

OUTSIDE AGENCY FUNDING

On the December 17th Council Meeting, the Council held a Question and Answer Session for outside agency funding. Each year the City of Storm Lake takes requests from tax-exempt organizations throughout the community to award grant money the City has available on an annual appropriation basis.

REVENUES

Revenues to support the outside agency funding come from a variety of special revenue accounts to maximize the amount to be awarded.

FACTORS AFFECTING THIS BUDGET YEAR

Last year, City awarded:

| | |
|-----------------------|------------------------|
| Witter Gallery | \$11,000 |
| Upper Des Moines- | \$ 7,000 |
| BV Historical Society | \$ 2,000 |
| Storm Lake United | \$42,000 (Development) |
| SLU | \$68,000 (Marketing) |

An additional \$20,000 following a special requests, was awarded to Storm Lake United for culture and recreation for events at King's Pointe Resort on January 21st.

FISCAL YEAR 2019-2020 BUDGET

Funds available for this year's outside agency funding are \$86,000. Applications were received by:

| | <u>Requested</u> | <u>Funds Awarded Per Council</u> |
|-----------------------|-------------------------|------------------------------------|
| Witter Gallery | \$ 18,000 | \$13,000 |
| Upper Des Moines | \$ 8,000 | \$ 8,000 |
| TechTrek | \$ 5,000 | \$ 3,000 |
| Ready, Set, Grow | \$ 10,000 | \$10,000 |
| BV Historical Society | \$ 3,400 | Work to be completed by City Staff |
| Storm Lake United | \$ 65,000 (Development) | \$52,000 |

Within the proposed budget and accordance with Resolution 15-R-2002-2003, \$68,000 has been allocated to SLU for culture and recreation.

*** Awardees must provide a mid-year update to the City Council on the use of funds.

\$20,000 has been set aside for mid-year funding requests by outside agencies and will be approved as those requests come forward.

\$20,000 has been set aside from the Hotel/Motel Tax Revenue to fund additional culture and recreation requests throughout the fiscal year.

BUDGET OVERVIEW

Council should direct staff how they would like to disburse the outside agency funding.

GENERAL FUND

The General Fund is the primary ledger accounts that record all assets and liabilities of the City which are not assigned to a special purpose. The primary divisions of the General Fund include: Public Safety, Code Enforcement, Airport, Library, Parks, Campground, Golf Course, Economic Development, Finance, Administration, Cottages, Marina, and Outdoor Water Park.

REVENUES

Revenues for the General Fund are based on taxable valuations determined by the County Assessor. Below is the past and proposed levy rate for City of Storm Lake (General Fund Capped at \$8.10):

| | |
|------------------|------------|
| FY2017- | \$14.58995 |
| FY2018- | \$14.27164 |
| FY2019- | \$14.06449 |
| FY2020 Proposed- | \$13.84485 |

The General Fund is operating in good financial health, maintaining and projections slightly exceeding the Council desired 40% fund balance of \$2,571,296.

Total Estimated revenues are projected to be \$5,191,547.

FACTORS AFFECTING THIS BUDGET YEAR

There were a few unplanned expenditures in the divisions listed below:

Public Safety:

PD Vehicle Repairs- \$8,357

FD Overhead Door Repairs- \$2,722

Code Enforcement:

Postage- \$2,313 (Certified Sidewalk Repair Letters)

Airport:

Runway Lighting Repairs- \$1,120

VT Hangar Repairs- \$1,332

Parks:

Playground Equipment for W 9th Park- \$3,009

Portable Lift Storage- \$1,400

Library:

HVAC Repairs- \$11,721

Campground:

Attendant Advertising- \$682

Rock for Road Restoration- \$2,357

Administration:

General Engineering Services- \$19,508

Easement Agreements- \$15,000

FISCAL YEAR 2019-2020 BUDGET

Consistent throughout the General Fund budget, salaries increased by 3%. Insurance rates are expected to increase by 10%, which includes group health insurance and workers' compensation insurance. We are expecting a slight decrease in telecommunication due to some expected cost savings due to the transition to a new phone system. Adjustments have been appropriately made for electric and gas services, and software subscription costs.

Public Safety:

Revenues- \$120,150

Payroll- \$1,684,078

Supplemental- Estimated Union Negotiation, FD Pay Scale Adjustment

Operating Expenses- \$380,790

Supplemental- \$650 Office Chairs, K12 Power Saw (FD), Basket Harness (FD)

Capital- \$94,500

Code Enforcement:

Revenues- \$75,700

Payroll- \$52,627

Operating Expenses- \$19,810

Supplemental- Additional Code Enforcement Officer

Airport:

Revenues- \$357,000

Operating Expenses- \$357,966

Capital- \$25,000

Library:

Revenues- \$31,477

Payroll- \$161,713

Operating Expenses- \$82,490

Capital- \$33,000

Municipal Band:

Operating Expenses- \$8,000

Parks:

Revenues- \$11,695

Payroll- \$132,067

Operating Expenses- \$121,820

Supplemental- \$19,500 – 30 Additional Trash Receptacles – Placed per the
Advanced Ecology Class recommendations

Capital- \$105,000

Campground:

Revenues- \$177,000
Payroll- \$39,844
Operating Expenses- \$52,250

Golf Course:

Revenues- \$145,455
Payroll- \$65,136
Operating Expenses- \$151,815

Economic Development:

Operating Expenses- \$66,833

Finance:

Payroll- \$118,164

Property Taxes:

Revenues- \$2,527,645

Franchise Fees:

Revenues- \$829,569

Administration:

Revenues- \$349,490
Payroll- \$48,905
Operating Expenses- \$378,505
Capital- \$157,450

Cottages:

Revenues- \$133,866
Operating Expenses- \$67,304
Capital- \$14,860

Marina:

Operating Expenses- \$18,900
Capital- \$75,000

Outdoor Water Park:

Revenues- \$409,500
Operating Expenses- \$383,145

BUDGET OVERVIEW

Total Revenues- \$5,168,547

Expenses- \$4,896,972

Personnel- \$2,302,534 47% of the total expenses

Operations/Maintenance- \$2,089,628 42%

Capital Expenditures- \$504,810 11%

***Note: Transfers between funding sources are not included to get a clear picture of revenue vs expenses per division. Transfers were approved during the CIP process.

SPECIAL LEVIES/REVENUES

There are several special funds the City maintains: Insurance Levy, Employee Benefits Levy, Emergency Levy, Local Option Sales Tax, Hotel Motel Tax, Sales Tax Increment Financing, Tax Increment Financing, Donations, Memorial Funds, Crime Prevention Funds, Wellness Funds, and Capital Funds.

Insurance Levy

The Insurance Levy is a levy on property valuation to cover the cost of insurance.

Proposed Levy Rate:

FY2020 (Proposed) 0.37440%

Based on the proposed levy rate:

Revenues: \$116,734

Expenses: \$139,923

Employee Benefits Levy

The Employee Benefit Levy is a levy on property valuation to cover the cost of benefits offered to City Employees.

Proposed Levy Rate:

FY2020 (Proposed) 3.66502%

Based on the proposed levy rate:

Revenues: \$1,187,544

Expenses: \$1,187,269

Emergency Levy

The Emergency Levy is a levy to offset additional operating costs. The max rate is \$0.27 per \$1,000 of taxable value.

Previous/Proposed Levy Rate:

FY2020 (Proposed) \$0.27

Based on the proposed levy rate:

Revenues: \$84,184

Expenses: \$84,184

Debt Service/Bond Payments

The Debt Levy is a levy imposed on local property owners for public improvements which are covered by bonds. Levied Bonds include the Fire Truck, Outdoor Water Park, and Erie Street Reconstruction.

Previous/Proposed Levy Rates:

FY2017 1.60803%

FY2018 1.56482%

FY2019 1.45509%

FY2020 (Proposed) 1.43543%

Based on the proposed levy rate:

Revenues: \$481,572
Expenses: \$481,572

Other Bonds are backed by Enterprise Revenue or additional funding sources:

Revenues (Via Transfers): \$1,369,054
Expenses: \$1,369,054
 \$3.545M Sales Tax Bond
 \$5.60M TIF/H/M Portion
 \$729 SRF SW Bond
 \$1.34M TIF/Hotel/HM Bond
 \$2.685M Annual App Bond
 \$1.755M Sales Tax Rev Bond
 \$1.5M SW Revenue Bond (STIFF)

Local Option Sales Tax

Local Option Sales Tax is the 1% voter approved tax that is returned to the City for capital improvements.

Estimated Revenues: \$1,349,112
Debt Expenses: \$ 635,000
Capital Expenses: \$ 707,400

Hotel Motel Tax

Hotel Motel Tax is the tax generated and returned to the community from recreation. 50% of this revenue goes back into the community for recreation/economic development.

Estimated Revenues: \$340,000
Community Dev: \$ 88,000
Debt Expenses: \$122,446
Capital Expenses: \$ 80,000

Sales Tax Increment Financing

As part of our flood mitigation projects, the State enacted a STIFF program to assist with offsetting costs for flood mitigation projects. These funds are used to repay bonds incurred by flood mitigation projects.

Estimated Revenues: \$80,000
Debt Expenses: \$80,000

Tax Increment Financing

Tax Increment Financing is a public financing method used as a subsidy for redevelopment, infrastructure, and other community improvement projects. TIF is a way for the City to divert future property tax revenue increases from a defined area (Urban Renewal Area) toward an economic development or public improvement project in the community. The City currently has 5 Urban Renewal Areas:

Industrial Park URA

| | |
|--------------------------|-----------|
| Projected Revenues: | \$572,113 |
| Debt Repayment Expenses: | \$486,913 |

Bargloff URA

| | |
|--------------------------|-----------|
| Projected Revenues: | \$273,055 |
| Debt Repayment Expenses: | \$215,950 |

LMI #3 URA

| | |
|--------------------------|----------|
| Projected Revenues: | \$33,096 |
| Debt Repayment Expenses: | \$33,096 |

LMI #4 URA

| | |
|--------------------------|----------|
| Projected Revenues: | \$36,803 |
| Debt Repayment Expenses: | \$36,803 |

3rd Addition URA

| | |
|--------------------------|-------|
| Projected Revenues: | \$667 |
| Debt Repayment Expenses: | \$667 |

Donations

The City of Storm Lake maintains several donation funds which are earmarked for specific purposes. These funds are collected and disbursed accordingly per the use of the funds. Recent purchases from these funds include a Drone and K9 unit for the police department.

DARE

| | |
|---------------------|---------|
| Estimated Revenues: | \$1,000 |
| Projected Expenses: | \$ 600 |

Crime Prevention

| | |
|---------------------|---------|
| Estimated Revenues: | \$2,000 |
| Projected Expenses: | \$3,500 |

Parks

| | |
|---------------------|---------|
| Estimated Revenues: | \$1,000 |
| Projected Expenses: | \$1,000 |

Memorial Funds

The City maintains several memorial funds. Each are limited per a contractual agreement on what the funds are used for.

Library Memorial Funds

Estimated Revenues: \$9,535

Projected Expenses: \$8,330

Law Enforcement Funds

The City Maintains Evidence funds for the Public Safety Department and are held for a judge's ruling.

Law Enforcement

Estimated Revenues: \$4,100

Projected Expenses: \$5,500

Evidence

Estimated Revenues: \$0

Projected Expenses: \$1,000

***Note: Transfers between funding sources are not included to get a clear picture of revenue vs expenses per division. Transfers were approved during the CIP process.

RUT FUND

The Road Use Tax Fund is funds eligible for street reconstructions, street maintenance, street lighting, and snow removal.

The Road Use Tax Fund is a special revenue fund with support from the State of Iowa through Fuel Taxes. The State disburses funds on a per capita basis via the last census. A Street Finance Report is completed and submitted to the State each year.

REVENUES

The Road Use Tax Fund is operating in good financial health and maintains over the Council desired 40% fund balance, projected ending fund balance is \$ 945,730.

This year the Department of Transportation Per Capita Forecast is \$121.50. Estimated revenues are projected to be \$1,338,621.

FACTORS AFFECTING THIS BUDGET YEAR

An unexpected expense occurred with the road grader costing \$7,977. There will be an unknown cost to make repairs to the waste disposal site at the Street Shop for RV users.

FISCAL YEAR 2019-2020 BUDGET ADJUSTMENTS

Salaries increased by 3%. Insurance rates are expected to increase 10%, which includes group health insurance and workers' compensation insurance. You will notice that the expenses are greater than revenues due to the City Wide Clean-Up. The fund balance that has been accrued will offset the deficit.

No supplemental requested
Capital Expenditures- \$449,500

BUDGET OVERVIEW

Total Revenues- \$1,338,621

Expenses- \$1,422,504

Of which \$995,704 for street maintenance

| | |
|-----------------------------------|---------------------------|
| Personnel- \$489,547 | 34% of the total expenses |
| Operations/Maintenance- \$483,457 | 34% |
| Debt Service- \$0 | 0% |
| Capital Expenditures- \$449,500 | 32% |

***Note: Transfers between funding sources are not included to get a clear picture of revenue vs expenses per division. Transfers were approved during the CIP process.

KING'S POINTE

The Awaysis project was funded by an \$8M Vision Iowa Grant and voter approved bonds. The projects included, hotel and indoor waterpark, outdoor water park, lighthouse, great lawn, family playground, redesigned golf course and cottages. The purpose of the project was to diversify economic development and increase Local Option Sales Tax Revenue and Hotel/Motel revenue.

REVENUES

Revenues are estimated to be \$4,545,295.

Sources of revenues include, indoor waterpark, room revenue, food sales, and miscellaneous revenue.

Over the last few years, the City has been able to refinance all bonds to reduce the overall interest paid for the term of bond.

FACTORS AFFECTING THIS BUDGET YEAR

Operations loan for \$180,000

Food and Beverage has had lower than budgeted revenue

FISCAL YEAR 2019-2020 BUDGET REQUEST

Property Maintenance-\$3,579,195

Capital Expenses- \$186,250

Debt Service-\$ 417,147

Insurance and Property Tax- \$319,324

- Property Insurance- \$111,324
- Property Portion of Taxes- \$51,840
- TIF Portion of Taxes- \$156,160

City Loan Repayment- \$143,486

BUDGET OVERVIEW

Total Revenues- \$4,545,295

Expenses- \$4,489,242

Personnel- \$1,183,105

26% of the total expenses

Operations/Maintenance- \$2,396,090

53% of total expenses

Debt Service-\$560,633

12% of total expenses

Insurance/Property Tax-\$163,164

4% of total expenses

Capital Expenditures- \$186,250

5% of total expenses

LANDFILL FUND

The Landfill Fund is one of the City's enterprise funds. Enterprise funds are self-supporting used to account for goods and services for which user fees and charges are paid in exchange for services provided.

REVENUES

The Landfill Fund is operating in good financial health and maintains over the Council desired 40% fund balance. This allows us to schedule City Wide Clean-ups every three years. The Solid Waste Commission lowered the per capita rate by \$2.

Estimated revenues are projected to be \$450,500.

FACTORS AFFECTING THIS BUDGET YEAR

No unexpected costs this year.

FISCAL YEAR 2019-2020 BUDGET ADJUSTMENTS

Salaries increased by 3%. Insurance rates are expected to increase 10%, which includes group health insurance and workers' compensation insurance. You will notice that the expenses are greater than revenues due to the City Wide Clean-Up. The fund balance that has been accrued will offset the deficit.

No supplemental requested
Capital Expenditures- \$60,000

BUDGET OVERVIEW

| | | |
|-------------------------|-----------|---------------------------|
| Total Revenues- | \$450,500 | |
| Expenses- | \$502,899 | |
| Personnel- | \$48,183 | 10% of the total expenses |
| Operations/Maintenance- | \$394,716 | 78% |
| Debt Service- | \$0 | 0% |
| Capital Expenditures- | \$60,000 | 12% |

SEWER FUND

The Sewer Fund is one of the City's enterprise funds. Enterprise funds are self-supporting used to account for goods and services for which user fees and charges are paid in exchange for services provided. The Sewer Fund includes the following divisions: Administration, Wastewater Plant, and Collection

Average Daily Flow- 2.5 MGD

Rain Events Daily Flow- We have seen up to 5 MGD

Sludge Hauled- 118.5 Metric Tons

Miles of Sewer Pipe-62.85

Force Main: 12.73 mi

Gravity Main: 50.12 mi

Lift Stations- 19

REVENUES

The Sewer Fund is operating in good financial health and maintaining the Council desired 40% fund balance of \$1,230,728. The excess revenues will be used to cover the cost of capital improvements planned this next fiscal year and any unexpected lift station repairs.

This year we increase of usage, therefore a slight increase of revenue. Estimated revenues are projected to be \$3,234,611.

FACTORS AFFECTING THIS BUDGET YEAR

Unfortunately, the wastewater division had unexpected costs this current fiscal year.

DNR Consent Order Fine- \$8,000

Memorial Televising- \$8,230

Casino Lift Station Repairs- \$4,564

Scout Park Lift Station Repairs- \$15,346

Memorial Lift Station Repairs and pump repairs- \$59,510

Brown Bear and Spreader Truck Repairs- \$6,228

Miscellaneous Engineering- \$18,292

Consent Order Repairs to Memorial

NPDES Permit

Casino Lift Station

FISCAL YEAR 2019-2020 BUDGET ADJUSTMENTS

Consistent throughout the Sewer Fund budget, salaries increased by 3%. Insurance rates are expected to increase 10%, which includes group health insurance and workers' compensation insurance. We are expecting a slight decrease in telecommunication due to some expected cost savings due to the transition to a new phone system. Adjustments have been appropriately made for electric and gas services, and software subscription costs.

Administration

Supplemental request received for one additional FTE. Due to the number of lift stations and maintenance necessary to operate them, an additional employee is necessary. Once fully trained, we anticipate a long term reduction of contractual services as we will be able to handle maintenance and repair within the division.

Wastewater Plant

Chemicals increase – \$5,000 due to increase in price per units
Capital Expenditures- \$664,000

Collection

No supplemental requested
Capital Expenditures- \$100,000

Debt Service

Bond Payment- \$448,527

BUDGET OVERVIEW

Total Revenues- \$3,234,611

Expenses- \$3,076,819

Personnel- \$891,218

29% of the total expenses

Operations/Maintenance- \$973,074

31% of total expenses

Debt Service- \$448,527

15% of total expenses

Capital Expenditures- \$764,000

25% of total expenses

STORM WATER FUND

The Storm Water Fund is one of the City's enterprise funds. Enterprise funds are self-supporting used to account for goods and services for which user fees and charges are paid in exchange for services provided. The Storm Water Fund includes the following divisions: Administration and Collection.

Miles of Streets Swept-96
Number of Storm Intakes-745
Storm Water Quality Controls-15

REVENUES

The Storm Water Fund is operating in fair financial health but still is maintaining the Council desired 40% fund balance. The fund balance will be used to cover the cost of capital projects.

Estimated revenues are projected to be \$455,100.

Over the last few years, the City has been able to refinance all bonds to reduce the overall interest paid for the term of bond.

FACTORS AFFECTING THIS BUDGET YEAR

Unexpected street sweeper engine repairs were \$10,805.

FISCAL YEAR 2019-2020 BUDGET ADJUSTMENTS

Salaries increased by 3%. Insurance rates are expected to increase 10%, which includes group health insurance and workers' compensation insurance. We are expecting a slight decrease in telecommunication due to some expected cost savings due to the transition to a new phone system. Adjustments have been appropriately made for electric and gas services and software subscription costs.

Administration

No supplemental requested

Collection

No supplemental requested

Debt Service

Bond Payment- \$273,422

Capital Requests:

NRDG Project Costs- \$1,316,000
Federal Grant Revenues- \$987,000
Local Match Revenues- \$359,321

BUDGET OVERVIEW

Total Revenues- \$455,100

Expenses- \$502,252

Personnel- \$119,115

Operations/Maintenance- \$109,715

Debt Service- \$273,422

24% of the total expenses

22%

54%

WATER FUND

The Water Fund is one of the City's enterprise funds. Enterprise funds are self-supporting used to account for goods and services for which user fees and charges are paid in exchange for services provided. The Water Fund includes the following divisions: Administration, Water Plant, Distribution, and Water Meters.

Number of Water Accounts- 3,682

Average Daily Flow- 3.3 MGD

Number of Wells-10

Number of Water Towers-3

Number of Clear Wells- 2

Miles of Water Pipe-90.7

 Water Mains: 82.4 mi

 Irrigation: 4.19 mi

 Raw Water Line: 4.11 mi

Number of Hydrants-540

REVENUES

The Water Fund is operating in good financial health maintaining and slightly exceeding the Council desired 40% fund balance of \$1,747,602. The excess revenues will be used to cover the cost of capital improvements planned this next fiscal year.

Estimated revenues are projected to be \$4,479,477.

FACTORS AFFECTING THIS BUDGET YEAR

Usage increased approximately 4-7% this year. There were a few unplanned expenditures due to the failure of pumps and security cameras for \$29,139.

FISCAL YEAR 2019-2020 BUDGET ADJUSTMENTS

Consistent throughout the Water Fund budget, salaries increased by 3%. Insurance rates are expected to increase by 10%, which includes group health insurance and workers' compensation insurance. We are expecting a slight decrease in telecommunication due to some expected cost savings due to the transition to a new phone system. Adjustments have been appropriately made for electric and gas services, and software subscription costs.

Administration

A new line item for Water Excise Tax (WET). Over the life of the WET, a portion of the total taxes collected will be distributed into two funds—the water quality infrastructure fund and the water quality assistance fund—which will provide money to the Department of Agriculture and Land Stewardship and the Iowa Finance Authority. These funds will be used to improve water quality in Iowa.

Water Plant

Testing increased by \$4,000 to include UCMR EPA required testing

Chemicals costs increased by \$6,000 due to increase usage and cost of goods

Capital Expenditures- \$447,800

Distribution

No supplemental requested

Capital Expenditures- \$255,000

Meters

No supplemental requested

Capital Expenditures- \$60,000

Debt Service

Bond Payment- \$555,948

BUDGET OVERVIEW

Total Revenues- \$4,419,477

Expenses- \$3,699,006

Personnel- \$973,706

26% of the total expenses

Operations/Maintenance- \$1,406,552

38%

Debt Service- \$555,948

15%

Capital Expenditures- \$762,800

21%