

City of Council Bluffs

FY20 Operating Budget

Public Hearing February 11, 2019



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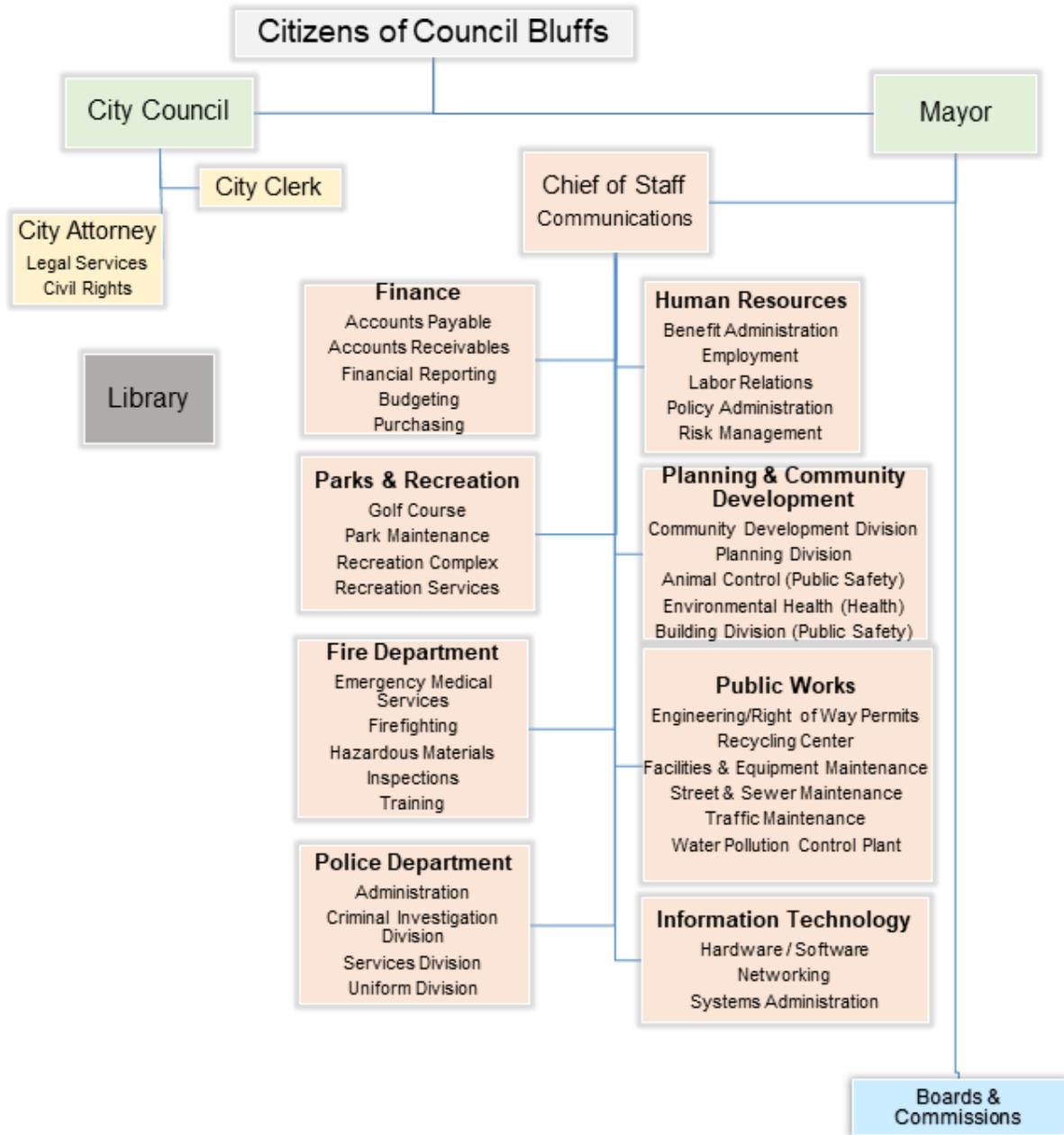
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FY20 Operating Budget

Highlights of the FY20 Operating Budget:

- Levy remains flat at \$18.26. Included in the levy is \$.51 for Police Department Headquarters, previously approved by the Citizens of Council Bluffs.
- Revenue risks included in the FY20 budget:
 - Redflex camera funds of \$660,000
 - Property tax Rollback of \$2.0M.
- For FY20, the City's total operating budget reflects expenditures over revenue of \$7M. This is driven by the requirement to record depreciation (non-cash expenditure) in the Proprietary Funds. Additionally, monies previously received from the State of Iowa will be expended on CIP, as planned.
- The City staff is standardizing the definition of Capital Improvement Projects. Annual maintenance will be budgeted in the department operating budget and long-term IT upgrades will be budgeted in CIP. For FY20, \$700,000 of IT projects are budgeted in CIP and \$331,500 of Parks maintenance are budgeted in the Parks operating budget.

City of Council Bluffs Org Chart



Elected by the Citizens of Council Bluffs

Appointed by City Council

Appointed by the Mayor

City of Council Bluffs Officials

Elected City Officials		Term Expires
Matt Walsh	Mayor	December 31, 2021
Melissa Head	Council Member	December 31, 2021
Roger Sandau	Council Member	December 31, 2019
Nate Watson	Council Member	December 31, 2019
Sharon White	Council Member	December 31, 2019
Mike Wolf	Council Member	December 31, 2021

Council Appointed Officials

Richard Wade	City Attorney
Jodi Quakenbush	City Clerk

City Officials

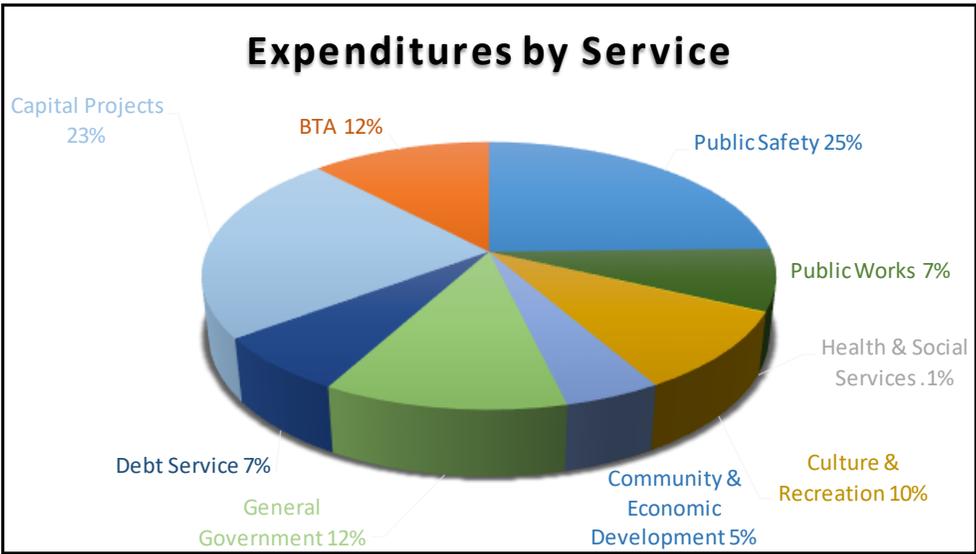
Wendy Schultz	Chief of Staff
Brandon Garrett	Director Planning & Community Development
Kathy Knott	Director Finance
Justin James	Fire Chief
Jon Finnegan	Director Human Resources
Mark Howard	Chief Information Officer
Vincent Martorello	Director Parks and Recreation
Timothy Carmody	Police Chief
Greg Reeder	Director Public Works

Kathy Rieger	Library Director
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Overview of Proposed FY20 Operating Budget

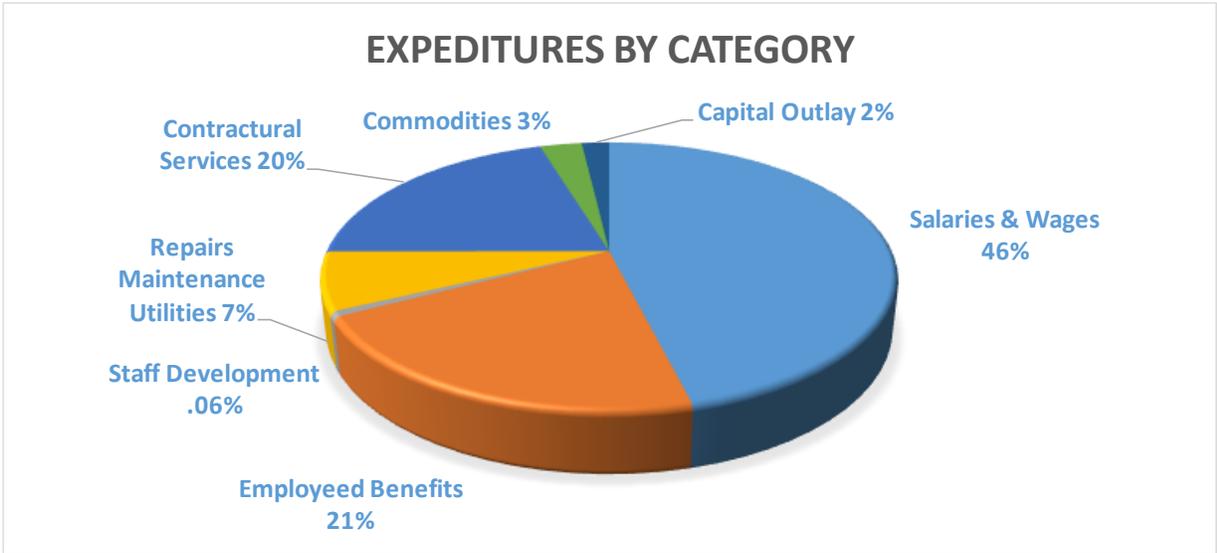
	FY19 BUDGET	FY20 BUDGET						
REVENUE & OTHER FINANCING SOURCES								
Property Taxes	\$ 46,787,000	\$ 48,301,901						
TIF Revenues	4,176,848	3,771,741						
Other City Taxes	21,033,273	22,827,246						
Licenses & Permits	1,621,650	1,790,950						
Use of Money & Property	962,355	1,287,300						
Intergovernmental	32,089,650	26,528,228						
Charges for Fees & Services	20,649,048	20,463,741						
Special Assessments	166,000	166,000						
Miscellaneous	2,472,400	3,200,440						
Other Financing Sources	25,000	7,550,000						
Transfers In	27,331,857	31,134,235						
TOTAL REVENUE & OTHER FINANCING SOURCES	\$ 157,315,081	\$ 167,021,782						
EXPENDITURES & OTHER FINANCING USES								
Public Safety	\$ 34,284,127	\$ 35,149,613						
Public Works	9,549,124	10,597,702						
Health & Social Services	152,137	202,315						
Culture & Recreation	12,971,497	13,603,047						
Community & Economic Development	5,758,794	6,595,154						
General Government	13,861,236	16,567,586						
Debt Service	10,527,678	9,764,739						
Capital Projects	42,468,675	33,317,152						
Business Type Activities	16,173,192	17,157,660						
Transfers Out	27,331,857	31,134,235						
TOTAL EXPENDITURES & OTHER FINANCING USES	\$ 173,078,317	\$ 174,089,203						
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">REVENUE, EXCL TRANSFERS</td> <td style="text-align: right;">\$ 129,983,224</td> <td style="text-align: right;">\$ 135,887,547</td> </tr> <tr> <td>EXPENDITURES, EXCL TRANSFERS</td> <td style="text-align: right;">\$ 145,746,460</td> <td style="text-align: right;">\$ 142,954,968</td> </tr> </table>			REVENUE, EXCL TRANSFERS	\$ 129,983,224	\$ 135,887,547	EXPENDITURES, EXCL TRANSFERS	\$ 145,746,460	\$ 142,954,968
REVENUE, EXCL TRANSFERS	\$ 129,983,224	\$ 135,887,547						
EXPENDITURES, EXCL TRANSFERS	\$ 145,746,460	\$ 142,954,968						

EXPENDITURES AND OTHER FINANCING USES

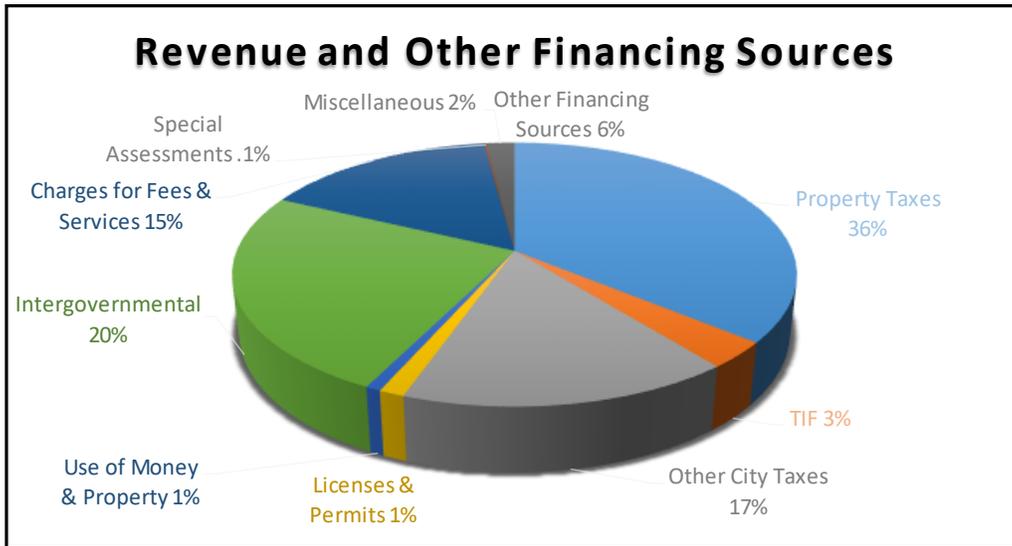


Excluding transfers between funds, the City of Council Bluffs FY20 Proposed Operating Budget is **\$142,954,968** a decrease of 1.9% from the FY19 Approved Operating Budget of **\$145,746,460**. This is primarily driven by a decrease in capital projects, partially offset by an increase in employee costs.

The chart below shows FY20 operating expenditures broken out by category. Employee costs account for 68% of budget expenditures.



REVENUE AND OTHER FINANCING SOURCES



Excluding transfers between funds, FY20 budgeted revenue is down vs FY19 by \$1.6M, driven by the timing of funding related to capital projects.

PROPERTY TAX (Rates per thousand dollars of taxable valuation)

The FY20 Proposed Operating Budget includes a total tax levy of \$18.26. This is flat to FY19 levy rate. The levy rate prior to the funding for the Police Department Headquarters was \$17.75.

Historical Levy Summary

Tax Levy	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
General	\$ 8.1000	\$ 8.1000	\$ 8.1000	\$ 8.1000	\$ 8.1000	\$ 8.1000	\$ 8.1000
Transit	0.3190	0.3186	0.3186	0.3186	0.3186	0.3186	0.3186
Maint Civic Center						0.1350	0.1350
Airport	0.2520	0.2519	0.2700	0.2700	0.2700	0.2499	0.2499
Liability and Insurance	0.4554	1.2040	0.7053	0.7053	0.7053	1.0506	0.8290
Emergency	0.2700	0.2700	0.2700	0.2700	0.2700	0.2700	0.2700
Employee Benefit	5.6250	5.0162	5.6361	5.8789	5.8789	5.4159	5.5375
Debt Service	2.7291	2.5893	2.4500	2.2072	2.3644	2.7201	2.8200
Total	\$ 17.7505	\$ 17.7500	\$ 17.7500	\$ 17.7500	\$ 17.9072	\$ 18.2600	\$ 18.2600
Base Levy Rate	\$ 17.7505	\$ 17.7500	\$ 17.7500	\$ 17.7500	\$ 17.7500	\$ 17.7500	\$ 17.7500
Increase for Police Department Headquarters					0.1572	0.5100	0.5100
Total Tax Levy	\$ 17.7505	\$ 17.7500	\$ 17.7500	\$ 17.7500	\$ 17.9072	\$ 18.2600	\$ 18.2600

Overall property tax revenue has increased vs. FY19 budget by 3.2% or \$1.5M driven by the increase in taxable property valuation.

ADDITIONAL INFORMATION ON PROPERTY TAX LEVIES

The City can generate property tax revenue through the use of a number of tax levies designated by the state for specific uses. Those levies are listed below along with their designated uses and levy thresholds.

General Fund Levy

The State Code of Iowa section 384.1 sets forth the General Fund Levy for Cities. The General Fund Levy assists with the funding of public safety, public works, culture and recreation, cemeteries, community and economic development, inspection services and general administration. The code states, "A city's tax levy for the General Fund shall not exceed eight dollars and ten cents per thousand dollars of taxable value in any tax year, except for the levies authorized in section 384.12."

Transit Levy

The State of Iowa allows cities to levy a property tax for the operation of a transit system. The amount of the levy is limited by State of Iowa law to no more than \$0.95 per thousand dollars of assessed value. The revenue generated from this levy is used to fund the operation and maintenance of a municipal transit system and supplements other revenue sources from the transit system including fares and grant proceeds. The City of Council Bluffs is currently at a levy rate of \$0.31859 per thousand. This levy is flat to the FY19 budget.

Civic Center Levy

State of Iowa law allows cities to levy a property tax not to exceed \$0.135 per thousand dollars of assessed value each year for operating and maintaining a civic center owned by a city. The City is utilizing this levy to provide dedicated funding to the Mid-America Center operations as supported by Iowa Code. The City of Council Bluffs is currently at a levy rate of \$0.135 per thousand dollars, which is flat to FY19 budget rate.

Aviation Authority Levy

The City of Council Bluffs levies on behalf of the Council Bluffs Airport Authority. This levy is remitted to the City who in turn, remits the collected aviation levy to the Airport Authority.

Liability and Insurance Levy

The State of Iowa allows cities to levy a property tax to fund premium costs on tort liability insurance, property insurance, and any other insurance that may be necessary in the operation of the city, and the costs of a self-insurance program. This levy has no maximum, but its use is limited to the actual costs of the insurance program. The City of Council Bluffs is currently at a levy rate of \$0.8290 per thousand. This is a reduction vs. FY19 budget rate.

Emergency Levy

The State of Iowa allows for the Emergency Levy in instances where a city has reached the \$8.10 General Fund Levy and has additional taxation needs. A city may establish an Emergency Fund and may certify taxes not to exceed \$0.27 per thousand. This levy can only be used if a city is at the maximum General Fund Levy of \$8.10. The City uses the Emergency Levy to its full extent provided by law.

Employee Benefits Levy

The Employee Benefits Levy, known as the trust and agency levy under Iowa Code, is used to fund the employee benefits of the City, including retirement and health insurance. There is no maximum for this levy under State of Iowa law, but can be used only to fund employee benefits. The City of Council Bluffs is currently at a levy rate of \$5.5375 per thousand. This is an increase vs. FY19 budget driven by increases in health insurance costs.

Debt Service Levy

The City's Debt Service Levy is used to fund the annual payments on the money the City has borrowed to fund the Capital Improvement Program. The debt service levy is unlimited. Section 384.4 of the Code of Iowa states, "A city shall establish a Debt Service Fund and shall certify taxes to be levied for the Debt Service Fund in the amount necessary to pay":

1. Judgments against the city, except those authorized by State law to be paid from other funds.
2. Interest as it becomes due and the amount necessary to pay, or to create a sinking fund to pay, at maturity of all general obligation bonds issued by the city or to pay, or to create a sinking fund to pay, amounts as due on loans received through the Iowa community development loan program.
3. Payments required to be made from the Debt Service Fund under a lease or lease-purchase agreement.
4. Payments required to be made from the Debt Service Fund under a loan agreement.

ADDITIONAL CITY REVENUE

OTHER CITY TAXES

Local Option Sales Tax (LOST)

After property taxes, a significant source of tax revenue is the Local Option Sales Tax. The sales tax rate in Council Bluffs is 7%, with 6% going to the State and 1% coming back to the local government (County/City). By City Ordinance, 100% of sales tax revenue shall be devoted to the maintenance and improvement of the city's sewer and street systems. Based on recent Iowa Department of Revenue estimates, the City has budgeted \$9.5 million in Local Option Sales Taxes, which is an increase over FY19 budget due to sales tax collected for the construction of a large technology campus.

Hotel/Motel Tax

The City utilizes a 7% hotel/motel tax imposed on the gross receipts of renting. State law requires that 50% of hotel/motel tax is to be used for acquiring, improving, operating or improving recreational, cultural or entertainment facilities as well as encouragement of tourism and convention business. The City supports the Council Bluffs Convention and Visitor's Bureau and development of recreational facilities with hotel/motel funds. The remaining revenues may be spent on any other lawful purpose. Hotel/Motel has been budgeted with a 5% increase over FY19 at \$2.95M

Gaming Tax

The City receives a portion of all monies received by local casino operators. These funds are used to support general fund expenditures. The City is able to provide gaming funds to support facilities maintenance and capital projects. The City receives funding from admissions on the riverboat and 0.05% of adjusted gross revenue recorded by the casino operators. Gaming revenue has been declining over the past few years. FY20 budget is \$2.73M or 9% less than FY19 budget.

Other Taxes

Other taxes include utility tax replacement excise tax and utility franchise tax. The City continues to see growth in the collection of utility franchise tax. The FY20 budget of franchise fees is 16% greater than FY19. The growth projection is based on the actual trending of collections for FY18 and FY19 to date. The amount of franchise fees budgeted for FY20 is \$4.1M.

LICENSES AND PERMITS

Fees from licenses and registrations include business, alarm, beer, liquor, cigarette, dog, cat, housing and other miscellaneous licenses and registrations. Fees from permits include building, electrical, mechanical, plumbing, refuse hauling, excavation, subdivision inspection, and other permits.

USE OF MONEY AND PROPERTY

This category includes interest and investment earnings collected and rent received from City owned property. FY20 budget includes an increase for interest the City should earn on investments due to rising interest rates over prior years. FY20 budgeted interest earnings is \$576K versus \$250K in FY19.

INTERGOVERNMENTAL REVENUE

Intergovernmental revenues include Federal grants and reimbursements, State grants and reimbursements, State shared revenues, and County or other local grants and reimbursements. Many of these revenues are construction project related and thus change significantly with the timing and type of projects.

This category includes Road Use Tax Funds (RUTF). The State Road Use Tax Fund consists of revenues from fuel tax, vehicle registration fees, use tax, driver's license fees and other miscellaneous sources. Road Use Tax is distributed on a per capita basis.

Also included in this category is flood mitigation funds which is the sales tax revenue anticipated to be received from the State to be used for flood mitigation. That revenue is expected to be \$2.2M in FY20, down \$1.2M from FY19. The revenue is based on an agreement between the City of Council Bluffs and the State of Iowa over a 20 year funding period.

Rollback (Commercial and Industrial Replacement) tax collection has been included in the budget. The amount of rollback tax collection included in the budget for FY20 is \$2.0M.

CHARGES FOR SERVICES

This category includes revenue from charges for services for Sewer and Sanitation charges. Other Charges for Services include parking, transit, ambulance, rental registration, golf fees, swimming fees and Mid-America Center revenue. Charges for Services are basically flat vs. FY19 budget.

SPECIAL ASSESSMENTS

Special Assessments are an additional tax levied on private property for public improvements that enhance the value of the property. The City assesses a special assessment on drainage districts to aid in the cost of maintaining the run off of water within these areas. Special assessments are flat vs. FY19 budget.

MISCELLANEOUS REVENUE

This category includes donations, library fines & charges, pool and golf concessions, police auctions, court fines, Redflex camera revenue and reimbursements. Revenues of a non-recurring nature which are not assigned above are included in this category. The amount built into the FY20 budget for Redflex revenue is \$660K.

OTHER FINANCING SOURCES

This category is used for the proceeds from bonding. The FY20 budget includes a General Obligation bond issuance of \$7.5M for FY20 capital projects. The city bonded in the 4th quarter of FY18 for the FY19 capital projects and the new Police Headquarters to reduce the cost of separate bond offerings.

OVERVIEW OF FUNDS

The City utilizes separate funds in order to account for revenues and expenditures that are reserved for specific purposes as required by the State and GASB (Government Accounting Standards Board). Major fund categories are: General, Special Revenue, TIF Special Revenue, Debt Service, Capital Projects, Permanent and Proprietary.

Transfers between specific funds

Revenue that is restricted and received in one major fund category is transferred to the fund that is accumulating the costs. For example, a CIP project in the Capital Projects fund may receive funding from a Special Revenue fund. This will result in a transfer out (expenditure) in the Special Revenue fund and a transfer in (revenue) the Capital Projects fund.

State Budget Summary

Form 635.2A		CITY OF Council Bluffs							Department of Management		
		ADOPTED BUDGET SUMMARY							Fiscal Years		
		YEAR ENDED JUNE 30, 2020									
(A)	(B)	GENERAL (C)	SPECIAL REVENUES (D)	TIF REVENUES (E)	DEBT SERVICE (F)	CAPITAL PROJECTS (G)	PERMANENT (H)	PROPRIETARY (I)	BUDGET 2020 (J)	RE-ESTIMATED 2019 (K)	ACTUAL 2018 (L)
Revenues & Other Financing Sources											
1	Taxes Levied on Property	25,274,808	15,352,612		7,674,481	0			48,301,901	46,787,000	43,188,002
2	Less: Uncollected Property Taxes-Levy Year	0	0		0	0			0	0	0
3	Net Current Property Taxes	25,274,808	15,352,612		7,674,481	0			48,301,901	46,787,000	43,188,002
4	Delinquent Property Taxes	0	0		0	0			0	0	7,221
5	TIF Revenues			3,771,741					3,771,741	4,176,848	4,764,496
6	Other City Taxes	11,646,119	10,647,987		533,140	0			22,827,246	21,033,273	21,538,532
7	Licenses & Permits	1,680,950	100,000					10,000	1,790,950	1,621,650	5,773,976
8	Use of Money and Property	1,282,000	0	0	0	0	0	5,300	1,287,300	962,355	1,169,037
9	Intergovernmental	2,626,401	10,843,557	0	308,118	11,960,152		0	25,738,228	32,089,650	29,860,018
10	Charges for Fees & Service	7,635,191	250		0	0		12,828,300	20,463,741	20,649,048	18,950,369
11	Special Assessments	0	166,000		0	0		0	166,000	166,000	305,145
12	Miscellaneous	3,353,280	617,000		0	0		20,000	3,990,440	2,472,400	11,986,988
13	Sub-Total Revenues	53,498,749	37,727,406	3,771,741	8,515,739	11,960,152	160	12,863,600	128,337,547	129,958,224	137,543,784
Other Financing Sources:											
14	Total Transfers In	17,858,733	0	0	1,249,000	12,026,502	0	0	31,134,235	27,331,857	28,141,555
15	Proceeds of Debt	0	0	0	0	7,550,000	0	0	7,550,000	0	34,112,362
16	Proceeds of Capital Asset Sales	0	0	0	0	0	0	0	0	25,000	539,203
17	Total Revenues and Other Sources	71,357,482	37,727,406	3,771,741	9,764,739	31,536,654	160	12,863,600	167,021,782	157,315,081	200,336,904
Expenditures & Other Financing Uses											
18	Public Safety	34,924,421	225,192	0					35,149,613	34,284,127	33,135,638
19	Public Works	1,704,329	8,893,373	0					10,597,702	9,549,124	9,771,340
20	Health and Social Services	202,315	0	0					202,315	152,137	553,808
21	Culture and Recreation	13,325,047	278,000	0					13,603,047	12,971,497	12,007,442
22	Community and Economic Development	933,341	3,652,303	2,009,510					6,595,154	5,758,794	4,793,219
23	General Government	16,567,586	0	0					16,567,586	13,861,236	14,571,616
24	Debt Service	0	0	0	9,764,739				9,764,739	10,527,678	17,686,355
25	Capital Projects	0	0	0		33,317,152			33,317,152	42,468,675	41,063,277
26	Total Government Activities Expenditures	67,657,039	13,048,868	2,009,510	9,764,739	33,317,152	0		125,797,308	129,573,268	133,582,695
27	Business Type Proprietary: Enterprise & ISF							17,157,660	17,157,660	16,173,192	15,434,167
28	Total Gov & Bus Type Expenditures	67,657,039	13,048,868	2,009,510	9,764,739	33,317,152	0	17,157,660	142,954,968	145,746,460	149,016,862
29	Total Transfers Out	3,606,000	25,266,004	1,762,231	0	0	0	500,000	31,134,235	27,331,857	28,141,555
30	Total ALL Expenditures/Fund Transfers Out	71,263,039	38,314,872	3,771,741	9,764,739	33,317,152	0	17,657,660	174,089,203	173,078,317	177,158,417
31	Excess Revenues & Other Sources Over										
32	(Under) Expenditures/Transfers Out	94,443	-587,466	0	0	-1,780,498	160	-4,794,060	-7,067,421	-15,763,236	23,178,487
33	Beginning Fund Balance July 1	21,540,335	29,362,960	1,062,657	1,510,022	3,893,334	61,600	159,988,351	217,419,259	233,182,495	210,004,008
34	Ending Fund Balance June 30	21,634,778	28,775,494	1,062,657	1,510,022	2,112,836	61,760	155,194,291	210,351,838	217,419,259	233,182,495

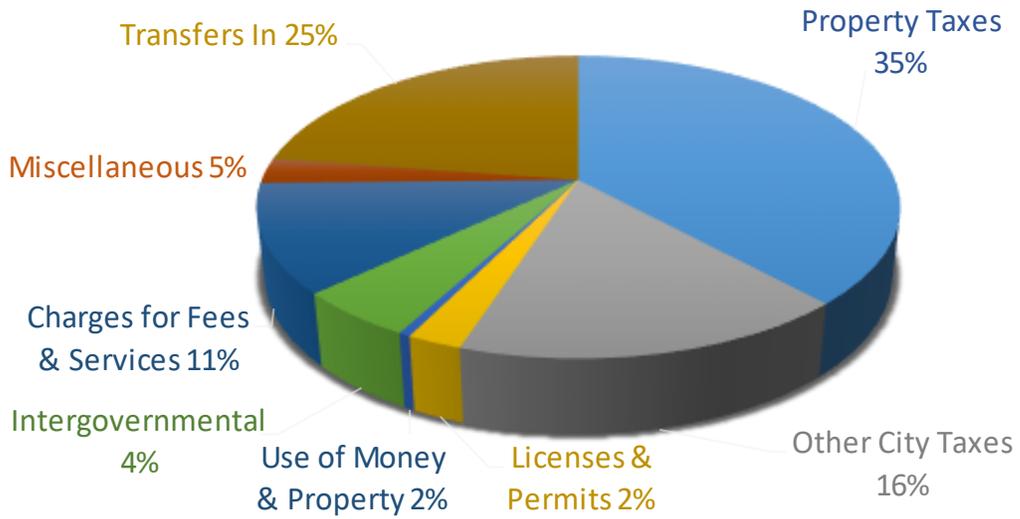
The State Budget summary reflects the entire operating budget for the City aligned by the various funds. The excess of expenditures over revenue (line 32 of the form) is primarily driven by the use of revenue received in prior years. For example, the use of monies received from the State of Iowa that will be used on the West Broadway projects. It is also driven by depreciation required (by GASB) to be reflected in the proprietary funds. (See page 21 of this report.)

General Fund

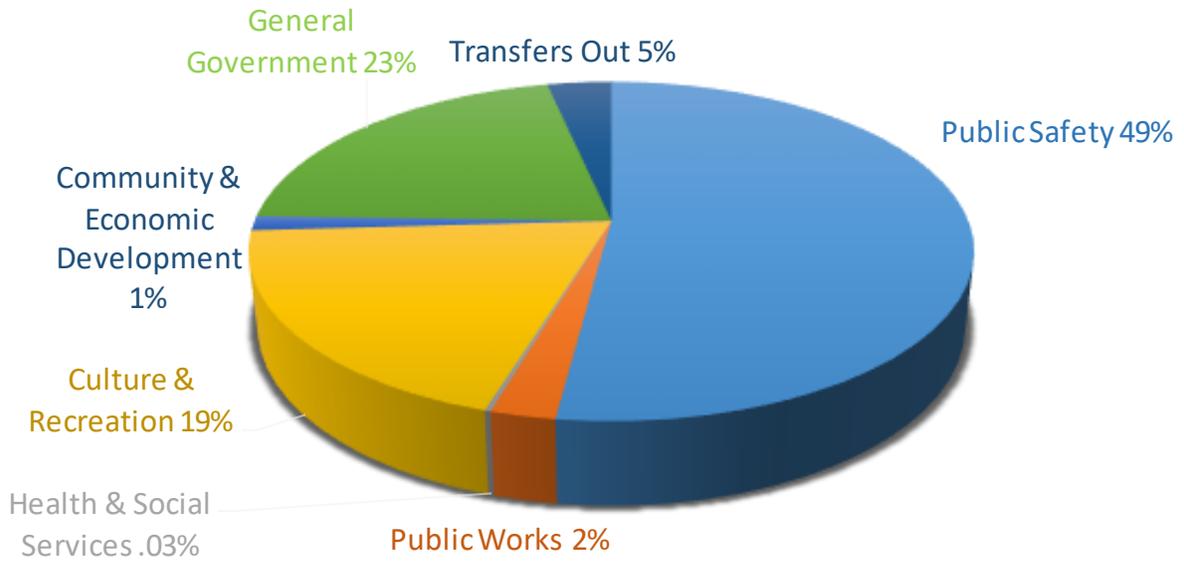
The General Fund is the primary fund used by a government entity. This fund is used to record all resources inflows and outflows that are not associated with special-purpose funds, such as Special Revenue and Capital Project Funds. The activities being paid for through the General Fund constitute the core administrative and operational tasks of the government entity.

	FY19 BUDGET	FY20 BUDGET
REVENUE & FINANCING SOURCES		
Property Taxes	\$ 25,025,100	\$ 25,274,808
Other City Taxes	11,078,106	11,646,119
Licenses & Permits	1,542,650	1,680,950
Use of Money & Property	330,000	1,282,000
Intergovernmental	3,390,425	3,166,401
Charges for Fees & Services	7,620,148	7,635,191
Miscellaneous	1,727,860	2,813,280
Other Financing Sources	25,000	-
Transfers In	14,874,335	17,858,733
TOTAL REVENUE & FINANCING SOURCES	\$ 65,613,624	\$ 71,357,482
EXPENDITURES & FINANCING USES		
Public Safety	\$ 34,126,864	\$ 34,924,421
Public Works	1,607,317	1,704,329
Health & Social Services	152,137	202,315
Culture & Recreation	12,679,497	13,325,047
Community & Economic Development	902,160	933,341
General Government	13,861,236	16,567,586
Transfers Out	2,225,000	3,606,000
TOTAL EXPENDITURES & FINANCING USES	\$ 65,554,211	\$ 71,263,039

Receipts - General Fund



Expenditures- General Fund



GENERAL FUND EXPENDITURE SUMMARY

	FY19 BUDGET	FY20 BUDGET
Public Safety		
Police Department	\$ 17,867,084	\$ 18,393,313
Flood Control	114,735	145,458
Fire Department	11,847,768	12,017,325
Ambulance	2,469,600	2,488,708
Building Inspections	1,239,851	1,245,653
Animal Control	587,826	633,964
Total Public Safety	34,126,863	34,924,421
Total Public Works	1,607,318	1,704,329
Total Health Regulation	152,137	202,315
Culture and Recreation		
Library Services	2,761,717	2,855,160
Parks	4,538,924	4,955,817
Dodge Riverside Golf Course*	1,068,856	1,145,578
Mid-America Center*	4,310,000	4,368,492
Total Culture and Recreation	12,679,497	13,325,047
Total Community & Economic Development	902,160	933,341
General Government*		
Mayor & City Council	523,322	507,416
Clerk, Treasurer, & Finance Adm.	2,443,894	2,510,462
Legal Services & City Attorney	420,183	434,413
City Hall & General Buildings	1,712,833	1,848,060
Tort Liability	1,910,279	2,065,081
Other General Government	6,850,725	9,202,154
Total General Government	13,861,237	16,567,586
Transfer Out	2,225,000	3,606,000
Total General Fund Expenditures	\$ 65,554,212	\$ 71,263,039

*See Supplementary Expenditure Schedule's on the following page.

Supplementary Expenditure Schedules

Mid-America Center and Dodge Golf Summary

Mid-America Arena and Convention Center Operating Budget

	FY19 BUDGET	FY20 BUDGET	BUDGET CHANGE YOY	
Total Revenue	\$ 4,277,387	\$ 4,362,192	\$ 84,805	1.98%
Total Expenditure	4,310,000	4,368,492	58,492	1.36%
Net Income (loss)	\$ (32,613)	\$ (6,300)	\$ 26,313	80.68%

Dodge Riverside Golf Operating Budget

	FY19 BUDGET	FY20 BUDGET	BUDGET CHANGE YOY	
Total Revenue	\$ 1,012,948	\$ 1,186,979	\$ 174,031	17.18%
Total Expenditure	1,028,856	1,145,578	116,722	11.34%
Net Income (loss)	\$ (15,908)	\$ 41,401	\$ 57,309	360.25%

Separate third party management companies manage the Mid-America Arena and Convention Center and Dodge Riverside Golf Course. Both facilities continue to benefit from professional management. The net operations of the facilities continue to show improvement when year over year results are compared.

The total revenue for the MAC includes revenue from the Civic Center levy, which was \$384,467 in the FY19 budget and \$393,700 in the FY20 budget.

Supplementary Expenditure Schedules

General Government Expenditures

	FY19 BUDGET	FY20 BUDGET	BUDGET CHANGE YOY	
Mayor	\$ 465,068	\$ 456,220	\$ (8,848)	-1.90%
City Council	58,254	51,196	(7,058)	-12.12%
Communications	133,251	142,968	9,717	7.29%
City Clerk	229,422	334,535	105,113	45.82%
Civil Service	20,000	20,200	200	1.00%
Human Resources	770,419	826,021	55,602	7.22%
Finance	1,300,237	1,203,613	(96,625)	-7.43%
Procurement	123,816	126,093	2,277	1.84%
Legal	420,183	434,413	14,230	3.39%
Pub Wkrs-Equip Maint	1,712,833	1,848,060	135,227	7.89%
Information Technology	2,755,092	2,240,936	(514,156)	-18.66%
Central Stores	15,000	15,100	100	0.67%
General Non-Departmental	903,000	3,317,000	2,414,000	267.33%
Aviation Tax Levy	769,148	728,704	(40,444)	-5.26%
Facilities Maintenance	1,136,964	1,224,246	87,282	7.68%
Tort & Liability	1,910,279	2,065,081	154,802	8.10%
Benefit & Employee Insurance	1,138,000	1,533,200	395,200	34.73%
Total General Government	\$ 13,860,967	\$ 16,567,586	\$ 2,706,618	19.53%

The General Government expenditure budget increased in FY20 due to the following items: \$1M for a reimbursable expenditure, \$400K projected increase to health insurance, \$100K increase for building repairs and maintenance, \$90K for election expense, and \$670K expense for the Bass Pro Building which was previously budgeted in a Special Revenue fund. The City also moved all contributions for civic causes and expenses for public facilities to a category referred to as General Non-Departmental. The Cities' contributions to the Council Bluffs Convention & Visitors Bureau, Advance Southwest Iowa, Pottawattamie Arts Culture Entertainment (PACE), Dodge House, and costs associated with the Pedestrian Bridge over the Missouri River between Council Bluffs and Omaha are all included in this category.

Special Revenue Funds

Special Revenue Funds are used to account for revenues derived from specific sources that are usually required by law or regulation to be accounted for separate from the City's general fund.

Special Revenue Fund Summary

	FY19 BUDGET	FY20 BUDGET
REVENUE & FINANCING SOURCES		
Property Taxes	\$ 14,557,149	\$ 15,352,612
Other City Taxes	9,451,916	10,647,987
Licenses & Permits	79,000	100,000
Use of Money & Property	630,000	-
Intergovernmental	12,058,968	11,093,557
Charges for Fees & Services	2,500	250
Special Assessments	166,000	166,000
Miscellaneous	102,000	367,000
Transfers In	787,458	-
TOTAL REVENUE & FINANCING SOURCES	\$ 37,834,991	\$ 37,727,406
 EXPENDITURES & FINANCING USES		
Public Safety	\$ 157,263	\$ 225,192
Public Works-Road Use	7,941,808	8,893,373
Culture & Recreation - Library	292,000	278,000
Community & Economic Development	3,057,308	3,652,303
Debt Service	1,233,146	-
Transfers Out	22,729,335	25,266,004
TOTAL EXPENDITURES & FINANCING USES	\$ 35,410,860	\$ 38,314,872

**Special Revenue Funds
Summary by Fund**

	CDBG	Road Use	Local Option Sales Tax	Library Donations	Employee Benefits	Emergency Levy Fund	Other	Total FY20 Budget
REVENUE & FINANCING SOURCES								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 14,511,478	\$ 707,552	\$ 133,582	\$ 15,352,612
Other City Taxes	-	-	9,550,000	-	1,046,940	51,047	-	10,647,987
Licenses & Permits	-	100,000	-	-	-	-	-	100,000
Use of Money & Property	-	-	-	-	-	-	-	-
Intergovernmental	1,900,000	8,100,000	-	253,000	604,415	30,132	206,010	11,093,557
Charges for Fees & Services	250	-	-	-	-	-	-	250
Special Assessments	-	-	-	-	-	-	166,000	166,000
Miscellaneous	-	45,000	-	25,000	-	-	297,000	367,000
Transfers In	-	-	-	-	-	-	-	-
TOTAL REVENUE & FINANCING SOURCES	\$ 1,900,250	\$ 8,245,000	\$ 9,550,000	\$ 278,000	\$16,162,833	\$ 788,731	\$ 802,592	\$37,727,406
EXPENDITURES & FINANCING USES								
Public Safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 225,192	\$ 225,192
Public Works-Road Use	-	8,893,373	-	-	-	-	-	8,893,373
Culture & Recreation - Library	-	-	-	278,000	-	-	-	278,000
Community & Economic Development	3,227,803	-	-	-	-	-	424,500	3,652,303
Debt Service	-	-	-	-	-	-	-	-
Transfers Out	250,000	1,750,000	5,801,000	-	16,655,358	788,731	20,915	25,266,004
TOTAL EXPENDITURES & FINANCING USES	\$ 3,477,803	\$10,643,373	\$ 5,801,000	\$ 278,000	\$16,655,358	\$ 788,731	\$ 670,607	\$38,314,872

Special Revenue Fund – CDBG - Community Development Block Grant

The City accounts for all federal funding from the US Department of Housing and Urban Development and other state and local grants in specific funds for economic development.

Special Revenue Fund - Road Use

The State shared revenue from gasoline taxes and vehicle registrations are provided to cities for the purpose of funding road improvements and maintenance. The revenue received is based on a per capita rate. The City maintains approximately 600 miles of streets, as well as, alley's, right of ways, ADA ramps and City owned sidewalks.

Special Revenue Fund - Local Option Sales Tax

The City collects a 1% Local Option Sales Tax which supports the Cities street and sewer improvements.

Special Revenue Fund - Library Donations

The Library fund is used to account for donations directed specifically to the City Public Library. Certain programs are funded through the Council Bluffs Library Foundation in addition to donations received directly by the City Public Library

Special Revenue Fund - Employee Benefit

The Employee Benefit fund provides for the cost of insurance, retirement, worker compensation and other benefits to all City employees. This funding is currently recorded in the Employee Benefit fund and transferred to the appropriate fund where the expense is recorded.

Special Revenue Fund - Emergency Levy

The Emergency Levy fund is used to supplement general fund expenditures.

Special Revenue Fund - Other

This category groups smaller special revenue funds together which include Targeted Jobs, an economic development program, HOME grant program, which supports rehabilitation, and affordable housing programs through the U.S. Department of Housing and Urban Development (HUD), City drainage district funds and a Self-Supported Municipal Improvement District (SSMID)

TIF Special Revenue Fund

Tax Increment Finance (TIF) is a method to promote urban renewal/economic development efforts in an area by directing the property tax revenues generated from property value increases within a designated TIF district to finance the costs of improvements made in the district. TIF districts are established within approved urban renewal areas (URA). Tax revenues are then used to fund infrastructure improvements and other incentives to allow for economic development in these districts.

TIF SPECIAL REVENUE FUND

TIF REVENUES

	FY19 BUDGET	FY20 BUDGET	BUDGET CHANGE YOY	
Total Tax Increment Revenue	\$ 4,176,848	\$ 3,771,741	\$ (405,107)	-9.70%

TIF EXPENDITURES

	FY19 BUDGET	FY20 BUDGET	BUDGET CHANGE YOY	
Payments to Developers	\$ 1,099,326	\$ 1,309,510	\$ 210,184	19.12%
Debt Service Payments	2,235,078	1,949,000	(286,078)	-12.80%
Capital Expense Reimbursement	54,986	473,231	418,245	760.64%
Transfer to General Fund	787,458	40,000	(747,458)	-94.92%
Total Tax Increment Expenditures	\$ 3,389,390	\$ 3,731,741	\$ 342,351	10.10%

Debt Service Fund

The Debt Service Fund is a legally required fund. The fund administers the payments for all of the City's general obligation debt.

The City issues general obligation bonds to fund capital projects. The new Police Department Headquarters, previously approved by the Citizens of the City, is being financed through general obligation bonds. \$7.4M was issued in the first quarter of FY18 and the remaining funding was issued in fourth quarter of FY18. \$7.5M of general obligation bonds for FY20 capital projects will be issued early in FY20.

For the majority of projects funded through general obligation debt, the City usually issues general obligation bonds for a period of 10 years. However the general obligation bonds on the new Police Department Headquarters were issued at 20 years.

The City borrowed funds in FY12 to fund sewer improvement projects. The debt service for this loan is paid directly from sewer fees and not from the debt levy.

DEBT SERVICE

DEBT SERVICE REVENUES

	FY19 BUDGET	FY20 BUDGET	BUDGET CHANGE	YOY
Property Tax Levy	\$ 8,057,009	\$ 8,515,739	\$ (458,730)	-5.69%
Federal Grant	60,750	-	60,750	100.00%
Transfer In	1,535,078	1,249,000	286,078	18.64%
Total Debt Service Revenue	\$ 9,652,837	\$ 9,764,739	\$ (111,902)	-1.16%

DEBT SERVICE EXPENDITURES

	FY19 BUDGET	FY20 BUDGET	BUDGET CHANGE	YOY
Total Debt Service Payments	\$ 9,294,532	\$ 9,764,739	\$ 470,207	5.06%

Statutory Debt Capacity Update

The Iowa Constitution stipulates the debt of a community may not exceed 5% of the Actual Assessed Value of the Taxable Property within the city or town. General obligation bonds, TIF debt and leases paid from the general fund are included as indebtedness of the City under the statutory debt limit. Below is the debt capacity calculation for the City:

City of Council Bluffs Debt Capacity Calculation

100% Assessed Value of property, January 1, 2018:	\$ 5,121,594,374
Statutory Debt limit	5%
Debt Limit	\$ 256,079,719
Outstanding GO Debt, TIF Debt, Loan and Legal Settlement Debt	\$ 60,500,374
Fund Balance available for Debt repayment	(2,214,374)
Projected Net Debt outstanding June 30, 2019	\$ 58,286,000
Legal Debt Margin Utilized	22.76%

Capital Projects Fund

The City of Council Bluffs Capital Improvement Program (CIP) is adopted annually by the City Council. The CIP includes expenditures that are of significant value and have a long-term useful life such as, streets, sewers, land and major equipment. CIP projects are additionally approved on an individual basis during the bidding process. Funding for capital projects is primarily provided through federal, state and local grants and by general obligation bonds.

CAPITAL PROJECTS FUND

CAPITAL PROJECTS FUNDED FOR FY20

REVENUE & FINANCING SOURCES	FY20 BUDGET
Federal Grants	\$ 1,338,000
State Grants	2,200,000
County Contribution	161,000
Nongovernment Grants	8,261,152
Proceeds of Debt	7,550,000
Transfers In	12,026,502
TOTAL REVENUE & FINANCING SOURCES	\$ 31,536,654

CAPITAL PROJECTS EXPENDITURES

EXPENDITURES & FINANCING USES	FY20 BUDGET
MidAmerican Center Renovations	\$ 1,331,000
Building Maintenance Projects	450,000
Community Development Projects	1,750,000
Firetruck Replacement	1,250,000
Parks & Recreation Projects	475,000
IT Software & Hardware	700,000
Public Works Street Projects	24,325,000
Levee Certification Projects	2,200,000
GO Bonds Expense	50,000
Parking Garage	786,152
TOTAL EXPENDITURES & FINANCING USES	\$ 33,317,152

FY20 Capital Project Reconciliation

FY20 Total Revenue & Financing Sources	\$ 31,536,654
FY20 Total Expenditures & Financing Uses	33,317,152
FY20 Expenditures Exceed Revenue	\$ (1,780,498)
Revenue received in prior years for FY20 projects	\$ 4,000,000
Budgeted Transfers for expenditures previously budgeted	(2,219,502)
Net Expenditure over Revenue	\$ 1,780,498

Permanent Fund

The City uses a separate fund to account for funds received and held for perpetual care, Fairview Cemetery. A portion of all cemetery plots sold are accounted for in this fund.

Proprietary Funds (Business Type Activities, BTA)

The City utilizes proprietary funds to account for the two business type activities: Sewer and Refuse.

Proprietary Funds (Business Type Activates, BTA)

	<u>FY19 BUDGET</u>	<u>FY20 BUDGET</u>
REVENUE & FINANCING SOURCES		
Charges for Services	\$ 12,048,500	\$ 11,848,200
Charges for Recyclables	953,400	917,000
Rents & Royalties	5,300	5,300
Miscellaneous	46,855	93,100
TOTAL REVENUE & FINANCING SOURCES	<u>\$ 13,054,055</u>	<u>\$ 12,863,600</u>
EXPENDITURES & FINANCING USES		
Sewer & Refuse Operations & Maintenance	\$ 11,165,477	\$ 12,031,422
Equipment	502,600	591,500
Capital Improvement Loan	420,115	384,738
Depreciation Expense	4,085,000	4,150,000
Transfers Out		500,000
TOTAL EXPENDITURES & FINANCING USES	<u>\$ 16,173,192</u>	<u>\$ 17,657,660</u>

Proprietary Fund - Sewer

The City of Council Bluffs operates approximately 225 miles of sanitary sewer and 120 miles of storm sewers. The City maintains 19 sanitary and 11 storm sewer pump stations. The City implemented a 5 year graduated sewer rate increase beginning in FY15. FY19 saw the final rate increase. The City has taken a proactive approach and will have a rate study performed in FY19 to ensure rates are sufficient to cover all costs.

Proprietary Fund - Sewer

	FY19	FY20
	BUDGET	BUDGET
REVENUE & FINANCING SOURCES		
Charges for Services	\$ 7,251,000	\$ 7,063,000
Miscellaneous	42,355	60,000
TOTAL REVENUE & FINANCING SOURCES	<u>\$ 7,293,355</u>	<u>\$ 7,123,000</u>
EXPENDITURES & FINANCING USES		
Sewer Operations & Maintenance	\$ 5,659,808	\$ 6,443,044
Sewer Equipment	497,600	346,500
Sewer Capital Improvement Loan	355,115	354,738
Depreciation Expense	3,810,000	3,875,000
Transfers Out		500,000
TOTAL EXPENDITURES & FINANCING USES	<u>\$ 10,322,523</u>	<u>\$ 11,519,282</u>

Proprietary Fund - Recycling and Refuse

The City of Council Bluffs operates a recycling center and curbside refuse and recycling collection program. Most recyclables are received from the curbside collection program and from recycling containers located throughout the region including locations in Pottawattamie, Harrison and Mills County.

Proprietary Fund - Refuse

	FY19	FY20
	BUDGET	BUDGET
REVENUE & FINANCING SOURCES		
Charges for Refuse Collection	\$ 4,797,500	\$ 4,785,200
Rents & Royalties	5,300	5,300
Charges for Recyclables	953,400	917,000
Miscellaneous	4,500	33,100
TOTAL REVENUE & FINANCING SOURCES	<u>\$ 5,760,700</u>	<u>\$ 5,740,600</u>
EXPENDITURES & FINANCING USES		
Refuse Disposal	\$ 3,960,294	\$ 3,965,735
Recycling Center Operations	1,545,375	1,622,643
Recycling Center Equipment	5,000	245,000
Recycling Center Equipment Loan	65,000	30,000
Depreciation Expense	275,000	275,000
TOTAL EXPENDITURES & FINANCING USES	<u>\$ 5,850,669</u>	<u>\$ 6,138,378</u>