City of Muscatine

CITY COUNCIL MINUTES
Thursday, October 13, 2022

1. **CALL TO ORDER**
   Mayor Bark called the City Council meeting for October 13, 2022 to order at 06:00 PM

2. **ROLL CALL**
   Councilmembers Present: Nadine Brockert, John Jindrich, Jeff Osborne, Peggy Gordon, Angie Lewis, Dennis Froelich, DeWayne Hopkins. Councilmember Froelich left at 6:50 p.m. Mayor Brad Bark, City Administrator Carol Webb and Administrative Professional Cinda Hilger were also present.

3. **PLEDGE OF ALLEGIANCE**

4. **COUNCIL DISCUSSION ITEMS**
   A. Presentation on Fire Department Explorer Program
   Firefighter Ben Barrett and two explorers were present to share with the Council information regarding the Fire Department Explorer Program. Firefighter Barrett stated this program is used for Community outreach, Safety Education as well as a tool for recruitment of future fire personnel.
   B. Presentation on Code Enforcement Services
   Andrew Fangman, Assistant Community Development Director, was present to give City Council an overview of the processes for City Code enforcement for nuisance, Weed & Vegetation and Snow and Ice removal. City Councilmembers had questions and discussion regarding increased fines for repeat offenders, resources for residents that need assistance and how the notices are posted at the residents.
   C. Budget-Basis Financial Statement Overview for Fiscal Year Ended June 30, 2022
   Nancy Lueck, Finance Director, gave an overview of the Financial Statement for Fiscal Year Ended June 30, 2022.
   City Councilmembers had questions regarding coming in under budget, not having to use the ARPA funds to balance the budget and the possibility of lowering the franchise fee agreement.
   D. American Rescue Plan Act (ARPA) Update and Proposed Projects to be funded

from the Second Tranche of this Funding

Nancy Lueck, Finance Director, and Carol Webb, City Administrator, gave a review of the status of the ARPA funds that were allocated for 2021.

Nancy Lueck then gave an overview of the proposed use of the remaining balance of ARPA funds.

Councilmembers suggested using part of the funding to replace staff desk chairs ahead of replacing council seating and giving additional funds for the construction of the Unity Point Clinic. Councilmembers consented for Ms. Lueck and Ms. Webb to move forward with these changes and to bring back the approval of ARPA fund uses to City Council for a vote at a later date.

5. MAYOR AND COUNCIL REPORTS

6. ADJOURNMENT

Councilmember Hopkins moved the meeting be adjourned at 08:04 PM

What is Exploring

Exploring is about helping young men and women aged 14-21 years old make an informed decision about future careers and determine if a career is the right one for them. Typically a young adult will either:

1) get involved, learn about a career and decide to pursue it;

2) decide to pursue the activities as a community volunteer; OR

3) learn enough about the career to determine it's not the right fit or them.

Exploring leaders use their time to provide realistic career experiences for young adults. Exploring is about gaining practical experience in a career field The result is a program of activities that helps youth pursue their special interests, grow, and develop.

FIRE & EMS

Explorers get to experience firsthand what it's like to be a firefighter and emergency medical service (EMS) provider through firefighting & EMS training and ride-along during actual emergency responses.

EXPLORERS WILL:

- **Learn important leadership skills**
- **Participate in hands-on projects to give them a real feel for whether this career is the right one for them**
- **Network with professionals who work in these careers daily and who use the latest technology**
- **Learn about the educational requirements for a career in fire and EMS response and receive tangible advice on steps they can take now to prepare for a successful career in the field of fire and EMS**

OUR VISION:

Shape the workforce of tomorrow by engaging and mentoring today's youth in career and life-enhancing opportunities.

5 AREAS
OF EMPHASIS

- CAREER OPPORTUNITIES
- LEADERSHIP EXPERIENCE
- LIFE SKILLS
- CITIZENSHIP
- CHARACTER EDUCATION

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Muscatine, IA 52761
Ben Barrett-Explorer Advisor

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Muscatine Fire Explorer Program

MUSCATINE
1875
FMD
1913
FIRE & RESCUE

Strengthening Youth Through Exploring!

Code Enforcement Services

OCTOBER 13, 2022

ANDREW FANGMAN, ASSISTANT COMMUNITY DEVELOPMENT DIRECTOR

MUSCATINE

Agenda

1. Overview
2. Snow and Ice on Sidewalks
3. Weed and Vegetation Management
4. Nuisances

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Code Enforcement Services

Overview – Why Property Conditions Are Regulated

Property conditions are regulated in City Code to prevent and remedy address property conditions that are injurious to health, indecent, or unreasonably offensive to the senses, or an obstruction to the free use of property, so as essentially to interfere unreasonably with the comfortable enjoyment of life or property.

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Code Enforcement Services

***Overview* –** City of Muscatine -2021 Strategic Plan

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.
- Address vacant and nuisance properties to create new opportunities for housing and to support a vibrant community

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Code Enforcement Services

Overview – Types of Property Conditions Code Violations

- Nuisances
- Weed and Vegetation Management
- Snow and Ice on Sidewalks

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Code Enforcement Services

Overview

- The City employs two full time code enforcement officers, who in addition to property conditions complaints are also tasked with doing rental housing inspections, in a typical year around **1,500 rental housing inspections** are performed.
- In a typical year code enforcement officers respond to about **1,700 property conditions complaints.**
- As there are **9,275 individual parcels** of land within the City of Muscatine; which parcels get inspected for property conditions violations must be prioritized.

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Code Enforcement Services

Overview - Inspection Prioritization

- Highest priority is placed on inspecting parcels upon which a violation endangers life, health, safety, or property is reported, observed, or otherwise brought to the City’s attention.
- The next highest priority is placed on investigating complaints reported by the general public.
- To maintain fairness and consistency if inspection finds that a violation does exist on a parcel, other nearby parcels are also checked for any violations.
- Lowest priority is placed on conditions not fitting into any of the above three categories.

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Code Enforcement Services

Snow and Ice on Sidewalks

- City Code requires that the adjoining property owner removes snow and ice from the public sidewalk within 24 hours of the snow or ice storm.
- In an average year
  - 115 snow/ice removal notices are issued
  - 57.5% Voluntary compliance rate
  - 49 contracted out
  - 17 properties on the full-time snow/ice removal list

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Code Enforcement Services

Snow and Ice Removal – Enforcement Process

- Annual notice of the duty of adjoining property owners to remove snow & ice from sidewalks is published twice in the Muscatine Journal
- Initial inspection
- 24 hour notice to abate
- Reinspection
- Abatement by City Contractor
- Invoicing of property owner for abatement costs
- Unpaid invoices are assessed against the property

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Code Enforcement Services

Weed and Vegetation Management

- Enforcement of Weed and Vegetation Management Regulations
  - Required trimming of grass
  - Removal of dead or diseased trees
  - Trimming vegetation obstructing streets or sidewalks
  - Noxious weed removal
- In an average year
  - **575** notices are issued
  - **77%** Voluntary compliance rate
  - **132** contracted out
  - **29** properties on the full-time mow list

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Code Enforcement Services

Weed & Vegetation Management – Enforcement Process

- Annual notice of weed & vegetation management requirements is published twice in the Muscatine Journal
- Initial inspection
- Notice to abate
- Reinspection
- Abatement by City Contractor
- Invoicing of property owner for abatement costs
- Unpaid invoices are assessed against the property

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Code Enforcement Services

Weed and Vegetation Management

Code Enforcement Services

Weed and Vegetation Management

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Code Enforcement Services

Weed and Vegetation Management

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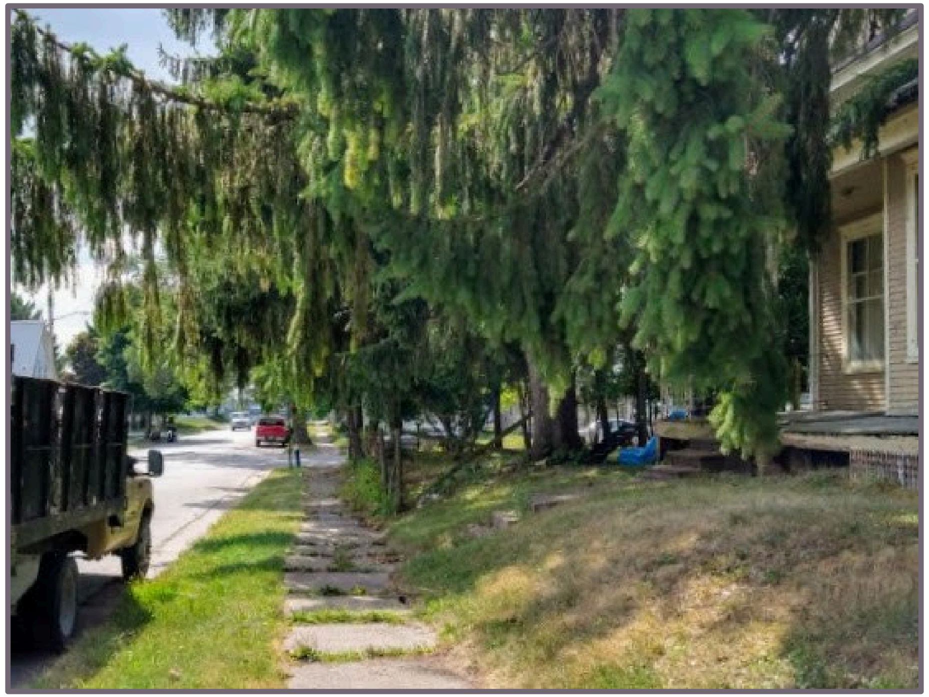
Code Enforcement Services

Weed and Vegetation Management



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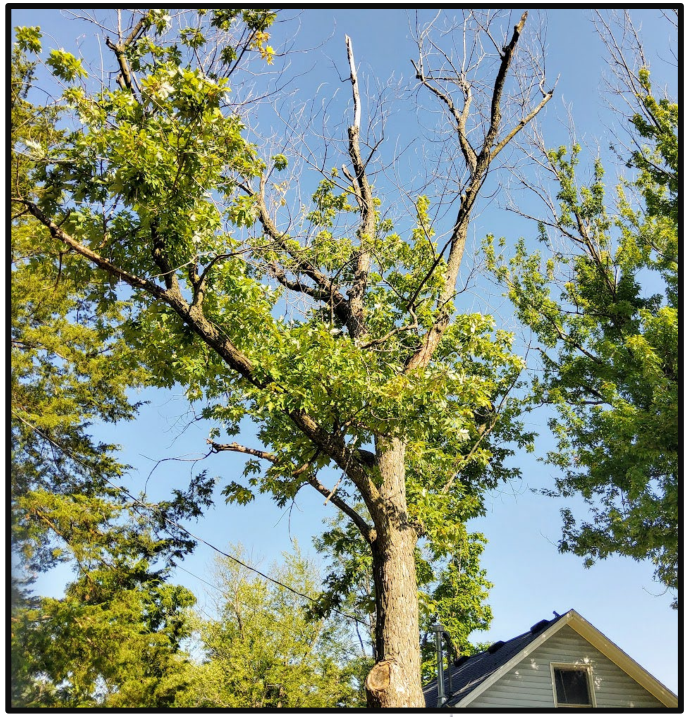
Code Enforcement Services

Weed and Vegetation Management



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Code Enforcement Services

Nuisances

- Nuisances

  Defined by City and State Code as *"Whatever is injurious to health, indecent, or unreasonably offensive to the senses, or an obstruction to the free use of property, so as essentially to interfere unreasonably with the comfortable enjoyment of life or property, is a nuisance, and a civil action by ordinary proceedings may be brought to enjoin and abate the nuisance and to recover damages sustained on account of the nuisance."*

- In an average year
  - 850 notices are issued for nuisances
  - 75% Voluntary compliance rate
  - 212 contracted out

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Code Enforcement Services

Nuisance Abatement Process

- Initial inspection
- If an inspection determines that a nuisance exists, a notice to abate is sent the property owner and tenant if applicable.
- Notice also includes information on how a determination of a nuisance can be appealed to City Council, and how an extension of the deadline can be requested.

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Code Enforcement Services

Nuisance Abatement Process

- After expiration of the deadline to abate, the property is reinspected by a code enforcement officer.
- If the nuisance has not been abated by the property owner, the City's contractor is then directed to abate the nuisance.

Code Enforcement Services

Nuisance Abatement Process

- Property is invoiced for the amount the contractor billed the City for the abatement, plus a $25 administrative fee.
- If the second invoice remains unpaid it is presented to City Council. Council then acts on a resolution authorizing that the invoiced amount plus a $50 assessment fee be assessed against the property. The County then adds their own administrative fee for the assessment.
- The special assessment is then treated as due property tax, if not paid the property will go to tax sale, the proceeds of which would reimburse the City for the abatement.
- In addition to directly abating a nuisance, the municipal infraction process may also be used to impose a fine.

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Code Enforcement Services

Enumerated Nuisances

- Offensive Smells
- Filth or Noisome Substance
- Impeding Passage of Navigable River
- Water Pollution
- Blocking Public and Private Ways
- Billboards
- Storing of Flammable Junk
- Air Pollution
- Weeds, Brush
- Dutch Elm Disease of Emerald Ash Borer Damage
- Airport Air Space
- Houses of Ill Fame
- Stagnant Water
- Junk or Unregistered Vehicles
- Junk, Refuse, or Garbage
- Containers
- Poison
- Dangerous or Unsafe Building/Structure
- Semitrailers Parking on Residential Parcels

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Code Enforcement Services

Nuisances – Stagnant Water

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Code Enforcement Services

Nuisances – Filth

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Code Enforcement Services

Nuisances – Brush

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Code Enforcement Services

Nuisances – Junked Vehicles

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Code Enforcement Services

Nuisances – Junk, Refuse, and Garbage

- **Junk** – means metal or wood, whether usable or not, stored in such a manner that it constitutes a health or safety hazard.
- **Refuse** – means any material not junk, garbage, or filth deposited upon property in an unsightly or unhealthy condition.
- **Garbage** – means all wastes from the preparation or spoilage of food.

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Code Enforcement Services

Nuisances – Junk, Refuse, and Garbage

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Code Enforcement Services

Nuisances – Junk, Refuse, and Garbage

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Code Enforcement Services

Nuisances – Junk, Refuse, and Garbage

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Code Enforcement Services

Nuisances – Junk, Refuse, and Garbage

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Code Enforcement Services

Nuisances – Junk, Refuse, and Garbage

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Code Enforcement Services

Nuisances – Junk, Refuse, and Garbage

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Code Enforcement Services

Nuisances – Junk, Refuse, and Garbage

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Code Enforcement Services

Nuisances – Junk, Refuse, and Garbage

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Code Enforcement Services

Nuisances – Right of Way Violations

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Code Enforcement Services

Resources Offered by the City to Promote Voluntary Compliance

- Curbside bulk pick up
- Free Weeks for the free disposal of electronics and tires
- Compost site
- Yard waste bag collection
- Brush and Limb Collection

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Code Enforcement Services

Calendar Year 2021

- 57.8% of violations occurred on a parcel upon which more than one violation occurred
- 12 was the most violations occurring on a single parcel
- 77 was the most violations accrued by a property owner across multiple parcels

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City of Muscatine

Budget Basis Financial Statement Overview

Year Ended June 30, 2022

Direction Sought – Informational Presentation Only

- This presentation is informational and will provide the following:

A. Overview of actual General Fund revenues, expenditures, and ending fund balance for fiscal year 2021/2022
B. General Fund balance history
C. Actual FY 2021/2022 ending fund balances for all Operating Funds compared to Revised Estimate amounts
D. Summary
E. City Council Discussion and Feedback

City of Muscatine, Iowa

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2022

Revenues:	
Taxes:	
Property	**$ 7,962,862.21**
Utility	**29,639.78**
Hotel/Motel	**593,266.69**
Cable Franchise	**124,021.63**
Utility Franchise	**518,879.41**
Licenses and permits	**429,860.53**
Fines and forfeitures	**664,939.27**
Intergovernmental	**1,011,759.84**
Charges for services	**585,097.33**
Use of money and property	**91,922.32**
Other	**1,029,615.85**
Total revenues	**$ 13,041,864.86**

Expenditures:	
Current:	
Public safety	$ 10,686,789.56
Public works	2,701,893.16
Health and social service	37,500.00
Culture and recreation	3,590,711.94
Community and economic development	993,802.64
General government	2,961,680.87
Capital outlay:	
Public safety	154,301.39
Public works	306,211.49
Culture and recreation	148,122.66
Community and economic development	24,203.42
General government	195,892.06
Total expenditures	$ 21,801,109.19
Revenues (under) expenditures	$ (8,759,244.33)

Other financing sources (uses):	
Operating transfers in (includes transfers from the Employee Benefits, Road Use Tax, Ambulance, Perpetual Care Interest, and TIF funds)	$ 9,535,060.72
Operating transfers out (includes transfers to the Equipment Replacement and Computer Replacement funds as well as subsidy transfers to enterprise funds)	(403,508.45)
Total other financing sources (uses)	$ 9,131,552.27
Revenues and other sources over (under) expenditures and other uses	$ 372,307.94
Fund balance, June 30, 2021	5,300,991.70
Fund balance, June 30, 2022	$ 5,673,299.64
Less reserve for encumbrances	329,138.73
Unreserved balance, June 30, 2022	$ 5,344,160.91

City of Muscatine
General Fund
Fund Balance Analysis
Fiscal Year Ended June 30, 2022

Original Budget - Ending Fund Balance	**$ 4,751,103**	
Original Revised Estimate - Ending Fund Balance	**$ 5,183,005**	
Actual Ending Fund Balance (Reflects all Encumbrances including those funded from Road Use Tax)	**$ 5,344,161**	*
Actual over (under) Revised Estimate by	**$ 161,156**	*
General Fund Balance as a Percent of FY 2021/2022 Expenditures	**23.83%**	
(Revised Estimate Projected Percentage was 22.6%)		

NOTE:

Actual Ending Fund Balance Without Road Use Tax Funded Encumbrances	**$ 5,548,198**
($34,371 of Encumbrances will be funded from Road Use Taxes in FY 22)	
Actual over Revised Estimate Without Road Use Tax Encumbrances	**$ 365,193**
General Fund Balance as a Percent of FY 2021/2022 Expenditures without Road Use Tax Funded Encumbrances	**24.76%**

Budgeted Items not Purchased - Requested to be Carried Forward

Soccer - Drainage Improvements	$	4,100
Aquatic Center - Lifeguard Chair		4,800
Total Carry Forward Items	$	8,900
Carry Forward Items to be Funded from Road Use Tax		-
Net Impact of Carryforwards on General Fund balance	$	8,900

* **Revenues under original Revised Estimate by $408,860:**

Significant Revenue Items:

Tax Collections over Revised Estimate	$	5,885
Utility Franchise Fees over Revised Estimate		168,879
Cable Franchise Fees under Revised Estimate		(7,978)
Road Use Tax Transfer in to General Fund under original Revised Estimate (Corresponding Public Works expenditures also under Rev. Est.; Transfers for $204,037 of Encumbrances will be done in FY 23)		(337,630)
Employee Benefits funding under Revised Estimate (Corresponding expenditures also over Rev. Est. due to Fire retiree medical)		(65,727)
Health Insurance Wellness Program funding under Revised Estimate (Corresponding expenditures also under Rev. Est.)		(10,222)
Hotel/Motel Tax over Revised Estimate (Original budget was $300,000; revised estimate $365,000; actual $593,267)		228,267
Community Development Revenues over Revised Estimate (Nuisance reimbursements over by $24,712; construction permits over by $59,939)		91,824
Library Revenues over Revised Estimate		1,388

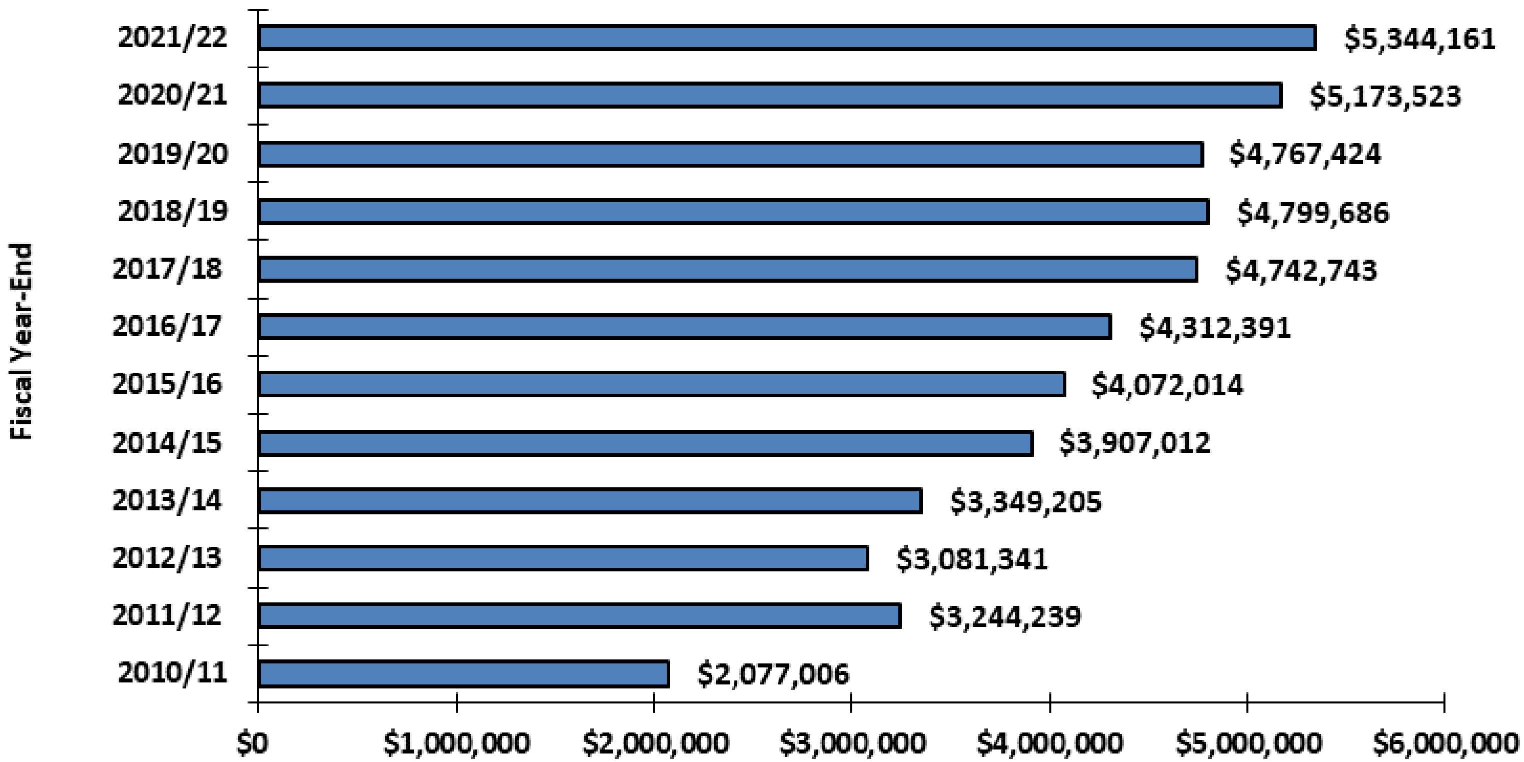
Art Center Revenues <u>under</u> Revised Estimate		**(1,174)**
Parks and Recreation Revenues <u>over</u> original Revised Estimate:		
Kent Stein Park and Soccer Revenues <u>under</u> by	**(6,602)**	
Recreation Revenues <u>under</u> by	**(4,662)**	
Aquatic Center Revenues <u>over</u> by	**7,494**	
General Parks <u>over</u> Revised Estimate (includes $14,927 in donations received after Revised Estimate approved)	**18,779**	**15,009**
Cemetery Revenues <u>over</u> original Revised Estimate (Lot Sales, Burial Fees, etc.)		**12,303**
Public Works Revenues <u>under</u> original Revised Estimate (less staff time charges to projects since not able to hire engineering position)		**(28,123)**
Police Grants <u>under</u> Revised Estimate		**(16,050)**
Court Fines <u>over</u> Revised Estimate		**9,857**
Automated Traffic Enforcement Fines <u>under</u> Revised Estimate		**(5,305)**
Other Police Revenues <u>over</u> Revised Estimate		**14,611**
License and Permit Revenues <u>over</u> original Revised Estimate (State caught up on fees that were deferred in prior year due to COVID)		**28,247**
Fire Department Revenues <u>over</u> original Revised Estimate		**434**
Interest Income <u>over</u> original Revised Estimate (increase in interest rates during the last several months of the fiscal year)		**4,983**
Transfer from State COVID Relief funds not needed to reach target fund balance		**(300,000)**
Transfer from American Rescue Plan Act funds not needed to reach target balance		**(222,000)**
Various Other Revenues <u>over</u> Revised Estimate (Net)		**3,662**
		$ (408,860)

* Expenditures under Original Revised Estimate by $568,554:

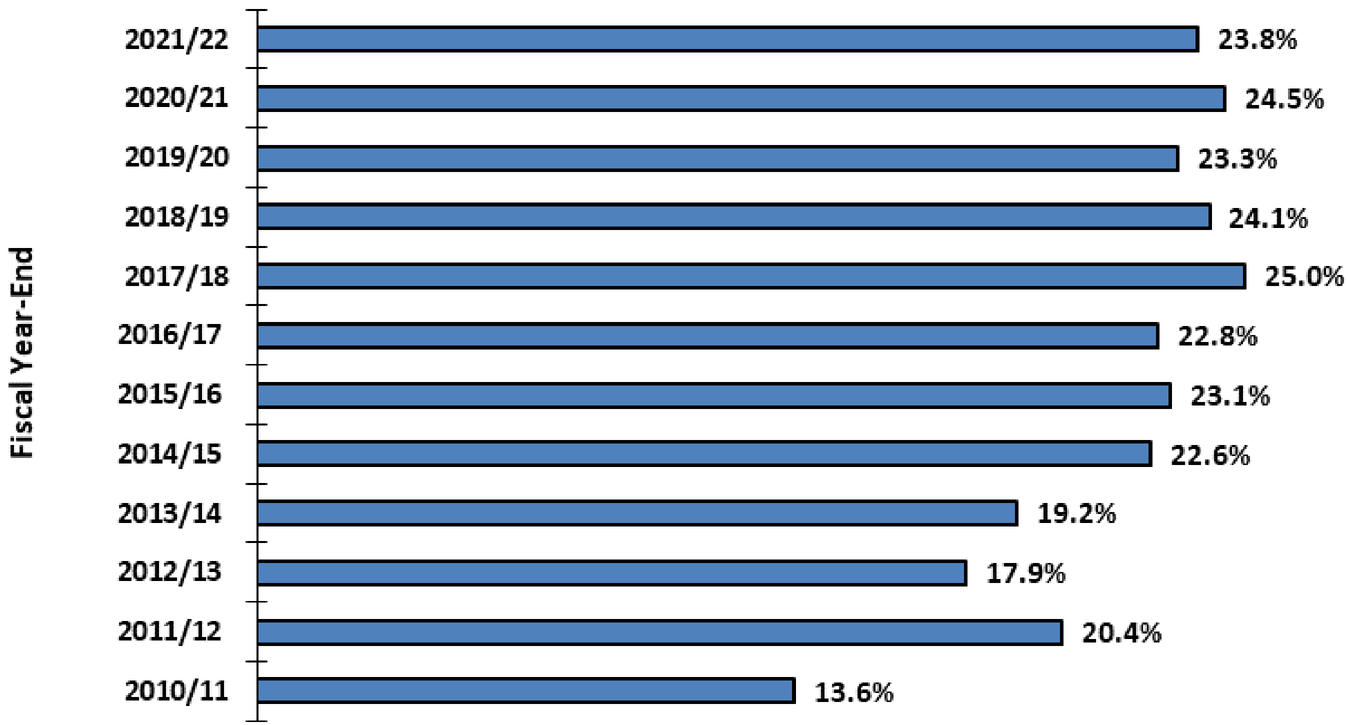
Significant Expenditure Items:

Items Carried Forward (see above)	$ 8,900
General government activities under original Revised Estimate	109,419
Public safety activities under original Revised Estimate	59,099
Library, Art Center and Parks under original Revised Estimate (Net of carry forwards of $8,900)	158,092
Community/Economic Development under original Rev. Est.	48,411
Economic Well-Being (MCSA subsidy) under original Revised Estimate (Housing CARES Act funded $12,500 of the MCSA subsidy)	12,500
Public Works activities under original Revised Estimate	155,029
Airport Subsidy under original Revised Estimate	17,104
	$ 568,554

General Fund Fund Balance History



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



City of Muscatine
Fund Balance Comparison - Operating Funds
June 30, 2022

Fund	Original Budget	Revised Estimate	Actual 6-30-22	Variance Favorable (Unfavorable)	
General Fund	$ 4,751,103	$ 5,183,005	$ 5,344,161	$ 161,156	(1)
Debt Service Fund					
General Obligation	78,363	104,143	111,601	7,458	(2)
Enterprise Funds:					
Water Pollution Control Operations	2,263,755	2,389,204	2,470,041	80,837	(3)
Collection and Drainage	648,211	764,360	860,528	96,168	(4)
Solid Waste Management:					
Refuse Collection	120,729	133,331	207,399	74,068	(5)
Landfill Operations	1,741,970	1,662,274	1,872,168	209,894	(6)
Landfill Post-Closure Reserve	1,169,115	1,163,634	1,170,037	6,403	(7)
Landfill Closure Reserve	1,656,141	1,618,742	1,630,548	11,806	(7)
Transfer Stations Operations	161,410	162,319	383,654	221,335	(8)
Transfer Station Closure Reserve	33,825	33,825	33,825	-	
Airport Operations	-	-	60,725	60,725	(9)
Parking Operations	6,329	44,365	69,081	24,716	(10)
Transit	423,498	467,775	369,198	(98,577)	(11)
Golf Course Operations (excludes Clubhouse inventory)	20,548	43,716	75,063	31,347	(12)
Boat Harbor Operations	100	500	-	(500)	(13)
Marina Operations (includes inventory)	500	756	2,425	1,669	(14)
Ambulance Operations	127,847	263,631	379,390	115,759	(15)
CVB (City funds)	73,579	104,958	105,083	125	
Soccer Event Fund	91,156	59,140	40,088	(19,052)	(16)
Internal Service Funds:					
Equipment Services (includes inventory)	115,853	112,954	34,590	(78,364)	(17)
Health Insurance	1,641,950	2,094,991	2,040,117	(54,874)	(18)
Dental Insurance	86,699	76,720	100,178	23,458	(19)

City of Muscatine
Fund Balance Comparison - Operating Funds
June 30, 2022

Fund	Original Budget	Revised Estimate	Actual 6-30-22	Variance Favorable (Unfavorable)	
Special Revenue Funds:					
Employee Benefits	-	62,404	142,089	79,685	(20)
Emergency Tax Levy/Emergency Fund	246,689	347,662	648,218	300,556	(21)
American Rescue Plan Act Fund	-	1,492,200	1,755,523	263,323	(22)
Community Block Grant	25,821	17,195	31,226	14,031	
Home Ownership Program	44,774	36,827	25,962	(10,865)	(23)
Sunset Children's Education Program	5,577	7,181	6,922	(259)	
Public Housing Legal Settlement	-	-	147,422	147,422	(24)
Small Business Forgivable Loan Programs	-	-	275,573	275,573	(25)
Local Option Sales Tax	258,778	300,007	1,399,006	1,098,999	(26)
Road Use Tax	770,929	1,091,948	1,769,027	677,079	(27)
Tax Increment (Downtown)	9,882	9,378	9,448	70	
Tax Increment (Southend)	598,722	330,290	477,116	146,826	(28)
Tax Increment (Cedar Development)	66,546	66,303	66,369	66	
Tax Increment (Heinz)	4,784	4,890	4,895	5	
Tax Increment (Hwy 38 NE)	14,997	16,946	17,043	97	
Tax Increment (Fridley)	37,682	45,893	45,761	(132)	
Tax Increment (Riverview Hotel)	1,018	1,233	1,289	56	
Tax Increment (North University)	7,869	11,234	11,281	47	
Tax Increment (WDS)	5,100	8,887	8,933	46	
Tax Increment (Hershey Building)			3,003	3,003	
Reinvestment District	-	-	-	-	
Equipment Replacement	95,990	104,319	30,480	(73,839)	(29)
Computer Replacement - City	-	-	62,918	62,918	(30)
Computer Replacement - Library	8,340	15,000	23,413	8,413	(31)
Police Forfeitures Fund	5,930	10,935	13,439	2,504	(32)
Clark House/Sunset Park Operations	437,875	674,522	707,545	33,023	(33)
Section 8 Voucher Program	156,632	149,384	209,619	60,235	(34)
Totals	$ 18,016,616	$ 21,288,981	$ 25,253,420	$ 3,964,439	

1. See General Fund analysis.

2. Debt service tax collections $7,030 more than the revised estimate; interest revenue $428 higher than estimated.

3. Water Pollution Control revenues were $42,582 less than the revised estimate; expenditures were under the revised estimate by $111,987 ($12,100 requested to be carried forward); $11,432 in prior year encumbrances were written off.

4. Collection and Drainage expenditures under revised estimate by $96,403; revenues were under by $235.

5. Refuse Collection expenditures under revised estimate by $9,249; revenues were over by $25,542; transfers in over by $44,277.

6. Landfill expenditures under original revised estimate by $154,819 and revenues over by $55,075; $100,00 for groundwater mediation carried forward to FY 23.

7. Landfill Closure Reserve transfer in over estimate by $11,806. Landfill Post-Closure transfer in over by $6,403 (based on Engineer's cost estimates and waste volumes).

8. Transfer Station revenues $78,739 higher than the revised estimate; expenditures under original revised estimate by $142,596.

9. Airport revenues over the original revised estimate by $17,585 (CARES/ARPA funds over by $33,600, General Fund subsidy not needed under by $17,104, other revenues over by $1,089); expenditures under by $43,140 ($20,000 for painting the exterior of the former HNI hangar carried forward to FY 23).

10. Parking revenues $13,305 more than the revised estimate; expenditures under the revised estimate by $11,411.

11. Transit revenues under original revised estimate by $411,981 ($5,622 under in transit fares; $458,100 under in capital grants for buses not yet purchased due to availability, State operating funding $39,489 over revised estimate, CARES/CRSSA operating funding over by $11,245, other revenues over by $1,007); expenditures under by $313,404 primarily due to not purchasing budgeted buses due to availability.

12. Golf Course revenues under the original revised estimate by $12,370; expenditures under by $43,717.

13. Boat Harbor revenues under revised estimate by $11,827; expenditures under by $1,431. Deficit of $9,896 in this fund eliminated with a transfer from the General Fund.

14. Marina revenues under revised estimate by $3,482; expenditures under by $5,151.

15. Ambulance revenues over revised estimate by $66,912; expenditures under revised estimate by $48,847.

16. Soccer Event revenues under revised estimate by $48,995; expenditures under $29,943. No College Search Kickoff event in 2022.

17. Equipment Services revenues under revised estimate by $111,220; expenditures under by $32,856.

18. Health insurance claims, admin fees, etc. were $778 higher than estimated; Wellness Program funding was $10,222 less than estimated. Revenues were $64,318 less than estimated.

19. Dental insurance claims, admin fees, etc. were $25,223 less than estimated; revenues $1,765 less than estimated.

20. Employee Benefits Tax revenues $13,958 more than revised estimate; transfers out for actual employee benefit costs $65,727 less than estimated due to employee vacancies, etc.

21. Emergency Tax/Emergency Fund revenues over the revised estimate by $1,077 (primarily taxes); expenditures under revised estimate by $299,479. Did not transfer the budgeted $300,000 of State COVID Relief funds to the General Fund since the target General Fund balance was met without this transfer.

22. American Rescue Plan Act revenues $1,676 more than the revised estimate; expenditures $261,647 less than the revised estimate ($222,000 due to not needing to do the budgeted transfer to the General Fund since the target General Fund balance was met without this transfer).

23. Home Ownership revenues less than revised estimate by $24,659 (includes $14,000 not transferred from the CDBG fund); expendititures under by $13,794.

24. Public Housing legal settlement funds of $147,422 were received after the budget was adopted.

25. Balances totaling $275,573 in the Small Business Forgivable Loan Programs carried forward to FY 23.

26. Local option sales tax transfers for actual sewer project costs were $1,101,709 less than estimated; Local Option and interest revenues were $2,710 less than the revised estimate. Balance carries forward.

27. Road Use Tax revenues over revised estimate by $104,310; funding transfers were $572,769 less than the original revised estimate ($337,630 due to lower transfer to the General Fund; balance due to timing of capital projects). Balance carries forward to FY 23

28. Southend Tax Increment revenues under revised estimate by $3,293; expenditures under by $150,119. Actual TIF incremental tax rate less than budgeted incremental tax rate. Grandview loans were $150,000 less than estimated in FY 22; additional will be allocated in FY 23.

29. Equipment Replacement revenues over revised estimate by $14,808; expenditures over original revised estimate by $88,647. The final budget amendment for FY 22 added $83,300 to purchase several vehicles budgeted in FY 23 since they were currently available from specific dealers.

30. Computer Replacement funds carried forward to FY 23. Budget allowed for all funds to be expended.

31. Library Computer Replacement fund interest over revised estimate by $46; expenditures under by $8,367. No Library funds were transferred into this fund in FY 22.

32. The Police Forfeitures budget allowed for $5,000 in both revenues and expenditures. Revenues were $2,218 less than estimated; expenditures were $4,722 less.

33. Public Housing expenditures were $175,915 less than the original revised estimate; revenues were $142,892 less than estimated (primarily due to less capital funds being drawn down).

34. Section 8 Housing revenues were $26,192 more than estimated; expenditures were $34,043 less than the revised estimate.

Review of Significant Budget Assumptions and Decisions for the Original FY 2021/2022 Budget

FY 2021/2022 Original Budget Development

1. When the 2021/2022 budget was being prepared in January and February of 2021, City Council and staff were taking a conservative and cautious approach for estimating revenues. At that time COVID vaccinations were not yet available to most age groups, there were numerous individuals working from home, and businesses had not returned to more normal operations.
2. The original 2021/2022 budget included adding back one of the three new firefighter positions that were originally added for the 2020/2021 budget but were deferred for hiring due to the pandemic. This position was added back effective April 1, 2021.
3. Hotel/Motel taxes were estimated at $300,000 (down from the $500,000 in the original 2020/2021 budget).
4. Construction permit fees were estimated at $150,000 (down from the $310,000 in the original 2020/2021 budget).
5. The 2021/2022 Budget was “balanced” by using $300,000 of the State COVID Relief funds from the Emergency Fund.

Review of Significant Budget Assumptions and Decisions for the FY 2021/2022 Revised Estimate

FY 2021/2022 Revised Estimate Development

1. The 2021/2022 revised estimate was prepared in January and February of 2022 as part of the development of the FY 2022/2023 City Budget. While it appeared the local economy was starting to recover from the COVID-19 pandemic, City Council and staff continued to take a cautious approach for estimating revenues.
2. The revised estimate, however, added the following in additional expenditures:
   a. The last two firefighter positions originally deferred for hiring in 2020/2021 were authorized to be filled midway through the 2021/2022 year.
   b. The half-time Community Development Inspector II position was increased to fulltime effective April 1, 2022.
   c. A new Seasonal Pay Plan with higher hourly rates was implemented effective April 1, 2022.
   d. Select capital outlay items not included in the original budget due to funding restrictions, were added back in the revised estimate (total of $348,100).
3. The Utility Franchise Fee rate was decreased from 5% to 3% effective February 1, 2022.
4. The 2021/2022 revised estimate was “balanced” by using $300,000 of the State COVID Relief funds from the Emergency Fund and $222,00 of American Rescue Plan Act (ARPA) funds.
5. Both the original 2021/2022 budget and the 2021/2022 revised estimate were based on balanced budgets which maintained essential services to our residents.

Summary

- The ending General Fund balance of 23.8% of expenditures is higher than the original 2021/2022 budget of 21.2% and higher than the 2021/2022 revised estimate of 22.6%.

- This ending balance meets the requirements of the General Fund balance policy adopted in November of 2013 which provides that the minimum General Fund balance be at least 16.7% (two months) of General Fund expenditures. The policy further provides that higher balances (to 25% or more) 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”.

- While the FY 22 General Fund balance ended higher than anticipated, there are still some revenue and expenditure concerns going forward including (1) inflationary increases in the cost of goods and services, (2) continuing supply chain issues, (3) uncertainty in the future changes in taxable valuations due to changes in the State rollback factors on residential and other property classifications, (4) “talk” of a possible recession which would negatively impact several City revenue sources. Having the strong ending balance in the General Fund positions the City to address these and other possible future budget challenges.

Summary (Cont.)

- One-time revenues from the State COVID Relief funds and American Rescue Plan Act (ARPA) funding have provided much-needed funding to balance recent year budgets allowing the City to continue the current level of services to our residents. While this funding was not needed to balance the General Fund budget in 2021/2022 and has carried forward to future years, the City needs to continue to keep in mind that these are one-time funds and that the ARPA funds must be fully expended (or contractually obligated) by December 31, 2024.

- There were positive fund balances in all of the City's operating funds at the end of 2021/2022. The Boat Harbor fund deficit was eliminated with a transfer from the General Fund at the end of the year.

- Most other City funds have ending balances close to or higher than projected and are in good position going into the budget development process for the upcoming year.

Again, this presentation is intended to be informational and for discussion purposes. No decisions are being requested after this presentation. City Council discussion and feedback is welcome.

Budgeted Uses of ARPA Funds
Fiscal Year 2021/2022 Revised Estimate, Fiscal Year 2022/2023 Budget,
and Updated Actual Cost Estimates for Previously Budgeted Projects
10/10/2022

	Budgeted FY 22 and FY 23			Actual and Projected Costs - Previously Identified Projects			
	Revised Estimate 2021/2022	2022/2023	Original Budget Totals - Both Years	Actual Costs FY 22	Actual Costs To Date FY 23	Estimated Add'l Budgeted FY 23	Total Est'd Costs for Budgeted Items
Project 1 - General Fund Funding to Maintain City Services	$ 222,000	$ 324,200	$ 546,200	$ - (Not Needed)	$ -	$ 324,200.00 (Budgeted Amt)	$ 324,200.00
Project 2 - Software Purchases/Updates to Improve Services							
City Administrator Requests:							
Citizen Request Management System	$ -	$ 25,000		$ -	$ 15,000.00	$ -	$ 15,000.00
Agenda and Meeting Management Software (Amended to FY 22)	-	15,000		3,498.00	-	-	3,498.00
Human Resources Request:							
Online Application and Tracking Software	-	15,000		-	8,619.00	-	8,619.00
Springbrook Financial Software Upgrade to Cloud Version:							
Fixed Fee for Conversion	15,800	-		-	15,750.00	-	15,750.00
Increased Annual Costs for FY 23	-	25,900	$ 96,700	-	-	25,900.00	25,900.00
Subtotal - Project 2				$ 3,498.00	$ 39,369.00	$ 25,900.00	$ 68,767.00
Project 3 - Art Center Technology and Security Improvements							
GoPro Camera	$ -	$ 600		$ -	$ -	$ 499.99	$ 499.99
Firewall/Switch WIFI	-	4,000		-	3,938.08	-	3,938.08
Laptop	-	1,500		-	1,479.76	-	1,479.76
Art Center Security Cameras	-	70,000		-	-	70,000.00	70,000.00
Art Center Alarm System Upgrade	-	11,000	$ 87,100	-	-	11,000.00	11,000.00
Subtotal - Project 3				$ -	$ 5,417.84	$ 81,499.99	$ 86,917.83
Project 4 - Community Development - City Plan Updates							
Housing Study	$ -	$ 50,000		$ -	$ -	$ 50,000.00	$ 50,000.00
Community Development Comprehensive Plan Update	-	85,000	$ 135,000	-	-	85,000.00	85,000.00
Subtotal - Project 4				$ -	$ -	$ 135,000.00	$ 135,000.00
Project 5 - Community Development New Programs or Program Expansions							
Large Format Scanner	$ -	$ 6,000		$ -	$ -	$ 6,000	$ 6,000.00
Large Monitor	-	4,100		-	3,372.45	-	3,372.45
Grant Writer	25,000	25,000		9,354.76	-	40,645.24	50,000.00
Heart and Soul Coordinator	11,700	23,400		-	-	35,100.00	35,100.00
Neighborhood/Housing Initiatives (revolving loan fund, property maintenance pilot project, etc.)	-	250,000		-	-	250,000.00	250,000.00
Economic Recovery/Development Initiatives for Small Businesses (loans, grants, etc.)	-	250,000		-	-	250,000.00	250,000.00
Cleanup of Property on Grandview Avenue		100,000	695,200	-	-	100,000.00	100,000.00
Subtotal - Project 5				$ 9,354.76	$ 3,372.45	$ 681,745.24	$ 694,472.45

	Budgeted FY 22 and FY 23			Actual and Projected Costs - Previously Identified Projects				
Project 6 - Public Facilities Security Improvements								
Keycard Swipe System for City Hall	$ -	$ 155,000	$ 155,000	-	-	180,138.00	$ 180,138.00	
Subtotal - Project 6				$ -	$ -	**$ 180,138.00**	**$ 180,138.00**	
Subtotal for Planned/Obligated for 1st Allocation			$ 1,715,200	$ 12,852.76	$ 48,159.29	$ 1,428,483.23	$ 1,489,495.28	
Total ARPA Funds Awarded								$ 3,533,376.70
Actual/Estimated FY 22 and FY 23 Amounts Above								(1,489,495.28)
Unobligated Balance Available After Above Amounts								$ 2,043,881.42

Proposed Uses of Balance of American Rescue Plan Act (ARPA) Funds
For City Council Review and Discussion
October 13, 2022 In Depth Meeting
10/10/2022

Total ARPA Funds Awarded	$ 3,533,376.70
Actual/Estimated FY 22 and FY 23 Amounts (See Previous Page)	1,489,495.28
Unobligated Balance Available After Above Amounts	$ 2,043,881.42

Considerations for Evaluation of the Uses of the Balance of the ARPA funds:
1. Addressing the City's overall strategic goals
2. Technology improvements
3. Facility upgrades including security-related projects
4. Unlikely to be funded through the regular budget process
5. Funds allowed to assist in balancing the FY 2023/2024 budget (if needed)
6. Infrastructure improvements

(Note - Several of the items/projects listed below may fall in multiple categories)

Addressing the City's overall strategic goals:			
1. Mulberry Health Clinic Building Project Contribution (Approved by Council 8/4/22)	$	250,000	
Technology Improvements:			
1. Electronic bidding software (IONWave) - setup and 1st year costs (Future year annual costs proposed to be allocated to the primary users of the system)		14,125	
2. Muni Code - contracted ongoing updating of City Code - annual costs		3,000	
3. Software to manage Safety Data Sheets electronically (prelimary estimate of software cost)		2,500	Need actual cost estimate
Facility upgrades including security-related projects:			
1. Replacement of public seating in Council Chambers (preliminary estimate of cost)		20,000	Need actual cost estimate
2. Keycard entry system for Public Safety Building		233,751	
3. Keycard entry system for main Public Works Building (main building only)		138,321	
4. Outdoor Security Camera System - Parks		80,000	
5. Outdoor Security Camera System - Police		100,000	
6. Backup Generator - City Hall		45,862	
7. Backup Generator - Public Works		126,612	
Unlikely to be funded through the regular budget process:			
1. Local matching funds for the Art Sculpture in the 2nd and Mulberry Roundabout (outside grants and contributions are estimated at $45,000)		25,000	Preliminary estimate of local share of project
2. GPS Field Painter for Soccer Complex (will reduce staff time for painting fields)		45,000	
3. Flagpole and installation for the Library		8,000	
4. Fire - shipping containers for Live Fire Training		22,000	
5. Camera system for Public Safety Building parking lot (former Kum and Go)		21,500	
6. Cemetery Chapel improvements - grind, tuckpoint, and seal exterior of building		70,000	Would need to be done or obligated by 12-31-24
Funds allowed to assist in balancing the FY 2023/2024 budget (if needed) (If not needed can be allocated to other projects)		300,000	If not needed (or fully needed) could be reallocated to infrastructure or other projects
Infrastructure improvements:			
1. Fulliam Avenue Reconstruction - funds to <u>assist</u> in funding this project (May assist in completing this project over 2 years instead of 3 years)		300,000	Could be increased if add'l funds available
2. Additional funding for Substandard Building Demolition costs - check amount		100,000	Could increase or bond for this
3. Additional funding for New Sidewalk Program		100,000	Road Use Tax normally funds this program
Total Estimated Costs of Projects Identified Above	$	2,005,671	
Estimated Unobligated Balance Available After Above Previously Budgeted Items		2,043,881	
Project Costs under (over) estimated amount available	$	38,210	

Other Project Identied as a Need:
1. Clark House elevator replacement/renovation (estimated cost $350,000 to $750,000). A portion of the cost of this project could be funded from the Public Housing fund balance or the annual HUD capital grants. These funds, however, would likely not fund the full cost of the project.