MUSCATINE CITY COUNCIL
IN-DEPTH MEETING
Wednesday, October 9, 2024

Brad Bark, Mayor

Don Lampe, 1st Ward	Angie Lewis, At Large
Jeff Osborne, 2nd Ward	Matt Conard, At Large
Peggy Gordon, 3rd Ward	Tony Kies, Interim City Administrator
Nadine Brockert, 4th Ward	Cinda Hilger, Deputy City Clerk
John Jindrich, 5th Ward	Brent Hinders, City Attorney

City Council meetings are held at 6:00 pm on the 1st and 3rd Thursday of each month, In-depth sessions on the 2nd Thursday of each month. All meetings are available for review on the City of Muscatine YouTube page.

https://us06web.zoom.us/j/82551691259?pwd=NERYdEJOan

AGENDA

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **PLEDGE OF ALLEGIANCE**

4. **COUNCIL DISCUSSION ITEMS**
   A. Summary of Chamber Summer Events - Rebecca Paulson
   B. Parking Meter Technology - Parking App System Proposal
   C. Overview of Budget Basis Financial Statements for the Year Ended June 30, 2024

   The Finance Director will review the attached PowerPoint presentation on the budget basis financial statements for the fiscal year ended June 30, 2024.

D. Sidewalk Discussion for West Hill Project

5. MAYOR AND COUNCIL REPORTS

6. OTHER BUSINESS

A. Request to enter Closed Session per Iowa Code 21.5.1.j to discuss the purchase or sale of particular real estate only where premature disclosure could be reasonably expected to increase the price the governmental body would have to pay for that property or reduce the price the governmental body would receive for that property

B. Request to enter Closed Session per Iowa Code 21.5.1.j to discuss the purchase or sale of particular real estate only where premature disclosure could be reasonably expected to increase the price the governmental body would have to pay for that property or reduce the price the governmental body would receive for that property

7. ADJOURNMENT

City of Muscatine

ITEM NUMBER 2024-943

IN-DEPTH ITEM - CITY COUNCIL

DATE: 10/9/2024

STAFF

SUBJECT FOR DISCUSSION

Summary of Chamber Summer Events - Rebecca Paulson

EXECUTIVE SUMMARY

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

BACKGROUND/DISCUSSION

ATTACHMENTS

City of Muscatine

ITEM NUMBER 2024-940

IN-DEPTH ITEM - CITY COUNCIL

DATE: 10/9/2024

STAFF

Nancy Lueck, Finance Director
John Kreuzenstein, Information Technology Manager

SUBJECT FOR DISCUSSION

Parking Meter Technology - Parking App System Proposal

EXECUTIVE SUMMARY

After the May 2024 In Depth meeting, City Council directed staff to evaluate Parking App vendors in lieu of the proposal to replace the existing parking meters with those that would accept multiple forms of payment.

Staff had at least 5 vendors provide demonstrations of their systems – this included Park Mobile, Passport, Park Hub, POM Pay (still in development), and Net Tech's mPay2Park systems. Other parking app vendors have also contacted the City.

With these demonstrations, staff gained knowledge about common features of these systems and determined the important factors for the City of Muscatine in evaluating the systems including:

1. Costs to be paid to the parking vendors per transaction
2. Potential costs to the City for credit/debit card fees
3. How easy the systems were for the parking users
4. Impact to the Meter Attendants for parking enforcement
5. How the systems would integrate with the current hand-held ticket devices
6. Rates that would be needed to cover the cost of implementing the parking app system

Staff will be reviewing a PowerPoint presentation on the proposed vendor for the Parking App system. This PowerPoint as well as select information provided by the proposed vendor is attached.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. Does City Council have questions on the information presented?
2. Is any additional information needed?
3. Would the City Council like staff to proceed with the steps necessary for implementation of

the proposal? (This would include entering into an agreement with the vendor, preparing the resolution for the rate changes, and working with the vendor on the setup of the new system.)

BACKGROUND/DISCUSSION

After the May 2024 In Depth meeting, City Council directed staff to evaluate Parking App vendors in lieu of the proposal to replace the existing parking meters with those that would accept multiple forms of payment.

Staff had at least 5 vendors provide demonstrations of their systems – this included Park Mobile, Passport, Park Hub, POM Pay (still in development), and Net Tech's mPay2Park systems. Other parking app vendors have also contacted the City.

With these demonstrations, staff gained knowledge about common features of these systems and determined the important factors for the City of Muscatine in evaluating the systems including:

1. Costs to be paid to the parking vendors per transaction
2. Potential costs to the City for credit/debit card fees
3. How easy the systems were for the parking users
4. Impact to the Meter Attendants for parking enforcement
5. How the systems would integrate with the current hand-held ticket devices
6. Rates that would be needed to cover the cost of implementing the parking app system

Staff will be reviewing a PowerPoint presentation on the proposed vendor for the Parking App system. After review of the demonstrations, staff is recommending the mPay2Park system by Net Tech. Net Tech is the City's vendor for the Parking hand-held devices and parking software system.This PowerPoint as well as select information provided by the proposed vendor is attached.

ATTACHMENTS

1. Parking App - mPay2Park Information
2. Parking Technology App System Proposal.October In Depth

mPay2™
Mobile Payment Processing Systems

PRODUCT SHEET

Mechanical Meter Integration

The mPay2Park Network

Pay-By-Cell parking allows Clients with mechanical meters to accept alternative payments without the expense of upgrading or replacing existing meters. Customers can now pay for parking with their smart phone by downloading the app and scanning the QR code located on the parking meter. Once scanned, essential information such as location, space, and price are automatically provided.

Pay-By-Cell Features:

- Transforms mechanical meters into smart meters.
- Accept credit cards with minimal to no incurring processing fees.
- Provide text message notifications for expiring parking sessions.
- Extend your parking session from any location.
- Local businesses can offer Validations for pay-by-cell parking transactions.

mPay2Park Convenience

The mPay2Park Pay-By-Cell program can be applied to all existing meters by providing each meter with a unique QR code identifying the space, location, and rate information. Enforcement is facilitated by our enforcement app which indicates which meters have been paid for by the mPay2Park system.

Meter Example

www. mPay2Park.com
8 Capital Drive, Wallingford, CT 06492
Tel:1-855-677-7275

HOW IT WORKS

CONSUMER

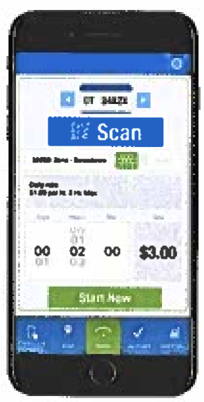
User registers for an mPay2Park account via Web or Mobile Device.

1

User scans QR code located on meter.

2

Mobile device will auto populate location and rate information. Select duration.



3

User selects Start Now. Can add or stop time anywhere.

CLIENT

Client sets up an account with mPay2Park.

Client provides space, location, and rate information of meters.

Client has ability to customize zone & structure.

Enforcement App available to integrate QR codes & other existing parking equipment.

www. mPay2Park.com
8 Capital Drive, Wallingford, CT 06492 Tel:1-855-677-7275

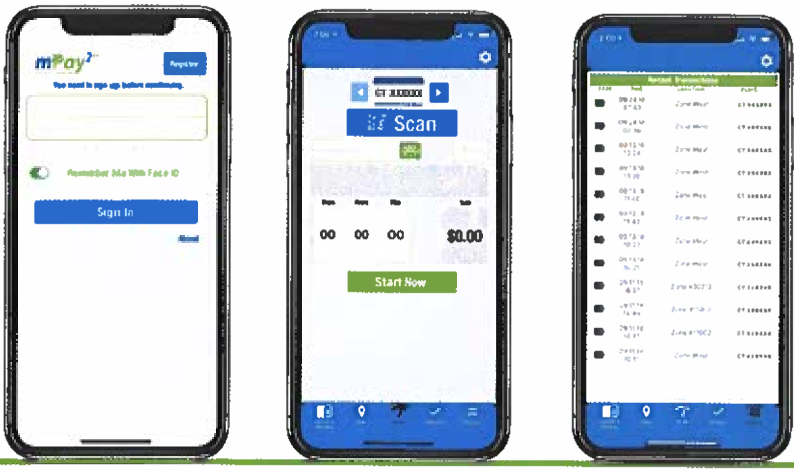
mPay2Park Benefits

- Parking facility locator on your mobile device.
- No need to worry about cash or credit card availability.
- Pay from the comfort of your own vehicle.
- Receive text message reminders of expiring parking.
- Mobile App and Web access available.
- Automatic GPS based zone locator with refined locations.
- Ability to "Add Time" from anywhere.
- Confirmation receipts and activity history.
- Merchant integration, validations, and beach passes.
- Utilize your account with participating merchants.
- Support Call Center.

How-to-Park

To start a parking session simply....

- Register/Log-in to your account.
- Press "Park" and verify your GPS-based parking zone, or scan QR code/enter your zone.
- Select your duration.
- Tap "Start Now."



Available on the App Store

Google play

www. mPay2Park.com

8 Capital Drive, Wallingford, CT 06492

For Further information please call: 1-855-677-7275

Sample Informational Sticker
for Each Meter (1.25 x 3.0")

Sample Zone and Space Number Sticker for Each Meter (1.25 x 2.5")

Muscatine Parking Meters to Go Mobile With mPay2Park

Those tired of paying parking meters with quarters will soon have another option. Under the mPay2Park system, users can pay for parking by using their smartphone. Drivers are still able to pay with coins if they choose to do so.

How does mpay2Park work?

- First, register at www.mpay2park.com, or download the mobile smartphone app.
- Apps are available for the following smartphones; iPhones and the Android. Windows Phone and Blackberry phone users can login into the M Site directly and it works exactly as the app would.
- When you want to park, pull up to a parking spot with the mPay2Park sticker on the parking meter.
- From there, you can pull up the app and log your specific zone which will be listed on the mPay2Park sticker located directly on the meter, and then select however long you want to park.
- Maybe you are running a little late? No problem: mPay2Park allows users to add more time to their meter straight from their phones. You may set up your own reminder to receive text notification of 5, 10, or 15 minutes prior to when your meter is going to run out.

mPay2Park was launched in 2011 and is a Unites States company. They are rapidly expanding throughout the Northeast and are currently undergoing a huge marketing campaign.

Another exciting aspect to mPay2Park is the state of the art Enforcement application. All enforcement officers still adhere to the parking rules and regulations provided by the city. For instance, if there is a two hour max, then mPay2Park will only allow drivers to park for that allotted time.

For more information please visit www.mpay2park.com

City of Muscatine
Parking Meter Technology – Parking App System Proposal
October 9, 2024

NANCY LUECK

JOHN KREUZENSTEIN

MUSCATINE

Direction Sought

1. This presentation is informational and will provide an overview of:

    A. Summary of vendor demonstrations to staff from multiple Parking App vendors
    B. Important factors in evaluating Parking App vendors
    C. Recommendation for Park App vendor – features of recommended system
    D. "How to Park" summary for users for the recommended vendor
    E. "How to set up by City" for recommended vendor
    F. City tasks for implementation and costs for recommended system
    G. Proposed Parking meter fee increase
    H. City Code Changes Needed, Resolutions Needed, and Other Implementation Items

2. Discussion and feedback from the City Council on the Proposed Parking App proposal
3. Would the City Council like to proceed with the steps necessary for implementation of this system?

MUSCATINE

Vendor Demonstrations to Staff from Multiple Parking App Vendors

After the May 2024 In Depth meeting, City Council directed staff to evaluate Parking App vendors in lieu of the proposal to replace the existing parking meters with those that would accept multiple forms of payment.

Staff had at least 5 vendors provide demonstrations of their systems – this included Park Mobile, Passport, Park Hub, POM Pay (still in development), and Net Tech's mPay2Park systems. Other parking app vendors have also contacted the City.

MUSCATINE

Important Factors in Evaluating Parking App Vendors

With these demonstrations, staff gained knowledge about common features of these systems and determined the important factors for the City of Muscatine in evaluating the systems including:

1. Costs to be paid to the parking vendors per transaction
2. Potential costs to the City for credit/debit card fees
3. How easy the systems were for the parking users
4. Impact to the Meter Attendants for parking enforcement
5. How the systems would integrate with the current hand-held ticket devices
6. Rates that would be needed to cover the cost of implementing the parking app system

MUSCATINE

Recommendation for Park App Vendor – Features of Recommended System

After review of the demonstrations, staff is recommending the mPay2Park system by Net Tech. Net Tech is the City's vendor for the Parking hand-held devices and parking software system.

1. The mPay2Park system has a fee of $.35 per transaction to be paid by the customer – this fee includes the credit/debit card fees (most other systems had a fee per transaction paid to the vendor, with the fees for accepting credit/debt cards as an additional fee or cost to be paid by the City). The City can set lower rates with this system than with the other systems – see rate proposal in a later slide.

2. Two stickers will be provided by the vendor for each meter: (1) one will have the meter number and the Parking Zone number and also include a QR code with this information, (2) the other will have instructions for accessing this system. No large signs are needed since the Zone number and meter number are on the stickers on each meter – this should make it easier for users to locate zone numbers, etc.

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Recommendation for Park App Vendor – Features of Recommended System (Cont.)

3. Users can request to be sent a notification 5 or 10 minutes before the time expires. They can extend the time on the meters remotely (with an additional $.35 transaction fee). Time cannot be extended beyond the limits allowed for each space (i.e. 2-hour meters could not be extended over that limit).

4. Meter attendants can bring up in their hand-held devices, the parking spaces that have been paid for using this App. Since it’s the same vendor, they can readily switch from viewing the spaces that have been paid by the App, and the feature on the hand-held to issue parking tickets. (Other vendors indicated that they could make their systems integrate with our hand-held devices, however, it would likely involve special programming.)

MUSCATINE

“How to Park” Summary for Users of the Recommended Vendor

To start a parking session simply....

1. Register/Log-in to your account.

2, Press “Park” and verify your GPS-based parking zone, or scan QR code/enter your zone.

3. Select your duration.

4. Tap “Start Now.”

City Tasks for Implementation and Costs for Recommended System

The City would set up our account in mPay2Park:

1. City to provide space, location, and rate information to mPay2Park
2. City has the ability to customize zones and structure
3. Enforcement App available to integrate QR codes and other existing equipment (hand-helds)

Costs to the City to implement the system would include:

1. Adding Internet access to the current hand-held devices ($480 annually for each device)
2. Lease of wand to change meter rates ($1,600)

MUSCATINE

Proposed Parking Meter Fee Increase

The current parking meter rates of $.50 per hour for 2-hour meters and $.25 per hour for 10-hour meters were effective July 1, 2013. Since July 1, 2013, the Consumer Price Index has increased by 34.4%.

Staff is proposing to increase these rates to $.75 per hour for 2-hour meters and $.40 per hour for 10-hour meters. This proposed increase will fund the inflationary cost increases since 2013 as well as the additional costs for the Parking App system (Internet service, etc.). (With most of the other systems, rate increases to $1.00/hour for 2-hour and $.50 for 10-hour meters would have likely been needed.)

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City Code Changes Needed, Resolutions Needed, and Other Implementation Items

City Code (Ordinance) changes that would be needed:

1. Parking meter provisions are in Title 7, Chapter 9 of the City Code. There are multiple references to “coin” operation of meters throughout this section. This would need to be updated to allow for other “coin or other approved payment methods”.

2. This chapter of the City Code provides that changes in rates, meter time limits, designation of parking spaces be done by City Council resolution (see below).

Resolution(s) that would be needed:

1. Resolution setting the meter rates at $.75 per hour for 2-hour meters and $.40 per hour for 10-hour meters.

2. Resolution changing 3 currently metered spaces near the center of Lot 7 (across from City Hall) to leased spaces. These spaces are seldom used and the leased spaces in that lot have been near or at capacity.

Implementation:

1. It is proposed that IT, Finance, and Parking staff update the rates on the current meters, the rate plates in the meters, and work to set up the spaces in the Parking Zones in the new system. The implementation timeline would be determined based on approval of the mPay2Park App, working with the Parking App vendor to set up the new system, and working with our current parking meter vendor arranging for the lease of the wand to change the meter rates.

MUSCATINE

Direction Sought

1. Does City Council have questions on the information presented?

2. Is any additional information needed?

3. Would the City Council like staff to proceed with the steps necessary for implementation of the proposal? (This would include entering into an agreement with the vendor, preparing the resolution for the rate changes, and working with the vendor on the setup of the new system.)

MUSCATINE

City of Muscatine

ITEM NUMBER 2024-941

IN-DEPTH ITEM - CITY COUNCIL

DATE: 10/9/2024

STAFF

Nancy Lueck, Finance Director

SUBJECT FOR DISCUSSION

Overview of Budget Basis Financial Statements for the Year Ended June 30, 2024

EXECUTIVE SUMMARY

The Finance Director will review the attached PowerPoint presentation on the budget basis financial statements for the fiscal year ended June 30, 2024. This will include (1) an overview of the actual General Fund revenues, expenditures, and ending fund balance, (2) the General Fund balance history, and (3) actual ending fund balances for all Operating Funds compared to the Revised Estimate projections.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

This presentation is informational and for discussion purposes. No decisions need to be made after the presentation. City Council discussion and feedback is welcome.

BACKGROUND/DISCUSSION

A booklet was distributed to the Mayor and Council Council members at the October 3 meeting which includes various summary and detailed budget-basis financial reports for the City for the year ended June 30, 2024. This booklet includes several of the summary schedules that are in the attached PowerPoint presentation.

The budget-basis statements are those that will be used for the Annual Financial Report to the State which is required to be filed by December 1 each year. This report will be included on a future agenda for City Council approval.

The City's auditors have completed their on-site work for the City's audit. City staff and the auditors continue to work on the Annual Comprehensive Financial Report (ACFR) which is expected to be completed in early December.

ATTACHMENTS

1. FY 2024 Year End.FINAL

City of Muscatine

Budget Basis Financial Statement Overview

Year Ended June 30, 2024

Direction Sought – Informational Presentation Only

- This presentation is informational and will provide the following:

A. Overview of actual General Fund revenues, expenditures, and ending fund balance for fiscal year 2023/2024
B. General Fund balance history
C. Actual FY 2023/2024 ending fund balances for all Operating Funds compared to Revised Estimate amounts
D. Overview of grants/donations received in fiscal year 2023/2024
E. Overview of interest earned in fiscal year 2023/2024
F. Summary
G. City Council Discussion and Feedback

City of Muscatine, Iowa
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended June 30, 2024

Revenues:	
Taxes:	
Property	**$ 8,845,266.71**
Utility	**33,263.52**
Hotel/Motel	**585,231.59**
Cable Franchise	**99,896.25**
Utility Franchise	**313,906.00**
Licenses and permits	**628,213.36**
Fines and forfeitures	**648,697.62**
Intergovernmental	**1,168,558.02**
Charges for services	**607,437.35**
Use of money and property	**381,253.01**
Other	**991,069.27**
Total revenues	**$ 14,302,792.70**

Expenditures:	
Current:	
Public safety	**$ 11,372,228.22**
Public works	**2,570,054.39**
Health and social service	**60,000.00**
Culture and recreation	**3,749,590.52**
Community and economic development	**1,113,255.14**
General government	**3,420,841.81**
Capital outlay:	
Public safety	**89,030.36**
Public works	**496,872.85**
Culture and recreation	**170,391.51**
Community and economic development	**1,832.50**
General government	**30,634.00**
Total expenditures	**$ 23,074,731.30**
Revenues (under) expenditures	**$ (8,771,938.60)**

Other financing sources (uses):	
Operating transfers in (includes transfers from the Employee Benefits, Road Use Tax, Ambulance, Perpetual Care Interest, and TIF funds)	**$ 9,930,259.16**
Operating transfers out (includes transfers to the Equipment Replacement and Computer Replacement funds as well as subsidy transfers to enterprise funds)	**(995,231.52)**
Total other financing sources (uses)	**$ 8,935,027.64**
Revenues and other sources over (under) expenditures and other uses	**$ 163,089.04**
Fund balance, June 30, 2023	**5,697,762.56**
Fund balance, June 30, 2024	**$ 5,860,851.60**
Less reserve for encumbrances	**353,754.14**
Unreserved balance, June 30, 2024	**$ 5,507,097.46**

City of Muscatine
General Fund
Fund Balance Analysis
Fiscal Year Ended June 30, 2024

Original Budget - Ending Fund Balance	**$ 5,342,349**
Original Revised Estimate - Ending Fund Balance	**$ 5,334,305**
Actual Ending Fund Balance (Reflects all Encumbrances including those funded from Road Use Tax)	**$ 5,507,097** *
Actual over (under) Revised Estimate by	**$ 172,792** *
General Fund Balance as a Percent of FY 2023/2024 Expenditures (Revised Estimate Projected Percentage was 21.4%)	**22.61%**

NOTE:

Actual Ending Fund Balance Without Road Use Tax Funded Encumbrances ($211,715.00 of Encumbrances will be funded from Road Use Taxes in FY 25)	**$ 5,718,812**
Actual over Revised Estimate Without Road Use Tax Encumbrances	**$ 384,507**
General Fund Balance as a Percent of FY 2023/2024 Expenditures without Road Use Tax Funded Encumbrances	**23.48%**

Budgeted Items not Purchased - Requested to be Carried Forward:

Kent-Stein - Portable Mound	$ 2,000
Kent-Stein - Restroom Improvements	8,000
Actual over Revised Estimate net of Carryforwards	**$ 162,792**
General Fund Balance as a Percent of FY 2023/2024 Expenditures (with Carryforwards Included)	**22.57%**

* Revenues and transfers in under original Revised Estimate by $452,248:
(Revenues over by $43,545 in total, regular transfer in under by $495,793)

Significant Revenue Items:

Tax Collections over Revised Estimate	$ 215
Utility Franchise Fees under Revised Estimate	(118,094)
Cable Franchise Fees under Revised Estimate	(11,304)
Road Use Tax Transfer in to General Fund under original Revised Estimate (Corresponding Public Works expenditures also under Rev. Est.; Transfers for $211,715 of Encumbrances will be done in FY 25)	(457,806)
Employee Benefits funding under Revised Estimate	(37,933)

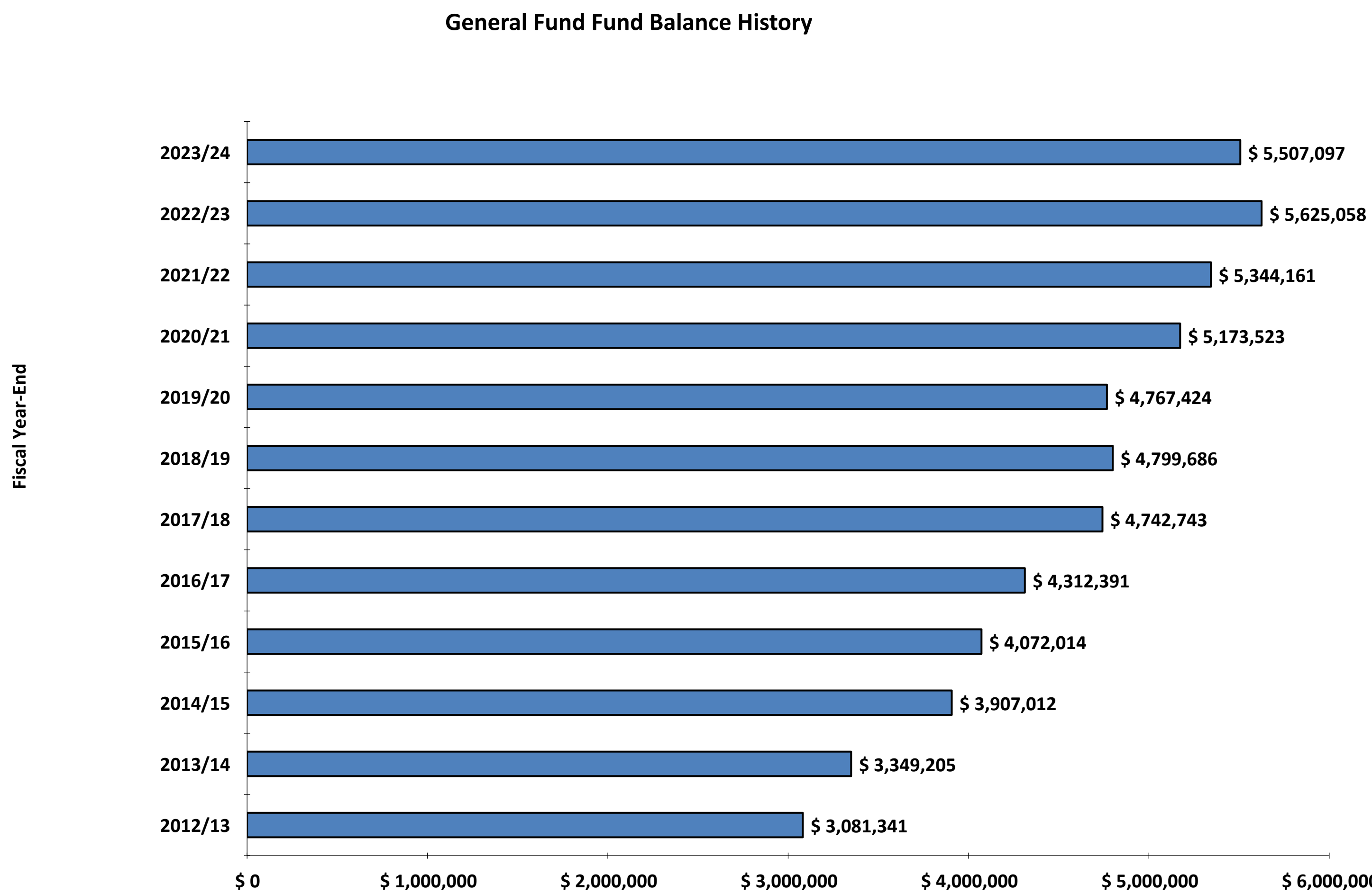
Health Insurance Wellness Program funding <u>under</u> Revised Estimate		**(7,127)**
(Corresponding expenditures also under Rev. Est.)		
Hotel/Motel Tax <u>over</u> Revised Estimate		**35,232**
(Revised estimate $550,000; actual $585,232)		
Community Development Revenues <u>over</u> Revised Estimate		**88,128**
(Nuisance reimbursements over by $4,288; construction permits over by $53,477; rental inspection fees over by $30,811)		
Library Revenues <u>under</u> Revised Estimate		**(1,870)**
Art Center Revenues <u>under</u> Revised Estimate		**(8,349)**
Parks and Recreation Revenues <u>over</u> original Revised Estimate:		
Kent Stein Park and Soccer Revenues <u>under</u> by	**(2,900)**	
Recreation Revenues <u>under</u> by	**(3,627)**	
Aquatic Center Revenues <u>under</u> by	**(1,262)**	
General Parks <u>over</u> Revised Estimate	**11,588**	**3,799**
Cemetery Revenues <u>over</u> original Revised Estimate (Lot Sales, Burial Fees, etc.)		**3,741**
Public Works Revenues <u>under</u> original Revised Estimate (less staff time charged to projects due to vacancies in engineering positions)		**(37,222)**
Police Grants <u>under</u> Revised Estimate		**(24,817)**
Court Fines <u>over</u> Revised Estimate		**87,371**
Automated Traffic Enforcement Fines <u>under</u> Revised Estimate		**(97,098)**
(Ticket billing partially paused until modified to comply with new State law)		

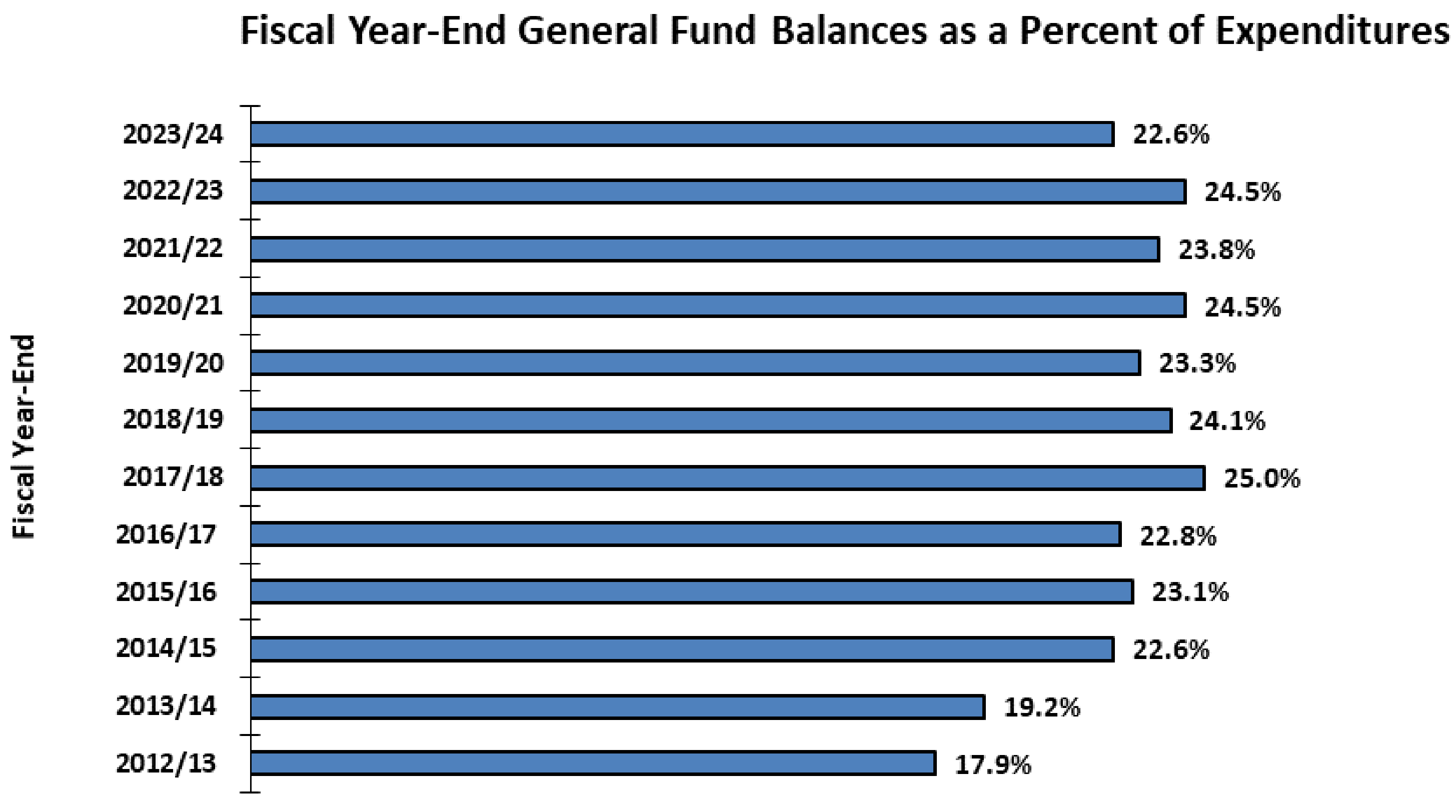
Other Police Revenues under Revised Estimate	(12,419)
License and Permit Revenues over original Revised Estimate	12,525
Fire Department Revenues under original Revised Estimate	(2,038)
Interest Income over original Revised Estimate (increase in interest rates during the last fiscal year)	94,020
State Commercial and Industrial Reimbursement over Revised Estimate	14,057
State Business Property Tax Credit Reimbursements over Revised Estimate	15,669
Various Other Revenues over Revised Estimate (Net)	9,072
	$ (452,248)

* Expenditures under Original Revised Estimate by $623,851:

Significant Expenditure Items:

Item Carried Forward	$ 10,000
General government activities under original Revised Estimate	118,905
Public safety activities under original Revised Estimate	50,460
Library, Art Center and Parks under original Revised Estimate (Net of carry forwards of $10,000)	69,834
Community/Economic Development under original Rev. Est.	97,862
Public Works activities under original Revised Estimate	273,058
Transit Tax Levy Transfer over original Revised Estimate	(3,943)
Airport Subsidy under original Revised Estimate	7,675
	$ 623,851


General Fund Fund Balance History
Fiscal Year-End
2023/24
$ 5,507,097
2022/23
$ 5,625,058
2021/22
$ 5,344,161
2020/21
$ 5,173,523
2019/20
$ 4,767,424
2018/19
$ 4,799,686
2017/18
$ 4,742,743
2016/17
$ 4,312,391
2015/16
$ 4,072,014
2014/15
$ 3,907,012
2013/14
$ 3,349,205
2012/13
$ 3,081,341
$ 0
$ 1,000,000
$ 2,000,000
$ 3,000,000
$ 4,000,000
$ 5,000,000
$ 6,000,000


Fiscal Year-End General Fund Balances as a Percent of Expenditures
Fiscal Year-End
2023/24
22.6%
2022/23
24.5%
2021/22
23.8%
2020/21
24.5%
2019/20
23.3%
2018/19
24.1%
2017/18
25.0%
2016/17
22.8%
2015/16
23.1%
2014/15
22.6%
2013/14
19.2%
2012/13
17.9%

City of Muscatine
Fund Balance Comparison - Operating Funds
June 30, 2024

Fund	Original Budget	Revised Estimate	Actual 6-30-24	Variance Favorable (Unfavorable)	
General Fund	$ 5,342,349	$ 5,334,305	$ 5,507,097	$ 172,792	(1)
Debt Service Fund					
General Obligation	67,825	96,157	128,120	31,963	(2)
Enterprise Funds:					
Water Pollution Control Operations	2,210,233	2,331,156	2,273,816	(57,340)	(3)
Collection and Drainage	194,128	573,434	764,557	191,123	(4)
Solid Waste Management:					
Refuse Collection	280,399	377,943	401,701	23,758	(5)
Landfill Operations	1,830,768	2,192,381	2,358,419	166,038	(6)
Landfill Post-Closure Reserve	1,277,237	1,290,218	1,297,963	7,745	(7)
Landfill Closure Reserve	1,935,548	1,956,992	1,954,354	(2,638)	(7)
Transfer Stations Operations	334,454	275,961	378,255	102,294	(8)
Transfer Station Closure Reserve	33,825	33,825	33,825	-	
Airport Operations	-	-	13,158	13,158	(9)
Parking Operations	48,981	82,817	87,630	4,813	(10)
Transit	377,475	351,650	248,880	(102,770)	(11)
Golf Course Operations (excludes Clubhouse inventory)	21,063	88,863	220,804	131,941	(12)
Boat Harbor Operations	-	800	-	(800)	(13)
Marina Operations (includes inventory)	(4,525)	(3,052)	(5,828)	(2,776)	(14)
Ambulance Operations	43,590	497,513	757,551	260,038	(15)
CVB (City funds)	95,283	101,705	102,562	857	
Soccer Event Fund	75,588	31,476	32,714	1,238	(16)
Internal Service Funds:					
Equipment Services (includes inventory)	44,490	48,266	(90,483)	(138,749)	(17)
Health Insurance	1,784,617	2,133,186	2,987,096	853,910	(18)
Dental Insurance	101,078	116,167	109,069	(7,098)	(19)

City of Muscatine
Fund Balance Comparison - Operating Funds
June 30, 2024

Fund	Original Budget	Revised Estimate	Actual 6-30-24	Variance Favorable (Unfavorable)	
Special Revenue Funds:					
Employee Benefits	-	199,207	253,212	54,005	(20)
Emergency Tax Levy/Emergency Fund	149,155	685,695	696,496	10,801	(21)
American Rescue Plan Act Fund	214,623	1,688,973	2,000,299	311,326	(22)
Community Block Grant	11,626	32,568	33,552	984	
Home Ownership Program	26,162	14,793	17,676	2,883	
Sunset Children's Education Program	6,922	7,109	7,437	328	
Public Housing Legal Settlement	152,422	103,898	153,606	49,708	(23)
Small Business Forgivable Loan Programs	-	-	444,693	444,693	(24)
Local Option Sales Tax	300,006	2,664,226	3,539,521	875,295	(25)
Road Use Tax	342,827	1,108,463	1,824,808	716,345	(26)
Tax Increment (Downtown)	8,948	7,929	9,322	1,393	
Tax Increment (Southend)	311,116	343,009	425,336	82,327	(27)
Tax Increment (Cedar Development)	66,369	70,159	71,313	1,154	
Tax Increment (Hwy 38 NE)	19,243	22,784	23,663	879	
Tax Increment (Fridley)	53,861	60,530	62,367	1,837	
Tax Increment (Riverview Hotel)	1,289	1,556	3,089	1,533	
Tax Increment (North University)	14,882	19,355	20,440	1,085	
Tax Increment (WDS)	12,733	17,547	18,246	699	
Tax Increment (Hershey Building)	3,003	5,621	5,660	39	
Tax Increment (Oak Park)	2,800	6,244	6,444	200	
Tax Increment (Arbor Commons)	-	3,400	3,762	362	
Tax Increment - LMI Reserve	9,500	8,100	8,032	(68)	
Equipment Replacement	72,479	82,045	112,769	30,724	(28)
Computer Replacement - City	62,918	-	107,111	107,111	(29)
Computer Replacement - Library	5,000	33,764	50,000	16,236	(30)
Police Forfeitures Fund	13,439	12,124	16,943	4,819	
Clark House/Sunset Park Operations	498,285	269,566	756,651	487,085	(31)
Section 8 Voucher Program	157,684	195,617	276,420	80,803	(32)
Totals	$ 18,611,698	$ 25,576,045	$ 30,510,128	$ 4,934,083	

1. **See General Fund analysis.**

2. **Debt service tax collections $650 more than the revised estimate; interest revenue $30,913 higher than estimated; paying agent costs $400 less than estimated.**

3. **Water Pollution Control revenues were $155,136 higher than the revised estimate; expenditures were over the original revised estimate by $212,476 (the revised estimate was amended by $329,900).**

4. **Collection and Drainage revenues were under by $17,129; expenditures under revised estimate by $208,252.**

5. **Refuse Collection expenditures over revised estimate by $4,092; revenues were over by $27,850.**

6. **Landfill revenues over by $145,421 (fees under by $22,821; interest over by $168,539); expenditures under original revised estimate by $20,617.**

7. **Landfill Closure Reserve transfer in under estimate by $2,638. Landfill Post-Closure transfer in over by $7,745 (based on Engineer's cost estimates and waste volumes).**

8. **Transfer Station revenues $32,423 higher than the revised estimate; expenditures under revised estimate by $69,871).**

9. **Airport revenues under the original revised estimate by $8,949; expenditures under revised estimate by $22,107.**

10. **Parking revenues $3,632 more than the revised estimate; expenditures under the revised estimate by $1,181.**

11. **Transit revenues under original revised estimate by $237,834 ($1,876 over in transit fares; $112,263 over in Operating grants, $373,525 under in capital grants, and $21,552 over in other revenues); expenditures under by $135,064.**

12. **Golf Course revenues were over the original revised estimate by $100,527; expenditures were under the revised estimate by $31,414.**

13. **Boat Harbor revenues under revised estimate by $9,050; expenditures under by $476. Deficit of $7,774 in this fund eliminated with a transfer from the General Fund.**

14. **Marina revenues under revised estimate by $5,262; expenditures over by $2,343; deficit eliminated with a $4,829 transfer from the General Fund.**

15. **Ambulance revenues over revised estimate by $250,526; expenditures under revised estimate by $9,512.**

16. **Soccer Event interest over revised estimate by $1,238; inactive fund.**

17. **Equipment Services revenues under revised estimate by $236,482; expenditures under revised estimate by $97,733.**

18. **Health insurance claims, admin fees, etc. were $840,325 less than estimated; Wellness Program funding was $7,127 less than estimated. Revenues were $6,458 more than estimated.**

19. **Dental insurance claims, admin fees, etc. were $4,849 more than estimated; revenues were $2,249 less than estimated.**

20. **Employee Benefits Tax revenues $16,074 more than revised estimate; transfers out for actual employee benefit costs $37,931 less than estimated due to employee vacancies, etc.**

21. **Emergency Tax/Emergency Fund revenues over the revised estimate by $12,293 (interest and taxes); expenditures over revised estimate by $1,492.**

22. **American Rescue Plan Act interest revenue $29,671 more than revised estimate; expenditures $281,655 less than the revised estimate. Balance carries forward to FY 25.**

23. **Public Housing Legal Settlement Fund interest over revised estimate by $4,505; expenditures under revised estimate by $45,203.**

24. **Balances totaling $444,693 in the Small Business Forgivable Loan Programs carried forward to FY 25.**

25. **Local option sales tax transfers for actual sewer and street project costs were $771,995 less than estimated; Local Option revenues were $14,250 higher than the revised estimate and interest was $89,050 higher. Projects were not as far along as budgeted. Balance carries forward.**

26. **Road Use Tax revenues over revised estimate by $161,225; funding transfers were $555,120 less than the original revised estimate due to timing of capital projects, and General Fund encumbrances. Balance carries forward to FY 25.**

27. **Southend Tax Increment revenues over revised estimate by $11,714 (primarily interest); expenditures under by $70,613 (primarily due to the actual FY 24 transfer for Wayfinding being less than budgeted).**

28. **Equipment Replacement revenues over revised estimate by $18,982; expenditures under original revised estimate by $11,742.**

29. **Computer Replacement funds carried forward to FY 25. Budget allowed for all funds to be expended.**

30. **Library Computer Replacement fund interest over revised estimate by $1,562; expenditures over by $2,334; $17,008 of unspent Library budgeted funds were transferred into this fund in FY 24.**

31. **Public Housing expenditures were $812,900 less than the original revised estimate; revenues were $325,815 less than estimated (primarily due to less capital funds being drawn down).**

32. **Section 8 Housing revenues were $142,923 more than estimated; expenditures were $62,120 more than the revised estimate (revised estimate amended by $75,100).**

Other Items of Note – Grants and Contributions, Interest Earned, and Debt Obligation Summary

At the end of the Budget Basis book distributed at the October 3 meeting are the following schedules:

1. **Summary Schedule of Grants and Contributions –**
   a. The City received a total of $9,920,661 in grants and contributions in 2023/2024
   b. In 2022/2023 the grants and contributions totaled $11,564,867 (which included the 2nd tranche of the ARPA funds of $1,766,688)
   c. The end of this schedule lists various new grants or grants that will continue in 2024/2025

2. **Summary of Investment Transactions for Fiscal Year 2023/2024**
   a. Interest received on a cash basis during the fiscal year totaled $1,484,255 (a 60.3% increase compared to $926,129 in fiscal year 2022/2023)
   b. Interest earned on an accrual basis in 2023/2024 totaled $2,178,124 (a 91.8% increase compared to $1,135,645 in fiscal year 2022/2023)
   c. While most of the CD interest rates in 2023/2024 were 5% or more, it appears that interest rates will likely be decreasing going forward (.50% decrease in September of 2024)

Other Items of Note – Grants and Contributions, Interest Earned, and Debt Obligation Summary (Cont.)

3. Debt Obligation Changes in 2023/2024

a. New General Obligation bonds totaling $4,880,000 were issued in 2023/2024; new State Revolving Fund loan funds of $4,070,907 were drawn down for Phases 6-A and 6-B of the West Hill Project (total debt issued in 2023/2024 was $8,950,907)

b. $2,375,000 of G.O. bonds were paid/retired in 2023/2024; $796,000 of 2008 SRF loan funds were paid/retired (total debt retired was $3,171,000)

c. Debt outstanding as of 6-30-24 totaled $28,414,907 ($16,970,000 in G.O. bonds, $4,070,907 in G.O. SRF debt for West Hill 6-A and 6-B, and $7,374,000 in SRF revenue debt for the 2008 WPCP project)

d. Interest paid on all debt totaled $646,431.67 ($447,230 for G.O. debt, $35,801.67 for G.O. SRF debt interest, and $163,400 for SRF revenue debt interest)

Summary

- The ending General Fund balance of 22.6% of expenditures is higher than the original 2023/2024 budget of 21.5% and higher than the 2023/2024 revised estimate of 21.4%.

- This ending balance meets the requirements of the General Fund balance policy adopted in November of 2013 which provides that the minimum General Fund balance be at least 16.7% (two months) of General Fund expenditures. The policy further provides that higher balances (to 25% or more) would "further add to the financial stability of the City and allow more latitude in addressing revenue or expenditure fluctuations, disaster situations, and demonstrate credit worthiness to bond rating agencies".

- While the FY 24 General Fund balance ended higher than anticipated, there are still several revenue and expenditure concerns going forward including (1) inflationary increases in the cost of goods and services, (2) utility franchise fees decreasing at the current 3% rate with gas rates decreasing, (3) the recent decision by the Iowa DOT to not allow operation of the fixed ATE cameras for "speed on green" violations beginning October 1, 2024, and (4) uncertainty in future changes in taxable valuations due to impacts from property tax legislation enacted during the 2023 and 2024 legislative sessions. Having the strong ending balance in the General Fund positions the City to address these and other possible future budget challenges.

Summary (Cont.)

- The General Fund Balance Policy specifically includes provisions for:

Utilization of Fund Balance. Except in extraordinary circumstances, unassigned fund balance should not be used to fund any portion of the ongoing and routine operating expenditures of the City. It should be used primarily to respond to unforeseen emergencies, to provide cash flow, and to provide overall financial stability.

Extraordinary circumstances can include significant revenue fluctuations (i.e. State legislative changes limiting property taxes, limiting automated traffic enforcement (ATE) use, etc.). In the event that use of unassigned fund balance is necessary to provide a short-term solution to maintaining essential services, the City will evaluate current and future economic conditions to evaluate the extent of expenditure reductions or revenue increases that would be needed to achieve day-to-day financial stability and restore the fund balance.

- There were positive fund balances in all of the City's operating funds at the end of 2023/2024 with the exception of the Equipment Services Internal Service fund. A review of this fund will be done as part of the 2025/2026 budget process. The Boat Harbor and Marina fund deficits were eliminated with transfers from the General Fund at the end of the year.

Summary (Cont.)

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

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

City of Muscatine

ITEM NUMBER

IN-DEPTH ITEM - CITY COUNCIL

DATE: 10/9/2024

STAFF

Kevin Coon, City Engineer

SUBJECT FOR DISCUSSION

Sidewalk Discussion for West Hill Project

EXECUTIVE SUMMARY

This item is to discuss the potential construction of sidewalk in various areas along the West Hill project extents.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Staff would like direction on if the city would like to pursue missing sidewalks along our infrastructure projects.

BACKGROUND/DISCUSSION

With the design of West Hill 6D it has been noticed that we are missing sidewalks along multiple legs of the project. These sidewalks would be much easier to install in conjunction with a project like West Hill rather than on their own. The missing walks are along Devitt, Eisenhower, and Hagerman.

ATTACHMENTS