40,142	$62,000

RECENT ACCOMPLISHMENTS:

This year plans were completed, bids were received, and contracts were awarded for (1) Phases 1 and II of the Fuel System Relocation Project, and (2) the Precision Approach Path Indicator (PAPI) lighting and the Runway End Identifier Lights (REIL) for Runway 12/30 and the parallel taxiway projects.

Construction began on the Fuel System Relocation project in November. This project should be completed in early 2025. Due to extremely long lead times for electrical equipment, the PAPI and REIL project is not expected to begin until mid to late 2025. The City's consultant is working with the FAA and Iowa DOT to keep them informed of the delays so that we do not risk any funding for these projects. This is a common issue with these types of projects and once the materials arrive, work should be completed relatively quickly.

Bolton & Menk, the City's airport consultant, is working with the FAA and IDOT to put together a new bid package for snow removal equipment. This requires approval from both agencies since the original application needs to be modified to include a carrier vehicle. This application should be completed early in 2025; however, any new equipment will not be received until later in 2025 or in 2026 (if the grant application is approved).

The Muscatine Police department is working with Bolton & Menk, to receive FAA and Iowa DOT approval to construct a training facility on the airport property. This will be a secured facility with a firing range for multi-jurisdictional training. The Airport Advisory Commission has approved these plans. If all other agencies give their approval, construction of the facility can begin in 2025.

The City of Muscatine and Muscatine Power and Water are working towards an agreement to lease a portion of the airport property north of the runways for the development of a solar generating facility. This agreement is expected to be in place by early 2025. Kent Corporation is in the planning stages for the design and construction of a new corporate hangar. Construction of this project is expected to begin in late 2025.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026:

- To purchase grant-funded snow removal equipment. (**Strategic Plan – Reliable Public Infrastructure)**

- To complete construction on the PAPIs and REIL lighting systems. (**Strategic Plan - Reliable Public Infrastructure)**

- To apply for funding, design, and bid a project to construct a Snow Removal Equipment (SRE) storage building. (**Strategic Plan - Reliable Public Infrastructure)**

- To apply for funding to assist with construction of a new hangar and associated taxiway for the new Kent Corporation hangar. (**Strategic Plan – Reliable Public Infrastructure)**

Airport Operations

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 60,725	$ 29,924	$ 0	$ 13,158	$ 0
Revenues					
Fixed Base Operator Fee	$ 12,916	$ 13,304	$ 13,700	$ 13,700	$ 14,100
Hangar Rentals	39,592	39,283	40,000	40,000	40,000
Reimbursement of Costs	1,678	840	1,600	2,000	1,600
Farm Leases	34,000	34,000	34,000	34,000	34,000
Fuel Commissions	8,198	7,857	8,200	8,200	8,200
Interest	988	542	0	0	0
Federal FAA Grants (CARES Act and American Rescue Plan Act)	1,625	0	0	0	0
Transfers In					
General Fund Subsidy	0 (1)	0 (1)	36,800 (1)	40,142 (1)	62,000 (1)
Total Revenues	$ 98,997	$ 95,826	$ 134,300	$ 138,042	$ 159,900
Funds Available	$ 159,722	$ 125,750	$ 134,300	$ 151,200	$ 159,900
Expenditures	129,797	112,592	134,300	151,200	159,900
Ending Balance, June 30	$ 29,925	$ 13,158	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 37,329**	**$ (16,766)**	**$ 0**	**$ (13,158)**	**$ 0**

1. Historically, the Airport fund has required an annual subsidy from the City's General Fund since Airport annual revenues are less than annual expenditures. No subsidies, however, were needed in fiscal years 2019/2020 through 2023/2024 due to the receipt of federal Cares Act and ARPA funds awarded to address the impacts of the COVID-19 pandemic. These funds are no longer available and subsidies are again projected to be needed annually to fund the Airport operation.

Function:
Business Type

Department:
Community Development

Activity:
Airport Operations

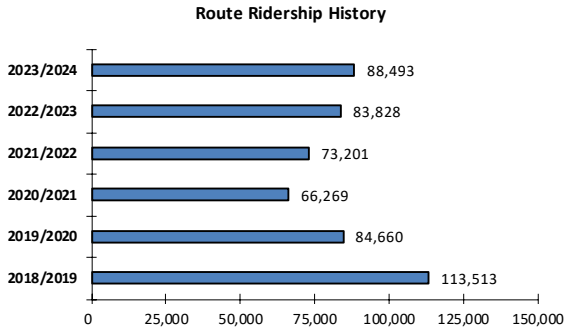
	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ -	$ -	$ -	$ -	$ -	
Commodities	2,834	4,781	5,400	5,400	5,400	0.00%
Contractual Services	116,063	96,821	117,400	134,300	142,700	21.55%
Capital Outlay	-	-	-	-	-	
Transfers	10,900	11,200	11,500	11,500	11,800	2.61%
Total Expenditures	$ 129,797	$ 112,802	$ 134,300	$ 151,200	$ 159,900	19.06%
Funding Sources						
Airport Revenues	$ 98,997	$ 95,826	$ 97,500	$ 97,900	$ 97,900	0.41%
General Fund Operating Subsidy	-	-	36,800	40,142	62,000	68.48%
Total Funding Sources	$ 98,997	$ 95,826	$ 134,300	$ 138,042	$ 159,900	19.06%

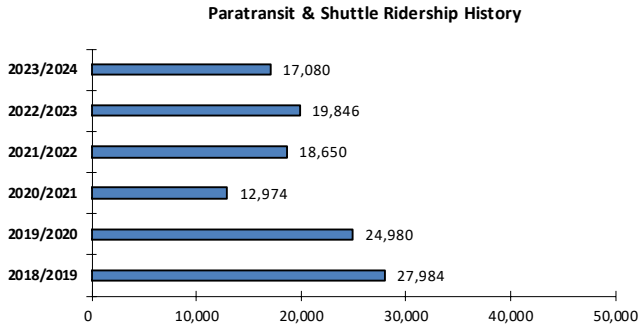
TRANSIT SYSTEM

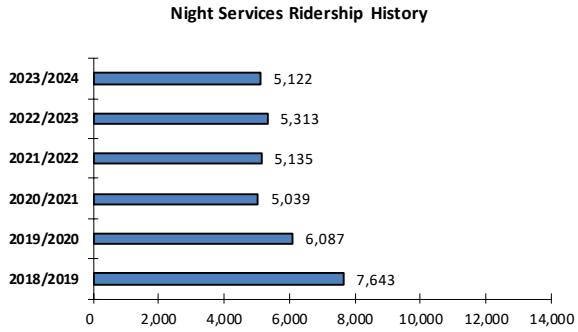
GENERAL INFORMATION:

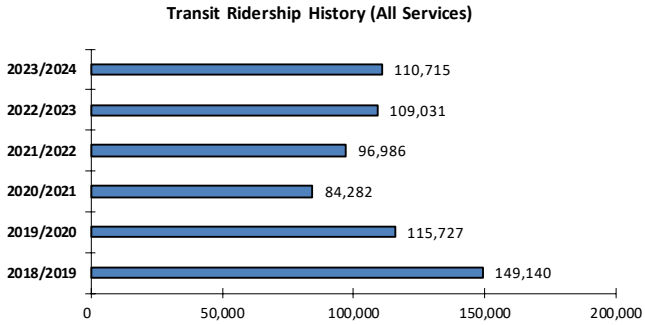
The City Transit System (MuscaBus) operates with eleven (11) small buses, all equipped with wheelchair lifts, and one conversion van. Personnel supporting the transit system are a full-time Transit Supervisor, 3 part-time dispatchers, 18 part-time drivers, and one part-time vehicle service worker. The 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 2018/2019 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 2024/2025 revised estimate includes $559,700 in federal operating assistance and the 2025/2026 budget includes $513,800 in federal operating funding.

Federal capital support has also been used, primarily to purchase buses. The 2024/2025 revised estimate includes $699,400 in federal capital grants, which is the estimated federal share of the cost of four new buses. Two of these buses were ordered in the prior fiscal year, but were not received until the current year due to availability issues. The 2025/2026 budget includes $266,500 in federal capital grants, which is the estimated federal share (85%) of the cost of two additional new buses. The 2025/2026 budget also includes $9,400 in

federal capital funding for three bike racks for the buses. As in prior years, all bus purchases are subject to the award of federal capital grants.

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 2024/2025 it is anticipated that the City will receive $312,600 in State operating funding for the Transit operation and in 2025/2026 an estimated $317,300 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 generated $210,621 (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.

The 2024/2025 budget included 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.

The 2025/2026 budget includes a tax levy of $.07119 per $1,000 of valuation for public transportation which will generate $78,143 (including the utility replacement excise tax, the commercial/industrial State reimbursement, and the business property tax credit reimbursement).

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 2025/2026 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 2024/2025 are $36,300 more than the original budget due to the net effects of (1) an $8,400 increase in personal service costs, primarily due to changing a 29-hour per week dispatcher to fulltime midway through the fiscal year, (2) a $28,900 decrease in commodities, (3) a $15,600 decrease in contractual services, and (4) a $72,400 capital outlay increase due to increased bus costs.

The 2025/2026 budget is $23,500 (1.4%) less than the original 2024/2025 budget. This decrease is due to the net effects of (1) a $47,100 (5.5%) increase in personal services costs which includes the additional costs for a full fiscal year for the full-time dispatcher position, (2) a $29,500 decrease in commodities, (3) a $13,500 decrease in contractual services, (4) a $28,300 decrease in capital outlay, and (5) a $700 increase in administrative fees. The capital outlay allocation of $325,000 in the 2025/2026 budget is for the purchase of

one light-duty bus ($203,500), a new transit van ($110,000), three (3) bike racks for the buses ($11,100), and the purchase of a standing desk ($400). The bus, van, and bike rack purchases are subject to grant funding which is estimated at $275,900 (85%) in federal funding.

Transit charges for services, which includes fares, passes, and waivers, is estimated at $146,000 for 2025/2026. 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 in 2024/2025 and 2025/2026.

The Transit fund shows a balance at the end of 2025/2026 of $104,901, a decrease of $275,557 from the revised estimate ending balance. This fund balance reduction includes matching funds for capital 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 and handicapped residents

PERFORMANCE MEASURES:

	Actual 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
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	73,201	83,828	88,493	90,375	92,250
Paratransit Passengers	18,650	19,846	17,080	17,496	17,900
JARC for Work (Night Service)	5,135	5,313	5,122	4,851	4,950
New Freedom (Night Service)	0	44	20	0	0
Total Passengers (1)	96,986	109,031	110,715	112,722	115,100

1. Passenger numbers started increasing in 2022/2023 after several years of decreased ridership due to the COVID-19 pandemic.

RECENT ACCOMPLISHMENTS:

MuscaBus had a small increase in total ridership this past year (July 1, 2023 to June 30, 2024) of 1.5% over the previous year. The fixed route system increased 5.6% (4,665 rides). Paratransit rides were down 13.9% (2,766 rides), and the JARC/New Freedom (evening service) was down 4.0% (215 rides). Muscabus provided

approximately 1,100 free rides to kids Kindergarten through 12th grade over the summer months of June, July, and August. Muscabus plans to continue offering these free rides next summer.

MuscaBus provided transportation for community events again this past year. These include rides for the Junior Police Academy on June 6, the MPW Community Open House on June 7, the Community Block Party at Discovery Park on September 13, Parks and Recreation Cemetery Walk on September 22, monthly trips for the Community Foundation to City sights, assistance to the Flickinger Center in October, Biz Town 6th graders on the route system on October 21, and monthly trips for the Senior Diversity group. MuscaBus also provided free rides to veterans on the route system on Veteran's Day, November 11. MuscaBus participated in the Aging Adult Resource Fair on April 26, the Parks and Recreation Trunk or Treat on October 26, and the Transportation Meet and Greet at Cedar Park on November 19.

The drive-through wash bay is currently under construction. The project has had some setbacks due to vendors sending incorrect materials and items taking longer to construct than originally projected. Public Works staff has been receiving three-week progress reports and look-ahead plans. The project is expected to be complete by the summer of 2025. This project will be a great addition for Transit, Public Works, and other City departments.

MuscaBus purchased dispatch software and began the dispatcher training in February of 2024. The department is in the process of training all of the drivers on how to use the software. Full implementation of this software in the next year will allow the department to transition away for the paper driver manifests.

The Transit Supervisor continues to participate in the Bi-State Region 9 Technical Committee, City of Muscatine Traffic Meetings, serves as the secretary for the Iowa Public Transit Association (IPTA) Board, and attends the Muscatine Consortium meetings. In addition, she also attended the LEAP meeting hosted by the Iowa State Extension which was focused on combating obesity in Muscatine County. She taught the Junior Achievement curriculum for a 2nd grade McKinley Elementary class that focused on occupations in the Muscatine community. She also attended the IPTA Legislative Meeting in March where she shared with Iowa Representatives how the Rebuild Iowa Infrastructure Fund (RIIF) enabled the City to receive a state Public Transit Infrastructure Grant (IPTG) for the new vehicle wash bay. She also attended the Iowa Passenger Summit and Zero-Emissions Bus 101 Workshop in May, the IPTA Annual Meeting and Roadeo in June, and the IPTA Mid-Year Meeting in October. On September 17th, the TSA did an assessment of the MuscaBus system. The transit division is waiting for the results of the assessment.

The department received three new buses this past year. The first bus was a low-floor bus and the other two are similar to the current route buses. The IDOT is expected to be sending new contracts for two more buses to be ordered this winter/spring.

The MuscaBus drivers continue to do annual safety trainings. This past year, the drivers completed the partner wheelchair trainings, Anti-Harassment training, Fire Extinguisher training, Blood Borne Pathogens training, Drug and Alcohol training, and ongoing defensive driving trainings. There has been staff turnover again this past year. The department has hired four new drivers and will be hiring at least one more driver in the spring. On June 7, Magaly Hernandez was awarded the MuscaBus Driver of the Year and participated in the annual Roadeo on June 8 along with Toni Hollingshed. Magaly was recognized for her award by the City Council on July 18. On July 19, MuscaBus held the annual Driver Appreciation Day to thank the staff for all they do for the Muscatine community.

OBJECTIVES TO BE ACCOMPLISHED 2025/2026:

- Fully implement the dispatch software and reduce paper manifests. **(Strategic Plan - Excellent Customer Service)**

- Research a professional evaluation of the route system to determine the optimal coverage of the community. **(Strategic Plan - Excellent Customer Service)**

- Apply for a No-Low Emissions Grant in partnership with the Stanley Center for Peace and Security for the local match to purchase an electric bus, charging infrastructure, and storage facility. **(Strategic Plan - Reliable Public Infrastructure)**

- Continue the public art on bus shelters project with two more shelter partnerships. **(Strategic Plan – Vibrant Community)**

Transit System

Fund Statement

	Actual 2022/2023		Actual 2023/2024		Budget 2024/2025		Revised Estimate 2024/2025		Budget 2025/2026	
Beginning Balance, July 1	$ 369,197		$ 553,872		$ 351,650		$ 248,880		$ 380,458	
Revenues	1,434,047	(2)	1,329,344	(3)	1,329,378	(4)	1,807,678	(4)	1,340,743	(5)
Funds Available	$ 1,803,244		$ 1,883,216		$ 1,681,028		$ 2,056,558		$ 1,721,201	
Expenditures (1)	1,249,372		1,634,336		1,639,800		1,676,100		1,616,300	
Ending Balance, June 30	$ 553,872		$ 248,880		$ 41,228		$ 380,458		$ 104,901	
Increase (Decrease) in Fund Balance	**$ 184,675**		**$ (304,992)**		**$ (310,422)**		**$ 131,578**		**$ (275,557)**	

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 yielded $210,621.
4. The budget for 2024/2025 included a $75,000 Transit tax levy which is estimated to yield $78,578.
5. The budget for 2025/2026 includes a $75,000 Transit tax levy which is estimated to yield $78,143.

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

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Transit Charges	$ 133,719	$ 136,876	$ 138,000	$ 144,000	$ 146,000
Transit Grants					
Operating Subsidies:					
Federal Operating Grant	$ 375,222	$ 481,593	$ 541,000	$ 559,700	$ 513,800
State Vehicle Use Tax	326,883	319,941	277,000	312,600	317,300
CRSSA Funding	5,353	0	0	0	0
ARPA Funding	218,636	49,029	0	0	0
Capital Grants:					
Federal Funds - Buses	0	86,275	276,800	699,400	266,500
Prior Year Federal Capital Grants					
Federal Funds - Bike Racks	0	0	0	0	9,400
Prior Year CARES Grant for Buses	356,922	0	0	0	0
Subtotal - Grants	$ 1,283,016	$ 936,838	$ 1,094,800	$ 1,571,700	$ 1,107,000
General Fund Support:					
Transit Tax Levy	0 (1)	210,621 (2)	78,578 (3)	78,578 (3)	78,143 (4)
Sale of Vehicles	0	7,401	3,000	4,700	3,100
Interest	17,311	31,508	15,000	8,700	6,500
Insurance Reimbursement	0	6,100	0	0	0
Other	2	0	0	0	0
Total Revenues	$ 1,434,047	$ 1,329,344	$ 1,329,378	$ 1,807,678	$ 1,340,743

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 yielded $210,621.
3. The budget for 2024/2025 included a reduction in the Transit tax levy in order to keep the City's overall tax rate substantially the same.
4. The budget for 2025/2026 includes a $75,000 Transit tax levy which is estimated to yield $78,143.

Function:
Business Type

Department:
Public Works

Activity:
Transit System

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 772,112	$ 798,494	$ 861,000	$ 869,400	$ 908,100	5.47%
Commodities	116,206	104,714	135,700	106,800	106,200	-21.74%
Contractual Services	198,430	207,035	265,600	250,000	252,100	-5.08%
Capital Outlay	249,776	587,969	353,300	425,700	325,000	-8.01%
Transfers	22,800	129,200	24,200	24,200	24,900	2.89%
Total Expenditures	$ 1,359,324	$ 1,827,412	$ 1,639,800	$ 1,676,100	$ 1,616,300	-1.43%
Funding Sources						
Transit Charges	$ 133,719	$ 136,876	$ 138,000	$ 144,000	$ 146,000	5.80%
Transit Grants	702,105	801,534	1,094,800	1,571,700	1,107,000	1.11%
CARES Act Funding	356,922	86,275	-	-	-	
CRSSA Fundng	5,353	-	-	-	-	
ARPA Fundng	218,636	49,029	-	-	-	
Transit Tax Levy	-	-	78,578	78,578	78,143	
Sale of Vehicles	-	7,401	3,000	4,700	3,100	3.33%
Interest	17,311	31,508	15,000	8,700	6,500	-56.67%
Insurance Reimbursement	-	6,100	-	-	-	
Total Funding Sources	$ 1,434,048	$ 1,118,723	$ 1,329,378	$ 1,807,678	$ 1,340,743	0.85%

Personnel Schedule	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
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	
Transit Dispatcher	-	-	-	0.50	1.00	
Total Full Time	1.20	1.20	1.20	1.70	2.20	
Part Time Positions:						
Transit Driver	11.12	11.29	11.29	11.29	11.29	
Transit Dispatcher	2.09	1.88	1.88	1.51	1.14	
Transportation Serviceperson	0.59	0.63	0.63	0.63	0.63	
Total Part Time	13.80	13.80	13.80	13.43	13.05	
Total	15.00	15.00	15.00	15.13	15.25	$ 725,000
Employee Benefits						183,100
Total Personal Services						$ 908,100

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Light-Duty Bus	1	Yes	$ 203,500
Van	1	Yes	110,000
Bike Racks	3	No	11,100
Standing Desk	1	No	400
			$ 325,000

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 1,401 parking spaces in the downtown commercial area distributed as follows:

	On-Street		Lot #1	Lot #2	Lot #4	Lot #6	Lot #7	Lot #8		
	General	Sycamore 4th to 5th St.	Chestnut Street	W. 2nd Street	Sycamore Street	W. 3rd Street	E. 3rd Street	Cedar Street	Levee	Totals
Free Parking	169	0	0	16 (4 hour)	13 (3 hour)	0	0	5 (3 hour)	465 (24 hour)	668
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	6	0	0	127
Leased/Reserved	0	19 L	7 L	4 L	40 L	24 R	152 L	50 L	0	296
Totals	496	19	27	41	95	25	158	57	483	1,401

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 2013/2014 the meter rates were increased to $.50 per hour for two-hour meters and to $.25 per hour for ten-hour meters. In December of 2024, the meter rates were increased to $.75 per hour for two-hour meters and to $.40 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-fourth of a Parks department groundskeeper position is being allocated to this budget to assist with 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.

Effective in December of 2024, meter rates were increased to $.75 per hour for two-hour meters and to $.40 per hour for ten-hour meters. At the same time, the City began offering the mPay2Park App to provide customers the option of paying meter fees electronically.

CURRENT TRENDS AND ISSUES:

The 2024/2025 Revised Estimate for the Parking division is over the original budget in total by $13,900. This overall increase is primarily related to additional costs for implementing the mPay2Park App, the meter rate changes, and other one-time expenditures. Significant increases (decreases) include (1) Decrease in employee wage and benefit costs of $3,300, (2) Parking meter upgrades to facilitate rate changes $1,800, (3) rental of wand for rate changes $600, (4) new rate plates for meters $500, (5) adding Internet access including 7 monthly fees for the handheld devices $700, (6) backup hand-held device for issuing tickets, electronic chalking, and accessing the users of the mPay2Park App $3,000, (7) additional replacement meters (as needed) $5,000, (8) City’s 1/3 contribution towards the new Downtown holiday decorations $5.900, and (9) a net decrease in various other line items $300.

The budget for 2025/2026 is $6,800 (3.4%) higher than the original 2024/2025 budget. This overall increase is primarily due to (1) increased employee wage and benefit costs which reflects the 3.0% wage increase $3,100, (2) increase in printing services (yellow envelopes, etc.) $1,200, (3) Internet access monthly fees for hand-held devices $1,000, (4) increase in credit card fees for those paying tickets online $300, (5) increase in postage charges for notices sent for unpaid tickets $400, (6) increase in administrative fees $500, and (7) net increase in other line items $300.

PERFORMANCE MEASURES:

	Actual 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
Metered Parking Spaces	399	399	399	396	396
Leased Parking Spaces	193	193	193	196 (3)	196
Reserved Parking Spaces (1)	100	100	100	100	100
Free Parking Spaces	666	666	666	668 (4)	668
Handicapped Parking Spaces	41	41	41	41	41
Total Parking Spaces	1,399	1,399	1,399	1,401	1,401
Overtime Parking Tickets Issued (2)	8,337	9,777	7,896	8,000	8,000
Overtime Tickets Paid or Dismissed	6,202	7,845	6,394	6,400	6,400
Percent Paid or Dismissed	74.39%	80.24%	80.98%	80%	80%
Handicapped Tickets Issued (2)	36	14	16	20	20
Handicapped Tickets Paid or Dismissed	36	12	14	18	18
Percent Paid or Dismissed	100%	85.71%	87.50%	90%	90%
Other Parking Tickets Issued (2)	1,659	1,373	1,366	1,400	1,400
Other Tickets Paid or Dismissed	1,066	955	971	980	980
Percent Paid or Dismissed	64.26%	69.56%	71.08%	70%	70%
Overall Collection Rate	72.81%	78.93%	79.53%	80%	80%
Leased Parking Spaces Available	193	193	193	196	196
Spaces Leased	181	177	180	185	185
Percentage Leased	93.78%	91.71%	93.26%	94.4%	94.4%
Fines Collected by County Treasurer	$27,475	$25,157	$32,056	$34,000	$34,000
Courtesy Tickets Issued	47	30	20	25	25
Tickets for Over 2-Hours Once per Day in Each Block Time Limit on 2nd Street	924	871	937	950	950

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.
3. The number of 10-hour meters in Lot 7 decreased by three in October of 2024 due to changing three seldom-used metered spaces into leased spaces.

4. In the 200 block of 2nd Street, there was a long space for a Loading Zone that was requested by a business owner. The business has since moved locations, so the long space is no longer needed and the space has been filled with 2 parking spaces and 1 Loading Zone.

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:

After two presentations by staff for possible parking meter/parking system upgrades, City Council approved the agreement for the mPay2Park App system at the October 17, 2024 meeting. Staff then worked with this vendor to implement the new system. Two stickers were provided by the vendor for each meter: (1) one has the meter number and the Parking Zone number and also includes a QR code with this information, and (2) the other has instructions for accessing this system. The system was set up in early December, the vendor then had a training session with staff, and the stickers were added to each meter. Individuals began using the App shortly after the stickers were placed on the meters. At the time this is being written, staff is still testing the system and resolving any minor issues that have been noted. Parking staff will work with the City's Communications Manager to publicize the availability of this App after the minor issues are resolved.

The parking meter rates were also increased in December from $.50 to $.75 per hour for 2-hour meters and from $.25 to $.40 per hour for 10-hour meters. The last time parking meter rates were increased was July 1, 2013. Parking staff used leased equipment from the parking meter vendor to change the rates and also placed the new rate tables in each meter.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026:

* 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 monitor the use of the mPay2Park App and to include this information in future year Performance Measures tables. **(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

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 69,081	$ 86,917	$ 82,816	$ 87,630	$ 73,730
Revenues					
Parking Fees (2)	$ 79,626	$ 73,296	$ 76,000	$ 94,000 (3)	$ 112,000 (3)
Parking Permits	49,418	44,194	48,000	45,000	45,000
Meter Hoods	7,960	651	1,000	2,000	1,000
Fines	65,187	64,854	58,000	58,000	58,000
Interest	3,312	5,706	2,000	3,000	3,000
Miscellaneous	0	30	100	100	100
Total Revenues	$ 205,503 (3)	$ 188,731	$ 185,100	$ 202,100	$ 219,100
Funds Available	$ 274,584	$ 275,648	$ 267,916	$ 289,730	$ 292,830
Expenditures (1)	187,668	188,018	202,100	216,000	208,900
Ending Balance, June 30	$ 86,916	$ 87,630	$ 65,816	$ 73,730	$ 83,930
Increase (Decrease) in Fund Balance	**$ 17,835**	**$ 713**	**$ (17,000)**	**$ (13,900)**	**$ 10,200**

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 continued through November of 2024.
3. In December of 2024, parking meter rates were increases from $.50/hour to $.75/hour for 2-hour meters and from $.25 to $.40/hour for 10-hour meters. Fiscal year 2025/2026 will be the first full fiscal year with the new rates.

Explanation of Changes in Fund Balances:

The original 2024/2025 budget projected a decrease of $17,000 in fund balance with the meter rates that were in place since the 2013/2014 fiscal year. Meter rates were increased in December of 2024 from $.50 to $.75/hour for 2-hour meters and from $.25 to $.40 per hour for 10-hour meters. These rate changes were done in conjunction with offering an App which allows individuals to pay parking fees electronically.

Function:
Business Type

Department:
Finance

Activity:
Parking System

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 151,762	$ 155,756	$ 170,000	$ 166,700	$ 173,100	1.82%
Commodities	2,672	3,184	2,800	5,100	3,100	10.71%
Contractual Services	9,938	11,469	11,700	12,900	14,400	23.08%
Capital Outlay	6,408	1,631	2,200	15,900	2,400	9.09%
Transfers	14,400	14,900	15,400	15,400	15,900	3.25%
Total Expenditures	$ 185,180	$ 186,940	$ 202,100	$ 216,000	$ 208,900	3.36%
Funding Sources						
Parking Fees	$ 137,004	$ 118,141	$ 125,000	$ 141,000	$ 158,000	26.40%
Parking Fines	65,187	64,855	58,000	58,000	58,000	0.00%
Interest	3,312	5,706	2,000	3,000	3,000	50.00%
Miscellaneous	-	30	100	100	100	
Total Funding Sources	$ 205,503	$ 188,732	$ 185,100	$ 202,100	$ 219,100	18.37%

Personnel Schedule

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
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	
Senior Account Clerk	-	-	-	-	0.10	
Total Full Time	0.90	0.90	0.90	0.90	1.00	
Part Time Positions:						
Meter Attendant	1.39	1.39	1.39	1.39	1.39	
Total	2.29	2.29	2.29	2.29	2.39	$ 127,900
Employee Benefits						45,200
Total Personal Services						$ 173,100

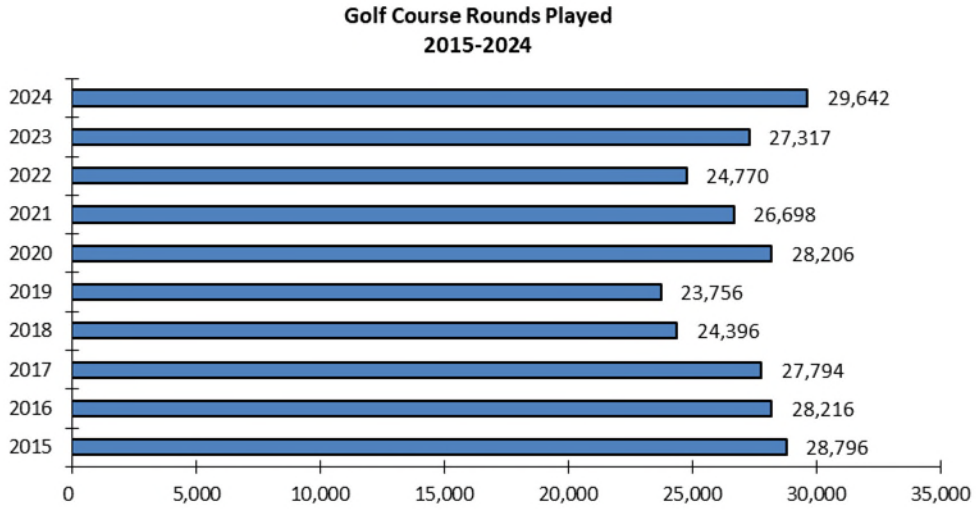
Capital Outlay

Item:	*Quantity*	*Replacement*	*Amount*
Electronic Meters	12	Yes	$ 2,400

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 28,796 rounds played in 2015. Play decreased to 28,216 (by 2.0%) in 2016, decreased to 27,794 (1.5%) in 2017, decreased to 24,396 (by 12.2%) in 2018, and deceased 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, and further increased to 29,642 (8.5%) in 2024. The following is a summary of the rounds during the past ten years:

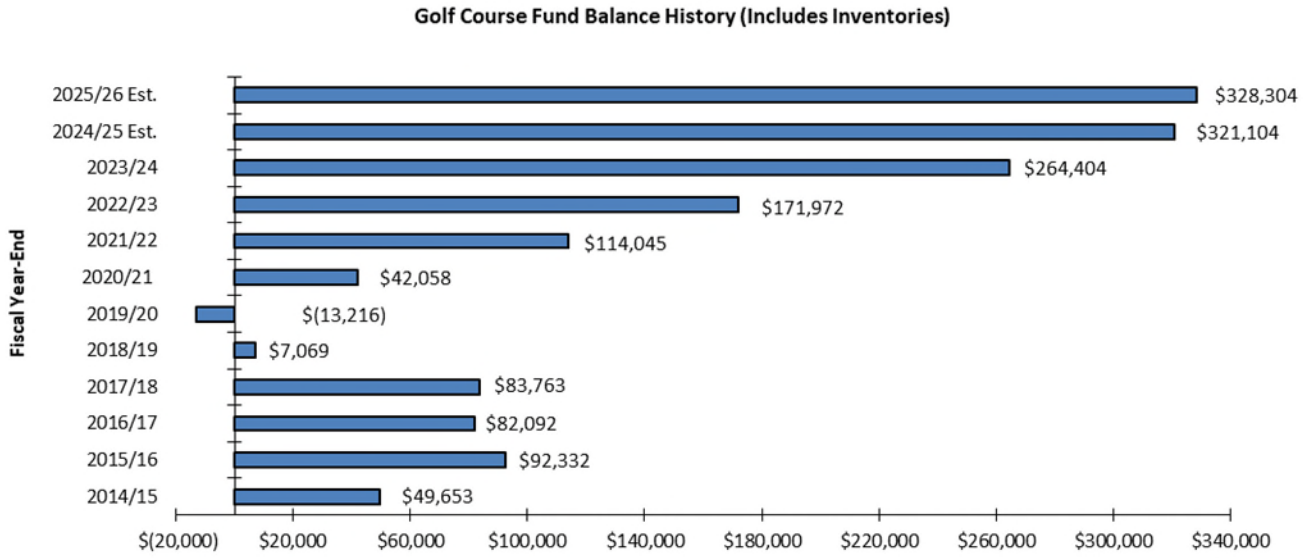


The fees at the Municipal Golf Course have increased several times in recent years as reflected below. The fees shown include the state and local option sales tax, currently 7%. Green fee rates increased by $1.00 per round for the 2022 season and the season passes were increase by $25.00. Green fee rates 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 increased by $1.00 per round for the 2024 season and cart rental fees increased by $1.00 per rental for the 2024 season. Season passes remained the same for the 2024 season. All rates are budgeted to remain the same for the 2025 season.

WEEK DAYS	2020	2021	2022	2023	2024	Budgeted 2025
Adults						
9 holes	$ 18.00	$ 19.00	$ 20.00	$21.00	$22.00	$22.00
18 holes	$ 22.00	$ 23.00	$ 24.00	$25.00	$26.00	$26.00
Senior Citizens						
9 holes	$ 17.00	$ 18.00	$ 19.00	$20.00	$21.00	$21.00
18 holes	$ 20.00	$ 21.00	$ 22.00	$23.00	$24.00	$24.00
Junior						
9 holes	$ 7.00	$ 8.00	$ 9.00	$10.00	$11.00	$11.00
18 holes	$ 7.00	$ 8.00	$ 9.00	$10.00	$11.00	$11.00

WEEK DAYS	2020	2021	2022	2023	2024	Budgeted 2025
Adults 1-3 p.m.						
9 holes	$ 13.00	$ 14.00	$ 15.00	$16.00	$17.00	$17.00
18 holes	$ 15.00	$ 16.00	$ 17.00	$18.00	$19.00	$19.00
Senior Citizens 1-3 p.m.						
9 holes	$ 12.00	$ 13.00	$ 14.00	$15.00	$16.00	$16.00
18 holes	$ 14.00	$ 15.00	$ 16.00	$17.00	$18.00	$18.00
WEEKENDS AND HOLIDAYS						
18 Holes						
Adult	$ 24.00	$ 25.00	$ 26.00	$27.00	$28.00	$28.00
Senior Citizens	$ 22.00	$ 23.00	$ 24.00	$25.00	$26.00	$26.00
Juniors	$ 8.00	$ 9.00	$ 9.00	$ 10.00	$11.00	$11.00
SEASON PASSES						
Adults	$ 655.00	$655.00	$680.00	$705.00	$ 705.00	$705.00
Juniors	$ 140.00	$140.00	$165.00	$190.00	$ 190.00	$190.00
Senior Citizens	$ 565.00	$565.00	$590.00	$615.00	$ 615.00	$615.00
College Student Pass	$ 375.00	$375.00	$400.00	$425.00	$ 425.00	$425.00
Family Pass	$1,035.00	$1,035.00	$1,060.00	$1,085.00	$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 2014/2015 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.



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 $12,500 more in total than the original budget. This overall increase is due to (1) a $900 decrease in personal services costs, (2) a $17,300 increase in commodities due to an increase in items purchased for resale, (3) a $6,300 increase in contractual services due to increases in insurance, cart rentals and sales tax, and (3) a $10,200 decrease in capital outlay due to the new furnace and driving range mats coming in below the budgeted amounts.

The budgeted expenditures for 2025/2026 are $15,000 (2.9%) more than the original 2024/2025 budget. Personal services costs increased by $2,900; commodities increased by $17,300, primarily for items purchased for resale; contractual services increased by $6,800 due to increases in insurance, cart rentals, and sales tax; and capital outlay decreased by $12,000. The capital outlay allocation of $10,000 for 2025/2026 is for painting the interior of the clubhouse. 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 2024/2025 revised estimate is $32,600 more than the original budget. This overall increase is due to (1) an $1,800 decrease in personal services costs, (2) a $9,000 increase in commodities due to fertilizer, pesticide, and other operating supply cost increases, (3) a $7,200 increase in contractual services due to an increase in repair and maintenance services, and (4) an $18,200 increase in capital outlay. The capital outlay increase is due to staff locating a used utility vehicle available now instead of waiting to buy a new utility vehicle, at a higher cost, next fiscal year.

The 2025/2026 budget is $81,500 (14.6%) more than the original 2024/2025 budget. Personal services costs increased by $6,300 (2.1%), commodities increased by $6,500, contractual services increased by $3,900, capital outlay increased by $63,500, and transfers increased by $1,300. The capital outlay allocation of $132,000 for 2025/2026 includes funds for the purchase of a triplex mower ($60,000), clubhouse carpet replacement ($24,000), clubhouse hard wood floor replacement ($28,000), and a topdresser ($20,000).

Summary Information

Based on budget assumptions, it is estimated that the fund balance in the Golf Course fund, including inventory, at the end of 2024/2025 will be $321,104 and the fund balance at the end of 2025/2026 is estimated to increase to $328,304. A number of factors can continue to impact revenues at the course, especially the weather.

As noted previously, rates were increase for the 2024 golf season. Daily greens fees were increased by $1.00 per round and cart rental fees were increased by $1.00. The fee increases were due to the increases in fuel, fertilizer, pesticide, and other operating supply costs, as well as upcoming equipment replacement needs at the golf course. No rate changes are budgeted for the 2025 golf season.

The 2025 season will be the 20th 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 2021	Actual 2022	Actual 2023	Actual 2024	Estimated 2025
Golf Maintenance Operations:					
Top Dressed Greens	9	10	8	7	8
Stimped Greens	18	16	17	15	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	125	5	27	45	6
Bluebirds Fledged	11	9	8	8	10
Rolled Greens	46	44	38	40	40
Verti-cut Greens	7	7	6	7	8

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

	Actual 2021	Actual 2022	Actual 2023	Actual 2024	Estimated 2025
Clubhouse Operations					
Round Played	26,698	24,770	27,317	29,642	29,500
Events	29	27	28	29	30
Leagues	5	5	6	6	7
Season Passes Sold	201	197	203	242	240
Driving Range Tokens Sold	5,022	4,957	5,755	9,129	9,000
Gift Cards Sold	$53,998	$55,521	$68,301	$77,355	$80,000
Lesson Hours	30	98	80	82	90
Total Beer Sales (Units)	37,383	39,009	43,119	44,599	44,620
Total Food and Beverages (Units)	26,773	26,094	27,786	30,469	30,475
Simulator Usage ($)	$100	$408	$2,013	$1,503	$2,500
Merchandise Sales ($)	$47,373	$57,636	$72,207	$68,747	$68,000

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 February 26, 2024, which is earlier than usual. The weather in late February into March was very moderate, which made the early opening feasible. There was little to no winter disease as there were only a few significant winter snowfalls. With the moderate weather, staff was able to start cleaning up the golf course earlier than normal. There were several windstorms throughout the winter which left debris for staff to clean up. Irrigation blowout went very well this past winter which meant when the irrigation system was started for the year, there were no breaks to repair. The irrigation system was started much earlier than normal due to dry and warm weather. The previous season ended with very dry conditions which did not help soil moisture levels. It stayed dry from March through mid-April which meant the irrigation system was running more than normal for the spring. However, starting in mid-April through August there was significant rainfall, helping the soil moisture levels. In May through August, there were average temperatures and the golf course thrived due to the pleasant weather. Starting in September, through most of October, it was drier than normal and the golf course started to show signs of stress as the temperature stayed warm during these months. November brought rain and once again soil moisture levels went up. The golf course closed on December 1 and it is in excellent shape to start the 2025 season.

Staff took down 20 more dead ash trees and planted approximately 40 new trees on the golf course as they were ready to leave the tree nursery. Staff has replanted the golf course tree nursery and those trees should be ready to go onto the course in a few years. Staff will continue to eliminate dead trees on the course.

Staff replaced the central control panel in the pump house for the golf course irrigation system, as the old one was obsolete and parts were no longer available. The new panel has controlled the irrigation system very well.

Staff has placed new teeing areas on hole #1 and hole #11. The new tee on hole #1 has been moved forward 50 yards and is for people that play the green tee markers at the golf course. This tee box has been very well received and many people have had positive comments about how much they enjoyed it. The tee box on #11 is a yellow tee marker box and took a little longer for people to warm up to. However, after about a month of people using it, many golfers have commented on how they like it. We will continue to look for places to put additional tee boxes to make the golf course more enjoyable.

Staff attended the Iowa Turfgrass Conference again this year to gain new ideas on how to improve the golf course. Again this year, the conference offered staff the ability to obtain recertifications to spray turf chemicals. Staff has attended webinars offered by the GCSAA to keep up on the latest trends in the golf industry. Staff continues to look for new and improved ideas to make the golf course more enjoyable.

The golf course has recently purchased new mats for the driving range and they are scheduled to arrive by the time the new golf season starts. We will start using these high-quality mats in the spring in hopes that the golfers will enjoy them. Staff continues to trim trees and bushes to open areas up for golfers and to make the golf course look nice. The tree trimming process will continue throughout the year.

Golf Course Clubhouse

The Golf Course opened for play in February of 2024 after a fairly mild winter. The early opening helped the course get an early start on rounds played and season pass sales.

The newer simulator kept golfers coming to the clubhouse on a regular basis in the winter months. Staff held a scramble tournament that will help lay the groundwork for upcoming winters. Rather than relying on leagues to generate consistent usage, staff will continue to hold these types of “pop up” events to generate usage. These events are great for golfers that don’t want to be committed to a weekly league but still want to swing the clubs and keep the competitive juices flowing.

The golf course had another successful season for golf outings. The outings hosted varied from the Iowa PGA Junior Series, to annual bar outings, to employee outings. These outings are a great source of revenue for the golf course, not only in greens and cart fees, but also in food and beverage sales. Everyone seemed very happy with their outings this year and staff looks forward to all groups returning next year. Staff will continue to grow the outing business and be on the lookout for new outings.

The golf course hired a seasonal Assistant Golf Pro that worked 40 hours a week. This helped alleviate some of the pressure on finding qualified clubhouse supervisors.

A monthly email was created that is sent to the entire database on the 1st of every month with a recap of the previous month and events for the upcoming month. This has been very popular and is used as another way to communicate with the golfers so they know what to expect when they come to the course. Staff can track the analytics of each email sent out and each month the email got more clicks and views. Lots of positive feedback was received on the emails, not only from the regular golfers, but also from the out-of-town clientele that used the content to stay informed and to help them plan their next visit to the course.

OBJECTIVES TO BE COMPLETED IN 2025/2026:

Golf Maintenance Operations

- 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 pursue bunker repairs and/or renovations as needed for better playability. **(Strategic Plan - Excellent Customer Service)**
- 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 staff. **(Strategic Plan - Excellent Customer Service)**
- To add additional 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 good roll while putting. **(Strategic Plan - Excellent Customer Service)**
- To continue looking for quality seasonal employees to keep the golf course in the best possible condition, while also serving the needs of the golfers. **(Strategic Plan - Excellent Customer Service)**
- To continue clubhouse renovations that can stay within the approved budget. **(Strategic Plan - Excellent Customer Service)**
- To look at cart path repaving to make them less rough. **(Strategic Plan - Excellent Customer Service)**
- To evaluate putting a new shelter on #13 tee to give golfers a place to go in inclement weather. **(Strategic Plan - Excellent Customer Service)**

Golf Course Clubhouse

- To promote a culture that is based around excellent customer service. Formal and informal weekly training will be pivotal in this plan so all employees know the expectations for the service levels that we offer at the course. **(Strategic Plan - Integrity, Respect, Excellent Customer Service)**
- To create a great relationship with local businesses and restaurants to help increase utilization of local establishments throughout the city by promoting their businesses to out of town golfers who utilize the course. **(Strategic Plan – Integrity, Respect, Excellent Customer Service)**
- 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, Excellent Customer Service)**

Golf Course Operations

Fund Statement

	Actual 2022/2023		Actual 2023/2024		Budget 2024/2025		Revised Estimate 2024/2025		Budget 2025/2026	
Beginning Balance, July 1	$ 75,063		$ 132,963		$ 88,863		$ 220,804		$ 277,504	
Revenues	1,018,491	(2)	1,121,527	(3)	1,064,400	(4)	1,173,900	(5)	1,175,800	(5)
Funds Available	$ 1,093,554		$ 1,254,490		$ 1,153,263		$ 1,394,704		$ 1,453,304	
Expenditures:										
Golf Course Maintenance Operations	$ 501,675		$ 571,001		$ 559,300		$ 591,900		$ 640,800	
Golf Clubhouse Operations	458,916		462,685		512,800		525,300		527,800	
Total Expenditures (1)	$ 960,591		$ 1,033,686		$ 1,072,100		$ 1,117,200		$ 1,168,600	
Ending Balance, June 30	$ 132,963		$ 220,804		$ 81,163		$ 277,504		$ 284,704	
Allowance for Inventory	39,009		43,600		39,009		43,600		43,600	
Net Balance, June 30	$ 171,972		$ 264,404		$ 120,172		$ 321,104		$ 328,304	
Increase (Decrease) in Fund Balance	**$ 57,900**		**$ 87,841**		**$ (7,700)**		**$ 56,700**		**$ 7,200**	

1. Expenditures include changes in compensated absences.
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. Golf fees were increased for the 2024 golf season by $1.00 per round for greens fees and by $1.00 for each golf cart rental.
4. The 2024/2025 budget reflected a full fiscal year with the rate increases budgeted for the 2024 golf season.
5. The Revised Estimate 2024/2025 and the 2025/2026 Budget are based on actual calander year 2024 revenues.

Golf Course

Summary of Revenues

	Actual 2022/23		Actual 2023/24		Budget 2024/2025		Revised Estimate 2024/2025	Budget 2025/2026
Season Passes	$ 133,068	(1)	$ 154,671	(2)	$ 135,000	(3)	$ 155,000	$ 155,000
Greens Fees	288,635	(1)	309,968	(2)	325,000	(3)	325,000	325,000
Gift Certificates (net)								
Interest	4,388		12,974		300		4,000	4,000
Lessons	5,435		4,470		6,000		4,100	6,000
Golf Cart Rental	273,842	(1)	317,000	(2)	303,000	(3)	346,600	346,600
Pull Cart Rental	433		839		800		800	800
Driving Range Fees	23,535		34,877		24,500		42,500	42,500
Simulator Fees	1,937		1,159		2,500		1,200	1,200
Catering Fee	0		0		0		0	0
Beer Sales	113,531		113,016		110,000		115,000	115,000
Food and Beverage Sales	53,060		63,165		55,000		70,000	70,000
Merchandise Sales	71,698		66,502		65,000		68,000	68,000
Miscellaneous Sales	1,291		1,829		2,000		1,800	1,800
Rebate - Soft Drink Supplier	3,000		3,000		3,000		3,000	3,000
Sales Tax	31,355		35,047		31,900		36,500	36,500
Sale of Equipment	3,960		0		0		0	0
Donation	1,653		0		0		0	0
Reimbursement of Damages	6,220		0		0		0	0
Miscellaneous	1,450		3,010		400		400	400
Total Revenues	$ 1,018,491		$ 1,121,527		$ 1,064,400		$ 1,173,900	$ 1,175,800

1. 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.
2. Golf fees were increased for the 2024 golf season by $1.00 per round for greens fees and by $1.00 for each golf cart rental.
3. The 2024/2025 budget reflected a full fiscal year with the rate increases budgeted for the 2024 golf season.
4. The Revised Estimate 2024/2025 and 2025/2026 Budget are based on actual calander year 2024 revenues.

Function:
Business Type

Department:
Parks and Recreation

Activity:
Golf Maintenance Operations

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 261,786	$ 277,345	$ 304,600	$ 302,800	$ 310,900	2.07%
Commodities	91,036	93,356	95,200	104,200	101,700	6.83%
Contractual Services	46,087	47,154	52,100	59,300	56,000	7.49%
Capital Outlay	61,122	111,670	68,500	86,700	132,000	92.70%
Transfers	36,500	37,700	38,900	38,900	40,200	3.34%
Total Expenditures	$ 496,531	$ 567,225	$ 559,300	$ 591,900	$ 640,800	14.57%
Funding Sources						
Golf Funds	$ 496,531	$ 567,225	$ 559,300	$ 591,900	$ 640,800	14.57%

Personnel Schedule						
	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
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	2.57	2.57	2.57	
Total	4.56	4.56	4.57	4.57	4.57	$ 221,500
Employee Benefits						89,400
Total Personal Services						$ 310,900

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Triplex Mower	1	Yes	$ 60,000
Clubhouse Carpet	1	Yes	24,000
Clubhouse Hardwood Flooring	1	Yes	28,000
Topdresser	1	Yes	20,000
			$ 132,000

Function:
Business Type

Department:
Parks and Recreation

Activity:

Golf Clubhouse Operations

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 182,483	$ 190,563	$ 226,400	$ 225,500	$ 229,300	1.28%
Commodities	139,708	144,476	134,600	151,900	151,900	12.85%
Contractual Services	117,741	121,981	129,800	136,100	136,600	5.24%
Capital Outlay	18,984	5,665	22,000	11,800	10,000	-54.55%
Transfers	-	-	-	-	-	
Total Expenditures	$ 458,916	$ 462,685	$ 512,800	$ 525,300	$ 527,800	2.93%
Funding Sources						
Golf Fees and Sales	$ 458,916	$ 462,685	$ 512,800	$ 525,300	$ 527,800	2.93%

Personnel Schedule	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time:						
Golf Professional	1.00	1.00	1.00	1.00	1.00	
Part Time:						
Clubhouse Supervisor	1.35	1.06	0.66	0.48	0.81	
Assistant Golf Pro	-	0.29	0.69	0.52	0.75	
Cashier	0.75	0.75	0.77	0.37	0.65	
Laborer/Ranger	0.37	0.37	0.35	0.22	0.26	
Total Part Time	2.47	2.47	2.47	1.59	2.47	
Total	3.47	3.47	3.47	2.59	3.47	$ 172,300
Employee Benefits						57,000
Total Personal Services						$ 229,300

Capital Outlay		
Item	***Replacement***	***Amount***
Painting Interior of Clubhouse	Yes	$ 10,000

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 2024/2025 revised estimate is $200 more than the original budget. Personal services costs increased by $100, commodities decreased by $200, and contractual services increased by $300.

The 2025/2026 budget is $1,400 (5.8%) more than the 2023/2024 budget. Personal services costs increased by $900 (4.9%), commodities decreased by $200, and contractual services increased by $700.

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, in 2022/2023 a general fund subsidy of $4,338 was needed, and in 2023/2024 a general fund subsidy of $7,774 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 2013 forty-six (46) boat slips were rented. The number 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 2014 and 2015 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, in the 2023 season twenty-three (23) slips were rented, and in the 2024 season thirty (30) 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 2025 and 2026 boating seasons. The history of rates is shown in the following chart:

TYPE OF BOAT		2015-2017		2018-2026	
	2010-2014	Residents	Non-Residents	Residents	Non-Residents
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 2022	Actual 2023	Actual 2024	Estimated 2025	Estimated 2026
Boat Slips Rented*	27	23	30	30	30
Boat Slips Available*	58	58	58	58	58
Percent Rented	47%	52%	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 turnover prior to the 2023 opening of the boat harbor. In the spring, other staff members were cross trained on dock maintenance and repair. Training included how to raise and lower each dock system as well as proper deck care. With staff changes, the department lost two certified pesticide applicators with their aquatic endorsements. In 2024, two aquatic applicators were certified. In the spring of 2024, staff received training on proper day-to-day operations of the docks. Dock repairs are being made to the surface decking and dock fingers.

The 2024 mid-summer flood kept staff busy removing drift and debris from the harbor and boat slips.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026:

- To continue to make improvements to dock infrastructure. (**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 staff for the harbor dredging to be completed in 2025.

- 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

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 0	$ 0	$ 800	$ 0	$ 0
Revenues					
Boat Slip Rentals	$ 14,741	$ 14,840	$ 23,700	$ 24,200	$ 25,400
Overnight Slip Rentals	288	0	200	200	200
Other	8	10	0	0	0
Transfer from General Fund:					
Subsidy to Eliminate Deficit	4,338 (2)	7,774 (2)	0	0 (3)	0
Total Revenues	$ 19,375	$ 22,624	$ 23,900	$ 24,400	$ 25,600
Funds Available	$ 19,375	$ 22,624	$ 24,700	$ 24,400	$ 25,600
Expenditures (1)	19,377	22,624	24,200	24,400	25,600
Ending Balance, June 30	$ (2)	$ 0	$ 500	$ 0 (3)	$ 0
Increase (Decrease) in Fund Balance	**$ (2)**	**$ 0**	**$ (300)**	**$ 0**	**$ 0**

1. Expenditures include changes in compensated absences.
2. Transfers from the General Fund eliminated the deficit balances at the end of 2022/2023 and 2023/2024.
3. Athough zero fund balances are budgeted for 2024/2025 and 2025/2026, any shortfalls are proposed to be funded from transfers from the General Fund on an anuual basis.

Function:
Business Type

Department:
Parks and Recreation

Activity:
Boat Harbor Operations

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 17,780	$ 17,210	$ 18,300	$ 18,400	$ 19,200	4.92%
Commodities	40	-	400	200	200	-50.00%
Contractual Services	3,536	3,482	4,000	4,300	4,700	17.50%
Capital Outlay	-	-	-	-	-	
Transfers	1,500	1,500	1,500	1,500	1,500	0.00%
Total Expenditures	$ 22,856	$ 22,192	$ 24,200	$ 24,400	$ 25,600	5.79%
Funding Sources						
Boat Harbor Revenues	$ 15,029	$ 14,840	$ 23,700	$ 17,500	$ 17,500	-26.16%
Overnight Slip Rentals	-	-	200	200	200	
Other	10	-	-	-	-	
Transfer from General Fund	4,338	7,774	-	-	-	
Total Revenues	$ 19,377	$ 22,614	$ 23,900	$ 17,700	$ 17,700	-25.94%

Personnel Schedule	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time:						
Maintenance Repairperson	0.25	0.25	0.25	0.25	0.25	$ 16,200
Employee Benefits						3,000
Total Personal Services						$ 19,200

. **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 2024/2025 revised estimate and 2025/2026 budget allow for fuel purchases and fuel sales to continue at recent year levels. The 2024/2025 revised estimate is $200 more than the original budget due to (1) a $100 increase in personal services costs, and (2) a $100 increase in commodities.

The 2025/2026 budget is also $200 (1.9%) more than the original 2024/2025 budget. Commodities are $200 more than the 2024/2025 budget. The budget projection shows this operation breaking even with a zero fund balance on June 30, 2026. As in previous years, however, 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 2022	Actual 2023	Actual 2024	Estimated 2025	Estimated 2026
Gallons of Gasoline Sold	1,504	1,319	1,145	1,140	1,140
Gallons of Diesel Fuel Sold	416	0	0	0	0
Hours Open	167	167	110 (1)	167	167

(1) Closed from June 21, 2024 - August 1, 2024 due to flooding

RECENT ACCOMPLISHMENTS:

The gas dock opened on Memorial Day and closed on Labor Day in 2024. 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 during the year to provide a safer environment for both the general public and staff.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026:

- 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 Services)**

- 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, Excellent Customer Service)**

- 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)**

- To continue to look into upgrades which will help support the boat harbor and increase usage. **(Strategic Plan – Excellent Customer Service)**

Marina Operations

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance (Deficit), July 1	$ (2,125)	$ (3,252)	$ (3,052)	$ (5,828)	$ (5,828)
Revenues					
Fuel Sales	$ 8,321	$ 5,415	$ 10,700	$ 10,700	$ 10,700
Miscellaneous	7	123	100	100	100
Transfer from General Fund: Subsidy to Eliminate Deficit	33	4,829	0	0	0
Total Revenues	$ 8,361	$ 10,367	$ 10,800	$ 10,800	$ 10,800
Funds Available	$ 6,236	$ 7,115	$ 7,748	$ 4,972	$ 4,972
Expenditures	9,488	12,943	10,600	10,800	10,800
Ending Balance (Deficit), June 30	$ (3,252)	$ (5,828)	$ (2,852)	$ (5,828)	$ (5,828)
Allowance for Inventory	3,252	5,828	3,252	5,828	5,828
Net Balance, June 30	$ 0	$ 0	$ 400	$ 0 (1)	$ 0 (1)
Increase (Decrease) in Net Fund Balance	**$ (1,127)**	**$ (2,576)**	**$ 200**	**$ 0**	**$ 0**

Explanation of Changes in Fund Balances:

1. Athough zero or minimul fund balances are projected with the allowance for inventory, any shortfalls are proposed to to be funded from transfers from the General Fund on an anuual basis.

Function:
Business Type

Department:
Parks and Recreation

Activity:
Marina Operations

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 2,226	$ 2,111	$ 2,600	$ 2,700	$ 2,600	0.00%
Commodities	5,977	8,231	6,600	6,700	6,800	3.03%
Contractual Services	1,285	2,600	1,400	1,400	1,400	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 9,488	$ 12,942	$ 10,600	$ 10,800	$ 10,800	1.89%
Funding Sources						
Fuel Sales	$ 8,321	$ 5,415	$ 10,700	$ 10,700	$ 10,700	0.00%
Miscellaneous Revenue	7	123	100	100	100	0.00%
Subsidy to Eliminate Deficit	33	4,829	-	-	-	
Total Funding Sources	$ 8,361	$ 10,367	$ 10,800	$ 10,800	$ 10,800	0.00%

Personnel Schedule						
	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Part Time:						
Seasonal Laborer	0.09	0.09	0.09	0.09	0.09	$ 2,300
Employee Benefits						300
Total Personal Services						$ 2,600

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 $33,200, is budgeted to be used to purchase soccer-related equipment for the new Sports Dome.

Soccer Events (1)

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 40,088	$ 31,276	$ 31,476	$ 32,714	$ 0
Revenues					
Event Fees (2)	$ (2,025) (3)	$ 0	$ 0	$ 0	$ 0
Other Contributions					
Merchandise Sales	10	0	0	0	0
Interest	947	1,438	200	486	0
Total Revenues	$ (1,068)	$ 1,438	$ 200	$ 486	$ 0
Funds Available	$ 39,020	$ 32,714	$ 31,676	$ 33,200	$ 0
Expenditures	$ 7,744	0	0	33,200 (5)	0
Ending Balance, June 30	$ 31,276 (2)	$ 32,714 (2)	$ 31,676 (4)	$ 0 (5)	$ 0
Increase (Decrease) in Fund Balance	**$ (8,812)**	**$ 1,438**	**$ 200**	**$ (32,714)**	**$ 0**

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. 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.
4. The original FY 25 budget allowed for the balance to remain in this fund through the end of 2024/2025 fiscal year in the event that soccer-related items might be needed for the new Sports Dome.
5. The 2024/2025 Revised Estimate allows for the remaining funds to be used to purchase soccer-related equipment for the new sports dome. This will close out this fund.

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 2025/2026, 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 24.5% for 2018/2019 and it 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 30.5%, the 2023/2024 transfer was 27.5%, and the 2024/2025 transfer is 29.6%.

The 2025/2026 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 2025/2026 is $1,874,500, which is 31.6% 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 $500,000 for both the 2024/2025 revised estimate and the 2025/2026 budget.

The revised estimated expenditures for 2024/2025 are $39,600 (1.5%) more than the original 2024/2025 budget. This overall increase is due to the net effect of (1) a $6,900 increase in personal services costs, (2) a $500 decrease in commodities, (3) a $5,500 increase in contractual services, and (4) a $27,700 increase in capital outlay. The increase in capital outlay is due to moving the 2025/2026 request for an i-Stat Blood Gas Analyzer ($37,800) to the 2024/2025 revised estimate.

The 2025/2026 budget is $4,800 (.2%) more than the original 2024/2025 budget. This overall increase is due to the net effect of (1) an $18,800 increase in personal services costs, (2) a $2,500 increase in commodities, (3) a $7,100 increase in contractual services, (4) a $248,400 decrease in capital outlay, and (5) a $224,800 increase in transfers. While the 2025/2026 operating budget does not include any capital outlay items, the request for a new ambulance for $310,000 is budgeted to be funded from the Spring 2026 bond issue.

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 2021	Actual 2022	Actual 2023	Actual 2024	Estimated 2025
Urban Zone Medical Responses	3,138	3,110	3,149	2,863	3,068
Suburban/Rural Zone Medical Responses	555	520	520	458	519
Out of Territory Medical Responses	65	62	54	49	59
Interfacility Transfers	1,465	1,505	1,358	1,379	1,432
Total EMS Calls	5,223	5,197	5,081	4,749	5,078
EMS Calls as % of Total Fire Calls	90.8%	85.8% (2)	88.0%	89.4%	87.0%
EMS Training Hours	4,259 (3)	4,797 (3)	4,929 (3)	4,285 (3)	4,528 (3)
Urban Response Time Compliance (8:59 minutes or less on at least 90% of calls)	88.8% (1)	92.6%	92.3%	91.2%	91.37%
Suburban/Rural Response Time Compliance (14:59 minutes or less on at least 90% of calls	95.0%	95.7%	96.5%	96.4%	94.95%

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:

- Spearheaded the implementation of Video Laryngeal Scopes for the Tactical EMS team and ambulances, enhancing airway management capabilities in critical situations.
- Led the "Stop the Bleed" program by conducting seven classes, training 47 civilians and 15 Muscatine police officers in life-saving hemorrhage control techniques.
- Mentored and guided two paramedics through a rigorous three-month Critical Care Paramedic certification program, ensuring advanced skills and readiness for high-acuity patient care.
- Successfully oversaw the completion of two additional Paramedic certifications, elevating team qualifications and clinical expertise.
- Transitioned from Revel Ventilators to VOCSN ventilators, equipping all ambulances with advanced respiratory support, including BiPAP, High Flow O2, and various ventilator settings for all intubated patients.
- Conducted multiple educational sessions with the Muscatine Elderly Consortium, addressing home fall-proofing strategies, and preventing common senior hazards to reduce slips, trips, and falls in alignment with national safety goals.
- Deployed five PowerPro EMS ambulance cots into service and provided in-depth training sessions for Fruitland Fire, Muscatine Police, and the Sheriff's Office, optimizing patient handling and comfort.

- Expanded the MSORT Tactical EMS team by adding three highly skilled new members, enhancing team readiness for complex, high-risk operations.

- Facilitated the successful completion of a two-week Tactical EMS School by one team member, bolstering tactical operations capabilities and field preparedness.

- Introduced four state-of-the-art Power Expedition Stair Chairs into service, improving patient transport efficiency and safety in challenging environments.

- Expanded staffing by adding three new part-time ambulance attendants and successfully guiding them through an intensive onboarding and operational training program, ensuring seamless integration into the team.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026:

- Enhance community awareness and engagement regarding AED usage and EMS-related topics. This includes educating the public on where to find AEDs, how to use them, and incorporating AED trainers into Stop the Bleed and Hands-Only CPR classes. To further promote AED usage during public cardiac arrest incidents, a community AED scavenger hunt will be organized ahead of the open house event in October 2025. Additionally, EMS-related social media campaigns will share quick tips and videos on topics such as heatstroke prevention, stroke recognition, and burn first aid to broaden public knowledge and engagement. **(Strategic Plan – Safe Community and Excellent Customer Service)**

- The department aims to evaluate the need and education requirements for the Muscatine Fire Department (MFD) to carry and administer whole blood products in the coming year. This initiative seeks to enhance patient care by enabling the administration of whole blood at the scene to address blood loss, improve oxygenation, and support clotting during traumatic incidents. Efforts will focus on researching best practices, developing procedural guidelines for administration, and establishing requirements and maintenance protocols. By pursuing this advanced capability, the Fire department reinforces its commitment to providing aggressive, high-quality care and improving long-term patient outcomes within its coverage area. **(Strategic Plan – Safe Community and Excellent Customer Service)**

- The Muscatine Fire department Emergency Medical Services (MFD EMS) is committed to achieving and maintaining compliance with the Commission on Accreditation of Ambulance Services (CAAS) standards, setting a benchmark for excellence in EMS operations. This accreditation reflects our dedication to delivering the highest level of patient care, operational efficiency, and safety, ensuring that our services meet and exceed national best practices. By pursuing CAAS accreditation, MFD EMS strengthens trust within the Muscatine community and neighboring departments, demonstrating leadership in EMS within Muscatine County. This initiative not only elevates the quality of emergency care but also fosters collaboration and sets a standard for regional EMS systems, ultimately enhancing the health and safety of all residents we serve. **(Strategic Plan – Safe Community and Excellent Customer Service)**

Ambulance Operations

Fund Statement

	Actual 2022/23	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 379,390	$ 408,013	$ 497,513	$ 757,551	$ 394,751
Revenues					
Ambulance Fees	$ 1,703,835	$ 1,801,178	$ 1,770,000	$ 1,770,000	$ 1,805,000
Ambulance Fees - GEMT Funds	504,517 (2)	465,422 (2)	500,000 (2)	500,000 (2)	500,000 (2)
Ambulance Fees (Prior Year Amount Over (Under) Accrual)	92,669	194,706	0	0	0
Township Subsidies	31,400	31,400	31,400	31,400	31,400
Interest	3,107	11,920	3,000	9,000	7,500
Other	839	800	0	800	800
Total Revenues	$ 2,336,367	$ 2,505,426	2,304,400	$ 2,311,200	$ 2,344,700
Funds Available	$ 2,715,757	$ 2,913,439	$ 2,801,913	$ 3,068,751	$ 2,739,451
Expenditures (1)	2,307,744	2,155,888	2,634,400	2,674,000	2,639,200
Ending Balance, June 30	$ 408,013	$ 757,551	$ 167,513	$ 394,751	$ 100,251
Increase (Decrease) in Fund Balance	**$ 28,623**	**$ 349,538**	**$ (330,000)**	**$ (362,800)**	**$ (294,500)**

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 2024/2025 and 2025/2026.

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 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 178,448	$ 197,576	$ 205,900	$ 212,800	$ 224,700	9.13%
Commodities	162,640	150,778	167,100	166,600	169,600	1.50%
Contractual Services	287,989	272,996	310,500	316,000	317,600	2.29%
Capital Outlay	48,874	25,565	248,400	276,100	-	-100.00%
Transfers	1,625,900	1,509,900	1,702,500	1,702,500	1,927,300	13.20%
Total Expenditures	$ 2,303,851	$ 2,156,815	$ 2,634,400	$ 2,674,000	$ 2,639,200	0.18%
Funding Sources						
Ambulance Fees	$ 2,301,021	$ 2,461,306	$ 2,270,000	$ 2,270,000	$ 2,305,000	1.54%
County Subsidy	31,400	31,400	31,400	31,400	31,400	0.00%
Interest	3,107	11,920	3,000	9,000	7,500	150.00%
Other	839	800	-	800	800	
Total Funding Sources	$ 2,336,367	$ 2,505,426	$ 2,304,400	$ 2,311,200	$ 2,344,700	1.75%

Personnel Schedule	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time:						
Ambulance Billing Manager	1.00	1.00	1.00	1.00	1.00	
Administrative Specialist	-	0.50	0.50	0.50	0.50	
Part Time:						
Ambulance Attendants	0.81	0.65	0.65	0.65	0.65	
Office Coordinator	0.25		-		-	
Total	2.06	2.15	2.15	2.15	2.15	$ 151,500
Employee Benefits						73,200
Total Personal Services						$ 224,700

MUSCATINE CONVENTION AND VISITORS' BUREAU (CVB)

GENERAL INFORMATION/HISTORY:

There were 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. This agreement was further extended through fiscal year 2024/2025 with the allocation continuing at $135,000.

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 ($102,562) being used to fund that portion of the 2024/2025 allocation to GMCCI. A $30,000 transfer from the Economic Development budget to the CVB fund will bring the total Tourism and Marketing funding to $135,000 in 2024/2025. 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

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 105,083	$ 107,705	$ 101,705	$ 102,562	$ 0
Revenues					
Interest	$ 2,622	$ 4,857	$ 295	$ 2,438	$ 0
Transfers In					
General Fund - Hotel/Motel Tax (1)	125,000 (1)	125,000	33,000	30,000	0
Total Revenues	$ 127,622	$ 129,857	$ 33,295	$ 32,438	$ 0
Funds Available	$ 232,705	$ 237,562	$ 135,000	$ 135,000	$ 0
Expenditures	125,000 (1)	135,000 (2)	135,000 (3)	135,000 (3)	0
Ending Balance, June 30	$ 107,705	$ 102,562	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 2,622**	**$ (5,143)**	**$ (101,705)**	**$ (102,562)**	**$ 0**

1. The City hotel/motel tax allocation through 2021/2022 was 25% of the actual hotel/motel tax receipts from the previous fiscal year. Beginning in the 2022/2023 revised estimate, the transfer was changed to the funding amount in the agreement with GMCCI ($125,000).
2. In 2023/2024, GMCCI requested their allocation be increased to $135,000 and that amount was included in the final budget.
3. 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.

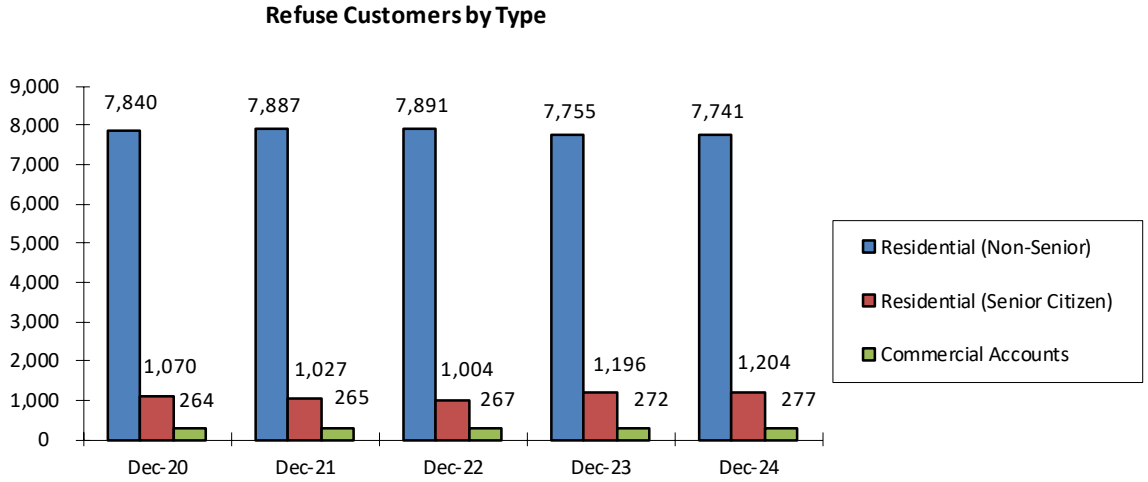
SOLID WASTE MANAGEMENT FUNDS

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:



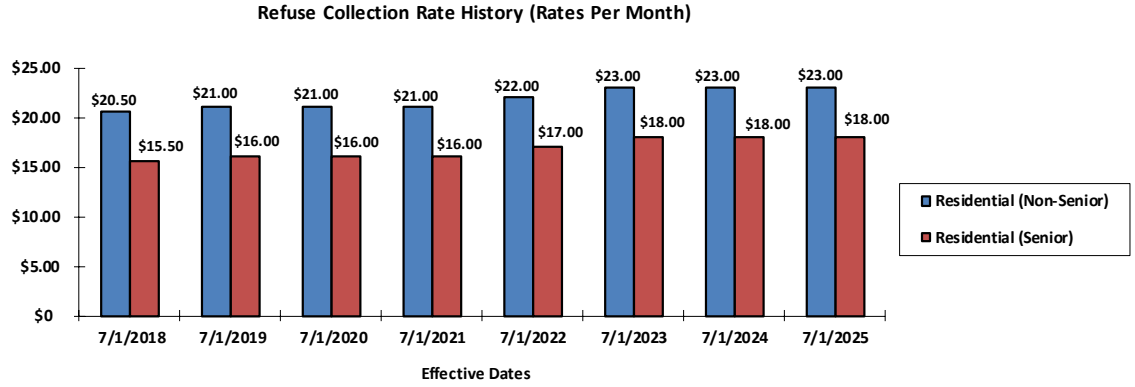
In April 2011 the City began a contracted single-sort curbside recycling program for all residential refuse collection customers. Allied Waste was selected as the contractor. This replaced the previous program which involved recycling trailers located throughout the community. Funding for the curbside 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. 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, to $3.73 from July

1, 2023 through June 30, 2024, and to $3.86 from July 1, 2024 through June 30, 2025. The rate for the 4th year will be $3.99 effective July 1, 2025, and rate for the 5th year will be $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 increases were budgeted for 2024/2025 or 2025/2026.



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 2024/2025 and 2025/2026 budgets each include $504,000 for Transfer Station fees for disposal of an estimated 8,400 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 2024/2025 are $48,900 more than the original budget. This overall increase is due to the net effect of (1) personal services costs are $3,800 more than the original budget due to an additional employee opting for family health insurance coverage with this increase partially offset by decreases in workers compensation and unemployment costs, (2) commodities are $400 less than the original budget, (3) contractual services are $15,300 more than the original budget which includes the increased cost of billing services by Muscatine Power & Water, and (4) capital outlay is $30,200 more than the original budget due to purchasing a litter trailer for $15,400 (which had $11,500 in grant funding), and the addition of $16,000 to purchase more of the 95-gallon curbside refuse carts.

The budgeted expenditures for 2025/2026 are $216,300 (7.9%) less than the original 2024/2025 budget. This overall decrease is due to the net effect of (1) personal services costs are $35,000 (3.9%) more than the prior year budget, (2) commodities are $12,700 more due to an allocation for concrete and concrete blocks for the compost site mulch storage and public access area, (3) contractual services are $37,800 more which includes the increased cost of billing services by Muscatine Power & Water and increased curbside recycling fees, (4) capital outlay is $306,000 less since the budget does not include any new refuse vehicles, and (4) transfers are $4,200 more.

The 2025/2026 budget includes $430,900 for the contracted curbside recycling service at the rate of $3.99 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 $2,566,000 for both the 2024/2025 revised estimate and the 2025/2026 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 2025/2026 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 2024/2025 and 2025/2026 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 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
Tons of Refuse Collected	8,653	8,394	8,424	8,400	8,400
Regular Residential Customers	7,457	7,307	7,180	7,171	7,180
Senior Residential Customers	1,013	1,004	1,196	1,204	1,210
Commercial and Industrial Customers	270	267	272	277	277
Ripley's Mobile Home Court – Residential Units	261	240	231	226	226
Fruitland Residential Customers	345	344	344	344	344
Single Sort Curbside Recycling (Tons)	1,259	1,158	1,134	1,140	1,145
Curbside Pickups (fiscal year)	4,654	4,705	4,228	4200	4,200

RECENT ACCOMPLISHMENTS:

Refuse collection employees continue to provide excellent customer service to the community. Staff work early morning hours in all weather conditions and do so safely. Changes in route efficiency have helped reduce temporary staffing costs and overtime. The public education component of the EMS (Environmental Management System) program has been implemented with the advertising billboards placed on the sides of the refuse trucks. The purpose of this program is to help educate residents on the programs and services available through the refuse collection and transfer station operations.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026:

- Implement the vehicle routing software program. Funding is available in the current fiscal year and staff are working with vendors on the selection of the program that will fit the needs of this division. This will be brought to City Council for approval. **(Strategic Goal – Excellent Customer Service)**

- Educate staff on the benefits of the Iowa Department of Natural Resources EMS (Environmental Management System) program that the City is participating in and incorporate employee involvement in the program. **(Strategic Goal – Excellent Customer Service)**

- Continue work on identifying curbside refuse cart locations and updating the location tracking sheet. This will provide an inventory of every cart location and its size for individual addresses. **(Strategic Goal – Excellent Customer Service)**

- Continue to work on commercial dumpster location lists. This will identify location, size, condition and frequency that dumpsters are emptied. Every dumpster will have a number welded on it so that an inventory list can be generated and dumpsters can be tracked. **(Strategic Goal – Excellent Customer Service)**

- Evaluate and update the current rates for commercial collection customers.

Refuse Collection Fund

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 207,399	$ 409,943	$ 377,943	$ 401,701	$ 246,701
Revenues					
Charges for Services	$ 2,461,460 (2)	$ 2,570,525 (3)	$ 2,556,000 (4)	$ 2,566,000 (4)	$ 2,566,000 (4)
Sales - Yard Waste Bags/Stickers	13,031	8,818	13,000	7,500	7,500
Compost Site Fees	16,907	17,986	16,900	18,000	18,000
Interest	7,108	14,029	4,000	4,000	4,000
Sales Tax	7,430	7,532	6,800	7,500	7,500
Iowa DNR Grant	0	0	0	11,500	0
Sale of Equipment	0	6,607	0	0	0
ICAP Grant	0	885	0	0	0
Miscellaneous	48	67	0	0	0
Transfers In:					
Surcharge Part II	41,781	41,425	0	0	0
Total Revenues	$ 2,547,765	$ 2,667,874	$ 2,596,700	$ 2,614,500	$ 2,603,000
Funds Available	$ 2,755,164	$ 3,077,817	$ 2,974,643	$ 3,016,201	$ 2,849,701
Expenditures (1)	2,345,221	2,676,116	2,720,600	2,769,500	2,504,300
Ending Balance, June 30	$ 409,943	$ 401,701	$ 254,043	$ 246,701	$ 345,401
Increase (Decrease) in Fund Balance	**$ 202,544**	**$ (8,242)**	**$ (123,900)**	**$ (155,000)**	**$ 98,700**

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.
4. No rate increases are budgeted for 2024/2025 or 2025/2026.

Explanation of Changes in Fund Balances:

Fund balances vary based on current and upcoming capital outlay needs.

Function:
Business Type Activity

Department:
Public Works

Activity:
Refuse Collection

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 807,287	$ 856,112	$ 903,200	$ 907,000	$ 938,200	3.88%
Commodities	78,468	68,843	72,400	72,000	85,100	17.54%
Contractual Services	1,253,132	1,355,810	1,289,300	1,304,600	1,327,100	2.93%
Capital Outlay	83,497	247,407	349,000	379,200	43,000	-87.68%
Transfers	141,881	144,925	106,700	106,700	110,900	3.94%
Total Expenditures	$ 2,364,265	$ 2,673,097	$ 2,720,600	$ 2,769,500	$ 2,504,300	-7.95%
Funding Sources						
Charges for Services	$ 2,461,460	$ 2,570,525	$ 2,556,000	$ 2,566,000	$ 2,566,000	0.39%
Sales-Yard Waste Bags/Stickers	13,031	8,818	13,000	7,500	7,500	-42.31%
Compost Site Fees	16,907	17,987	16,900	18,000	18,000	6.51%
Sales Tax	7,430	7,532	6,800	7,500	7,500	10.29%
Interest	7,108	14,029	4,000	4,000	4,000	
Sale of Equipment	-	6,607	-	-	-	
Donation	-	885	-	-	-	
DNR Grant	-	-	-	11,500	-	
Miscellaneous	48	67	-	-	-	
Total Funding Sources	$ 2,505,984	$ 2,626,450	$ 2,596,700	$ 2,614,500	$ 2,603,000	0.24%

Personnel Schedule						
	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
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 Collection Leadworker	1.00	1.00	1.00	1.00	1.00	
Refuse Truck Driver	4.00	4.00	4.00	4.00	4.00	
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	
Administrative Specialist	0.50	0.50	0.50	0.50	0.50	
Clerk	-	0.50 (1)	0.50	0.50	0.50	
Refuse Driver/Maint. Worker	-	0.50	0.50	0.50	0.50	
Total Full Time	7.60	8.60	8.60	8.60	8.60	
Part Time:						
Compost Site Technicians	0.78	0.84	0.84	0.86	0.86	
Refuse Driver I	0.73	0.73	0.73	0.86	0.73	
Refuse Collection Laborers	0.81	0.45	0.45	0.14	0.19	
Clerk	0.38	- (1)	-	-	-	
Total	10.29	10.62	10.62	10.45	10.38	$ 615,200
Employee Benefits						323,000
Total Personal Services						$ 938,200

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			
Item	***Quantity***	***Replacement***	***Amount***
95-Gallon Curbside Refuse Containers	200	Yes	$ 17,000
Retrofit Refuse Collection Vehicles with Trunion Locks	2	No	26,000
			$ 43,000

SOLID WASTE MANAGEMENT FUNDS

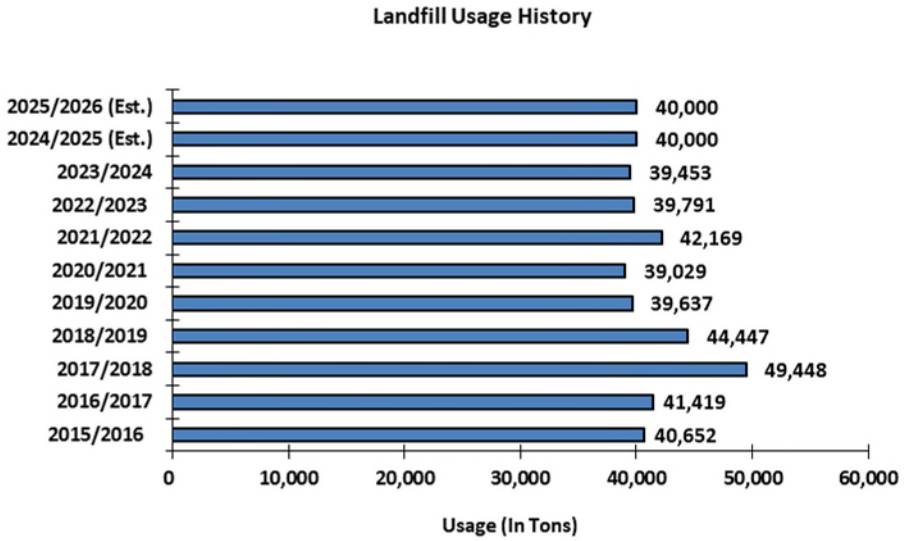
LANDFILL OPERATIONS

GENERAL INFORMATION:

The Solid Waste Management funds consist of three (3) operations, Refuse Collection, Landfill Operations, and Transfer Station Operations. The City 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.

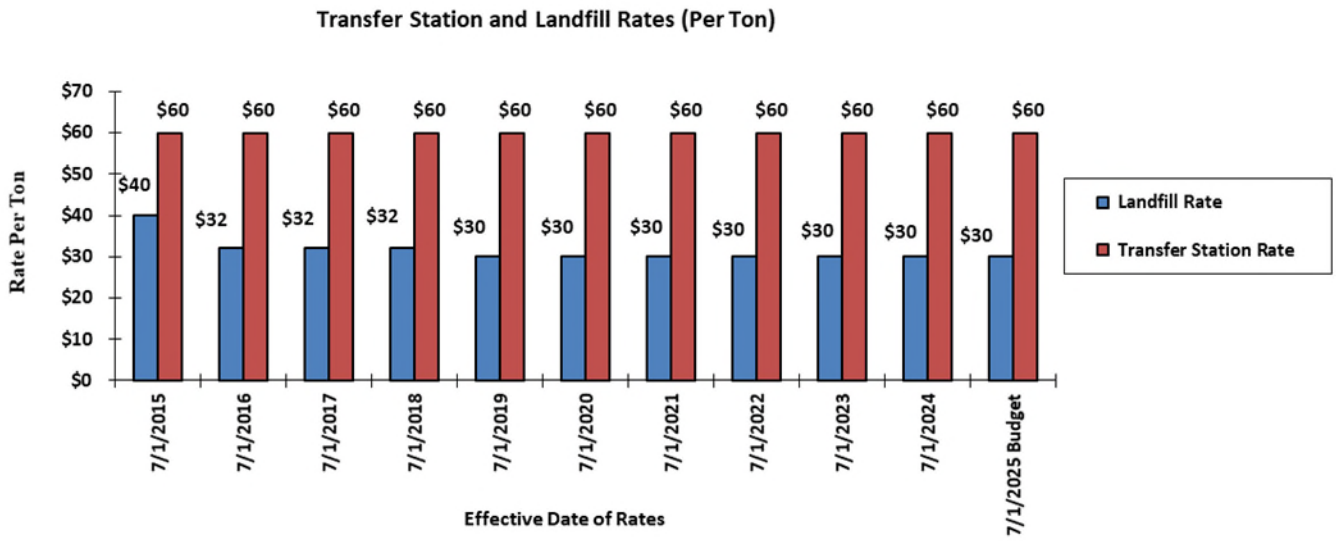
The following chart shows the tons of waste disposed of at the landfill since 2015/2016 as well as the projected waste volumes for 2024/2025 and 2025/2026.



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.

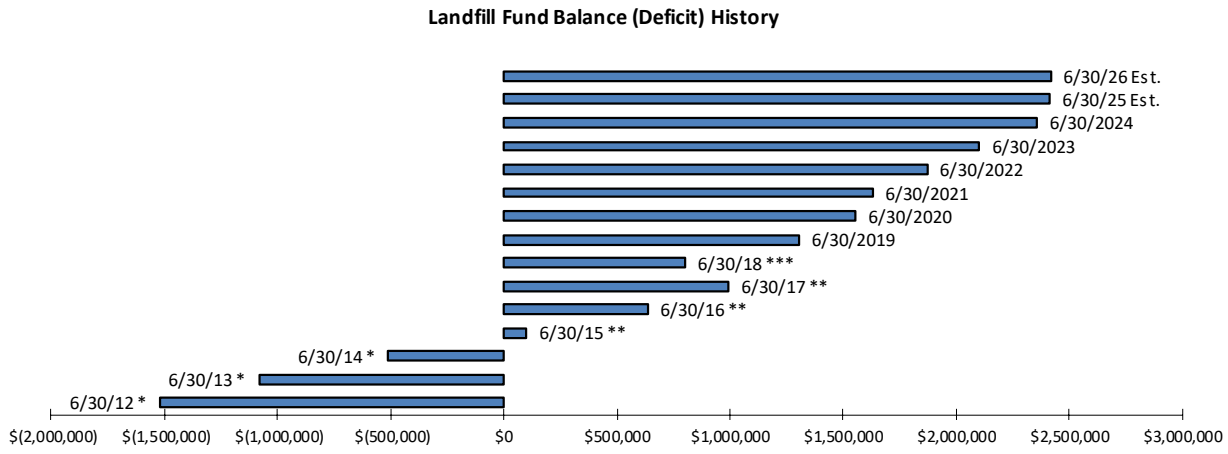
The following chart shows the Transfer Station regular rates since the 2014/2015 year and the portion of the transfer station fee paid to the Landfill fund. The regular Transfer Station rate has been $60.00 per ton since July 1, 2009 and that rate includes the portion of the rate the Transfer Station 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 2025/2026 budgets. This change was needed to continue to fund capital expenditures at the Transfer Station.



In addition to the rates shown in the table above, in 2009/2010 the City began offering industrial contracts for refuse disposal whereby industries can enter into an agreement with the City to dispose of their waste at the Transfer Station and be directly billed for the disposal fees. Under these agreements the industries qualified for a discounted industrial rate of $50/ton of which $30 of this rate was paid to the Landfill. In 2010 five new industrial contracts were negotiated which were expected to bring 5,000 tons of additional waste volume to the landfill each year. These were three-year contracts with variable disposal rates. All of the industrial contracts were first extended through June 30, 2015 and were further extended through June 30, 2020. Under those contracts the original industrial waste contracts were reduced by $5/ton from $50/ton to $45/ton and the negotiated contracts were each reduced by $2.50/ton. Agreements were reached to extend three of the industrial waste agreements for an additional five (5) years through June 30, 2025. Agreements have not yet been finalized for the other three agreements. Under the new agreements the regular industrial contracts decreased by $2.50 per ton to $42.50 per ton and the rates for the negotiated agreements did not change.

The fund balance for the Landfill Operation has varied over the past fourteen (14) years. The following is a summary of actual and projected fund balances (deficits).



* 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, to $2,102,982 as of June 30, 2023, and to $2,358,419 as of June 30, 2024. The fund balance is projected to increase to $2,403,019 at the end of fiscal year 2024/2025, and increase to $2,407,019 at the end of the 2025/2026 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 2024/2025 are $6,600 less than the original budget. This overall decrease is due to (1) a $500 decrease in personal services costs, (2) a $100 increase in commodities, (3) an $11,400 decrease in contractual services, and (4) a $5,200 increase in transfers. 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 2025/2026 for the Landfill are $34,000 (2.5%) more than the 2024/2025 budget. The increase in expenditures is due to (1) a $2,700 (3.3%) increase in personal services costs, (2), a $500 increase in commodities, (3) a $1,500 decrease in contractual services, (4) a $25,000 increase in capital outlay, and (5) a $7,300 increase in transfers.

The waste volume for 2025/2026 is estimated at 40,000 tons which is the same as the 2024/2025 budget and revised estimate.

Landfill fees for 2025/2026 are budgeted at $1,159,400 based on an estimated 40,000 tons. This is the same as the 2024/2025 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 2025/2026 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 $44,600 to $2,403,019 at the end of the 2024/2025 fiscal year. The fund balance at the end of the 2025/2026

fiscal year is estimated to increase by $4,000 to $2,407,019. 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. The City will be using a Request for Proposals (RFP) process for landfill operators prior to the expiration of the current agreement. 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 2024/2025 revised estimate and 2025/2026 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 2024/2025 and 2025/2026. 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 2024/2025 and 2025/2026 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 2024/2025 and 2025/2026 is $160,600 and the amount to be transferred to the Post-Closure Reserve for both of these years is estimated at $67,900.

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 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
Tons of Waste Disposed	42,169	39,791	39,453	40,000	40,000
Estimated Landfill Capacity Remaining in Constructed Cells (Tons)	275,132	235,341	195,888	155,888	115,888
Years of Current Landfill Space Remaining in Constructed Cells (Estimate)	6.8	5.9	4.6	4.0	3.0
Estimated Landfill Capacity Remaining in Permitted Area (Tons)	N/A	N/A	533,478	507,532 (1)	467,532
Years of Current Landfill Space Remaining in Permitted Area (Estimate)	N/A	N/A	12.8	12.5	11.5
Leachate Collected in Gallons	1,871,860	1,687,937	1,891,126	1,800,000	1,800,000

1. The 2024/2025 estimate is based on the September 2024 airspace analysis.

RECENT ACCOMPLISHMENTS:

Waste continues to be deposited in cell number five. Compaction rates continue to exceed the requirements of the operations contract, thus extending the number of years left in the landfill. Leachate generation continues to be low with the exception of the rainy spring months. The SCADA leachate pumping system has just been upgraded to a cloud-based communication system. This will improve reliability in the leachate pumping system and help ensure the leachate storage system does not overflow. Two generators have been installed to allow operation of the leachate storage tank pumps during periods of electrical power loss.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026:

- Begin construction of the gas to energy project if an agreement can be reached and a contract executed. **(Strategic Goal – Healthy Community)**
- Continue to identify areas to regrade to reduce leachate generation. **(Strategic Goal – Healthy Community)**
- Re-bid the Landfill Operator contract.
- Complete the engineering design for landfill cell six. **(Strategic Goal – Reliable Public Infrastructure)**

Landfill Operations

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 1,872,168	$ 2,102,981	$ 2,192,382	$ 2,358,419	$ 2,403,019
Revenues					
Charges for Services	$ 1,145,169	$ 1,136,579	$ 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	134,194	248,539	80,000	80,000	80,000
Transfers In:					
Landfill Surcharge Reserve	19,896	19,726	20,000 (4)	20,000 (4)	20,000 (4)
Total Revenues	$ 1,416,436	$ 1,522,021	$ 1,376,600	$ 1,376,600	$ 1,376,600
Funds Available	$ 3,288,604	$ 3,625,002	$ 3,568,982	$ 3,735,019	$ 3,779,619
Expenditures (1)	1,185,622	1,266,583	1,338,600	1,332,000	1,372,600
Ending Balance, June 30	$ 2,102,982	$ 2,358,419	$ 2,230,382	$ 2,403,019	$ 2,407,019
Increase (Decrease) in Fund Balance	**$ 230,814**	**$ 255,438**	**$ 38,000**	**$ 44,600**	**$ 4,000**

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 2024/2025 revised estimate and 2025/2026 budget are each based on an estimated 40,000 tons of waste.
4. The 2024/2025 and 2025/2026 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. Fund are again being accumulated for future landfill capital costs.

Landfill Surcharge Reserve Part I

Local Planning and Environmental Protection Activities

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues					
Transfers In					
Surcharge Fees	19,896	19,726	20,000 (1)	20,000 (1)	20,000 (1)
Funds Available	$ 19,896	$ 19,726	$ 20,000	$ 20,000	$ 20,000
Expenditures					
Transfers to Landfill Fund	19,896	19,726	20,000	20,000	20,000
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

1. Transfers are based on 40,000 tons for the 2024/2025 Revised Estimate and the 2025/2026 Budget at $.50/ton.

Landfill Surcharge Reserve Part II

Waste Reduction, Recycling, and Small Business Pollution Prevention

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues					
Transfers In					
Surcharge Fees	41,781	41,425	42,000 (1)	42,000 (1)	42,000 (1)
Funds Available	$ 41,781	$ 41,425	$ 42,000	$ 42,000	$ 42,000
Expenditures					
Transfers to Transfer Station Fund	41,781	41,425	42,000	42,000	42,000
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

1. Transfers are based on 40,000 tons for the 2024/2025 Revised Estimate and the 2025/2026 Budget at $1.05/ton.

Landfill Closure Reserve (1)

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 1,630,548	$ 1,793,792	$ 1,956,992	$ 1,954,354	$ 2,114,954
Revenues					
Transfers In					
Landfill Fund	163,244	160,562	163,200	160,600 (2)	160,600 (2)
Funds Available	$ 1,793,792	$ 1,954,354	$ 2,120,192	$ 2,114,954	$ 2,275,554
Expenditures	0	0	0	0	0
Ending Balance, June 30	$ 1,793,792	$ 1,954,354	$ 2,120,192	$ 2,114,954	$ 2,275,554
Increase (Decrease) in Fund Balance	**$ 163,244**	**$ 160,562**	**$ 163,200**	**$ 160,600**	**$ 160,600**

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 determlned.

Landfill Post-Closure Reserve (1)

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 1,170,037	$ 1,230,118	$ 1,290,218	$ 1,297,963	$ 1,365,863
Revenues					
Transfers In					
Landfill Fund	60,081	67,845	60,100	67,900 (2)	67,900 (2)
Funds Available	$ 1,230,118	$ 1,297,963	$ 1,350,318	$ 1,365,863	$ 1,433,763
Expenditures	0	0	0	0	0
Ending Balance, June 30	$ 1,230,118	$ 1,297,963	$ 1,350,318	$ 1,365,863	$ 1,433,763
Increase (Decrease) in Fund Balance	**$ 60,081**	**$ 67,845**	**$ 60,100**	**$ 67,900**	**$ 67,900**

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 determlned.

Function:
Business Type

Department:
Public Works

Activity:
Landfill Operations

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 71,330	$ 75,173	$ 81,400	$ 80,900	$ 84,100	3.32%
Commodities	10,457	11,964	17,400	17,500	17,900	2.87%
Contractual Services	710,836	776,736	810,500	799,100	809,000	-0.19%
Capital Outlay	41,393	44,635	75,000	75,000	100,000	33.33%
Transfers	350,002	356,559	354,300	359,500	361,600	2.06%
Total Expenditures	$ 1,184,018	$ 1,265,067	$ 1,338,600	$ 1,332,000	$ 1,372,600	2.54%
Funding Sources						
Charges for Services	$ 1,145,169	$ 1,136,579	$ 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	134,194	248,539	80,000	80,000	80,000	0.00%
Transfers In:						
Surcharge Reserve	19,896	19,726	20,000	20,000	20,000	0.00%
Total Funding Sources	$ 1,416,436	$ 1,522,021	$ 1,376,600	$ 1,376,600	$ 1,376,600	0.00%

Personnel Schedule

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time:						
Solid Waste & Sewer System Manager	0.35	-	-	-	-	
Solid Waste Manager	-	0.35	0.35	0.35	0.35	
Solid Waste Supervisor	0.25	0.25	0.25	0.25	0.25	
Total Full Time	0.60	0.60	0.60	0.60	0.60	$ 57,900
Employee Benefits						26,200
Total Personal Services						$ 84,100

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Engineering and Bidding for Cell Six			$ 50,000
Used Skidsteer and Brush Mower	1	No	50,000
			$ 100,000

SOLID WASTE MANAGEMENT FUNDS

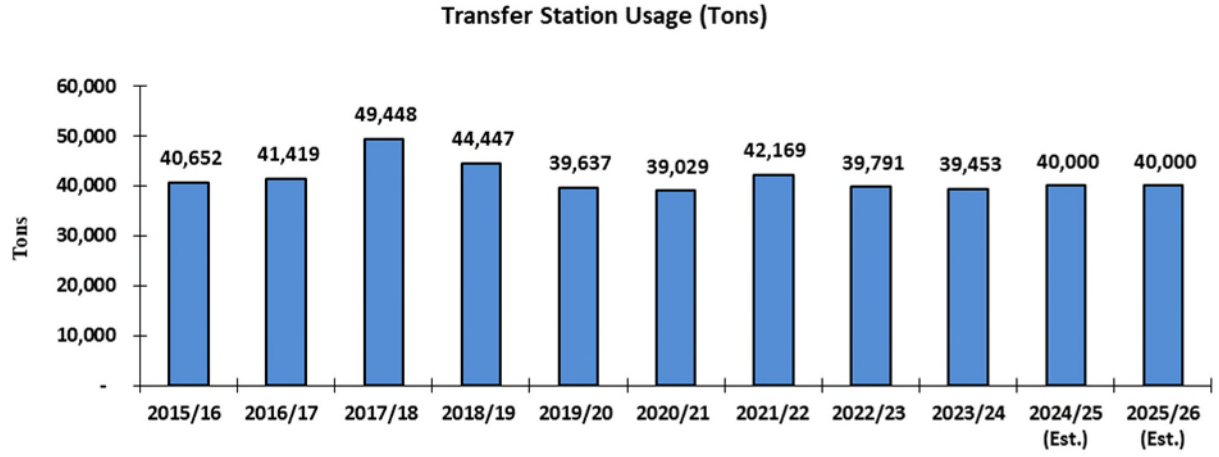
TRANSFER STATION OPERATIONS

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 2024/2025 revised estimate and 2025/2026 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 be used to reduce the accumulated deficit in that fund. The Transfer Station has had minimal fund balances 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.

The 2019/2020 budget included a further change in the allocation of the full rate tipping fee to $30 Landfill and $30 Transfer Station (changed from $32 Landfill/$28 Transfer Station). This allocation was continued in the 2020/2021 through 2025/2026 budgets.

The 2024/2025 revised estimate expenditures are $1,100 more than the original budget. This overall increase is due to the net effects of (1) a $30,200 decrease in personal services costs primarily due to two employees changing from family to single health insurance coverage, (2) a $6,800 increase in commodities, (3) a $19,800 increase in contractual services due to increased repair and maintenance services and increased insurance costs, and (4) a $4,700 increase in capital outlay.

The budgeted expenditures for 2025/2026 are $100,300 (4.2%) less than the 2024/2025 budget. The 2025/2026 budget is based on 40,000 tons of waste, the same tonnage as the 2024/2025 budget and revised estimate. The $100,300 expenditure decrease is due to the net effects of (1) a $16,800 (4.0%) decrease in personal services costs, (2) a $5,800 increase in commodities, (3) a $2,500 decrease in contractual services, (4) an $87,000 decrease in capital outlay, and (4) a $200 increase in transfers.

The 2024/2025 and 2025/2026 budgeted tipping fees are each estimated at $2,069,900 based on the 40,000-ton estimate. Other revenue for both 2024/2025 and 2025/2026 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. The Transfer Station fund balance is estimated at $218,755 at the end of the 2024/2025 fiscal year and $160,555 for the end of the 2025/2026 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 2025/2026. 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 2024/2025 revised estimate and 2025/2026 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 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
Tons of Waste Processed	42,169	39,791	39,453	40,000	40,000
Tons Recycled (Contractor) – Republic Services	1,202	1,158	1,135	1,140	1,150
Gallons of Waste Oil Collected	1,800	1,850	1,420	1,900	1,900

RECENT ACCOMPLISHMENTS:

Staff continues to complete maintenance and repair projects for the Transfer Station buildings, equipment, and grounds. The annual free appliance and electronics drop off weeks took place in July with a favorable turnout for both weeks. Staff has reconfigured the drop off area at the compost site making it larger and more user-friendly. Screened compost and shredded mulch have been produced and are available to the public as well as other City departments.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026:

- Continue to work with staff and participate in the State EMS (Environmental Management System) program. **(Strategic Goal – Excellent Customer Service)**

- Continue to improve equipment maintenance procedures to help decrease equipment repair costs and reduce equipment downtime. **(Strategic Goal – Excellent Customer Service)**

- Continue to provide excellent customer service. **(Strategic Goal – Excellent Customer Service)**

- Establish a process for customers to have access to and reuse items in the Household Hazardous Waste drop off area. Items such as paints and stains, cleaners, and lawn chemicals can be utilized rather than disposed of. **(Strategic Goal – Excellent Customer Service)**

Transfer Station Operations

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 383,654	$ 333,861	$ 275,961	$ 378,255	$ 218,755
Revenues					
Charges for Services	$ 2,114,500	$ 2,074,016	$ 2,069,900 (2)	$ 2,069,900 (2)	$ 2,069,900 (2)
Recycling Commissions	3,938	2,924	4,000	4,000	4,000
Recycling Center Rental Fees	60,000	60,000	60,000	60,000	60,000
Sales Tax	8,778	14,321	10,000	13,000	13,000
Miscellaneous Sales	0	9,782	0	0	0
Electronic Waste Disposal Fees	15,960	15,081	15,500	15,500	15,500
Appliance Disposal Fees	10,155	11,710	9,000	9,000	9,000
Sale of Equipment	0	6,236	0	0	0
Interest	6,453	12,017	2,000	2,000	2,000
Reimbursement of Damages	0	6,979	0	0	0
Other	125	132	0	100	0
Transfers In:					
Surcharge Reserve	41,781	41,425	42,000	42,000	42,000
Total Revenues	$ 2,261,690	$ 2,254,623	$ 2,212,400	$ 2,215,500	$ 2,215,400
Funds Available	$ 2,645,344	$ 2,588,484	$ 2,488,361	$ 2,593,755	$ 2,434,155
Expenditures (1)	2,311,483	2,210,229	2,373,900	2,375,000	2,273,600
Ending Balance, June 30	$ 333,861	$ 378,255	$ 114,461	$ 218,755	$ 160,555
Increase (Decrease) in Fund Balance	**$ (49,793)**	**$ 44,394**	**$ (161,500)**	**$ (159,500)**	**$ (58,200)**

1. Expenditures include changes in compensated absences.
2. The revenue estimates for the 2024/2025 revised estimate and the 2025/2026 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.

Transfer Station Closure Reserve (1)

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 33,825	$ 33,825	$ 33,825	$ 33,825	$ 33,825
Revenues					
Transfers In					
Transfer Station Fund	0	0	0	0	0
Funds Available	$ 33,825	$ 33,825	$ 33,825	$ 33,825	$ 33,825
Transfer to Operations	0	0	0	0	0
Ending Balance, June 30	$ 33,825	$ 33,825	$ 33,825	$ 33,825	$ 33,825
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

1. This reserve is required according to State regulations.

Function:
Business Type

Department:
Public Works

Activity:
Transfer Station

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 329,966	$ 377,340	$ 424,500	$ 394,300	$ 407,700	-3.96%
Commodities	40,352	37,211	38,700	45,500	44,500	14.99%
Contractual Services	1,881,136	1,777,566	1,804,000	1,823,800	1,801,500	-0.14%
Capital Outlay	51,672	15,681	102,000	106,700	15,000	-85.29%
Transfers	4,300	4,500	4,700	4,700	4,900	4.26%
Total Expenditures	$ 2,307,426	$ 2,212,298	$ 2,373,900	$ 2,375,000	$ 2,273,600	-4.23%
Funding Sources						
Charges for Services	$ 2,114,500	$ 2,074,016	$ 2,069,900	$ 2,069,900	$ 2,069,900	0.00%
Recycling Commissions	3,938	2,924	4,000	4,000	4,000	0.00%
Recycling Center Rental	60,000	60,000	60,000	60,000	60,000	0.00%
Sales Tax	8,778	14,321	10,000	13,000	13,000	30.00%
Tire, E-Waste, Appliance Charges	26,115	26,791	24,500	24,500	24,500	0.00%
Sale of Equipment	-	6,236	-	-	-	
Interest	6,453	12,016	2,000	2,000	2,000	
Misc Sales	-	9,782	-	-	-	
Reimb of Damages	-	6,979	-	-	-	
Other	125	132	-	100	-	
Transfer from Surcharge Reserve	41,781	41,425	42,000	42,000	42,000	0.00%
Total Funding Sources	$ 2,261,690	$ 2,254,622	$ 2,212,400	$ 2,215,500	$ 2,215,400	0.14%

Personnel Schedule						
	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
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	0.50	
Clerk	-	0.50 (1)	0.50	0.50	0.50	
Total Full Time	3.30	4.30	4.30	4.30	4.30	
Part Time:						
Clerk	0.36	- (1)	-	-	-	
Custodian	0.23	0.23	0.23	0.23	0.23	
Total	3.89	4.53	4.53	4.53	4.53	$ 273,500
Employee Benefits						134,200
Total Personal Services						$ 407,700

1. Effective 7-1-23 the part time Clerk was moved to a full time position, allocated 50% to the Transfer Station.

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Pressure Washer	1	Yes	$ 15,000

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 the project was completed in 2023/2024 for a total cost of $1,085,416. This project was funded from this Reserve.

At the time the 2024/2022 budget is being developed, engineering design is in progress on several of the other projects identified in the Facilities Plan. These projects will be partially funded from this Reserve and partially from a future State Revolving Fund (SRF) loan.

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 three 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 2025/2026 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. The assumptions used in the long-term financial plan were to fund the project costs through Phase 5 from Local Option Sales Tax funds, then issue SRF loans for the multiple phases of Phase 6. This reserve will provide funding towards the final phases 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 2024/2025 and 2025/2026 are $970,360 and $980,875, respectively. Interest and fees on the loan are $147,480 in 2024/2025 and $131,040 in 2025/2026. The principal payments on this loan are $822,000 in 2024/2025 and $849,000 in 2025/2026.

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

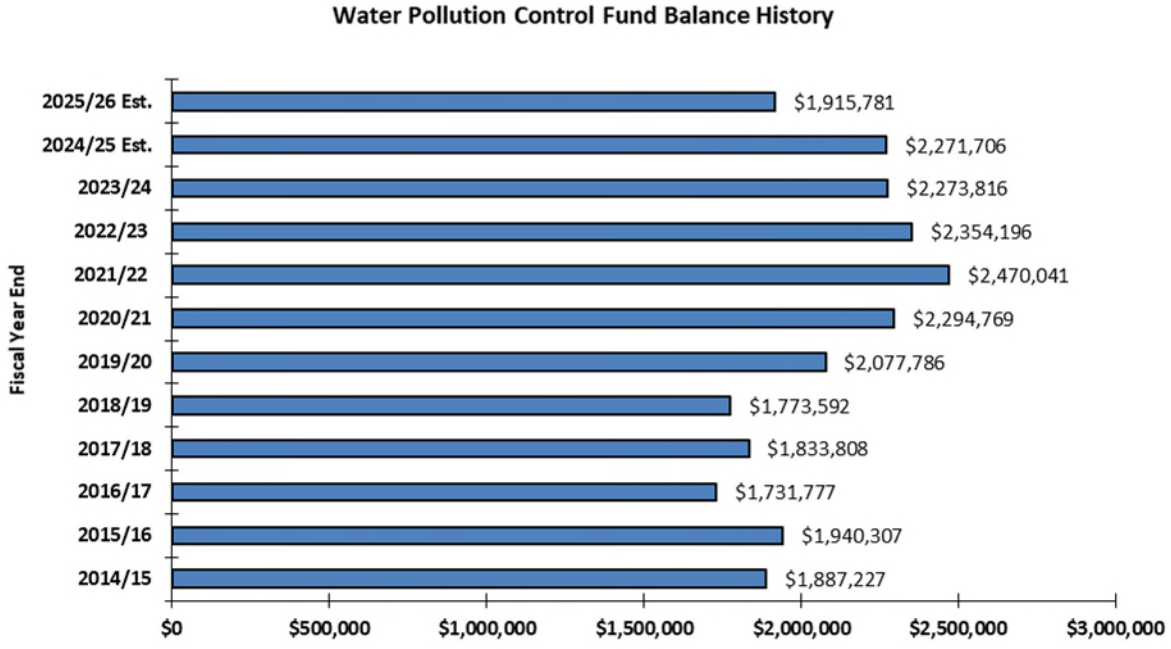
improvements was approximately $18.5 million with $2 million funded from the WPCP Replacement Reserve and $16.5 million from the State Revolving Fund Loan program. Construction on this project began in December, 2008 and the contract for this project was closed out in June of 2013.

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 was completed in 2023/2024. Engineering design is currently in progress for the (1) the Lift Station HVAC project, and (2) the Houser Street Lift Station Upgrades project

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.



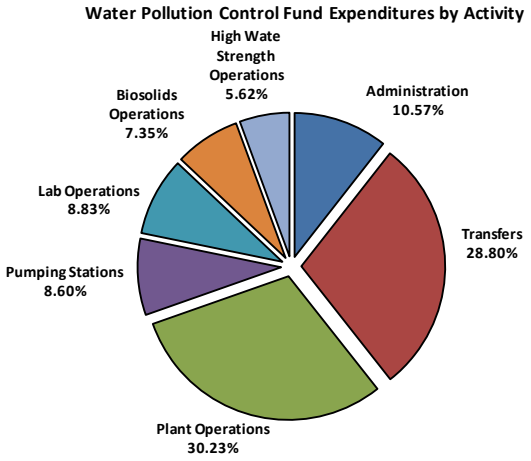
The fund balances listed above fluctuated partly as a result of variable volumes received from industrial customers. In addition, the City increased rates during this time period to cover inflationary cost increases and to ensure sufficient funds would be available for the debt service requirements on the State Revolving Fund

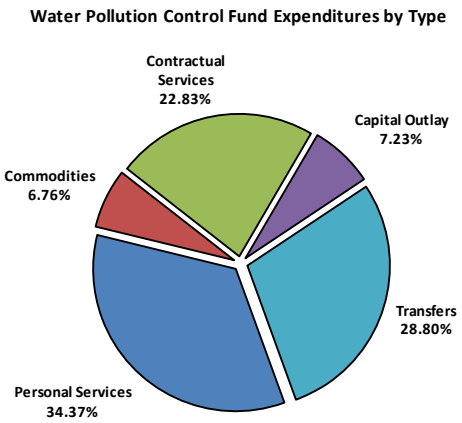
(SRF) Loan. The lower fund balances in 2016/2017, 2017/2018, and 2018/2019 were due to $500,000 increases in the transfers to the Plant Replacement Reserve in these years. Those increased transfers were needed to fund the High Strength Waste Receiving Station project.

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 20.75 for 2025/2026. 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 2025/2026:





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 2024/2025 revised estimate expenditures are $87,200 more in total than the original budget. There were increases or decreases in each of the individual activity budgets including (1) a $52,900 increase in the Water Pollution Control Administration budget, primarily due to increased insurance costs, (2) a $12,800 increase in the Plant Operations budget, (3) a $24,800 increase in the Pumping Stations budget, (4) a $6,200 increase in the Lab budget, (5) a $20,000 increase in the Biosolids budget, and (6) a $29,500 decrease in the High Strength Waste Operations budget.

The 2025/2026 budgeted expenditures of $6,674,525 are $394,615 (6.3%) more than the original 2024/2025 budget. This overall increase is due to (1) a $74,900 (3.4%) increase in personal services costs, (2) a $26,900

(6.3%) increase in commodities, (3) a $180,300 (13.4%) increase in contractual services, (4) a $92,600 (23.7%) increase in capital outlay, and (5) an $19,915 (1.0%) increase in transfers.

As noted previously, the most recent 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 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
Million Cubic Feet of Wastewater Treated	144.4	160.9	150.74	197.21	170.34
Biological Oxygen Demand Treated (1,000 lbs./yr.)	5,010	5,093	5,565	4,695	4,965
Total Suspended Solids Treated (1,000 lbs./yr.)	2,775	2,241	2,271	2,417	2,520
Number of Customer Bills – Industrial -	112	112	112	112	112
Non-Industrial -	111,617	112,120	110,935	111,000	111,000
	111,729	112,232	111,047	111,112	111,112

Calendar Year Measures	Actual 2021	Actual 2022	Actual 2023	Actual 2024	Estimated 2025
High Strength Solid Waste Received in Tons (1)	2,774	3,913	2,700	2,391	3,000
HSW Liquid Waste Received in Gallons (1)	3,949,980	1,785,148 (4)	1,506,569	1,301,260	1,400,000
Gallons of Sludge/Number of Acres	8,434,384/ 459	10,485,813/ 546 (5)	10,268,461/ 474 (5)	10,627,789/ 551 (5)	10,000,000/ 480
Lift Station Preventive Maintenance Tasks (PMs)	4,818 (3)	4,700	4,808	4,808	4,800
Lift Station Corrective Work Orders (CMs)	138	130	144	160	150
Plant Preventive Maintenance Tasks	6,618 (3)	5,367 (3)	6,629 (2)	5,371	5,400
Plant Corrective Work Orders	219 (3)	73 (3)	100	63	70

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 goal of excellent customer service, a safe, vibrant and healthy community, along with reliable public infrastructure has been the focus of this year's projects. The Replacement UV Disinfection System Project was completed 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 were possible with minimal impact 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 plant staff to prioritize critical projects to begin planning for the needs and costs of future projects to ensure continual treatment. 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 updated and sent to the Department of Natural Resources with the NPDES permit renewal application to determine what technologies and processes will be used to reduce our nutrient loading if we are required to in the new permit.

The Lift Station Asset Replacement Project was recently initiated This project was part of the Capital Improvement Plan (CIP). This project will replace, upgrade, or repair aging and often nonfunctioning equipment at the wastewater treatment plant as well as multiple lift stations. This project will be funded through the State Revolving Fund (SRF) Loan and will be the first to be managed by CMAR (Construction Manager At Risk). CMAR management was approved for public projects in the state in 2023. This will be one of the first projects in the state to utilize this method which cuts the project timeline by involving the construction manager early in the design process. Doing this allows the construction team to better determine the needs of the project during design reducing the amount of change orders during construction. It requires the CMAR to deliver the project under a GMP (Guaranteed Maximum Price) so that costs can be better controlled.

The Operations and Maintenance division has a relatively 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 maintenance manager is the first licensed electrician to be hired by the department and will be a great asset to have on staff. The department is moving forward at a rapid pace repairing and replacing aging equipment. Goals include making the plant much more efficient with less failures. Planning ahead creates fewer emergency repairs. A main goal of the department is to provide a safe work environment for all employees by implementing a fundamental and OSHA compliant safety program. Plant cleanup has been a main priority as well. By keeping plant areas clean and organized, inventory is easily accessible and can be used more efficiently. Lighting in the plant and lift stations had old fixtures that were using extremely high amounts of electricity. The department has purchased new lighting fixtures and is in the process of changing out fixtures throughout the plant. The plant should see energy savings once all lighting is replaced. The plant has experienced electrical problems that were causing equipment failures. Staff worked with Muscatine Power & Water to test, monitor, and record these events. Staff narrowed down the causes of some of these issues and have reduced the number of failures significantly. With future CIP projects, staff hopes to further reduce these issues. The department may need to switch the main incoming power source to get away from the more industrial feed (Grandview Avenue) and move to the more residential/commercial feed (Cedar Street).

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. Over 10.6 million gallons of nutrient rich biosolids were applied over 551 acres of farm ground providing the fields with needed nitrogen, phosphorus, and micro-nutrients in a natural method not available to other farmers. The Biosolids division is also in charge of the Muscatine Organics Recycling Center (MORC). Staff has been cross-trained to continue running the facility and applying biosolids in the fall. This division is also responsible for dredging the marina during the spring and summer. The dredge pumps were both sent out for repairs which hindered dredging during historically low river levels in 2024 after large floods. The dredge should be back in the marina to keep levels appropriate for boats by the spring of 2025.

The Muscatine Environmental Laboratory had a very busy year with audits, an Inductive Coupled Plasma (ICP) machine installation for metal testing, and Wastewater Scan sampling for COVID and other infectious diseases tracking in our community. The lab also installed an information management system called the WIMS for more efficient data recording. The WIMS system will assist in customer billing. The new system will use the operations data to improve process controls. 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 over 2,200 tons of food waste diverted from regional landfills. The department also received over 1.4 million gallons of liquid high strength waste like fats, oils, and grease from local and regional grease traps at restaurants, grocery stores, and food manufacturers. Sale of the biogas created from adding these materials to the anaerobic digesters at the Water Pollution Control plant is pending agreement proposals expected in 2025. The department was awarded the Iowa Chapter American Public Works Association 2021 Project of the Year Award, American Academy of Environmental Engineers & Scientists 2021 Honor Award, Engineering News/Record 2021 Merit Award, American Council of Engineering Companies of Iowa 2021 Grand Place and Grand Conceptor Award for Engineering Excellence in Water & Wastewater, American Council of Engineering Companies 2021 National Grand Award, Iowa Society of Solid Waste Operations 2022 Innovative Project Award, Water Environment Federation 2023 National Project Excellence Award, Solid Waste Association of North America 2023 National Sustainable Materials Management Organization Award Honorable Mention, and the American City & County 2023 Crown Community Award.

The Storm Water division continues to work toward capturing and cleaning more stormwater before it enters the river. These innovative practices located at the City Hall Biocell, the Sycamore Alley Biocell, 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 on-going at the Muscatine Slough to provide more efficient flow, cleaning the water using wetlands, and provide more recreational opportunities. Grant opportunities are being explored to start project work around the Slough and into the Pollinator Park where stormwater with nutrient pollution would be sent to two wetlands to clean the water before discharging it back into the Mississippi River.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026:

- To move through the WPCP and Lift Station Asset Replacement Project as part of the CIP. **(Strategic Plan - Reliable Public Infrastructure)**

- To initiate the new Safety and Health at Work Program. **(Strategic Plan - Healthy Community)**

- To develop succession planning for key staff and aid in staff retention through staffing assessments. **(Strategic Plan - Excellent Customer Service)**

- To develop a Resilient and Renewable Energy Plan for the WPCP, incorporating sustainability and lean goals. **(Strategic Plan - Excellent Customer Service)**

- To assist in developing environmental and recreational plans for the Muscatine Slough. **(Strategic Plan - Vibrant Community)**

- To implement new regulations as outlined by the DNR NPDES permit. **(Strategic Plan - Healthy Community)**

- To present a Sustainability Plan to Council. **(Strategic Plan - Excellent Customer Service)**

- To continue exploring using the biogas created at the plant for energy generation or sale to the natural gas pipeline. **(Strategic Plan - Excellent Customer Service)**

- 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
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	1,028,000	20,560	1,048,560
Total	$ 7,374,000	$ 688,360	$ 8,062,360

* 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
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

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 2,327,640	$ 2,765,763	$ 1,743,763	$ 2,214,317	$ 2,119,917
Revenues					
Interest	$ 69,533	$ 119,810	$ 50,000	$ 75,000	$ 75,000
Transfers In					
Water Pollution Control Operations Fund	400,000 (1)	400,000 (2)	400,000 (2)	400,000 (2)	400,000 (2)
Total Revenues	$ 469,533	$ 519,810	$ 450,000	$ 475,000	$ 475,000
Funds Available	$ 2,797,173	$ 3,285,573	$ 2,193,763	$ 2,689,317	$ 2,594,917
Expenditures					
Transfers Out:					
UV Disinfection System	$ 31,410 (3)	$ 1,054,006 (3)	$ 0	$ 0	$ 0
Houser Lift Station Upgrades	0	17,250	180,000	283,000	200,000
Lift Station HVAC Project	0	0	81,000	286,400	0
Plant Electrical Package	0	0	40,000 (4)	0 (4)	0
Lift Station Electrical Package	0	0	30,000 (4)	0 (4)	0
Total Expeditures	$ 31,410	$ 1,071,256	$ 331,000	$ 569,400	$ 200,000
Ending Balance, June 30	$ 2,765,763	$ 2,214,317	$ 1,862,763	$ 2,119,917	$ 2,394,917
Increase (Decrease) in Fund Balance	**$ 438,123**	**$ (551,446)**	**$ 119,000**	**$ (94,400)**	**$ 275,000**

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. A Capital Planning Study was completed in 2022. The UV Disinfection System project was rated as the highest priority in this study. This project was completed in 2023/2024.
4. The Plant Electrical Package and the Lift Station Electrical Package have been included with the WPCP and Lift Station Asset Replacement project which is being financed with a State Revolving Fund (SRF) Loan.

West Hill Sewer Separation Project Long-Term Financing Plan Reserve

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 4,590,010	$ 5,120,636	$ 5,700,636	$ 5,767,998	$ 6,347,998
Revenues:					
Interest	$ 130,626	$ 247,362	$ 180,000	$ 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	$ 530,626	$ 647,362	$ 580,000	$ 580,000	$ 580,000
Funds Available	$ 5,120,636	$ 5,767,998	$ 6,280,636	$ 6,347,998	$ 6,927,998
Transfer to West Hill Sewer Project	0	0	0	0	0
Ending Balance, June 30	$ 5,120,636	$ 5,767,998	$ 6,280,636	$ 6,347,998	$ 6,927,998
Increase (Decrease) in Fund Balance	**$ 530,626**	**$ 647,362**	**$ 580,000**	**$ 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

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 130,025	$ 146,432	$ 163,272	$ 173,303	$ 190,183
Revenues:					
Interest	$ 15,609	$ 26,031	$ 16,000	$ 16,000	$ 16,000
Transfers In:					
Water Pollution Control Fund	950,618	960,240	970,360	970,360	980,875
Total Revenues	$ 966,227	$ 986,271	$ 986,360	$ 986,360	$ 996,875
Funds Available	$ 1,096,252	$ 1,132,703	$ 1,149,632	$ 1,159,663	$ 1,187,058
Expenditures:					
Bonds	$ 771,000	$ 796,000	$ 822,000	$ 822,000	$ 849,000
Interest and Fees (1)	178,820	163,400	147,480	147,480	131,040
Total Expenditures	$ 949,820	$ 959,400	$ 969,480	$ 969,480	$ 980,040
Ending Balance, June 30	$ 146,432	$ 173,303	$ 180,152	$ 190,183	$ 207,018
Increase (Decrease) in Fund Balance	**$ 16,407**	**$ 26,871**	**$ 16,880**	**$ 16,880**	**$ 16,835**

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 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 2,470,041	$ 2,354,196	$ 2,331,156	$ 2,273,816	$ 2,271,706
Revenues	5,961,991	6,175,736	6,150,100	6,365,000	6,318,600
Funds Available	$ 8,432,032	$ 8,529,932	$ 8,481,256	$ 8,638,816	$ 8,590,306
Expenditures (1)	6,077,836	6,256,116	6,279,910	6,367,110	6,674,525
Ending Balance, June 30	$ 2,354,196	$ 2,273,816	$ 2,201,346	$ 2,271,706	$ 1,915,781
Increase (Decrease) in Fund Balance	**$ (115,845)**	**$ (80,380)**	**$ (129,810)**	**$ (2,110)**	**$ (355,925)**

1. Expenditures include changes in compensated absences.

Water Pollution Control Operations Fund

Summary of Revenues

	Actual 2022/2023		Actual 2023/2024		Budget 2024/2025	Revised Estimate 2024/2025		Budget 2025/2026	
Sewer Charges-Residential and Commercial (Billed by MP&W)	$ 3,699,793	(1)	$ 3,795,959	(2)	$ 3,897,400	$ 3,897,400	(2)	$ 4,010,000	(2)
Industrial and City-billed Commercial Sewer Charges	1,648,800	(1)	1,783,260	(2)	1,734,800	1,900,000	(2)	1,785,000	(2)
Charges for Fats, Oils, and Grease (FOG)	163,595		133,661		150,000	120,000		150,000	
Charges for High Strength Waste	185,235		73,335		150,000	180,000		150,000	
Wastewater Discharge Permits	5,760		17,415		1,600	1,600		1,600	
Fines	0		63,600		0	20,000		10,000	
Interest	54,710		85,269		30,000	30,000		30,000	
Sale of Equipment/Other Sales	0		13,838		0	4,000		0	
Analytical Income	97,073		94,628		100,000	90,000		90,000	
Wastewater Samples	13,000		28,000		0	30,000		0	
Sales Tax	67,465		70,708		68,000	72,000		72,000	
Reimbursements for Diesel Fuel	0		15,863		16,300	18,000		18,000	
Miscellaneous	26,560		200		2,000	2,000		2,000	
Total Revenues	$ 5,961,991		$ 6,175,736		$ 6,150,100	$ 6,365,000		$ 6,318,600	

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. A sewer rate study was completed in the spring of 2023 which set rates for the next five years. Per the rate study, 3% rate increases were implemented July 1, 2023, July 1, 2024, July 1 ,2025, July 1, 2026, and July 1, 2027.

Water Pollution Control Operations Fund

Summary of Expenditures

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Administration	$ 2,458,681	$ 2,396,144	$ 2,504,210	$ 2,557,110	$ 2,627,925
Plant Operations	1,631,584	2,002,724	1,813,400	1,826,200	2,017,500
Pumping Stations	671,006	478,729	492,700	517,500	573,700
Laboratory Operations	534,408	527,859	636,500	642,700	589,600
Biosolids Operations	422,682	492,610	455,800	475,800	490,800
High Strength Waste Operations	363,704	365,629	377,300	347,800	375,000
Total Expenditures	$ 6,082,065	$ 6,263,695	$ 6,279,910	$ 6,367,110	$ 6,674,525

Function:
Business Type

Department:
Water Pollution Control

Activity:
Administration

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 239,081	$ 246,962	$ 260,300	$ 259,100	$ 267,500	2.77%
Commodities	4,408	4,381	4,900	4,900	4,900	0.00%
Contractual Services	252,850	260,961	336,500	390,600	433,100	28.71%
Capital Outlay	91,774	-	-	-	-	
Transfers	1,870,568	1,883,840	1,902,510	1,902,510	1,922,425	1.05%
Total Expenditures	$ 2,458,681	$ 2,396,144	$ 2,504,210	$ 2,557,110	$ 2,627,925	4.94%
Funding Sources						
Sewer Charges	$ 2,298,771	$ 2,381,550	$ 2,421,700	$ 2,572,800	$ 2,317,000	-4.32%
Interest	54,710	85,269	30,000	30,000	30,000	0.00%
Total Funding Sources	$ 2,353,481	$ 2,466,819	$ 2,451,700	$ 2,602,800	$ 2,347,000	-4.27%

Personnel Schedule						
	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time Positions:						
Director of Water Pollution Control	1.00	1.00	1.00	1.00	1.00	
Administrative Specialist	1.00	1.00	1.00	1.00	1.00	
Total	2.00	2.00	2.00	2.00	2.00	$ 194,500
Employee Benefits						73,000
Total Personal Services						$ 267,500

Function:
Business Type

Department:
Water Pollution Control

Activity:
Plant Operations

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 730,403	$ 859,682	$ 864,000	$ 821,900	$ 864,400	0.05%
Commodities	172,871	197,130	193,300	194,100	193,800	0.26%
Contractual Services	675,836	692,107	583,100	697,600	684,300	17.36%
Capital Outlay	45,788	253,805	173,000	112,600	275,000	58.96%
Transfers	6,686	-	-	-	-	
Total Expenditures	$ 1,631,584	$ 2,002,724	$ 1,813,400	$ 1,826,200	$ 2,017,500	11.26%
Funding Sources						
Sewer Charges	$ 1,531,799	$ 1,884,700	$ 1,725,500	$ 1,728,600	$ 1,923,900	11.50%
Sales Tax	67,465	70,708	68,000	72,000	72,000	5.88%
Other Revenues	32,320	33,478	19,900	21,600	21,600	8.54%
Sale of Equipment	-	13,838	-	4,000	-	
Total Funding Sources	$ 1,631,584	$ 2,002,724	$ 1,813,400	$ 1,826,200	$ 2,017,500	11.26%

Personnel Schedule	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
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	
Lift Station/Plant Maint Supervisor			-	1.00	1.00	
Treatment Plant Operator II	-	-	1.00	-	1.00	
Treatment Plant Operator I	3.00	3.00	2.00	3.00	2.00	
Treatment Plant Mechanic II	1.00	1.00	1.00	-	1.00	
Treatment Plant Mechanic I	1.00	1.00	1.00	1.00	-	
Maintenance Worker I	-	1.00	1.00	1.00	1.00	
Total Full Time	6.75	7.75	7.75	7.75	7.75	
Part Time:						
Custodian II	0.73	-	-	-	-	
Total	7.48	7.75	7.75	7.75	7.75	$ 573,600
Employee Benefits						290,800
Total Personal Services						$ 864,400

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Finals Hydrant Replacement	5	Yes	$ 30,000
Maintenance Roof Replacement	1	Yes	125,000
Digester Clean Out	1	Yes	120,000
			$ 275,000

Function:
Business Type

Department:
Water Pollution Control

Activity:
Pumping Stations

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 188,730	$ 192,353	$ 205,900	$ 205,600	$ 214,300	4.08%
Commodities	70,881	55,391	45,300	49,300	63,800	40.84%
Contractual Services	177,178	186,620	184,500	215,600	190,600	3.31%
Capital Outlay	234,217	44,365	57,000	47,000	105,000	84.21%
Transfers	-	-	-	-	-	
Total Expenditures	$ 671,006	$ 478,729	$ 492,700	$ 517,500	$ 573,700	16.44%
Funding Sources						
Sewer Charges	$ 671,006	$ 478,729	$ 492,700	$ 517,500	$ 573,700	16.44%

Personnel Schedule						
	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
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	-	
Treatment Plant Mechanic II	-	-	-	-	1.00	
Total	2.00	2.00	2.00	2.00	2.00	$ 146,900
Employee Benefits						67,400
Total Personal Services						$ 214,300

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Concrete Drive to Arbor Commons Lift Station	1	No	$ 20,000
Drain Line at Progress Park & Stewart Lift Stations	1	Yes	25,000
Door Pushbars	3	Yes	10,000
Slough Building Improvements	1	Yes	50,000
			$ 105,000

Function:
Business Type

Department:
Water Pollution Control

Activity:
Laboratory Operations

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 354,626	$ 365,714	$ 380,600	$ 380,800	$ 422,600	11.04%
Commodities	81,975	83,457	81,100	80,500	82,500	1.73%
Contractual Services	33,846	52,114	43,100	46,200	44,500	3.25%
Capital Outlay	63,961	26,573	131,700	135,200	40,000	-69.63%
Transfers	-	-	-	-	-	
Total Expenditures	$ 534,408	$ 527,858	$ 636,500	$ 642,700	$ 589,600	-7.37%
Funding Sources						
Sewer Charges	$ 437,335	$ 433,230	$ 536,500	$ 552,700	$ 499,600	-6.88%
Analytical Charges	97,073	94,628	100,000	90,000	90,000	-10.00%
Total Funding Sources	$ 534,408	$ 527,858	$ 636,500	$ 642,700	$ 589,600	-7.37%

Personnel Schedule

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time:						
Chemist	1.00	1.00	1.00	1.00	1.00	
Laboratory Technician	2.00	2.00	2.00	2.00	3.00 (1)	
Total Full Time	3.00	3.00	3.00	3.00	4.00	
Part Time:						
Laboratory Technician	0.73	0.73	0.73	0.73	- (1)	
Total	3.73	3.73	3.73	3.73	4.00	$ 292,700
Employee Benefits						129,900
Total Personal Services						$ 422,600

1. Part Time Laboratory Technician moved to Full Time FY 26

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Digital Microscope	1	Yes	$ 4,000
Steam Distillation Unit	1	Yes	20,000
High Temperature Digestion Block	1	Yes	16,000
			$ 40,000

Function:
Business Type

Department:
Water Pollution Control

Activity:
Biosolids Operations

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 300,022	$ 310,064	$ 313,400	$ 313,500	$ 323,100	3.10%
Commodities	44,231	58,072	81,300	87,300	87,300	7.38%
Contractual Services	40,532	60,427	32,600	46,200	37,600	15.34%
Capital Outlay	37,897	64,047	28,500	28,800	42,800	50.18%
Transfers	-	-	-	-	-	
Total Expenditures	$ 422,682	$ 492,610	$ 455,800	$ 475,800	$ 490,800	7.68%
Funding Sources						
Sewer Charges	$ 422,682	$ 492,610	$ 455,800	$ 475,800	$ 490,800	7.68%

Personnel Schedule						
	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
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	$ 198,800
Overtime						20,600
Employee Benefits						103,700
Total Personal Services						$ 323,100

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
6" Supply Hose (660 feet)	1	Yes	$ 7,500
5" Drag Hose (660 feet)	1	Yes	8,500
Swingtube Replacement	1	Yes	14,000
3-Point Hose Cart	1	Yes	12,800
			$ 42,800

Function:
Business Type

Department:
Water Pollution Control

Activity:
High Strength Waste Operations

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 172,838	$ 158,274	$ 194,900	$ 194,400	$ 202,100	3.69%
Commodities	12,348	13,874	18,400	18,900	18,900	2.72%
Contractual Services	178,518	106,533	164,000	134,500	134,000	-18.29%
Capital Outlay	-	86,948	-	-	20,000	
Transfers	-	-	-	-	-	
Total Expenditures	$ 363,704	$ 365,629	$ 377,300	$ 347,800	$ 375,000	-0.61%
Funding Sources						
Fats, Oils, & Grease (FOG) Fees	$ 163,595	$ 133,661	$ 150,000	$ 120,000	$ 150,000	0.00%
High Strength Waste Fees	185,235	73,335	150,000	180,000	150,000	0.00%
Total Funding Sources	$ 348,830	$ 206,996	$ 300,000	$ 300,000	$ 300,000	0.00%

Personnel Schedule

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time:						
Treatment Plant Mechanic I	2.00	2.00	2.00	2.00	2.00	
Total	2.00	2.00	2.00	2.00	2.00	$ 125,200
Employee Benefits						76,900
Total Personal Services						$ 202,100

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Tanker (Used)	1	Yes	$ 20,000

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 was completed in 2024. Bids were received early in 2023 and construction began in the summer of 2023 on Phases 6-A and 6-B of this project. Construction of Phases 6-A and 6-B are nearing completion. Bids were received in 2024 and construction began in the summer of 2024 on Phase 6-C 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 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 interest rate on this loan is 2% and the repayment period is 10 years, with the final year of the loan in 2033/2034. The City completed the 2nd SRF loan for this project in the amount of $7,960,000 for Phase 6-C of this project in November of 2024. The interest rate on this loan is 2.43% and the repayment period is 9 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 periods (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 2024/2025 revised estimate for the Collection and Drainage operations activity is over the original budget by $7,100. Personal services costs are projected to be $10,900 more than the original budget due to a change in employee health insurance coverage; contractual services are estimated to be $3,500 more than the original budget; and capital outlay is projected to be $7,300 less than budgeted.

The 2025/2026 budget is $713,200 more than the 2024/2025 budget. This increase is due to (1) a $36,300 (6.1%) increase in personal services costs, (2) a $9,600 increase in contractual services, (3) a $665,000 increase in capital outlay, and (4) a $2,300 increase in transfers. The capital outlay allocation of $825,000 for 2025/2026 is for minor sewer maintenance projects ($60,000), new sewer lining projects ($125,000), and the purchase of a new Jet/Vac truck ($640,000)

Budgeted transfers for 2025/2026 include $350,000 to the Sewer Extension and Improvement Reserve based on the most recent rate study. Transfers also include $200,000 to the reserve for the West Hill Sewer Separation project, $20,000 for the cost allocation of the Communications Manager position, and a total of $20,200 in administrative transfers for general, information technology, and public works administration.

The Collection and Drainage fee is currently $14.77 per customer per month. This fee was effective July 1, 2024 based on the ordinance approved by City Council in 2023 setting both sewer and collection and drainage rates 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 first four years and 3% for the fifth year. The rate effective July 1, 2025 is $15.51 per customer per month.

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 2021	Actual 2022	Actual 2023	Actual 2024	Estimated 2025
Sewers Cleaned and Flushed (Miles)	22	22	20	23	21
CCTV Inspections (Feet)	1,000	10,500	14,310	17,160	15,000
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	13	12	12
Inspection of Off-Road Sanitary Sewers (Man Hours)	150	416	225	183	185
Inspection and Maintenance of Storm Water Discharge and Intake Points (Man Hours)	96	375	334	284	300
Cleaning Storm Structures (Man Hours)	1,087	495	272	324	350
Corrective Repairs – Sewers	10	5	8	6	10
Corrective Repairs – Structures	10	14	13	19	10
Corrective Repairs – Force Mains	0	0	0	0	0
Utility Locates - Total	3,347	3,038	3,439	3,180	3,000
After Hours	12	15	19	15	20
Request for Service Responses – Total	31	48	22	40	40
After Hours	11	15	10	11	10
Sanitary Sewer Overflows (SSO)	4	9	3	21	15
Backups Due to City Lines	4	12	6	8	6
Routine Equipment Operation/Maintenance (Man Hours)	584	500	138	120	120
Work for Other Departments (Man Hours)	580	300	384	301	300
Work on Capital Improvement Projects (Man Hours)	416	550	250	312	300

RECENT ACCOMPLISHMENTS:

- Worked with the Engineering division on multiple projects including:

    1. West Hill Phases 6A and 6B - televised sewer lines and laterals as needed, weekly meetings, and flushing sewers as needed
    2. West Hill Phase 6-C - televised sewer lines and laterals as needed, weekly meetings, and flushing sewers as needed
    3. West Hill Phase 6-D - televised all sewers, investigated house hookups, and monthly meetings
    4. Fulliam Avenue - televised sewers, weekly meetings, flushed sewers
    5. Levee — walked the levee with the Corps of Engineers

- CCTV 17,160 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)

- Cleaned 23 miles of storm and sanitary sewer

- 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 lined seven sanitary manholes

- Staff installed the new flag pole at the Musser Public Library

- Staff replaced eight feet of sanitary sewer

- Staff fixed seven sanitary manholes

- Staff replaced 152 feet of storm sewer

- 710 man-hours were used cutting brush on the levee

- 220 man-hours were used in flood control

- Staff replaced five storm structures

- Staff replaced the sewer lateral at the Public Safety building

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026:

- Complete Zone 1 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)**

- Budget for and complete the lining of 2,500 feet of sanitary and storm sewer. **(Strategic Plan - Reliable Public Infrastructure)**

Collection and Drainage Fund

Sewer Extension and Improvement Reserve (1)

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 1,682,982	$ 2,044,033	$ 1,929,033	$ 1,976,984	$ 2,404,484
Revenues					
Interest	$ 51,134	$ 103,373	$ 50,000	$ 75,000	$ 60,000
Sewer Connection Fees	5,530	515	15,000	5,000	5,000
Transfers In					
Collection and Drainage Fund	350,000	350,000	350,000	350,000	350,000
Total Revenues	$ 406,664	$ 453,888	$ 415,000	$ 430,000	$ 415,000
Funds Available	$ 2,089,646	$ 2,497,921	$ 2,344,033	$ 2,406,984	$ 2,819,484
Expenditures					
Love's Development Agreement for Upsizing New Lift Station	$ 0	$ 500,000 (3)	$ 0	$ 0	$ 0
Transfers Out:					
Papoose Force Main Redundant Line - Design (2)	45,613	20,907	0	2,500	6,800
Lake Park Watershed Study	0	30	0	0	0
Total Expenditures	$ 45,613	$ 520,937	$ 0	$ 2,500	$ 6,800
Ending Balance, June 30	$ 2,044,033	$ 1,976,984	$ 2,344,033	$ 2,404,484	$ 2,812,684
Increase (Decrease) in Fund Balance	**$ 361,051**	**$ (67,049)**	**$ 415,000**	**$ 427,500**	**$ 408,200**

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 has been completed. The cost estimate for project construction is $3.6 million. Construction was originally scheduled to begin in 2024/2025; however, this project may receive federal Earmark funding, so construction has been deferred to calendar year 2026. If this funding is not awarded, this project will be funded from a State Revolving Fund (SRF) loan.
3. As part of the Love's Travel Stop development agreement, the City agreed to pay Love's $500,000 (and also provided TIF funding assistance) to upsize the new lift station so that it could serve a much larger area and open the area for development. The City will receive sewer connection fees as this area develops.

Collection and Drainage
(Including Stormwater Operations)
Fund Statement

	Actual 2022/2023		Actual 2023/2024		Budget 2024/2025		Revised Estimate 2024/2025		Budget 2025/2026	
Beginning Balance, July 1	$ 860,528		$ 709,934		$ 573,434		$ 764,557		$ 803,557	
Revenues										
Collection and Drainage Fees	$ 1,504,372	(1)	$ 1,558,374	(1)	$ 1,658,600	(2)	$ 1,636,300	(2)	$ 1,718,100	(2)
Grease Discharge Permits	21,535		3,375		20,000		20,000		20,000	
Interest	21,447		36,660		15,000		15,000		15,000	
Miscellaneous	10,196		4,163		100		100		100	
Total Revenues	$ 1,557,550		$ 1,602,572		$ 1,693,700		$ 1,671,400		$ 1,753,200	
Funds Available	$ 2,418,078		$ 2,312,506		$ 2,267,134		$ 2,435,957		$ 2,556,757	
Expenditures:										
Collection and Drainage	$ 1,631,431		$ 1,457,215		$ 1,522,300		$ 1,529,400		$ 2,235,500	
Stormwater Operations	76,713		90,734		103,700		103,000		115,300	
Total Expenditures	$ 1,708,144		$ 1,547,949		$ 1,626,000		$ 1,632,400		$ 2,350,800	
Ending Balance, June 30	$ 709,934		$ 764,557		$ 641,134		$ 803,557		$ 205,957	
Increase (Decrease) in Fund Balance	**$ (150,594)**		**$ 54,623**		**$ 67,700**		**$ 39,000**		**$ (597,600)**	

1. Monthly collection and drainage charges on sewer bills were $13.40 in 2022/2023 and $14.07 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. This increased the 2024/2025 rate to $14.77 and the 2025/2026 rate to $15.51 per customer per month.

Function:
Business Type

Department:
Public Works

Activity:
Collection and Drainage

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 552,551	$ 550,143	$ 598,500	$ 609,400	$ 634,800	6.07%
Commodities	27,903	15,648	50,000	50,000	50,000	0.00%
Contractual Services	87,377	82,009	125,900	129,400	135,500	7.63%
Capital Outlay	358,600	222,915	160,000	152,700	825,000	415.63%
Transfers	605,000	586,500	587,900	587,900	590,200	0.39%
Total Expenditures	$ 1,631,431	$ 1,457,215	$ 1,522,300	$ 1,529,400	$ 2,235,500	46.85%
Funding Sources						
Collection & Drainage Fees	$ 1,631,431	$ 1,457,215	$ 1,522,300	$ 1,529,400	$ 2,235,500	46.85%

Personnel Schedule

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
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	3.00	3.00	3.00	
Equipment Operator II	1.00	2.00	1.00	1.00	1.00	
Equipment Operator I	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	
Office Manager	0.33	0.33	0.33	0.33	0.33	
Total	5.78	5.78	5.78	5.78	5.78	$ 409,800
Employee Benefits						225,000
Total Personal Services						$ 634,800

Capital Outlay

Item	*Quantity*	*Replacement*	*Amount*
Sewer Maintenance Projects			$ 60,000
Sewer Lining			125,000
Jet/Vac Truck	1	Yes	640,000
			$ 825,000

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 2024/2025 revised estimate is $700 less than the original budget due to the net effect of (1) a decrease of $600 in personal services costs, (2) an increase of $5,000 in commodities, and (3) a $5,100 decrease in contractual services.

The 2025/2026 budget is $11,600 (11.2%) more than the budget for 2024/2025. This increase includes (1) a $2,000 increase in personal services costs, (2) a $5,000 increase in commodities, and (3) a $4,600 increase in contractual services.

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 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
Grease Discharge Permits Issued	128	145	145	145	145
Food Service Establishments Inspected for Fats, Oils, and Grease (FOG)	17	21	17	17	17
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			
Construction Site Inspections	24	6 (2)	9	10	10
River and Creek Samples Taken	21	14 (1)	14	10	15
Tests Performed on River and Creek Samples	126	84 (1)	84	60	60

1. Sampling decreased due to new equipment being brought online requiring double testing for startup, and lack of staff time. Increased sampling resumed in the spring of 2024.
2. Fewer construction projects in 2022/2023.

RECENT ACCOMPLISHMENTS:

The Storm Water division continues to maintain the multiple stormwater 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 burn at the Mulberry Basin was very successful and will become an annual event pending weather, wind direction, and staffing.

The Pollinator Park had a new railing installed 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. Community efforts are focused in this area and a Thriving Communities Grant is being sought for funding. 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 the Public Works and Parks departments to present options to City Council.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026:

- Apply for the Thriving Communities Grant to expand use of the Slough for improved stormwater treatment and recreational use. **(Strategic Plan - Healthy Community and Vibrant Community)**

- Continue removing 10% of invasives at stormwater practices across the city and at the Pollinator Park. **(Strategic Plan - Healthy Community)**

- Perform regular maintenance on the Pollinator Park internal trail.

Function:
Business Type

Department:
Water Pollution Control

Activity:
Storm Water Operations

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 65,656	$ 68,418	$ 73,100	$ 72,500	$ 75,100	2.74%
Commodities	4,972	1,011	2,800	7,800	7,800	178.57%
Contractual Services	6,085	3,087	27,800	22,700	32,400	16.55%
Capital Outlay	-	18,217	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 76,713	$ 90,733	$ 103,700	$ 103,000	$ 115,300	11.19%
Funding Sources						
Grease Discharge Permits	$ 21,535	$ 3,375	$ 20,000	$ 20,000	$ 20,000	0.00%
Collection & Drainage Funds	55,178	87,358	83,700	83,000	95,300	13.86%
Total Funding Sources	$ 76,713	$ 90,733	$ 103,700	$ 103,000	$ 115,300	11.19%

Personnel Schedule						
	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
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	$ 50,400
Employee Benefits						24,700
Total Personal Services						$ 75,100

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, the employer's share of Social Security, Medicare, and IPERS may be levied from the Employee Benefits Special Revenue Fund levy. The cost of Social Security, Medicare, and IPERS for General Fund employees is estimated at $896,562 for 2024/2025 and it is budgeted to increase to $968,089 for 2025/2026. FICA and Medicare contribution rates will remain at 6.20% and 1.45%, respectively, for 2025/2026. The IPERS rate will remain at 9.44% in 2025/2026.

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 decreased further to 22.66% for 2024/2025, and will increase slightly to 22.68% in 2025/2026. Property tax funding for police and fire pension will increase from the $1,612,016 budgeted for 2024/2025 to $1,628,516 budgeted for 2025/2026.

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, $106,758 in 2022/2023, and $69,224 in 2023/2024. The retiree medical costs are estimated at $60,000 for both the 2024/2025 revised estimate and the 2025/2026 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 and to $60,367 for 2021/2022 through 2023/2024. The premiums are budgeted at $60,637 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 $2,674,075 for 2025/2026. 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 2014, rates were $440.43 and $1,171.54, respectively, for single and family coverage. In 2013, deductibles were $500 for single and $1,000 for family health coverage. The annual out-of-pocket maximums were $1,000 and $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. Effective January 1, 2025, rates were increased by 3% to $861.68 and $2,292.11 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 $14,937 budgeted in 2024/2025 to $15,392 in 2025/2026. 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 2025/2026.

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. The dental insurance rate increased 8% to $34.10 for 2025. 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 2025/2026, the cost of dental insurance for General Fund employees is budgeted at $52,496 compared to the $47,642 budgeted for 2024/2025.

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 increased to .92 for 2022/2023. For 2023/2024, the experience modification decreased to .83 and the experience modification was maintained at .83 for 2024/2025. The experience modification is budgeted to decrease to .71 for 2025/2026. The tax funding amount for General Fund employee workers' compensation budgeted for 2024/2025 was $34,111 and it is expected to decrease to $22,997 for 2025/2026.

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 .2% of $38,200 of wages. The rate effective January 1, 2025 decreased to .1% of $39,500 of wages. The 2025/2026 budget provides funding for this rate to be .1% of applicable wages of $39,500 as of January 1, 2026. The tax funding amount for 2025/2026 is estimated at $6,625 compared to the $33,272 originally budgeted for 2024/2025. 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 $16,140 for 2025/2026 compared to $15,789 budgeted for 2024/2025.

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 2025/2026 is budgeted at $104,637.

CURRENT TRENDS AND ISSUES:

The Employee Benefits tax levy rate for the 2024/2025 budget was 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 were budgeted to be funded from the General Fund balance instead of the Employee Benefits tax levy. The 2025/2026 Employee Benefits tax levy is budgeted to fund 100% of General Fund employee benefits.

The City has had beginning balances in the Employee Benefits Fund in recent years due to actual employee benefit costs being less than budgeted due to vacancies or benefit rates being lower than projected. With the estimated 2025/2026 beginning fund balance of $172,397, the Employee Benefit tax levy for 2025/2026 is $5,224,176 compared to the $4,873,393 budgeted for 2024/2025. This requires a tax levy rate of $4.95853 per $1,000 of valuation compared to $4.77363 for the 2024/2025 budget year, an increase of 3.87% in the levy rate.

Employee Benefits Fund

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 142,089	$ 144,422	$ 199,207	$ 253,212	$ 172,397
Revenues					
Property Tax	4,765,532	4,805,198	$ 4,855,355	$ 4,855,355	$ 5,205,572
Utility Tax Replacement Excise Tax	17,110	18,081	18,038	18,038	18,604
Commercial/Industrial State Reimbursement	169,469	138,643	117,318	117,318	95,708
Business Property Tax Credit Reimbursement	0	130,614	119,961	119,961	123,061
Total Revenues	$ 4,952,111	$ 5,092,536	$ 5,110,672	$ 5,110,672	$ 5,442,945
Funds Available	$ 5,094,200	$ 5,236,958	$ 5,309,879	$ 5,363,884	$ 5,615,342
Expenditures					
Transfers Out					
Police Retirement	$ 716,860	$ 743,552	$ 800,012	$ 783,471	$ 818,814
Fire Retirement	780,839	758,982	812,004	785,643	809,702
Police & Fire Retiree Medical	106,758	69,224	45,000	60,000	60,000
Health Insurance	2,227,622	2,371,802	2,613,649	2,542,051	2,674,075
Dental Insurance	47,113	45,589	47,642	48,030	52,496
Life Insurance	13,770	14,447	14,937	14,804	15,392
Police and Fire Medical Insurance	60,367	60,367	72,100	60,637	60,637
Long-term Disability Insurance	14,112	14,464	15,789	15,614	16,140
Post-Employment Health Plan	88,586	32,875	18,042	43,323	104,637
Workers Compensation	42,105	34,732	34,111	21,791	22,997
Unemployment	55,917	21,040	33,272	13,925	6,625
Deferred Compensation	0	0	5,500	8,310	5,738
FICA/IPERS	795,729	816,672	928,120	896,562	968,089
Employee Benefit Levy Reduction	0	0	(130,299)	(102,674)	0
Total Expenditures	$ 4,949,778	$ 4,983,746	$ 5,309,879	$ 5,191,487	$ 5,615,342
Ending Balance, June 30	$ 144,422	$ 253,212	$ 0	$ 172,397	$ 0
Increase (Decrease) in Fund Balance	**$ 2,333**	**$ 108,790**	**$ (199,207)**	**$ (80,815)**	**$ (172,397)**

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 2022/2023 and 2023/2024 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 2024/2025 is estimated at $172,397 compared to the zero balance originally budgeted for similar reasons. That balance will be used for employee benefit costs in 2025/2026.

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.

The 2023/2024 budget included levying the maximum Emergency Tax levy of $.27 per $1,000 of valuation which generated $276,792 ($292,243 including the State Commercial and Industrial Reimbursement and the State Business Property Tax Credit Reimbursement). These funds were transferred to the General Fund in 2023/2024.

CURRENT TRENDS AND ISSUES:

The $80,000 from the 2009/2010 Emergency Tax levy that was set aside for future General Fund needs was budgeted to remain in the Emergency Tax Levy fund through 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. These funds have grown to $620,334 with interest. In 2024/2025, $270,334 of these funds are budgeted to be transferred to the General Fund. The remaining amount of $350,000 is budgeted to be transferred to the General Fund in 2025/2026.

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.

Emergency Tax Levy Fund

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 648,217	$ 665,695	$ 685,695	$ 696,496	$ 0
Revenues					
Property Tax	$ 254,702	$ 275,754	$ 0 (1)	$ 0	$ 0
Utility Tax Replacement Excise Tax	914	1,038	0	0	0
Commercial/Industrial State Reimbursement	9,058	7,956	0	0	0
Business Property Tax Credit Reimbursement	0	7,495	0	0	0
Interest	17,478	30,801	5,000	10,000	0
Total Revenues	$ 282,152	$ 323,044	$ 5,000	$ 10,000	$ 0
Funds Available	$ 930,369	$ 988,739	$ 690,695	$ 706,496	$ 0
Expenditures					
Transfers Out					
General Fund:					
Emergency Tax Levy (Current Year)	$ 264,674	$ 292,243	$ 0	$ 0	$ 0
Emergency Tax Levy (Prior Year Balance)	0	0	86,162 (2)	86,162 (2)	0
COVID - Local Government Relief Funds	0	0	604,533 (2)	270,334 (2)	350,000 (2)
Total Expenditures	$ 264,674	$ 292,243	$ 690,695	$ 356,496	$ 350,000
Ending Balance, June 30	$ 665,695	$ 696,496	$ 0	$ 350,000	$ (350,000)
Increase (Decrease) in Fund Balance	**$ 17,478**	**$ 30,801**	**$ (685,695)**	**$ (346,496)**	**$ (350,000)**

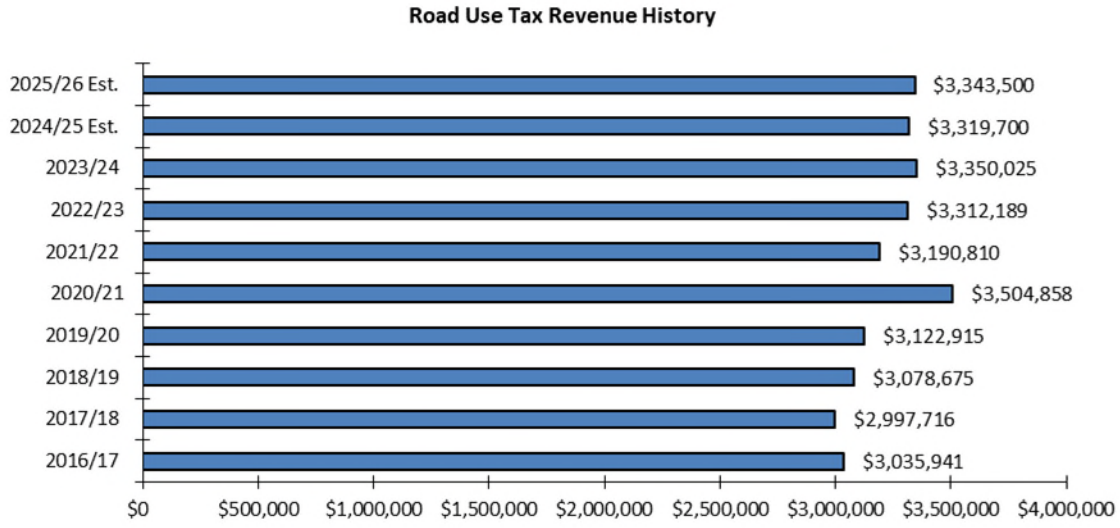
1. The State eliminated the Emergency Tax Levy beginning in the 2024/2025 budget; instead the State implemented a Combined General Fund levy which is accounted for in the General Fund.
2. The full balance in this fund was originally budgeted to be transferred to the General Fund in 2024/2025 to assist in balancing the General Fund budget. Approximately 50% of these funds has been moved to the 2025/2026 budget to assist in balancing the upcoming year's budget.

SPECIAL REVENUE FUNDS

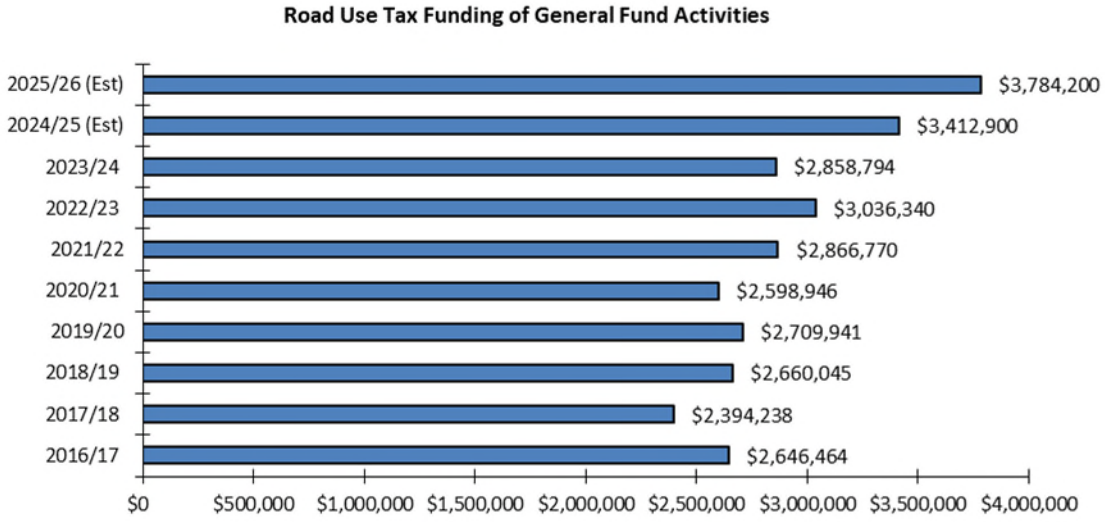
ROAD USE TAX FUND

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 2025/2026.



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 2024/2025 and 2025/2026 are shown in the following chart:



CURRENT TRENDS AND ISSUES:

Road use tax revenues are estimated at $3,319,700 for the 2024/2025 revised estimate and $3,343,500 for the 2025/2026 budget. This is equivalent to $139.50 per capita for the revised estimate and $140.50 for the 2025/2026 budget. Those per capita rates were provided by the Iowa Department Transportation (IDOT).

The IDOT's per capita road use tax estimates are based on the current law regarding revenue to and disbursements from the State's Road Use Tax fund. Any changes in the law could change the per capita amount to be distributed to cities.

The 2024/2025 revised estimate and the 2025/2026 budget include $3,412,900 and $3,784,200 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 2024/2025 revised estimate transfer of $3,412,900 to the General Fund for Public Works operating activities, a total of $302,600 will be used for other capital projects. The capital project allocations include $59,700 for the Pavement Management program, $110,000 for a portion of the Lake Park Bridge deck repairs, $80,000 for a portion of the engineering design and related costs for the Park Avenue West Bridge replacement, $12,000 for in-house engineering costs for the Isett Avenue planning project, and $40,900 for improvements to existing sidewalks including ADA handicap ramps. Local option tax funds in 2025/2026 will also provide $882,000 for work on the Fulliam Avenue reconstruction project and $350,000 for other pavement management projects, bringing the total to $1,534,600 in funding for pavement management projects in 2024/2025.

The 2025/2026 budget includes a transfer of $3,784,200 to the General Fund for Public Works operating activities. The budget also includes a total of $605,000 for other pavement management projects including $200,000 for Pavement Management projects, $60,000 for railroad crossing improvements, $110,000 for the balance of the Lake Park Bridge deck repairs, $100,000 for engineering design and related costs for the Park Avenue West Bridge replacement, $100,000 for new sidewalks, $10,000 for in-house engineering costs for the Isett Avenue planning project, and $25,000 for improvements to existing sidewalks including ADA handicap ramps. The $605,000 road use tax allocation for the Pavement Management projects will be combined with $630,000 of local option sales tax funding to bring the total allocation to $1,235,000 for pavement management projects. This total funding allocation will allow the City to complete a significant amount of pavement management work in 2025/2026.

The largest project under construction in 2023/2024, 2024/2025, and 2025/2026, 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 several 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, 2026 is projected at $383,308 based on estimated road use taxes of $139.50 per capita for 2024/2025 and $140.50 per capita in 2025/2026. 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 2025/2026 fiscal year.

Road Use Tax Fund

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 1,769,027	$ 1,534,363	$ 1,108,463	$ 1,824,808	$ 1,429,008
Revenues					
Road Use Tax (1)	$ 3,312,189	$ 3,350,025	$ 3,212,600	$ 3,319,700	$ 3,343,500
Funds Available	$ 5,081,216	$ 4,884,388	$ 4,321,063	$ 5,144,508	$ 4,772,508
Expenditures					
Transfers Out:					
General Fund	$ 3,036,340	$ 2,858,794	$ 3,372,000	$ 3,412,900	$ 3,784,200
Capital Projects Funds:					
Asphalt Overlay/Other Street Improvements	41,071	44,500	375,000	59,700	200,000 (2)
Railroad Crossing Improvements	0	0	0	0	60,000
Lake Park Bridge Deck Repairs	26	24,750	140,000	110,000	110,000
Park Avenue West Bridge Replacement	0	107,560	105,000	80,000	100,000
New Sidewalk Program	306,795	8,219	0	15,900	100,000
Isett - In-House Engineering	0	0	0	12,000	10,000
Sidewalk Imp/ADA Handicap Ramps	0	15,757	25,000	25,000	25,000
Fulliam Avenue Improvements	162,621	0	0	0	0
Total Expenditures	$ 3,546,853	$ 3,059,580	$ 4,017,000	$ 3,715,500	$ 4,389,200
Ending Balance, June 30	$ 1,534,363	$ 1,824,808	$ 304,063	$ 1,429,008	$ 383,308
					Need approx. $300,000 at year-end to have a positive cash balance
Increase (Decrease) in Fund Balance	**$ (234,664)**	**$ 290,445**	**$ (804,400)**	**$ (395,800)**	**$ (1,045,700)**
Per Capita Road Use Taxes (Actual and Estimated)	$ 139.19	$ 140.78	$ 135.00	$ 139.50 (1)	$ 140.50 (1)

1. Revenues for both the Revised Estimate and the FY 26 Budget are 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 2024/2025 road use tax at $139.50 per capita and FY 2025/2026 at $140.50 per capita.
2. Based on budget assumptions for Fulliam and the other projects, approximately $200,000 of road use taxes is expected to be available for other pavement management projects. An additional $500,000 is expected to be available from the Pavement Management portion of Local Option Sales Tax, which brings the total available for other Pavement Management projects to $700,000. Pavement Management projects may include Iowa from 2nd to 4th, the local match for the Houser/Fulliam roundabout, if it proceeds, or other projects.

SPECIAL REVENUE FUNDS

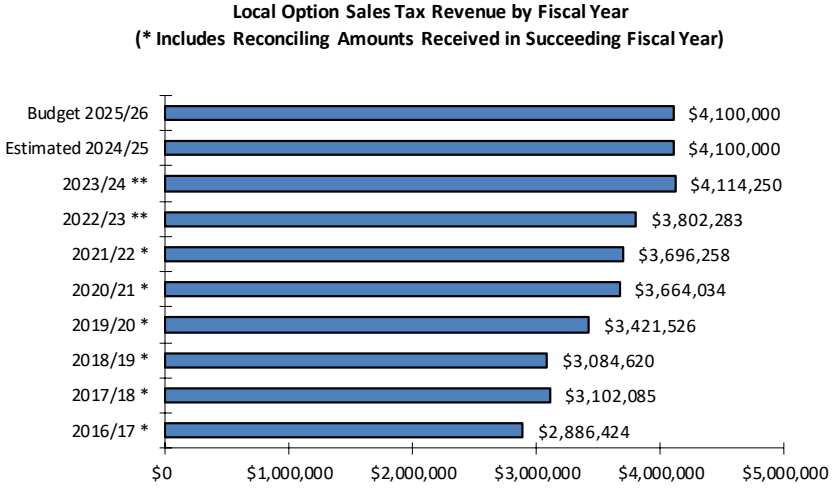
LOCAL OPTION SALES TAX FUND

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 beginning in 2022/2023 are based on the actual (and projected) local option sales tax receipts for each fiscal year.



** Beginning in 2023/24 the State is distributing local option taxes on a monthly basis; the amounts show reflect actual receipts for the fiscal year.

CURRENT TRENDS AND ISSUES:

For both the revised estimate for 2024/2025 and the 2025/2026 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 as well as the debt service payments on the State Revolving Fund loans for those projects are estimated for the current and upcoming year as follows:

Local Option Sales Tax-Funded Sewer Projects
Revised Estimate 2024/2025 and Estimated 2025/2026

	Estimated 2024/2025	Projected 2025/2026
Projects:		
West Hill Sewer Separation - Non-SRF Loan Funded Portions of Phases 6-A and 6-B, and 6-C	$ 67,600	$ 515,000
Interest due on SRF Loan for Phases 6-A and 6-B	160,000	145,380
Principal due on SRF Loan for Phases 6-A and 6-B	731,000	745,000
Interest due on SRF Loan for Phase 6-C	37,427	189,273
Principal due on SRF Loan for Phase 6-C	-	794,000
Totals	$ 996,027	$ 2,388,653

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 5 of the West Hill Sewer Separation project and construction is scheduled to be completed on Phases 6-A and 6-B by June 30, 2025. Construction is also in progress on Phase 6-C and this work is expected to be completed by the end of calendar year 2025. The phase 6-D contract is scheduled to be awarded in the spring of 2025.

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. 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 was completed in November of 2024 in the amount of $7,960,000 and has an interest rate of 2.43%. The amounts of the loans for Phases 6-D and 6-E have not yet been determined.

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 2025/2026 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 2023/2024) are estimated for the current and upcoming fiscal year as follows:

Local Option Sales Tax-Funded Pavement Management Projects
Revised Estimate 2024/2025 and Estimated 2025/2026

	Estimated 2024/2025	Projected 2025/2026
Project:		
Pavement Management Program	$ 1,232,000	$ 630,000

The largest project under construction in 2024/2025 and 2025/2026 is the Fulliam Avenue Reconstruction project which is being 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. Additional pavement management projects will be determined based on the bids for the final phase of the Fulliam Avenue project.

The $820,000 Local Option Sales Tax allocation for the Pavement Management program in 2025/2026 and the $200,000 allocation of Road Use Taxes for the Pavement Management program will allow for $1,020,000 in street improvements to be completed in 2025/2026.

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 recent years and scheduled for the current and upcoming years.

Local Option Sales Tax Fund

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 1,398,626	$ 1,133,766	$ 2,242,588	$ 2,948,459	$ 5,282,432
Revenues					
Local Option Sales Tax	$ 4,083,733	$ 4,114,250	$ 4,100,000	$ 4,100,000 (1)	$ 4,100,000 (2)
Interest	43,779	101,054	25,000	50,000	25,000
Total Revenues	$ 4,127,512	$ 4,215,304	$ 4,125,000	$ 4,150,000	$ 4,125,000
Funds Available	$ 5,526,138	$ 5,349,070	$ 6,367,588	$ 7,098,459	$ 9,407,432
Expenditures					
Transfers Out:					
West Hill Sewer Project	$ 3,575,625	$ 1,541,959	$ 755,000	$ 67,600	$ 515,000
Debt Service Fund:					
SRF Loan for 6-A and 6-B - Principal	0	0	731,000	731,000	745,000
SRF Loan for 6-A and 6-B - Interest	0	35,802	160,000	160,000	145,380
SRF Loan for 6-C - Principal	0	0	0	0	794,000
SRF Loan for 6-C - Interest	0	0	189,873	37,427	189,273
Pavement Management Program (3)	816,747	822,850	820,000	820,000	820,000
Total Expenditures	$ 4,392,372	$ 2,400,611	$ 2,655,873	$ 1,816,027	$ 3,208,653
Ending Balance, June 30	$ 1,133,766	$ 2,948,459	$ 3,711,715	$ 5,282,432	$ 6,198,779 (4)
Increase (Decrease) in Fund Balance	**$ (264,860)**	**$ 1,814,693**	**$ 1,469,127**	**$ 2,333,973**	**$ 916,347**

1. The Revised Estimate Local Option Tax revenue amount of $4.1 million is based on the first five months of local option sales tax receipts in the 2024/2025 fiscal year annualized.
2. The 2025/2026 Local Option Tax revenue is conservatively estimated at $4,100,000, the same estimate used for 2024/2025.
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 2025/2026 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

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 381	$ 817,138	$ 421,638	$ 591,062	$ 179,062
Revenues					
Transfers In:					
Local Option Sales Tax (1)	816,747	822,850	$ 820,000	$ 820,000 (2)	$ 820,000 (3)
Interest	10	27,997	0	0	0
Total Revenues	$ 816,757	$ 850,847	$ 820,000	$ 820,000	$ 820,000
Funds Available	$ 817,138	$ 1,667,985	$ 1,241,638	$ 1,411,062	$ 999,062
Expenditures					
Transfers Out:					
Pavement Management (Street and Alley Resurfacing, Full Depth Patching, Crack Sealing, etc.)	$ 0	$ 0	$ 125,000	$ 350,000 (5)	$ 150,000 (5)
Fulliam Avenue Reconstruction	0	1,076,923	820,000	882,000	480,000 (4)
Total Expenditures	$ 0	$ 1,076,923	$ 945,000	$ 1,232,000	$ 630,000
Ending Balance, June 30	$ 817,138	$ 591,062	$ 296,638	$ 179,062	$ 369,062
Increase (Decrease) in Fund Balance	**$ 816,757**	**$ (226,076)**	**$ (125,000)**	**$ (412,000)**	**$ 190,000**

1. 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.
2. The Revised Estimate Local Option Tax revenue amount is 20% of the estimated $4,100,000 in local option sales tax for 2024/2025.
3. The 2025/2026 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 2024/2025).
4. The Fulliam Avenue allocation for 2025/2026 is for Phase 3 work after July 2025 which will complete this project (with the exception of the Houser/Fulliam roundabout, if it proceeds).
5. With the Fulliam project nearing completion, approximately $500,000 will be available in this fund for other pavement management projects. The 2024/2025 revised estimate includes $350,000 and the 2025/2026 budget includes $150,000 for these other projects.

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 revenue replacement. The final guidance allowed governments to claim up to $10 million for revenue replacement without the previously required calculation. The City claimed all of the ARPA allocation for revenue replacement, then allocated 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 2024/2025 revised estimate expenditures total $2,083,800 for one-time capital purchases or programs as detailed in the attached list. The remaining ARPA funds were all expended or obligated (under contract or purchase order) by December 31, 2024 as required. The remaining ARPA funds, including interest, are projected to be fully expended by June 30, 2025.

The budgets for most recent years were "balanced" by budgeting for the use of ARPA funds for General Fund operations, 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 purposed. With other revenues exceeding the budget estimates in all of these years, these transfers were not needed, and those funds remained in the ARPA fund and have been used for other one-time purposes.

American Rescue Plan Act (ARPA) Fund

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 1,755,523	$ 2,795,373	$ 1,688,973	$ 2,000,299	$ 0
Revenues					
American Rescue Plan Act Funds	$ 1,766,688 (1)	$ 0	$ 0	$ 0	$ 0
Interest	86,694	103,471	10,000	83,501	0
Total Revenues	$ 1,853,382	$ 103,471	$ 10,000	$ 83,501	$ 0
Funds Available	$ 3,608,905	$ 2,898,844	$ 1,698,973	$ 2,083,800	$ 0
Expenditures					
Expenditures from ARPA Fund	$ 598,339	$ 627,606	$ 54,000	$ 1,731,200	$ 0
Transfers Out:					
Capital Projects Funds:					
ARPA Projects and Programs	215,193	229,572	248,200	52,600	0
Public Art - 2nd & Mulberry Roundabout	0	41,367	0	0	0
New Sidewalk Program	0	0	140,000	0	0
Clark House Elevator	0	0	300,000	300,000	0
Total Expenditures	$ 813,532	$ 898,545	$ 742,200	$ 2,083,800	$ 0
Ending Balance, June 30	$ 2,795,373	$ 2,000,299	$ 956,773	$ 0 (2)	$ 0
Increase (Decrease) in Fund Balance	**$ 1,039,850**	**$ (795,074)**	**$ (732,200)**	**$ (2,000,299)**	**$ 0**

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. ARPA funds were required to be expended or obligated by December 31, 2024. The City met this requirement with all funds under contract or purchase order by that date. Those obligated funds are expected to be fully expended by June 30, 2025.

Summary of Uses of ARPA Funds
Actual Fiscal Year 2021/2022, 2022/2023, and 2023/2024, and Estimated 2024/2025

	Actual Costs FY 22	Actual Costs FY 23	Actual Costs FY 24	Estimated FY 25	Total Est'd Costs FY 22 thru FY 25
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	-	-	1,700.00	85,000.00	86,700.00
Subtotal - Project 4	**$ -**	**$ -**	**$ 41,473.80**	**$ 85,000.00**	**$ 126,473.80**
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	-	1,803.64	-	75,076.00	76,879.64
Economic Recovery/Development Initiatives for Small Businesses	-	-	99,003.16	37,586.04	136,589.20
Cleanup of Property on Grandview Avenue	-	15,950.00	3,726.00	-	19,676.00
			-		
Subtotal - Project 5	$ 9,354.76	$ 62,249.57	$ 102,729.16	$ 112,662.04	$ 286,995.53
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 - Planned/Obligated for 1st Allocation	$ 12,852.76	$ 382,844.54	$ 152,122.96	$ 197,662.04	$ 745,482.30

	Actual Costs FY 22	Actual Costs FY 23	Actual Costs FY 24	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 General Fund budgets (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)	-	13,125.00	-	-	$ 13,125.00
2. Muni Code - contracted ongoing updating of City Code - annual costs	-	-	3,795.00	-	3,795.00
3. Springbrook Software Upgrade - Employee Self Serve, etc.	-	-	-	13,528.93	13,528.93
4. Asset Management Program Including Software Service	-	-	-	59,897.65	59,897.65
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, desks, and standup computer workstations	-	-	8,444.77	6,130.00	14,574.77
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	-	-	87,068.50	22,618.73	109,687.23
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	41,367.09	-	49,410.02
2. GPS Field Painter for Soccer Complex	-	44,950.00	-	-	44,950.00
3. Flagpole and installation for the Library	-	-	-	5,366.15	5,366.15
4. Fire - shipping containers for Live Fire Training	-	18,009.27	6,843.68	-	24,852.95
5. Former Kum and Go building remodeled into Public Safety Weight Room	-	-	-	15,288.00	15,288.00
6. Cemetery Chapel improvements - grind, tuckpoint, seal building exterior; also gutters and windows	-	-	30,000.00	94,378.49	124,378.49
Funds allowed to assist in balancing the budget (none needed)	-	-	-	-	-
Infrastructure and capital project improvements:					
1. Muscatine Indoor Sports Dome	-	-	-	1,303,500.00	1,303,500.00
2. Muscatine Indoor Sports Dome - Equipment to Place in Service	-	-	-	65,435.00	65,435.00
3. Clark House Elevators (City supplemental funding)	-	-	-	300,000.00	300,000.00
Subtotal - Estimated Costs of Projects Identified Above for Phase 2	$ -	$ 430,687.71	$ 746,421.92	$ 1,886,142.95	$ 3,063,252.58
Total - Phase 1 and Phase 2	$ 12,852.76	$ 813,532.25	$ 898,544.88	$ 2,083,804.99	$ 3,808,734.88

Total ARPA Funds Awarded	$ 3,533,376.70
Interest Allocation FY 22	1,687.73
Interest Allocation FY 23	86,693.47
Interest Allocation FY 24	103,470.80
Interest Allocation - 1st Half of FY 25	47,506.19
Est'd Interest Allocation- 2nd Half FY 25	35,999.99
Total ARPA plus Interest	$ 3,808,734.88
Estimated Unobligated Balance	$ -

* Assumes all projects and programs completed by June 30, 2025

SPECIAL REVENUE FUNDS

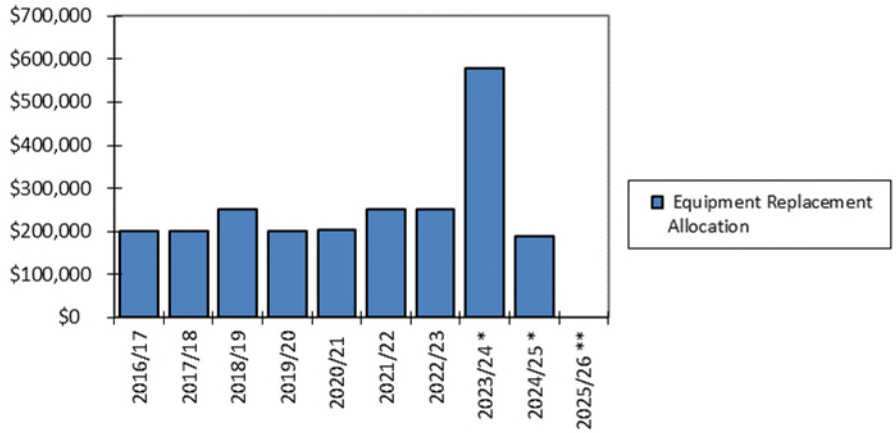
EQUIPMENT REPLACEMENT FUND

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 $200,000 to the $400,000 originally budgeted for 2023/2024. A history of funding levels is shown in the following chart. Due to limited funding in the General Fund, no transfer is budgeted for 2025/2026, and vehicle and equipment purchases are budgeted to be funded from the Spring, 2026 bond issue.



* General Fund allocations were originally set at $400,000 for the 2023/2024 budget and $368,000 for the 2024/2025 budget. Prior to finalizing the 2024/2025 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.

** Due to limited funding in the General Fund for 2025/2026, no transfer is budgeted from the General Fund to the Equipment Replacement Fund; instead, vehicle and equipment purchases are budgeted to be funded from the Spring, 2026 bond issue.

CURRENT TRENDS AND ISSUES:

Beginning with the 2016/2017 fiscal year and continuing through 2022/2023, 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, however, 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 2024/2025 revised estimate total $276,300. This includes $25,400 for a Community Development Building Inspector vehicle, $62,200 for an incident command vehicle for the Fire department, $20,900 for a utility vehicle for the Cemetery, $17,600 for a zero-turn mower for the Cemetery, and $73,500 for a one-ton truck for Park Maintenance. The revised estimate also includes $76,700 to replace a police vehicle that was totaled during the year; an estimated $66,700 of this cost is expected to be reimbursed by insurance. The balance in the Equipment Replacement Fund on June 30, 2025 is estimated at $101,869.

As noted previously, for the 2025/2026 budget, due to limited General Fund revenues, vehicle and equipment purchases that would normally have been made from the Equipment Replacement Fund are budgeted to be funded from the Spring, 2026 bond issue. These purchases total $416,000 and include $130,000 for two police patrol vehicles (Tahoes), $20,000 for a zero-turn mower for the Cemetery, $45,000 for a half-ton truck for Park Maintenance, $55,000 for a rough mower for Kent Stein Park, $80,000 for a one-ton truck for Kent Stein Park, $40,000 for a deep time aerifier for the Soccer Complex, and $46,000 for a used tractor for the Soccer Complex.

Equipment Replacement Fund

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 30,480	$ 231,645	$ 82,045	$ 112,769	$ 101,869
Revenues					
Interest	$ 4,688	$ 7,017	$ 1,000	$ 3,500	$ 2,500
Lease of Vehicle (Police Grant)	7,200	7,200	7,200	7,200	7,200
Sale of Vehicles	9,578	14,965	0	0	0
Reimbursement of Damages	0	13,400	0	66,700	0
Transfers In					
General Fund Allocation	250,000	580,000 (1)	188,000 (1)	188,000	0 (2)
Total Revenues	$ 271,466	$ 622,582	$ 196,200	$ 265,400	$ 9,700
Funds Available	$ 301,946	$ 854,227	$ 278,245	$ 378,169	$ 111,569
Expenditures					
Equipment Purchases	70,301	741,458	214,500	276,300	0 (2)
Ending Balance, June 30	$ 231,645	$ 112,769	$ 63,745	$ 101,869	$ 111,569
Increase (Decrease) in Fund Balance	**$ 201,165**	**$ (118,876)**	**$ (18,300)**	**$ (10,900)**	**$ 9,700**

1. General Fund allocations were originally set at $400,000 for the 2023/2024 budget 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.
2. No transfer from the General Fund is budgeted to be made in 2025/2026 due to limited General Fund revenues. It is proposed that vehicle and equipment purchases be funded from the Spring 2026 bond issue.

Functions:
Public Safety
Culture and Recreation

Departments:
Police
Parks and Recreation

Activity:

Equipment Replacement (Bond Funded)

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Police:			
Police Patrol Vehicles	2	Yes	$ 130,000
Kent Stein:			
Rough Mower	1	Yes	55,000
One-Ton truck with Attachements	1	Yes	80,000
Soccer:			
Deep Tine Aerifier	1	Yes	40,000
Tractor (Used)	1	Yes	46,000
Cemetery:			
Zero-Turn Mower	1	Yes	20,000
Park Maintenance:			
Half-Ton Truck	1	Yes	45,000
			$ 416,000

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. The 2025/2026 budget allocation was again decreased to $40,000 due to funding limitations in the General Fund.

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 2023/2024, $17,008 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, in 2022/2023 $9,436 was expended, and in 2023/2024 $28,434 was expended from this fund.

The 2024/2025 revised estimate includes $23,000 for computer related purchases and the 2025/2026 budget has an estimated $17,500 for these purchases. In 2024/2025 and 2025/2026, 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 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 62,918	$ 84,023	$ 0	$ 107,111	$ 0
Revenues					
Interest	$ 1,847	$ 4,422	$ 0	$ 3,500	$ 0
Transfers In					
General Fund	40,000	50,000	50,000	50,000	40,000
Total Revenues	$ 41,847	$ 54,422	$ 50,000	$ 53,500	$ 40,000
Funds Available	$ 104,765	$ 138,445	$ 50,000	$ 160,611	$ 40,000
Expenditures					
Computer-Related Purchases	20,742	31,334	50,000	160,611	40,000
Ending Balance, June 30	$ 84,023	$ 107,111	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 21,105**	**$ 23,088**	**$ 0**	**$ (107,111)**	**$ 0**

Computer Replacement Fund - Library

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 23,413	$ 59,364	$ 33,764	$ 50,000	$ 28,500
Revenues					
Interest	$ 497	$ 2,062	$ 0	$ 1,500	$ 0
Transfer In:					
Library Remaining Appropriations	44,890	17,008	0	0	0
Total Revenues	$ 45,387	$ 19,070	$ 0	$ 1,500	$ 0
Funds Available	$ 68,800	$ 78,434	$ 33,764	$ 51,500	$ 28,500
Expenditures					
Computer-Related Purchases	$ 9,436	$ 28,434	$ 15,000	$ 23,000	$ 17,500
Total Expenditures	$ 9,436	$ 28,434	$ 15,000	$ 23,000	$ 17,500
Ending Balance, June 30	$ 59,364	$ 50,000	$ 18,764	$ 28,500	$ 11,000
Increase (Decrease) in Fund Balance	**$ 35,951**	**$ (9,364)**	**$ (15,000)**	**$ (21,500)**	**$ (17,500)**

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 $217,464 and $243,700, respectively, for those years. In prior years these allocations were funded from the Southend TIF fund. The 2024/2025 revised estimate and 2025/2026 budget also include transfers which total $256,200 and $262,000, 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 2022/2023, the amount claimed was $173,700 less than the amount available and the amount claimed for 2023/2024 was $172,400 less than the amount available. The amount claimed for 2024/2025 is $263,400, which is approximately $221,400 less than the amount available. The amount claimed for 2025/2026 is $262,000, which is approximately $222,700 less than the amount available.

The balance in the Downtown TIF fund is estimated at $17,522 at the end of the 2025/2026 fiscal year.

Tax Increment Fund - Downtown

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 9,448	$ 12,129	$ 7,929	$ 9,322	$ 17,022
Revenues					
Incremental Taxes	$ 216,893 (1)	$ 239,152 (2)	$ 256,200	$ 263,400 (3)	$ 262,000 (4)
Interest	3,252	1,741	500	500	500
Total Revenues	$ 220,145	$ 240,893	$ 256,700	$ 263,900	$ 262,500
Funds Available	$ 229,593	$ 253,022	$ 264,629	$ 273,222	$ 279,522
Expenditures:					
Transfers:					
TIF Administrative and Professional Support Costs	$ 174,464	$ 200,700	$ 213,200	$ 213,200	$ 219,000
Economic Development Grant (GMCCI)	43,000	43,000	43,000	43,000	43,000
Total Expenditures	$ 217,464	$ 243,700	$ 256,200	$ 256,200	$ 262,000
Ending Balance, June 30	$ 12,129	$ 9,322	$ 8,429	$ 17,022	$ 17,522
Increase (Decrease) in Fund Balance	**$ 2,681**	**$ (2,807)**	**$ 500**	**$ 7,700**	**$ 500**

1. For the 2022/2023 year, the City certified approximately $173,700 less than the total available increment.
2. For the 2023/2024 year, the City certified approximately $172,400 less than the total available increment.
3. For the 2024/2025 year, the City certified approximately $221,400 less than the total available increment.
4. For the 2025/2026 year, the City certified approximately $222,700 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 provided 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. The 2024/2025 rebate will be the final rebate under this 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 was made in 2024/2025. The rebates are subject to annual appropriation.

CURRENT TRENDS AND ISSUES:

Incremental tax revenue for 2024/2025 is estimated at $1,460,000. In 2024/2025 Southend TIF funds will be used to fund $354,700 in debt requirements for the portion of the May 2020 bond issue that funded the Downtown Streetscaping project. In 2024/2025 TIF funds will also be used for the 10th and final year rebate under Wal-View Development Agreement #1 (estimated at $312,100), the 8th year rebate under Wal-View Agreement #2 (estimated at $170,800), the third-year rebate under the Musco Sports Lighting Project #2 Agreement (estimated at $55,700), the second-year rebate under the Grandview Senior Lofts Agreement (estimated at $31,900), and the first-year rebate for Love's Travel Stops and County Stores ($66,500). In 2024/2025 incremental taxes will again be used to fund the Small Business Forgivable Loan program ($150,000) and the Forgivable Loan program for Downtown Façade Improvements ($100,000). The Forgivable Loan program for City Code compliance improvements was discontinued in 2024/2025. The 2024/2025 revised estimate also includes $248,000 of funding for the new City Wayfinding Program.

For 2024/2025 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 $1,286,700 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 2025/2026 the City is claiming $1,420,000 of incremental taxes from this district which will fund $353,400 in debt requirements for the bond issue that funded the Downtown Streetscaping project), the 9th year rebate under Wal-View Agreement #2 (estimated at $145,000), the 4th year payment for the Musco Sports Lighting rebate ($58,000), the third-year rebate for Grandview Senior Lofts ($28,000), and the second-year rebate for Love's Travel Stops and County Stores ($75,000). TIF funding for the forgivable loan programs will continue in 2025/2026. 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 facade improvements in the amount of $100,000. The 2025/2026 budget also includes funding of $250,000 to continue the City Wayfinding Program, $200,000 for the Dredge Site Relocation Project, and $100,000 for a forgivable loan to Muscatine Downtown Investors, LLC. This forgivable loan provided funding for the demolition of the former J & K Button Factory; this loan will be forgiven upon completion of the condominiums planned to be constructed on this site.

For 2025/2026 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 2025/2026 is $386,236. 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

	Actual 2022/2023		Actual 2023/2024		Budget 2024/2025	Revised Estimate 2024/2025		Budget 2025/2026	
Beginning Balance, July 1	$ 477,116		$ 329,709		$ 343,009	$ 425,336		$ 410,636	
Revenues:									
Incremental Taxes	$ 1,259,009	(1)	$ 1,340,016	(2)	$ 1,420,000	$ 1,460,000	(3)	$ 1,420,000	(4)
Interest	21,472		28,098		10,000	15,000		15,000	
Total Revenues	$ 1,280,481		$ 1,368,114		$ 1,430,000	$ 1,475,000		$ 1,435,000	
Funds Available	$ 1,757,597		$ 1,697,823		$ 1,773,009	$ 1,900,336		$ 1,845,636	
Expenditures:									
Tax Rebate - Wal-View Project #1	$ 312,959		$ 347,693		$ 320,000	$ 312,100	(9)	$ 0	
Tax Rebate - Wal-View Project #2	179,220		167,045		175,000	170,800		145,000	
Tax Rebate - Musco Sports Lighting Project #2	48,709	(6)	58,706		60,000	55,700		58,000	
Tax Rebate - Grandview Senior Lofts	0		16,678	(7)	36,000	31,900		28,000	
Tax Rebate - Love's Travel Stops and Country Stores	0		0		70,000	66,500	(8)	75,000	
Transfers Out:									
Small Business Forgivable Loan Program	100,000		100,000		150,000	150,000		150,000	
Forgivable Loan Program - Code Improvements	50,000		50,000		0	0		0	
Forgivable Loan Program - Façade Improvements	100,000		100,000		100,000	100,000		100,000	
Forgivable Loan - Grandview Avenue Businesses	130,000		0		0	0		0	
Riverfront Amphitheater - Preliminary Design	150,000		0		0	0		0	
City Wayfinding Program	0		76,465		200,000	248,000		250,000	
Forgivable Loan - Muscatine Downtown Investors	0		0		0	0		100,000	
Dredge Site Relocation Project - Downpayment	0		0		0	0		200,000	
Transfers Out:									
Debt Service Fund - Downtown Streetscaping (5)									
Bonds	305,000		310,000		315,000	315,000		320,000	
Interest	52,000		45,900		39,700	39,700		33,400	
Total Expenditures	$ 1,427,888		$ 1,272,487		$ 1,465,700	$ 1,489,700		$ 1,459,400	
Ending Balance, June 30	$ 329,709		$ 425,336		$ 307,309	$ 410,636		$ 386,236	(10)
Increase (Decrease) in Fund Balance	**$ (147,407)**		**$ 95,627**		**$ (35,700)**	**$ (14,700)**		**$ (24,400)**	

1. For the 2022/2023 year, the City certified approximately $1,174,600 less than the total available in incremental taxes.
2. For the 2023/2024 year, the City certified approximately $1,203,300 less than the total available in incremental taxes.
3. For the 2024/2025 year, the City certified approximately $1,286,700 less than the total available in incremental taxes.
4. For the 2025/2026 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 2022/2023 was the first year for the Musco Project #2 rebate.
7. Fiscal year 2023/2024 was the first year for the Grandview Senior Lofts rebate (10 years, 100%).
8. Fiscal year 2024/2025 is the first year for the Love's Travel Stops rebate (20 years, 50%).
9. Fiscal year 2024/2025 is the final year for the Wal-View Project #1 rebate.
10. 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
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	$ 1,985,000	$ 141,400	$ 2,126,400

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 $75,313 at the end of the 2025/2026 year can be used for other improvements in this area.

Tax Increment Fund - Cedar Development

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 66,369	$ 68,159	$ 70,159	$ 71,313	$ 73,313
Revenues					
Incremental Taxes	$ 0	$ 0	$ 0	$ 0	$ 0
Interest	1,790	3,154	2,000	2,000	2,000
Total Revenues	$ 1,790	$ 3,154	$ 2,000	$ 2,000	$ 2,000
Funds Available	$ 68,159	$ 71,313	$ 72,159	$ 73,313	$ 75,313
Expenditures:					
Tax Rebate (1)	$ 0	$ 0	$ 0	$ 0	$ 0
Total Expenditures	$ 0	$ 0	$ 0	$ 0	$ 0
Ending Balance, June 30	$ 68,159	$ 71,313	$ 72,159	$ 73,313	$ 75,313
Increase (Decrease) in Fund Balance	**$ 1,790**	**$ 3,154**	**$ 2,000**	**$ 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 provided 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, the rebate for 2022/2023 was $34,674, and the rebate for 2023/2024 was $34,528. The rebate for 2024/2025 is estimated at $34,700 and the estimated rebate for 2025/2026 is $10,000. The rebate percentage drops from 75% to 70% in 2025/2026.

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 2025/2026 budget includes $10,000 for the estimated rebate to Harrison Lofts, LLC. The City continues to claim less than the total of incremental taxes from this area which allows for the balance of the incremental taxes to be considered as taxes from regular valuations for each taxing entity.

Tax Increment Fund - Highway 38 Northeast (As Amended)

Fund Statement

	Actual 2022/2023	Actual 2022/2023	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 17,043	$ 19,784	$ 22,784	$ 23,663	$ 28,563
Revenues					
Incremental Taxes	$ 50,360	$ 37,291	$ 38,000	$ 39,100	$ 10,000
Interest	587	1,116	500	500	500
Total Revenues	$ 50,947	$ 38,407	$ 38,500	$ 39,600	$ 10,500
Funds Available	$ 67,990	$ 58,191	$ 61,284	$ 63,263	$ 39,063
Expenditures:					
Tax Rebate - Villas at MCC (1)	$ 13,532	$ 0	$ 0	$ 0	$ 0
Tax Rebate - Harrison Lofts (2)	34,674	34,528	38,000	34,700	10,000
Total Expenditures	$ 48,206	$ 34,528	$ 38,000	$ 34,700	$ 10,000
Ending Balance, June 30	$ 19,784	$ 23,663	$ 23,284	$ 28,563	$ 29,063
Increase (Decrease) in Fund Balance	**$ 2,741**	**$ 3,879**	**$ 500**	**$ 4,900**	**$ 500**

1. Fiscal year 2013/2014 was the first year of a 10-year, 50% TIF rebate agreement for Villas at MCC, LLC; the final year was 2022/2023.
2. Fiscal year 2019/2020 was the first year of a 15-year TIF rebate agreement for Harrison Lofts.

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 each out lot from 50% to 75% 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 and the rebate was $62,239; for 2021/2022 the incremental taxes were $82,033 and the rebate was $59,681; for 2022/2023 the incremental taxes were $67,812 and the rebate was $59,948; and for 2023/2024 the incremental taxes were $56,918 and the rebate was $45,406. The first Out Lot #1 rebate was made in 2023/2024 for $6,951.

For 2024/2025 the incremental taxes are $91,250 and the rebate is $54,750 for the Fridley Theatres parcel. The 2024/2025 incremental taxes for Out Lot #1 are $14,898 and the rebate $11,173.

For 2025/2026 incremental taxes for the Fridley Theatres parcel are estimated at $73,660 and the rebate is estimated at $42,000. The 2025/2026 incremental taxes for Out Lot #1 are estimated at $16,572 and the rebate is estimated at $13,000.

Tax Increment Fund - Fridley Theatres and Fridley Properties

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 45,761	$ 55,030	$ 60,530	$ 62,367	$ 73,467
Revenues					
Incremental Taxes	$ 67,812	$ 56,918	$ 74,000	$ 76,100	$ 55,000
Interest	1,405	2,776	1,000	1,000	1,000
Total Revenues	$ 69,217	$ 59,694	$ 75,000	$ 77,100	$ 56,000
Funds Available	$ 114,978	$ 114,724	$ 135,530	$ 139,467	$ 129,467
Expenditures:					
Tax Rebate - Fridley Theatres (1)	$ 59,948	$ 45,406	$ 60,000	$ 54,800	$ 42,000
Tax Rebate - Fridley Outlot #1 (2)	0	6,951	14,000	11,200	13,000
Total Expenditures	$ 59,948	$ 52,357	$ 74,000	$ 66,000	$ 55,000
Ending Balance, June 30	$ 55,030	$ 62,367	$ 61,530	$ 73,467	$ 74,467
Increase (Decrease) in Fund Balance	**$ 9,269**	**$ 7,337**	**$ 1,000**	**$ 11,100**	**$ 1,000**

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 percentages 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 rebate for 2023/2024 was $528,537 for the fifth year of the agreement.

For 2024/2025, the rebate percentage decreased to 95% and the rebate is estimated at $367,800. For 2025/2026, the rebate is estimated at $395,000. The 2025/2026 rebate will be the seventh under this agreement. Rebates under this development agreement are subject to annual appropriation.

Tax Increment Fund - Riverview Hotel Development

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 1,289	$ 1,556	$ 1,556	$ 3,089	$ 35,289
Revenues					
Incremental Taxes	$ 500,947	$ 528,537	$ 400,000	$ 400,000	$ 395,000
Interest	267	1,533	0	0	0
Total Revenues	$ 501,214	$ 530,070	$ 400,000	$ 400,000	$ 395,000
Funds Available	$ 502,503	$ 531,626	$ 401,556	$ 403,089	$ 430,289
Expenditures:					
TIF Rebate - Riverview Hotel Development (1)	$ 500,947	$ 528,537	$ 400,000	$ 367,800	$ 395,000
Total Expenditures	$ 500,947	$ 528,537	$ 400,000	$ 367,800	$ 395,000
Ending Balance, June 30	$ 1,556	$ 3,089	$ 1,556	$ 35,289	$ 35,289
Increase (Decrease) in Fund Balance	**$ 267**	**$ 1,533**	**$ 0**	**$ 32,200**	**$ 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, $76,376 for 2022/2023, and $103,863 for 2023/2024. For 2024/2025 the estimated rebate is $102,900 and for 2025/2026 the rebate is estimated at $106,000. Rebates under this agreement are subject to annual appropriation.

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Tax Increment Fund - North University

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 11,281	$ 15,155	$ 19,355	$ 20,440	$ 27,940
Revenues					
Incremental Taxes	$ 79,777	$ 107,947	$ 107,000	$ 110,000	$ 106,000
Interest	473	1,201	400	400	400
Total Revenues	$ 80,250	$ 109,148	$ 107,400	$ 110,400	$ 106,400
Funds Available	$ 91,531	$ 124,303	$ 126,755	$ 130,840	$ 134,340
Expenditures:					
TIF Rebate - HNI (1)	$ 76,376	$ 103,863	$ 107,000	$ 102,900	$ 106,000
Total Expenditures	$ 76,376	$ 103,863	$ 107,000	$ 102,900	$ 106,000
Ending Balance, June 30	$ 15,155	$ 20,440	$ 19,755	$ 27,940	$ 28,340
Increase (Decrease) in Fund Balance	**$ 3,874**	**$ 5,285**	**$ 400**	**$ 7,500**	**$ 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, the rebate for 2022/2023 was $50,145, and the rebate for 2023/2024 was $60,635. The estimated rebate for 2024/2025 is $72,100 and the rebate is estimated at $80,000 for 2025/2026. Rebates under this agreement are subject to annual appropriation.

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Tax Increment Fund - WDS Urban Renewal Area

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 8,933	$ 13,047	$ 17,547	$ 18,246	$ 26,846
Revenues					
Incremental Taxes	$ 53,849	$ 64,768	$ 78,000	$ 80,200	$ 80,000
Interest	410	1,066	500	500	500
Total Revenues	$ 54,259	$ 65,834	$ 78,500	$ 80,700	$ 80,500
Funds Available	$ 63,192	$ 78,881	$ 96,047	$ 98,946	$ 107,346
Expenditures:					
TIF Rebate - White Distribution (1)	$ 50,145	$ 60,635	$ 78,000	$ 72,100	$ 80,000
Total Expenditures	$ 50,145	$ 60,635	$ 78,000	$ 72,100	$ 80,000
Ending Balance, June 30	$ 13,047	$ 18,246	$ 18,047	$ 26,846	$ 27,346
Increase (Decrease) in Fund Balance	**$ 4,114**	**$ 5,199**	**$ 500**	**$ 8,600**	**$ 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 and for 2023/2024 the rebate was $66,637. The rebate for 2024/2025 is estimated at $67,000 and the rebate for 2025/2026 is estimated at $80,000. Rebates under this agreement are subject to annual appropriation.

Tax Increment Fund - Hershey Building

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 3,003	$ 5,521	$ 5,621	$ 5,660	$ 13,860
Revenues					
Incremental Taxes	$ 72,879	$ 66,637	$ 73,000	$ 75,100	$ 80,000
Interest	166	139	100	100	100
Total Revenues	$ 73,045	$ 66,776	$ 73,100	$ 75,200	$ 80,100
Funds Available	$ 76,048	$ 72,297	$ 78,721	$ 80,860	$ 93,960
Expenditures:					
TIF Rebate (1)	$ 70,527	$ 66,637	$ 73,000	$ 67,000	$ 80,000
Total Expenditures	$ 70,527	$ 66,637	$ 73,000	$ 67,000	$ 80,000
Ending Balance, June 30	$ 5,521	$ 5,660	$ 5,721	$ 13,860	$ 13,960
Increase (Decrease) in Fund Balance	**$ 2,518**	**$ 139**	**$ 100**	**$ 8,200**	**$ 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. In 2023/2024, the second-year rebate was made in the amount of $26,674.

The 2024/2025 revised estimate includes $25,500 for the estimated third year rebate. The 2025/2026 budget includes $27,000 for the estimated fourth year rebate.

Tax Increment Fund - Oak Park

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 0	$ 3,244	$ 6,244	$ 6,444	$ 11,944
Revenues					
Incremental Taxes	$ 27,921	$ 29,440	$ 30,000	$ 30,800	$ 27,000
Interest	431	434	200	200	200
Total Revenues	$ 28,352	$ 29,874	$ 30,200	$ 31,000	$ 27,200
Funds Available	$ 28,352	$ 33,118	$ 36,444	$ 37,444	$ 39,144
Expenditures:					
TIF Rebate (1)	$ 25,108	$ 26,674	$ 30,000	$ 25,500	$ 27,000
Total Expenditures	$ 25,108	$ 26,674	$ 30,000	$ 25,500	$ 27,000
Ending Balance, June 30	$ 3,244	$ 6,444	$ 6,444	$ 11,944	$ 12,144
Increase (Decrease) in Fund Balance	**$ 3,244**	**$ 3,200**	**$ 200**	**$ 5,500**	**$ 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 was made in 2023/2024. Rebates are subject to annual appropriation.

CURRENT TRENDS AND ISSUES:

The first rebate to Colorado Senior Lofts, LLC was made in 2023/2024 for $65,968. The 2024/2025 revised estimate includes $34,900 for the estimated second-year rebate and the 2025/2026 budget includes $28,000 for the estimated third year rebate.

Tax Increment Fund - Colorado Senior Lofts

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues					
Incremental Taxes	$ 0	$ 65,968	$ 40,000	$ 34,900	$ 28,000
Interest	0	0	0	0	0
Total Revenues	$ 0	$ 65,968	$ 40,000	$ 34,900	$ 28,000
Funds Available	$ 0	$ 65,968	$ 40,000	$ 34,900	$ 28,000
Expenditures:					
TIF Rebate (1)	$ 0	$ 65,968	$ 40,000	$ 34,900	$ 28,000
Total Expenditures	$ 0	$ 65,968	$ 40,000	$ 34,900	$ 28,000
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

1. Fiscal year 2023/2024 was 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 first rebate under this agreement was made in 2023/2024 for $12,093, with $8,032 transferred to the Low and Moderate Income (LMI) set aside fund.

The 2024/2025 revised estimate includes an estimated $22,100 for the second-year rebate to NPSW Enterprises, LLC, with an estimated $14,600 to be transferred to the Low and Moderate Income (LMI) set aside fund.

The 2025/2026 budget includes an estimated $28,200 for the third-year rebate, with an estimated $18,800 to be transferred to the Low and Moderate Income (LMI) set aside fund.

Tax Increment Fund - Arbor Commons

Fund Statement

	Actual 2021/2022	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 0	$ 0	$ 3,400	$ 3,762	$ 8,162
Revenues					
Incremental Taxes	$ 0	$ 23,557	$ 40,000	$ 41,000	$ 47,000
Interest	0	330	0	100	100
Total Revenues	$ 0	$ 23,887	$ 40,000	$ 41,100	$ 47,100
Funds Available	$ 0	$ 23,887	$ 43,400	$ 44,862	$ 55,262
Expenditures:					
TIF Rebate (1)	$ 0	$ 12,093	$ 24,000	$ 22,100	$ 28,200
Transfers Out:					
Low and Moderate Income Setaside Fund (2)	0	8,032	16,000	14,600	18,800
Total Expenditures	$ 0	$ 20,125	$ 40,000	$ 36,700	$ 47,000
Ending Balance, June 30	$ 0	$ 3,762	$ 3,400	$ 8,162	$ 8,262
Increase (Decrease) in Fund Balance	**$ 0**	**$ 3,762**	**$ 0**	**$ 4,400**	**$ 100**

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 for 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 was made in 2024/2025. Rebates under this agreement are subject to annual appropriation.

CURRENT TRENDS AND ISSUES:

The 2024/2025 revised estimate includes $25,700 for the first-year rebate to JNB Family 1, LP for their development of rental housing units. The 2025/2026 budget includes $12,000 for the estimated second-year rebate.

Tax Increment Fund - Steamboat Apartments

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 5,100
Revenues					
Incremental Taxes	$ 0	$ 0	$ 30,000	$ 30,800	$ 12,000
Interest	0	0	0	0	0
Total Revenues	$ 0	$ 0	$ 30,000	$ 30,800	$ 12,000
Funds Available	$ 0	$ 0	$ 30,000	$ 30,800	$ 17,100
Expenditures:					
TIF Rebate (1)	$ 0	$ 0	$ 30,000	$ 25,700	$ 12,000
Total Expenditures	$ 0	$ 0	$ 30,000	$ 25,700	$ 12,000
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 5,100	$ 5,100
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 5,100**	**$ 0**

1. 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%.

CURRENT TRENDS AND ISSUES:

The first rebate under this agreement was made in 2023/2024 for $12,093, with $8,032 transferred to the Low and Moderate Income (LMI) set aside fund.

The 2024/2025 revised estimate includes $22,100 for the second-year rebate to NPSW Enterprises, LLC with $14,600 transferred to the Low and Moderate Income (LMI) set aside fund.

The 2025/2026 budget includes an estimated $28,200 for the third-year rebate to NPSW Enterprises, LLC with $18,800 transferred to the Low and Moderate Income (LMI) set aside fund.

No LMI projects have been identified for the set aside funds for the 2025/2026 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

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 0	$ 0	$ 8,100	$ 8,032	$ 22,632
Revenues					
Transfer In:					
Arbor Commons LMI Setaside (1)	$ 0	$ 8,032	$ 16,000	$ 14,600	$ 18,800
Total Revenues	$ 0	$ 8,032	$ 16,000	$ 14,600	$ 18,800
Funds Available	$ 0	$ 8,032	$ 24,100	$ 22,632	$ 41,432
Expenditures:					
LMI-Related Projects/Programs	$ 0	$ 0	$ 0	$ 0	$ 0
Total Expenditures	$ 0	$ 0	$ 0	$ 0	$ 0
Ending Balance, June 30	$ 0	$ 8,032	$ 24,100	$ 22,632	$ 41,432
Increase (Decrease) in Fund Balance	**$ 0**	**$ 8,032**	**$ 16,000**	**$ 14,600**	**$ 18,800**

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, in 2022/2023 were $244,755, and in 2023/2024 were $264,066. 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 2024/2025 and 2025/2026 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

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues					
Reinvestment District Proceeds (1)	$ 244,755	$ 264,066	$ 300,000	$ 300,000	$ 300,000
Total Revenues	$ 244,755	$ 264,066	$ 300,000	$ 300,000	$ 300,000
Funds Available	$ 244,755	$ 264,066	$ 300,000	$ 300,000	$ 300,000
Expenditures					
Riverview Hotel Development (1)	244,755	264,066	300,000	300,000	300,000
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

1. Amounts shown as revenues and expenditures reflect actual and projected amounts for the State's share of hotel/motel tax (5%) and 4% of the State's share of the sales tax. These funds are paid to the City by the State and the City forwards those funds to the hotel developer per the Reinvestment District agreement. The Merrill Hotel and Conference Center opened in March of 2018.

SPECIAL REVENUE FUNDS

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

GENERAL INFORMATION:

The Community Development Block Grant Fund was established to account for the monies received under the Community Development Block Grant Program (CDBG). Prior to State administration of Community Development funds, entitlement monies were allocated throughout the community. Improvements funded by discretionary monies, however, were directed toward six (6) target areas. The areas were the Franklin School Area, Mad Creek Area, Madison School neighborhood, Garfield School neighborhood, the Midtown Heart and Tree of Hope neighborhood, and the Riverbend neighborhood. The last CDBG grant, which funded housing rehabilitation projects in the Riverbend target area, was closed out in fiscal year 2010/2011.

In 2020/2021 a CDBG grant was awarded to the City to be used to assist local non-profit entities with distributing food and providing medical services during the COVID-19 pandemic. Grant funds totaling $49,937 were received and distributed to these non-profit entities. This grant has been closed out.

CURRENT TRENDS AND ISSUES:

The City has not had an active CDBG grant for housing rehabilitation since 2010/2011. Provisions of prior CDBG grants, however, included requirements for home owners to repay a prorated portion of the cost of their grant-funded housing improvements if they did not remain in their homes for the specified number of years after their homes were rehabilitated. The balance in this fund reflects the cumulative balance of the repayments received from these property owners. The City may use these funds for housing-related purposes as specified in the City's CDBG Revenue Reuse Plan. There are no expenditures in the 2024/2025 revised estimate or 2025/2026 budget. The balance in this fund is estimated at $35,252 on June 30, 2026.

Community Block Grant Fund

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 31,226	$ 32,068	$ 25,150	$ 33,552	$ 34,752
Revenues					
Interest	$ 842	$ 1,484	$ 300	$ 1,200	$ 500
Total Revenues	$ 842	$ 1,484	$ 300	$ 1,200	$ 500
Funds Available	$ 32,068	$ 33,552	$ 25,450	$ 34,752	$ 35,252
Expenditures					
Operating Expenditures	$ 0	$ 0	$ 0	$ 0	$ 0
Total Expenditures	$ 0	$ 0	$ 0	$ 0	$ 0
Ending Balance, June 30	$ 32,068	$ 33,552	$ 25,450	$ 34,752	$ 35,252
Increase (Decrease) in Fund Balance	**$ 842**	**$ 1,484**	**$ 300**	**$ 1,200**	**$ 500**

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. In 2022/2023 and 2023/2024, there were $2,603 and $21,905 respectively, expended from this grant. It is projected that $650,000 of grant funds will be expended in 2024/2025, and the balance of $1,063,492 will be expended in 2025/2026.

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. In 2023/2024, $120,000 of this grant was expended. It is projected that the remaining $80,000 of this grant will be expended in 2024/2025.

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 2022/2023, $3,474 in grant funds were expended. In 2023/2024, $202,351 in grant funds were expended. It is projected that the remaining grant balance of $444,175 will be expended in 2024/2025.

4. The Affordable Connectivity Program (ACP) Grant originally totaled $83,234, but was reduced to $17,000. The purpose of this program was to increase enrollment in the ACP which subsidizes internet subscription fees for low-income households. This grant was closed out in 2023/2024.

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 $350,000 of grant funds will be expended in 2024/2025 and the balance of $397,148 is projected to be expended in 2025/2026.

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 other improvements in that area. New homes are planned to be built at these five sites. In 2023/2024, $6,278 of this grant was expended. The remaining balance of $93,722 is budgeted to be expended in 2024/2025.

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 a Healthy Homes Grant in the total amount of $2,956,932.31. Information on these grants immediately follows the Municipal Housing Agency budgets.

Community Development Block Grant Fund

Comprehensive Neighborhood Improvement Grant

Fund Statement (Fund 8142)

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues					
Federal Grant	$ 2,603	$ 21,905	$ 673,800	$ 650,000	$ 1,063,492
Total Revenues	$ 2,603	$ 21,905	$ 673,800	$ 650,000	$ 1,063,492
Funds Available	$ 2,603	$ 21,905	$ 673,800	$ 650,000	$ 1,063,492
Expenditures					
Grant Expenditures	$ 2,603	$ 21,905	$ 673,800	$ 650,000	$ 1,063,492
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

Iowa Economic Development Authority (IEDA)

Downtown Housing Grant

Fund Statement (Fund 8143)

	Actual 2022/2023	Actual 2023/2024	Budget 2023/2024	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues					
Federal Grant	$ 0	$ 120,000	$ 0	$ 80,000	$ 0
Total Revenues	$ 0	$ 120,000	$ 0	$ 80,000	$ 0
Funds Available	$ 0	$ 120,000	$ 0	$ 80,000	$ 0
Expenditures					
Grant Expenditures	$ 0	$ 120,000	$ 0	$ 80,000	$ 0
Total Expenditures	$ 0	$ 120,000	$ 0	$ 80,000	$ 0
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

Community Development Block Grant Fund

Downtown Revitalization Grant

Fund Statement (Fund 8144)

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 0	$ (64,357)	$ 0	$ 5,669	$ 0
Revenues					
Federal Grant	$ 3,474	$ 202,351	$ 386,526	$ 444,175	$ 0
Reimbursement of Expenses	0	8,000	0	375,000	0
Transfer in					
Small Business Loan Façade Program	0	186,974	0	300,000	0
Total Revenues	$ 3,474	$ 397,325	$ 386,526	$ 1,119,175	$ 0
Funds Available	$ 3,474	$ 332,968	$ 386,526	$ 1,124,844	$ 0
Expenditures					
Grant Expenditures	$ 67,831	$ 327,299	$ 386,526	$ 1,124,844	$ 0
Ending Balance, June 30	$ (64,357)	$ 5,669	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ (64,357)**	**$ 70,026**	**$ 0**	**$ (5,669)**	**$ 0**

Federal Communications Commission

Affordable Connectivity Grant

Fund Statement (8145)

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	0
Revenues					
Federal Grant	$ 0	$ 17,000	$ 0	$ 0	$ 0
Total Revenues	$ 0	$ 17,000	$ 0	$ 0	$ 0
Funds Available	$ 0	$ 17,000	$ 0	$ 0	$ 0
Expenditures					
Grant Expenditures	$ 0	$ 17,000	$ 0	$ 0	$ 0
Total Expenditures	$ 0	$ 17,000	$ 0	$ 0	$ 0
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

National Park Service Grant

Downtown Historic Revitalization Grant

Fund Statement (Fund 8146)

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues					
Federal Grant	$ 0	$ 0	$ 647,148	$ 350,000	$ 397,148
Total Revenues	$ 0	$ 0	$ 647,148	$ 350,000	$ 397,148
Funds Available	$ 0	$ 0	$ 647,148	$ 350,000	$ 397,148
Expenditures					
Grant Expenditures	$ 0	$ 0	$ 647,148	$ 350,000	$ 397,148
Total Expenditures	$ 0	$ 0	$ 647,148	$ 350,000	$ 397,148
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 0
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)

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues					
Federal Grant	$ 0	$ 6,278	$ 0	$ 93,722	$ 0
Total Revenues	$ 0	$ 6,278	$ 0	$ 93,722	$ 0
Funds Available	$ 0	$ 6,278	$ 0	$ 93,722	$ 0
Expenditures					
Grant Expenditures	$ 0	$ 6,278	$ 0	$ 93,722	$ 0
Total Expenditures	$ 0	$ 6,278	$ 0	$ 93,722	$ 0
Ending Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 0
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 "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 2025/2026 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

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 62,736	$ 68,323	$ 0	$ 156,064	$ 0
Revenues					
Interest	$ 5,070	$ 4,807	$ 0	$ 0	$ 0
Transfers In:					
Southend Tax Increment Funds	100,000	100,000	150,000	150,000	150,000
Southend Tax Increment Funds - Grandview Avenue Corridor (1)	130,000	0	0	0	0
Total Revenues	$ 235,070	$ 104,807	$ 150,000	$ 150,000	$ 150,000
Funds Available	$ 297,806	$ 173,130	$ 150,000	$ 306,064	$ 150,000
Expenditures					
Small Business Loans	$ 94,483	$ 17,066	$ 150,000	$ 306,064	$ 150,000
Economic Assistance - Grandview Avenue Corridor (1)	135,000	0	0	0	0
Total Expenditures	$ 229,483	$ 17,066	$ 150,000	$ 306,064	$ 150,000
Ending Balance, June 30	$ 68,323	$ 156,064	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 5,587**	**$ 87,741**	**$ 0**	**$ (156,064)**	**$ 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

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 25,180	$ 45,363	$ 0	$ 73,260	$ 73,260
Revenues					
Interest	$ 183	$ 2,444	$ 0	$ 0	$ 0
Transfers In:					
Southend Tax Increment Funds	50,000	50,000	0	0	0
Total Revenues	$ 50,183	$ 52,444	$ 0	$ 0	$ 0
Funds Available	$ 75,363	$ 97,807	$ 0	$ 73,260	$ 73,260
Expenditures					
Small Business Loans	$ 30,000	$ 24,547	$ 0	$ 0	$ 0
Total Expenditures	$ 30,000	$ 24,547	$ 0	$ 0	$ 0
Ending Balance, June 30	$ 45,363	$ 73,260	$ 0	$ 73,260	$ 73,260
Increase (Decrease) in Fund Balance	**$ 20,183**	**$ 27,897**	**$ 0**	**$ 0**	**$ 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

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 187,657	$ 287,331	$ 0	$ 215,369	$ 0
Revenues					
Interest	$ 5,019	$ 15,012	$ 0	$ 0	$ 0
Transfers In:					
Southend Tax Increment Funds	100,000	100,000	100,000	100,000	100,000
Total Revenues	$ 105,019	$ 115,012	$ 100,000	$ 100,000	$ 100,000
Funds Available	$ 292,676	$ 402,343	$ 100,000	$ 315,369	$ 100,000
Expenditures					
Small Business Loans	$ 0	$ 186,974	$ 100,000	$ 15,369	$ 100,000
Architectural Services	5,345	0	0	0	0
Transfers Out:					
Downtown Revitalization	0	186,974	0	300,000	0
Total Expenditures	$ 5,345	$ 186,974	$ 100,000	$ 315,369	$ 100,000
Ending Balance, June 30	$ 287,331	$ 215,369	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 99,674**	**$ (71,962)**	**$ 0**	**$ (215,369)**	**$ 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 2024/2025 revised estimate includes $5,000 in forfeiture fund revenues and $5,000 in forfeiture fund expenditures.

The 2025/2026 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 $16,943 on June 30, 2026.

Police Forfeitures Fund

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 13,439	$ 14,224	$ 13,439	$ 16,943	$ 16,943
Revenues					
Forfeiture Funds	$ 865	$ 2,711	$ 5,000 (1)	$ 5,000 (1)	$ 5,000 (1)
Interest	6	8	0	0	0
Total Revenues	$ 871	$ 2,719	$ 5,000	$ 5,000	$ 5,000
Funds Available	$ 14,310	$ 16,943	$ 18,439	$ 21,943	$ 21,943
Expenditures					
Forfeiture Expenditures	$ 86	$ 0	$ 5,000 (1)	$ 5,000 (1)	$ 5,000 (1)
Total Expenditures	$ 86	$ 0	$ 5,000	$ 5,000	$ 5,000
Ending Balance, June 30	$ 14,224	$ 16,943	$ 13,439	$ 16,943	$ 16,943
Increase (Decrease) in Fund Balance	**$ 785**	**$ 2,719**	**$ 0**	**$ 0**	**$ 0**

1. Amounts for the 2024/2025 and 2025/2026 budgets reflect estimated amounts 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 2024/2025 revised estimate and the 2025/2026 budget have $30,000 and $50,000, respectively, budgeted to be transferred to the Lead Hazard Reduction Grant fund to cover the Housing Agency match required by that grant. The estimated balance in this fund at the end of 2025/2026 is $80,606.

HUD Legal Settlement Fund (Public Housing)

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 147,422	$ 151,398	$ 151,398	$ 153,606	$ 128,106
Revenues					
Interest	$ 3,976	$ 7,005	$ 2,500	$ 4,500	$ 2,500
Total Revenues	$ 3,976	$ 7,005	$ 2,500	$ 4,500	$ 2,500
Funds Available	$ 151,398	$ 158,403	$ 153,898	$ 158,106	$ 130,606
Expenditures:					
Transfer Out:					
Lead Reduction Grant	0	4,797	50,000	30,000	50,000
Total Expenditures	$ 0	$ 4,797	$ 50,000	$ 30,000	$ 50,000
Ending Balance, June 30	$ 151,398	$ 153,606	$ 103,898	$ 128,106	$ 80,606
Increase (Decrease) in Fund Balance	**$ 3,976**	**$ 2,208**	**$ (47,500)**	**$ (25,500)**	**$ (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 public housing facilities, 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.

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 2024/2025 revised estimate expenditures for the Clark House are over the budgeted amount by $444,490. This increase is due to the net effect of (1) a $17,380 decrease in personal services costs, (2) a $2,000 increase in commodities, (3) a $45,670 increase in contractual services, and (4) a $414,200 increase in capital outlay. The decrease in personal services is primarily due staff turnover and a vacancy in the Housing Specialist position. The increase in contractual services is due to increased pest control services, increased insurance costs, and an increase in facility maintenance costs. The capital outlay increase is for apartment rehabilitation due to unit turnover and the elevator renovation project. The elevator renovation project is expected to be completed in 2024/2025.

The Clark House budgeted expenditures for fiscal year 2025/2026 total $834,100 which is $432,540 (34.1%) less than the original 2024/2025 budget. The budget includes a decrease of $11,810 in personal services costs, a decrease of $1,100 in commodities, an increase of $23,370 in contractual services, and a decrease of $443,000 in capital outlay. The capital outlay allocation of $118,800 for 2025/2026 includes funds for

apartment rehabilitation including appliance replacements as needed ($25,000), funds for five heating and air units ($12,500), flooring replacement in the common area ($20,000), fire alarm panels ($61,000), and $300 for a scanner.

The 2024/2025 revised estimate revenues for the Clark House are $276,400 more than the original budget. The HUD capital funds allocation of $655,200 is $293,900 more than the original budget due to the timing of the elevator renovation project. The net revenue increase also includes a $15,000 decrease in tenant rents, a $3,000 decrease in interest revenue, and an $500 increase in miscellaneous revenue. The 2024/2025 budget includes a $300,000 funding contribution from the City's American Rescue Plan Act (ARPA) fund to complete the financing of the elevator project. Tenant rents are based on tenant incomes according to HUD public housing program regulations.

The 2025/2026 budgeted revenues for the Clark House total $910,200, which is $318,300 less than the original 2024/2025 budget. The overall decrease is due to an $11,300 decrease in HUD capital funds, a $7,500 decrease in interest revenue, a $500 increase in miscellaneous revenue, and a $300,000 decrease in funding contributions. As mentioned above, the 2024/2025 budget includes a one-time transfer of $300,000 from the City's American Rescue Plan Act (ARPA) fund to complete the financing of the elevator project. The 2025/2026 budget includes an estimated $178,500 in HUD operating subsidy funding and an estimated $350,000 in HUD capital funds.

The Clark House and Sunset Park are considered one project by HUD for accounting purposes. In the 2024/2025 revised estimate the combined Clark House and Sunset Park revenues are $1,845,900 and the combined expenditures are $2,317,510. This will result in an estimated $471,610 decrease in the operating reserve to $285,041 at the end of 2024/2025. This decrease is due to several maintenance projects including the elevator renovations at the Clark House.

The 2025/2026 budgeted expenditures for the Clark House and Sunset Park total $1,273.610 and revenues are budgeted at $1,274.200. This will increase the operating reserve by $590 to $285,631 at the end of 2025/2026. The combined public housing revenue estimate includes a total of $373,000 of HUD capital funds, $357,000 in HUD operating subsidy, and $490,000 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 2024/2025 revised estimate expenditures for Sunset Park are $162,760 more in total than the original budget. Personal services costs are $720 more than the original budget, commodities are $8,700 more, contractual services are $22,740 more, and capital outlay is $130,600 more than the original budget. The capital outlay increase is primarily due to the need for structural underpinning for 3 apartment units ($130,000).

The 2025/2026 Sunset Park budgeted expenditures are $4,110 (.9%) less than the original 2024/2025 budget. This overall decrease is the result of (1) a $17,980 increase in personal services costs, (2) a $7,100 increase in

commodities, (3) a $7,210 increase in contractual services, and (4) a $36,400 decrease in capital outlay. The 2025/2026 capital outlay allocation of $23,000 is for apartment rehabilitation including appliance replacements as needed.

Revised estimate revenues for Sunset Park are $5,000 more than the original budget due to increased tenant rents. Revenues for Sunset Park for 2025/2026 are estimated at $364,000, which includes $160,000 in rents, $178,500 in HUD operating subsidy, $23,000 in HUD capital funds, and $2,500 in other revenue. Tenant rents are based on tenant incomes according to HUD public housing program regulations.

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 $199,957 at the end of 2022/2023 and it increased to $235,305 at the end of 2023/2024. At the time the budget was completed, the Administrative Reserve was expected to decrease to $204,004 at the end of 2024/2025 and further decrease to $144,894 at the end of 2025/2026. 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 2025/2026 are estimated at $2,483,400 for the Section 8 Voucher Program, which includes $2,159,000 for housing assistance payments (HAPS) and $324,400 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 2025 and 2026. 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 2025 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 years 2022, 2023, and 2024, HUD restored funding for 100% of a fulltime FSS Coordinator due to the increased participation in this program. Funding for 100% of a fulltime FSS Coordinator was awarded for calendar year 2025.

The 2025/2026 budget includes funding of $93,570 for a fulltime Housing Specialist assigned as the FSS Coordinator. Incidental expenses are estimated at $5,270 in 2025/2026 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 $3,000 for such expenses in the 2025/2026 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 2024/2025 revised estimate and the 2025/2026

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 2024/2025 revised estimate is $5,800 more than the original budget due to the net effects of (1) a $200 decrease in personal services costs, (2) a decrease of $100 in commodities, and (3) a $6,100 increase in contractual services. The increase in contractual services is primarily due to inspections and testing required by the HOME grant. The 2024/2025 revised estimate includes $220,000 in 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 $200,000 of the down payment assistance.

The 2025/2026 budget is $87,100 less than the original budget for 2024/2025. The 2025/2026 budget has a decreased allocation for down payment assistance funded from the HOME grant.

The 2024/2025 revised estimate and the 2025/2026 budget include HOME grant funds of $200,000 and $100,000, 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 $30,000 of funding for the Home Ownership Program in 2025/2026. 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, $20,670 in 2022/2023, and $17,798 in 2023/2024. This federal funding is estimated at $18,000 in both 2024/2025 and 2025/2026. The 2024/2025 revised estimate and 2025/2026 budget include HOME grant funding for down payment assistance of $200,000 and $100,000, respectively. The revenues also include HOME grant funding for Administration of this program of $10,000 in 2024/2025 and $5,000 in 2025/2026.

The balance in this fund has been decreasing in recent years and is estimated at $8,176 at the end of 2025/2026. 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

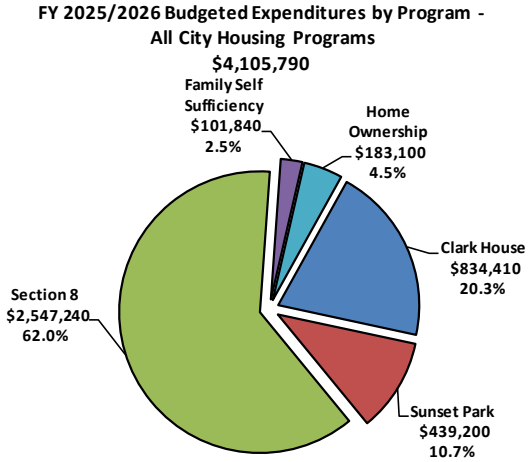
The Sunset Park Education Center opened in 2010/2011. The Sunset Park Afterschool Children's Education Program had initially been operated every day school was in session and had been sustained by grants and

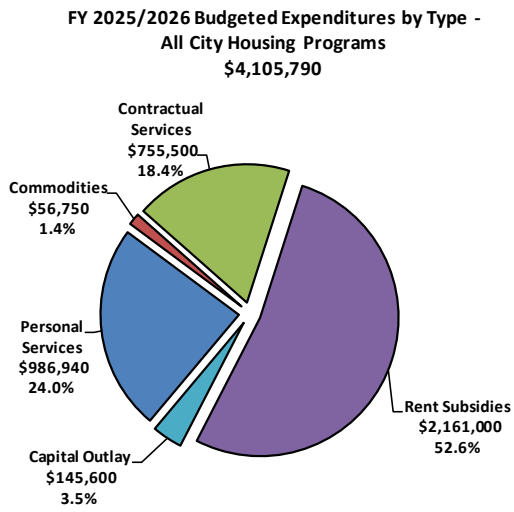
donations from the community. In 2018/2019, Flickinger Learning Center began providing all staff for the Afterschool program.

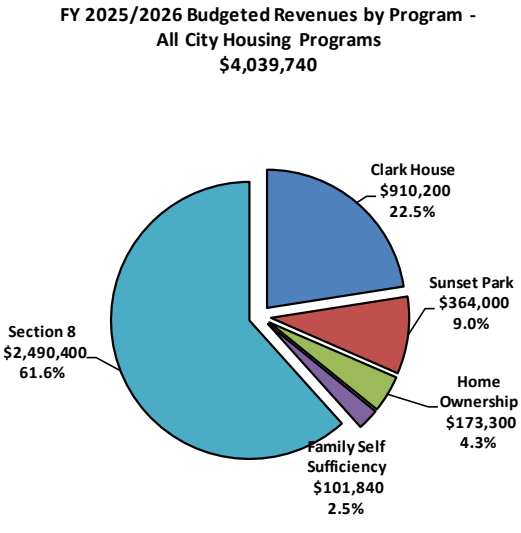
The Housing Agency has discontinued operating the Afterschool and Summer Enrichment Programs. The Afterschool and Summer Enrichment programs experienced a decline in enrollment. Staff will continue to evaluate appropriate services and delivery models to meet the needs of the children that reside at Sunset Park. There is no funding being requested in the 2024/2025 revised estimate or the 2025/2026 budget.

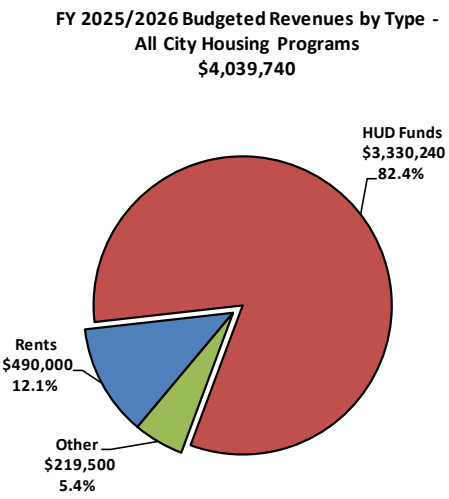
CURRENT TRENDS AND ISSUES:

Budgeted operating expenditures for the City's Clark House, Sunset Park, Section 8 Voucher, and Home Ownership Program, total $4,105,790 for 2025/2026 with budgeted revenues of $4,039,740. 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 2025/2026 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 2025/2026 total $76,800 and are allocated as follows:

Clark House	$32,000
Sunset Park	15,800
Section 8 Voucher Program	29,000
	$76,800

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 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
Public Housing:					
Clark House					
Units Months Available	1,200	1,200	1,200	1,200	1,200
Months Unit is Leased	1,101	1,138	1,132	1,133	1,140
Vacancy Rate	8.25%	5.17%	5.67%	5.58%	5.00%
Sunset Park					
Units Months Available	600	600	600	585	600
Months Unit is Leased	565	561	550	542	550
Vacancy Rate	5.83%	6.50%	8.33%	7.35%	8.33%
Combined					
Units Months Available	1,800	1,800	1,800	1,785	1,800
Months Unit is Leased	1,666	1,699	1,682	1,675	1,690
Percent Days Vacant	7.44%	5.61%	6.56%	6.16%	6.11%
Section 8 Voucher Program:					
Unit Months Under Lease	3,846	3,930	3,960	4,488	4,560
Average Units Under Lease	321	328	330	374	380
Earned Administrative Fees	$ 245,670	$ 260,536	$ 318,985	$ 319,300	$ 324,400
Housing Assistance Payments	$ 1,755,050	$ 1,788,348	$ 2,154,256	$ 2,143,600	$ 2,159,000
Family Self Sufficiency:					
Total Participants	42	41	43	50	50
Participants with Escrow Balance	13	25	35	40	25
Participants Enrolled in Education	7	10	6	10	15
Participants Becoming Employed	18	30	35	30	30
Housing Counseling (Homeownership):					
Clients Completing 8 Hour Class	22	41	50	40	60
Counseling/Households Served	77	254	220	90	135
Clients < 80% Median Income	77	245	173	80	10
Clients Purchasing Housing	5	0	6	10	15
Section 8 Homeownership Clients Purchasing Housing	0	0	0	1	2
Clients Completing Renter Counseling	51	213	151	50	50

RECENT ACCOMPLISHMENTS:

In 2024, MMHA leased up every available Housing Choice Voucher, 385, for the first time in more than a decade. Unfortunately, due to the increased costs associated with the higher leasing levels, HUD felt the agency would go into shortfall by the end of the budget (calendar) year. MMHA applied and received shortfall funding. Due to this,

staff were not able to continue issuing vouchers or absorbing portability vouchers during this time. The MMHA did not have to suspend any current participants' assistance, which could have happened if the agency had not been awarded shortfall funding. However, because of the shortfall status we were directed to stop issuing new vouchers in June 2024, and ended the calendar year with 360 clients due to normal turnover. New clients were able to lease again as of January 1, and the program's budget was reset at almost $200,000 higher for calendar year 2025.

In order to maximize leasing in 2025, applicants put on hold due to the shortfall status were notified that application processing would resume in December. The letters let households know the department would be receiving funding again and they were to submit updated information. With the updated information, staff could begin determining their eligibility and would be able to assist starting January 1, 2025, if they were eligible. Additional Voucher briefings were scheduled in January 2025.

Maintenance staff has turned over 34 units in 2024, and some of the more recent turnovers have taken a much longer time in rehab. Two household were facing eviction, but left before going to court, another household has been evicted, and another has been to court twice. These households often leave large amounts of clutter and personal belongings behind and are less careful about the condition the unit is left in. In one of these cases the tenant failed to notify management of a leaking washer connector resulting in damage to the unit.

Property managers have had difficulty reoccupying units when they are ready. Letters are sent to the next households on the waiting list when the department is notified of a move out. However, even after "purging" the waiting list, households have not been responding in a timely manner or at all.

A number of capital projects have progressed, including completion of the lighting upgrade and underpinning of 3 units at Sunset Park and starting the elevator modernization at Clark House. Children at Sunset Park are enjoying the new playground, especially with the additional lighting. Children were seen playing on and around it throughout the summer and fall months.

Staff has continued to market and build the Housing Counseling program, which has historically relied on the local housing trust fund and program income received by the City for both operations and direct client assistance. This program was leveraged in an application for $300,000 from the Iowa Finance Authority to provide down payment assistance for moderate-income families (up to 80% of the area median income) that are first-time homebuyers in Muscatine County. The grant included $15,000 for program administration. We continue to offer households earning up to the median income $2,500 to purchase their first home. This new program allowed us to help three low-income homebuyers enter sustainable homeownership already this year.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026:

- **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 94% 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

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Operating Reserve, July 1	$ 707,545	$ 890,146	$ 269,566	$ 756,651	$ 285,041
Revenues					
Dwelling Rentals	$ 482,781	$ 494,508	$ 485,000	$ 475,000	$ 490,000
Federal Grants:					
Operating Subsidy	360,049	358,313	357,000	357,000	357,000
HUD Capital Funds:					
2020 Grant	130,534	91,996	0	0	0
2021 Grant	293,762	1,339	0	0	0
2022 Grant	0	66,768	0	293,900	0
2023 Grant	0	0	361,300	361,300	0
2024 Grant	0	0	0	0	373,000
Interest Income	23,548	39,048	15,000	12,000	7,500
Insurance Reimbursements	2,820	12,163	0	0	0
Laundry Fees	9,796	9,921	10,000	10,000	10,000
Cell Tower Leases	32,225	28,679	28,700	29,200	29,200
Miscellaneous	12,041	24,950	7,500	7,500	7,500
Transfer in:					
ARPA Funds	0	0	300,000	300,000	0
Total Revenues	$ 1,347,556	$ 1,127,685	$ 1,564,500	$ 1,845,900	$ 1,274,200
Funds Available	$ 2,055,101	$ 2,017,831	$ 1,834,066	$ 2,602,551	$ 1,559,241
Expenditures					
Clark House	$ 710,966	$ 781,545	$ 1,266,950	$ 1,711,440	$ 834,410
Sunset Park	453,989	479,635	443,310	606,070	439,200
Total Expenditures (1)	$ 1,164,955	$ 1,261,180	$ 1,710,260	$ 2,317,510	$ 1,273,610
Operating Reserve, June 30	$ 890,146	$ 756,651	$ 123,806	$ 285,041	$ 285,631
Increase (Decrease) in Operating Reserve	**$ 129,993**	**$ (133,495)**	**$ (145,760)**	**$ (471,610)**	**$ 590**

1. Expenditures include changes in compensated absences.

Public Housing Program
Clark House and Sunset Park
Summary of Revenues

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Clark House:					
Dwelling Rentals	$ 324,154	$ 329,613	$ 330,000	$ 315,000	$ 330,000
Federal Grants:					
Operating Subsidy	180,025	175,918	178,500	178,500	178,500
HUD Capital Funds:					
2020 Grant	72,474	0	0	0	0
2021 Grant	143,351	1,339	0	0	0
2022 Grant	0	44,159	0	293,900	0
2023 Grant	0	0	361,300	361,300	0
2024 Grant	0	0	0	0	350,000
Interest Income	23,556	39,037	15,000	12,000	7,500
Laundry Fees	9,796	9,921	10,000	10,000	10,000
Insurance Reimbursement	2,820	12,163	0	0	0
Cell Tower Leases	32,225	28,679	28,700	29,200	29,200
Miscellaneous	2,980	19,361	5,000	5,000	5,000
Transfer in:					
ARPA Funds	0	0	300,000	300,000	0
Subtotal	$ 791,381	$ 660,190	$ 1,228,500	$ 1,504,900	$ 910,200
Sunset Park:					
Dwelling Rentals	$ 158,627	$ 164,895	$ 155,000	$ 160,000	$ 160,000
Federal Grants:					
Operating Subsidy	180,024	182,395	178,500	178,500	178,500
HUD Capital Funds:					
2020 Grant	58,060	49,734	0	0	0
2021 Grant	150,411	0	0	0	0
2022 Grant	0	64,871	0	0	0
2024 Grant	0	0	0	0	23,000
Interest Income	(8)	11	0	0	0
Miscellaneous	9,061	5,589	2,500	2,500	2,500
Subtotal	$ 556,175	$ 467,495	$ 336,000	$ 341,000	$ 364,000
Total	$ 1,347,556	$ 1,127,685	$ 1,564,500	$ 1,845,900	$ 1,274,200

Function:
Business Type

Department:
Housing

Activity:
Clark House

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 245,776	$ 242,741	$ 321,180	$ 303,800	$ 309,370	-3.68%
Commodities	27,903	21,882	26,550	28,550	25,450	-4.14%
Contractual Services	357,664	401,532	357,420	403,090	380,790	6.54%
Capital Outlay	78,258	116,977	561,800	976,000	118,800	-78.85%
Transfers	-	-	-	-	-	
Total Expenditures	$ 709,601	$ 783,132	$ 1,266,950	$ 1,711,440	$ 834,410	-34.14%
Funding Sources						
Dwelling Rentals	$ 324,154	$ 329,613	$ 330,000	$ 315,000	$ 330,000	0.00%
Interest Income	23,556	39,037	15,000	12,000	7,500	-50.00%
Federal Grants:						
Operating Subsidy	180,025	175,918	178,500	178,500	178,500	0.00%
HUD Capital Funds	215,825	45,498	361,300	655,200	350,000	-3.13%
Cell Tower Leases	32,225	28,679	28,700	29,200	29,200	1.74%
Office Space Lease	-	4,032	4,000	4,000	4,000	0.00%
Insurance Reimbursements	2,820	12,163	-	-	-	
Miscellaneous	12,776	25,249	11,000	11,000	11,000	0.00%
Transfer In:						
American Rescue Plan Act Funds	-	-	300,000	300,000	-	
Total Funding Sources	$ 791,381	$ 660,189	$ 1,228,500	$ 1,504,900	$ 910,200	-25.91%

Personnel Schedule	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time:						
Community Development Director	0.15	0.15	0.15	0.15	0.15	
Housing Maintenance Supervisor	0.50	0.50	0.60	0.60	0.60	
Maintenance Worker II	0.10	0.20	0.50	0.50	0.50	
Custodian	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	2.50	2.50	2.50	
Part Time:						
Custodian II	0.78	0.78	0.81	0.71	0.69	
Administrative Assistant	0.05	0.05	0.05	0.05	0.05	
Total Part Time	0.83	0.83	0.86	0.76	0.74	
Total	2.93	2.93	3.36	3.26	3.24	$ 217,890
Employee Benefits						91,480
Total Personal Services						$ 309,370

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Apartment Rehabilitation	6	Yes	$ 15,000
Appliances	10	Yes	10,000
PTAC Units (Apartment Heating and Air Conditioning Units)	5	Yes	12,500
Common Area Flooring		Yes	20,000
Fire Alarm Panels	1	Yes	61,000
Scanner	1	No	300
Total			$ 118,800

Function:
Business Type

Department:
Housing

Activity:
Sunset Park Housing

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 158,678	$ 145,133	$ 227,940	$ 228,660	$ 245,920	7.89%
Commodities	27,416	24,213	16,600	25,300	23,700	42.77%
Contractual Services	171,145	128,002	139,370	162,110	146,580	5.17%
Capital Outlay	96,750	182,289	59,400	190,000	23,000	-61.28%
Transfers	-	-	-	-	-	
Total Expenditures	$ 453,989	$ 479,637	$ 443,310	$ 606,070	$ 439,200	-0.93%
Funding Sources						
Dwelling Rentals	$ 158,627	$ 164,895	$ 155,000	$ 160,000	$ 160,000	3.23%
Federal Grants:						
Operating Subsidy	180,024	182,395	178,500	178,500	178,500	0.00%
HUD Capital Funds	208,471	114,605	-	-	23,000	
Miscellaneous	9,053	5,600	2,500	2,500	2,500	0.00%
Total Funding Sources	$ 556,175	$ 467,495	$ 336,000	$ 341,000	$ 364,000	8.33%

Personnel Schedule	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time:						
Community Development Director	0.10	0.10	0.10	0.10	0.10	
Housing Maintenance Supervisor	0.25	0.25	0.40	0.40	0.40	
Housing Specialist	0.50	0.50	0.50	0.50	0.50	
Housing Program Supervisor	0.15	0.10	0.25	0.25	0.25	
Maintenance Worker	0.70	0.70	0.50	0.50	0.50	
Total Full Time	1.70	1.65	1.75	1.75	1.75	
Part Time:						
Administrative Assistant	0.05	0.05	0.05	0.05	0.05	
Custodian II	0.03	0.03	0.56	0.69	0.69	
Total Part Time	0.08	0.08	0.61	0.74	0.74	
Total	1.78	1.73	2.36	2.49	2.49	$ 166,800
Employee Benefits						79,120
Total Personal Services						$ 245,920

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Apartment Rehabilitations	5	Yes	$ 15,000
Appliance Replacements	10	Yes	8,000
			$ 23,000

Section 8 Voucher Program

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 209,619	$ 199,957	$ 195,617	$ 276,420	$ 251,310
Revenues:					
HUD Contributions-Housing Assistance Payments	$ 1,788,348	$ 2,154,256	$ 2,107,400	$ 2,143,600	$ 2,159,000
HUD Contributions-Administration	260,536	318,985	306,000	319,300	324,400
HUD Contributions-Family Self-Sufficiency	79,477	86,624	83,900	89,760	93,570
Administrative Fees-Portability	0	171	0	0	0
FSS Escrow Forfeitures	4,810	9,809	1,000	6,000	3,000
Fraud Recovery - HUD Portion	2,168	7,079	1,000	6,400	1,000
Fraud Recovery - Admin Portion	2,168	7,079	1,000	6,400	1,000
Interest - Admin Reserve	5,558	11,620	6,000	11,500	5,000
Total Revenues	$ 2,143,065	$ 2,595,623	$ 2,506,300	$ 2,582,960	$ 2,586,970
Funds Available	$ 2,352,684	$ 2,795,580	$ 2,701,917	$ 2,859,380	$ 2,838,280
Expenditures:					
Housing Assistance Payments	$ 1,817,166	$ 2,129,838	$ 2,109,400	$ 2,150,000	$ 2,160,000
Voucher Program Administration	252,838	297,301	368,100	360,140	387,240
Family Self-Sufficiency Coordinator:					
Grant Funded Portion	79,477	86,624	83,900	89,760	93,570
Non-Grant Funded Portion	3,246	5,245	8,640	2,170	5,270
FSS Forfeiture Expenses	0	152	0	6,000	3,000
Total Expenditures	$ 2,152,727	$ 2,519,160	$ 2,570,040	$ 2,608,070	$ 2,649,080
Ending Balance, June 30	$ 199,957	$ 276,420	$ 131,877	$ 251,310	$ 189,200
Ending Balance Reserved for:					
Housing Assistance Payments (1)	$ 0	$ 41,306	$ 0	$ 41,306	$ 41,306
FSS Forfeiture Balance	0	9,809	1,000	6,000	3,000
Administration	199,957	225,305	130,877	204,004	144,894
Total Ending Balance	$ 199,957	$ 276,420	$ 131,877	$ 251,310	$ 189,200
Increase (Decrease) in Fund Balance	**$ (9,662)**	**$ 76,463**	**$ (63,740)**	**$ (25,110)**	**$ (62,110)**

1. Beginning in 2012 HUD changed how the funding for Section 8 Housing Assistance payments was distributed to Housing agencies. This change required Housing agencies to utilize their Housing Assistance Payment Reserve (Net Restricted Assets - NRA) to fund housing assistance payments in calendar years 2012 and 2013. The City-held reserve was depleted at the end of 2013/2014. HUD now holds each housing authority's HAP Reserve and HAP funds on hand (Net Restricted Assets) are minimal or zero each year.

Function:
Community and Economic Development

Department:
Housing

Activity:
Section 8 Voucher Program

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 160,714	$ 199,303	$ 271,260	$ 264,850	$ 289,410	6.69%
Commodities	4,776	5,695	4,050	3,600	3,600	-11.11%
Contractual Services	1,904,513	2,221,240	2,200,390	2,239,890	2,250,430	2.27%
Capital Outlay	-	900	1,800	1,800	3,800	111.11%
Transfers	-	-	-	-	-	
Total Expenditures	$ 2,070,003	$ 2,427,138	$ 2,477,500	$ 2,510,140	$ 2,547,240	2.81%
Funding Sources						
HUD Contributions	$ 2,048,884	$ 2,473,241	$ 2,413,400	$ 2,462,900	$ 2,483,400	2.90%
Repayment Agreements	4,336	14,158	2,000	12,800	2,000	0.00%
Admin. Fees - Portability	-	171	-	-	-	
Interest	5,558	11,620	6,000	11,500	5,000	-16.67%
Other Income	4,810	9,809	1,000	-	-	
Total Funding Sources	$ 2,063,588	$ 2,508,999	$ 2,422,400	$ 2,487,200	$ 2,490,400	2.81%

Personnel Schedule						
	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time:						
Community Development Director	0.05	0.05	0.05	0.05	0.05	
Housing Program Supervisor	0.50	0.33	0.50	0.50	0.50	
Housing Specialist	1.00	1.75	2.00	2.00	2.00	
Total Full Time	1.55	2.13	2.55	2.55	2.55	
Part Time:						
Administrative Assistant	0.53	0.45	0.53	0.53	0.53	
Total	2.08	2.58	3.08	3.08	3.08	$ 188,210
Employee Benefits						101,200
Total Personal Services						$ 289,410

Capital Outlay			
Item	***Quantity***	***Replacement***	***Amount***
Computers	2	Yes	$ 3,800

Function:
Community and Economic Development

Department:
Housing

Activity:
Family Self Sufficiency Program

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 80,235	$ 80,780	$ 88,290	$ 87,730	$ 94,240	6.74%
Commodities	-	152	1,000	6,500	3,500	
Contractual Services	2,488	11,089	3,250	3,700	4,100	26.15%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 82,723	$ 92,021	$ 92,540	$ 97,930	$ 101,840	10.05%
Funding Sources						
HUD Contribution	$ 79,477	$ 86,624	$ 83,900	$ 89,760	$ 93,570	11.53%
Section 8 HUD Admin Funds	3,246	5,397	7,640	2,170	5,270	
FSS Escrow Forfeitures	-	-	1,000	6,000	3,000	
Total Funding Sources	$ 82,723	$ 92,021	$ 92,540	$ 97,930	$ 101,840	10.05%

Personnel Schedule						
	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time:						
Housing Specialist	0.50	1.00	1.00	1.00	1.00	$ 57,530
Employee Benefits						36,710
Total Personal Services						$ 94,240

Public Housing
Home Ownership Program
Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	25,962	16,893	$ 54,979	$ 17,676	$ 17,976
Revenues:					
HUD Counseling Grant	$ 20,670	$ 17,798	$ 12,000	$ 18,000	$ 18,000
Housing Trust - Down Payment Assistance (DPA)	0	0	18,800	20,000	20,000
Local Housing Trust Funds	42,801	29,498	28,000	28,000	30,000
State HOME Grant - Administration	0	0	10,000	10,000	5,000
State HOME Grant - Down Payment Assistance	0	0	200,000	200,000	100,000
Interest	537	1,027	300	300	300
Total Revenues	$ 64,008	$ 48,323	$ 269,100	$ 276,300	$ 173,300
Funds Available	$ 89,970	$ 65,216	$ 324,079	$ 293,976	$ 191,276
Expenditures	73,077	47,540	270,200	276,000	183,100
Ending Balance, June 30	16,893	17,676	$ 53,879	$ 17,976	$ 8,176
Increase (Decrease) in Fund Balance (1)	**$ (9,069)**	**$ 783**	**$ (1,100)**	**$ 300**	**$ (9,800)**

Function:
Community and Economic Development

Department:
Housing

Activity:
Home Ownership Program

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 38,271	$ 38,866	$ 44,900	$ 44,700	$ 48,000	6.90%
Commodities	228	478	600	500	500	-16.67%
Contractual Services	34,578	8,196	224,700	230,800	134,600	-40.10%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	$ 73,077	$ 47,540	$ 270,200	$ 276,000	$ 183,100	-32.24%
Funding Sources						
HUD Counseling Grant	$ 20,670	$ 17,798	$ 12,000	$ 18,000	$ 18,000	50.00%
Local Housing Trust Fund	42,801	29,498	28,000	28,000	30,000	7.14%
Housing Trust - Down Payment Assistance	-	-	18,800	20,000	20,000	6.38%
State HOME Grant - Administration	-	-	10,000	10,000	5,000	-50.00%
State HOME Grant - Down Payment Assistance	-	-	200,000	200,000	100,000	-50.00%
Interest	537	1,027	300	300	300	0.00%
Total Funding Sources	$ 64,008	$ 48,323	$ 269,100	$ 276,300	$ 173,300	-35.60%

Personnel Schedule	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time:						
Housing Specialist	0.50	0.50	0.50	0.50	0.50	
Total	0.50	0.50	0.50	0.50	0.50	$ 29,400
Employee Benefits						18,600
Total Personal Services						$ 48,000

Public Housing
Sunset Park Education Program
Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 6,922	$ 7,109	$ 7,109	$ 7,438	$ 7,438
Revenues:					
Contributions - United Way	$ 0	$ 0	$ 0	$ 0	$ 0
Interest	187	329	0	0	0
Total Revenues	$ 187	$ 329	$ 0	$ 0	$ 0
Funds Available	$ 7,109	$ 7,438	$ 7,109	$ 7,438	$ 7,438
Expenditures	0	0	0	0	0
Ending Balance, June 30	7,109	7,438	$ 7,109	$ 7,438	$ 7,438
Increase (Decrease) in Fund Balance	**$ 187**	**$ 329**	**$ 0**	**$ 0**	**$ 0**

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 Grants.

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. This 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 2024/2025 revised estimate totals $932,800. Personal services costs total $154,100. The Community Development Director is allocated 15% to this project. Also allocated to this program are a full-time program manager (hired in March of 2024), and a full-time program specialist (hired in August, 2024). Commodities are budgeted at $1,900, contractual services at $776,300, and capital outlay at $500.

Contractual services include program marketing, environmental assessments, training and certifications for the employees, and $500,000 for payments to homeowners and contractors for lead remediation.

The 2024/2025 revenues include $832,800 from the Lead Hazard Reduction Grant, $50,000 from the Healthy Homes Grant, $20,000 in landlord contributions, and a $30,000 transfer from the HUD Legal Settlement fund.

The 2025/2026 budget includes expenditures totaling $1,503,900. The 2025/2026 budget will be the second full year of grant expenditures. The budget includes $171,500 for personal services costs, $1,800 for commodities, and $1,330,600 for contractual services. The 2025/2026 contractual services allocation continues funding for environmental assessments and employee training, and $750,000 for payments to homeowners for hazard remediations.

The 2025/2026 revenues include $1,273,900 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 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
Completed Lead Hazard Reduction Projects	N/A	N/A	N/A	10	20
Completed Healthy Homes Projects	N/A	N/A	N/A	5	10

RECENT ACCOMPLISHMENTS:

The Lead Hazard Control Program is designed to mitigate environmental risks in the home through targeted outreach and remediation efforts. The marketing strategy includes distributing flyers through local businesses, mailing informational materials to homes in the target area, and one-on-one interaction to educate residents about potential lead hazards and their effects. The program staff also actively participates in community events to engage with residents.

While the Lead Hazard Reduction Program started off slowly, significant progress has been made over the past nine months. Program staff was hired and have completed all required grant training and have developed required administrative guidelines that have been approved by the U.S. Department of Housing and Urban Development. The Program Manager obtained his Lead Inspector/Risk Assessor and Healthy Homes certifications, while the Intake Specialist is scheduled to attend the training in the first quarter of calendar year 2025.

Staff has participated in multiple outreach activities, and provided local lead-safe worker and contractor training. This training was attended by 14 individuals representing five companies. This is a critical step in being able to get mitigation projects completed.

Program staff has also been fostering relationships with potential partners including realtors and churches. These collaborations can help recruit applicants, expand awareness, and develop long-term plans to address housing-related hazards in the target area. This approach not only improves public health but also protects property values and fosters a safer and healthier community for all.

Unfortunately, the first inquiries to participate in the program were from families outside the target area boundaries, but outreach is starting to attract the target audience. At this time 10 applications covering 11 units have been received, with only one family ineligible due to income.

A technical services contract has been executed with Eocene to complete inspections, develop scopes of work, and conduct contract management. Four inspections were completed in December with inspection reports and work write-ups anticipated in early January.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026:

- **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.

    - Complete 20 lead hazard mitigation projects.

    - Conduct outreach through 3 different activities, including attending community events and sending mailers.

Community Development
Lead Hazard Reduction Grant
Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	0	0	$ 0	$ 0	$ 0
Revenues:					
Lead Hazard Reduction Grant	$ 0	$ 41,516	$ 1,014,300	$ 832,800	$ 1,273,900
Healthy Homes Grant	0	0	150,000	50,000	150,000
Landlord Contributions	0	0	30,000	20,000	30,000
Transfers In:					
HUD Legal Settlement Funds	0	4,797	50,000	30,000	50,000
Total Revenues	$ 0	$ 46,313	$ 1,244,300	$ 932,800	$ 1,503,900
Funds Available	$ 0	$ 46,313	$ 1,244,300	$ 932,800	$ 1,503,900
Expenditures	0	46,313	1,244,300	932,800	1,503,900
Ending Balance, June 30	0	0	$ 0	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

Function:
Community and Economic Development

Department:
Community Development

Activity:
Lead Hazard Reduction Grant

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ -	$ 31,550	$ 196,900	$ 154,100	$ 171,500	-12.90%
Commodities	-	290	4,400	1,900	1,800	-59.09%
Contractual Services	-	10,712	1,043,000	776,300	1,330,600	27.57%
Capital Outlay	-	3,761	-	500	-	
Interest/Mortgage Insurance	-	-	-	-	-	
Total Expenditures	$ -	$ 46,313	$ 1,244,300	$ 932,800	$ 1,503,900	20.86%
Funding Sources						
Lead Hazard Reduction Grant	$ -	$ 41,515	$ 1,014,300	$ 832,800	$ 1,273,900	
Healthy Homes Grant			150,000	50,000	150,000	
Landlord Contributions	-	-	30,000	20,000	30,000	
Transfer In:						
HUD Legal Settlement	-	4,798	50,000	30,000	50,000	
Total Funding Sources	$ -	$ 46,313	$ 1,244,300	$ 932,800	$ 1,503,900	

Personnel Schedule

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time/Full Time Allocations:						
Community Development Director	-	0.08	0.15	0.15	0.15	
Grant Program Manager	-	0.42	1.00	1.00	1.00	
Grant Intake Specilaist	-	0.42	1.00	1.00	1.00	
Total	-	0.91	2.15	2.15	2.15	$ 124,400
Employee Benefits						47,100
Total Personal Services						$ 171,500

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, 2025, the City's G.O. bonds outstanding on existing bond issues will total $14,780,000. 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. In November, another SRF Loan in the amount of $7,960,000 was issued to finance Phase 6-C of the West Hill Sewer project. These loans will be repaid with local option sales tax funds and do not impact the City's general obligation debt service tax levy rate. Additional SRF general obligation loans will be issued for 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 preliminary list of the projects to be funded from the Spring 2026 bond issue and the estimated bond funding requirements are in the following chart.

City of Muscatine
Preliminary List of Projects to be Funded from the Spring 2026 Bond Issue

		Estimated 2026 Bond Requirements
Community Development:		
Building Demolition Projects	$	200,000
Parks:		
Playground Improvement Projects		44,000
Weed Park Lagoon Bank Stabilization Project (Series B)		80,000
Riverview Center Deck, Doors, and Windows Project		400,000
Mississippi Mist Restoration Project		140,000
Weed Park Lower Area Building Removal (Asbestos Only; Demolition to be done In-House)		25,000
Deferred Building Maintenance Projects:		
Roofs, Windows, Doors, etc.		610,000
Airport Projects:		
Relocate Fuel System and Jet A Fuel System Projects (Series B)		18,000
Lights, PAPIs, and REILs for Runway 12/30 (Series B)		20,000
General Fund Vehicles and Equipment:		
Various Police, Parks, and Cemetery Vehicles and Equipment		416,000
Ambulance Fund:		
New Ambulance		310,000
Transfer Station:		
Flat Roof Replacment and Lower Building Concrete		326,000
Urban Renewal Project:		
Relocate Dredge Spoils Site (Funded from Future Tax Incremen		800,000
Allowance for Additional Projects up to a $4.0 Million Bond Issu		511,000
Total Bond Issue (Before Issuance Costs)	**$**	**3,900,000**
Estimated Bond Issuance Costs/Underwriters Discount		100,000
Total Bond Issue	**$**	**4,000,000**

CURRENT TRENDS AND ISSUES:

The debt service tax levy rate for the current 2024/2025 fiscal year is $1.98512 per $1,000 of valuation. This rate will increase to $2.14904 (an increase of 8.3%) for 2025/2026. This increase was due to the debt service requirements on the May 2024 bond issue. The budget also uses $58,000 of the balance in the debt service fund to fund debt requirements in 2025/2026. This was done to lessen the impact of the debt service payments for the May 2024 bond issue on the tax levy rate.

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 continue to be impacted by the phase-out of the State reimbursement for the commercial and industrial rollback over the next four 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 $58,024 from the debt service fund balance total $2,610,926. This is the amount necessary to support debt payments on property tax supported debt in 2025/2026. Funds from the Southend Tax Increment fund will fund $353,400 and funds from the Water Pollution Control fund will fund $93,650 of general obligation debt requirements in 2025/2026. Local option sales tax funds will fund $890,380 in loan principal and interest due in 2025/2026 on the SRF loan for Phases 6-A and 6-B of the West Hill Sewer Separation project and an estimated $983,273 in loan principal and interest due in 2025/2026 on the SRF loan for Phase 6-C of the West Hill Sewer 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, 2025 is as follows:

City of Muscatine
Legal Debt Margin Estimate
As of July 1, 2025

Actual Valuation January 1, 2023			**$ 1,925,164,807**
State Limit (5%)			0.05
Debt Limit			**$ 96,258,240**
Bonded Debt:			
Current General Obligation (G.O.) Debt July 1, 2025	$ 14,780,000		
G.O. State Revolving Fund Loan 2023 (Annual Appropriation Amount)	745,000		
G.O. State Revolving Fund Loan 2024 (Annual Appropriation Amount)	794,000		
		$ 16,319,000	
Percent of Debt Limit Used (Before Tax Increment Rebate Obligations)		**17.0%**	
Estimated Tax Increment Rebate Obligations July 1, 2025:			
R.L. Fridley Theatres Inc. - 15 years to maximum of $1,500,000; declining percentages 95% to 50% (began in 2015/2016)	$ 877,847		
R.L. Fridley Theatres Inc. - Outlot #1 - 10 years 50% to maximum of $1,500,000 for all of the Outlots (Outlot #1 began in 2023/2024) Subject to annual appropriation; Annual appropriation for FY 26 listed.	13,000		
Wal-View Developments Project #2 - 10 years to maximum of $2,000,000; declining percentages 100%, 90%, 80%, 70%, 60%, 60%, 50%, 50%, 40%, 40%; (began in 2017/2018). Subject to annual appropriation. Annual appropriation for FY 26 is listed.	145,000		
Riverview Hotel Development - 20 years to maximum of $6,150,000; declining percentages Years 1-5 100%, Years 6-7 95%, Years 8-15 75%, Years 16-20 50% (began in 2019/2020). Subject to annual appropriation. Annual appropriation for FY 26 is listed.	395,000		
Harrison Lofts LLC Development Agreement - 15 years with years 1-6 at 75% and years 7-15 at 70% to a maximum of $675,000 (began in 2019/2020). Subject to annual appropriation. Annual appropriation for FY 26 is listed.	10,000		
HNI Corporation Development Agreement - 50% for 10 years to a maximum of $3,811,000 (began in 2019/2020). Subject to annual appropriation. Annual appropriation for FY 26 is listed.	106,000		
White Distribution & Supply Development Agreement - 50% for 10 years to a maximum of $445,000 (began in 2020/2021). Subject to annual appropriation. Annual appropriation for FY 26 is listed.	80,000		
TIF Oak Park Development Agreement - 70% for 15 years to a maximum of $497,445 (began in 2022/2023). Subject to annual appropriation; Annual appropriation for FY 26 is listed.	27,000		
NPSW Development Agreement -75% for up to 3 phases with each phase for 10 years to a maximum of $750,000 (first phase began in 2023/2024). Subject to annual appropriation; Annual appropriation for FY 26 listed.	47,000		
Bush Development LLC and Hershey Property LLC Development Agreement - 100% for 10 years to a maximum of $700,000 (began in 2021/2022). Subject to annual appropriation. Annual appropriation for FY 26 is listed.	80,000		
Musco Sports Lighting LLC Development Agreement - 50% for 10 years to a maximum of $515,000 (began in 2022/2023). Subject to annual appropriation; Annual appropriation for FY 26 is listed.	58,000		
MVHA Colorado Lofts Development Agreement - 100% for 10 years to a maximum of $460,000 (began in 2023/2024). Subject to annual appropriation; Annual appropriation for FY 25 is listed.	28,000		
MVHA Grandview Lofts Development Agreement - 100% for 10 years to a maximum of $460,000 (began in 2023/2024). Subject to annual appropriation; Annual appropriation for FY 26 is listed.	28,000		
JNB Family 1 LP Steamboat Apartments Development Agreement - 70% for 15 years to a maximum of $460,000 (began in 2024/2025). Subject to annual appropriation. Annual appropriation for FY 26 listed.	12,000		
Love's Travel Stops and Country Stores, Inc. Development Agreement - 50% for 20 years to a maximum of $1,130,000; payments began in 2024/2025) Subject to annual appropriation. Annual appropriation for FY 26 is listed.	75,000		
		$ 1,981,847	
Percent of Debt Limit Used for Tax Increment Rebate Obligations		**2.1%**	
Total Debt Subject to Debt Limit			**18,300,847**
Legal Debt Margin			**$ 77,957,393**
Percent of Legal Debt Limit Used			**19.0%**

The City's debt policy provides that 40% of the legal debt limit is to be reserved for emergency purposes. Following is a computation of the City's debt margin using the self-imposed debt limit:

City's Self-Imposed Limit - 60% of the Legal Limit	**$**	**57,754,944**
Total Debt Subject to Debt Limit		**18,300,847**
Debt Margin Using Self-Imposed Limit	**$**	**39,454,097**
Percent of Self-Imposed Debt Limit Used		**31.7%**

The City's general obligation debt on a per capita basis is $1,261.04 as of June 30, 2025.

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 2024 for fourteen (14) TIF rebates to be paid in 2025/2026. 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

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 111,601	$ 92,192	$ 96,157	$ 128,120	$ 91,404
Revenues					
Property Tax	$ 2,237,601 (1)	$ 2,253,342	$ 2,182,363	$ 2,182,363	$ 2,425,372
Utility Tax Replacement Excise Tax	7,454	7,847	7,500	7,900	8,062
Commercial and Industrial Replacement Funds	76,685	60,170	51,701	48,747	41,145
Business Property Tax Credit Reimbursement	0	56,686	48,746	55,913	53,323
Interest	21,525	35,913	20,000	25,000	25,000
Transfers In:					
Southend Tax Increment Fund	357,000	355,900	354,700	354,700	353,400
Water Pollution Control Fund	95,150	91,400	92,650	92,650	93,650
Local Option Sales Tax Fund (2023 SRF Loan)	0	35,802	1,080,873	891,000	890,380
Local Option Sales Tax Fund (2024 SRF Loan)	0	0	0	37,427	983,273
Total Revenues	$ 2,795,415	$ 2,897,060	$ 3,838,533	$ 3,695,700	$ 4,873,605
Funds Available	$ 2,907,016	$ 2,989,252	$ 3,934,690	$ 3,823,820	$ 4,965,009
Expenditures					
General Obligation Bonds:					
Charges for Services	$ 2,800	$ 3,100	$ 3,500	$ 3,500	$ 3,500
Bonds	2,295,000	2,375,000	2,090,000	2,190,000 (3)	2,515,000
Interest	517,024	447,230	375,776	610,489 (3)	539,476
State Revolving Fund Loans (General Obligation):					
Bonds	0	0	731,000	731,000	1,539,000
Interest and Servicing Fees	0	35,802	349,873	197,427 (2)	334,653 (2)
Estimated Debt Requirements New Issue:					
Bonds	0	0	100,000 (3)	0	0
Interest	0	0	228,384 (3)	0	0
Total Expenditures	$ 2,814,824	$ 2,861,132	$ 3,878,533	$ 3,732,416	$ 4,931,629
Ending Balance, June 30	$ 92,192	$ 128,120	$ 56,157	$ 91,404	$ 33,380
Increase (Decrease) in Fund Balance	**$ (19,409)**	**$ 35,928**	**$ (40,000) (4)**	**$ (36,716)**	**$ (58,024) (5)**
Debt Service Tax Levy Rates (Per $1,000 of Taxable Valuation)	$ 2.20086	$ 2.04192	$ 1.98512	$ 1.98512	$ 2.14904

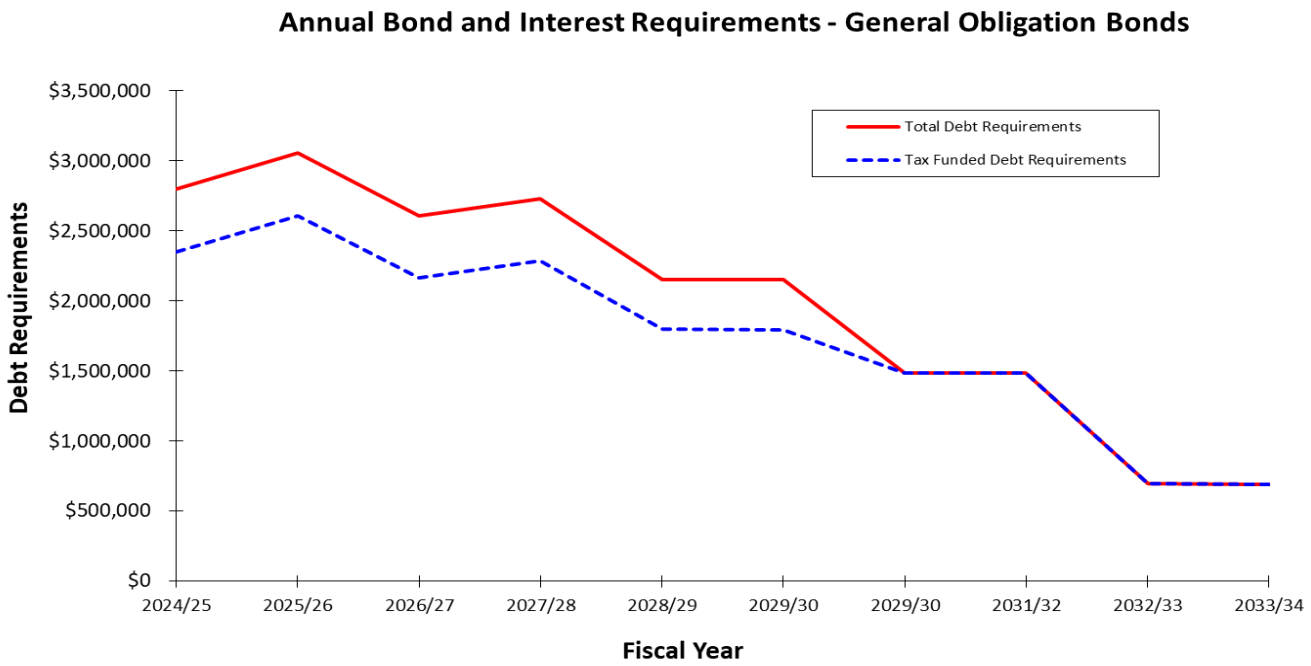
1. For the 2022/2023 budget, approximately $40,000 of debt service fund balance was budgeted to be used to reduce the City's overall property tax levy.
2. Estimated interest due in fiscal years 2024/2025 and 2025/2026 on the SRF loans is shown; the actual interest will be based on the timing of the drawdown requests under these loans.
3. The original budget for 2024/2025 included estimates of the debt service requirements on the June 2024 bond issue. Actual principal and interes payments are included in the overall bonds and interest due in the 2024/2025 revised estimate.
4. The 2024/2025 budget was based on estimated principal and interest on the spring 2024 bond issue, and 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.
5. The 2025/2026 budget was based on using approximately $58,000 of debt service fund balance.

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
2024/25	$ 2,190,000	$ 610,489	$ 2,800,489	$ 447,350	$ 2,353,139
2025/26	2,515,000	539,476	3,054,476	447,050	2,607,426
2026/27	2,155,000	455,063	2,610,063	442,250	2,167,813
2027/28	2,350,000	383,013	2,733,013	448,200	2,284,813
2028/29	1,850,000	302,213	2,152,213	353,800	1,798,413
2029/30	1,915,000	235,763	2,150,763	357,000	1,793,763
2030/31	1,320,000	166,763	1,486,763	-	1,486,763
2031/32	1,370,000	113,713	1,483,713	-	1,483,713
2032/33	640,000	58,600	698,600	-	698,600
2033/34	665,000	26,600	691,600	-	691,600
Total	$ 16,970,000	$ 2,891,693	$ 19,861,693	$ 2,495,650	$ 17,366,043



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
2024/25	$ 460,000	$ 21,513	$ 481,513
2025/26	470,000	11,163	481,163
Total	$ 930,000	$ 32,676	$ 962,676

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
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	$ 2,130,000	$ 183,250	$ 2,313,250

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
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	$ 3,740,000	$ 266,000	$ 4,006,000

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
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	$ 5,290,000	$ 922,654	$ 6,212,654

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

Fiscal Year	Principal	Interest	Total Requirements
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
2032/33	640,000	58,600	698,600
2033/34	665,000	26,600	691,600
Total	$ 4,880,000	$ 1,487,113	$ 6,367,113

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

Fiscal Year	Principal	Interest		Total Requirements
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	$ 8,000,000	$ 906,100		$ 8,906,100

* Estimated interest due in fiscal year 2024/2025; actual will be based on the timing of the drawdown requests under this loan.

LOCAL OPTION SALES TAX FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

State Revolving Fund Loan

West Hill Sewer Separation Project - Phase 6-C

$7,960,000 Loan Dated November 1, 2024

Fiscal Year	Principal	Interest		Total Requirements
2024/25	$ -	$ 37,427	*	$ 37,427
2025/26	794,000	189,273	*	983,273
2026/27	815,000	192,049		1,007,049
2027/28	837,000	170,207		1,007,207
2028/29	859,000	147,775		1,006,775
2029/30	883,000	124,754		1,007,754
2030/31	906,000	101,090		1,007,090
2031/32	930,000	76,809		1,006,809
2032/33	955,000	51,885		1,006,885
2033/34	981,000	26,291		1,007,291
Total	$ 7,960,000	$ 1,117,560		$ 9,077,560

* Estimated interest due in fiscal years 2024/2025 and 2025/2026; 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 2024/2025 revised estimate and the 2025/2026 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. The $820,000 Local Option Sales Tax allocation for the Pavement Management program in 2025/2026 and the $200,000 allocation of Road Use Taxes for the Pavement Management program will allow for $1,020,000 in street improvements to be completed in 2025/2026. 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 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 third phase of the Corridor improvement project. 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 2024/2025 for the roundabout at the Carver Corner intersection, the final phase of the Corridor project, with construction scheduled to begin in the spring of 2026. The City has been awarded a $2.5 million STBG grant effective in 2026 for construction of the Carver Corner roundabout. The 2025/2026 funding amount includes the final engineering costs for this project and allows for construction to begin in the spring of 2026. Construction will continue in 2026/2027.

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. Various new sidewalks have been installed since the inception of this program, many of which were in school zones. The most recently completed sidewalk project was for new sidewalks on 67th Street. Design for the 67th Street sidewalk began in 2020/2021 and this project was completed in the summer of 2022. The next sidewalk project was planned to be on Devitt Avenue. After further City Council considerations, however, a decision

was made to not move forward on this project at this time. The 2025/2026 funding amount reflects the $100,000 annual allocation for new sidewalks; the specific sidewalks have not yet been determined.

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.

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 three 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). Due to contractor delays, the contract for Phase 5 was not closed out until August of 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 were received on April 8, 2025 for Phase 6-D of this project.

The 2025/2026 funding amount reflects the final work on Phase 6-C, and a portion of the work on Phases 6-D and 6-E, construction engineering and inspection services and related costs, and engineering design work for the remaining phases of the West Hill Sewer project.

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. The first SRF loan for Phases 6-A and 6-B in the amount of $8 million was dated August 11, 2023. The SRF loan for Phase 6-C in the amount of $7,960,000 was dated November 1, 2024. The SRF Loan funds are drawn down as needed to pay contract costs for each phase of this project. The SRF Loan for Phase 6-D is estimated at $5,140,000.

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 on the SRF loans for the West Hill Sewer Separation project

Other Projects

Other significant capital projects budgeted for 2025-2026 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 engineering design and other preliminary costs are expected to be completed in 2024/2025 with funding from road use tax funds. Construction is scheduled for 2025/2026 with 100% of the construction costs to be funded from grant funds; engineering inspection services will be funded 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. This grant will fund 100% of the planning costs for this project. The consultant selection process for this project was completed in 2023/2024 and $1,013,000 is estimated to be expended for this project in 2024/2025. The 2025/2026 funding amount reflects the balance of the grant funds being expended in 2025/2026.

Muscatine Indoor Sports Dome – Engineering design was completed and bids were received in July of 2024 for this new multi-use year-round facility. Total project costs are expected to total over $8 million. Funding will be from a $1 million Iowa Economic Development Administration grant; $4,387,000 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 and balances remaining in several capital project funds. Now named the Musco Sports Center, this project is expected to be substantially completed by the end of the 2024/2025 year, with the final work (estimated at $500,000) to be completed in July and August of 2025. The opening of the Sports Dome is scheduled for late August, 2025.

Riverview Center Deck and Other Improvements Project - An inspection completed by a structural engineering firm confirmed there were several areas of the riverfront deck that were no longer structurally safe. The engineering firm supplied plans for the repairs and provided a cost estimate of $205,000. This project also includes funding for replacement of the Riverview Center doors and windows at an estimated cost of $180,000.

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 June 2024 bond issue provided $200,000 of funding for demolition projects and an additional $200,000 is budgeted to be included in the spring, 2026 bond issue for these demolitions.

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. An additional $610,000 is budgeted to be included in the spring 2026 bond issue to continue these projects. The 2025/2026 projects include window replacements and painting of the Art Center house, replacing the roof overhang at City Hall, replacing a storage building at Public Works, and roof replacement for the Public Works building.

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. This fire engine is schedule to be delivered in March of 2026.

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 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 several years with funding from tax increment funds. Work on this project began in 2023/2024 and is continuing in 2024/2025 and 2025/2026.

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 had occurred several times in prior 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. At the time the budget was being prepared, construction was scheduled to begin in 2024/2025 and be completed in 2025/2026. The City, however, is still working with the Federal Aviation Administration (FAA) to receive approval and comply with their requirements before construction can begin. 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. The City's share, estimated at $700,000, was included in the spring 2024 bond issue.

Ambulance Replacement - The 2025/2026 budget includes funding to replace a 2018 ambulance which currently has over 143,000 miles. This ambulance will be ordered early in 2025/2026 with an estimated delivery date mid-year in 2026. This purchase will be funded from the spring 2026 bond issue.

Water Pollution Control Plant (WPCP) and Lift Station Electrical Asset Replacement Project - The WPCP Facilities Plan completed in 2022/2023 identified electrical upgrades at the WPCP and the lift stations as priority projects. Projects also include the Houser Street Lift Station upgrades and Lift Station HVAC improvements. The WPCP and Lift Station Electrical Asset Replacement project is estimated to have a total cost of up to $5.5 million. The 2024/2025 funding amount of $1,650,000 included engineering design costs and the start of construction for this project. The 2025/2026 funding amount is estimated at $3,250,000. This project will continue in 2026/2027 when it is scheduled to be completed. This project will be funded from a State Revolving Fund (SRF) Loan.

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 was

completed in 2023/2024. Construction was originally scheduled for calendar year 2025 (fiscal years 2024/2025 and 2025/2026). This project has now been deferred to calendar year 2026. The City is awaiting notification of possible federal earmark funding for this project. If those funds are not awarded, State Revolving Loan funds will be used to finance this project. The 2026 construction schedule will still allow for construction to be completed by the mandated deadline. The 2025/2026 funding amount reflects the estimated project costs before the end of the fiscal year; the balance of the project costs will be in fiscal year 2026/2027.

Airport – Lights, PAPIs, REILs for Runway 12/30 and Parallel Taxiway Project - The City was awarded two grants from the Federal Aviation Administration (FAA) in the amounts of $600,000 and $188,500 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 2024/2025 and be completed in 2025/2026. The originally estimated local match of $66,400 for the grants was funded from the June 2024 bond issue. An additional $20,000 is budgeted to be included in the spring 2026 bond issue to complete the financing for this project.

SUMMARY:

The following pages identify and describe all capital projects currently in the planning stage or under construction in 2024/2025 as well as those planned for 2025/2026. This section also includes listings of these projects for both 2024/2025 and 2025/2026. Total capital project costs are estimated at $29,371,700 for 2024/2025 and $23,046,500 for 2025/2026.

A separate listing of capital outlay items included in department operating budgets in 2025/2026 is also included in this section of the budget for informational purposes. These items total $4,597,300, which brings the total budget for capital outlay and capital projects to $27,643,800 for 2025/2026.

CAPITAL IMPROVEMENT PROJECTS
CAPITAL PROJECTS FUND

FISCAL YEAR 2024/2025 PROJECTS UNDER CONSTRUCTION

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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 Road Use Tax funds were used for Dick Drake Way street repairs ($59,700) and Local Option Sales Tax funds are being used for the Fulliam Avenue reconstruction project ($882,000). The Fulliam project is being done over three calendar years (2023, 2024, and 2025) since work on that 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.

Funding Source	FY 2024/2025 Funding Amount
Local Option Sales Tax Funds	$ 1,232,000
Road Use Tax Funds	59,700
	$ 1,291,700

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 third phase of the Corridor improvement project. 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 2024/2025 for the roundabout at the Carver Corner intersection, the final phase of the Corridor project, with construction scheduled to begin in the spring of 2026.

Funding Sources	FY 2024/2025 Funding Amount
Prior Year Bond Proceeds	$ 124,900

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 2024/2025 funding amount was for engineering design of sidewalks on Devitt Avenue. After further City Council consideration, however, a decision was made to not move forward on this project at this time.

Funding Sources	FY 2024/2025 Funding Amount
Road Use Tax Funds	$ 15,900

Future Impact on Operating Budget: None, since sidewalks in residential areas are the responsibility of the property owners.

Existing Sidewalk Improvements (Including ADA Ramps): A plan to improve existing sidewalks including ADA ramps is beginning in 2024/2025. This program will be funded from road use tax funds.

Funding Sources	FY 2024/2025 Funding Amount
Road Use Tax Funds	$ 25,000

Future Impact on Operating Budget: None, since sidewalks in residential areas are the responsibility of the property owners.

Railroad Quiet Zone Study: Staff was requested to investigate what would be necessary to implement a railroad quiet zone in the south end of Muscatine. Currently there are five public rail crossings and one private crossing from roughly Canal Street to Dick Drake Way. Staff contracted for a feasibility study to help determine if pursuing a quiet zone in this area is economically feasible, practically constructable, and overall beneficial to the community. This study is only one step in the process of implementing a quiet zone, but it is necessary to determine the projected costs and other considerations necessary to proceed down the path of implementation

Funding Sources	FY 2024/2025 Funding Amount
Railroad Settlement Funds	$ 31,000

Future Impact on Operating Budget: There is no impact on future operating budgets from this study.

Downtown Streetscape Project: This project involved street and sidewalk improvements on 2nd Street between Mulberry Avenue and Pine Street in downtown Muscatine. This project was substantially completed fiscal year 2021/2022. The May 2020 general obligation bond issue included $3.2 million for this project. Debt service requirements on this portion of the bond issue will be paid from tax increment funds. The original bond amount included funding to upgrade downtown parking meters and parking technology. City Council, however, chose not to proceed with the parking meter upgrades. This, as well as bids for the project coming in under the engineering estimate, resulted in unspent bond proceeds that are available to be allocated to other improvements in the downtown area. The 2024/2025 funding amount includes funds for improvements to Parking Lot #7 and allows for other improvements to be completed in the downtown area.

Funding Sources	FY 2024/2025 Funding Amount
Prior Year Bond Proceeds	$ 130,300

Future Impact on Operating Budget: These improvements will reduce future maintenance costs. The amount cannot be determined.

Lake Park Bridge Deck Repair Project: During inspections of the bridges in the City, the bridge deck on the Lake Park Bridge was determined to be in need of repairs. Construction on this project is scheduled to begin in 2024/2025 and be completed in 2025/2026.

Funding Sources	FY 2024/2025 Funding Amount
Road Use Tax Funds	$ 110,000

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. The 2024/2025 funding amount is to continue engineering design for the bridge. Construction is scheduled for 2025/2026 with 100% of the construction costs to be funded from grant funds.

Funding Sources	FY 2024/2025 Funding Amount
Road Use Tax Funds	$ 80,000

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 was completed in 2023/2024 and $1,013,000 is estimated to be expended for this project in the 2024/2025 fiscal year. The grant balance is budgeted to be expended in 2025/2026.

Funding Sources	FY 2024/2025 Funding Amount
Federal Grant	$ 1,013,000

Future Impact on Operating Budget: No impact on future operating budgets is expected.

Mississippi Mist Restoration Project: The City received a notice from the Iowa Department of Inspections, Appeals, & Licensing that the fountain located on the City of Muscatine Riverfront has several deficiencies that will need to be addressed before the "Fountain" can open for public usage. The deficiencies include: electrical grounding plans, center flume engineers review, filtration rate review, grate cover gap and stabilization plan, and spray feature surface gap adjustments. The State of Iowa requires that a licensed engineer develop and sign off on the aquatic amenity repairs before the facility can open and be used by the public. Engineering for this project is nearing completion and the improvements are scheduled to be completed prior to the end of the 2024/2025 fiscal year.

Funding Source	FY 2024/2025 Funding Amount
Future Bond Proceeds	$ 139,800

Future Impact on Operating Budget: Maintenance costs should be reduced with this project. Specific cost savings cannot be determined.

Parks Playground Resurfacing Projects: This project includes playground resurfacing improvements at Lucas Park and at Brook Street Park. These projects were completed in 2024/2025.

Funding Source	FY 2024/2025 Funding Amount
Prior Year and Future Year Bond Proceeds	$ 42,900

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 had 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. This project began in 2023/2024 and was completed in 2024/2025.

Funding Source	FY 2024/2025 Funding Amount
Prior Year and Current Year Bond Proceeds	$ 531,300

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 became 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 the final work on these projects is scheduled to be completed in 2024/2025.

Funding Source	FY 2024/2025 Funding Amount
Community Foundation Grant Funds	$ 121,900

Future Impact on Operating Budget: These projects were 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 was completed and bids were received in July of 2024 for this new multi-use year-round facility. Total project costs are expected to total over $8 million. Funding will be from a $1 million Iowa Economic Development Administration grant; $4,387,000 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 and balances remaining in several capital project funds. Now named the Musco Sports Center, this project is expected to be substantially completed by the end of the 2024/2025 year, with the final work and opening scheduled for late August, 2025.

Source	FY 2024/2025 Funding Amount
State Grant, Private Contributions, County Contribution, and Bond Proceeds	$ 7,140,000

Future Impact on Operating Budget: Revenues for 2025/2026 for this new facility are budgeted at $280,000 in facility user fees. Expenses for 2025/2026 are budgeted at $409,300 and include: (1) $341,600 in personal services costs, (2) $5,000 in commodities, (3) $58,700 in contractual services, and (4) $4,000 in capital outlay for two snow throwers. These revenues and expenditure amounts have been included in the new Sports Dome activity budget in the General Fund section of this budget. Based on these estimates, it is projected that the difference between these revenues and expenditures ($129,300) will be funded from other general fund revenues.

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 cities with populations less than 50,000 totaled $19.5 billion. The City of Muscatine's allocation totaled $3,533,377. 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, these capital project funds include the balance of the cost of the Neighborhood and Economic Recovery Initiatives ($37,600), and an allocation to assist in funding the Public Safety weight room relocation project ($29,300).

Funding Source	FY 2024/2025 Funding Amount
Transfers from ARPA Fund	$ 66,900

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 June 2024 bond issue provided $200,000 of funding for demolition projects and an additional $200,000 is budgeted to be included in the spring, 2026 bond issue for these demolitions.

Funding Source	FY 2024/2025 Funding Amount
Prior and Future Year Bond Proceeds	$ 324,600

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.

Former Iowa Department of Transportation (IDOT) Site Project: The City acquired the former IDOT Maintenance Building on Lake Park Boulevard at the time the IDOT moved to their new facility. The cost of the property was $610,000 and $3,000 in related costs were incurred in 2018/2019 to make the building ready for use by the Public Works department for salt storage for the winter of 2018-2019. The City originally considered using this site and buildings for (1) use by the Fire department as a 3rd fire station, (2) as a police sub-station, and (3) to continue to be used by the Public Works department. Public Works is using all of the former IDOT buildings for storage. The 2019/2020 budget included $300,000 for an engineering study related to the possible fire station. The May 2020 bond funding totaled $913,000, which included the initial property purchase and related costs which totaled $613,000 as well as the $300,000 allocation for the engineering study. The City Council, however, chose to not proceed with construction of a new fire station or police sub-station at this location, and the unspent bond proceeds have remained in this fund. The 2024/2025 funding amount is budgeted to be used to construct additional storage building(s) at this site. The funding amount also includes an estimated $12,700 in arbitrage rebate costs related to interest earned on the prior year bond proceeds. The 2024/2025 funding amount will fully expend the remaining unspent bond proceeds.

Funding Sources	FY 2024/2025 Funding Amount
Prior Year Bond Proceeds	$ 291,200

Future Impact on Operating Budget: As with other city government buildings, Muscatine Power & Water will provide electric and water service to the new storage building(s) free of charge. The City will also incur insurance costs for the new storage building(s).

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. An additional $610,000 is budgeted to be included in the spring 2026 bond issue to continue these projects. The 2024/2025 projects include carpet replacements in City Hall and the Fire department, rubber roof replacement at the Library, and replacement of a multi-stack HVAC module at the Public Safety building.

Funding Source	FY 2024/2025 Funding Amount
Prior and Future Year Bond Proceeds	$ 432,800

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.

Dredge Spoils Site Relocation Project: In 2004 the City acquired the former Hawkeye Lumber site on the riverfront and has been using this property as a de-watering site for spoils dredged from the City's marina. The City has negotiated a Development Agreement with Lumber Lofts, LLC, to develop a mixed-use residential and commercial project at this location. The development will include the construction of a 65-unit mixed-use building. The City contracted for an engineering study to determine a site for relocation of the river dredge spoils. The site was found, the property has been purchased, and engineering design is underway to relocate the dredge spoils site to the new location to allow for the mixed-use development. This site relocation will remove a visible blight when driving through the downtown area. The total cost of the new dredge site development is estimated at $1 million and this project will be partially funded from the available balance in the Southend Tax Increment fund ($200,000), and future bond proceeds (estimated at $800,000), which will be repaid with future TIF funds.

Funding Source	FY 2024/2025 Funding Amount
Future Year Bond Proceeds	$ 986,300

Future Impact on Operating Budget: No impact on future operating budgets 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

had occurred several times in prior 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. At the time the budget was being prepared, construction was scheduled to begin in 2024/2025 and be completed in 2025/2026. The City, however, is still working with the Federal Aviation Administration (FAA) to receive approval and comply with their requirements before construction can begin. 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. The City's share, estimated at $700,000, was included in the spring 2024 bond issue.

Funding Source	FY 2024/2025 Funding Amount
Prior Year Bond Proceeds	$ 388,100

Future Impact on Operating Budget: Impacts on future operating budgets are expected to be similar to the impacts of the previous range.

Forgivable Loan – Muscatine Downtown Investors, LLC: The City entered into a Development Agreement to support the redevelopment of 319 West Mississippi Drive by Muscatine Downtown Investors, LLC. The City is providing $100,000 from tax increment funds for the initial phase, demolition of the existing buildings. Assistance is being provided in the form of a forgivable loan requiring construction of the five-story, 20-unit condominium project be completed no later than December 31, 2029.

Funding Source	FY 2024/2025 Funding Amount
Tax Increment Funds	$ 100,000

Future Impact on Operating Budget: None.

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 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 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 began in 2023/2024 and is continuing in 2024/2025 and future years.

Funding Source	FY 2024/2025 Funding Amount
Southend Tax Increment Funds	$ 248,000

Future Impact on Operating Budget: No impact is expected

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. This ambulance is scheduled to be delivered in the spring of 2025.

Funding Source	FY 2024/2025 Funding Amount
Prior Year Bond Proceeds	$ 279,800

Future Impact on Operating Budget: There will be savings in annual maintenance costs with the new ambulance. 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 three 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). Due to contractor delays, the contract for Phase 5 was not closed out until August of 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 were received on April 8, 2025 for Phase 6-D 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 Phase 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. The first SRF loan for Phases 6-A and 6-B in the amount of $8 million was dated August 11, 2023. The SRF loan for Phase 6-C in the amount of $7,960,000 was dated November 1, 2024. The SRF Loan funds are drawn down as needed to pay contract costs for each phase of this project.

Funding Source	FY 2024/2025 Funding Amount
Local Option Sales Tax Funds	$ 67,600
State Revolving Fund (SRF) Loan	11,929,100
	$ 11,996,700

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 was completed in 2023/2024. Construction was originally scheduled for calendar year 2025 (fiscal years 2024/2025 and 2025/2026). This project has now been deferred to calendar year 2026. The City is awaiting notification of possible federal earmark funding for this project. If those funds are not awarded, State Revolving Loan funds will be used to finance this project. The 2026 construction schedule will still allow for construction to be completed by the mandated deadline. Minimal costs were incurred in 2024/2025.

Funding Source	FY 2024/2025 Funding Amount
Sewer Extension and Improvement Reserve	$ 2,500

Future Impact on Operating Budget: There will be savings in maintenance costs once this project is completed. The amount of savings, however, cannot be determined.

Water Pollution Control Plant (WPCP) Lift Stations Upgrades: The WPCP Facilities Plan completed in 2022/2023 identified upgrades at the WPCP and the lift stations as priority projects. The projects for 2024/2025 include $283,000 to begin the Houser Street Lift Station upgrades, and $286,400 for Lift Station HVAC improvements which have been completed.

Funding Source	FY 2024/2025 Funding Amount
WPCP Plant Replacement Reserve	$ 569,400

Future Impact on Operating Budget: There will be savings in maintenance costs with these projects. The amount of savings, however, cannot be determined.

Water Pollution Control Plant (WPCP) and Lift Station Electrical Asset Replacement Project: The WPCP Facilities Plan completed in 2022/2023 identified upgrades at the WPCP and the lift stations as priority projects. Projects include the Houser Street Lift Station upgrades and Lift Station HVAC improvements discussed above. The WPCP and Lift Station Electrical Asset Replacement project is estimated to have a total cost of up to $5.5 million. The 2024/2025 funding amount includes engineering design costs and the start of construction for this project. This project will be funded from a State Revolving Fund (SRF) Loan.

Funding Source	FY 2024/2025 Funding Amount
State Revolving Fund (SRF) Loan	$ 1,650,000

Future Impact on Operating Budget: There will be savings in maintenance costs with this project. The amount of savings, however, cannot be determined.

Transfer Station Tipping Floor and Other Improvement 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 the balance of the bond funding to be available for other improvements at the Transfer Station. In 2024/2025 these improvements include crack sealing of the concrete around the facility and replacement of four HVAC units.

Funding Sources	FY 2024/2025 Funding Amount
Prior Year Bond Proceeds	$ 111,000

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 original grant funding was $422,559 and the required match of $105,700 was funded from the Transit budget. With the total project cost now 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 2024/2025 funding amount is for the balance of the engineering and the construction costs for the new facility.

Funding Sources	FY 2024/2025 Funding Amount
State Grants	$ 822,600
Prior Year Bond Proceeds	113,700
Transfer from Fuel Tank Project	20,100
	$ 956,400

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) and Jet A Fuel Tank (Phase 2): The City was awarded two grants from the Iowa Department of Transportation in the amounts of $400,000 and $385,000 that will fund 80% of the cost of these projects up to the grant maximum. The engineering design for these projects was completed in 2023/2024. Construction is scheduled to be completed in 2024/2025. The originally estimated local match of $183,800 for the grants was funded from the June 2024 bond issue. An additional $18,000 is budgeted to be included in the spring 2026 bond issue to complete the financing for this project.

Funding Sources	FY 2024/2025 Funding Amount
State Grants	$ 706,900
Prior Year and Future Year Bond Proceeds	148,700
	$ 855,600

Future Impact on Operating Budget: None

Airport – Lights, PAPIs, REILs for Runway 12/30 and Parallel Taxiway Project: The City was awarded two grants from the Federal Aviation Administration (FAA) in the amounts of $600,000 and $188,500 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 2024/2025 and be completed in 2025/2026. The originally estimated local match of $66,400 for the grants was funded from the June 2024 bond issue. An additional $20,000 is budgeted to be included in the spring 2026 bond issue to complete the financing for this project.

Funding Sources	FY 2024/2025 Funding Amount
Federal Aviation Administration (FAA) Grants	$ 144,100

Future Impact on Operating Budget: There will be savings in maintenance costs with this project. The amount of savings, however, cannot be determined.

Airport – Snow Removal Equipment Project: Each year an Airport Improvement Plan (AIP) is submitted to the Federal Aviation Administration (FAA) identifying proposed capital improvement projects at the airport over a 5-year period. The AIP submitted in November 2021 identified the purchase of snow removal equipment, including a box plow, snow blower and broom, as the highest ranked project. In September 2022, the City received a "go letter" from the FAA indicating an intent to fund the project up to 90% of the project costs not to exceed $202,500. The City entered into a Professional Services Contract

for engineering services for preparing specifications and bidding this project, as required by the FAA. Bids were requested at that time; however, no bids were received. The reason potential vendors gave for not submitting the bids, was that the bids were only for equipment to place on the current equipment, and did not include a carrier vehicle. The City's airport consultant, is currently working with the FAA and IDOT to put together a new bid package for snow removal equipment. This requires approval from both agencies since the original application needs to be modified to include a carrier vehicle. This application is expected to be completed in 2025; however, any new equipment will not be received until later in 2025 or in 2026 (if the grant application is approved). The 2024/2025 funding amount is for additional engineering services for preparing specifications for this expanded project. If awarded, the FAA grant is expected to fund 90% of the project costs.

Funding Sources	**FY 2024/2025 Funding Amount**
FAA Grant and Future Bond Proceeds	$ 30,400

Future Impact on Operating Budget: There will be savings in maintenance costs with this new equipment. The amount of savings, however, cannot be determined.

CAPITAL IMPROVEMENT PROJECTS
CAPITAL PROJECTS FUND

FISCAL YEAR 2025/2026 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 2025/2026 $480,000 will be used to complete the final work on the Fulliam Avenue reconstruction project, and $350,000 will be used for other pavement management projects. The Fulliam project is being done over three calendar years (2023, 2024, and 2025) since work on that 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.

Funding Source	FY 2025/2026 Funding Amount
Local Option Sales Tax Funds	$ 480,000
Road Use Tax Funds	350,000
	$ 830,000

Future Impact on Operating Budget: This project will maintain streets at a higher level to avoid future costs.

Railroad Crossing Improvements: This project will upgrade the Stewart Road/Dick Drake Way railroad crossing.

Funding Sources	FY 2025/2026 Funding Amount
Road Use Tax Funds	$ 60,000

Future Impact on Operating Budget: None

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 third phase of the Corridor

improvement project. 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 2024/2025 for the roundabout at the Carver Corner intersection, the final phase of the Corridor project, with construction scheduled to begin in the spring of 2026. The City has been awarded a $2.5 million STBG grant effective in 2026 for construction of the Carver Corner roundabout. The 2025/2026 funding amount includes the final engineering costs for this project and allows for construction to begin in the spring of 2026. Construction will continue in 2026/2027.

Funding Sources	FY 2025/2026 Funding Amount
STBG Grant and Prior Year Bond Proceeds	$ 745,000

Future Impact on Operating Budget: When improvements to this corridor are completed, annual maintenance costs will be reduced. Specific cost savings cannot be determined.

Existing Sidewalk Improvements (Including ADA Ramps): A plan to improve existing sidewalks including ADA ramps began in 2024/2025. This program is being funded annually from road use tax funds.

Funding Sources	FY 2025/2026 Funding Amount
Road Use Tax Funds	$ 25,000

Future Impact on Operating Budget: None, since sidewalks in residential areas are the responsibility of the property owners.

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 2024/2025 funding amount was for engineering design of sidewalks on Devitt Avenue. After further City Council considerations, however, a decision was made to not move forward on this project at this time. The 2025/2026 funding amount reflects the annual allocation for new sidewalks; the specific sidewalks have not yet been determined.

Funding Sources	FY 2025/2026 Funding Amount
Road Use Tax Funds	$ 100,000

Future Impact on Operating Budget: None, since sidewalks in residential areas are the responsibility of the property owners.

Downtown Streetscape Project: This project involved street and sidewalk improvements on 2nd Street between Mulberry Avenue and Pine Street in downtown Muscatine. This project was substantially completed fiscal year 2021/2022. The May 2020 general obligation bond issue included $3.2 million for this project. Debt service requirements on this portion of the bond issue will be paid from future tax increment funds. The original bond amount included funding to upgrade downtown parking meters and parking technology. City Council, however, chose not to proceed with the parking meter upgrades. This, as well as bids for the project coming in under the engineering estimate, resulted in unspent bond proceeds that are available to be allocated to other improvements in the downtown area. The 2024/2025 funding amount included funds for improvements to Parking Lot #7 and allows for other improvements to be completed in the downtown area. The 2025/2026 funding amount reflects the remaining balance in this fund to be expended for other downtown improvements. The specific improvements have not yet been identified.

Funding Sources	FY 2025/2026 Funding Amount
Prior Year Bond Proceeds	$ 252,000

Future Impact on Operating Budget: These improvements will reduce future maintenance costs. The amount cannot be determined.

Lake Park Bridge Deck Repair Project: During inspections of the bridges in the City, the bridge deck on the Lake Park Bridge was determined to be in need of repairs. Construction on this project is scheduled to begin in 2024/2025 and to be completed in 2025/2026.

Funding Sources	FY 2025/2026 Funding Amount
Road Use Tax Funds	$ 110,000

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. The engineering design and other preliminary costs are expected to be completed in 2024/2025 with funding from road use tax funds. Construction is scheduled for 2025/2026 with 100% of the construction costs to be funded from grant funds; engineering inspection services will be funded from Road Use Tax funds.

Funding Sources	FY 2025/2026 Funding Amount
Grant Funds	$ 1,000,00
Road Use Tax Funds	100,000
	$ 1,100,000

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 was completed in 2023/2024 and $1,013,000 is estimated to be expended for this project in 2024/2025. The 2025/2026 funding amount reflects the balance of the grant funds being expended in 2025/2026.

Funding Sources	FY 2025/2026 Funding Amount
Federal Grant Funds	$ 1,001,000
Road Use Tax Funds	10,000
	$ 1,011,000

Future Impact on Operating Budget: No impact on future operating budgets is expected.

Railroad Settlement Fund: The 2025/2026 funding amount is for a railroad crossing change on Oregon Street.

Funding Sources	FY 2025/2026 Funding Amount
Railroad Settlement Funds	$ 100,000

Future Impact on Operating Budget: There is no impact on future operating budgets from this project.

Muscatine Indoor Sports Dome: Engineering design was completed and bids were received in July of 2024 for this new multi-use year-round facility. Total project costs are expected to total over $8 million. Funding will be from a $1 million Iowa Economic Development Administration grant; $4,387,000 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 and balances remaining in several capital project funds. Now named the Musco Sports Center, this project is expected to be substantially completed by the end of the 2024/2025 year, with the final work (estimated at $500,000) to be completed in July and August of 2025. The opening of the Sports Dome is scheduled for late August, 2025.

Source	FY 2025/2026 Funding Amount
State Grant, Private Contributions, County Contribution, and Bond Proceeds	$ 500,000

Future Impact on Operating Budget: Revenues for 2025/2026 for this new facility are budgeted at $280,000 in facility user fees. Expenses for 2025/2026 are budgeted at $409,300 and include: (1) $341,600 in personal services costs, (2) $5,000 in commodities, (3) $58,700 in contractual services, and (4) $4,000 in capital outlay for two snow throwers. These revenues and expenditure amounts have been included in the new Sports Dome activity budget in the General Fund section of this budget. Based on these estimates, it is projected that the difference between these revenues and expenditures ($129,300) will be funded from other general fund revenues.

Parks Playground Resurfacing Projects: Playground improvements scheduled to be completed in 2025/2026 are the Musser Park swing and play features.

Funding Source	FY 2025/2026 Funding Amount
Bond Proceeds	$ 23,000

Future Impact on Operating Budget: Maintenance costs should be reduced with the playground improvements. Specific cost savings cannot be determined.

Riverview Center Deck and Other Improvements Project: An inspection completed by a structural engineering firm confirmed there were several areas of the riverfront deck that were no longer structurally safe. The engineering firm supplied plans for the repairs and provided a cost estimate of $205,000. This project also includes funding for replacement of the Riverview Center doors and windows at an estimated cost of $180,000.

Funding Source	FY 2025/2026 Funding Amount
Bond Proceeds	$ 385,000

Future Impact on Operating Budget: Maintenance costs should be reduced with this project. Specific cost savings cannot be determined.

Weed Park - Lower Buildings Demolition Project: This project will result in the removal of two park buildings in a state of disrepair. These buildings were the original Park and Zoo maintenance buildings. The 2025/2026 funding amount will fund the cost of asbestos removal. Park staff will complete the building demolition work.

Funding Source	FY 2025/2026 Funding Amount
Bond Proceeds	$ 25,000

Future Impact on Operating Budget: Maintenance costs should be reduced with this project. Specific cost savings cannot be determined.

Substandard Building Demolition Projects: The City has identified a number of substandard buildings that may be required to be removed by the City as nuisance properties. These include buildings damaged by structure fires and other properties where the owners have not taken responsibility for the buildings. The City can assess the costs of demolition to the properties, but in many cases, it is doubtful that these costs will be recovered. The June 2024 bond issue provided $200,000 of funding for demolition projects and an additional $200,000 is budgeted to be included in the spring, 2026 bond issue for these demolitions.

Funding Source	FY 2025/2026 Funding Amount
Bond Proceeds	$ 200,000

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. An additional $610,000 is budgeted to be included in the spring 2026 budget to continue these projects. The 2025/2026 projects include window replacements and painting of the Art Center house, replacing the roof overhang at City Hall, replacing a storage building at Public Works, and roof replacement for the Public Works building.

Funding Source	FY 2025/2026 Funding Amount
Bond Proceeds	$ 479,000

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. This fire engine is schedule to be delivered in March of 2026.

Funding Source	FY 2025/2026 Funding Amount
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.

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 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 approved by City Council in January 2022. The program is planned to be completed over several years with funding from tax increment funds. Work on this project began in 2023/2024 and is continuing in 2024/2025 and 2025/2026.

Funding Source	FY 2025/2026 Funding Amount
Southend Tax Increment Funds	$ 250,000

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 had occurred several times in prior 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. At the time the budget was being prepared, construction was scheduled to begin in 2024/2025 and be completed in 2025/2026. The City, however, is still working with the Federal Aviation Administration (FAA) to receive approval and comply with their requirements before construction can begin. 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. The City's share, estimated at $700,000, was included in the spring 2024 bond issue.

Funding Source	FY 2025/2026 Funding Amount
Prior Year Bond Proceeds and Contributions from the County	$ 1,050,800

Future Impact on Operating Budget: Impacts on future operating budgets are expected to be similar to the impacts of the previous range.

General Fund Vehicle and Equipment Replacements: Due to limited General Fund revenues in 2025/2026, vehicle and equipment purchases that would normally have been made from the Equipment Replacement Fund are budgeted to be funded from the Spring 2026 bond issue. These purchases total $416,000 and include $130,000 for two police patrol vehicles (Tahoes), $20,000 for a zero-turn mower for the Cemetery, $45,000 for a half-ton truck for Park Maintenance, $55,000 for a rough mower for Kent Stein Park, $80,000 for a one-ton truck for Kent Stein Park, $40,000 for a deep time aerifier for the Soccer Complex, and $46,000 for a used tractor for the Soccer Complex.

Funding Source	FY 2025/2026 Funding Amount
Bond Proceeds	$ 416,100

Future Impact on Operating Budget: There will be savings in annual maintenance costs with the new vehicles and equipment. The amount of the savings 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 three 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). Due to contractor delays, the contract for Phase 5 was not closed out until August of 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 were received on April 8, 2025 for Phase 6-D of this project.

The 2025/2026 funding amount reflects the final work on Phase 6-C, and a portion of the work on Phase 6-D and Phase 6-E, construction engineering and inspection services and related costs, and engineering design work for the remaining phases of the West Hill Sewer project.

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. The first SRF loan for Phases 6-A and 6-B in the amount of $8 million was dated August 11, 2023. The SRF loan for Phase 6-C in the amount of $7,960,000 was dated November 1, 2024. The SRF Loan funds are drawn down as needed to pay contract costs for each phase of this project. The SRF Loan for Phase 6-D is estimated at $5,140,000.

Funding Source	FY 2025/2026 Funding Amount
Local Option Sales Tax Funds	$ 515,000
State Revolving Fund Loan Proceeds	7,835,000
	$ 8,350,000

Future Impact on Operating Budget: This project will reduce maintenance costs to the storm and sanitary sewer system. Specific cost savings cannot be determined.

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 was completed in 2023/2024. Construction was originally scheduled for calendar year 2025 (fiscal years 2024/2025 and 2025/2026). This project has now been deferred to calendar year 2026. The City is awaiting notification of possible federal earmark funding for this project. If those funds are not awarded, State Revolving Loan funds will be used to finance this project. The 2026 construction schedule will still allow for construction to be completed by the mandated deadline. The 2025/2026 funding amount reflects the estimated project costs before the end of the fiscal year; the balance of the project costs will be in fiscal year 2026/2027.

Funding Source	FY 2025/2026 Funding Amount
Federal Grant Funds or State Revolving Fund (SRF) Loan Proceeds	$ 726,800

Future Impact on Operating Budget: This project will reduce future maintenance costs. Specific costs savings cannot be determined.

Water Pollution Control – Houser Lift Station Upgrades: The WPCP Facilities Plan completed in 2022/2023 identified upgrades at the WPCP and the lift stations as priority projects. The projects for 2024/2025 included $283,000 to begin the Houser Street Lift Station upgrades. The 2025/2026 funding amount will complete these upgrades.

Funding Source	FY 2025/2026 Funding Amount
WPCP Plant Replacement Reserve	$ 200,000

Future Impact on Operating Budget: There will be savings in maintenance costs with this project. The amount of savings, however, cannot be determined.

Water Pollution Control Plant (WPCP) and Lift Station Electrical Asset Replacement Project: The WPCP Facilities Plan completed in 2022/2023 identified upgrades at the WPCP and the lift stations as priority projects. The WPCP and Lift Station Electrical Asset Replacement project is estimated to have a total cost of up to $5.5 million. The 2024/2025 funding amount of $1,650,000 included engineering design costs and the start of construction for this project. The 2025/2026 funding amount is estimated at $3,250,000. This project will continue in 2026/2027 when it is scheduled to be completed. This project will be funded from a State Revolving Fund (SRF) Loan.

Funding Source	FY 2025/2026 Funding Amount
State Revolving Fund (SRF) Loan	$ 3,250,000

Future Impact on Operating Budget: There will be savings in maintenance costs with this project. The amount of savings, however, cannot be determined.

Transfer Station Improvement 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 the balance of the bond funding to be available for other improvements at the Transfer Station. In 2024/2025 these improvements included crack sealing of the concrete around the facility and replacement of four HVAC units. The remaining unspent bond proceeds estimated at $50,000 will be supplemented with additional bond funding estimated at $326,000 to complete replacement of the flat roof at the Transfer Station and lower building concrete improvements.

Funding Sources	FY 2025/2026 Funding Amount
Prior Year and Current Year Bond Proceeds	$ 375,600

Future Impact on Operating Budget: There will be savings in maintenance costs with these projects. The amount of savings, however, cannot be determined.

Ambulance Replacement: The 2025/2026 budget includes funding to replace a 2018 ambulance which currently has over 143,000 miles. This ambulance will be ordered early in 2025/2026 with an estimated delivery date mid-year in 2026.

Funding Source	FY 2025/2026 Funding Amount
Bond Proceeds	$ 310,000

Future Impact on Operating Budget: There will be savings in annual maintenance costs with the new ambulance. The amount cannot be determined.

Airport – Lights, PAPIs, REILs for Runway 12/30 and Parallel Taxiway Project: The City was awarded two grants from the Federal Aviation Administration (FAA) in the amounts of $600,000 and $188,500 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 2024/2025 and be completed in 2025/2026. The originally estimated local match of $66,400 for the grants was funded from the June 2024 bond issue. An additional $20,000 is budgeted to be included in the spring 2026 bond issue to complete the financing for this project.

Funding Sources	**FY 2025/2026 Funding Amount**
Federal Aviation Administration (FAA) Grant	$ 619,400
Prior Year and Current Year Bond Proceeds	69,100
	$ 688,500

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 2024/2025

Project	Revised Estimate 2024/2025	Funding Sources/Comments
Street and Sidewalk Projects:		
Ongoing Pavement Management	$ 1,291,700	Road use tax and local option sales tax
Transfer of Jurisdiction-Grandview/Carver Corner Design	124,900	IDOT grant and prior year bond proceeds
Park Avenue Portion to 3-Lane	2,500	Estimated final engineering costs
New Sidewalk Program-Engineering Design	15,900	Road use tax
Existing Sidewalk Improvements-Including ADA ramps	25,000	Road use tax
Quiet Zone Feasibility Study	31,000	Railroad settlement funds
Downtown Streetscaping Project	130,300	Prior year bond proceeds for Lot #7 and other downtown improvements
Lake Park Bridge Deck Repairs	110,000	Engineering and beginning of construction; road use tax
Park Avenue West Bridge Replacement	80,000	Engineering design and other preliminary costs.; road use tax
Isett Avenue Reconstruction - Planning Phase	1,013,000	Estimated portion of project in 2024/2025; 100% federal grant
Parks Projects:		
Riverfront Development Project	5,000	Available balance
Mississippi Mist Splashpad Restoration	139,800	Future bond proceeds
Playground Improvement Projects	42,900	Prior and future year bond proceeds
Weed Park Lagoon Bank Stabilization Project	531,300	Final construction costs; prior and future year bond proceeds
Southend Community Projects	121,900	Estimated final project costs; donation funding
Indoor Sports Dome	7,140,000	Estimated 2024/2025 portion of construction; State grant, private contributions, County contribution, and City bond funding
Cemetery Fence and Gate Replacement	5,000	Available balance
American Rescue Plan Act (ARPA) Projects:		
Economic Recovery Initiatives	32,600	ARPA funding
Public Safety Weight Room Relocation/Improvements	29,300	ARPA funding and insurance reimbursement
Neighborhood Initiatives	5,000	ARPA funding
Other Projects:		
Former IDOT Property Improvements	291,200	Available balance for additional storage buildings
Levee Inspections/Improvements	5,000	Prior year levee tax levy balance
Building Demolitions	324,600	Prior and future year bond proceeds
Public Building Deferred Maintenance	432,800	Prior and future year bond proceeds
Forgivable Loan - Muscatine Downtown Investors	100,000	Southend tax increment funds
Watermelon Sculpture Project	1,000	Final project costs for sign; funded from donations
Dredge Spoils Site Relocation Project	986,300	Southend tax increment funds
Police Range Replacement	388,100	Estimated portion in 2024/2025; costs shared with County; prior year bond proceeds
Art Center Japanese Garden Restoration	800	Final project costs; grant funding
City Wayfinding Project	248,000	Estimated portion in 2024/2025; Southend TIF funding
Ambulance Replacement	279,800	Prior year bond funding
Subtotal - General Government	$ 13,934,700	
Water Pollution Control:		
West Hill Sewer Separation Project	$ 11,170,700	Estimated 2024/2025 project costs; local option tax and SRF loan
Papoose Redundant Sewer Line - Design	2,500	Sewer Extension Reserve
Lift Station HVAC Package	286,400	Water Pollution Control Plant Replacement Reserve
Houser Lift Station Upgrades	283,000	Water Pollution Control Plant Replacement Reserve
WPCP/Lift Station Electrical Asset Replacement Project	1,650,000	State Revolving Fund Loan funding
Subtotal - Water Pollution Control	$ 13,392,600	
Transfer Station		
Transfer Station Tipping Floor and Other Projects	$ 111,000	Prior year bond proceeds for crack sealing and HVAC units
Transit System:		
Vehicle Wash Bay	$ 956,400	Estimated final project costs; IDOT grants, and prior year bond proceeds
Airport:		
Airport Snow Removal Equipment - Design	$ 30,400	Estimated 2024/2025 engineering costs to re-bid project
Airport - Move Fuel System/Jet A Fuel System	855,600	Estimated 2024/2025 project costs; State grant and bond proceeds
Airport - Lights, PAPIs, REILs for Runway 12/30 and Parallel Taxiway	91,000	Estimated 2024/2025 project costs; FAA grant and bond proceeds
Subtotal - Airport Projects	$ 977,000	
Total	$ 29,371,700	

City of Muscatine
Capital Project Appropriations
Fiscal Year Basis
Budget 2025/2026

Project	Budget 2025/2026	Funding Sources/Comments
Street and Sidewalk Projects:		
Ongoing Pavement Management	$ 830,000	Local option sales tax and road use tax
Transfer of Jurisdiction-Carver Corner	745,000	Estimated 2025/2026 design and portion of construction costs; grant funds and prior year bond proceeds
Railroad Crossing Improvements	60,000	Stewart Road/Dick Drake Way crossing; road use tax
Existing Sidewalk Improvements Including ADA ramps	25,000	Road use tax
New Sidewalk Program	100,000	Project to be determined; road use tax
Downtown Streetscaping Project	252,000	Prior year bond proceeds for downtown improvements
Lake Park Bridge Deck Repairs	110,000	Estimated 2025/2026 final construction costs; road use tax
Park Avenue West Bridge Replacement	1,100,000	Estimated 2025/2026 project costs; grant and road use tax
Isett Avenue Reconstruction - Planning Phase	1,011,000	Estimated final planning costs; 100% grant funded
Railroad Settlement Fund	100,000	Railroad crossing change on Oregon; available balance
Parks Projects:		
Indoor Sports Dome	500,000	Estimated 2025/2026 final project costs; State grant, and private contributions
Playground (Musser Park) Improvements	23,000	Bond proceeds
Riverview Center Deck and Other Improvements	397,800	Estimated project costs; bond proceeds
Demolition of Lower Buildings in Weed Park	25,000	Estimated project costs for asbestos removal; bond proceeds
Other Projects:		
Levee Improvements/Maintenance	5,000	Prior year levee tax levy balance
Building Demolitions	75,000	Bond proceeds
Public Building Deferred Maintenance Projects	479,000	Bond proceeds
Fire Engine	918,000	Prior year bond proceeds
Ambulance	310,000	Bond proceeds
City Wayfinding Project	250,000	Estimated 2025/2026 project costs; Southend TIF funding
New Police Range Facility	1,050,800	Estimated portion in 2025/2026; costs shared with County; prior year bond proceeds
General Fund Vehicles and Equipment	416,000	Limited General Fund resources; funding from bond proceeds
Estimated Additional Bond-Funded Projects	672,000	Projects to be determined
Subtotal - General Government	$ 9,454,600	
Water Pollution Control:		
West Hill Sewer Separation Project	$ 8,350,000	Estimated 2025/2026 project costs; local option tax and SRF loan
Papoose Redundant Sewer Line	726,800	Estimated 2025/2026 portion of project costs; grant or SRF loan
Houser Lift Station Upgrades	200,000	Estimated 2025/2026 final project costs; Plant Replacement Reserve
WPCP/Lift Station Electrical Asset Replacement Project	3,250,000	Estimated 2025/2026 portion of project costs; SRF loan
Subtotal - Water Pollution Control	$ 12,526,800	
Transfer Station		
Transfer Station Tipping Floor and Other Projects	$ 375,600	Flat roof replacement and lower building concrete; prior and current year bond proceeds
Airport:		
Airport - Move Fuel System/Jet A Fuel System	$ 1,000	Final costs; State grant and prior and current year bond proceeds
Airport - Lights, PAPIs, REILs for Runway 12/30 and Parallel Taxiway	688,500	Estimated 2025/2026 final project costs; FAA grant and bond proceeds
Subtotal - Airport Projects	$ 689,500	
Total	$ 23,046,500	

City of Muscatine
Capital Outlay in Department Operating Budgets
Budget 2025/2026

Department/Item	Budget	Funding Sources: General Fund	Bond Funding for Equipment	Road Use Tax	Enterprise or Other Funds
General Fund					
Computer Operations					
Meraki License Renewal	$ 22,500	$ 22,500	$ -	$ -	$ -
Computer Replacement Fund	40,000	40,000	-	-	-
Subtotal	$ 62,500	$ 62,500	$ -	$ -	$ -
Buildings and Grounds					
Window Air Conditioners - City Hall (3)	$ 1,500	$ 1,500	$ -	$ -	$ -
Library Restrooms - Handicap Doors	9,000	9,000	-	-	-
Subtotal	$ 10,500	$ 10,500	$ -	$ -	$ -
Police Operations					
Squad Car Video/DVR Units (3)	$ 21,000	$ 21,000	$ -	$ -	$ -
Police Canine Uplift for Vehicles (2)	28,000	28,000	-	-	-
Patrol Vehicles (2)	130,000	-	130,000	-	-
Subtotal	$ 179,000	$ 49,000	$ 130,000	$ -	$ -
Fire Operations					
Battery Extrication Tools	$ 43,300	$ 43,300	$ -	$ -	$ -
Subtotal	$ 43,300	$ 43,300	$ -	$ -	$ -
Cemetery Operations					
Zero Turn Mower	$ 20,000	$ -	$ 20,000	$ -	$ -
Garage Door Replacement	7,000	7,000	-	-	-
Storm Drain Collection Equipment	17,000	17,000	-	-	-
Subtotal	$ 44,000	$ 24,000	$ 20,000	$ -	$ -
Park Maintenance					
Tables and Chairs for Rental Facilities	$ 10,000	$ 10,000	$ -	$ -	$ -
Half-Ton Pickup	45,000	-	45,000	-	-
Subtotal	$ 55,000	$ 10,000	$ 45,000	$ -	$ -
Aquatic Center					
Concessions Tables and Benches	$ 10,000	$ 10,000	$ -	$ -	$ -
Subtotal	$ 10,000	$ 10,000	$ -	$ -	$ -
Kent-Stein Park					
Rough Mower	$ 55,000	$ -	$ 55,000	$ -	$ -
One-Ton Truck	80,000	-	80,000	-	-
Ag-Lime Material	15,000	15,000	-	-	-
Subtotal	$ 150,000	$ 15,000	$ 135,000	$ -	$ -
Soccer Complex					
Tractor	$ 46,000	$ -	$ 46,000	$ -	$ -
Sprayer (Used)	35,000	35,000		-	-
Deep Tyne Aerifier	40,000	-	40,000	-	-
Subtotal	$ 121,000	$ 35,000	$ 86,000	$ -	$ -
Indoor Sports Dome					
2-Stage Snow Thrower (2)	$ 4,000	$ 4,000	$ -	$ -	$ -
Subtotal	$ 4,000	$ 4,000	$ -	$ -	$ -
Library					
Library Materials (Books, CDs, Digital Media)	$ 129,700	$ 129,700	$ -	$ -	$ -
Subtotal	$ 129,700	$ 129,700	$ -	$ -	$ -

City of Muscatine
Capital Outlay in Department Operating Budgets
Budget 2025/2026

Department/Item	Budget	Funding Sources: General Fund	Bond Funding for Equipment	Road Use Tax	Enterprise or Other Funds
Public Works Administration					
Copier/Fax/Scanner	$ 8,000	$ -	$ -	$ 8,000	$ -
Subtotal	$ 8,000	$ -	$ -	$ 8,000	$ -
Engineering					
Right-of-Way Inspector Computer	$ 2,500	$ -	$ -	$ 2,500	$ -
Scanner	8,000	-	-	8,000	-
Subtotal	$ 10,500	$ -	$ -	$ 10,500	$ -
Roadway Maintenance					
Concrete Grinding	$ 100,000	$ -	$ -	$ 100,000	$ -
Dump Truck	140,000	-	-	140,000	-
Wheel Loader	170,000	-	-	170,000	-
Hydraulic Cold Planer	32,000	-	-	32,000	-
Hydro Excavator	100,000	-	-	100,000	-
Side Spread Conveyor	20,000	-	-	20,000	-
Drop Deck Trailer	30,000	-	-	30,000	-
Upgraded iPads and Laptop	5,000	-	-	5,000	-
Subtotal	$ 597,000	$ -	$ -	$ 597,000	$ -
Snow & Ice Control					
Snow Package for Tandem Truck	$ 210,000	$ -	$ -	$ 210,000	$ -
Subtotal	$ 210,000	$ -	$ -	$ 210,000	$ -
Street Cleaning					
Leaf Machines (2)	$ 107,000	$ -	$ -	$ 107,000	$ -
Leaf Boxes (2)	22,000	-	-	22,000	-
Subtotal	$ 129,000	$ -	$ -	$ 129,000	$ -
Traffic Control					
Traffic Signs	$ 16,000	$ -	$ -	$ 16,000	$ -
Orange Cones (200)	6,000	-	-	6,000	-
Subtotal	$ 22,000	$ -	$ -	$ 22,000	$ -
Subtotal - General Fund	$ 1,785,500	$ 393,000	$ 416,000	$ 976,500	$ -
Enterprise Funds					
Transit:					
Light Duty Buses (2)	$ 203,500	$ -	$ -	$ -	$ 203,500
Van	110,000	-	-	-	110,000
Bike Racks for Three Buses	11,100	-	-	-	11,100
Standing Desk	400	-	-	-	400
Subtotal	$ 325,000	$ -	$ -	$ -	$ 325,000
Parking					
Electronic Parking Meters	$ 2,400	$ -	$ -	$ -	$ 2,400
Subtotal	$ 2,400	$ -	$ -	$ -	$ 2,400
Golf Maintenance					
Triplex Mower	$ 60,000	$ -	$ -	$ -	$ 60,000
Clubhouse Carpet Replacement	24,000	-	-	-	24,000
Clubhouse Hard Flooring Replacement	28,000	-	-	-	28,000
Top Dresser	20,000	-	-	-	20,000
Subtotal	$ 132,000	$ -	$ -	$ -	$ 132,000

City of Muscatine
Capital Outlay in Department Operating Budgets
Budget 2025/2026

Department/Item	Budget	Funding Sources: General Fund	Bond Funding for Equipment	Road Use Tax	Enterprise or Other Funds
Golf Clubhouse					
Painting Interior of Clubhouse	$ 10,000	$ -	$ -	$ -	$ 10,000
Subtotal	$ 10,000	$ -	$ -	$ -	$ 10,000
Ambulance					
Ambulance Replacement	$ 310,000	$ -	$ 310,000	$ -	$ -
Subtotal	$ 310,000	$ -	$ 310,000	$ -	$ -
Refuse Collection					
95-Gallon Curbside Refuse Containers	$ 17,000	$ -	$ -	$ -	$ 17,000
Trunnion Locks Retrofit (2)	26,000	-	-	-	26,000
Subtotal	$ 43,000	$ -	$ -	$ -	$ 43,000
Landfill					
Engineering/Bidding of Cell Six	$ 50,000	$ -	$ -	$ -	$ 50,000
Used Skid Steer and Brush Mower	50,000	-	-	-	50,000
Subtotal	$ 100,000	$ -	$ -	$ -	$ 100,000
Transfer Station					
Replace HVAC Units (4)	$ 36,000	$ -	$ 36,000	$ -	$ -
Replace Pressure Washer	15,000	-	-	-	15,000
Flat Roof Replacements	300,000	-	300,000	-	-
Lower Building Concrete	75,000	-	75,000	-	-
Subtotal	$ 426,000	$ -	$ 411,000	$ -	$ 15,000
Water Pollution Control Plant					
Plant Operations:					
Finals Hydrant Replacement (5)	$ 30,000	$ -	$ -	$ -	$ 30,000
Maintenance Roof Replacement	125,000	-	-	-	125,000
Digester Cleanout	120,000	-	-	-	120,000
Pumping Stations:					
Concrete Drive to Arbor Commons Lift Station	20,000	-	-	-	20,000
Drain Lines Progress Park & Stewart Road Lift Stations	25,000	-	-	-	25,000
Door Pushbar Replacements (3)	10,000	-	-	-	10,000
Slough Building Improvements	50,000	-	-	-	50,000
Lab Operations:					
Digital Microscope	4,000	-	-	-	4,000
Steam Distillation Unit	20,000	-	-	-	20,000
High Temperature Digestion Block	16,000	-	-	-	16,000
Biosolids:					
Swingtube Replacement	14,000	-	-	-	14,000
Supply Hose 6" x 660'	7,500	-	-	-	7,500
Drag Hose 5" x 660'	8,500	-	-	-	8,500
3-Point Hitch Hose Cart	12,800	-	-	-	12,800
High Strength Waste Operations:					
Tanker (Used)	20,000	-	-	-	20,000
Subtotal	$ 482,800	$ -	$ -	$ -	$ 482,800
Collection and Drainage					
Sewer Maintenance Projects	$ 60,000	$ -	$ -	$ -	$ 60,000
Sewer Lining	125,000				125,000
Jet-Vac Truck	640,000				640,000
Subtotal	$ 825,000	$ -	$ -	$ -	$ 825,000
Subtotal - Enterprise Funds	$ 2,656,200	$ -	$ 721,000	$ -	$ 1,935,200

City of Muscatine
Capital Outlay in Department Operating Budgets
Budget 2025/2026

Department/Item	Budget	Funding Sources: General Fund	Bond Funding for Equipment	Road Use Tax	Enterprise or Other Funds
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 Conditioning Units (5)	12,500	-	-	-	12,500
Clark House - Common Area Flooring	20,000	-	-	-	20,000
Clark House - Replace Fire Alarm	61,000	-	-	-	61,000
Clark House - Scanner	300	-	-	-	300
Sunset - Apartment Rehabs	15,000	-	-	-	15,000
Sunset - Appliance Replacements	8,000	-	-	-	8,000
Subtotal	$ 141,800	$ -	$ -	$ -	$ 141,800
Voucher Program					
Computer Replacement	$ 3,800	$ -	$ -	$ -	$ 3,800
Subtotal	$ 3,800	$ -	$ -	$ -	$ 3,800
			-		
Equipment Services Internal Services Fund					
Mechanic Tools	$ 10,000	$ -	$ -	$ -	$ 10,000
Subtotal	$ 10,000	$ -	$ -	$ -	$ 10,000
			-		
Subtotal - Other Funds	$ 155,600	$ -	$ -	$ -	$ 155,600
Total - All Operating Funds	$ 4,597,300	$ 393,000	$ 1,137,000	$ 976,500	$ 2,090,800

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 2024/2025 and 2025/2026. The balance in this trust on June 30, 2026 is estimated at $933,497.

Perpetual Care Trust

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 911,927	$ 915,919	$ 920,919	$ 923,497	$ 928,497
Revenues					
Perpetual Care	3,992	7,578	5,000	5,000	5,000
Funds Available	$ 915,919	$ 923,497	$ 925,919	$ 928,497	$ 933,497
Expenditures	0	0	0	0	0
Ending Balance, June 30	$ 915,919	$ 923,497	$ 925,919	$ 928,497	$ 933,497
Increase (Decrease) in Fund Balance	**$ 3,992**	**$ 7,578**	**$ 5,000**	**$ 5,000**	**$ 5,000**

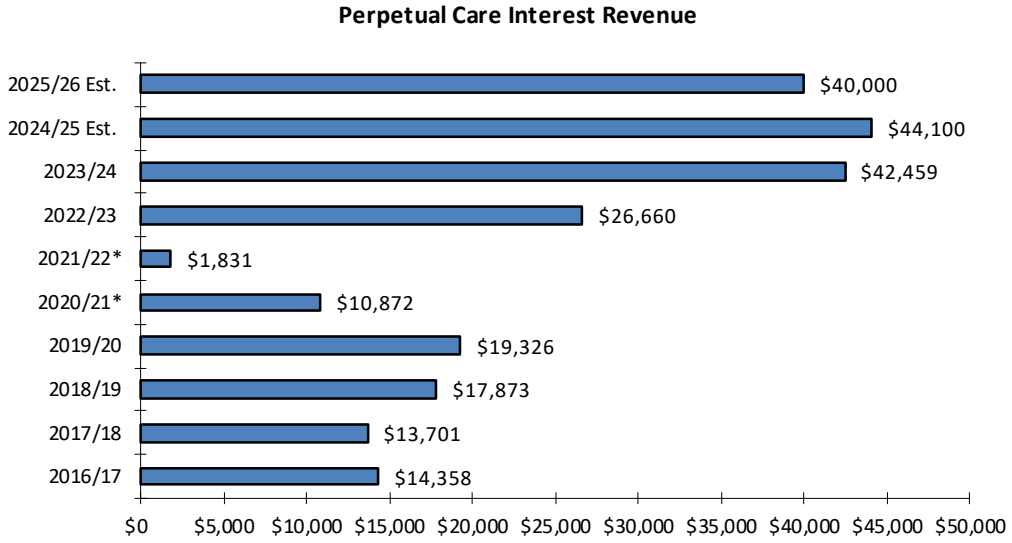
TRUST AND AGENCY FUNDS

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 2016/2017 through the budgeted amount for 2025/2026 is shown in the following graph.



* 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 $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, $61,752 in 2022/2023, and $77,526 in 2023/2024. The revised estimate for 2024/2025 projects a General Fund subsidy of $54,000 and $73,600 is the estimated subsidy for 2025/2026.

Perpetual Care Interest Trust

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues					
Interest	26,660	42,459	34,000	44,100	40,000
Funds Available	$ 26,660	$ 42,459	$ 34,000	$ 44,100	$ 40,000
Expenditures					
Transfers Out					
Cemetery Operations	26,660	42,459	34,000	44,100	40,000
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 2024/2025 and $1,000 in interest is expected to be earned in 2025/2026. Trust expenditures are estimated at $1,000 for both 2024/2025 and 2025/2026.

Special Cemetery Trusts (1)

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 51,949	$ 53,426	$ 53,926	$ 55,097	$ 55,597
Revenues					
Interest	1,777	1,971	1,500	1,500	1,000
Funds Available	$ 53,726	$ 55,397	$ 55,426	$ 56,597	$ 56,597
Expenditures					
Florist Services	$ 0	$ 0	$ 1,000	$ 1,000	$ 1,000
Transfers Out:					
Administrative Fees	300	300	0	0	0
Total Expenditures	$ 300	$ 300	$ 1,000	$ 1,000	$ 1,000
Ending Balance, June 30	$ 53,426	$ 55,097	$ 54,426	$ 55,597	$ 55,597
Increase (Decrease) in Fund Balance	**$ 1,477**	**$ 1,671**	**$ 500**	**$ 500**	**$ 0**

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 projects to be funded from these bequests.

Dr. J. Donald McPike Jr. Trust for Weed Park Rose Garden

No funds are budgeted to be expended from this trust in 2024/2025. The 2025/2026 budget includes $35,000 for architectural design services for improvements to the Weed Park Rose Garden. With the interest earned on the funds in this trust, the ending balance on June 30, 2026 is estimated at $317,995.

Dr. J. Donald McPike Jr. Trust for Greenwood Cemetery or Other Park Improvements

No funds are budgeted to be expended from this trust in either 2024/2025 or 2025/2026. With the interest earned on the funds in this trust, the ending balance on June 30, 2026 is estimated at $88,749.

J. Donald McPike Bequest Trust - Weed Park Rose Garden

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 289,435	$ 318,269	$ 326,269	$ 332,995	$ 344,995
Revenues					
Donations	$ 20,830	$ 0	$ 0	$ 0	$ 0
Interest	8,004	14,726	8,000	12,000	8,000
Total Revenues	$ 28,834	$ 14,726	$ 8,000	$ 12,000	$ 8,000
Funds Available	$ 318,269	$ 332,995	$ 334,269	$ 344,995	$ 352,995
Expenditures:					
Commodities	$ 0	$ 0	$ 0	$ 0	$ 0
Contractual Services	0	0	0	0	35,000
Capital Outlay	0	0	0	0	0
Total Expenditures	$ 0	$ 0	$ 0	$ 0	$ 35,000
Ending Balance, June 30	$ 318,269	$ 332,995	$ 334,269	$ 344,995	$ 317,995
Increase (Decrease) in Fund Balance	**$ 28,834**	**$ 14,726**	**$ 8,000**	**$ 12,000**	**$ (27,000)**

J. Donald McPike Bequest Trust - Cemetery or Other Park Projects

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 72,359	$ 79,567	$ 81,567	$ 83,249	$ 86,749
Revenues					
Donations	$ 5,207	$ 0	$ 0	$ 0	$ 0
Interest	2,001	3,682	2,000	3,500	2,000
Total Revenues	$ 7,208	$ 3,682	$ 2,000	$ 3,500	$ 2,000
Funds Available	$ 79,567	$ 83,249	$ 83,567	$ 86,749	$ 88,749
Expenditures:					
Commodities	$ 0	$ 0	$ 0	$ 0	$ 0
Contractual Services	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Total Expenditures	$ 0	$ 0	$ 0	$ 0	$ 0
Ending Balance, June 30	$ 79,567	$ 83,249	$ 83,567	$ 86,749	$ 88,749
Increase (Decrease) in Fund Balance	**$ 7,208**	**$ 3,682**	**$ 2,000**	**$ 3,500**	**$ 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, $14,499 in 2022/2023, and $15,740 in 2023/2024. The Library Channel 5 station is available through the basic Muscatine Power and Water (MPW) cable package as well as Facebook. Technology has been added to allow live viewing from a smartphone, tablet, computer, or stream on-demand via an app on a smart TV. This has made 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 2024/2025 and 2025/2026 budgets include $15,000 and $16,000, 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 2024/2025 revised estimate expenditures total $21,000, which includes $15,000 for Channel 5 programming. The 2025/2026 budgeted expenditures total $24,500, which includes $16,000 for Channel 5. The estimated balance in this trust on June 30, 2026 is $166,358.

Library Gift and Memorial Trust

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 53,138	$ 95,301	$ 129,201	$ 137,858	$ 153,858
Revenues					
Donations	$ 39,041	$ 48,295	$ 12,000	$ 10,000	$ 10,000
State Grant	25,589	24,628	24,500	24,500	24,500
Miscellaneous Sales	4,534	3,653	2,000	2,000	2,000
LENA Program Donation	0	0	10,500	0	0
Interest	2,093	5,711	500	500	500
Total Revenues	$ 71,257	$ 82,287	$ 49,500	$ 37,000	$ 37,000
Funds Available	$ 124,395	$ 177,588	$ 178,701	$ 174,858	$ 190,858
Expenditures					
Library Materials	$ 186	$ 895	$ 500	$ 500	$ 3,000
Contractual Services	4,959	13,645	5,500	5,500	5,500
Capital Outlay					
LENA Program Fees	9,450	9,450	10,500	0	0
Library Channel 5 Programming: Operating Costs (1)	14,499	15,740	15,000	15,000	16,000
Total Expenditures	$ 29,094	$ 39,730	$ 31,500	$ 21,000	$ 24,500
Ending Balance, June 30	$ 95,301	$ 137,858	$ 147,201	$ 153,858	$ 166,358
Increase (Decrease) in Fund Balance	**$ 42,163**	**$ 42,557**	**$ 18,000**	**$ 16,000**	**$ 12,500**

1. The Library acquired the Muscatine Power & Water (MPW) Channel 5 programming station in the 2020/2021 fiscal year. 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 2024/2025 revised estimate and 2025/2026 budget each have budgeted expenditures of $4,000. The projected balance at the end of 2025/2026 is $114,662.

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 2024/2025 revised estimate and 2025/2026 budget each have expenditures of $500 budgeted to be expended from this trust. The projected balance at the end of 2025/2026 is $54,040.

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 2024/2025 a total of $18,200 in donations, grants, and interest, is budgeted to be received, and $42,500 is budgeted to be expended. The projected balance in this trust is $23,108 at the end of 2024/2025. Grants, donations, and interest budgeted to be received in 2025/2026 totals $17,500, and $24,500 is budgeted to be expended. The projected balance in this trust at the end of 2025/2026 is $16,108.

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 $143,608 in expenditures. The 2024/2025 budget allocation is for design work for a building addition. This project will close out the Brad Burns Trust Fund.

McWhirter-Gilmore Trust

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 105,681	$ 108,562	$ 107,062	$ 115,462	$ 116,662
Revenues					
Interest	2,881	6,900	2,000	5,200	2,000
Funds Available	$ 108,562	$ 115,462	$ 109,062	$ 120,662	$ 118,662
Expenditures					
Contractual Services	$ 0	$ 0	$ 2,000	$ 2,000	$ 2,000
Capital Outlay	0	0	2,000	2,000	2,000
Total Expenditures	0	0	4,000	4,000	4,000
Ending Balance, June 30	$ 108,562	$ 115,462	$ 105,062	$ 116,662	$ 114,662
Increase (Decrease) in Fund Balance	**$ 2,881**	**$ 6,900**	**$ (2,000)**	**$ 1,200**	**$ (2,000)**

Alice Schaeffer Trust

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 47,483	$ 48,775	$ 49,276	$ 51,740	$ 53,540
Revenues					
Interest	1,293	2,965	800	2,300	1,000
Funds Available	$ 48,776	$ 51,740	$ 50,076	$ 54,040	$ 54,540
Expenditures	0	0	500	500	500
Ending Balance, June 30	$ 48,776	$ 51,740	$ 49,576	$ 53,540	$ 54,040
Increase (Decrease) in Fund Balance	**$ 1,293**	**$ 2,965**	**$ 300**	**$ 1,800**	**$ 500**

Art Center Donations Trust

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 42,741	$ 40,406	$ 41,906	$ 47,408	$ 23,108
Revenues					
Donations	$ 13,613	$ 8,076	$ 2,500	$ 2,500	$ 2,500
Special Project Donations	75	0	3,000	0	0
Interest	963	2,057	500	1,700	1,000
Art Center Grants	0	5,000	5,000	5,000	5,000
Miscellaneous Sales	1,210	504	500	500	500
Reimbursements of Expenses	1,542	1,356	8,500	8,500	8,500
Total Revenues	$ 17,403	$ 16,993	$ 20,000	$ 18,200	$ 17,500
Funds Available	$ 60,144	$ 57,399	$ 61,906	$ 65,608	$ 40,608
Expenditures					
Art Center Materials	$ 935	$ 634	$ 8,500	$ 8,500	$ 8,500
Contractual Services	18,803	2,224	6,000	6,000	6,000
Capital Outlay	0	7,133	28,000	28,000	10,000
Total Expenditures	$ 19,738	$ 9,991	$ 42,500	$ 42,500	$ 24,500
Ending Balance, June 30	$ 40,406	$ 47,408	$ 19,406	$ 23,108	$ 16,108
Increase (Decrease) in Fund Balance	**$ (2,335)**	**$ 7,002**	**$ (22,500)**	**$ (24,300)**	**$ (7,000)**

Brad Burns Trust

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 135,706	$ 133,655	$ 136,655	$ 137,508	$ 0
Revenues					
Interest	3,603	3,853	2,000	6,100	0
Total Revenues	$ 3,603	$ 3,853	$ 2,000	$ 6,100	$ 0
Funds Available	$ 139,309	$ 137,508	$ 138,655	$ 143,608	$ 0
Expenditures					
Contractual Services	$ 5,654	$ 0	$ 136,000	$ 143,608	$ 0
Total Expenditures	$ 5,654	$ 0	$ 136,000	$ 143,608	$ 0
Ending Balance, June 30	$ 133,655	$ 137,508	$ 2,655	$ 0	$ 0
Increase (Decrease) in Fund Balance	**$ (2,051)**	**$ 3,853**	**$ (134,000)**	**$ (137,508)**	**$ 0**

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 $88.00 per hour in 2019/2020, and it increased to $92.00 in 2020/2021, to $96.00 per hour in 2021/2022, to $98.00 per hour in 2022/2023, to $106.00 per hour in 2023/2024 and to $111.00 per hour in 2024/2025. The rate is budgeted to increase to $140.00 per hour in 2025/2026 to assist in addressing the operating deficit in this fund in 2023/2024.

In addition to the labor rate charge there is a 3% surcharge on parts, outside services, oil, and tires. A per gallon surcharge has also been applied to fuel dispensed to City vehicles utilizing this operation. This fee is currently $.30 per gallon. These surcharge fees are budgeted to remain the same for 2025/2026.

CURRENT TRENDS AND ISSUES:

The 2024/2025 revised estimate expenditures are $1,900 less than the original budget. This decrease is due to the net effect of (1) a $1,300 decrease in personal services costs, (2) a $2,000 increase in commodities, (3) a $200 increase in contractual services, (4) a $2,600 decrease in capital outlay, and (4) a $200 decrease in transfers.

The 2025/2026 budget is $13,500 (.9%) less than the original 2024/2025 budget. The budget includes an increase of $12,700 (2.9%) in personal services costs, a $2,000 increase in commodities, a $400 increase

in contractual services, a $7,300 decrease in capital outlay, and a $21,300 decrease in transfers. The 2025/2026 capital outlay allocation of $10,000 is for new tools for the mechanics. The decrease in transfers is due to the final payment on the internal loan for the vehicle lift being made in 2024/2025. The new vehicle lift was purchased in 2020/2021 at a cost of $107,800. The new lift accommodates larger vehicles. There was a $20,000 down payment in 2020/2021 and payments of $22,000 were 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, to $106.00 per hour for 2023/2024, and to $111.00 per hour in 2024/2025. Due to a declining fund balance, increased expenses, and fewer hours being charged to departments, this rate is budgeted to increase to $140.00 per hour in 2025/2026. The Equipment Services operation is expected to have a deficit balance (before inventory) of $259,624 on June 30, 2026. The deficit balance net of fuel and parts inventories is estimated at $119,383. The 2025/2026 rate increase and gradual rate increases over the next several years are expected to substantially reduce or eliminate the deficit in this fund.

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 2021/2022	Actual 2022/2023	Actual 2023/2024	Estimated 2024/2025	Estimated 2025/2026
Autos, Pickups, Flatbeds Serviced	181	188	209	220	220
Trucks, Buses, Garbage Trucks Serviced	116	113	111	114	114
Heavy Equipment/Tractors Serviced	18	34	36	40	40
Gallons of Gasoline Dispensed	104,005	101,024	105,779	115,000	115,000
Gallons of Diesel Fuel Dispensed	42,621	40,803	40,612	35,000	35,000
Preventative Maintenance Work Orders	899	832	870	830	830
Emergency Maintenance Work Orders	486	478	429	460	460
Work Orders Completed	1,385	1,310	1,299	1,290	1,290

RECENT ACCOMPLISHMENTS:

Staff had identified the need to replace the aging fuel tanks, pumps, monitors, concrete, and the related electrical work. The cost for this project was $482,582 and was funded from the spring 2024 bond issue. The fuel island replacement was completed in June of 2024. The City contracted with the local Kum-n-Go (Maverik) gas station to purchase fuel during the shut-down time. This process went very well. The account at Kum-n-Go was left open in case of any future emergencies. This division is now able to buy full tanker loads and get better fuel prices. Diesel Exhaust Fluid (DEF) is now available on the fuel island and the City is able to save money buying this type of fuel in bulk.

Parts availability is still an issue and this is something this division has adapted to. Staff has been proactive by recognizing needed repairs in advance and ordering the parts in order to have them available when needed.

A new scan tool was purchased for the shop to replace the outdated and unsupported tool that was being used. This allows staff to do more repairs in-house and not have to send things out for service. This will be beneficial for all departments.

The department has successfully held three Public Surplus auctions this year. These sales generate revenue and helps the City dispose of surplus items.

OBJECTIVES TO BE ACCOMPLISHED IN 2025/2026:

- To monitor the billed hours charged out for vehicle/equipment repairs for each employee and look to increase the percentage of hours billed.

- To continue to be proactive in the shop by identifying repair issues early and doing more preventative maintenance.

- To continue to replace aging tools, staying within approved budget allocations

Equipment Services Operations

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance (Deficit), July 1	$ (90,104)	$ (104,770)	$ (87,270)	$ (230,724)	$ (304,624)
Revenues					
Charges for Services - City Departments	$ 1,472,356 (3)	$ 1,311,169 (4)	$ 1,570,300 (5)	$ 1,492,600 (6)	$ 1,599,900 (7)
Miscellaneous	1,430	1,249	500	500	500
Total Revenues	$ 1,473,786	$ 1,312,418	$ 1,570,800	$ 1,493,100	$ 1,600,400
Funds Available	$ 1,383,682	$ 1,207,648	$ 1,483,530	$ 1,262,376	$ 1,295,776
Expenditures (1)	1,488,452 (2)	1,438,372 (2)	1,568,900 (2)	1,567,000 (2)	1,555,400
Ending Balance (Deficit), June 30	$ (104,770)	$ (230,724)	$ (85,370)	$ (304,624)	$ (259,624)
Allowance for Inventory	135,536	140,241	135,536	140,241	140,241
Net Balance, June 30	$ 30,766	$ (90,483)	$ 50,166	$ (164,383)	$ (119,383)
Increase (Decrease) in Net Balance	**$ (14,666) (2)**	**$ (125,954) (3)**	**$ 1,900**	**$ (73,900)**	**$ 45,000**

1. Expenditures include changes in compensated absences.
2. The 2021/2022, 2022/2023, and 2023/2024 budgets each included $22,000 for the internal loan payments for the purchase of a vehicle lift in 2020/2021. The 2024/2025 budget included $21,800 to pay off this internal loan
3. The labor rate increased to $98.00 per hour for the 2022/2023 fiscal year.
4. The labor rate increased to $106.00 per hour for the 2023/2024 fiscal year.
5. The labor rate increased to $111.00 per hour for the 2024/2025 fiscal year.
6. The 2024/2025 revised estimate is based on 3,700 billed hours (a significant reduction from the 4,400 budgeted billed hours at $111.00 per hour, but substantially higher than the 3,049 actual billed hours in 2023/2024).
7. The 2025/2026 budget is based on 3,700 billed hours at $140.00/hour.

Function:
Internal Service

Department:
Public Works

Activity:
Equipment Services Operations

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Percent Change
Expenditure Summary						
Personal Services	$ 385,047	$ 402,158	$ 439,900	$ 438,600	$ 452,600	2.89%
Commodities	662,176	605,439	677,500	679,500	679,500	0.30%
Contractual Services	387,970	379,818	390,400	390,600	390,800	0.10%
Capital Outlay	5,131	3,950	17,300	14,700	10,000	-42.20%
Transfers	42,600	43,200	43,800	43,600	22,500	-48.63%
Total Expenditures	$ 1,482,924	$ 1,434,565	$ 1,568,900	$ 1,567,000	$ 1,555,400	-0.86%
Funding Sources						
Charges for Services	$ 1,472,356	$ 1,311,169	$ 1,570,300	$ 1,492,600	$ 1,599,900	1.88%
Other	1,430	1,249	500	500	500	0.00%
Total Funding Sources	$ 1,473,786	$ 1,312,418	$ 1,570,800	$ 1,493,100	$ 1,600,400	1.88%

Personnel Schedule	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026	Budget Amount 2025/2026
Full Time:						
Vehicle Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00	
Vehicle Mechanic II	3.00	3.00	3.00	3.00	3.00	
Total	4.00	4.00	4.00	4.00	4.00	$ 288,300
Employee Benefits						164,300
Total Personal Services						$ 452,600

Capital Outlay		
Item	***Replacement***	***Amount***
Mechanic Tools	Yes	$ 10,000

INTERNAL SERVICE FUNDS

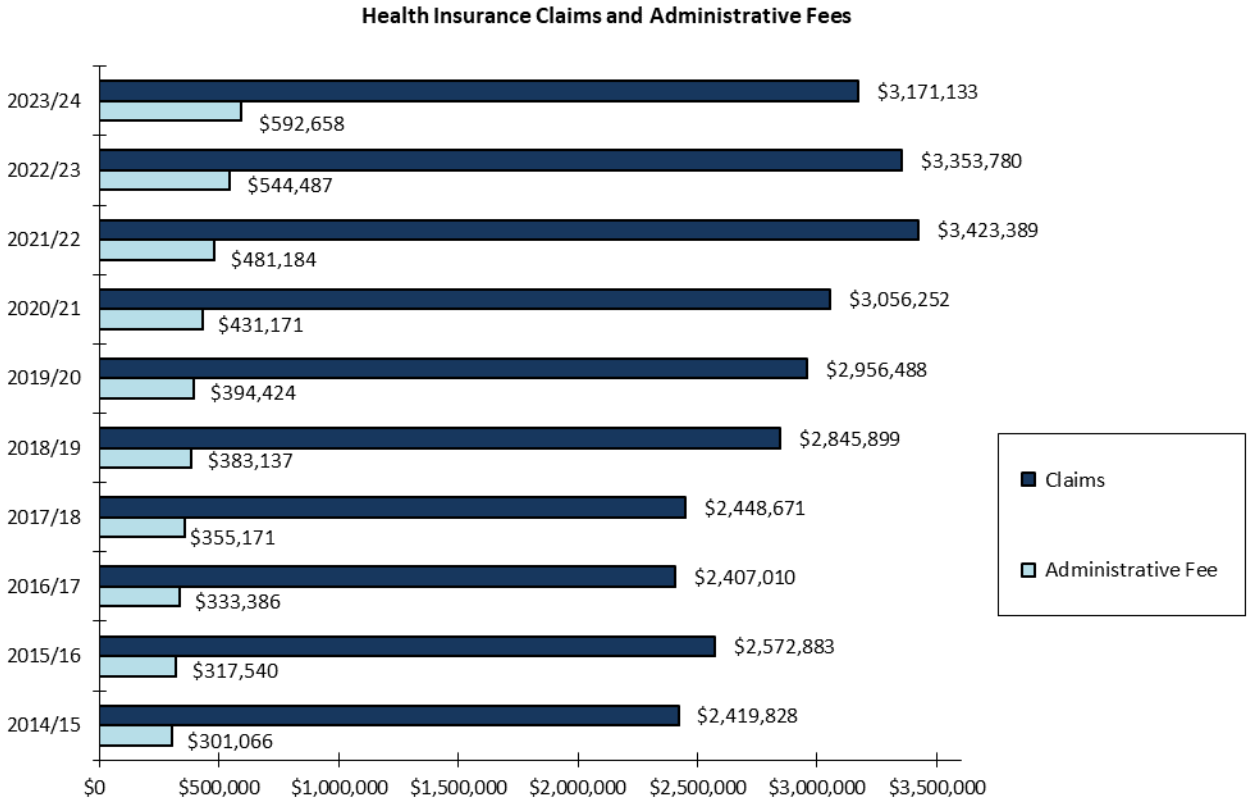
HEALTH INSURANCE FUND

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.

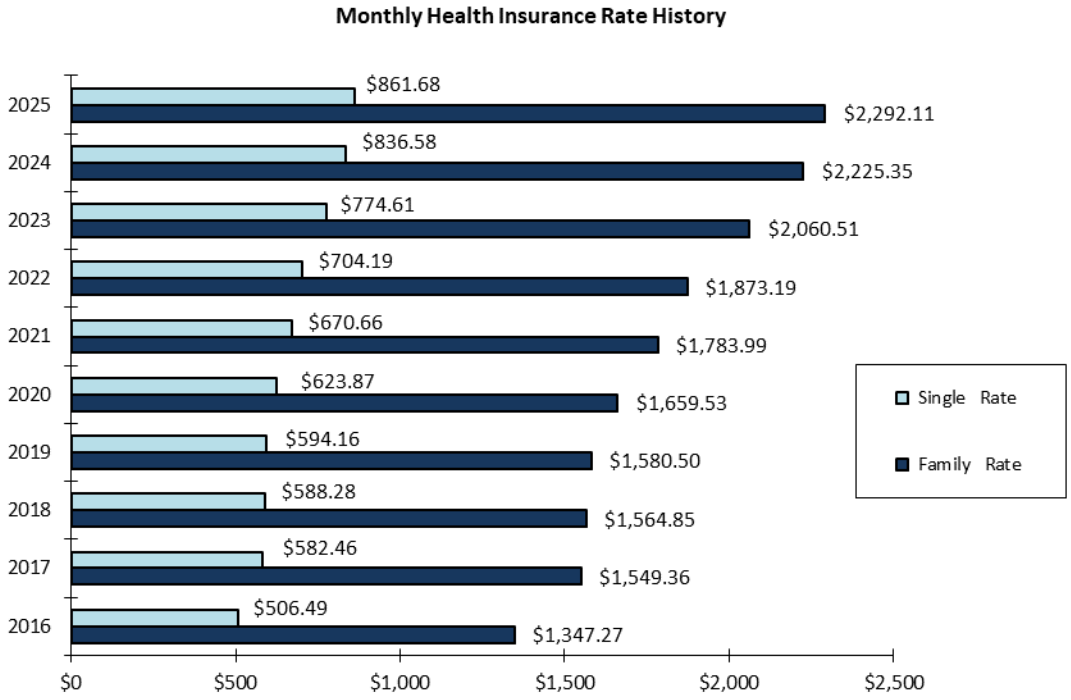
The amount of health insurance claims and administrative fees paid for the last ten fiscal years are shown in the table below. As shown, there has been a significant increase in claims for the City's group since 2014/2015.



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, 2015 rates were $440.43 and $1,171.54, respectively, for single and family coverage. 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% and for January 1, 2025 rates were increased by 3%.

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 at these amounts in 2017 through 2025 for both single and family coverage. The rates for single and family coverage for the past ten years are shown in the chart below.



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 increased January 1, 2024 by 8% and increased January 1, 2025 by 3%.

The annual aggregate maximum level has been established at $5,373,486 for calendar year 2025 compared to $5,262,748 for calendar year 2024. The annual aggregate amounts reflect 125% of expected claims for those calendar years for the City's group. The premium rates for 2024 included an administrative fee of $246.07 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 2025, the monthly administrative fee decreased to $170.14 per month. The administrative fee now reflects estimated pharmacy rebates which accounts for the significant decrease in these fees. Previously, pharmacy rebates were credited to the City each quarter.

The Employee Wellness program was established by the City in 1987. The 2024/2025 revised estimate and 2025/2026 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 $67,700 for the 2024/2025 revised estimate and $70,500 for the 2025/2026 budget. Additional information on this program can be found in the Wellness Program activity budget in the General Fund section of this document.

The 2025/2026 budget allows for estimated health insurance claims costs of $4,511,600 which is $212,801 more than Wellmark's projected claims of $4,298,799 for the City's group for calendar year 2025. Based on this claim projection, the Health Insurance fund balance is estimated at $3,027,096 at the end of 2025/2026. 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 $5,373,486 for 2025. In the event the City's actual claims exceed the expected amount of $4,298,799 for calendar year 2025, 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 2025, and the budgeted claims expenditures of $4,511,600, if claims would reach the 125% maximum level of $5,373,486, the fund balance would decrease by $861,886. This would be the "worst case" scenario. The projected fund balance of $3,027,096 at the end of 2025/2026 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, 2024, and 2025.

Health Insurance Fund

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 2,080,117	$ 2,310,486	$ 2,310,486	$ 3,027,096	$ 3,027,096
Revenues					
Interest	$ 65,823	$ 125,190	$ 3,500	$ 100,000	$ 80,000
City Contributions	3,596,022	3,887,475	4,372,400	4,179,400	4,423,700
Employee Contributions	371,677	393,250	460,000	431,300	473,800
Retiree Contributions	174,183	135,393	164,400	88,000	99,000
Miscellaneous	4,457	12,050	0	0	0
Total Revenues	$ 4,212,162	$ 4,553,358	$ 5,000,300	$ 4,798,700	$ 5,076,500
Funds Available	$ 6,292,279	$ 6,863,844	$ 7,310,786	$ 7,825,796	$ 8,103,596
Expenditures					
Health Insurance Claims	$ 3,353,780	$ 3,171,133	$ 4,229,400	$ 4,177,400	$ 4,511,600
Administrative Fees	544,487	592,658	682,100	530,900	475,000
Special Service Coverage	1,000	1,000	1,000	1,000	1,000
Audit Fees	1,077	1,077	1,200	1,200	1,200
State Assessment	3,154	0	5,000	8,900	5,000
Wellness Tracking Program	8,741	6,108	8,700	6,500	7,000
Affordable Care Act Fees:					
PCORI Fee (Patient Centered Outcomes Research Institute)	1,752	1,899	2,000	2,100	2,200
Transfers Out:					
General Fund Wellness Program	64,802	59,873	67,900	67,700	70,500
Administrative Fee	3,000	3,000	3,000	3,000	3,000
Total Expenditures	$ 3,981,793	$ 3,836,748	$ 5,000,300	$ 4,798,700	$ 5,076,500
Ending Balance, June 30	$ 2,310,486	$ 3,027,096	$ 2,310,486	$ 3,027,096	$ 3,027,096
Increase (Decrease) in Fund Balance	**$ 230,369**	**$ 716,610**	**$ 0**	**$ 0**	**$ 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 2024/2025 and 2025/2026, 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 2018 monthly dental insurance rates were $33.87 for single coverage with an additional $57.94 if the employee opted for family coverage. The monthly administrative fee was $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 was 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. In 2025, the dental insurance rates were increased to $34.10 with an additional $58.28 if the employee opted for family coverage. The monthly administrative fee increased to $4.05 per contract and the maximum coverage was maintained at $2,000.

For the 2025/2026 fiscal year, City, employee, and retiree contributions, and interest are estimated at $186.600. The administrative fee is projected to be $9,900 and claims are estimated at $178,000 for the year. An estimated fund balance of $101,669 is projected for June 30, 2026.

Dental Insurance Fund

Fund Statement

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Revised Estimate 2024/2025	Budget 2025/2026
Beginning Balance, July 1	$ 100,178	$ 117,367	$ 116,167	$ 109,069	$ 102,969
Revenues					
City Contributions	$ 73,742	$ 79,246	$ 83,300	$ 76,100	$ 83,500
Employee Contributions	89,126	80,035	89,200	91,200	98,100
Retiree Contributions	5,076	3,456	5,300	2,000	2,000
Interest	3,229	5,814	1,000	5,000	3,000
Total Revenues	$ 171,173	$ 168,551	$ 178,800	$ 174,300	$ 186,600
Funds Available	$ 271,351	$ 285,918	$ 294,967	$ 283,369	$ 289,569
Expenditures					
Dental Insurance Claims	$ 144,434	$ 167,511	$ 170,500	$ 170,500	$ 178,000
Administrative Fees	9,550	9,338	9,900	9,900	9,900
Total Expenditures	$ 153,984	$ 176,849	$ 180,400	$ 180,400	$ 187,900
Ending Balance, June 30	$ 117,367	$ 109,069	$ 114,567	$ 102,969	$ 101,669
Increase (Decrease) in Fund Balance	**$ 17,189**	**$ (8,298)**	**$ (1,600)**	**$ (6,100)**	**$ (1,300)**

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.

Year	City of Muscatine	Muscatine County
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:

Employer	Product/Service	Approximate Number of Employees *
HNI Corporation (HON Company/Industries)	Office furniture and material	3,000
Grain Processing Corp./ Kent Feeds	Corn distillates, livestock and poultry feed, corn, soybeans, and forage	993
Muscatine Community School District	Education	778
Raymond-Muscatine Inc.	Industrial trucks and end loaders	639
Hy-Vee Food Stores	Grocery store	468
Musco Sports Lighting, Inc.	Sports lights	444
Bayer (formerly Monsanto Company)	Herbicides and ABS plastics	423
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	262
City of Muscatine	City government	237
County of Muscatine	County government	230
Stanley Consultants, Inc.	Engineers and architects	201
Bridgestone Bandag, LLC	Pre-cured tread rubber and related equipment and supplies	132

* Employment numbers reflect 2024 levels.

Major Tax Payers:

Taxpayer	Taxable Valuation*	Rank	Percent of Total Taxable Value
Grain Processing Corp	$ 56,683,045	1	5.40%
HNI Corporation (HON Industries)	44,131,597	2	4.20%
Wal-View Development	31,566,208	3	3.00%
Sodarock Properties LLC	12,823,065	4	1.20%
Gridco LLC	12,667,159	5	1.20%
Menard Inc	12,205,902	6	1.20%
Wal-Mart Real Estate	11,359,685	7	1.10%
Heinz, U.S.A	10,373,404	8	1.00%
Bridgestone Bandag LLC	9,920,112	9	0.90%
MLC Land Company LLC	9,799,116	10	0.90%

(Continued)

Taxpayer	Taxable Valuation*	Rank	Percent of Total Taxable Value
Muscatine Downtown Investors LLC	9,739,259	11	0.90%
Midwest One Bank of Muscatine (Formerly First National Bank)	7,604,954	12	0.70%
Store Master Funding XIV LLC (White Distributing)	6,798,901	13	0.60%
CBI Bank and Trust (Formerly Central State Bank)	6,510,598	14	0.60%
Muscatine Medical Associates LLC	6,246,176	15	0.60%
Cargill Inc.	6,168,057	16	0.60%
Prime Mover Company	5,644,199	17	0.50%
Davenport Farm & Fleet, Inc.	5,561,148	18	0.50%
Community Bank	5,182,691	19	0.50%
LHV Muscatine LLC	4,886,148	20	0.50%

*January 1, 2024 valuations for property taxes to be paid in fiscal year 2025/2026.

Education

Children within the City and surrounding area attend the fine facilities of the Muscatine Community School District. Their educational facilities are outlined below:

Facility Name	Grades	Date of Construction	Enrollment
Muscatine High School	9-12	1974	1,383
Susan Clark Junior High	7-8	1960	552
Franklin Elementary	K-6	1954	288
Grant Elementary	K-6	1954	298
Jefferson Elementary	K-6	2016	445
Madison Elementary	K-6	1954	372
McKinley Elementary	K-6	1960	385
Mulberry Elementary	K-6	1962	286
Total			4,009

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:

	2020	2021	2022	2023	2024
Single Family Homes					
Number of New Homes:	3	11 (1)	6	8	14
Valuation:	$597,954	$3,633,613	$1,632,731	$1,827,490	$1,589,767
Home Remodel & Improvements					
Number of Permits Issued:	796	713	629	772	639
Valuation:	$2,602,838	$3,658,207	$4,452,691	$4,107,865	$5,202,244
Multiple-Family Dwelling					
Number of New Buildings:	3	9 (2)	2	2	3
Valuation:	$827,390	$20,042,437	$2,317,880	$785,240	$7,510,166 (5)
Commercial/Industrial/Other					
Number of New Buildings:	6	13	13	14 (3)	18
Valuation:	$2,819,014	$6,953,649	$27,027,756	$47,104,376 (3)	$43,185,044 (6)
Commercial/Industrial/Other Additions & Alterations					
Number of Permits Issued:	239	217	192	271 (4)	261
Valuation:	$5,293,496	$24,004,327	$17,412,913	$50,829,749 (4)	$14,217,907
Total Permits:	1,047	963	842	1,067	935
Total Valuations:	$12,140,692	$58,292,233	$52,843,971	$104,654,720	$71,705,128

1. 2021 new single family homes include seven homes in the new Arbor Commons Subdivision.
2. 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.
3. 2023 new commercial buildings include the new Health Clinic building with a valuation of $30,382,917.
4. 2023 commercial additions and alterations include the McKee Button Factory Building Remodel and multiple Muscatine Community School District (MCSD) additions, remodels, and improvements.
5. 2024 new multi-family dwellings consist of one 21-unit building and two 12-unit buildings
6. 2024 new commercial buildings include five new GPC buildings (valuation $13,060,480), Kent Pet Group Kitty Litter Facilities (valuation $8,821,271), City Sports Dome Complex (valuation $7,034,600) and Linde Dry Ice Plant (valuation $6,293,478)

Historical Employment Statistics

Following are the historical unemployment rates for the years indicated for Muscatine County and the State of Iowa:

Calendar Year	Muscatine County	State of Iowa
2024	3.50%	3.00%
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%

*Unemployment rates in 2020 and 2021 were impacted by the COVID-19 pandemic.

Retail Sales

The following illustrates the growth trend in taxable retail sales for the City of Muscatine as reported by the Iowa Department of Revenue:

Year Ended 6/30	Retail Sales	Number of Permits
2024	$ 431,487,021	689
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

Population by Age (2020 Census):

Age Group	*City of Muscatine*	*Muscatine County*	*State of Iowa*
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):

Household Income	**# of Households**	**% of Households**
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	928
	23,797

Hispanic or Latino and Race (2020 Census):

Hispanic or Latino (of any race)	4,402
Not Hispanic or Latino	19,395
	23,797

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	236
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
Sports Dome (opening in August, 2025)	1
Cemetery:	1
Number of acres	80
Library:	1
Number of registered borrowers	20,500
Circulation	298,700
Art Center and Museum	1
Police protection:	
Number of stations	1
Number of sworn officers	40

Fire protection and ambulance service:	
Number of stations	2
Number of fire/ambulance personnel	46
Sewer system:	
Number of treatment plants	1
Daily average treatment in gallons	5.15 million
Maximum daily capacity in gallons	16.9 million
Public transportation system:	1
Buses	11
Van	1
Fixed routes served	4
Shuttle vehicles operated	3
Municipal airport:	1
Primary runway length	5,500 feet
Crosswind runway length	4,000 feet

Appendix C

GLOSSARY

Accrual Basis of Accounting: A method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows.

Activity: Specific or distinguishable type of work performed by a component of government for the purpose of accomplishing a function for which the government is responsible.

Appropriation: Legal authorization by the City Council to make expenditures and to incur obligations for specific purposes.

Assessed Valuation: A valuation set upon real estate or other property by a government as a basis for levying taxes.

Availability Criterion: Principle of the modified accrual basis of accounting according to which revenues may only be recognized when they are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

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 Labratory
MFPRSI	Municipal Fire and Police Retirement System of Iowa
MORC	Muscatine Organics Recycling Center
MOU	Memorandum of Understaning
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