# City of Muscatine
# Leadership Planning Committee
### City Hall
February 15, 2024,4:00 PM

## AGENDA

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **DISCUSSION ITEMS**
    - A. Review Current Council Agenda
    - B. Review Council 6-month Planning Calendar
    - C. Review Status of City Council Priorities
    - D. Discussion Regarding Debt Service

4. **ADJOURNMENT**

# City of Muscatine

## CITY COUNCIL

Thursday, February 15, 2024

Brad Bark, Mayor

Don Lampe, 1st Ward
Jeff Osborne, 2nd Ward
Peggy Gordon, 3rd Ward
Nadine Brockert, 4th Ward
John Jindrich, 5th Ward

Angie Lewis, At Large
Matt Conard, At Large
Carol Webb, City Administrator
Cinda Hilger, Admin. Professional
Brent Hinders, City Attorney

City Council meetings are held at 6:00 p.m. on the 1st and 3rd Thursday of each month. In-depth sessions are held at 6:00 p.m. on the 2nd Thursday of each month. All meetings are available for review on the City of Muscatine YouTube page.
The public is welcome to attend virtually using the information below.

**Please join my meeting from your computer, tablet or smartphone.**
https://us06web.zoom.us/j/82551691259?pwd=NERYdEJOandvWWNXbDM3UkZxZmE4QT09

February 15, 2024,6:00 PM

**AGENDA**

1. **CALL TO ORDER**

2. **INVOCATION - Mayor Brad Bark**

3. **ROLL CALL**

4. **PLEDGE OF ALLEGIANCE**

5. **FROM THE MAYOR**

6. **APPROVAL OF AGENDA AS PRESENTED AND/OR AS AMENDED**

7. **COMMUNICATIONS - CITIZENS**

8. **COUNCILMEMBER FOLLOW UP TO CITIZEN COMMUNICATION**

9. **CONSENT AGENDA * (ITEMS 10-14)**

The following items are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered separately.

10. *** REVIEW AND POTENTIAL VOTE TO APPROVE MINUTES**

A. February 1, 2024, Regular City Council Meeting Minutes
B. February 1, 2024, City Council Budget Session Minutes
C. February 3, 2024 City Council Budget Session Minutes
D. February 6, 2024 City Council Budget Meeting
E. February 7, 2024 City Council Budget Session Minutes
F. February 8, 2024, City Council Budget Session Minutes
G. February 10, 2024, City Council Budget Session Minutes

11. *** PETITIONS AND COMMUNICATIONS**

A. Request for renewal of a Class “B” Retail Alcohol License for Dollar General #21855, 901 Cypress Street – Dolgencorp, LLC (pending inspections)
B. Request for renewal of a Class “E” Retail Alcohol License for Hy-Vee Food Store, 2400 – 2 nd Avenue – Hy-Vee, Inc. (pending inspections)
C. Request for Use of City Property from Meagan Koehler with It Takes A Village for a Pet and Family Outdoor event at the Riverfront to be held August 9, 2024 through August 11, 2024.

12. *** COMMUNICATION – RECEIVE AND FILE**

A. Muscatine County Board of Supervisors Meeting Minutes - January 29, 2024

13. **<u>* PURCHASE ORDERS</u>**

14. **<u>* APPROVAL OF BILLS</u>**

It is recommended bills totaling $2,278,059.42, be approved and that the City Council authorize the Mayor and City Clerk to issue warrants for the same. It should be noted that this listing is subject to the approval of any related agenda item(s).

A. February 15, 2024 BIlls for Approval

15. **<u>PUBLIC HEARING</u>**

A. Public Hearing on the Plans, Specifications, Form of Contract, and Cost Estimate for upgrades to the Clark House Elevators

B. Public Hearing on the Plans, Specification, Form of Contract, Cost Estimate and Setting the Bid Opening Date for the Grandview Sidewalk Extension Project

16. **<u>BOARDS AND COMMISSIONS</u>**

17. **<u>FROM THE CITY ADMINISTRATOR</u>**

A. Second Reading of an Ordinance Amending Title 7, Chapter 2, Section 6 of the City Code Regarding Use of UTVs (Utility Vehicles) on City Streets

B. Resolution Approving the Plans, Specifications, Form of Contract, and Cost Estimate and Setting the Bid Opening for Upgrades to the Clark House Elevators

C. Resolution Approving Plans, Specifications, Form of Contract and Cost Estimate, and Setting Bid Date for Grandview Avenue Sidewalk Extension Project

D. Resolution Setting a Public Hearing on March 7, 2024, for the Review of the Plans, Specifications, Form of Contract and Cost Estimate, and Setting a bid Date, for the Airport Lighting Project

E. Resolution Setting a Public Hearing for March 7, 2024, on the Plans, Specifications, Form of Contract and Cost Estimate and Setting a Bid Date for the West Hill Sewer Separation Phase 6C Project

F. Resolution Setting a Public Hearing on March 7, 2024 for an Ordinance Amending Title 2, Chapter 13, Section 3, Subsection C of City Code – Construction Appeal & Advisory Board - Appointment

G. Resolution Setting the Date for Public Hearings and Additional Action on Proposal to Enter into General Obligation Loan Agreements and to Borrow Money Thereunder

H. Resolution Authorizing Special Assessments for Unpaid Abatement Service Fees and Rental Housing Fees to Private Properties

I. Resolution Approving Submission of Grant Application to Washington County Riverboat Foundation for $80,000 for Ballistic Body Armor for use by the Muscatine Special Operations Response Team (MSORT)

J. Resolution Establishing Council Liaisons to City Boards and Commissions and Defining Liaison Roles and Responsibilities

K. Resolution Appointing Council Liaisons to City Boards and Commissions

L. Resolution Repealing and Replacing Resolution 2022-0103, Creating the Leadership Planning Committee as a Subcommittee of City Council and adding an ad-hoc Councilmember to the Committee

M. Resolution Approving the Amended Seasonal Pay Plan Effective March 1, 2024.

N. Request to approve entering into agreement with the Iowa DOT, accepting the Transit Joint Participation Agreement to implement a Federal Transit Administration (FTA) Operating Assistance Project in the amount of $536,151.00 for 2024

O. Request for Approval of the 2023 Certified Local Government Annual Report for Submission to the Iowa Department of Cultural Affairs

P. Request To Approve Change Order #1, in the Amount of $8,570.66, For The Replacement UV (Ultraviolet) Disinfection System Project to Replace a Support Beam and Relocate a Drain Pipe

Q. Request to Approve the Interagency Agreement with Department of Inspections, Appeals, and Licensing for services to investigate potential cases of fraud by clients in the Public Housing and/or Section 8 Housing Choice Voucher programs

R. Request to Enter into a Professional Services Agreement with Waters Edge Aquatic Design for Design Services for the Riverfront Fountain Renovation Project in the Amount of $12,000.00.

**18. MAYOR AND COUNCIL REPORTS**

**19. ADJOURNMENT**

**20. OTHER BUSINESS**

A. Exempt Session Pursuant to Iowa code 20.17(3) and Iowa Code 21.9 to Discuss Collective Bargaining Strategy and Employment Conditions.

| Department/Person | Agenda Item | Purpose of Item | City Council Priority? |
|---|---|---|---|
| | **Unscheduled Items** | | |
| HR/Parks | Overview and update on City Wellness Program (tentative) | Feedback/Discussion | XXXX |
| Nancy/Parking | Parking meter options | Discussion/Feedback | xxxx |
| Romagnoli - Human Resources | Employee Handbook | | |
| Jodi/CD | presentation of community heart and soul action plan/adoption, etc. | discussion/Feedback | xxxx |
| CAO | presentation of draft strategic plan | Discussion/Feedback | |
| Community Development/AF | Merge Development Agreement | Public Hearing, resolutions | XXXX |
| Public Works/Brian & Kevin | Award contract for 2nd Ave Stormsewer Project (tentative) | Resolution | |
| Carol/Nancy | service contract bidding | in-depth | |
| Parks/Rich/Melissa | Possible Boat Harbor/Marina improvements (boat lifts, covers, concessions, restrooms, showers, restaurant) | In-Depth | xxxx |
| Carol, Jodi | Discussion regarding separation of Housing and Community Development | In-Depth | |
| Carol/Brent/CAO | Ordinance regarding communication between councilmembers and city staff | In-depth, public hearing, ordinance, etc | |
| Kevin & Brian/PW | Devitt Sidewalk - (Plans and Specs, Bidding, contract award, etc.) | Resolution, public hearing, etc. | XXXX |
| CD/Andrew | Building Code updates | Resolution, ordinance, public hearing | XXXX |
| HR/Finance | Employee Recognition/Public Purpose Policy | In-depth, resolution | XXXX |
| Brian/PW | Fulliam Reconstruction Phase 2 | public hearing, resolutions (spring) | XXXX |
| Kevin/CAO | Marketing and branding (tagline, policy) | TBD | XXXX |
| Kevin & Brian/PW | Award professional design services contract for Isett Ave Reconstruction | Resolution | XXXX |
| Kevin & Brian/PW | Feasibility Study results for Hawkeye Lumber | In-Depth | XXXX |
| Kevin & Brian/PW | Wayfinding Implementation Phase 1 (Plans and Specs, Bidding, contract award, etc.) | Resolution, public hearing, etc. | XXXX |
| Tony/PD | Use of snowmobiles on City streets | In-Depth? | |
| | **February 13, 2024 Budget Meeting** | | |
| Department/Person | Agenda Item | Purpose of Item | |
| Nancy/Carol | Special Revenue - Debt, RUT, Capital, LOST | Discussion | |
| | | | |
| | **February 15, 2024 Regular Meeting** | | |
| Department/Person | Agenda Item | Purpose of Item | |
| Tony/PD | 2nd Reading of Change in UTV ordinance | Ordinance | |
| Kevin,Brian/PW | Public Hearing - Grandview Ave sidewalk extension | public hearing | XXXX |
| Jodi/CD | Public Hearing - clark house elevator upgrades | public hearing | XXXX |
| Jodi/CD | Approving plans, specs etc for clark house elevators | Resolution | XXXX |
| Kevin,Brian/PW | Approving Plans, Specs, etc. for Grandview Ave sidewalk extension | Resolution | XXXX |
| Jodi/CD | Setting a public hearing on Airport Lighting Project | Resolution | |
| Carol | Resolution establishing Council liaisons to certain boards and commissions | Resolution | |
| Carol | Resolution appointing Council liaisons to certain boards and commissions | Resolution | |
| Cinda | Setting a public hearing on revision to construction advisory and appeal board | Resolution | XXXX |
| Carol | Resolution amending the LPC resolution (see brad's notes) | Resolution | |
| Nancy/Finance | Set Public Hearing on bond issue (NTE $5,175,000 & FY 205 Pre-levy $328,384) | Resolution | |
| Steph/HR | Approval of Seasonal Pay Plan | Resolution | |
| | | | |
| | **February 20, 2024 Budget Meeting** | | |
| Department/Person | Agenda Item | Purpose of Item | |

| Department/Person | Agenda Item | Purpose of Item | City Council Priority? |
|---|---|---|---|
| Nancy/Carol | Road Use Tax, Capital, Review of possible reductions in expenditures in general fund for FY 2024/2025 | Discussion | |
| | | | |
| | | | |
| | **February 21, 2024 - Special Joint meeting** | | |
| Department/Person | Agenda Item | Purpose of Item | |
| Jodi/CD | Presentation of Housing Study | Feedback/Discussion | |
| | | | |
| | **February 22, 2024 Budget Meeting** | | |
| Department/Person | Agenda Item | Purpose of Item | |
| Nancy/Carol | City Council Final Budget Deliberations | Discussion | |
| | | | |
| | | | |
| | **March 7, 2024 regular meeting** | | |
| Department/Person | Agenda Item | Purpose of Item | |
| Tony/PD | 3rd Reading of Change in UTV ordinance | Ordinance | |
| Nancy/Carol | Council Approves Submittal of Budget Statement to County via Resolution | Resolution | |
| Nancy/Carol | Set budget statement/tax levy hearing for April 4 | Resolution | |
| Andrew/CD | Appointment of Construction Appeal and Advisory Board members (nominated by nominating committee) (tentative based on number of applicants) | Request | XXXX |
| Andrew/CD | Approving an easement for the American Legion on Duncan Park | Resolution | |
| Stephanie/HR | Approval of the police department bargaining unit contract | Request | |
| Brian/PW & Parks | Staff Report - Other business - right of way mowing | Feedback/Discussion | |
| Brian/PW | Public Hearing to Review and Approve Plans and Specifications for the Airport Lighting Project | Public Hearing | |
| Brian/PW | Public hearing to discuss the plans and specs for West Hill Sewer Project Phase 6c | Public Hearing | |
| Andrew/CD | Public hearing for changes to the membership of the Construction Appeal and Advisory Board | Public Hearing | |
| | | | |
| | | | |
| | **March 14, 2024 In-Depth Meeting** | | |
| Department/Person | Agenda Item | Purpose of Item | |
| Andrew/CD | Update on status of 2012 Comprehensive Plan Goals | Feedback/Discussion | XXXX |
| Rich K./Parks | Presentation of Miracle Field Concept | Feedback Requested | |
| Adam Gilitzer | Presentation on Fridley Housing Development and Request for resolution of support for workforce housing tax credits application | Feedback Requested | XXXX |
| Nancy | Hold Public Hearing on bond issue (NTE $5,175,000 & FY 205 Pre-levy $328,384) | Public Hearing | |
| | | | |
| | **March 21, 2024 Regular Meeting** | | |
| Department/Person | Agenda Item | Purpose of Item | |
| Nancy/Carol | Set Public Hearing re: budget statement (separate, distinct meeting) | Resolution | |
| Jodi/CD | Award of Clark House Elevator Construction Contract (approve contract & bond same date?) | Resolution | |
| Jodi/CD | Set Public Hearing for Housing Agency 5 year plan | Resolution | |
| Jodi/CD | Approve contracts for nuisance abatement and tree removal | Requests | |

| Department/Person | Agenda Item | Purpose of Item | City Council Priority? |
|---|---|---|---|
| | | | |
| | | | |
| | **April 4, 2024 Regular Meeting** | | |
| Department/Person | Agenda Item | Purpose of Item | |
| Nancy/Carol | Hold Public Hearing on Budget Statement | Public Hearing | |
| Nancy/Carol | Set Public Hearing on Budget | Resolution | |
| Nancy/Carol | Resolution Setting a Public Hearing on April 20, 2023 for the Proposed Amendment #1 to the City Budget for Fiscal Year 2023/2024 | Resolution | |
| | | | |
| | | | |
| | | | |
| | **April 11, 2024 In-Depth Meeting** | | |
| Department/Person | Agenda Item | Purpose of Item | |
| Andrew/CD,Nancy/Finance | Overview of urban renewal area, plan, etc. | Informational | XXXX |
| Carol, Brent/CAO | Hiring, Dismissal, and reporting structure for public safety | Request Feedback | |
| Brian/PW | Cost-Share Options for Sidewalks | Request Feedback | XXXX |
| Jodi/CD | Update on Mulberry Neighborhood Revitalization Project | Informational | |
| | | | |
| | **April 18, 2024 Regular Meeting** | | |
| Department/Person | Agenda Item | Purpose of Item | |
| Nancy/Carol | Hold Public Hearing on Budget | Public Hearing | |
| Jodi/CD | Public Hearing on Housing Agency 5-year plan | Public Hearing | |
| Nancy/Carol | Adoption of the budget by City Council | Resolution | |
| Nancy/Carol | Public Hearing on the Proposed Amendment #1 to the City Budget for Fiscal Year 2022/2023 | Public Hearing | |
| Nancy/Carol | Resolution Approving Amendment #1 to the City Budget for Fiscal Year 2023/2024 and Authorizing the Mayor and City Clerk to Sign the Record of Hearing and Adoption of Budget Amendment #1 in the form required by the Iowa Department of Management | Resolution | |
| Carol | Approve agreements with outside agencies for FY24/25 (GMCCI, MCSA, Senior Resources, MHS) | Request | |
| Stephanie/HR | Approval of Employee Handbook Update | Request | |
| Jodi/CD | Approval of Housing Agency 5-year plan | Resolution | |
| | **May 2, 2024 Regular Meeting** | | |
| Department/Person | Agenda Item | Purpose of Item | |
| Nancy/Finance | Set bond sale date/Approve Preliminary Official Statement (POS) | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | **May 9, 2024 In-Depth Meeting** | | |
| Department/Person | Agenda Item | Purpose of Item | |
| Jodi/Carol | CD/Housing Organizational Structure | Feedback Requested | |
| Andrew/CD,Nancy/Finance | Overview of urban renewal area, plan, etc. | Informational | XXXX |

| Department/Person | Agenda Item | Purpose of Item | City Council Priority? |
| --- | --- | --- | --- |
| | | | |
| | | | |
| | | | |
| | **May 16, 2024 Regular Meeting** | | |
| Department/Person | Agenda Item | Purpose of Item | |
| Nancy/Finance | authorizing and approving a loan agreement,providing for the sale and issuances of GO Bonds, Series 2024 | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | **June 6, 2024 Regular Meeting** | | |
| Department/Person | Agenda Item | Purpose of Item | |
| | Bond Sale Closing | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | **June 13, 2024 In-Depth Meeting** | | |
| Department/Person | Agenda Item | Purpose of Item | |
| | | | |
| | | | |
| | | | |
| | | | |
| | **June 20, 2024 Regular Meeting** | | |
| Department/Person | Agenda Item | Purpose of Item | |
| | | | |
| | | | |
| | | | |
| | | | |
| September - Riverfront Masterplan | | | |
| Alt Side of Street Parking | | | |

| | Tactic Owner | Goal 1: Employee Retention and Recognition | | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|---|---|---|
| Tactic 1 | Stephanie | Continue study and support of compensation study to keep the City's compensation aligned with other peer communities | | Compensation Study Complete. Assumptions from study included in the proposed FY2025 budget | | | |
| Tactic 2 | Stephanie & Nancy | Develop and implement an employee recognition policy to allow modest us of funds for recognition of employees and volunteers including provision of sustenance supplies to employees and visitors | | Not Started | | | |
| Tactic 3 | Stephanie & Nancy | Evaluate and update the employee wellness program and explore opportunities to tie it to compensation | | Not Started | | | |
| Tactic 4 | Carol | Develop a succession plan for key positions to ensure continuity of service, knowledge transfer, and to develop talent within the City organization. | | In progress - methodology identified and key positions on leadership team identified | | | |
| Tactic 5 | Stephanie & Nancy | Implement improvements to the payroll process to reduce duplication of efforts and reduce the amount of staff time invested in managing payroll. | | Not Started | | | |
| Tactic 6 | Stephanie | Continue to provide city leadership training | | In progress | | | |
| | | | | | | | |
| | Tactic Owner | Goal 2: Conduct Housing Programs and Initiatives Including Infill Development | | Q1 | Q2 | Q3 | Q4 |
| Tactic 1 | Jodi | Implement the recommendations of the housing study and evaluate opportunities to create new moderate-income housing and promote infill development. | | Housing Study report to be presented Feb 21 | | | |
| Tactic 2 | Andrew | Complete the comprehensive plan | | RFQ has been issued; closes February 29. | | | |
| Tactic 3 | April L. | Continue the substandard housing improvement/demolition Program | | in progress | | | |
| Tactic 4 | April L. | Address the quality of rental housing units | | in progress - current and ideal state identified, change implementation in progress | | | |
| Tactic 5 | Andrew | Update zoning rules to include new and more innovative zoning policies, including allowing accessory dwelling units (part of Comp Plan) | | Not Started | | | |
| Tactic 6 | Jodi/Melissa | Evaluate options for the long-term sustainability of the Clark House and Sunset Housing. (New) | | Capital Projects in process | | | |
| | | | | | | | |
| | Tactic Owner | Goal 3: Conduct Housing Programs and Initiatives Including Infill Development | | Q1 | Q2 | Q3 | Q4 |
| Tactic 1 | Jodi | Fine tune business loan programs to attract and retain certain business types and focus efforts to bring new businesses and restaurants to the City. | | Not Started | | | |
| Tactic 2 | Andrew | Provide information to City Council regarding the City's Urban Renewal Area | | Scheduled for fall 2024 | | | |
| Tactic 3 | Kevin J. | Implement marketing and branding policies and strategies to promote Muscatine's economic development | | In progress | | | |
| Tactic 4 | April L. | Implement a vacant building registration program | | Not Started | | | |
| | | | | | | | |
| | Tactic Owner | Goal 4: City Inspection Program Improvements | | Q1 | Q2 | Q3 | Q4 |
| Tactic 1 | Jodi | Implement the Construction Appeal & Advisory Board, including development of older home & business renovation codes | | In progress. Board members to be appointed March 7. | | | |
| Tactic 2 | Andrew | Study and Address Complaints about the City Building Inspection Programs, including streamlined communication, uniform code enforcement, and challenges contractors and residents have with complying with the current building code. | | In progress. Ideal state mapped and changes in progress. | | | |
| Tactic 3 | Kevin J. | Provide conflict resolution training to City inspectors | | Not Started | | | |
| Tactic 4 | April L. | Improve relationships with building/contracting organizations and city officials including providing education to Councilmembers and other stakeholders regarding inspection code requirements and rationale | | Planning in progress. Implementation pending | | | |
| | | | | | | | |

| Project Owner | Goal 5: Capital Projects | | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|---|---|
| Rich K. | Indoor Sports Complex | | Design in progress | | | |
| Rich K. | Weed Park Lagoon | | Design in progress | | | |
| Melanie | Art Center Building Additions | | master plan draft completed | | | |
| Brian/Kevin C. | Isett Avenue Reconstruction | | waiting on award of bid for project planning and design | | | |
| Tony/Kevin C. | Law Enforcement Training Facility | | Identification of location in progress | | | |
| Brian/Kevin C. | Devitt Sidewalk | | Design in progress | | | |
| Brian/Kevin C. | West Hill Sewer Separation Project | | Phase 6a & b in progress. 6c to be bid spring 2024 | | | |
| Brian/Kevin C. | Redundant Force Main | | Identification of funding in progress. 30% design complete | | | |
| Brian/Kevin C. | Fulliam/Houser Roundabout | | Funding identified. To be built in 2025 | | | |
| Brian/Kevin C. | Fulliam Avenue Reconstruction | | Phase II planned for summer 2024 | | | |
| Brian/Kevin C. | Dredge Spoil Dewatering | | Feasibility Study in progress | | | |
| Rich K. | Aquatic Center Master Plan - Rich Klimes | | not started | | | |
| Rich K./Brian S. | Harbor/Marina (including updating the riverfront master plan) | | not started | | | |
| Rich K./Brian S. | Amphitheater | | Waiting on funding to be identified | | | |

# City Debt

Updated on October 18, 2021 Posted on November 30, 2018

Cities may need to borrow money for a number of different reasons, but it usually revolves around a capital project or equipment purchase. A certain amount of planning is needed to get this accomplished. To begin each council should adopt a debt policy. This policy sets out guidelines such as how much debt or what kinds of debt will be used for various projects. Staff, outside consultants, bond rating agencies and federal regulators can review the policy for an overall understanding of the goals for the community's debt issuance, retirement and overall fiscal management.

As part of the budgeting process the city should establish the scope of the project(s) or equipment purchases for the year. This examination will determine what existing funds are available, if there are other funding opportunities such as available grants, the timing of the anticipated payments, and an estimate of how much borrowing will be needed. This will also determine what type of borrowing would be most appropriate.

## General Obligation Bonds

General obligation debt is authorized to be repaid with the city's property tax revenue. Two major categories of general obligation debt are based upon the type and size of the project or equipment.

Essential corporate purpose debt is for basic city services such as street repair and construction, solid waste, sanitary sewer and water works construction and repair, equipping of police, fire and ambulance services, nuisance abatement, and a variety of other reasons described in *Code of Iowa* Chapter 384.24(3). The process to issue essential corporate purpose general obligation bonds is simpler than the process to issue general corporate purpose general obligation bonds. The council must publish a notice of the amount and purpose of the bonds and alert the public of the time, date and place of a public hearing to receive oral and written comments for or against the debt issuance. After this hearing, the council may vote to issue these bonds by a simple majority vote.

General corporate purpose debt is issued for city buildings and recreational facilities. For example, bonds issued to build a new, reconstruct or enlarge a fire station, city hall, community center, swimming pool or park would be considered general corporate purpose as described in *Code* Chapter 384.24(4). For this type of debt, a 60 percent public approval by election is typically required. The city will want to work with bond counsel to draw up the appropriate paperwork and be aware of the precise processes to notify the county auditor to schedule a bond referendum.

For certain types of general corporate issuances that are smaller, an election on the borrowing may be avoided (*Code* Section 384.26(5)), but the citizens may petition for a referendum:

- For cities with a population of 5,000 or less, debt issuance up to $400,000.
- For cities with a population between 5,000 and 75,000, debt issuance up to ~~$700,000~~ 910,000.
- For cities with a population above 75,000 up to $1,000,000 in debt issuance.

In these cases, the council must publish notice of the amount and purpose of the bond issue and must include a statement that the citizens have the right to file a petition asking for a referendum.

## Revenue Bonds

Cities can also issue debt to be repaid by revenue generated from a utility or enterprise activity as described in *Code* 384, Div. V. This type of debt is typically used for utility projects, such as water or sewer. A hearing and authorizing resolution are required to enter into this type of debt. Revenue debt is not secured by property taxes and does not count against the city's debt limit. However, revenue debt may be less attractive to investors because it is repaid with utility or enterprise revenue instead of property tax, and therefore generally carries a higher interest rate than general obligation debt.

## Loan Agreements

As a substitute for taking bids and selling bonds at competitive sales, cities may enter into loan agreements with banks or underwriters and may negotiate all the terms of the transaction. Bonds or notes are issued to these lenders as evidence of a city's obligation under a loan agreement. Except for loan agreements that are payable from a city's general fund, all the statutory processes and procedures related to the issuance of general obligation or revenue bonds are equally applicable to loan agreements, including the need for a referendum for general corporate purpose projects. The primary value of the loan agreement approach is to make it easier for cities to borrow smaller amounts from local banks without having to go through a public sale of bonds.

In order to enter into a loan agreement payable from the city's general fund, a city must show that its annual payments on all loan agreements payable from the general fund will not exceed 10 percent of the city's previous year's general fund budget amount. Advice from bond attorneys and financial advisors is as important to the loan agreement process as it is to the process of issuing bonds.

## Leases

Cities can also enter into leases, described in *Code* Section 364.4 (4). Leases are most commonly used to purchase equipment. In general, lease agreements paid from property taxes are still debt and carry with them some of the same procedural requirements. Lease agreements payable from property taxes count against a city's debt limit unless the agreement stipulates the payments are subject to annual appropriation action by the city council.

## Bond Covenants

Most bond issues payable from utility or enterprise revenues will have bond covenants or requirements associated with them. One common practice is a requirement that a sinking fund be created and maintained into which funds must be deposited monthly so sufficient funds will be available on principal and interest payment dates. It is also common for investors in revenue bonds to require that a city establish and maintain a reserve fund, often equal to 10 percent of the principal amount of the revenue bonds, which can be drawn on if for some reason the city's utility or enterprise revenues are not adequate to make a regular payment of principal or interest.

## Other Types of Debt

There are other types of debt that cities may issue. A few of the more common types will be listed here, but this list is not exhaustive.

- Tax Increment Financing (TIF) Debt. This is debt that is issued to be repaid from the proceeds of incremental property tax increases found in a TIF district.
- Special Assessment Debt. Cities may levy special assessments against abutting property owners who benefit from improvements to streets, utility or other such infrastructure. The special assessment process is complicated, and a city must work with its engineers and attorneys to carry out this process.
- Road Use Tax Fund (RUTF) Debt. Cities receive RUTF revenue collected by the state, mostly from the tax paid on gasoline purchases. Cities receive a share of this revenue from the state on a per capita basis. Cities can issue debt for street related projects and repay that debt from the road use tax fund.

Bond Attorney: Any time funds are borrowed legal assistance from a bond attorney should be secured to ensure compliance with various federal and state regulations and special reporting requirements.

Debt Limits: There are specific limits set by the *Code* and guidelines regarding debt with which cities should be familiar. The Iowa Constitution places a limit on the amount of debt a city can incur that is payable from property taxes, called the Constitutional Debt Limit. That limit is 5 percent of the value of taxable property within the city. This limit is based upon 100 percent or actual value of all property within the city that can be taxed, not on the value after the state assessment limitation, or "rollback" is applied. There is, however, no legal limit on the amount of debt a city may have that is payable from city utility or enterprise revenues.

Financial Consultants/Advisors: Depending on the size of the city and the expertise of city staff, some communities use the assistance of financial advisors. These advisors help the council identify opportunities to fund city activities. Analysis of the repayment scheduling of a bond or the advertisements for the sale of bonds are only some of the services available.

Bond Registrars: Many bond issues are purchased by multiple individuals, banks or corporations. Keeping track of these owners to ensure that all principal and interest payments are delivered on time may be above the means of the small city staff. Registrars are usually associated with large banks and can handle multiple customers in this specialized area. Bidding for this service is not required.

## Bonds Sold Prior to April 1

If general obligation bonds are sold after the budget public hearing but before April 1, the debt retirement schedule can be certified to the county auditor in order to amend the tax rate published as part of the budget process.

Reminder when issuing debt the prudent person philosophy should be applied: the item built or purchased should last longer than the repayment schedule and borrowing money to pay for operating expenses is unadvisable. There are times when borrowing is necessary, but it must be done within the regulations of state and federal regulations.

**Street Address**
500 SW 7th Street, Suite 101
Des Moines, IA 50309-4506

**Remit Payments to**
PO Box 8296
Des Moines, IA 50301
**Phone** (515) 244-7282
**Fax** (978) 367-9733

## INTERNAL SERVICES FUNDS

## EQUIPMENT SERVICES OPERATIONS

### GENERAL INFORMATION:

The Equipment Services Operation is accounted for as an Internal Service Fund. This type of fund is established to account for operations which serve other departments of the City. The Equipment Services Operation is responsible for the maintenance and repair of all City vehicles and equipment. Repairs and maintenance include major repairs in addition to routine and preventive maintenance.

Most City departments use the Equipment Services Operation for repair and maintenance of their vehicles in lieu of their own departmental resources. As in a commercial garage enterprise, the Equipment Services Operation is financed by user fees charged to the department for the repairs performed. The user fee includes the direct cost of labor, repair parts, and an allowance for overhead costs of the operation. The objective of the operation is to ensure user fees for the fiscal year are sufficient to cover the repair costs incurred.

The operation is located at the City's Public Works Facility and includes a centralized fuel system which has assisted the City in eliminating approximately fifteen (15) different stations located throughout the City's facilities. Accountability and accessibility of fuel consumption data have also improved with this system.

A major expenditure in the Equipment Services budget is the purchase of fuel products including gasoline, diesel fuel, and oil. These fuel costs plus a per gallon surcharge are charged back to departments as inventories are used.

Labor is the other major cost in this activity, which includes a fulltime supervisor and three fulltime mechanics. The hourly charge for labor including overhead costs was $85.00 per hour in 2017/2018 and that rate was maintained for 2018/2019. The rate increased to $88.00 per hour in 2019/2020, increased to $92.00 in 2020/2021, increased to $96.00 per hour in 2021/2022, increased to $98.00 per hour in 2022/2023, and increased to $106.00 per hour in 2023/2024. The rate is budgeted to increase to $111.00 per hour in 2024/2025.

In addition to the labor rate charge there is a 3% surcharge on parts, outside services, oil, and tires. A per gallon surcharge has also been applied to fuel dispensed to City vehicles utilizing this operation. This fee is currently $.30 per gallon. These surcharge fees are budgeted to remain the same for 2024/2025.

### CURRENT TRENDS AND ISSUES:

The 2023/2024 revised estimate expenditures are $101,500 more than the original budget. This increase is due to the net effect of (1) a $2,200 increase in personal services costs, (2) a $9,800 decrease in commodities, and (3) a $109,100 increase in contractual services primarily due to increased outside repair and maintenance services costs.

The 2024/2025 budget is $139,000 (9.7%) more than the original 2023/2024 budget. The budget includes an increase of $28,500 (6.9%) in personal services costs, a $9,800 decrease in commodities, a $106,400 increase in contractual services, a $13,300 increase in capital outlay, and a $600 increase in transfers. The increase in contractual services is primarily due to an increase in outside repair and maintenance services. The 2024/2025 capital outlay allocation of $17,300 is for a new scan tool for the shop ($15,000) and a battery cable crimping tool ($2,300).

A new vehicle lift was purchased in 2020/2021 at a cost of $107,800. The new lift accommodates larger vehicles. This lift was financed with an internal loan. There was a $20,000 down payment in 2020/2021 and payments of $22,000 will be made annually over the following four years (2021/2022, 2022/2023, 2023/2024, and 2024/2025) to complete the financing for this equipment.

As an internal service fund and as fuel costs fluctuate, cost increases or decreases are passed on to the various City departments based on their actual fuel usage. The fund balance in this operation had been decreasing in recent years which required the labor rate to be increased from $92.00 per hour to $96.00 per hour in 2021/2022, to $98.00 per hour for 2021/2023, and to $106.00 per hour for 2023/2024. This rate is budgeted to increase to $111.00 per hour in 2024/2025. The Equipment Services operation is expected to have a deficit balance (before inventory) of $85,370 on June 30, 2025. The balance including the fuel and parts inventories is $50,166.

Staff has identified the need to replace the aging fuel tanks, pumps, monitors, concrete, and the related electrical work. The estimated cost for this project is $500,000 which is budgeted to be funded from the spring 2024 bond issue.

**GOAL STATEMENT:**

To provide for the maintenance of all City vehicles and major equipment including both preventive and emergency maintenance to assure such equipment can be utilized by the City work force in the most productive and cost-efficient manner.

**PERFORMANCE MEASURES:**

| | Actual 2020/2021 | Actual 2021/2022 | Actual 2022/2023 | Estimated 2023/2024 | Estimated 2024/2025 |
|---|---|---|---|---|---|
| Autos, Pickups, Flatbeds Serviced | 178 | 181 | 188 | 200 | 200 |
| Trucks, Buses, Garbage Trucks Serviced | 107 | 116 | 113 | 105 | 105 |
| Heavy Equipment/Tractors Serviced | 33 | 18 | 34 | 33 | 33 |
| Gallons of Gasoline Dispensed | 104,754 | 104,005 | 101,024 | 105,000 | 105,000 |
| Gallons of Diesel Fuel Dispensed | 48,748 | 42,621 | 40,803 | 40,000 | 40,000 |
| Preventative Maintenance Work Orders | 853 | 899 | 832 | 850 | 850 |
| Emergency Maintenance Work Orders | 535 | 486 | 478 | 500 | 500 |
| Work Orders Completed | 1,388 | 1,385 | 1,310 | 1,350 | 1,350 |

**RECENT ACCOMPLISHMENTS:**

Supply chain issues continue to be a challenge. The department has made efforts to have parts on hand before the vehicle comes into the shop so they are not sitting idle any longer than necessary. The technicians are checking the fleet as it come through for regular service work and identifying issues early, getting parts first, and scheduling the repairs. The department purchased a scissors lift for the shop to assist staff when working with heights. The lift is used both for safety and for productivity.

The department continues to make great strides in getting the City's fleet updated. A comprehensive list is being kept and helps identify vehicles that are in need of being replaced.

The fuel pump, tank, and monitoring system project is moving forward. At the time the budget was being developed, staff was in the process of getting a contract signed with the vendor. The project is then scheduled to start in the spring.

**OBJECTIVES TO BE ACCOMPLISHED IN 2024/2025:**

- Continue updating the vehicle replacement list.

- To start and finish the fuel island replacement project while still efficiently providing fuel to City vehicles.

- To monitor the billed hours charged out for vehicle/equipment repairs for each employee and look to increase the percentages.

## Equipment Services Operations

### Fund Statement

| | Actual 2021/2022 | Actual 2022/2023 | Budget 2023/2024 | Department Revised Estimate 2023/2024 | Revised Estimate 2023/2024 | Department Budget Request 2024/2025 | City Admin. Recommendation Budget 2024/2025 | Budget 2024/2025 |
|---|---|---|---|---|---|---|---|---|
| Beginning Balance (Deficit), July 1 | $ (3,204) | $ (90,104) | $ (83,104) | $ (104,770) | $ (104,770) | $ (87,303) | $ (87,270) | |
| Revenues | | | | | | | | |
| Charges for Services - City Departments | $ 1,226,995 (2) | $ 1,472,356 (4) | $ 1,432,300 (5) | $ 1,548,300 (5) | $ 1,548,300 (5) | $ 1,570,300 (6) | $ 1,570,300 (6) | |
| Miscellaneous | 1,085 | 1,430 | 500 | 600 | 600 | 500 | 500 | |
| Total Revenues | $ 1,228,080 | $ 1,473,786 | $ 1,432,800 | $ 1,548,900 | $ 1,548,900 | $ 1,570,800 | $ 1,570,800 | $ 0 |
| Funds Available | $ 1,224,876 | $ 1,383,682 | $ 1,349,696 | $ 1,444,130 | $ 1,444,130 | $ 1,483,497 | $ 1,483,530 | $ - |
| Expenditures (1) | 1,314,980 (3) | 1,488,452 (3) | 1,429,900 (3) | 1,531,433 (3) | 1,531,400 (3) | 1,655,600 (3) | 1,568,900 (3) | |
| Ending Balance (Deficit), June 30 | $ (90,104) | $ (104,770) | $ (80,204) | $ (87,303) | $ (87,270) | $ (172,103) | $ (85,370) | $ 0 |
| Allowance for Inventory | 124,694 | 135,536 | 124,694 | 135,536 | 135,536 | 135,536 | 135,536 | |
| Net Balance, June 30 | $ 34,590 | $ 30,766 | $ 44,490 | $ 48,233 | $ 48,266 | $ (36,567) | $ 50,166 | $ 0 |
| **Increase (Decrease) in Net Balance** | **$ (86,900) (2)** | **$ (14,666) (3)** | **$ 2,900** | **$ 17,467** | **$ 17,500** | **$ (84,800)** | **$ 1,900** | **$ -** |

1. Expenditures include changes in compensated absences.
2. The labor rate for 2021/2022 was increased from $92.00 to $96.00 per hour.
3. The 2021/2022, 2022/2023, 2023/2024, 2024/2025 budgets include $22,000 for the internal loan payments for the purchase of a vehicle lift in 2020/2021.
4. The labor rate increased to $98.00 per hour for the 2022/2023 fiscal year.
5. The labor rate increased to $106.00 per hour for the 2023/2024 fiscal year.
6. The labor rate is budgeted to increase to $111.00 per hour for the 2024/2025 fiscal year.

*Function:*
**Internal Service**

*Department:*
**Public Works**

*Activity:*
# Equipment Services Operations

| | Actual 2021/2022 | Actual 2022/2023 | Budget 2023/2024 | Revised Estimate 2023/2024 | Budget 2024/2025 | Percent Change |
|---|---|---|---|---|---|---|
| **Expenditure Summary** | | | | | | |
| Personal Services | $ 377,106 | $ 385,047 | $ 411,400 | $ 413,600 | $ 439,900 | 6.93% |
| Commodities | 646,728 | 662,176 | 687,300 | 677,500 | 677,500 | -1.43% |
| Contractual Services | 242,523 | 387,970 | 284,000 | 393,100 | 390,400 | 37.46% |
| Capital Outlay | 12,137 | 5,131 | 4,000 | 4,000 | 17,300 | 332.50% |
| Transfers | 42,000 | 42,600 | 43,200 | 43,200 | 43,800 | 1.39% |
| Total Expenditures | $ 1,320,494 | $ 1,482,924 | $ 1,429,900 | $ 1,531,400 | $ 1,568,900 | 9.72% |
| **Funding Sources** | | | | | | |
| Charges for Services | $ 1,226,995 | $ 1,472,356 | $ 1,432,300 | $ 1,548,300 | $ 1,570,300 | 9.63% |
| Other | 1,085 | 1,430 | 500 | 600 | 500 | 0.00% |
| Total Funding Sources | $ 1,228,080 | $ 1,473,786 | $ 1,432,800 | $ 1,548,900 | $ 1,570,800 | 9.63% |

**Personnel Schedule**

| | Actual 2021/2022 | Actual 2022/2023 | Budget 2023/2024 | Revised Estimate 2023/2024 | Budget 2024/2025 | Budget Amount 2024/2025 |
|---|---|---|---|---|---|---|
| ***Full Time:*** | | | | | | |
| Vehicle Maintenance Supervisor | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | |
| Vehicle Mechanic II | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | |
| **Total** | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | $ 278,900 |
| Employee Benefits | | | | | | 161,000 |
| Total Personal Services | | | | | | $ 439,900 |

**Capital Outlay**

| *Item* | *Quantity* | *Replacement* | *Amount* |
|---|---|---|---|
| Shop Scan Tool | 1 | Yes | $ 15,000 |
| Battery Cable Crimping Tool | 1 | Yes | 2,300 |
| Total | | | $ 17,300 |

CITY OF MUSCATINE
DETAILED EXPENDITURE CLASSIFICATION
FORM 2

FUNCTION: INTERNAL SERVICE | DEPARTMENT: PUBLIC WORKS | ACTIVITY: EQUIPMENT SERVICES

| ACCT NO. | ACCOUNT CLASSIFICATION | ACTUAL FISCAL YEAR 2021/2022 | ACTUAL FISCAL YEAR 2022/2023 | BUDGET FISCAL YEAR 2023/2024 | FIRST 3 MOS FISCAL YEAR 2023/2024 | LAST 9 MOS FISCAL YEAR 2023/2024 | ESTIMATE FISCAL YEAR 2023/2024 | CITY ADMIN ESTIMATE FISCAL YEAR 2023/2024 | BUDGET REQUEST FISCAL YEAR 2024/2025 | CITY ADMIN REVISION FISCAL YEAR 2024/2025 | APPROVED BUDGET 2024/2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| (A) | (B) | (C) | (D) | (E) | (F1) | (F2) | (F) | (G) | (H) | (I) | (J) |
| | PERSONAL SERVICES | | | | | | | | | | |
| 41XXX | REGULAR SALARIES & WAGES | $237,366 | $247,332 | $259,700 | $58,462 | $203,800 | $262,262 | $262,300 | $271,900 | $278,900 | |
| 42XXX | PART TIME SALARIES & WAGES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 43XXX | OVERTIME SALARIES & WAGES | 1,066 | 313 | 3,400 | 86 | 3,350 | 3,436 | 3,400 | 3,400 | 3,400 | |
| 44XXX | OTHER SALARIES & WAGES | 1,698 | 1,409 | 1,900 | 403 | 1,490 | 1,893 | 1,900 | 2,000 | 2,000 | |
| 45XXX | PENSION & RETIREMENT | 40,136 | 41,640 | 45,300 | 9,862 | 35,657 | 45,519 | 45,500 | 47,400 | 48,600 | |
| 46XXX | INSURANCE | 96,840 | 94,353 | 101,100 | 27,164 | 73,360 | 100,524 | 100,500 | 106,900 | 107,000 | |
| | SUBTOTAL | $377,106 | $385,047 | $411,400 | $95,977 | $317,657 | $413,634 | $413,600 | $431,600 | $439,900 | $0 |
| | COMMODITIES | | | | | | | | | | |
| 51XXX | OFFICE SUPPLIES | $305 | $203 | $1,000 | $67 | $833 | $900 | $900 | $900 | $900 | $0 |
| 52XXX | OPERATING SUPPLIES | 414,960 | 426,890 | 456,300 | 99,028 | 339,572 | 438,600 | 438,600 | 438,600 | 438,600 | 0 |
| 53XXX | REPAIR & MAINTENANCE SUPPLIES | 231,463 | 235,083 | 230,000 | 42,583 | 195,417 | 238,000 | 238,000 | 238,000 | 238,000 | 0 |
| | SUBTOTAL | $646,728 | $662,176 | $687,300 | $141,678 | $535,822 | $677,500 | $677,500 | $677,500 | $677,500 | $0 |
| | CONTRACTUAL SERVICES | | | | | | | | | | |
| 61XXX | PROFESSIONAL FEES | $5,157 | $7,241 | $7,200 | $3,302 | $3,998 | $7,300 | $7,300 | $7,300 | $7,300 | $0 |
| 62XXX | TECHNICAL SERVICES | 4,124 | 5,588 | 5,000 | 5,470 | 530 | 6,000 | 6,000 | 6,000 | 6,000 | 0 |
| 63XXX | RENTALS | 456 | 406 | 500 | 0 | 500 | 500 | 500 | 500 | 500 | 0 |
| 64XXX | TRAVEL AND EDUCATION | 1,250 | 0 | 1,000 | 417 | 583 | 1,000 | 1,000 | 1,000 | 1,000 | 0 |
| 65XXX | COMMUNICATIONS & UTILITIES | 564 | 574 | 700 | 137 | 563 | 700 | 700 | 700 | 700 | 0 |
| 66XXX | INSURANCE | 1,176 | 888 | 1,000 | 0 | 1,000 | 1,000 | 1,000 | 1,300 | 1,300 | 0 |
| 67XXX | REPAIR & MAINTENANCE SERVICES | 229,539 | 373,078 | 268,300 | 50,333 | 325,967 | 376,300 | 376,300 | 373,300 | 373,300 | 0 |
| 68XXX | AID TO AGENCIES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 69XXX | MISCELLANEOUS | 257 | 195 | 300 | 0 | 300 | 300 | 300 | 300 | 300 | 0 |
| | SUBTOTAL | $242,523 | $387,970 | $284,000 | $59,659 | $333,441 | $393,100 | $393,100 | $390,400 | $390,400 | $0 |
| | CAPITAL OUTLAY | | | | | | | | | | |
| 71XXX | LAND | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| 72XXX | BUILDINGS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 73XXX | IMPROVEMENTS | 2,010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 74XXX | EQUIPMENT | 10,127 | 5,131 | 4,000 | 3,951 | 49 | 4,000 | 4,000 | 112,300 | 17,300 | |
| | SUBTOTAL | $12,137 | $5,131 | $4,000 | $3,951 | $49 | $4,000 | $4,000 | $112,300 | $17,300 | $0 |
| 9XXXX | TRANSFERS | $42,000 | $42,600 | $43,200 | $5,300 | $37,900 | $43,200 | $43,200 | $43,800 | $43,800 | |
| | TOTAL EXPENDITURES | $1,320,494 | $1,482,924 | $1,429,900 | $306,564 | $1,224,869 | $1,531,433 | $1,531,400 | $1,655,600 | $1,568,900 | $0 |

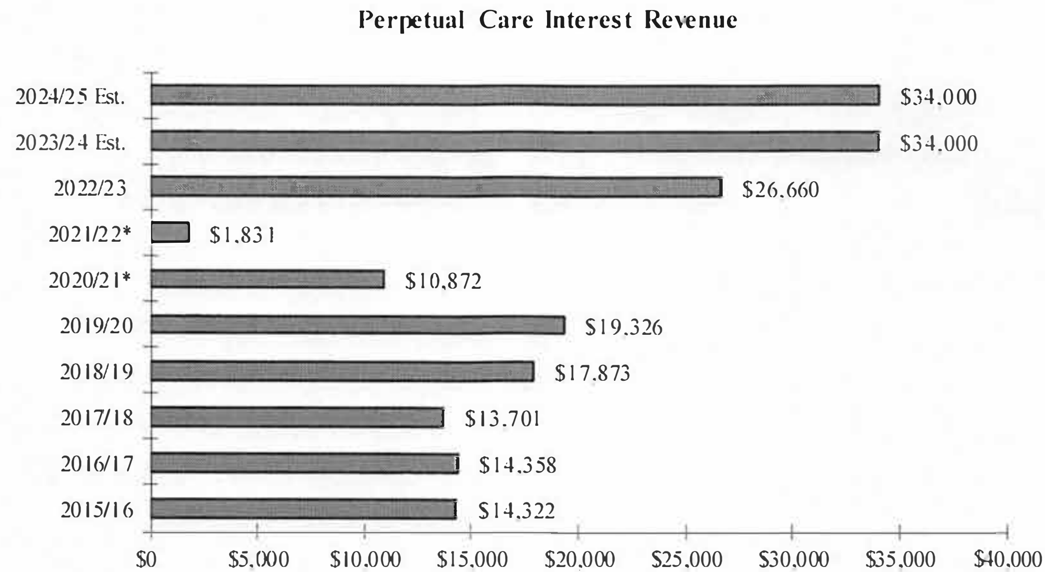
## TRUST AND AGENCY FUNDS

## PERPETUAL CARE INTEREST TRUST

### GENERAL INFORMATION:

This trust fund was established to account for interest earnings on perpetual care funds received by the City of Muscatine through the operation of the municipal cemetery. As required by the State Code of Iowa, 20% of the proceeds of the sale of a cemetery lot must be set aside in a trust account. The trust funds are invested and interest earnings from the funds are utilized to support costs associated with the Cemetery operation. According to State law, the principal amount of the Perpetual Care Fund cannot be used for cemetery operations; only interest earnings can be used. Interest earnings may also fund capital improvements associated with the Cemetery.

Interest earnings have traditionally been utilized to fund all or a portion of the cost of operating the Cemetery. Perpetual Care interest earned and transferred to the General Fund from fiscal year 2015/2016 through the budgeted amount for 2024/2025 is shown in the following graph.




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

Beginning in 1991/92 and continuing through 2022/2023 (with the exception of 2003/2004, 2007/2008, and 2010/2011), Cemetery revenues plus available interest earnings from this trust have not been sufficient to fund operating expenditures of the Cemetery. This is attributed to several factors including declining cemetery burial and lot sales revenues over the last several years and the decline in interest rates. As a result of these factors, General Fund subsidies were made to the Cemetery in the amounts of $44,327 in 2014/2015, $8,885 in 2015/2016, $43,334 in 2016/2017, $45,978 in 2017/2018, $28,152 in 2018/2019, $52,200 in 2019/2020, $3,727 in 2020/2021, $42,520 in 2021/2022, and $61,752 in 2022/2023. The revised estimate for 2023/2024 projects a General Fund subsidy of $83,200 and $79,400 is the estimated subsidy for 2024/2025. The increased subsidy in these years is primarily due to increased Cemetery operating expenditures.

## Perpetual Care Interest Trust

## Fund Statement

| | Actual 2021/2022 | Actual 2022/2023 | Budget 2023/2024 | Department Revised Estimate 2023/2024 | Revised Estimate 2023/2024 | Department Budget Request 2024/2025 | City Admin. Recommendation Budget 2024/2025 | Budget 2024/2025 |
|---|---|---|---|---|---|---|---|---|
| Beginning Balance, July 1 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | |
| Revenues | | | | | | | | |
| Interest | 1,831 | 26,660 | 18,000 | 34,000 | 34,000 | 34,000 | 34,000 | |
| Funds Available | $ 1,831 | $ 26,660 | $ 18,000 | $ 34,000 | $ 34,000 | $ 34,000 | $ 34,000 | $ - |
| Expenditures | | | | | | | | |
| Transfers Out | | | | | | | | |
| Cemetery Operations | 1,831 | 26,660 | 18,000 | 34,000 | 34,000 | 34,000 | 34,000 | |
| Ending Balance, June 30 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 |
| **Increase (Decrease) in Fund Balance** | **$ 0** | **$ 0** | **$ 0** | **$ 0** | **$ 0** | **$ 0** | **$ 0** | **$ 0** |

## TRUST AND AGENCY FUNDS

## PERPETUAL CARE TRUST

**GENERAL INFORMATION**:

The State Code of Iowa requires that 20% of the proceeds of the sale of a cemetery lot be set aside in a Perpetual Care Trust fund. The trust funds are invested and interest earnings are utilized to support costs associated with the Cemetery operation. The Perpetual Care Trust accounts for the principal of the perpetual care contributions. A separate Perpetual Care Interest Trust has been established to account for the interest earned on the perpetual care funds. According to State law, the principal amount of the Perpetual Care Fund cannot be used for cemetery operations; only interest earnings can be used.

**CURRENT TRENDS AND ISSUES:**

The Perpetual Care Fund is a non-expendable trust, now considered a Permanent Fund of the City. An estimated $5,000 in perpetual care funds is expected to be received in both 2023/2024 and 2024/2025. The balance in this trust on June 30, 2025 is estimated at $925,919.

# Perpetual Care Trust

## Fund Statement

| | Actual 2021/2022 | Actual 2022/2023 | Budget 2023/2024 | Department Revised Estimate 2023/2024 | Revised Estimate 2023/2024 | Department Budget Request 2024/2025 | City Admin. Recommendation Budget 2024/2025 | Budget 2024/2025 |
|---|---|---|---|---|---|---|---|---|
| Beginning Balance, July 1 | $ 903,684 | $ 911,927 | $ 916,927 | $ 915,919 | $ 915,919 | $ 920,919 | $ 920,919 | |
| Revenues | | | | | | | | |
| Perpetual Care | 8,243 | 3,992 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | |
| Funds Available | $ 911,927 | $ 915,919 | $ 921,927 | $ 920,919 | $ 920,919 | $ 925,919 | $ 925,919 | $ 0 |
| Expenditures | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance, June 30 | $ 911,927 | $ 915,919 | $ 921,927 | $ 920,919 | $ 920,919 | $ 925,919 | $ 925,919 | $ 0 |
| **Increase (Decrease) in Fund Balance** | **$ 8,243** | **$ 3,992** | **$ 5,000** | **$ 5,000** | **$ 5,000** | **$ 5,000** | **$ 5,000** | **$ 0** |

# TRUST AND AGENCY FUNDS

## SPECIAL CEMETERY TRUSTS

### GENERAL INFORMATION:

This budget consists of thirteen (13) individual trust funds associated with specific graves or mausoleums at the City's Greenwood Cemetery. The trust agreements provide that interest earned on the trusts be used for specified purposes, generally floral arrangements at specified times each year or for maintenance of mausoleum structures as needed.

### CURRENT TRENDS AND ISSUES:

The Special Cemetery Trusts are non-expendable trusts, now considered Permanent Funds of the City. An estimated $1,500 in interest is expected to be earned on these funds in both 2023/2024 and 2024/2025. Trust expenditures are estimated at $1,000 for both 2023/2024 and 2024/2025.

## Special Cemetery Trusts (1)

## Fund Statement

| | Actual 2021/2022 | Actual 2022/2023 | Budget 2023/2024 | Department Revised Estimate 2023/2024 | Revised Estimate 2023/2024 | Department Budget Request 2024/2025 | City Admin. Recommendation Budget 2024/2025 | Budget 2024/2025 |
|---|---|---|---|---|---|---|---|---|
| Beginning Balance, July 1 | $ 52,416 | $ 51,949 | $ 52,449 | $ 53,426 | $ 53,426 | $ 53,926 | $ 53,926 | |
| Revenues | | | | | | | | |
| Interest | 52 | 1,777 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | |
| Funds Available | $ 52,468 | $ 53,726 | $ 53,949 | $ 54,926 | $ 54,926 | $ 55,426 | $ 55,426 | $ 0 |
| Expenditures | | | | | | | | |
| Florist Services | $ 519 | $ 0 | $ 1,000 | $ 1,000 | $ 1,000 | $ 1,000 | $ 1,000 | |
| Transfers Out: | | | | | | | | |
| Administrative Fees | 0 | 300 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | $ 519 | $ 300 | $ 1,000 | $ 1,000 | $ 1,000 | $ 1,000 | $ 1,000 | $ 0 |
| Ending Balance, June 30 | $ 51,949 | $ 53,426 | $ 52,949 | $ 53,926 | $ 53,926 | $ 54,426 | $ 54,426 | $ 0 |
| **Increase (Decrease) in Fund Balance** | **$ (467)** | **$ 1,477** | **$ 500** | **$ 500** | **$ 500** | **$ 500** | **$ 500** | **$ 0** |

1. Amounts shown are comprised of thirteen individual trusts associated with specific graves or mausoleums at Greenwood Cemetery.

**MUSSER PUBLIC LIBRARY**

**TRUST FUNDS**

## GENERAL INFORMATION:

The City of Muscatine currently has one trust fund associated with the operation of the Library. Funds in this trust may only be used according to the provisions of the trust.

The Library Gift and Memorial Trust is comprised of donations from patrons of the Library. These donations are to be used for the benefit of the Library in general. Any gifts for specific purposes are used immediately so that the donor's request can be satisfied.

## CURRENT TRENDS AND ISSUES:

In 2020/2021, the library acquired the local cable Channel 5 programming station. The 2020/2021 expenditures included $29,521 for video equipment and operating costs of the station. Operating costs for this programming totaled $13,372 in 2021/2022. The Library Channel 5 station is available through the basic Muscatine Power and Water (MPW) cable package as well as Facebook. Technology will be added to the program to allow live viewing from a smartphone, tablet, computer, or stream on-demand via an app on a smart TV. This will make the information accessible for those without MPW cable service or those that live outside the viewing area. Operating costs for the Library Channel 5 programming are being funded from Friends of Musser Public Library and Enrich Iowa funds accounted for in the Library Trust.

The 2023/2024 and 2024/2025 budgets include $14,500 and $15,000, respectively, in operating expenditures for the Library Channel 5 programming. Annual expenditures for Library Channel 5 are being tracked in a subaccount of the Library Trust.

The 2023/2024 revised estimate expenditures total $30,900 which includes $14,500 for Channel 5 programming. The 2024/2025 budgeted expenditures total $31,500 which includes $15,000 for Channel 5. The estimated balance in this trust on June 30, 2025 is $147,201.

## Library Gift and Memorial Trust

### Fund Statement

| | Actual 2021/2022 | Actual 2022/2023 | Budget 2023/2024 | Department Revised Estimate 2023/2024 | Revised Estimate 2023/2024 | Department Budget Request 2024/2025 | City Admin. Recommendation Budget 2024/2025 | Budget 2024/2025 |
|---|---|---|---|---|---|---|---|---|
| Beginning Balance, July 1 | $ 54,757 | $ 53,138 | $ 57,138 | $ 95,301 | $ 95,301 | $ 129,201 | $ 129,201 | |
| Revenues | | | | | | | | |
| Donations | $ 14,665 | $ 39,041 | $ 16,000 | $ 27,100 | $ 27,100 | $ 12,000 | $ 12,000 | |
| Federal Grant - ARPA | 4,945 | 0 | 0 | 0 | 0 | 0 | 0 | |
| State Grant | 25,747 | 25,589 | 20,000 | 24,600 | 24,600 | 24,500 | 24,500 | |
| Miscellaneous Sales | 2,754 | 4,534 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | |
| LENA Program Donation | 0 | 0 | 8,400 | 10,600 | 10,600 | 10,500 | 10,500 | |
| Interest | 69 | 2,093 | 500 | 500 | 500 | 500 | 500 | |
| Total Revenues | $ 48,180 | $ 71,257 | $ 46,900 | $ 64,800 | $ 64,800 | $ 49,500 | $ 49,500 | $ 0 |
| Funds Available | $ 102,937 | $ 124,395 | $ 104,038 | $ 160,101 | $ 160,101 | $ 178,701 | $ 178,701 | $ 0 |
| Expenditures | | | | | | | | |
| Library Materials | $ 201 | $ 186 | $ 0 | $ 300 | $ 300 | $ 500 | $ 500 | |
| Contractual Services | 27,776 | 4,959 | 5,000 | 5,500 | 5,500 | 5,500 | 5,500 | |
| LENA Program Fees | 8,450 | 9,450 | 8,400 | 10,600 | 10,600 | 10,500 | 10,500 | |
| Library Channel 5 Programming: | | | | | | | | |
| Video Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Operations | 13,372 (2) | 14,499 (2) | 14,000 (2) | 14,500 | 14,500 (2) | 15,000 | 15,000 (2) | |
| Total Expenditures | $ 49,799 | $ 29,094 | $ 27,400 | $ 30,900 | $ 30,900 | $ 31,500 | $ 31,500 | $ 0 |
| Ending Balance, June 30 | $ 53,138 | $ 95,301 | $ 76,638 | $ 129,201 | $ 129,201 | $ 147,201 | $ 147,201 | $ 0 |
| **Increase (Decrease) in Fund Balance** | **$ (1,619)** | **$ 42,163** | **$ 19,500** | **$ 33,900** | **$ 33,900** | **$ 18,000** | **$ 18,000** | **$ 0** |

1. The Library acquired the Muscatine Power & Water (MPW) Channel 5 programming station in the 2020/2021 fiscal year and the 2020/2021 expenditures included start up costs for the new station.
2. The Library Channel 5 expenditures are being accounted for in a subaccount of the Library Trust.

## MUSCATINE ART CENTER

## TRUST FUNDS

### GENERAL INFORMATION:

The City of Muscatine has four trust funds associated with the operation of the Muscatine Art Center. Funds in these trusts may only be used according to the provisions of the trusts.

The gift of the Musser Mansion in 1965 by the heirs of Laura Musser, Mrs. Mary Musser Gilmore, and Mrs. Mary Catherine McWhirter, was the beginning of an art/museum facility in Muscatine. This building was to be used as a memorial art gallery and museum. In addition to the gift of property, a trust of $100,000 was established by McWhirter and Gilmore to be invested with the interest to be used to assist with the ongoing care and maintenance of the Museum. The principal is to remain intact. Funds from this trust have been used for the general upkeep of the mansion as well as major areas of conservation and preservation of objects owned by Laura Musser which are in the permanent collection. The 2023/2024 revised estimate and 2024/2025 budget each have expenditures of $4,000. The projected balance at the end of 2024/2025 is $105,062.

The $40,000 Alice Dodge Schaeffer Trust was established in 1976 to accompany a gift of primarily Victorian (c.1850) bedroom furnishings which was given as a memorial to Sarah Eaker Hughes, aunt of the donor. Interest from this trust has been used for the conservation of the initial gift of objects. The 2023/2024 revised estimate and 2024/2025 budget each have expenditures of $500 budgeted to be expended from this trust. The projected balance at the end of 2024/2025 is $49,576.

The Art Center Donations Trust is used for cash donations made by individuals, groups, or businesses to the Art Center. Any part of the Trust or its interest earnings may be used as designated by the Board of Trustees. This trust is traditionally used for the purchase of acquisitions for the permanent collection. A donor may also contribute funds through this trust to be used for designated object(s) to enrich a specific part of the collection or for the promotion of programs relating to Art Center collections or exhibitions. Additionally, funds from the sale of deaccession items from the permanent collection are credited to this trust. Other purchases are made at the direction of the Board of Trustees. In 2023/2024 a total of $22,500 in donations, grants, and interest, is budgeted to be received, and $21,000 is budgeted to be expended. The projected balance in this trust is $41,906 at the end of 2023/2024. Grants, donations, and interest budgeted to be received in 2024/2025 totals $20,000, and $42,500 is budgeted to be expended. The projected balance in this trust at the end of 2024/2025 is $19,406.

A bequest of $300,000 was received in 1999/2000 from the estate of Brad Burns and approximately $413,000 of additional funding from this estate was received in 2004/2005. Any part of the bequest or its interest earnings may be used as designated by the Board of Trustees. In 2008/2009 $134,989 was expended from this trust for acquisition of property next to the museum. In 2016/2017, $20,000 was transferred from this fund to the Community Foundation of Greater Muscatine. These funds combined with other sources will provide an annual grant for the Muscatine Art Center. The 2021/2022 expenditures included $295,000 for the purchase of the neighboring property. The purchase of this property was primarily to address collection storage concerns. A 2019 report from the Collections Assessment for Preservations assessors found collection storage concerns at the Art Center. An anonymous donor contributed $147,500 for the property purchase. The 2024/2025 budget includes $136,000 in expenditures. The 2024/2025 budget allocation is for design work for a building addition. The projected balance in this trust at the end of 2024/2025 is $2,655.

## McWhirter-Gilmore Trust

## Fund Statement

| | Actual 2021/2022 | Actual 2022/2023 | Budget 2023/2024 | Department Revised Estimate 2023/2024 | Revised Estimate 2023/2024 | Department Budget Request 2024/2025 | City Admin. Recommendation Budget 2024/2025 | Budget 2024/2025 |
|---|---|---|---|---|---|---|---|---|
| Beginning Balance, July 1 | $ 105,003 | $ 105,681 | $ 104,481 | $ 108,562 | $ 108,562 | $ 107,062 | $ 107,062 | |
| Revenues | | | | | | | | |
| Interest | 678 | 2,881 | 800 | 2,500 | 2,500 | 2,000 | 2,000 | |
| Funds Available | $ 105,681 | $ 108,562 | $ 105,281 | $ 111,062 | $ 111,062 | $ 109,062 | $ 109,062 | $ 0 |
| Expenditures | | | | | | | | |
| Contractual Services | $ 0 | $ 0 | $ 2,000 | $ 2,000 | $ 2,000 | $ 2,000 | $ 2,000 | |
| Capital Outlay | 0 | 0 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | |
| Total Expenditures | 0 | 0 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 0 |
| Ending Balance, June 30 | $ 105,681 | $ 108,562 | $ 101,281 | $ 107,062 | $ 107,062 | $ 105,062 | $ 105,062 | $ 0 |
| **Increase (Decrease) in Fund Balance** | **$ 678** | **$ 2,881** | **$ (3,200)** | **$ (1,500)** | **$ (1,500)** | **$ (2,000)** | **$ (2,000)** | **$ 0** |

## Alice Schaeffer Trust

## Fund Statement

| | Actual 2021/2022 | Actual 2022/2023 | Budget 2023/2024 | Department Revised Estimate 2023/2024 | Revised Estimate 2023/2024 | Department Budget Request 2024/2025 | City Admin. Recommendation Budget 2024/2025 | Budget 2024/2025 |
|---|---|---|---|---|---|---|---|---|
| Beginning Balance, July 1 | $ 47,207 | $ 47,483 | $ 47,483 | $ 48,776 | $ 48,776 | $ 49,276 | $ 49,276 | |
| Revenues | | | | | | | | |
| Interest | 276 | 1,293 | 500 | 1,000 | 1,000 | 800 | 800 | |
| Funds Available | $ 47,483 | $ 48,776 | $ 47,983 | $ 49,776 | $ 49,776 | $ 50,076 | $ 50,076 | $ 0 |
| Expenditures | 0 | 0 | 500 | 500 | 500 | 500 | 500 | |
| Ending Balance, June 30 | $ 47,483 | $ 48,776 | $ 47,483 | $ 49,276 | $ 49,276 | $ 49,576 | $ 49,576 | $ 0 |
| **Increase (Decrease) in Fund Balance** | **$ 276** | **$ 1,293** | **$ 0** | **$ 500** | **$ 500** | **$ 300** | **$ 300** | **$ 0** |

# Art Center Donations Trust

## Fund Statement

| | Actual 2021/2022 | Actual 2022/2023 | Budget 2023/2024 | Department Revised Estimate 2023/2024 | Revised Estimate 2023/2024 | Department Budget Request 2024/2025 | City Admin. Recommendation Budget 2024/2025 | Budget 2024/2025 |
|---|---|---|---|---|---|---|---|---|
| Beginning Balance, July 1 | $ 37,708 | $ 42,741 | $ 34,641 | $ 40,406 | $ 40,406 | $ 41,906 | $ 41,906 | |
| Revenues | | | | | | | | |
| Donations | $ 10,175 | $ 13,613 | $ 4,800 | $ 2,500 | $ 2,500 | $ 2,500 | $ 2,500 | |
| Special Project Donations | 4,134 | 75 | 0 | 3,000 | 3,000 | 3,000 | 3,000 | |
| Interest | 45 | 963 | 100 | 500 | 500 | 500 | 500 | |
| Art Center Grants | 39,700 | 0 | 5,000 | 7,500 | 7,500 | 5,000 | 5,000 | |
| Miscellaneous Sales | 285 | 1,210 | 500 | 500 | 500 | 500 | 500 | |
| Reimbursement of Expense | 3,587 | 1,542 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 | |
| Miscellaneous - Other | 6,110 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total Revenues | $ 64,036 | $ 17,403 | $ 18,900 | $ 22,500 | $ 22,500 | $ 20,000 | $ 20,000 | $ 0 |
| Funds Available | $ 101,744 | $ 60,144 | $ 53,541 | $ 62,906 | $ 62,906 | $ 61,906 | $ 61,906 | $ 0 |
| Expenditures | | | | | | | | |
| Art Center Materials | $ 3,005 | $ 935 | $ 3,500 | $ 5,000 | $ 5,000 | $ 8,500 | $ 8,500 | |
| Contractual Services | 55,528 | 18,803 | 6,000 | 8,000 | 8,000 | 6,000 | 6,000 | |
| Capital Outlay | 470 | 0 | 1,000 | 8,000 | 8,000 | 28,000 | 28,000 | |
| Total Expenditures | $ 59,003 | $ 19,738 | $ 10,500 | $ 21,000 | $ 21,000 | $ 42,500 | $ 42,500 | $ 0 |
| Ending Balance, June 30 | $ 42,741 | $ 40,406 | $ 43,041 | $ 41,906 | $ 41,906 | $ 19,406 | $ 19,406 | $ 0 |
| **Increase (Decrease) in Fund Balance** | **$ 5,033** | **$ (2,335)** | **$ 8,400** | **$ 1,500** | **$ 1,500** | **$ (22,500)** | **$ (22,500)** | **$ 0** |

## Brad Burns Trust

## Fund Statement

| | Actual 2021/2022 | Actual 2022/2023 | Budget 2023/2024 | Department Revised Estimate 2023/2024 | Revised Estimate 2023/2024 | Department Budget Request 2024/2025 | City Admin. Recommendation Budget 2024/2025 | Budget 2024/2025 |
|---|---|---|---|---|---|---|---|---|
| Beginning Balance, July 1 | $ 293,781 | $ 135,706 | $ 132,006 | $ 133,655 | $ 133,655 | $ 136,655 | $ 136,655 | |
| Revenues | | | | | | | | |
| Donation | $ 147,500 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | |
| Interest | 1,636 | 3,603 | 2,000 | 3,000 | 3,000 | 2,000 | 2,000 | |
| Funds Available | $ 442,917 | $ 139,309 | $ 134,006 | $ 136,655 | $ 136,655 | $ 138,655 | $ 138,655 | $ 0 |
| Expenditures | | | | | | | | |
| Contractual Services | $ 9,373 | $ 5,654 | $ 125,000 | $ 0 | $ 0 | $ 136,000 | $ 136,000 | |
| Capital Outlay | 297,838 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total Expenditures | $ 307,211 | $ 5,654 | $ 125,000 | $ 0 | $ 0 | $ 136,000 | $ 136,000 | $ 0 |
| Ending Balance, June 30 | $ 135,706 | $ 133,655 | $ 9,006 | $ 136,655 | $ 136,655 | $ 2,655 | $ 2,655 | $ 0 |
| **Increase (Decrease) in Fund Balance** | **$ (158,075)** | **$ (2,051)** | **$ (123,000)** | **$ 3,000** | **$ 3,000** | **$ (134,000)** | **$ (134,000)** | **$ 0** |

## DEBT SERVICE FUND

### GENERAL INFORMATION:

Bond and interest payments on outstanding long-term debt are basically made from two (2) types of debt repayment funds: the Debt Service Fund and Revenue Sinking Funds. Revenue Sinking Funds are considered part of the Enterprise Fund structure and consequently are included in that section of the budget document.

The Debt Service Fund accounts for general obligation (G.O.) bonds, which are backed by the full faith and credit of the City of Muscatine. As of July 1, 2024, the City's G.O. bonds outstanding on existing bond issues will total $12,090,000. The City will be issuing $4,880,000 in new general obligation bonds in June of 2024. This will bring the total G.O. bonds outstanding on July 1, 2024 to $16,970,000. This amount includes debt that will be funded from enterprise and tax increment funds.

In August of 2023, the City entered into a general obligation State Revolving Fund (SRF) Loan of $8,000,000 to finance Phases 6-A and 6-B of the West Hill Sewer Separation project. This loan will be repaid with local option sales tax funds and does not impact the City's general obligation debt service tax levy rate. Additional SRF general obligation loans will be issued for Phase 6-C and Phases 6-D and 6-E of the West Hill Sewer Separation project. The West Hill Sewer project is mandated by an E.P.A. Consent Order to be completed by 2028.

The City traditionally issues bonded debt every other year. A list of the projects to be funded from the May 2024 issue and the estimated bond funding requirements are in the following chart.

**City of Muscatine**
**Projects to be Funded from the May 2024 Bond Issue**
**1/25/2024**

| | Original Estimate of Bond Requirements | Updated 2024 Bond Requirements |
|---|---|---|
| **Community Development:** | | |
| Building Demolition Projects | $ 200,000 | $ 200,000 |
| **Parks:** | | |
| Soccer Fields #1 - #6 Irrigation System Improvements | 255,000 | 221,000 |
| Weed Park Lagoon Bank Stabilization Project | 500,000 | 500,000 |
| Indoor Sports Dome (Local Share) | 600,000 | 700,000 |
| **Deferred Building Maintenance Projects:** | | |
| Roofs, Windows, Doors, etc. | 200,000 | 260,000 |
| **Airport Projects:** | | |
| Taxiway Widening Project (Local Share) | 50,000 | 49,000 |
| Relocate Fuel System Phase 1 (Local Share) | 100,000 | 100,000 |
| Airport Snow Removal Equipment | 22,500 | - |
| Lights, PAPIs, and REILs for Runway 12/30 (Local Share) | 65,000 | 65,000 |
| Relocate Jet A Fuel Tank (Local Share) | 80,000 | 80,000 |
| **Police Department:** | | |
| Training Facility (Shooting Range, etc.) - City's 50% Share | 1,000,000 | 700,000 |
| **Fire Department:** | | |
| Fire Engine | 925,000 | 918,000 |
| New Ambulance | 276,000 | 280,000 |
| **Public Works Department:** | | |
| Vehicle Wash Bay - Local Share | 212,500 | 205,000 |
| Public Works Fuel Tank and Pump Replacements | 514,000 | 500,000 |
| **Estimated Total Bond Issue (Before Issuance Costs)** | **$ 5,000,000** | **$ 4,778,000** |
| Estimated Bond Issuance Costs/Underwriters Discount | $ 120,000 | 102,000 |
| **Estimated Total Bond Issue** | **$ 5,120,000** | **$ 4,880,000** |

## CURRENT TRENDS AND ISSUES:

The debt service tax levy rate for the current 2023/2024 fiscal year is $2.04192 per $1,000 of valuation. This rate will decrease to $1.98112 (a decrease of 2.8%) for 2024/2025. This reduction was possible due to structuring the principal payments for the June 2024 bond issue to have a reduced principal amount due in the first year (2024/2025). The budget also proposes to use $40,000 of the balance in the debt service fund to fund debt requirements in 2024/2025. This was done to keep the City's overall property tax rate to a minimal increase over the prior year.

The City's financial consultant, Public Financial Management Inc. (PFM), assists the City with debt analysis as well as debt issuance. In planning for the City's bond issues, PFM does an analysis of the amount of debt that the City can issue without significantly impacting the debt service tax levy rate. PFM also structures the debt repayment schedules for new issues to try to avoid if possible, or minimize future increases in the debt service tax levy rate. It should be noted, however, that the debt service tax levy rates going forward will be impacted by the phase-out of the State reimbursement for the commercial and industrial rollback over the next five years.

Revenues from property taxes, utility tax replacement funds, the State commercial and industrial property tax replacement funds, the State business property tax credit reimbursement, interest, and $40,000 from the debt service fund balance total $2,350,310. This is the approximate amount necessary to support debt payments of $2,018,426 (the total estimated requirement for property tax supported debt in 2024/2025), the estimated debt service requirements on the June 2024 bond issue of $328,384, and the $3,500 bond paying agent fees. Funds from the Southend Tax Increment fund will fund $354,700 and funds from the Water Pollution Control fund will fund $92,650 of general obligation debt requirements in 2024/2025. Local option sales tax funds will fund the $891,000 in loan principal and interest due in 2024/2025 on the SRF loan for Phases 6-A and 6-B for the West Hill Sewer Separation project.

The State of Iowa limits the amount of general obligation bonds which a city may issue. This limitation is 5% of actual valuation of all property within the city limits. The computation for the legal debt margin for the City of Muscatine as of July 1, 2024 is as follows:

**City of Muscatine**
**Legal Debt Margin Estimate**
**As of July 1, 2024**

| | | | |
|---|---|---|---|
| **Actual Valuation January 1, 2022** | | | $ 1,907,143,338 |
| State Limit (5%) | | | 0.05 |
| **Debt Limit** | | | $ 95,357,167 |
| **Bonded Debt:** | | | |
| Current General Obligation Debt July 1, 2024 | $ 12,090,000 | | |
| New General Obligation Bond Issue in June 2024 | 4,880,000 | | |
| General Obligation State Revolving Fund Loan | 8,000,000 | | |
| | | $ 24,970,000 | |
| **Percent of Debt Limit Used (Before Tax Increment Rebate Obligations)** | | 26.2% | |
| **Estimated Tax Increment Rebate Obligations July 1, 2024:** | | | |
| R.L. Fridley Theatres Inc. - 15 years to maximum of $1,500,000; declining percentages 95% to 50% (began in 2015/2016). | $ 925,646 | | |
| R.L. Fridley Theatres Inc. - Outlot #1 - 10 years 50% to maximum of $1,500,000 for all of the Outlots (Outlot #1 to begin in 2023/2024) <u>Subject to annual appropriation;</u> Annual appropriation for FY 25 listed. | 14,000 | | |
| Wal-View Developments Project #1 - 10 years to maximum of $5,000,000; 100% for five years; 50% for five years (began in 2015/2016) <u>Subject to annual appropriation;</u> only next year considered debt for legal debt margin computation; Annual appropriation for FY 25 is listed. | 320,000 | | |
| Wal-View Developments Project #2 - 10 years to maximum of $2,000,000; declining percentages 100%, 90%, 80%, 70%, 60%, 60%, 50%, 50%, 40%, 40%; (began in 2017/2018). <u>Subject to annual appropriation.</u> Annual appropriation for FY 25 is listed. | 175,000 | | |
| Riverview Hotel Development - 20 years to maximum of $6,150,000; declining percentages Years 1-5 100%, Years 6-7 95%, Years 8-15 75%, Years 16-20 50% (began in 2019/2020). <u>Subject to annual appropriation.</u> Annual appropriation for FY 25 is listed. | 400,000 | | |
| Harrison Lofts LLC Development Agreement - 15 years with years 1-6 at 75% and years 7-15 at 70% to a maximum of $675,000 (began in 2019/2020). <u>Subject to annual appropriation.</u> Annual appropriation for FY 25 is listed. | 38,000 | | |
| HNI Corporation Development Agreement - 50% for 10 years to a maximum of $3,811,000 (began in 2019/2020). <u>Subject to annual appropriation.</u> Annual appropriation for FY 25 is listed. | 107,000 | | |
| White Distribution & Supply Development Agreement - 50% for 10 years to a maximum of $445,000 (began in 2020/2021). <u>Subject to annual appropriation.</u> Annual appropriation for FY 25 is listed. | 78,000 | | |
| TIF Oak Park Development Agreement - 70% for 15 years to a maximum of $497,445 (began in 2022/2023). <u>Subject to annual appropriation;</u> Annual appropriation for FY 25 is listed. | 30,000 | | |
| NPSW Development Agreement -75% for up to 3 phases with each phase for 10 years to a maximum of $750,000 (first phase to begin in 2023/2024). <u>Subject to annual appropriation;</u> Annual appropriation for FY 25 listed | 40,000 | | |
| Bush Development LLC and Hershey Property LLC Development Agreement - 100% for 10 years to a maximum of $700,000 (began in 2021/2022). <u>Subject to annual appropriation.</u> Annual appropriation for FY 25 is listed. | 73,000 | | |
| Musco Sports Lighting LLC Development Agreement - 50% for 10 years to a maximum of $515,000 (began in 2022/2023). <u>Subject to annual appropriation;</u> Annual appropriation for FY 25 is listed. | 60,000 | | |
| MVHA Colorado Lofts Development Agreement - 100% for 10 years to a maximum of $460,000 (will begin in 2023/2024). <u>Subject to annual appropriation;</u> Annual appropriation for FY 25 is listed. | 40,000 | | |
| MVHA Grandview Lofts Development Agreement - 100% for 10 years to a maximum of $460,000 (will begin in 2023/2024). <u>Subject to annual appropriation;</u> Annual appropriation for FY 25 is listed. | 36,000 | | |
| JNB Family 1 LP Steamboat Apartments Development Agreement - 70% for 15 years to a maximum of $460,000 (will begin in 2024/2025). Subject to annual appropriation. Annual appropriation for FY 25 listed. | 30,000 | | |
| Love's Travel Stops and Country Stores, Inc. Development Agreement - 50% for 20 years to a maximum of $1,130,000; payments will begin in 2024/2025) <u>Subject to annual appropriation.</u> Annual appropriation for FY 25 is listed. | 70,000 | | |
| | | $ 2,436,646 | |
| **Percent of Debt Limit Used for Tax Increment Rebate Obligations** | | 2.6% | |
| **Total Debt Subject to Debt Limit** | | | 27,406,646 |
| **Legal Debt Margin** | | | $ 67,950,521 |
| **Percent of Legal Debt Limit Used** | | | 28.7% |

The City's debt policy provides that 40% of the legal debt limit is to be reserved for emergency purposes. Following is a computation of the City's debt margin using the self-imposed debt limit:

| | | |
|---|---|---|
| **City's Self-Imposed Limit - 60% of the Legal Limit** | $ | **57,214,300** |
| **Total Debt Subject to Debt Limit** | | **27,406,646** |
| **Debt Margin Using Self-Imposed Limit** | $ | **29,807,654** |
| **Percent of Self-Imposed Debt Limit Used** | | **47.9%** |

The City's general obligation debt on a per capita basis is $1,049.29 as of June 30, 2024.

It should be noted that the policy reserving 40% of the legal debt limit for emergency purposes was put in place before TIF rebates were required to be counted as debt subject to the debt limit. The full amounts of the TIF rebate agreements subject to annual appropriations are not required to be included as debt in the computation of the legal debt margin, only the payments for the fiscal year after the annual appropriation is approved. Annual appropriation resolutions were approved by City Council in November of 2023 for fifteen (15) TIF rebates to be paid in 2024/2025. It is proposed that future TIF rebate agreements continue to be subject to annual appropriations to limit the amount of debt that is required to be considered for the legal debt limit computation.

Although tax increment rebate obligations are required by State law to be included in the computation of the debt subject to the debt limit, these obligations are totally financed by incremental taxes received from the benefited property. Additionally, although certain portions of the general obligation debt are funded solely from user fees and sources other than property taxes, these issues are also required by State law to be considered in the computation of the City of Muscatine's legal debt margin.

## Debt Service Fund
## General Obligation Bonds
## Fund Statement

| | Actual 2021/2022 | Actual 2022/2023 | Budget 2023/2024 | Department Revised Estimate 2023/2024 | City Admin. Revised Estimate 2023/2024 | Department Budget Request 2024/2025 | City Admin. Recommendation Budget 2024/2025 | Budget 2024/2025 |
|---|---|---|---|---|---|---|---|---|
| Beginning Balance, July 1 | $ 104,143 | $ 111,601 | $ 67,860 | $ 92,192 | $ 92,192 | $ 96,157 | $ 96,157 | |
| Revenues | | | | | | | | |
| Property Tax | $ 2,362,274 | $ 2,237,601 (1) | $ 2,248,596 | $ 2,248,596 | $ 2,248,596 | $ 2,272,551 | $ 2,182,363 (4) | |
| Utility Tax Replacement Excise Tax | 8,158 | 7,454 | 6,799 | 6,799 | 6,799 | 192,196 | 7,500 (4) | |
| Commercial and Industrial Replacement Funds | 90,987 | 76,685 | 69,012 | 69,012 | 69,012 | 53,190 | 51,701 | |
| Business Property Tax Credit Reimbursement | 0 | 0 | 52,989 | 52,989 | 52,989 | 52,989 | 48,746 | |
| Interest | 927 | 21,525 | 1,000 | 5,000 | 5,000 | 1,000 | 20,000 | |
| Transfers In: | | | | | | | | |
| Southend Tax Increment Fund | 352,900 | 357,000 | 355,900 | 355,900 | 355,900 | 354,700 | 354,700 | |
| Water Pollution Control Fund | 92,950 | 95,150 | 91,400 | 91,400 | 91,400 | 92,650 | 92,650 | |
| Local Option Sales Tax Fund (for SRF Loan) | 0 | 0 | 0 | 125,778 | 125,778 | 891,000 | 891,000 | |
| Total Revenues | $ 2,908,196 | $ 2,795,415 | $ 2,825,696 | $ 2,955,474 | $ 2,955,474 | $ 3,910,276 | $ 3,648,660 | $ 0 |
| Funds Available | $ 3,012,339 | $ 2,907,016 | $ 2,893,556 | $ 3,047,666 | $ 3,047,666 | $ 4,006,433 | $ 3,744,817 | $ 0 |
| Expenditures | | | | | | | | |
| General Obligation Bonds: | | | | | | | | |
| Charges for Services | $ 3,000 | $ 2,800 | $ 3,500 | $ 3,500 | $ 3,500 | $ 3,500 | $ 3,500 | |
| Bonds | 2,555,000 | 2,295,000 | 2,375,000 | 2,375,000 | 2,375,000 | 2,090,000 | 2,090,000 | |
| Interest | 342,738 | 517,024 | 447,231 | 447,231 | 447,231 | 375,776 | 375,776 | |
| State Revolving Fund Loan (General Obligation): | | | | | | | | |
| Bonds | 0 | 0 | 0 | 0 | 0 | 731,000 | 731,000 | |
| Interest | 0 | 0 | 0 | 125,778 (2) | 125,778 (2) | 160,000 | 160,000 | |
| Estimated Debt Requirements New Issue: | | | | | | | | |
| Bonds | 0 | 0 | 0 | 0 | 0 | 295,000 (3) | 100,000 (4) | |
| Interest | 0 | 0 | 0 | 0 | 0 | 255,000 (3) | 228,384 (4) | |
| Total Expenditures | $ 2,900,738 | $ 2,814,824 | $ 2,825,731 | $ 2,951,509 | $ 2,951,509 | $ 3,910,276 | $ 3,688,660 | $ 0 |
| Ending Balance, June 30 | $ 111,601 | $ 92,192 | $ 67,825 | $ 96,157 | $ 96,157 | $ 96,157 | $ 56,157 | $ 0 |
| **Increase (Decrease) in Fund Balance** | **$ 7,458** | **$ (19,409) (1)** | **$ (35) (3)** | **$ 3,965** | **$ 3,965** | **$ 0** | **$ (40,000)** | **$ 0** |
| Debt Service Tax Levy Rates (Per $1,000 of Taxable Valuation) | $ 2.32232 | $ 2.20086 | $ 2.04192 | $ 2.04192 | $ 2.04192 | $ 2.19804 | $ 1.98512 | |

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 year 2023/2024 on the SRF loan is shown; the actual interest will be based on the timing of the drawdown requests under this loan.
3. The preliminary budget for 2024/2025 included estimates of the debt service requirements on the May 2024 bond issue. These estimates were based on an estimated $5.1 million bond issue with a 5% interest rate (PFM estimate in March of 2023).
4. The recommended budget is based on a $4,880,000 bond issue with a lower principal amount in the first year payments due in 2024/2025, as well as using $40,000 of debt service fund balance. This allowed the debt service tax levy rate (and overall City tax rate) to be reduced by approximately $.21

# City of Muscatine, Iowa

Proposed General Obligation Bonds, Series 2024

**EXHIBIT 2**

| SOURCES & USES | |
|---|---|
| **SOURCES** | |
| Par Amount of Bonds | 4,880,000.00 |
| Accrued Interest | 0.00 |
| Other Monies | 0.00 |
| | ---------------- |
| Total Sources | 4,880,000.00 |
| **USES** | |
| Deposit to Construction Account | 4,778,000.00 |
| Deposit to Reserve Account | 0.00 |
| Capitalized Interest Account | 0.00 |
| Municipal Bond Insurance | 0.00 |
| Underwriters' Discount ($8.50 per bond) | 41,480.00 |
| Costs of Issuance | 58,000.00 |
| Accrued Interest | 0.00 |
| Rounding Amount | 2,520.00 |
| | ---------------- |
| Total Uses | 4,880,000.00 |
| **ASSUMPTIONS** | |
| Dated Date | 6/5/2024 |
| Delivery Date | 6/5/2024 |
| First Interest Date | 12/1/2024 |
| First Principal Date | 6/1/2025 |
| Last Principal Date | 6/1/2034 |

| | |
|---|---|
| Arbitrage Yield | 4.61930% |
| TIC | 4.77975% |
| AIC | 5.00726% |
| Average Life | 6.37 Years |

**DEBT SERVICE SCHEDULE**

| | Date | Principal | Coupon | Interest | Debt Service | Annual Debt Service |
|---|---|---|---|---|---|---|
| | 12/1/2024 | | | 112,909 | 112,909 | |
| 0.99 | 6/1/2025 | 100,000 | 5.000% | 115,475 | 215,475 | 328,384 |
| | 12/1/2025 | | | 112,975 | 112,975 | |
| 1.99 | 6/1/2026 | 355,000 | 5.000% | 112,975 | 467,975 | 580,950 |
| | 12/1/2026 | | | 104,100 | 104,100 | |
| 2.99 | 6/1/2027 | 360,000 | 5.000% | 104,100 | 464,100 | 568,200 |
| | 12/1/2027 | | | 95,100 | 95,100 | |
| 3.99 | 6/1/2028 | 500,000 | 5.000% | 95,100 | 595,100 | 690,200 |
| | 12/1/2028 | | | 82,600 | 82,600 | |
| 4.99 | 6/1/2029 | 525,000 | 5.000% | 82,600 | 607,600 | 690,200 |
| | 12/1/2029 | | | 69,475 | 69,475 | |
| 5.99 | 6/1/2030 | 550,000 | 5.000% | 69,475 | 619,475 | 688,950 |
| | 12/1/2030 | | | 55,725 | 55,725 | |
| 6.99 | 6/1/2031 | 580,000 | 5.000% | 55,725 | 635,725 | 691,450 |
| | 12/1/2031 | | | 41,225 | 41,225 | |
| 7.99 | 6/1/2032 | 605,000 | 5.000% | 41,225 | 646,225 | 687,450 |
| | 12/1/2032 | | | 26,100 | 26,100 | |
| 8.99 | 6/1/2033 | 640,000 | 4.000% | 26,100 | 666,100 | 692,200 |
| | 12/1/2033 | | | 13,300 | 13,300 | |
| 9.99 | 6/1/2034 | 665,000 | 4.000% | 13,300 | 678,300 | 691,600 |
| | 12/1/2034 | | | | | |
| 10.99 | 6/1/2035 | | | | | |
| | 12/1/2035 | | | | | |
| 11.99 | 6/1/2036 | | | | | |
| | 12/1/2036 | | | | | |
| 12.99 | 6/1/2037 | | | | | |
| | 12/1/2037 | | | | | |
| 13.99 | 6/1/2038 | | | | | |
| | 12/1/2038 | | | | | |
| 14.99 | 6/1/2039 | | | | | |
| | 12/1/2039 | | | | | |
| 15.99 | 6/1/2040 | | | | | |
| | 12/1/2040 | | | | | |
| 16.99 | 6/1/2041 | | | | | |
| | 12/1/2041 | | | | | |
| 17.99 | 6/1/2042 | | | | | |
| | 12/1/2042 | | | | | |
| 18.99 | 6/1/2043 | | | | | |
| | 12/1/2043 | | | | | |
| 19.99 | 6/1/2044 | | | | | |
| | | 4,880,000 | | 1,429,584 | 6,309,584 | 6,309,584 |

Scale : Estimated Interest Rates for Aa2/BQ pricing

# City of Muscatine, Iowa

**EXHIBIT 1**

**Financial Planning for Capital Projects**
**Projection of Tax Levies & Tax Rate Impact**

| Tax Rate Impacts | |
|---|---|
| Tax Impact FY 23-24 | ($0.159) |
| Tax Impact FY 24-25 | |
| Tax Impact FY 25-26 | $0.120 |

Par Amount => $4,880,000 $5,105,000
Project Fund Amount => $4,778,000 $5,000,000

| Fiscal Year Payable | Total Tax Valuation | Valuation Growth | Current Taxes Levied | Current Tax Rate/ $1,000 | Abatements WPC | Abatements Downtown TIF | Abatements State Reimb. | Other Moneys | Total Revenues | Total Outstanding Bonds | Proposed Series 2024 | Proposed Series 2026 | Other | Fiscal Fees | Total Uses | Surplus Uses | Ending Fund Balance | Accrual Adjmt | Ending Cash Balance |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2018 - 2019 | 938,350,908 | 2.7% | 2,380,305 | 2.53669 | | 207,100 | 102,819 | 32,325 | 2,722,549 | 2,781,678 | | | | 2,600 | 2,784,278 | (61,729) | 182,784 | (3,649) | 159,590 |
| 2019 - 2020 | 968,101,368 | 3.2% | 2,517,238 | 2.60018 | | 206,250 | 106,111 | 7,520 | 2,837,119 | 2,879,190 | | | | 2,900 | 2,882,090 | (44,971) | 137,813 | (91,520) | 23,099 |
| 2020 - 2021 | 977,902,166 | 1.0% | 2,297,630 | 2.34955 | 0 | 347,733 | 91,478 | 25,997 | 2,762,838 | 2,793,766 | | | 43 | 2,700 | 2,796,509 | (33,670) | 104,143 | 93,801 | 83,230 |
| 2021 - 2022 | 1,017,736,488 | 4.1% | 2,363,510 | 2.32232 | 90,987 | 352,900 | | 7,849 | 2,815,246 | 2,804,788 | | | | 3,000 | 2,807,788 | 7,459 | 111,601 | 2,417 | 93,105 |
| 2022 - 2023 | 1,016,928,296 | (0.1%) | 2,238,117 | 2.20086 | 0 | 357,000 | 76,685 | 28,463 | 2,700,265 | 2,716,874 | | | 1 | 2,800 | 2,719,675 | (19,410) | 92,192 | (1,987) | 71,709 |
| 2023 - 2024 | 1,104,546,432 | 8.6% | 2,255,395 | 2.04192 | 91,400 | 355,900 | 122,036 | 1,000 | 2,825,731 | 2,730,830 | | | | 3,500 | 2,734,330 | 91,401 | 183,593 | | 163,110 |
| 2024 - 2025 | 1,103,139,089 | (0.1%) | 2,252,522 | 2.04192 | 92,650 | 354,700 | | | 2,699,872 | 2,373,125 | 328,384 | | | 3,500 | 2,705,009 | (5,137) | 178,456 | | 157,973 |
| 2025 - 2026 | 1,161,184,978 | 5.3% | 2,510,875 | 2.16234 | 93,650 | 353,400 | | | 2,957,925 | 2,373,475 | 580,950 | | | 3,500 | 2,957,925 | | 178,456 | | 157,973 |
| 2026 - 2027 | 1,143,114,164 | (1.6%) | 2,470,438 | 2.16115 | 90,250 | 352,000 | | | 2,912,688 | 1,945,213 | 568,200 | 395,775 | | 3,500 | 2,912,688 | | 178,456 | | 157,973 |
| 2027 - 2028 | 1,208,284,359 | 5.7% | 2,618,663 | 2.16726 | 92,700 | 355,500 | | | 3,066,863 | 1,943,713 | 690,200 | 429,450 | | 3,500 | 3,066,863 | | 178,456 | | 157,973 |
| 2028 - 2029 | 1,232,450,046 | 2.0% | 2,556,438 | 2.07427 | | 353,800 | | | 2,910,238 | 1,455,613 | 690,200 | 760,925 | | 3,500 | 2,910,238 | | 178,456 | | 157,973 |
| 2029 - 2030 | 1,257,099,047 | 2.0% | 2,554,563 | 2.03211 | | 357,000 | | | 2,911,563 | 1,455,413 | 688,950 | 763,700 | | 3,500 | 2,911,563 | | 178,456 | | 157,973 |
| 2030 - 2031 | 1,282,241,028 | 2.0% | 2,248,688 | 1.75372 | | | | | 2,248,688 | 788,913 | 691,450 | 764,825 | | 3,500 | 2,248,688 | | 178,456 | | 157,973 |
| 2031 - 2032 | 1,307,885,848 | 2.0% | 2,245,113 | 1.71660 | | | | | 2,245,113 | 789,863 | 687,450 | 764,300 | | 3,500 | 2,245,113 | | 178,456 | | 157,973 |
| 2032 - 2033 | 1,334,043,565 | 2.0% | 1,457,825 | 1.09279 | | | | | 1,457,825 | | 692,200 | 762,125 | | 3,500 | 1,457,825 | | 178,456 | | 157,973 |
| 2033 - 2034 | 1,360,724,436 | 2.0% | 1,458,400 | 1.07178 | | | | | 1,458,400 | | 691,600 | 763,300 | | 3,500 | 1,458,400 | | 178,456 | | 157,973 |
| 2034 - 2035 | 1,387,938,925 | 2.0% | 766,050 | 0.55193 | | | | | 766,050 | | | 762,550 | | 3,500 | 766,050 | | 178,456 | | 157,973 |
| 2035 - 2036 | 1,415,697,704 | 2.0% | 768,375 | 0.54275 | | | | | 768,375 | | | 764,875 | | 3,500 | 768,375 | | 178,456 | | 157,973 |
| 2036 - 2037 | 1,444,011,658 | 2.0% | 3,500 | 0.00242 | | | | | 3,500 | | | | | 3,500 | 3,500 | | 178,456 | | 157,973 |

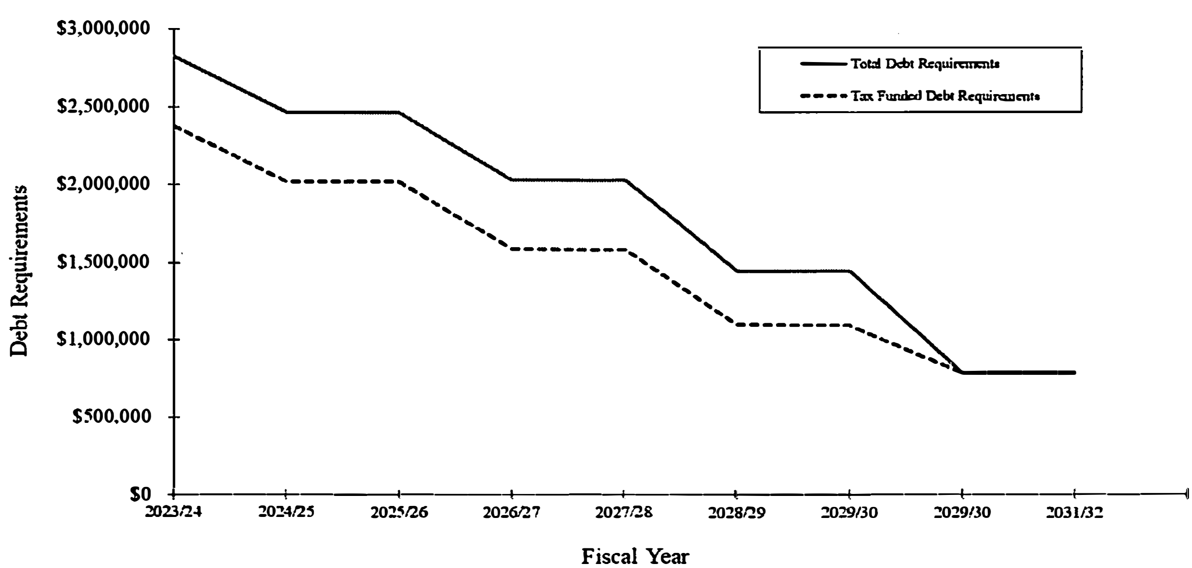
## DEBT SERVICE FUND

## SUMMARY OF BOND AND INTEREST REQUIREMENTS

## CURRENT GENERAL OBLIGATION BONDS

| Fiscal Year | Principal | Interest | Total Requirements Current Debt | Water Pollution Control and TIF Funded Debt Requirements | Expected Tax Funded Debt Requirements |
|---|---|---|---|---|---|
| 2023/24 | $ 2,375,000 | $ 447,231 | $ 2,822,231 | $ 447,300 | $ 2,374,931 |
| 2024/25 | 2,090,000 | 375,776 | 2,465,776 | 447,350 | 2,018,426 |
| 2025/26 | 2,160,000 | 307,126 | 2,467,126 | 447,050 | 2,020,076 |
| 2026/27 | 1,795,000 | 240,463 | 2,035,463 | 442,250 | 1,593,213 |
| 2027/28 | 1,850,000 | 186,413 | 2,036,413 | 448,200 | 1,588,213 |
| 2028/29 | 1,325,000 | 130,613 | 1,455,613 | 353,800 | 1,101,813 |
| 2029/30 | 1,365,000 | 90,413 | 1,455,413 | 357,000 | 1,098,413 |
| 2029/30 | 740,000 | 48,913 | 788,913 | - | 788,913 |
| 2031/32 | 765,000 | 24,863 | 789,863 | - | 789,863 |
| Total | $ 14,465,000 | $ 1,851,811 | $ 16,316,811 | $ 2,942,950 | $ 13,373,861 |

**Annual Bond and Interest Requirements - General Obligation Bonds**



## DEBT SERVICE FUND

## STATEMENT OF BOND AND INTEREST REQUIREMENTS

### General Obligation Corporate Purpose and Refunding Bonds

### Cedar Street Improvements Series B, Colorado Street Series B, Airport Improvements, Library Building Improvements, and Ambulance Equipment

### $2,575,000 Total Issue Dated June 2, 2014

| Fiscal Year | Principal | Interest | Total Requirements |
|---|---|---|---|
| 2023/24 | $ 405,000 | $ 8,505 | $ 413,505 |
| Total | $ 405,000 | $ 8,505 | $ 413,505 |

## DEBT SERVICE FUND

## STATEMENT OF BOND AND INTEREST REQUIREMENTS

### General Obligation Corporate Purpose and Refunding Bonds

### Mulberry Avenue Street Improvements, Art Center HVAC and Building Envelope, Other Public Building Improvements, Airport Runway and Other Airport Improvements, Parks Improvements, and Building Demolitions

### $4,550,000 Total Issue Dated May 26, 2016

| Fiscal Year | Principal | Interest | Total Requirements |
|---|---|---|---|
| 2023/24 | $ 450,000 | $ 30,513 | $ 480,513 |
| 2024/25 | 460,000 | 21,513 | 481,513 |
| 2025/26 | 470,000 | 11,163 | 481,163 |
| Total | $ 1,380,000 | $ 63,189 | $ 1,443,189 |

# DEBT SERVICE FUND

## STATEMENT OF BOND AND INTEREST REQUIREMENTS

### General Obligation Corporate Purpose Bonds

### Aerial Fire Truck, Musser Public Library and HNI Community Center Remodeling, Other Public Building Improvements, Airport Improvement Projects, New Trail Projects, Various Parks Improvement Projects, and Water Pollution Control Plan Digester Conversion Project

### $4,090,000 Total Issue Dated May 23, 2018

| Fiscal Year | Principal | Interest | Total Requirements |
|---|---|---|---|
| 2023/24 | $ 475,000 | $ 102,900 | $ 577,900 |
| 2024/25 | 500,000 | 79,150 | 579,150 |
| 2025/26 | 525,000 | 54,150 | 579,150 |
| 2026/27 | 545,000 | 33,150 | 578,150 |
| 2027/28 | 560,000 | 16,800 | 576,800 |
| Total | $ 2,605,000 | $ 286,150 | $ 2,891,150 |

## DEBT SERVICE FUND

## STATEMENT OF BOND AND INTEREST REQUIREMENTS

### General Obligation Corporate Purpose Bonds

### Purchase of IDOT Maintenance Facility Property, Park Avenue 4-Lane to 3-Lane Conversion, Parks Fencing, Playground, and Soccer Field Improvements, Deferred Building Maintenance Projects, West Side Trail, Transfer Station Fire Suppression System, 2nd Street Streetscaping, and New Airport Hangars and Apron Expansion

### $6,310,000 Total Issue Dated May 7, 2020

| Fiscal Year | Principal | Interest | Total Requirements |
|---|---|---|---|
| 2023/24 | $ 580,000 | $ 86,400 | $ 666,400 |
| 2024/25 | 595,000 | 74,800 | 669,800 |
| 2025/26 | 605,000 | 62,900 | 667,900 |
| 2026/27 | 615,000 | 50,800 | 665,800 |
| 2027/28 | 630,000 | 38,500 | 668,500 |
| 2028/29 | 640,000 | 25,900 | 665,900 |
| 2029/30 | 655,000 | 13,100 | 668,100 |
| Total | $ 4,320,000 | $ 352,400 | $ 4,672,400 |

## DEBT SERVICE FUND

## STATEMENT OF BOND AND INTEREST REQUIREMENTS

### General Obligation Corporate Purpose Bonds

### Grandview Avenue Reconstruction, Park Avenue 4-Lane to 3-Lane Conversion (Series B), Former Kum and Go Property Purchase, Dilapidated Building Demolitions, Local Share of Flood Damages, City Building Deferred Maintenance Projects, Transfer Station Tipping Floor Replacement, Park Playgrounds and Aquatic Center Improvements, Public Safety Telephone System Upgrade, New Fire Engine, Ambulance Replacements (2), and Local Share of Vehicle Wash Bay

### $6,190,000 Total Issue Dated June 2, 2022

| Fiscal Year | Principal | Interest | Total Requirements |
|---|---|---|---|
| 2023/24 | $ 465,000 | $ 218,913 | $ 683,913 |
| 2024/25 | 535,000 | 200,313 | 735,313 |
| 2025/26 | 560,000 | 178,913 | 738,913 |
| 2026/27 | 635,000 | 156,513 | 791,513 |
| 2027/28 | 660,000 | 131,113 | 791,113 |
| 2028/29 | 685,000 | 104,713 | 789,713 |
| 2029/30 | 710,000 | 77,313 | 787,313 |
| 2030/31 | 740,000 | 48,913 | 788,913 |
| 2031/32 | 765,000 | 24,863 | 789,863 |
| Total | $ 5,755,000 | $ 1,141,567 | $ 6,896,567 |

## 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 |
|---|---|---|---|---|
| 2023/24 | $ 0 | $ 125,778 | * | $ 125,778 |
| 2024/25 | 731,000 | 160,000 | | 891,000 |
| 2025/26 | 745,000 | 145,380 | | 890,380 |
| 2026/27 | 760,000 | 130,480 | | 890,480 |
| 2027/28 | 775,000 | 115,280 | | 890,280 |
| 2028/29 | 791,000 | 99,780 | | 890,780 |
| 2029/30 | 807,000 | 83,960 | | 890,960 |
| 2030/31 | 823,000 | 67,820 | | 890,820 |
| 2031/32 | 839,000 | 51,360 | | 890,360 |
| 2032/33 | 856,000 | 34,580 | | 890,580 |
| 2033/34 | 873,000 | 17,460 | | 890,460 |
| Total | $ 8,000,000 | $ 1,031,878 | | $ 9,031,878 |

* Estimated interest due in fiscal year 2023/2024; actual will be based on the timing of the drawdown requests under this loan.