

City of Maquoketa

Fiscal Year 2023 – 2024 Budget Proposal

&

Fiscal Year 2022 – 2023 Re-estimate



Table of Contents

Section I: Management Analysis	3
Section II: General Fund	44
American Rescue Plan Act Fund	56
Capital Funds	58
Road Use Tax Fund	61
Local Option Sales Tax Fund	64
Urban Renewal Fund (TIF)	65
Debt Service Fund	69
Utility Funds	78
Airport Fund	85
Performance Accountability & Conclusion	88

Section I: Management Analysis

To: Mayor Tom Messerli & City Council

From: Joshua Boldt, City Manager/Clerk
Andrea White, Finance Clerk

Subject: Budget Management Analysis FY2023-2024

Date: March 10, 2023

The City of Maquoketa finds itself in a time of rapid change and the community should be proud of its unique qualities. The underlying performance of community and business growth remains critically important to the sustainability of Maquoketa. On both of these core ideals, the City of Maquoketa thrives and will continue to be the centerpiece of the City's strategy just as it has throughout 2022.

This document is intended to continue to build on our present strategy which is to showcase or highlight Maquoketa's advantages in such a way to attract prospective residents and businesses while remaining frugal with the City's resources as the grander economy weakens. Of course, this sounds as if it would be the goal any year, but the slowdown realized by rising costs in the economy have hit home in obvious ways. Therefore, asset prioritization becomes critical.

How is a City Council to settle on priorities and reach an acceptable consensus? This is the area in which City Staff must guide elected officials and allow local leaders to make the best decisions possible with the best information possible.

When I, Joshua Boldt, arrived in January 2022, it was apparent the City's budget needed to be understood by everyone, not just the Finance Clerk, Department Heads, and the City Manager. Our staff is committed to allowing informed decisions, informed strategy, and proposing all City initiatives with rapid transparency. This democratized version of Public Finance is why budgeting is so important for all, not just City Staff.

Further, the Government Finance Officers Association (GFOA) considers budgeting to be a foundational tool to build values and treat all parties equitably. This is best identified by the GFOA's five pillar model found on the next page which identifies:

- 1) Establishment of a long-term vision
- 2) Build trust and open communication
- 3) Collective decision making
- 4) Creation of clear rules
- 5) Fair treatment for all

This narrative will set up any member of the public, elected or a citizen, to understand the City's Budget and why the flow of resources behaves the way it does. We will accomplish this objective by analyzing:

- City of Maquoketa Profile

- Organizational Chart
- FY2022-2023 Financial Trends
- Ongoing Projects
- Budgeting Methodology & Financial Policies

Next, we will discuss each major fund in detail. Major funds for the purposes of this document include:

- General Fund
- American Rescue Plan Act Fund (ARPA)
- Capital Funds (General Fund CIP, Water CIP, Wastewater CIP)
- Road Use Tax Fund
- Local Option Sales Tax (LOST) Fund
- Urban Renewal Fund (TIF)
- Debt Service Fund
- Utility Funds
- Airport Fund

The City has many more supplementing funds that are mostly driven by these core funds by “transfer out”. These supplemental funds were started prior to January 2022 in order to clearly capture project accounting through the course of a capital project, Platt Street Project Fund as an example. These funds have been intentionally omitted from this report but they are built into the total of the budget proposal before City Council and subject to the external auditing standards to ensure all funds balance out and are free from intended misrepresentation.

Sincerely,

Joshua Boldt



City of Maquoketa Profile

The City of Maquoketa is the County seat of Jackson County with a population of 6,128 as of the 2020 Census. Maquoketa is rich in history and culture, is surrounded by scenic natural beauty, and is home to a strong arts community. The community's identity is intertwined in these qualities and is enhanced by the close-knit, small town feel.

History & Population

The history of Maquoketa has been well preserved in a number of beautiful homes and structures. Much of this page is borrowed from the [Maquoketa Chamber of Commerce website](#).

The city itself hosts nearly 40 sites listed on the National Register of Historic Places. In addition to the Maquoketa River, the community boasts many recreational facilities including Maquoketa Caves State Park, Prairie Creek Recreation Area, Hurstville Interpretive Center, and Horseshoe Pond County Park. Cultural facilities include the Maquoketa Art Experience, the Ohnward Fine Arts Center, and the Old City Hall Gallery.

Maquoketa is historically an agricultural town, but light industry and distribution facilities are also important to the regional economy. As the county seat, many workers are employed in administrative and healthcare jobs that serve the surrounding region.

Maquoketa has a rich history as the commercial and cultural center of the surrounding area. The area's first European settler, J.E. Goodenow, arrived in 1838 and established a village that he called Springfield. In 1850 a city was platted and recorded under the name Maquoketa. The City of Maquoketa was officially incorporated as a city by special act of the Iowa State Legislature in 1857.

Prior to European settlement the area was home to Sauk and Fox Native American tribes. The name of the city was derived from the native word "Makwok-eteg" which roughly translates to "there are bears."

Maquoketa was established as the county seat of Jackson County in 1873. Prior to that, the county seat was located in Andrew. In the early days of the city, growth was spurred by the extension of railroads to Maquoketa in 1873.



Downtown Maquoketa, 1914

The city experienced generally steady population growth through 1970, when the population leveled off at about 6,000. The 2000 census population of 6,112 increased slightly to 6,141 in 2010. As previously stated, the population is 6,128 as of 2020.



Figure 1. Maquoketa Historical Population

*Source: City of Maquoketa 2040 Comprehensive Plan

Demographics:

According to the US Census Quickfacts of 2020, Maquoketa had the following significant data points on demographics:

Race and Hispanic Origin	
White alone, percent	92.7%
Black or African American alone, percent (a)	1.9%
American Indian and Alaska Native alone, percent (a)	0.0%
Asian alone, percent (a)	0.3%
Native Hawaiian and Other Pacific Islander alone, percent (a)	1.8%
Two or More Races, percent	2.8%
Hispanic or Latino, percent (b)	1.7%

Housing	
Housing units, July 1, 2021, (V2021)	X
Owner-occupied housing unit rate, 2016-2020	75.2%
Median value of owner-occupied housing units, 2016-2020	\$91,100
Median selected monthly owner costs -with a mortgage, 2016-2020	\$985
Median selected monthly owner costs -without a mortgage, 2016-2020	\$359
Median gross rent, 2016-2020	\$569

Education	
High school graduate or higher, percent of persons age 25 years+, 2016-2020	95.4%
Bachelor's degree or higher, percent of persons age 25 years+, 2016-2020	14.7%
Income & Poverty	
Median household income (in 2020 dollars), 2016-2020	\$48,164
Per capita income in past 12 months (in 2020 dollars), 2016-2020	\$25,710
Persons in poverty, percent	21.6%

The unemployment rate for Jackson County according to the Federal Reserve is 3.0% as of August 2022. To compare, the United States unemployment rate in August 2022 was 3.7%.

These tables and information sets are presented for educational purposes only, not to derive meaning out of the data for any particular purpose.

Industry:

The City of Maquoketa is on the map for several reasons. First, the Limestone Kilns, located North of Maquoketa on Business 61, should be explored as the main cause for the economic boom of Maquoketa and Jackson County dating back to 1870 and the Industrial Revolution.



The following is best presented by [MyCountyParks](#):

In 1870, Alfred Hurst came to the area, having heard of the limestone formations along the banks of the Maquoketa River. He then found what he considered the best quality limestone rock to produce the whitest, purest, and most adhesive lime in the marketplace. He constructed a small pot kiln and started producing

powder lime. He then erected the first draw kiln in 1871, with the other 3 following soon after. In the 1st year, production reached 100 barrels a week, with a total of 3200 barrels for the year. At the company's peak, the kilns would produce 8000 barrels of lime a day!

The process used to make lime, then an essential building material, was uncomplicated. But in the days of hand labor and horses it was nonetheless quite an undertaking. The process started in the limestone rock quarry. The men would get the rock into a manageable size so that it could be loaded into mule or horse-drawn rail carts and hauled to the kilns. The limestone was then unloaded into the top of the kiln where a fire was burning. The fires burned at 900 degrees Celsius (1650 F). They kept the fire burning around the clock - 24 hours a day 7 days a week – for most of the year. Workers were well compensated for their hard work. In 1899 many workers earned \$1.35 a day and rent was only \$3 a month.

When cold weather approached, the fires could not stay hot enough to burn the limestone. Thus, the kilns were not operated in the winter months, but the men were kept busy all winter sawing cord wood to feed the hungry fires, as well as making barrels and feeding cattle. The kilns used upwards of 100 cords of wood a day, requiring almost 8000 cords of wood a year for each kiln. Lots of land was needed to provide the wood for the kilns. In 1878, A. Hurst & Company owned 240 acres of land; eventually at the company's peak, 3,000 acres of land were owned.

When heated, limestone breaks down into a powder. At the base of the kiln was a cooling shed where the lime was removed from the kiln. After the lime had cooled, workers then packed the lime powder into barrels. The lime was then shipped to a building site where it would then be mixed with sand and water to create mortar, a material used for buildings before cement and concrete.

A. Hurst & Company ranked as the largest operation of its kind west of Chicago and boasted of having produced the purest white lime in the nation.

The Clinton Engines Museum was the next storied chapter of an industrious boom in Maquoketa. In 1950, Don Thomas moved his Clinton Machine Company from Clinton, Michigan to Maquoketa, Iowa where they quickly became a world leader in small engine manufacturing.



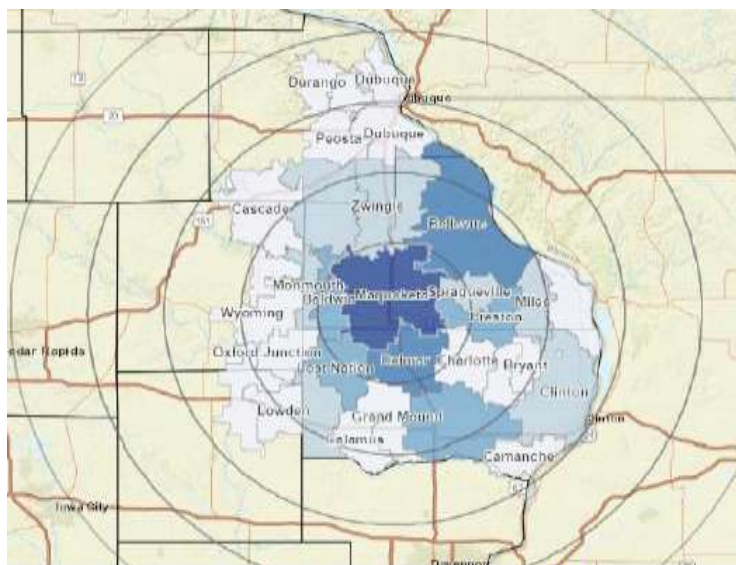
The 12-acre site yielded over 18 million engines, making the company the 10th largest employer in Iowa, drawing workers from over 33 different communities in three states. It was the first time that farmers here worked in a factory, farming around their shift, thus changing the socio-economic status of the entire area. Clinton Engines were used around the world on many hundreds of different machines. They were extremely innovative, many of their ideas becoming industry standards. The Administration Building, on the National Register of Historic Places, is the only building still standing and is now the home of the Clinton Engines Museum, and one of Iowa’s Great Places.

Today, the actual Clinton Engines manufacturing site and railroad spur are gone. However, a dedicated museum managed by the Jackson County Historical Society is available to review and honor the significance of Clinton Engines Company on Maquoketa. At one point, Clinton Engines was the backbone behind a strong point in Maquoketa’s history. Around 2000, the site closed production and the City took ownership of the land out of necessity.

Fast forward to 2023, the City’s largest employers & industrial producers include:

- Family Dollar Distribution
- Jackson County Regional Health Center
- Maquoketa Community School District
- Husco
- Walmart
- City of Maquoketa
- Dynamic Tube
- Sonac

The potential laborshed for Maquoketa’s immediate & commutable distance to employment is approximately a population of 78,541.



Source: Maquoketa, IA Laborshed Area Analysis, 2018

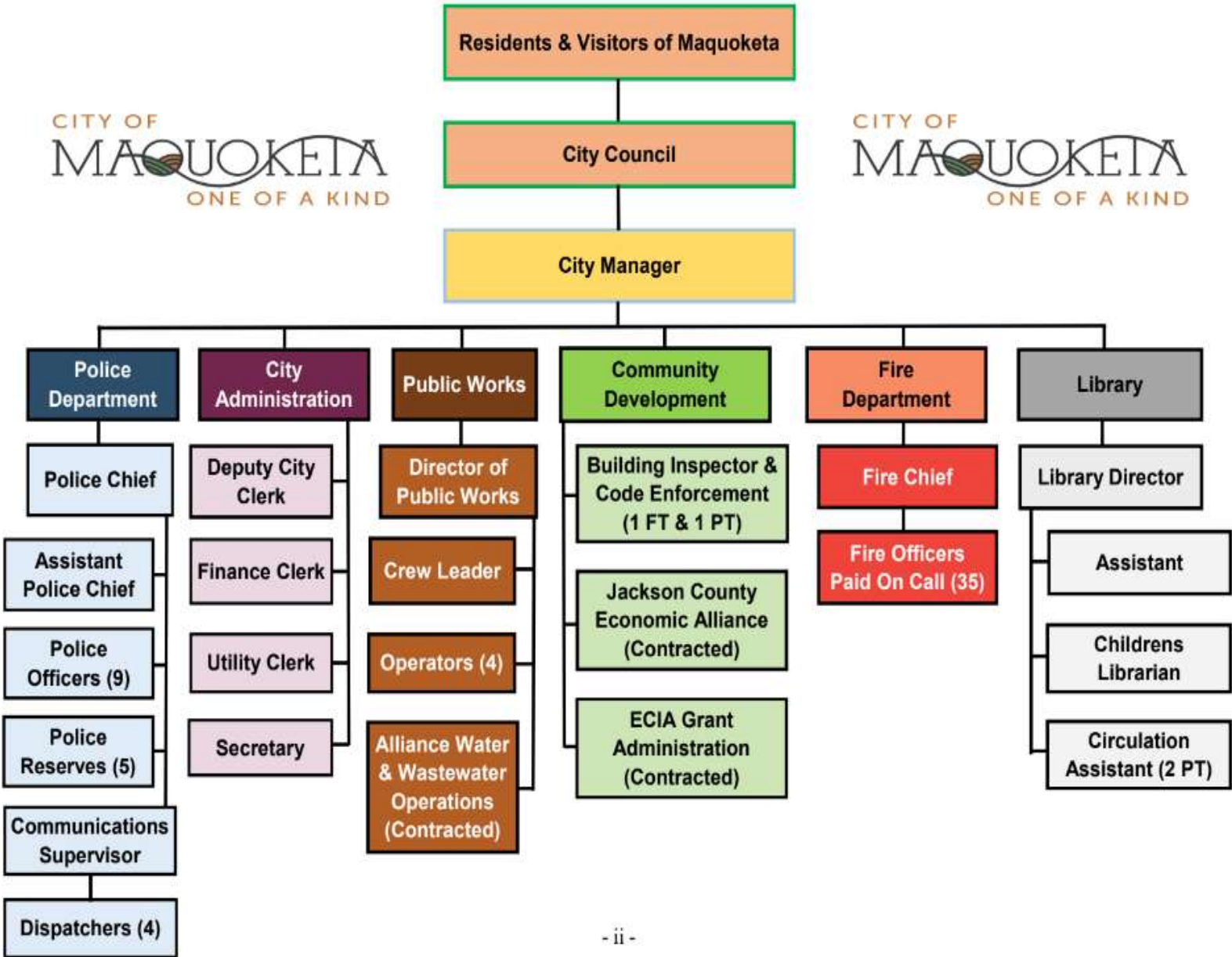
An additional analysis put forth by CBRE used a radii-based methodology and determined available population sets within a set distance from Maquoketa (10, 25, and 35 miles) for the purposes of better understanding Senior Housing potential:

SELECTED NEIGHBORHOOD DEMOGRAPHICS			
Proposed Seniors Housing Maquoketa, Iowa	10 Miles	25 Miles	35 Miles
Population			
2026 Total Population	11,043	55,160	270,575
2021 Total Population	11,118	54,994	268,454
2010 Total Population	11,071	53,361	261,014
2000 Total Population	11,287	54,017	252,603

This information is shared in this report because it portrays a better understanding of business & employment potential within the City of Maquoketa that is yet to be truly capitalized on. These data sets can be used in a variety of formats and are part of the City’s profile as staff has discussions with prospective businesses and families.

This concludes our discussion on the City’s profile, we discuss current financial trends as of March 1, 2023 and review the City’s Organizational Chart next.

City of Maquoketa Organizational Chart



- ii -

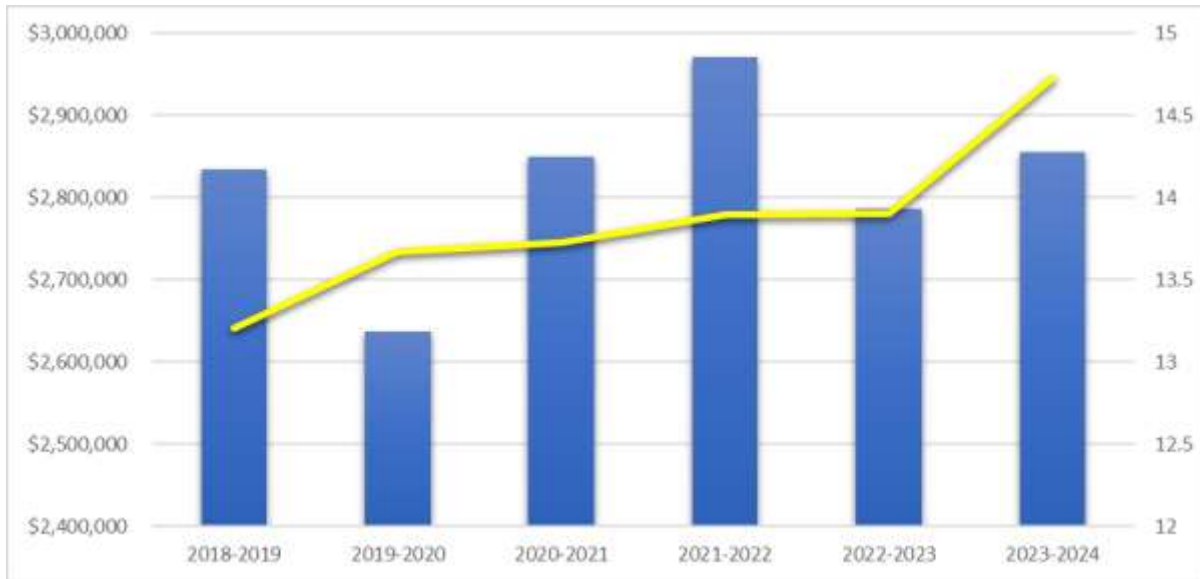
FY2022 – 2023 Current Financial Trends

In this section of the management analysis, we will discuss the importance of understanding the City’s current financial trends for property tax rate, local option sales tax, road use tax, utility revenue. Each have their own implications. We start first with property tax.

Property Tax:

The first objective with the City of Maquoketa is to have an efficient, effective, and competitive tax rate in comparison with our peers. This was recommended by City Staff and adopted by Council in the FY22-23 budget and is best explained by this chart:

City of Maquoketa - Property Tax Levy & Rate						
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Taxes Levied on Property	\$ 2,833,643	\$ 2,636,542	\$ 2,849,655	\$ 2,971,152	\$ 2,786,681	\$ 2,854,410
Rate	13.20436	13.66835	13.72317	13.89513	13.89987	14.72495
Total Property Tax Levy Increase/Decrease (%)		-6.96%	8.08%	4.26%	-6.21%	2.43%
Total Property Tax Levy Increase/Decrease (\$\$\$)		\$ (197,101)	\$ 213,113	\$ 121,497	\$ (184,471)	\$ 67,729



To validate the City’s tax competitiveness, City Staff conducted an external analysis of comparable Cities. The following page’s chart has been since updated to FY2023-2024 PROPOSED to better display Maquoketa property tax competitiveness relative to other Cities.

Property Taxes - FY2022-2023		Projected FY2023-2024	% Change	Survey Notes
Maquoketa	13.89	14.72	5.98%	No increase in value, next marketwide change is January 2023.
Monticello	13.87	15.96	15.07%	No increase in valuation. Pay is 30% below market and they've experienced turnover problems.
Anamosa	14.67	16	9.07%	\$16.00 rate estimated.
Manchester	15.74	16	1.65%	2% increase in valuation overall from 2022.
Muscatine	15.97	15.97	0.00%	Overall valuation change of +10% in January 2022. Finance Director states the following year rate will go up significantly due to wage costs.
Independence	16.97	17.01	0.24%	No increase in value. Council knowingly going to pass a significant budget deficit to burn down General Fund reserve dollars.
Mount Vernon	12.99	13.5	3.93%	Mt. Vernon's rate has been 12.99 for 25+ years. They've had pay increases ranging from 4.75% - 18%. The costs of keeping up have pushed their Council to raise their rate. Mt. Vernon was lucky enough to add two major subdivisions and thus add around \$20,000,000 in value...yet still they have to raise their rate.
Oelwein	17.92	17.99	0.39%	Oelwein has to maintain a severe rate due to costs and still they are going to pass a significant budget deficit. These shortages have forced their City to utilize speed camera control revenue to supplement City activities and keep afloat.
Dewitt	14.26	14.26	0.00%	Overall valuation change of +14% in January 2022. Pay structure increases of 8% and 4.5% for two years.
Camanche	12.77	12.5	-2.11%	Lowering levy! +16% valuation growth based on marketwide reassessment.
Median	15.205	15.985	2.79%	
Average	15.2525	15.89375	4.54%	

Please note we have intentionally excluded Clinton County cities due to their local assessor's office having completed a market-wide reassessment. Based on these differences in value growth, we believe it is appropriate to compare Maquoketa's circumstances to Cities facing the same value variables.



Cities generally collect 95% of the Property Tax Levy requested from the taxpayer. Although this seems to be the most talked form of taxation on the public, it is the most stable source of income for government and ensures continued operations.

In early to mid-January 2023, the Finance & Personnel Committee and City Staff began to consider a competitive property tax rate for the community though this appears on first glance to be a significant rate increase. The proposed FY2023-2024 tax rate is \$14.72495

The good news is that property tax makes up only a portion of the City's income thus there are other arenas to focus.

Road Use Tax

For every local gallon pumped, registration fee paid, etc. the City of Maquoketa receives a significant and dedicated revenue source to maintain and improve streets. If there is one major highlight in this report, it's that the City's Road Use Tax Fund is and has remained incredibly strong.

However, as of this date, Road Use Tax income is trending **-1.23%** compared to Quarter 1 & 2 2021 numbers.

- July – December 2021: \$437,956
- July – December 2022: \$432,556
- **Difference = -1.23%**

The Road Use Tax year-end income prediction should be revised to \$737,255. This is a slight reduction and is directly correlated to the extreme rise in gas prices and reduction in travel in the area (including tourism). It is a conservative estimate based on the trend but ideally Maquoketa will end FY2022-2023 with better than expected Road Use Tax. Again, the great news is that the Road Use Tax balance remains impressively strong at \$2,081,616 as of June 30, 2022. This represents a fund balance reserve of 219% and is the driving force behind the City's 10-Year Street Improvement Plan.

Local Option Sales Tax (LOST)

Cities such as Maquoketa are permitted to collect 1% sales tax on applicable transactions. Thus, when a transaction occurs, 6% goes to the State of Iowa and 1% goes to the City of Maquoketa for a total Sales Tax rate of 7%. The intended and State required purpose behind LOST is to reduce property tax burden for the community.

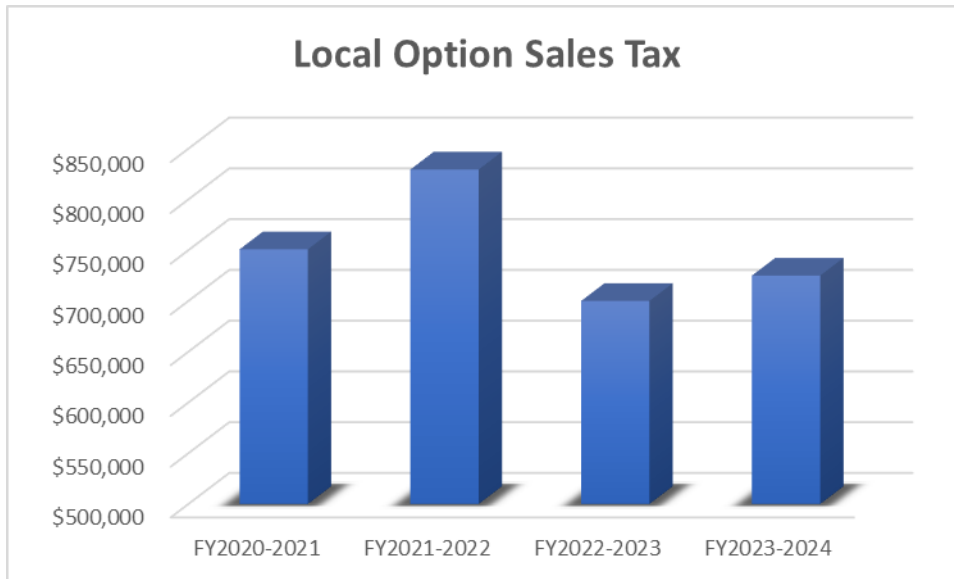
In many management circles, sales tax revenue is one of the best measurements of economy health. We've already indicated the rising cost of goods and services has impacted our City's budget. The most evident data is in our LOST revenue.

In February 2022, State of Iowa consulted with Cities and advised Cities can predict a +17% increase in local sales tax revenue for FY2022-2023. This meant the City would be tracking along the following revenues:

- FY2020-2021 Actual: \$750,870
- FY2021-2022 Actual: \$829,466
- FY2022-2023 PREDICTED: \$930,330

This had been completely torn apart by our observations and the State since provided a “re-estimate” in October, 2022. Perhaps the State’s line of thinking was predicated on the fact that a weaker dollar means goods would cost more and more Sales tax would come in. Whatever the basis, the “re-estimate” has come in at \$652,994. However, our LOST share distributions lead us to believe the City will realize approximately \$700,000 in revenue in FY2022-2023 and we will take a conservative estimate of \$725,000 for FY2023-2024. Of this entire report, this is the most concerning information.

The difference between the State’s guidance for FY2022-2023 is **-29.81%**.



When revenue hits the LOST fund, the resources are distributed by:

LOST DISTRUBITION	
General Fund - Administration	30%
General Fund - Park Operation	20%
Wastewater Fund	37.50%
Water Fund	10%
Stormwater Fund	2.50%
Total LOST Revenue	100%

The importance of careful management in a difficult economy is extremely important to the sustainability of the City and organization.

Wastewater Fund Revenue

The City manages the City's Wastewater, Water, and Stormwater utilities. The City's electrical is managed by Maquoketa Municipal Electrical Utility (MMEU) and the City only has a budgetary relationship with MMEU. This is advantageous for the citizen because MMEU is a public body and is closely connected to Maquoketa residents and businesses in the event of a service complaint or during their annual budget process. This wouldn't be the case for a resident if they were to have a complaint with a private company for example. For our purposes, we turn back to the Wastewater Fund.

The City Council passed Ordinances 1193, 1194, & 1195 on May 2nd, 2022. In short, this raised the City's Utility rates across Wastewater, Water, and Stormwater by:

- FY2022-2023: 7.5%
- FY2023-2024: 7.5%
- Subsequent Years: 3.0%

While this was a difficult proposal, it is the product of the City needing to keep up with rising costs and the State of Iowa mandate to reduce Wastewater contamination in the Maquoketa River watershed. The State's plant requirements forced the City to consider a re-construction of the City's currently 70-year-old Wastewater Facility. Along the way, the City's Wastewater plant received various equipment upgrades. However, due to the general age of both equipment and core areas of the plant, the City is in a difficult position in terms of functionality and State mandates.

The City finished a multi-year project to design, bid, and construct the Wastewater Facility to meet the community's needs as well as the State mandates. The City's engineer, WHKS, originally estimated this project at \$11,000,000 in 2020. The City awarded a construction contract to Tricon in a total amount of \$16,280,000 payable by a 30-year Revolving Loan Fund with the State (SRF). This is why it was important to increase these rates and ultimately led to the new "DNR Mandate" fee mentioned in the next paragraph.

Unfortunately, sky-high capital project costs put the City in a corner to finance the project requirement and the City was forced to pass monthly residential fee of \$5.00 and commercial fee of \$7.50. This is strictly in order to bridge gap financing to execute the project and is fixed for the life of the construction loan. This was begrudgingly passed by City Council on March 6, 2023 on Ordinance 1204. The fee will be called out specifically as DNR Mandate – Wastewater Plant.

What many do not know, is that if the City didn't recommend supporting Utility revenue with LOST, rate increases would have been 20% in year 1 and an additional 25% in year 2. The route the City Council chose and adopted was the least of all evils in 2022.

For Q1 2022, the City generated \$283,815 in revenue compared to \$280,272 in Q1 2021. **This represents a 1.25% increase.** However, the City remains marginally below the City's revenue target of \$1,179,598 for the year. The expected revenue for FY2022-2023 is \$1,120,251. This is a -5.03% decrease.

- July – September 2021: \$280,272
- July – September 2022: \$283,815
- **Difference = +1.25%**

Water Fund Revenue

Similar to the Wastewater Fund, the Water Fund is subject to the same rate increases. Water Fund revenue is raised in order to serve Maquoketa residents clean, healthy drinking water from beginning to end. This means all operational and capital project costs for Water resources are generated out of resident and business billings.

For Q1 2022, the City generated \$154,275 in revenue compared to \$152,012 in Q1 2021. **This represents a 1.47% increase.** Again, similar to Wastewater receipts, the City’s Water receipts are trending below the City’s revenue target of \$710,575 for the year. The expected revenue for FY2022-2023 is \$594,396. This is a -16.35% decrease.

- July – September 2021: \$152,012
- July – September 2022: \$154,275
- **Difference = +1.47%**

Stormwater Fund Fees

For the maintenance and upkeep of the City’s Stormwater system including all potential piping replacement costs, the City assesses a \$5.00 flat fee on every Utility bill.

In Q1 2022, the City generated \$35,188 in revenue compared to \$34,528 in Q1 2021. **This represents a 1.88% increase.** The projection for Stormwater receipts is \$140,504 compared to originally estimated \$147,306.

- July – September 2021: \$34,528
- July – September 2022: \$35,188
- **Difference = +1.88%**

The most likely explanation for the marginal increases in Utility revenue stem from the drop-in consumption on Residential & Commercial accounts. Our best theory: in the wake of pandemic restrictions, consumers have fully returned to normal day to day routines outside the confines of the home. I.e. less laundry, less toilet flushes, etc. The City’s income on Utilities is best explained by this effect.

Utility Revenue Measured by July 1 - September 30				
	FY2020-2021	FY2021-2022	FY2022-2023	% Change
Wastewater Revenue	\$ 273,524	\$ 280,272	\$ 283,815	1.25%
Water Revenue	\$ 148,029	\$ 152,012	\$ 154,275	1.47%
Stormwater Fees	\$ 33,648	\$ 34,528	\$ 35,188	1.88%
Water/Wastewater Consumption (Residential)	N/A	8,336,311	8,021,399	-3.93%
Water/Wastewater Consumption (Commercial)	N/A	7,592,034	7,524,467	-0.90%
Water/Wastewater billed on cubic feet. Sample is from July 1 - October 31.				

Interest Rate Environment

The last part of this year's Fiscal Year analysis we should discuss is the impact of raised interest rates.

If there is a positive to the rapid increase of Federal Reserve's tightening of borrowing rates...fixed investment holders gain a higher rate of return unlike our most recent fiscal years.

In October 2022, Finance Clerk, Andrea White, and City Manager, Joshua Boldt, called Maquoketa State Bank to check the City's opportunity on interest rates given the unique environment and other trending losses the City faces. A meeting followed which will produce significantly raised Investment Interest income for the City by an estimated **\$273,285** in FY2022-2023. The proposal falls within the allowable investment types of the City's adopted Investment Policy.

The City's Investment Policy objectives outline the following order ranked priorities:

- 1) Safety of Principal
- 2) Liquidity (availability of cash on demand)
- 3) Rate of Return

To brief the reader, the City retains a regular checking account and a money market sweep account.

The checking account yielded 0.354% on average over the past 27 months. We also know the money market sweep yielded 0.446% over the past 27 months. According to Maquoketa State Bank (MSB), the most recent yields in September 2022 were 1.54% for checking interest and 0.83% for money market sweep. This is used for our analysis on the next page.

Yield rates move up as the Federal Reserve takes more aggressive steps to restrict the economy with a larger rate. We knew on 10/31/22 that the City's new checking and sweep account would be 2.27%. MSB offered the City the following Treasury Bill options as a liquid cash investment to better the City's rate of return on unused, idle cash: 3-month at 3.6%, 6-month at 4.10%, 9-month at 3.80%, and 12-month at 4.25%. Since the Federal Reserve is expected to continue raising rates into mid-year 2023 and perhaps plateau rates at that time, we conservatively assume yield rates of 2.5% for checking and money market sweep accounts and 3.8% on a 3-month US Treasury Bill.

Finance & Personnel Committee blessed this proposal and staff executed the 3-month option for liquidity purposes.

Formerly, the City held \$250,000 in regular checking and the entire remainder of City cash in the money market sweep. As of this writing, the City's total bank balance is close to \$11.8 million.

A revised strategy proposal is detailed on the next page.

FY2022-2023 Investment Strategy			
CURRENT			
	Amount	Rate	Yield
Regular Checking	\$ 250,000	1.54%	\$ 253,850
Money Market Sweep	\$ 11,550,000	0.83%	\$ 11,645,865
Total	\$ 11,800,000		\$ 11,899,715
Investment Interest			\$ 99,715
PROPOSED			
Regular Checking	\$ 250,000	2.5%	\$ 256,250
Money Market Sweep	\$ 5,550,000	2.5%	\$ 5,688,750
T-Bill 3-Month Notes	\$ 6,000,000	3.8%	\$ 6,228,000
Total	\$ 11,800,000		\$ 12,173,000
Investment Interest			\$ 373,000
Total Increase			\$ 273,285
T-Bill 3-Month strategy recommends limiting T-Bill exposure to \$6,000,000 in order to keep enough liquid cash in the City's possession for ongoing projects. These would be broken out into 3 different \$2,000,000 increments in order to keep a revolving door on T-Bill notes to dollar cost average the City's yield rate relative to the Federal Reserves increase/decrease in rates. This strategy also allows the City to remain as liquid as possible in the event of an unforeseen emergency.			

Realistically this doesn't recover all of the City's sales tax losses but certainly helps close the gap as the local economy recovers from broader effects in the world.

Ongoing Projects

The subject of this section is to describe the impressive array of City projects Maquoketa has and is going through as of January 2023. City Staff and prior City Councils should be absolutely applauded for their efforts in seeking grant assistance in order to better the community. We see this in many areas of the City at a per capita scale unlike any other.

To further cement the City's extraordinary grant activity, the City's new external audit firm, Sikich LLP, has stated that they've never seen a City utilize so many grants the way Maquoketa does. This is a big compliment to the City and all City staff involved with tracking the projects should be thanked on the front and back ends.

This section will highlight the City's ongoing projects which we will discuss in brief. We start with the most obvious.

Platt Street

There is no more top of mind project in Maquoketa than that of the Platt Street Project which is approximately 98% finished as of this writing.

Several years ago, Iowa Department of Transportation (IDOT) approached the City to rehabilitate Platt Street/Highway 64 from the West to Eastern Edge. The project spans 1.7 miles. There were original thoughts of a simple "mill and fill" improvement where for example the top 2 inches of roadway would be resurfaced. However, previous City Councils and then City Manager, Gerald Smith, were able to gather funding commitments from the Federal & State Governments as well as obtain favorable USDA loan notes in order to do a complete reconstruction from all Utility infrastructure up to the actual surface.

The total project cost was estimated at \$13,994,531. The funding sources were obtained:

- Federal Build Grant: \$3,818,957
- Federal SWAP Grant: \$1,767,643
- State IDOT Grant: \$3,600,000
- City USDA Loan for Wastewater: Up to \$1,777,000
 - Repaid on a 40-year term at 1.125% annually
- City USDA Loan for Water: Up to \$1,533,000
 - Repaid on a 40-year term at 1.125% annually
- City USDA Loan for Stormwater: Up to \$2,914,000
 - Repaid on a 40-year term at 1.125% annually

In total and to date, the City's combined USDA loan amount is \$2,548,217 which is well below what the City could loan up to. As of February 7th, 2023, the entire Platt Street project has cost \$13,457,989.

This monster improvement will give the City’s largest arterial highway stretch an important facelift for decades. The additional benefit besides aesthetics is the underground infrastructure replacement. If the Council, would’ve chose the basic “mill and fill” option. This would’ve never replaced the City’s underground and very old utility piping. Imagine new asphalt and then having to break it apart in sections in order to stop a water main break. This will not happen because of the progressive decisions made by City Council.

Due to the improvement, the City also increases its Wastewater volume capabilities with the Iowa Department of Natural Resources (IDNR). This occurs because old pipes naturally allow a small amount of seeping into the City’s utilities when the ground is saturated with moisture. The capacity increase is due to new piping that does not have any leaks. The substantial improvement in Platt Street thus may someday prove to be a difference maker in welcoming additional business or housing into Maquoketa because of the increase in Wastewater processing limits.

A photo of the construction project is shown here:



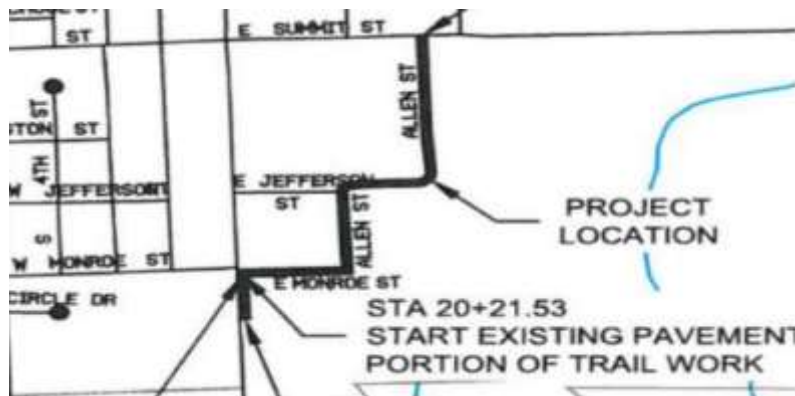
South Main Street Connector Trail

The City was the beneficiary of a TAP grant to pay for a South Main Street connector trail across the new South Main Street bridge and toward the South shopping districts. This is a multi-modal trail and most of the costs are related to significant excavation and subgrade work for the trail.

The TAP grant allows the City to qualify 80% of costs. Thus, the City’s share of the \$271,066 improvement is \$54,213 and will be charged in the City’s TIF claim for multiple years. Here is an example of the finished product:



The official trail plan mapped is best described by its turn on Monroe St.



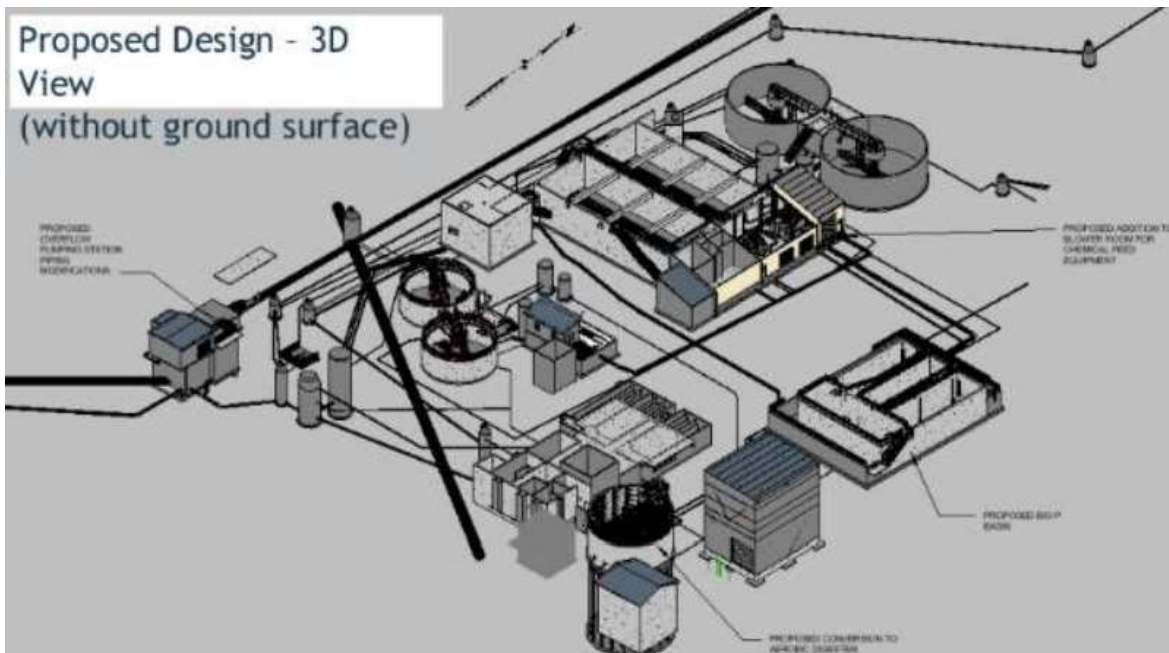
The trail stops at the South end of the South Main Street bridge. The City plans to work with the private property owners along South Main in order to complete the link between the bridge and Carlisle St. This project was substantially completed in November 2022 and shouldn’t impact the City Council’s decision making in FY2023-

2024. The performance of the trail contract and design proved to be a good success story for the City. The actual fund balance to date remains well ahead of anticipated project costs and the City retained an ending balance of \$240,023.

Wastewater Treatment Facility Upgrade

Once Platt Street concludes, the next major project is the construction of the Wastewater Treatment Facility upgrade. To remind all readers, this improvement is another IDNR requirement. The big benefits are the increase in the community’s capacity to process Wastewater and release clean by-product into the Maquoketa River. The City should also be thankful that the concrete age of the current facility is approximately 70 years old in some areas. The generally accepted useful life of concrete in this context is 50 years. In many ways, the full upgrade is due anyway.

The improvement uses a set of new technologies in order to process Wastewater. For example, a part of this process uses ultraviolet light decontamination as opposed to chlorinating sewage and then dechlorinating sewage prior to release into the Maquoketa River. The most simple and best image staff has available is below:



The estimated cost of this project is an item of concern. In 2019, the project was estimated at \$11,000,000. Fast forward to present times, the City Council awarded Tricon Construction an overall bid of \$16,280,000. In May & June 2022, the City worked aggressively with the State to qualify the City as a disadvantage community based on the City’s unfortunate income statistics relative to the project costs. The City was in fact given the disadvantaged status which allows the City to payback Wastewater project loans on a 30-year term instead of a 20-year.

How does this get paid for? Let’s assume the overall bid award of \$16,280,000 less change order savings identified by WHKS and Tricon for reducing project costs as of March 10, 2023.

- The City was lucky enough to be awarded a CDBG grant in the amount of \$600,000 for the project.
- The City was also the recipient of Congresswoman Ashley Hinson’s special projects funding discretion in the amount of \$3,500,000. The Congresswoman is able to recommend her selected projects as part of her focus group effort in the US House of Representatives when formulating a Federal Budget for the following year.

The cumulative output is best shown by this chart:

Wastewater Plant Funding - 03.10.23	
Tricon Construction	\$15,516,387
WHKS Planning & Design	\$1,150,000
WHKS Consulting & On-Site Engineering/Consulting (Estimated)	\$750,000
Change Order Contingency Cost (Estimated at 6%)	\$975,983
CDBG - Water/Sewer (Awarded)	
CDBG - Water/Sewer (Awarded)	\$600,000
Congresswoman Hinson Award - Community Projects Funding (Awarded)	
Congresswoman Hinson Award - Community Projects Funding (Awarded)	\$3,500,000
Total Cost to Taxpayer over 30 years	\$14,292,370
Consumer rates and payments to the City pay for the balance of the project upon final construction of the facility. Substantial completion will be Summer of 2024. This is why rate increases are needed and already approved by the City Council. The loan is paid through the State of Iowa Revolving Loan Fund (SRF). The City is already certified as a "disadvantaged" community which allowed the City to utilize a 30-year loan repayment instead of 20 years. This helped keep rate increases lower than what they could be.	
\$16,280,000 construction bid minus in \$763,613 change order savings as of March 2023	

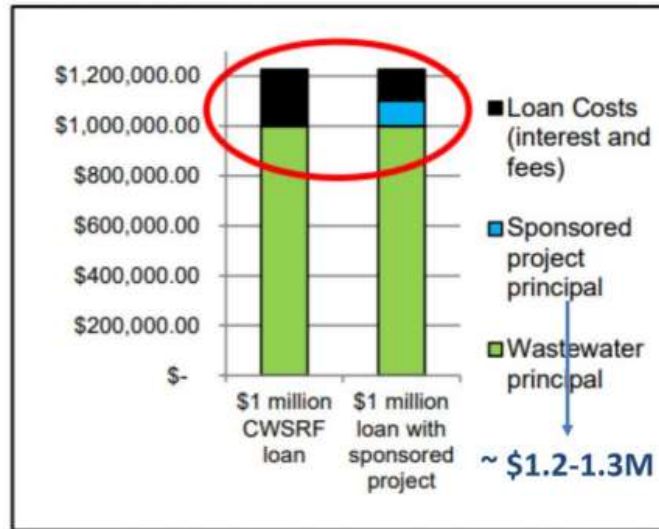
Destination Iowa – Prairie Creek Recreation Area Improvement

In May 2022, the State of Iowa Economic Development Authority (IEDA) released a tourism and recreation grant program titled Destination Iowa. The program allocates \$100,000,000 paid out of the State’s American Rescue Plan Act (ARPA) resources. The main purpose is to boost Iowa’s footprint as a Destination in the regional and national spotlight.

The City has and will continue to pursue funding opportunities for projects as long as the financial capacities of the City are available. Thus, the City targeted Prairie Creek Recreation Area with Jackson County Conservation Board and Jackson County Board of Supervisors.

The result was a successful dual application to make significant improvements to the recreation area.

The \$1,977,763 Destination Iowa project is grounded in a simple requirement of the City. The City is required by the SRF loan financing for the Wastewater Project to execute a local water quality improvement. This section of the loan financing is called Sponsored Project Funding. By doing a local project, the loan interest is reduced and the overall amortized re-payment remains the same. This is best described by the following graph:



The City and Conservation Board proposed the City’s local water quality project be contained within the Prairie Creek Recreation Area. The total amount of the project depends on the final bid costs and project proposal for water quality. Prairie Creek Recreation Area was already considered a high priority area by the City’s engineer on the project, WHKS.

Thus, the City made an application to Destination Iowa proposing \$1,186,694 be used for the purpose of boosting Prairie Creek’s health. Ultimately this has several downstream effects (no pun intended):

- Reduces sediment run off in the event of downpours.
- Increases the likelihood of healthy fish habitats.
- Allows the City to feature various bank improvements and whitewater features for hiking or trail purposes.

The Destination Iowa team viewed our local commitment to be a worthy cause and further backed the project with \$750,000 in funding to expand the impact Prairie Creek Recreation Area has on the region. In particular, the State was interested in supporting an area feature that would serve as a supplement to the already popular Maquoketa Caves State Park. In addition, the recreation area is ideally placed next to Maquoketa with easy access to the rest of Jackson County.

The core of the project calls for an additional trail and park from Jacobsen Dr along Highway-64 backslope and ending across from Oakland Mill. This area will feature an additional park entry point with a shelter and restrooms. All trail will be hot-mix asphalt meet all ADA requirements. The existing system will interconnect to the improvements by way of two pre-cast pedestrian bridges similar to what is currently at the Interpretive Center site outside of Maquoketa. The project also includes the installation of around 10 campsites at the Prairie Creek

Recreation Area main shelter. The project will also feature a championship caliber disc-golf course for recreational enthusiasts and competitors alike.

The project is currently under design phase for the water quality improvement and disc golf. The City and Conservation board will most likely begin to see significant work done in the park after July 1, 2023.

A few inspiration photos for the project are provided:





Stormwater Levee Improvement

An additional project opportunity the City has is the City's main Stormwater Levee at the shore of the Maquoketa River and City Ball Park fields. The City has multiple levee pumps that need replacement and are non-functioning.

In 2020, the City applied to the US Economic Development Authority (EDA) for a grant focused on replacing the levee pumps and improving other storm infrastructure in the City. The City was awarded the grant. The Federal cost share amounts of the grant are capped at \$2,288,800. The City's obligation was \$572,200. The City prepared and finished a bond issue to fundraise for the improvement.

Fast forward to August 2022 and the lowest qualified bidder project total was \$3,150,975. Yet again, a sign of the times in 2022. City Management felt the increased bid total was too much to take on alone. The EDA would not adjust their grant terms and cited every project has made the same request. The EDA did allow us to re-engineer the project back down to the original estimated budget of \$2,861,000. This means approximately around 60-70% of the original project will be completed in order to stay disciplined to our budget. This does not prohibit the City from completing other parts of the plans with a different grant opportunity in the future.

The project was successfully rebid and awarded to KE Flatwork in February 2023 for a total construction cost of \$2,593,277 and puts the City in a much more comfortable position to finish the project.

CDBG – Façade East

ECIA out of Dubuque, IA is the City’s Community Development Block Grant (CDBG) administrator. CDBG is a Federal funding source. Maquoketa is the only community in the ECIA district that has been able to do a Façade focused CDBG grant. The CDBG Façade Grants are divided by Main Street and intended for downtown businesses as they undergo significant front facing improvements. Examples include, but are not limited to, new windows, tuckpointing, paint, trim, etc.

CDBG Façade West was completed and fully closed in 2022. CDBG Façade East currently has owner commitments and the grant is full. Surprisingly, the winning bidder, Tricon Construction, put forth a construction bid in the amount of \$887,000 in total which is below the \$1,000,000 program mark. Some individual property proposals were better than expected, some not so much. Private owners have delivered escrow requirements for project execution.

The cost share for the program is very advantageous. CDBG pays for 50%, City pays for 25%, and private owners pay for 25%. Both Façade West & East are \$1,000,000 grants each. Thus, the City’s commitment to the program is \$250,000.

The end result of the program is best described by this very bright and revitalized image of the downtown corridor on the West side of Main Street:



This year the City had to make strategic decisions on where to fund the \$250,000 Façade East commitment from. On July 7th, 2022, MIDAS met to discuss the Façade East program and potential developments on the City’s Industrial Park along Highway 61. MIDAS authorized the City to utilize their earmarked resources to

finish the Façade East project. This use of MIDAS funds matches the intent and philosophy of MIDAS and is an effective way to make a difference for Maquoketa. The City will be acting on this blessing.

CDBG – Innovate 120

Another fantastic opportunity before the City is the Innovate 120 project at 120 S Main St, formerly the US Bank Building. It is the centerpiece of downtown Maquoketa and features stone columns reminiscent of the Parthenon’s glory.

Innovate 120 is owned locally by Redeker Partners. The vision is to create a community business space as well as a co-working center right here in Maquoketa. This capitalizes on two major trends:

- 1) Work from anywhere or home lifestyle;
- 2) Attracts summer travelers and tourists to the downtown to catch up on their business;
- 3) Increases community access and exposure to technology-based career paths as early as High School.

The owner has taken on substantial private investment to ensure the project is a success and a staple in the downtown’s future. Redeker Partners is financially and legally bound to pay for the City’s share of the project through an authorized CDBG subrecipient agreement. A few vision photos of the facility interior are shared:



As a result of the pandemic, co-working type facilities have proven to be a profitable investment since workers pay (often an employer will pay) for a monthly rental of an office or pay by the hour as needed. This model works in many other communities and businesses.

CDBG – YMCA & Interior Upgrade

The City owned YMCA is undergoing a significant facility improvement this year and is supported with significant CDBG backed resources in order to complete the project. In the Spring of 2022, the City learned we

were successful in an application to CDBG for facility improvements. The total grant award was \$500,000 with \$20,000 going to ECIA to actively manage the requirements of CDBG improvements.

The net \$480,000 award is dedicated to providing modern air handling units and HVAC mechanicals in order to keep the pool open and the YMCA operating safely.

In addition to the CDBG award, the YMCA also has significant private donors and a \$100,000 commitment from the YMCA Mississippi Valley parent organization. These funds have been earmarked and committed by the City Council to:

- Paint the pool shell which is crumbling in many areas.
- Paint the YMCA interior.
- Replace current flooring with VCT flooring which is known for its durability and visual appeal.

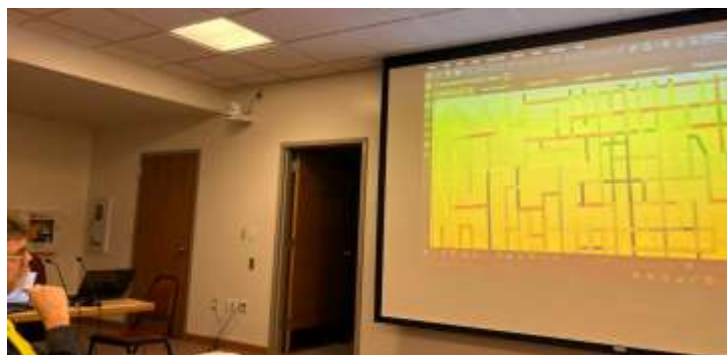
It's been an exciting year for the YMCA and all moving parts of the YMCA's planned improvements have come together successfully especially with the help of a \$500,000 CDBG award.

10-Year Street Improvement Plan

Perhaps one of the more creative and meaningful missions of the City Council is the adoption of a 10-Year Street Improvement Plan in early 2023. The City awarded a \$19,700 service contract to WHKS in order to utilize an outside and independent engineering consultant to recommend a 10-year plan to the City. The independence and level of high-quality experience serves multiple goals but most importantly places an unbiased plan on the City Council and City Management.

The expected delivery date to the City Council is March 20, 2023. WHKS was hard at work in late fall 2022 measuring our Community's street health by the Pavement Condition Index (PCI). The PCI scale is a generally accepted professional rating scale for streets. For more background, please explore this [link](#). The method allows staff and consultants to measure street health without having to core out hard pavement samples and temporarily back fill holes.

Clearly, we are very excited to finalize the development of this plan. Below is a photo of Jeff Bodenhoffer carefully reviewing early versions of rating maps from WHKS when the team was on site in November 2022.



Parks Strategic Plan

In October 2022, the City Parks Board revitalized a commitment to target and reach for various park improvement grant opportunities as they arise. The mission has to be driven by multiple forces in order for the desire to become a reality.

First, Staff readily admits and acknowledges that an approximate \$30,000 annual improvement budget for Park assets is simply not enough for 7 total parks. Thus, the Parks Board and attached Capital Improvement plan calls for an increase of the Parks capital plan to \$60,000 in FY2023-2024. This increased amount will help revive City Parks' basic quality as well as allow the City to match potential grant funds with local resources which is a frequent requirement of grant opportunities.

Second and more important, every grant application needs a qualified plan. The [City's 2040 Comprehensive Plan](#) dedicates 4 pages to describing the City parks. This alone is not enough to capture the Park Board's vision and portray the community's preferences as part of a true and valid parks plan. The finalization of the plan occurred on April 3, 2023 when Parks Board Chair, Chris Gockel, presented the Parks Plan to City Council.

City Staff and the Parks Board dedicated themselves in the Fall of 2022 to recruiting public input for the purposes of a Parks Strategic Plan. Public input sessions were held on October 12, 2022 and November 9, 2022. Kelley Gerlach of the Maquoketa Sentinel Press was kind enough to share her photos of the events as the Parks Board completes their Strategic Plan in the interim.



Downtown Green Space

One of the more fascinating projects for the City of Maquoketa is the downtown Green Space development plan which has current plans for more enhanced uses as an entertainment destination and host location for community events. This has been a multi-year conversation since the Great Maquoketa Fire of 2008.

A debt of gratitude is owed to the Maquoketa Betterment Corporation and Maquoketa Hometown Pride groups as their advocacy and commitment to the project have continued to press this feature forward. Theoretically, a finished product would be icing on the cake for a community that has undergone vast downtown improvements in the Facades, Platt Street, & Main Street.

Mayor Tom Messerli and City Staff have expressed their stout desire to keep a development simple but brilliant, meaning a retained and enhanced ability to host entertainment and be open enough for various cultural and community collective purposes. This can come in many forms such as an open air shelter with bathrooms to abstract shelters that catch the eye. To help sort through desires and practical proposals, the City has opted to contract the University of Iowa IISCs program whereby the Engineering students take on a real-life case study to design, engineer, and recommend a solution to the stakeholders of Maquoketa. This will be a substantially valuable and similar process to the subdivision housing recommendation on the Southwest side of Maquoketa in Spring 2022.

A final delivery date of the student project is expected in June of 2023 and Council representatives will help provide guidance along the way so Council consensus can be reached on the use of the site.

Again, this plan will build our grant applications for the development. Currently the City has several grant targets in the Summer of 2023:

- [Iowa Arts Council – Great Places Project Endorsement](#): Potentially \$200,000
 - The City of Maquoketa was re-designated an Iowa Great Places community and this status allows the City to apply for ONE project endorsement for the next ten years. The average project endorsement based on the previous fiscal year is \$200,000. The intended target for this funding should go toward the Downtown Green Space and the funding is meant to further enhance cultural, artistic, and entertainment attractions in Maquoketa.

- [IEDA Enhance Iowa Grant](#)
 - Staff recently reached out to the Iowa Economic Development Authority (IEDA) for the purpose of exploring the Enhance Iowa's program in the downtown Green Space development. Staff received a warm response for the purpose of dedicating these funds toward Maquoketa's recreational, cultural, and entertainment enhancements. The City must have 65% of funds raised.

These are two standout and likely sources of funding before the City recruits any potential private revenue or dedicates Capital Improvement Program resources toward the project. This is an exciting development for the City.

Budgeting Methodology & Financial Policies

In this section we discuss the management methodology and projected schedule for budget adoption.

According to the Government Finance Officers Association, the key characteristics of the budget process are:

- Incorporates a long-term perspective
- Establishes linkages to broad organizational goals
- Focuses budget decisions on results and outcomes
- Involves and promotes effective communication with stakeholders
- Provides incentives to government management and employees

In particular FY2022-2023 was a unique year in that the budget season in February 2022 largely consisted of management pushing a narrative to the Finance & Personnel Committee & City Council. This is not best practice but largely the product of an interim manager leaving the City and a new manager coming to the City mid-January 2022. Thus, rightfully some Department Heads wanted assurance this budget process included inputs from each Department Manager.

This philosophy was carried into the budget process and is the basis on which we begin our budget methodology.

The following *tentative* schedule was shared with Department Heads and the Finance & Personnel Committee on October 17, 2022:

October 28, 2022	Finance Clerk, Andrea White, closed the previous FY2022-2023 books. The City’s external financial auditor, Sikich LLP, provided an exit conference on the City’s financial performance as well as consulted on the merging of several dormant funds.
October 28, 2022 – November 11, 2022	City Manager, Joshua Boldt, and Andrea White take a preliminary look at FY2022-2023 and FY2023-2024 Revenue and Expenditure trends. Review of State of Iowa League of Cities budgeting guidance.
November 11, 2022 – December 2, 2022	Intense Department Head meetings to discuss FY2023-2024 operating budget and capital expenditure needs. Josh & Andrea will also discuss budget performance for FY2022-2023 within each Department.
December 9, 2022	Preliminary draft budget due by City Staff to the Finance & Personnel Committee for the FY2022-2023 Re-estimate, FY2023-2024 Budget, and Capital Improvement Plan (CIP) for FY2023-2024.
December 12, 2022	Finance & Personnel Committee Work Session #1.
January 6, 2023	Refined draft budget due to Finance & Personnel Committee.

January 9, 2023	Finance & Personnel Committee Work Session #2.
January 2023 – TBD	City receives property tax number for the County Auditor office.
January 16, 2023	Regular City Council Resolution setting public hearing for February 6 th on maximum levy cap per State of Iowa code.
January 25, 2023	Publication by Maquoketa Sentinel Press announcing public hearing date on budget for February 6 th .
February 6, 2023	Public hearing on maximum property tax levy per State Code.
February 13, 2023	Finance & Personnel Committee work session #3.
March 8, 2023	Publication by Maquoketa Sentinel Press announcing public hearing date on budget for April 3 rd , 2023.
March 13, 2023	Finance & Personnel Committee work session #4.
March 20, 2023	Resolution setting a public hearing on presentation of proposed budget to City Council on April 3 rd , 2023.
April 3, 2023	Public hearing on presentation of proposed FY2023-2024 budget to City Council. Resolution adopting said budget.

Throughout this tentative timeline, all members of the City Council or general public are invited to express interest in the City finances through various channels. This may include but isn't limited to contacting your Council Ward representative or contacting City Hall direct at 563-652-2484.

Financial Policies

On April 4th, 2022, the City Council passed two landmark policies that have helped dictate City Staff financial accountability:

- Purchasing Policy
- Investment Policy

To help the reader, these policies are included in the next several pages.

An outcome of the Sikich LLP audit of 2022 was the recommendation to adopt an operating minimum fund balance policy. At the time of this writing, the City does not have an adopted policy requesting a minimum asset target for operating funds such as the General Fund. However, staff historically and informally recognizes the General Fund should keep at least a \$1,000,000 in unrestricted assets as a safety net. Most industry professionals recommend keeping a 25% operating reserve. For example, a \$4,000,000 expenditure budget would need to keep \$1,000,000 on reserve as an ending balance in order to meet the 25% standard. City Staff is committed to this goal and will ultimately recommend a Fund Balance Policy to the Finance & Personnel Committee at a later date.

CITY OF MAQUOKETA PURCHASING POLICY

INTRODUCTION

The Purchasing Policy and Procedures Manual was developed to explain the purchasing system used by the City of Maquoketa for non-public improvement projects, as defined by Iowa Code Chapter 26.2.

The manual will outline the responsibilities and duties of the City Manager, Finance Clerk, and the Department Head. The policy will first explain the policies that guide the purchasing process. The detailed procedures and instructional statements will be presented after the policies.

The intent of the Maquoketa City Council and City staff is to buy materials, supplies and services of high quality at a reasonable cost. All purchasing actions engaged by the City should be fair, impartial, and free from impropriety or the appearance of impropriety. All qualified buyers and sellers shall have access to compete for City business, and no reasonable offer shall be arbitrarily excluded.

The purchase of supplies, equipment, construction, and services that include any federal program funding shall follow all standards outlined in 2 C.F.R. 200. Please consult the Finance Dept. before expending federal funds to ensure compliance with 2 C.F.R. 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. This manual is applicable to all operating departments of the City.

CONFLICT OF INTEREST

It shall be a breach of ethical standards for any employee or elected official to participate directly or indirectly in the purchasing process when:

1. The employee or elected official is an owner of, or is contemporaneously employed or is an independent contractor by/of a bidder, vendor or contractor involved in the procurement transaction; or
2. The employee or elected official, the employee's or elected official's domestic partner, or any member of the employee's or elected official's immediate family holds a substantial participation level in the procurement transaction, or owns or controls an interest in the company; or
3. The employee or elected official, the employee's or elected official's domestic partner, or any member of the employee's or elected official's immediate family has a financial interest arising from the procurement transaction; or
4. The employee or elected official, the employee's or elected official's domestic partner, or any member of the employee's or elected official's immediate family is negotiating or is retained as an independent contractor, or has an arrangement concerning, prospective employment with a bidder, vendor or contractor; or
5. If a City purchase is in conflict with this policy, the employee or elected official must disclose immediately to his/her manager and/or the City Manager or Mayor if the company providing services to the City is a family member of the current employee(s) or elected official(s).

The employee's or elected official's immediate family shall be defined as a spouse, children, parents, brothers and sisters, and any other person living in the same household as the employee. It shall be the responsibility of the City Manager or his/her designee to determine if there is a violation of Conflict of Interest.

PURCHASE ORDER (PO) & COUNCIL ACTION SUMMARY REQUIREMENTS

A PO shall be utilized in all circumstances where spending exceeds department head authority. PO Requisitions, along with all required bid forms, are forwarded to the Finance Department for review prior to approving a PO with the City Manager. A PO is not required for payments due under an on-going service contract, or a public improvement project which has been approved by the City Council.

Council Action Summary Forms shall be required when introducing a new council action request or to submit an invoice for the Finance Department bills list. The Council Action Summary forms shall adequately describe the action being requested, what the statement of need and problem is, and what the financial impact is to the City of Maquoketa.

These justifications assist the City Manager in accurately communicating with the City Council.

SPENDING AUTHORITY

1. City Council: Any amount greater than \$10,000
2. City Manager: Any amount up to \$10,000
3. Department Head: Any amount up to \$5,000

The Department Head shall have the freedom to conduct Department business without the need to have City Manager approve purchases up to \$5,000. The Department Head shall remain budget responsible with due regard to their spending for Department purposes and follow the Department Budget as determined by the City Manager and City Council.

The City Manager shall have a spending authority up to \$10,000. The City Manager must approve in writing, on a PO, Department Head spending if it exceeds Department Head spending authority.

All spending above City Manager authority shall be referred to City Council for consideration unless it is an obligation defined by an ongoing contract or project which has been approved by the City Council.

LOCAL PREFERENCE

By virtue of statutory authority, preference will be given to products and provisions grown and produced within the State of Iowa.

The purchasing department shall make every effort to support Iowa products when making a purchase. Furthermore, Maquoketa based companies shall be given high consideration for bid awards.

INTERGOVERNMENTAL AGREEMENTS & COOPERATIVE PURCHASING

The City Manager may initiate or participate with other governmental bodies, including the State of Iowa, in cooperative purchasing. This may take place either through the use of the Iowa Code Chapter 28E for intergovernmental agreements or utilization of a contract clause. This would allow a legal purchase at the cost designated in another entities contract, in the best interest of the City, notwithstanding any provisions of this manual to the contrary. Utilization of any existing state or federal government contracts would satisfy bidding and quotation procedures under this policy.

REQUESTS FOR PROPOSAL & COMPETITIVE BIDDING

All purchases of, and contracts for, supplies and contractual services, for an estimated cost of \$10,000 or more, except as specifically provided herein, shall be based wherever possible on competitive bids.

Competitive bids means public posting (i.e. in the City website “bid opportunities” page, or in a public newspaper) for services or products. Competitive bids shall require at least three potential bidders being contacted and documenting who was contacted. The Department Head or designated staff shall make every reasonable attempt to continue soliciting competitive bids throughout the bidding process. Competitive bidding shall last at least one week. All competitive bids shall be sealed in an envelope and delivered to City Hall, 201 East Pleasant Street, Maquoketa, IA 52060. No bids shall be opened until the due date and time for opening.

All requests for proposals for materials, products, supplies, provisions, and other needed articles and services to be purchased at public expense shall not knowingly be written in such a way as to exclude any company capable of filling the needs of the purchasing entity from submitting a responsive proposal.

Whether or not stated in the Request for Proposal, the City may consider life cycle costing analysis, and may give weight to the value of standard facilities and equipment, in selecting a vendor. Exceptions to the competitive sealed bidding requirements include items valued under \$10,000, emergency purchases, and unique waivers of competitive bidding.

EMERGENCY PURCHASE EXEMPTION

This policy may be circumvented if a situation arises that meets any of the following emergency procurement conditions:

1. The situation threatens public health, welfare, or safety; or
2. There is a need to protect the health, welfare or safety of persons occupying or visiting a public improvement or property located adjacent to the public improvement; or
3. The department must act to preserve critical services or programs; or
4. The need is a result of events or circumstances not reasonably foreseeable.

If any of these situations occur, purchases of emergency need items may be made without approvals required by this policy. The City Manager shall communicate to the extent practical with the Mayor and members of the City Council regarding the purchase via email or phone call. At the conclusion of the situation, formal documentation will be required by staff participating in the event to outline the occurrence, and justify the expenditures made under the emergency exemption.

These exemptions will be submitted to the City Manager and if costs exceed \$10,000, to City Council for approval.

When using federal funding in emergency situations circumvention of the procurement policy is not allowed, until consultation with the Finance Dept. has occurred.

UNIQUE WAIVERS OF COMPETITIVE BIDDING

The City of Maquoketa may elect to circumvent policy based on the following unique reasons. These reasons must be adequately justified to the City Manager and/or City Council in a Council Action Summary.

1. Sole Source Purchasing:
 - a. Purchases which may only be made from a single source;
 - b. Purchases which can be made at a public auction, close-out sale, bankruptcy sale or other similar sale at a cost below the market cost in the community;

- c. Purchases where an emergency immediately affects the public health, safety or welfare if authorized by the Department Head and City Manager or his/her designee. Upon cessation of the emergency, the Department Head and City Manager or his/her designee shall inform the corporate authorities by a full written account of the contracts entered into or purchases made pursuant to this subsection;
- d. Contracts for the services of individuals possessing a high degree of professional skill;
- e. Contracts for the printing of bonds, tax warrants and other evidences of indebtedness;
- f. Purchases, which because of the unique characteristics of the personal property or the needs of the City are not susceptible to competitive bidding;
- g. Contracts with options to renew for additional periods of time at a fixed price.

2. High Skill Professional Services:

- a. Certain professional service contracts and agreements may be accomplished through requests for professional services which are considered by the City to be those which, by their nature, are not adapted to award by competitive bidding; although should the City have an existing and satisfactory relationship with a firm, contractually present or not, this provision may be waived upon City Manager or his/her designee approval. This would include such services as auditing, engineering, planning, legal, appraising, architectural, medical, psychological, marketing, risk management, bond issuance, and similar type services of individuals possessing a high degree of professional skill where the ability of the individual plays an important role. These contracts or agreements may be entered into without formal bidding with the approval of the City Manager or his/her designee for amounts up to \$10,000. The City Council must specifically approve any contract in excess of \$10,000.

CHANGE ORDERS TO PRIOR COUNCIL ACTION

All change orders requesting an increased value to a contract previously approved by City Council must be re-considered by City Council. The Department Head, City Manager, and Finance Clerk shall be responsible for monitoring contract execution.

LIBRARY ACTIVITIES

Pursuant to the City of Maquoketa City Code Title 2-Chapter 10-Section 5, the City recognizes that the Library Board has exclusive expenditure control of all funds allocated by the City Council for use at the Library. However, in lieu of creating a separate purchasing policy, the Library operates as any other department of the City and chooses to follow the City's procedures for purchasing as laid out in this policy, with two main alterations.

First, being that the purchases related to collections materials (books, media, or other patron materials that are checked out) are not subject to bidding requirements as laid out in this policy. While the Library is expected to evaluate purchases of collection items and get the best available pricing, there is not a requirement to document pricing with every order.

Secondly, any collection-related purchases are not required to have a purchase order, regardless of the size of the order. For all other non-collection purchases, the Library follows the purchasing policy as outlined in this document.

SALES TAX EXEMPTION

Under Iowa Law, (Code of Iowa section 422.45.7), the City of Maquoketa is exempt from tax in the case of sales of articles purchased for the City's exclusive use.

FEDERAL FUNDING

This applies to the purchase of all supplies, equipment, and construction and services of and for the City that include any federal program funding. In regard to any such federal programs, all procurement will be done in accordance with 2 CFR; Part 200. Chapter 26 and Section 331.341 of the Iowa Code will be followed on all applicable purchases. When federal requirements conflict with local or state requirements, the most restrictive requirements will be followed.

CITY INVESTMENT POLICY

It is the policy of the City of Maquoketa to invest public funds in a manner that will conform to state statute, maximize security, meet daily cash flow demands, and attempt to attain a market rate of return.

This policy includes all funds governed by the City Council and, except for cash in certain restricted funds, the City of Maquoketa will consolidate cash balances to maximize investment earnings. Investment income will be allocated to the various individual funds based on their respective participation. Interest income derived from non-fund specific consolidated bank accounts will be attributed to the General Fund.

INVESTMENT OBJECTIVES IN RANK OF PRIORITY

1. Safety of Principal (i.e. Credit Risk, Interest Rate Risk, etc.)
2. Liquidity (i.e. cash availability upon demand)
3. Yield (i.e. rate of return)

FINANCE CLERK ROLE & RESPONSIBILITIES

The Finance Clerk shall operate with a high degree of prudence. The Finance Clerk shall adequately assess all potential financial institutions and investment vehicles in which City of Maquoketa cash is stored.

INTERNAL CONTROLS

The Finance Clerk shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

1. Prevention of collusion.
2. Separation of transaction authority from accounting and record keeping.
3. Custodial safekeeping (Securities purchased from any bank or dealer including appropriate collateral, as defined by State Law, shall be placed with an independent third party for custodial safekeeping).
4. Avoidance of physical delivery securities.
5. Clear delegation of authority to subordinate staff members.
6. Development of a wire transfer agreement with the lead bank or third party custodian, which shall outline the various controls, security provisions, and delineate responsibilities of each party making and receiving wire transfers.

ALLOWABLE INVESTMENT TYPES

Consistent with the GFOA Recommended Practice on State Statutes Concerning Investment Practices, the following investments will be permitted by this policy and are those defined by state law where applicable:

1. U.S. Government obligations, U.S. Government agency obligations, and U.S. Government instrumentality obligations
2. Repurchase agreements
3. Certificates of deposit

4. Savings and loan association deposits
5. Investment-grade obligations of state, provincial and local governments and public authorities
6. Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of domestic securities
7. Statewide investment pools

To the extent practicable, the City of Maquoketa shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City of Maquoketa will not directly invest in securities maturing more than 3-years from the date of purchase.

The Investment Policy shall be adopted by the City Council.

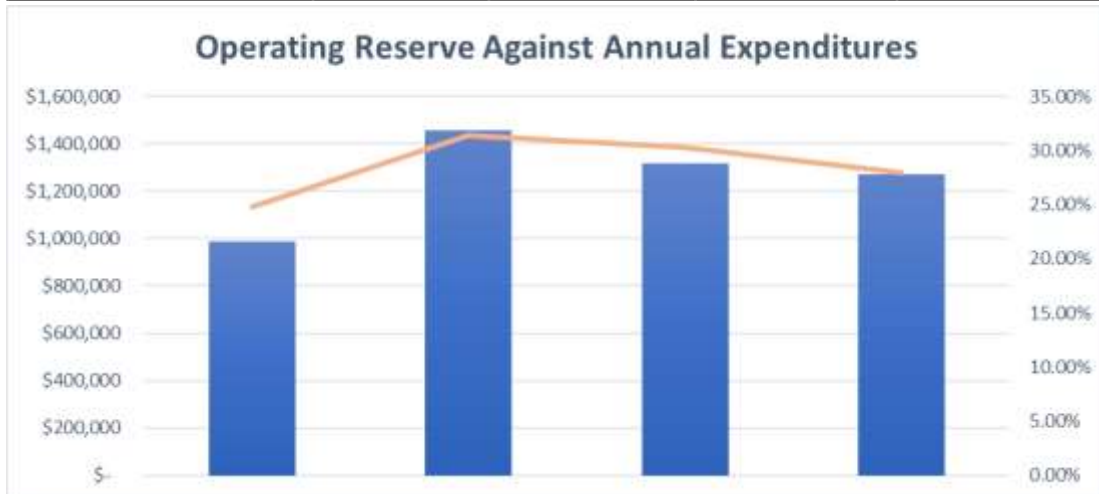
Section II: Major Funds Analysis

General Fund

The General Fund is where local government begins. Whether it is police, fire, public works, or a building inspection related need. The General Fund is the common denominator. It's importance to the City Budget is without any further explanation.

The City uses Tyler Incode as its Enterprise Accounting software and its ability to breakout individual department line budget by Department in a user-friendly platform such as Microsoft Excel is limited. We discuss in detail what the objectives of the General Fund Departments are and in aggregate present a re-estimate for FY2022-2023 and FY2023-2024 Budget. First, we present the fund revenue-expenses in total.

General Fund - 001				
	2020-2021	2021-2022	2022-2023 Budget Re-Estimate	2023-2024 Proposed
Total Revenues	\$ 4,131,470	\$ 4,442,442	\$ 4,497,538	\$ 4,296,935
Total Expenditures	\$ 4,115,405	\$ 3,975,761	\$ 4,637,008	\$ 4,339,138
Net Revenues/Expenditures	\$ 16,065	\$ 466,681	\$ (139,470)	\$ (42,203)
Ending Fund Balance	\$ 988,025	\$ 1,454,706	\$ 1,315,236	\$ 1,273,033
% Reserve against Operating Expenditures	24.85%	31.37%	30.31%	27.94%
Local Option Sales Tax shift causes the immediate shift from net positive to net negative from 2021-2022 to 2022-2023. Council action in the budget authorizes 37.5% of LOST revenue to go toward the Wastewater Fund in order to afford Sewer facility improvements and keep citizen utility rates at 7.5% increases instead of 25%.				
The proposed deficit is <u>reasonably</u> acceptable based on several factors. 1) Cost of goods, services, vehicle emergency repairs, labor, and utilities have all sharply increased in 2022 and we project further increases into 2023-2024 until the economy re-strengthens and this reflected in the City's operating cash flow. 2) As noted above, more LOST resources have been shifted out of the General Fund to help suppress the impact of rate increases on Maquoketa's residents and businesses. 3) LOST revenue has been substantially reduced out of projections based on the damage in the broader economy. 4) This proposal also accounts for ARPA support in order to cash flow Capital equipment.				



Operational Accomplishments for 2022 and Forward Goals for 2023

City Administration

2022 Accomplishments

- Retirement of interim City Manager and former Building Inspector, Mallory Smith, and Joshua Boldt assumed City Manager position.
- Finished FY2020-2021 Audit by RSM free material misrepresentation.
- With City Council's blessing, Staff recommended limiting City Property Tax increases to the same rate as the previous fiscal year despite ongoing financial commitments that justify a higher rate. The need to stabilize the City's rate is clearly positioned in order to attract prospective business and residents as they search for stable environments to place roots, not volatile taxing communities.
- Led competitive bidding process for selection of a new external auditor. Sikich LLP was selected as the City's auditor. Sikich LLP is a top audit firm nationally and also serves as an information, training, and consulting resource for the City to lean on.
- Established City Financial Purchasing and Investment Policies
- Successfully resolved outstanding Capital Project financing issues including: Platt Street financing, WWTP plant expansion, & Stormwater Levee upgrade.
- Tested alternative Enterprise Accounting softwares and chose to stay with Tyler Incode based on current needs and cost-benefits.
- Successfully transitioned all Utility Billing management from Mueller to SET which allows our staff identify catastrophic water losses and track usage down to the hour.
- Successfully produced a new website for the City that focuses on a community and outdoor recreation brand, better utilizes our website as a limited but organized information resource, and directs business transactions to their appropriate location.
- Established a 2022 Annual Schedule of Meetings in order to organize all community inputs into a logical flow for the City Council.
- Finance Clerk, Andrea White, led the City in the Chamber of Commerce's First Leadership Academy.
- Filled the 130,000 Square Foot Hollander Building. With Jackson County Economic Alliance's help, the prospective tenant will go live in March 2023.
- City of Maquoketa were successfully awarded the highly coveted Destination Iowa award by the Iowa Economic Development Authority (IEDA). This is for Prairie Creek Recreation Area and has a project estimate of nearly \$2,000,000 and will further enhance Maquoketa's ability to attract visitors and prospective residents.

- City Staff successfully applied for Congresswoman Ashley Hinson’s special community projects funding and was awarded \$3,500,000 for the community’s Wastewater Treatment Plant expansion.
- City of Maquoketa signed multiple development and financial agreements with Redeker Partners/Innovate 120 in order to transition the beautiful 120 S Main St building into a high-tech Entrepreneurial center and public space for innovation.
- City Staff re-aligned Jackson County Economic Alliance’s procedure on the Downtown Incentives Program in order to set an equitable maximum \$15,000 grant distribution for all future applicants. The City annually expects to help local downtown business invest in their downtown buildings. The City’s involvement as a grant administrator helps spur growth where rehabilitation is needed. The usual total grant allocation from the City Council and Downtown Incentives Committee is approximately \$90,000 - \$100,000 and claimable on the City’s Urban Renewal Plan/TIF.
- City Council signed an exclusive broker agreement with Hubble Realty from Des Moines. Hubble is widely regarded as Iowa’s best in the commercial realty space. This is already proving true by the ongoing and very promising conversation with two industrial interests that are seeking expansion in Maquoketa on the City’s Highway 61 Industrial Park.

2023 Forward Goals

- Complete all Façade East projects under an aggregate \$1,000,000 budget.
- Recruit and award a Stormwater Levee Construction bid under \$2,700,000.
- Establish a Fund Balance Minimum policy with the Finance & Personnel Committee.
- Clear up any questions on the City’s Capital Improvement Plan and portray Capital spending in a perfectly transparent manner that are in alignment with the City Council’s strategic goals.
- Revise the City of Maquoketa’s Housing Urban Revitalization Program in order to spur residential improvements and property tax incentives to better property conditions in the City.
- In partnership with the Police Department, develop and recommend City Council action on administrative traffic offenses & property condition neglect.
- Establish a City Council supported policy on the determination of Junkyard status in the City limits of Maquoketa in order to more definitely follow the present Municipal Code.
- Close and welcome two Industrial prospects on the City’s Highway-61 Industrial Park.
- Recommend a final American Rescue Plan Act funding strategy and utilize the remaining \$554,000 balance in the best manner possible for the City. All funds must used or committed by December 31, 2024.

Police Department

2022 Accomplishments

- Filled our Dispatcher vacancies and we are hoping by the end of the calendar year to have the newest Dispatcher through training and working on her own.
- Hired three new officers with one position that still needs to be filled. The officers and dispatchers hired have been a great addition to our agency. Short staffed, does not mean short on accomplishments as you will see from the list.
- The Maquoketa Police Department had only been equipped with AED for a couple of months when Sgt. Keenan Meinecke responded to a medical call, utilizing the AED saving the life of a Maquoketa resident. The AEDs are a great asset to have and have been used numerous times throughout the year. Sgt. Meinecke was appropriately dubbed “Sgt. Lifesaver” by local media. Sgt. Meinecke was presented life saving award at City Council in 2022.



- The Maquoketa Police Department building saw much-needed building upgrades. With the letters on the exterior of the building falling off, it was time for some new signage. New letters were placed onto the building identifying us as the “Maquoketa Police Department”. This was a change from the old signage that said “Law Enforcement Center” before the letters began falling off. Landscaping improvements were done to the planters on the exterior of the building, removing the weeds, adding plants and flowers giving a building a more professional appearance. The building also received a facelift inside with almost all of the first level being painted.
- Creation and implementation of the Maquoketa Police Department Drug Amnesty Program. This program allows individuals who are seeking help to turn in their drugs and drug paraphernalia without fear of prosecution. Those who are seeking help will then be put into contact with services to help combat their addiction.

- Implemented a Critical Incident Stress Debriefing program. While a new program was not created, exploring the creation of this we were able to make officers aware of an Employee Assistance Program that was offered by the city. This program assists employee who may be struggling with anxiety, depression, stress or many other job-related issues.
- Solved both high-profile Theisen's Burglaries. With little evidence to start officers worked tirelessly to solve the burglaries to Theisen's Store and recover almost every firearm that was taken. These investigations resulted in search warrants executed in three different counties, firearms being recovered, and a convicted felon federally charged with Felon in Possession of a Firearm.
- Assisted Jackson County Sheriffs Office and State Police in all Maquoketa Caves triple homicide response and actively set containment perimeters as an immediate on scene agency.
- Took on a pro-active Social Media campaign for positive police engagement in the Facebook platform. This helped changed the face of law enforcement locally and our reach was generally above 6,000 people per post.

2023 Forward Goals

- Four officers left the Maquoketa Police Department in 2022, three of those departures were unexpected. We have spent the majority of the year trying to get back to full staff. In 2023, we will hire one more to bring our staffing levels up to 11 sworn officers.
- Reestablish the School Resource Officer (SRO) position and partnership with the Maquoketa Community School District. The position ideally will focus on school presence, high-level juvenile crimes, and train extensively in single officer critical incident response.
- Continuing with building improvements. These improvements will be finish painting the upstairs areas of the police department, then move into the basement to replace missing ceiling tiles and drywall that is missing from a downstairs bathroom. Make needed lighting and cosmetic changes in Dispatch.
- Research and apply for grants and other funding to help support or offset cost of upcoming equipment and major facility needs.
- Send officer(s) to trainings to get them to instructor level positions that are needed within the department for in-house trainings. These in-house instructors help keep training costs down.

Public Works

2022 Accomplishments

- Started street name sign replacement program. In 2022, this was done in City sectors.
- Implemented Crew Leader position.
- Removed old HSP bridge abutment to remove pinch point on Prairie Creek to help with S. Main bridge design. Removing this abutment internally relieved the S Main Bridge project from heaving to create longer beam spans thus driving the total cost estimate of the project down to \$1,366,000 instead of \$1,500,000. This was a unique feat to the 2022 cost environment.
- Installed flood measuring device on N. Main St Bridge pier to correlate with COE website to better monitor and plan for flood fighting plan.
- Platt Street Project reached 95% completion.
- South Main Street Bridge was completed under the original budget estimate by \$90,000. The South Main Connector trail was also completed and serves as a multi-modal link to the South shopping corridor.

2023 Forward Goals

- Implement the 10-Year Street Improvement program with City Council blessing.
- In addition to our street improvement program, mill and fill the buildup of the flaking sealcoating material out 4' along the curb lip. This will occur on 3 streets in the worst condition.
- Complete street name sign replacement program.
- Restructure the Public Works Department by October 1, 2023 to better fit the operational needs of the Department and deliver better value for the City of Maquoketa.
- Within the limits of the CIP, improve all floor drains and pour a concrete floor in the green truck shop to extend the Public Works facility life. Pour concrete approaches on the mechanics and office building as well as paint the facilities
- Install a French Drain along the west side of the yellow office building.
- Bury electrical line over the outside wash bay area and/or bury a new waterline to a new outside wash bay area outside the yellow office building.
- Match the City's operating budget for ADA compliant sidewalk repairs to a Grant opportunity.

Library

2022 Accomplishments

- Tuckpointing project completed.
- We saw a 3,000 item increase in circulation over FY21 (about a 10% increase in physical checkouts).
- We brought back in-person Summer Reading programming and successfully engaged various interest groups in the community such as Galentine's Day.
- Internal lighting replace at the Library were completed.

2023 Forward Goals

- Replacing storm windows in historic side of the building
- Getting fiber internet service
- Increase in outreach including schools, nursing homes, and books on wheels

Fire Department

2022 Accomplishments

- Purchased and took delivery of new fire gear, boots and helmets and closed out the USDA matching grant (55% USDA match).
- Upgraded handheld radios by purchasing lightly used equipment from Clinton County.
- Replaced tires on the City Pumper.

2023 Forward Goals

0 to 6 Months:

- **Retention of Firefighters:** Currently, Maquoketa firefighters are “Paid On-Call.” This means that after the firefighter passes the 6-month probation period, he or she will be compensated for his or her time while on a fire call. Current pay is \$9/hour for non-certified members and \$10/hour for Firefighter 1 certified (or higher certification). This hourly rate has been unchanged for 20-25 years. Fire Officers will review options to increase this hourly rate. The annual budget line item for wages may be able to remain unchanged, depending on the proposed rates. The paid on-call program is a nice little bonus to show appreciation of the firefighters’ time away from regular jobs and/or families. This compensation does not pay for time spent training, meeting or on rescue calls – it is strictly for hours spent on fire calls.
- **Firetruck Purchase:** Current budget proposals indicate a firetruck replacement in fiscal year 2024-25. The next truck to be replaced is our rural pumper truck, which is a 1999 model year. The delivery of such apparatus are 18-24 months after order date. Firefighters will need to be working on plans and specifications to solicit quotes from vendors in the next few months with plans to sign a contract within the next 6 months. Current estimated cost to replace this apparatus is \$480,00 - \$500,000.

6 to 12 Months:

- **Building Improvements:** After the recent transformer replacement at the fire station and being without power, the back-up generator was kicked into operation. The generator runs the bare minimum at the station. The generator does not operate any heater, furnace, air conditioners and minimal lighting and outlets. After some discussion with Fire Officers, it has been deemed necessary to explore the retrofitting of electrical to allow for the back-up generator to operate some, if not all the heaters in the truck bays to keep the trucks from freezing; some shoreline power to the trucks to keep the batteries charged and equipment charged inside each truck; furnace(s) in the office area of the fire station; lighting in at least one bathroom. Estimated cost of necessary improvements is \$5,000.
- **CIP Solution for Truck Replacement:** It will be necessary to review the CIP for the replacement of trucks. The cost of firetrucks is growing exponentially with no signs of slowing. The next major purchase of a

fire apparatus may be several years away but planning for the purchase must start now. In the next year, a plan to replace each apparatus and timing of each purchase should be drafted and reviewed annually during budget discussions. As of this writing on December 12, 2022, this particular problem remains a challenge.

12 to 20 Months:

- Township Assessments: FD and City need to work with the County Assessor and GIS Coordinator to better levy for fire protection. Currently, there are a few Townships that utilize services from more than one fire department. In these cases, the Township divides its fire protection funds evenly among the departments that provide protection for the entire Township. Another, perhaps more appropriate way to approach this levy is to break down each fire department's district and apply the appropriate property tax amounts to each district and provide funding by way of amount of property taxes collected from within each respective district. This is being done in other counties, including Dubuque County currently. Bernard Fire Department serves in both counties and is supportive and understanding of the idea. It is not known how this may financially impact MFD revenues.

YMCA

During this time when many of our Y's nationwide work to get back to breaking even, our Maquoketa Y was blessed to have yet another successful year! Here are just a few of the key highlights from this past fiscal year:

2022 Accomplishments

- Our Maquoketa Y was in the top 2% of Y's in terms of losing the fewest number of members through COVID and one of the first Y's to experience a full membership recovery.
- Membership grew by over 10% year over year, ending the year at 985 membership units. This reflects the largest membership base that we have had in our 15-year history!
- Programs and classes grew by 35% year over year! Under Colin Larson's leadership and the dedication of so many wonderful part time staff we have built a reputation of high quality, values-based programming!
- Our Heritage Club Endowment Fund exceeded \$600,000 and 60 members for the first time in its history! Our dedicated volunteers continue to work to reach our initial goal of \$1,000,000.
- We had the highest level of support for our Annual Fundraising Campaign, generating over \$95,000 in contributions! This allowed us to provide over 1,000 scholarships to deserving families!
- Outperformed the City's financial expectations by over \$110,000 on a \$630,000 total budget! This was largely assisted by strong CDBG grant activity and grew our Capital Improvement Fund to over \$900,000 in 2022! These dollars allow us to maintain the high-quality facility and amenities that we enjoy today.

2023 Forward Goals

- Reach our goal of 1,050 membership units in 2022/23.
- Reach an Annual Fundraising Campaign goal of \$100,000.
- Continue to grow the programmatic base managed by Colin Larson. Examples include the summer baseball program.
- Successfully execute all current Capital Improvement Plans (Air-handling, paint, & flooring) and create a follow up strategy to prepare the YMCA property for future recreational assets.

Alliance Water & Wastewater

2022 Accomplishments

- After deciding on Smart Earth Technologies Endpoints to replace our soon to be obsolete Mueller meter reading system, Alliance staff decided to undertake the management and installation of the new endpoints along with temp workers hired from Sedona Staffing to save the cost of hiring a firm to do the installations. Estimated costs to hire installers ranged from \$75,000 to \$120,000. Roughly 2,465 endpoints were installed.
- Moving to the SET system for meter readings also saved money by not requiring any infrastructure as they are Cellular based.
- GIS Mapping progresses on a continuous basis with enough of the town mapped to be able to send copies when requested for the Cities ISO insurance and various other projects.

Mapped to date:

- 241 Hydrants out of 319
 - 609 of 797 System Valves
 - 671 Curb stops
 - 176 out of 632 Manholes
 - 8 miles out of 42 miles of water main
- WHKS Engineering has been working on the Nutrient Removal updates to the Waste Water Treatment Facility and a general plant update due to the facilities age, they are currently at the 95% complete stage.
 - Over the last 12 months Alliance has worked with the DNR, Moore Locker and The Maquoketa Company to establish pre-treatment agreements with the City and also worked with SONAC to modify their agreement to lower the amount of phosphorus they send to us.
 - Purchased a Jet/Vac truck from MacQueen Equipment. The need was clear since our unit no longer works and the City had capital funds available for this dedicated purchase. Delivery is estimated sometime in December.
 - Burken Underground hit an asbestos cement water main while boring in a line at HWY 62 and 64. A repair clamp had to be ordered and in the meantime the trailer park was fed water through a 5-inch fire hose and bottled water was delivered to each home. Repairs were completed October 7th, 2021 and the City hired WHKS to engineer replace the old main.
 - Alliance installed a 12-inch main valve at Platt and Jacobsen on the October 6th to give us better control at isolating the industrial loop.
 - The Platt Street Project has been in full swing and Alliance staff handled locating, bacteria sampling, water main breaks (in the project area), water main shutdowns and some televising of lines to help determine either location or if the line was still active or could be abandoned.

- Our Waste Water Lab was recertified by the state in December of 2021.

2023 Forward Goals

- Start the WWTP upgrade
- Inspection and painting of the East 250,000-gallon water tower. Expected cost may be as high as \$150,000 - \$200,000.
- Put our new valve inspection, exercising and maintenance SOP into effect.
- Jet and televise at least 10,000 feet of sewer main (approx. 20 blocks) with our new equipment.
- Flushing all 319 Fire Hydrants (entire system).
- Replace or repair 6 valves and/or hydrants.
- Keep 5 person staffing and train current and any new employees so they can get their grade licenses in water and waste water.
- Complete the City GIS maps of the water and wastewater system. This will be helpful to the 10-Year Street Improvement Plan.
- Update our water conservation plan.
- Solicit bids for sludge hauling to be done in late 2023.

American Rescue Plan Act Fund (ARPA)

The Federal Government passed the American Rescue Plan Act on March 11, 2021. This effectively provided local governments among many other organizations a pre-determined allocation to use towards public projects and restoring a local economy to its pre-pandemic state. For Maquoketa, this total amount is \$894,147 (half received in 2021, half received in 2022). Funds must be spent by December 31, 2024 and cannot be used to restore fund reserves or long-standing pension deficits.

For Maquoketa, Council authorized an expenditure for extensive technology upgrades to the Public Safety Dispatch center and City Staff has applied the emergency Fawnbrook Water Main repair expenses to this funding source. Total expenditures thus far: \$340,900.

The ongoing opportunity within this funding source is that the City can and will be able to apply the remaining \$554,000 into Capital Projects and valuable community-based spending. A final plan is not yet determined but one should be made as soon as practical in order meet the spending and intent behind ARPA funds. Some hypothetical examples of expenditures that are needed by the City and meet qualifications include:

- Painting of the East Water tower. This may cost up to \$200,000 for qualified inspection and internal/external painting. The life of the tower will be long extended by protective painting. Paint wear is clear as of right now. Staff estimates \$80,312 will be needed from the ARPA Fund in order to supplement shortcomings in the City's Water Capital Fund plan. The amount is dependent on the project cost.
- Support for child-care initiatives in the City of Maquoketa in order to expand the infant to two-year old care infrastructure in order to attract & retain families in the City.
 - Staff has met with Sunshine Daycare, Sacred Heart, and Little Shepherds in order to better assess each organization's needs and challenges to provide daycare opportunities for the City of Maquoketa and surrounding area. Daycare infrastructure for the community is critical. Without it, the City runs the risk of losing workforce or worse...having a family move out of the City in order to help raise children. The daycare mission is uniquely tied to business development. Staff recommends supporting high-value initiatives to support our local daycare outfits, in particular objectives who increase the availability of serving families from infant to 2 years old. A very preliminary figure for the total allocation on this initiative could be \$219,367.
- General Fund Capital Spending relief in other form that may help mitigate General Fund losses in FY2023-2024 while the broader economy recovers. This has been done supporting a new Police vehicle in the amount of \$80,000.
- The final potential use of the funds may be directly related to unforeseen cost concerns related the Platt Street Project and Stormwater Levee Construction. The maximum allowable application of ARPA funding toward Levee construction cost overrun purposes is \$175,063.

An example and tentative chart has been shared on the next page for presentation purposes.

American Rescue Plan Act Fund - 323				
	2021-2022	2022-2023	2023-2024	2024-2025
ARP Funds Revenue	\$ 447,821	\$ 447,821	\$ -	\$ -
Total Revenue	\$ 447,821	\$ 447,821	\$ -	\$ -
Expenditures				
Emergency Repairs	\$ 261,236	\$ -	\$ -	\$ -
Equipment	\$ 79,664	\$ -	\$ -	\$ -
Capital Projects	\$ -	\$ -	\$ 247,821	\$ 306,921
Total Expenses	\$ 340,900	\$ -	\$ 247,821	\$ 306,921
Net Revenue/Expenditures				
Net Revenue/Expenditures	\$ 106,921	\$ 447,821	\$ (247,821)	\$ (306,921)
Ending Fund Balance	\$ 106,921	\$ 554,742	\$ 306,921	\$ -
<p><u>East Water Tower Capital Improvement</u> - \$80,312 will be needed from the ARPA Fund in order to supplement shortcomings in the City's Water Capital Fund plan. The amount is dependent on the project cost and final needs for engineering inspection</p>				
<p><u>Support for child-care initiatives</u> - \$219,367 (\$65,000 FY23-24; \$154,367 FY24-25) overall proposed for the City of Maquoketa in order to expand the infant to two-year old care infrastructure in order to attract & retain families in the City.</p>				
<p><u>Police Vehicle Purchase & Support</u> - \$80,000 (\$40,000 FY23-24; \$40,000 FY24-25) overall proposed to help supplement the need to equip the Police Department with modern vehicles.</p>				
<p><u>Stormwater Levee Construction Costs</u> - \$175,063 (\$62,509 FY23-24; \$112,554 FY24-25) expected in Cost overruns for the levee construction.</p>				

Capital Funds

This section will explain and detail the City's Capital Improvement Program. In 2022, members of the public and City Council have expressed a desire to better portrait of City spending out of the Capital Funds. In order to meet these goals, we attempt to showcase their resource flow.

Before we begin, it should be noted that the Sikich LLP audit of FY2021-2022 identified and questioned multiple funds that have sat dormant for years in our accounting software. Finance Clerk, Andrea White, also questioned their use as well. Thus, an outcome of the audit was to transfer the assets of non-used, dormant funds into the Capital Funds because their intended use was for Capital Asset expansion and the dormancy was based on the City no longer needing the money dedicated to past funds. These funds included:

- Economic Development Revolving Fund 017 - \$54
- N 2nd Street Reconstruction Fund 303 - \$113,565
- Vermont Street Project Fund 306 - \$32,346
- River Trail Project Fund 307 - \$825,132
- Downtown Project Fund 301 - \$588
- Industrial Park Fund 125 - \$16,326
- Bank Alley Fund 308 - \$18,262
- Pocket Neighborhood Fund 309 - \$15,386
- Dearborn Sanitary Fund 316 - \$25,579

This is best explained by the Charts we share on the next page. In short, we've merged funds and simplified the City's fund structure. In the spirit of the Council's request to carefully plan for rising Capital Asset costs, Staff believes this is an immediate and excellent plan for all City departments.

The City utilizes 5 total dedicated Capital Asset expenditure funds in order to account for the saving and movement of resources to provide the City functioning high-quality equipment and physical assets:

- **General Fund CIP**

The General Fund CIP captures most City Departments and also accounts for Road Use Tax heavy equipment expenses. This means the General Fund CIP is directly related to the City's police vehicles, fire trucks, dump trucks, YMCA spending, etc.

Staff typically reconciles year-end spending on the CIP into the Accounting software which is why FY2022-2023 and FY2023-2024 appear positively skewed in next page's chart.

- **Library Fund CIP**

Library CIP captures City obligated shares to the Library Corporation when the Library executes their Capital Asset plan.

- **Airport CIP**

The Airport CIP is a standalone fund in order to isolate the spending of the Airport improvement program. Nearly all Airport improvements are supplemented by the FAA’s 90% cost share on expanding the Maquoketa Airport or rehabilitating obvious and immediate problems. Though the City only shares 10% of the spending, the 10% remains significant for an Airport of Maquoketa’s size.

- **Wastewater CIP**

The Wastewater CIP is dedicated to ensuring all infrastructural assets are planned for so each improvement has a funding plan behind it. Without these earmarks, the City would otherwise faces sudden and unforeseen expenses as they arise. Take for example the City’s JetVac truck purchase for approximately \$190,000 in 2022. Without dedicated savings toward a purchase, the City’s Wastewater balances would be surprised by large hits such as this one. Resources are funded by Utility payments.

- **Water CIP**

Similar to the Wastewater CIP, the Water CIP is intended to dedicate resources toward large-scale Water infrastructure improvements such as maintenance of water mains, water towers, and wells.

General Fund CIP - 300				
	2020-2021	2021-2022	2022-2023 Budget	2023-2024 Proposed
430000 - Interest	\$ 18,094	\$ 11,964	\$ 101,446	\$ 164,610
475001 - Sale of Assets	\$ 6,500	\$ 2,020	\$ 370	\$ -
479655 - YMCA IMV Transfer	\$ -	\$ -	\$ 276,650	
479661 - Fire Department Transfer	\$ 113,000	\$ -	\$ 56,600	\$ -
479671 - Parks Transfer	\$ -	\$ 5,000	\$ 7,500	\$ -
482000 - Proceeds from Debt	\$ -	\$ -	\$ -	\$ -
483000 - Transfer In	\$ 800,893	\$ 825,135	\$ 681,679	\$ 612,229
483001 - Interfund Loans	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 938,487	\$ 844,119	\$ 1,124,245	\$ 776,839
64700 - Administration	\$ 13,560	\$ 4,941	\$ -	\$ 11,000
64710 - Cable Channel 22	\$ 69,360	\$ -	\$ -	\$ -
64765 - YMCA Building	\$ 2,618	\$ 56,625	\$ 468,396	\$ 63,295
64770 - Fire Department	\$ -	\$ 84,308	\$ 270,775	\$ 11,500
64780 - Parks Department	\$ 6,453	\$ 26,041	\$ 30,000	\$ 130,000
64790 - Police Department	\$ 33,431	\$ 22,858	\$ 11,000	\$ 10,550
64800 - Public Works General Fund	\$ -	\$ 36,622	\$ 110,000	\$ 105,000
64810 - Public Works Road Use Tax	\$ 222,671	\$ 245,793	\$ 180,171	\$ 231,000
64820 - Other Projects	\$ 5,859	\$ 3,553	\$ 5,000	\$ 5,000
68999 - Bond Issuance Costs	\$ -	\$ 1,596	\$ -	\$ -
69101 - Transfers Out	\$ 522,186	\$ 300,000	\$ 267,204	\$ 132,865
Total Expenditures	\$ 876,138	\$ 782,337	\$ 1,342,546	\$ 700,210
Net Revenues/Expenditures	\$ 62,349	\$ 61,782	\$ (218,301)	\$ 76,629
Ending Fund Balance	\$ 1,481,975	\$ 1,543,757	\$ 1,325,456	\$ 1,402,085
\$300,000 Rescue Transfer to Water Fund for Capital Reserves				
The Proposed Column is an incomplete and tentative data set until the CIP is reconciled into the City's Accounting Software. Management expects a revision.				
The large sum accounts for \$681,679 in routine General Fund related transfers and transfer of dormant funds.				

Airport CIP - 304			
	FY2021-2022	FY2022-2023 Budget	FY2023-2024 Proposed
Revenue	\$ 25,227	\$ 25,287	\$ 22,841
Expenses	\$ 63,569	\$ 22,400	\$ 22,400
Balance	\$ 4,526	\$ 7,407	\$ 7,848

Library CIP - 030			
	FY2021-2022	FY2022-2023 Budget	FY2023-2024 Proposed
Revenue	\$ 205,552	\$ 38,200	\$ 65,000
Expenses	\$ 205,552	\$ 23,200	\$ 65,000
Balance	\$ 31	\$ 15,031	\$ 15,031

Wastewater CIP - 305			
	FY2021-2022	FY2022-2023 Budget	FY2023-2024 Proposed
430000 - Interest	\$ 2,461	\$ 4,541	\$ 3,120
483000 - Transfers In	\$ 137,200	\$ 156,636	\$ 98,000
Total Revenue	\$ 139,661	\$ 161,177	\$ 101,120
65999 - Expenses	\$ 137,001	\$ 202,818	\$ 41,000
Ending Balance	\$ 406,500	\$ 364,859	\$ 424,979

Water CIP - 604			
	FY2021-2022	FY2022-2023 Budget	FY2023-2024 Proposed
430000 - Interest	\$ 2,218	\$ 19,293	\$ 27,818
483000 - Transfers In	\$ 76,850	\$ -	\$ 152,912
Total Revenue	\$ 79,068	\$ 19,293	\$ 180,730
65999 - Expenses	\$ 1,472	\$ 10,000	\$ 261,000
Ending Balance	\$ 448,165	\$ 457,458	\$ 377,188

Road Use Tax Fund

The Road Use Tax (RUT) is one of the key contributors to the City's Capital Improvement Plan, debt service payments for street projects, and is the source of the City's roadway improvements we pay for out of pocket. The resources provide us the tool to construct, rehabilitate, and maintain local roads.



Revenue sharing comes direct from the State of Iowa as a result of various vehicle registration fees and paid gasoline taxes all consumers pay at the pump.

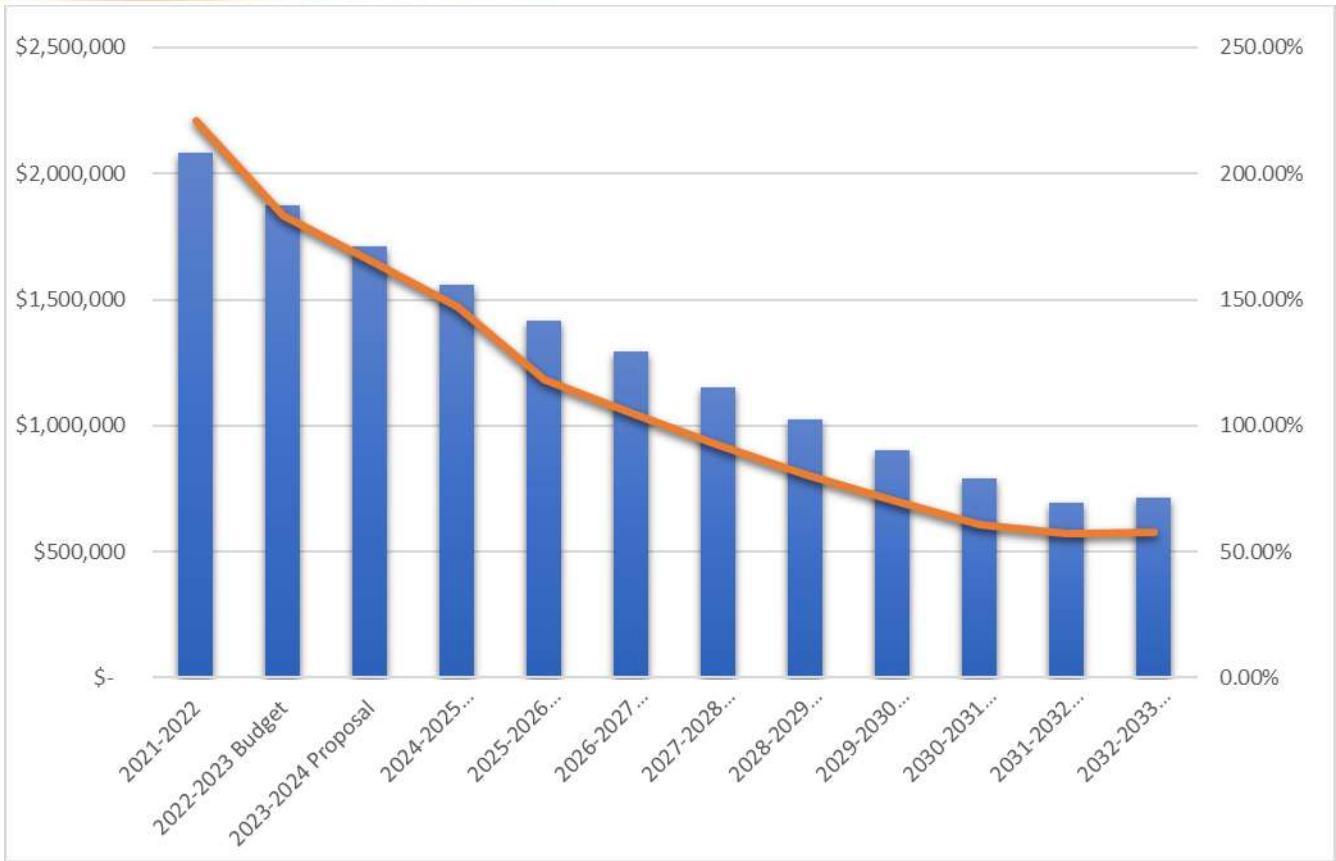
The RUT is driving force behind the City's movement toward a 10-Year Street Improvement Plan. The RUT balance is strong with a FY2021-2022 ending balance of \$2,081,616 which is a sky-high 220.80% fund balance reserve.

The intended goal of the RUT 10-Year Street Improvement Plan is to spend long saved local RUT resources toward the betterment of our local roads and neighborhoods. The City's continued focus on large capital projects such as the Platt Street Project and Main Street Project have been a great facelift to the City but created an unintended problem in that our local neighborhoods were not addressed as well as they could have been. Thankfully, the City's focus on other items allowed the fund balance to grow to its current level.

City Staff and City Council will work closely together in delivering a schedule of improvements to the citizens of Maquoketa and we take pride in being able to deliver the 10-Year Plan.

Staff has provided a data set on the next page detailing how the RUT will be spent down to a normalized fund balance level and leveled off by the end of the 10-Year Plan. In all, this data set shows the City can invest \$5,661,742 without even recruiting the assistance of State and Federal grants. This is a powerful opportunity.

Road Use Tax Fund - 110														
	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034
	Actual	Budget	Proposal	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
443000 - Taxes - State Fund	\$ 919,076	\$ 847,420	\$ 737,255	\$ 800,000	\$ 825,000	\$ 860,000	\$ 900,000	\$ 913,500	\$ 938,621	\$ 964,433	\$ 990,955	\$ 1,018,207	\$ 1,046,207	\$ 1,074,978
SWAP Funding - ECA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000
471500 - Refunds/Reimbursements	\$ 335	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise Fee Revenue (40%)	\$ -	\$ -	\$ -	\$ 56,000	\$ 57,540	\$ 59,122	\$ 60,748	\$ 62,419	\$ 64,135	\$ 65,899	\$ 67,711	\$ 69,573	\$ 71,487	\$ 73,452
Total Revenues	\$ 919,411	\$ 847,420	\$ 737,255	\$ 856,000	\$ 882,540	\$ 919,122	\$ 1,075,748	\$ 1,090,919	\$ 1,117,757	\$ 1,145,332	\$ 1,173,667	\$ 1,202,780	\$ 1,232,694	\$ 1,263,430
63780 - Street Lighting	\$ -	\$ -	\$ 11,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64010 - Audit	\$ 3,131	\$ 3,605	\$ 4,600	\$ 4,600	\$ 4,738	\$ 4,880	\$ 5,027	\$ 5,177	\$ 5,333	\$ 5,493	\$ 5,657	\$ 5,827	\$ 6,002	\$ 6,182
64071 - Engineering Fees	\$ -	\$ -	\$ 19,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64090 - Insurance	\$ 5,771	\$ 5,073	\$ 5,815	\$ 6,513	\$ 6,904	\$ 7,318	\$ 7,757	\$ 8,223	\$ 8,716	\$ 9,239	\$ 9,793	\$ 10,381	\$ 11,004	\$ 11,664
65270 - Rock/Cement/Blacktop	\$ 174,647	\$ 102,020	\$ 280,000	\$ 50,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
65280 - Street Improvements	\$ -	\$ -	\$ -	\$ 335,000	\$ 341,030	\$ 351,261	\$ 361,799	\$ 372,653	\$ 375,000	\$ 375,000	\$ 375,000	\$ 375,000	\$ 375,000	\$ 375,000
SWAP Expenses - ECA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000
65991 - Paint/Supplies/Signs	\$ 9,607	\$ 16,455	\$ 8,000	\$ 8,240	\$ 8,487	\$ 8,742	\$ 9,004	\$ 9,274	\$ 9,552	\$ 9,839	\$ 10,134	\$ 10,438	\$ 10,751	\$ 11,074
67101 - Public Works Truck	\$ 2,255	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
69101 - Transfer Out	\$ 423,140	\$ 469,307	\$ 387,388	\$ 383,888	\$ 391,566	\$ 399,397	\$ 407,385	\$ 415,533	\$ 423,843	\$ 432,320	\$ 440,967	\$ 449,786	\$ 459,286	\$ 469,755
60100 - Qualified Personnel Costs	\$ -	\$ -	\$ 226,242	\$ 233,945	\$ 240,963	\$ 248,192	\$ 255,638	\$ 263,307	\$ 271,206	\$ 279,343	\$ 287,723	\$ 296,355	\$ 305,245	\$ 314,403
Total Expenses	\$ 618,551	\$ 596,460	\$ 942,745	\$ 1,022,186	\$ 1,033,688	\$ 1,059,790	\$ 1,201,609	\$ 1,229,167	\$ 1,248,651	\$ 1,266,233	\$ 1,284,274	\$ 1,302,787	\$ 1,321,288	\$ 1,339,087
Net Revenues/Expenditures	\$ 300,860	\$ 250,960	\$ (205,490)	\$ (166,186)	\$ (151,148)	\$ (140,668)	\$ (125,861)	\$ (138,248)	\$ (130,894)	\$ (120,901)	\$ (110,608)	\$ (100,007)	\$ 20,406	\$ 30,344
Ending Fund Balance	\$ 1,830,656	\$ 2,081,616	\$ 1,876,126	\$ 1,709,940	\$ 1,558,792	\$ 1,418,124	\$ 1,292,263	\$ 1,154,015	\$ 1,023,121	\$ 902,220	\$ 791,612	\$ 691,606	\$ 712,011	\$ 742,355
Fund Balance Reserve	306.92%	220.80%	183.54%	165.42%	147.08%	118.02%	105.13%	92.42%	80.80%	70.25%	60.76%	57.05%	57.74%	HRFF1
Drop in FY21-22 Revenue to FY22-23 related to extreme gasoline cost increases. Per capita share of gallons pumped reduced and shown with a slow recovery out to FY25-26.														
Plan assumes City Council passes a 5% Franchise Fee on Gas utility in Spring/Summer 2023. Preliminary plan design of 40% of those expenses for Roadway Improvements.														
Rock/Cement/Blacktop to be used for contingency or supplemental purposes beginning in FY2023-2024.														
Financing behind the Street Improvement Plan & includes \$115,000 annually (starting 2026-2027) in additional SWAP funding from ECA. This plan locally invests \$5,661,742 in the City's streets without Infrastructure or Grant Incentives														
Transfer out includes Capital Improvement Plan transfer and \$100,500 in annual debt service (2016 Main Street project) until FY2032-2033														



Local Option Sales Tax Fund

We recall from page 15 of this document that Cities such as Maquoketa are permitted to collect 1% sales tax on applicable transactions. Thus, when a transaction occurs, 6% goes to the State of Iowa and 1% goes to the City of Maquoketa for a total Sales Tax rate of 7%. The intended and State required purpose behind LOST is to reduce property tax burden for the community.

In many management circles, sales tax revenue is one of the best measurements of economy health. We've already indicated the rising cost of goods and services has impacted our City's budget. The most evident data is in our LOST revenue.

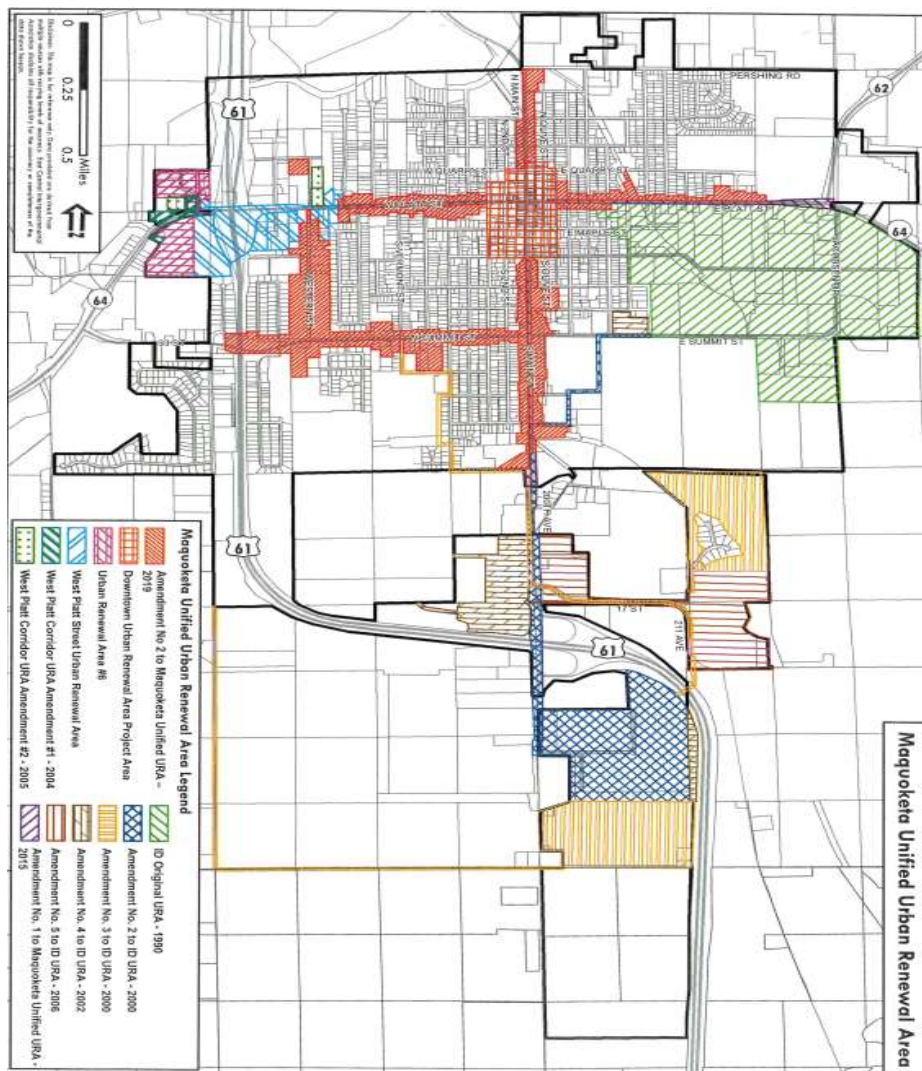
The most alarming bit of this report is in this chart of our expectations for LOST revenue:

Local Option Sales Tax - 121			
	2021-2022 Budget	2022-2023 Budget	2023-2024 Proposed
409010 - 1% Local Option Sales Tax	\$ 829,466	\$ 700,000	\$ 725,000
69101 - Transfer out - GF Admin (30%)	\$ 414,733	\$ 210,000	\$ 217,500
69101 - Transfer out - GF Parks (20%)	\$ 207,367	\$ 140,000	\$ 145,000
69101 - Transfer out - Wastewater (37.5%)	\$ 207,367	\$ 262,500	\$ 271,875
69101 - Transfer out - Water (10%)	\$ -	\$ 70,000	\$ 72,500
69101 - Transfer out - Stormwater (2.5%)	\$ -	\$ 17,500	\$ 18,125
Total Expenditures	\$ 829,466	\$ 700,000	\$ 725,000
Net Revenue/Expenditures	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ -

Urban Renewal - Tax Increment Financing (TIF) Fund

The State of Iowa is unique in TIF procedure compared to neighboring Wisconsin and Illinois. TIF serves as an enormous development tool for private business and public infrastructure. It is meant and intended to reawaken blighted areas of a community and spur economic growth.

In Iowa, the City Council is authorized to declare an Urban Renewal area and set developmental objectives related to TIF. This is most often done carefully with the help with professionals. The City of Maquoketa's Urban Renewal firm is Ahlers & Cooney out of Des Moines. They've assisted several times in the last decade by helping Maquoketa declare Urban Renewal revisions that allow for progressive infrastructural development. Currently, the City's Urban Renewal area covers the following colored districts:

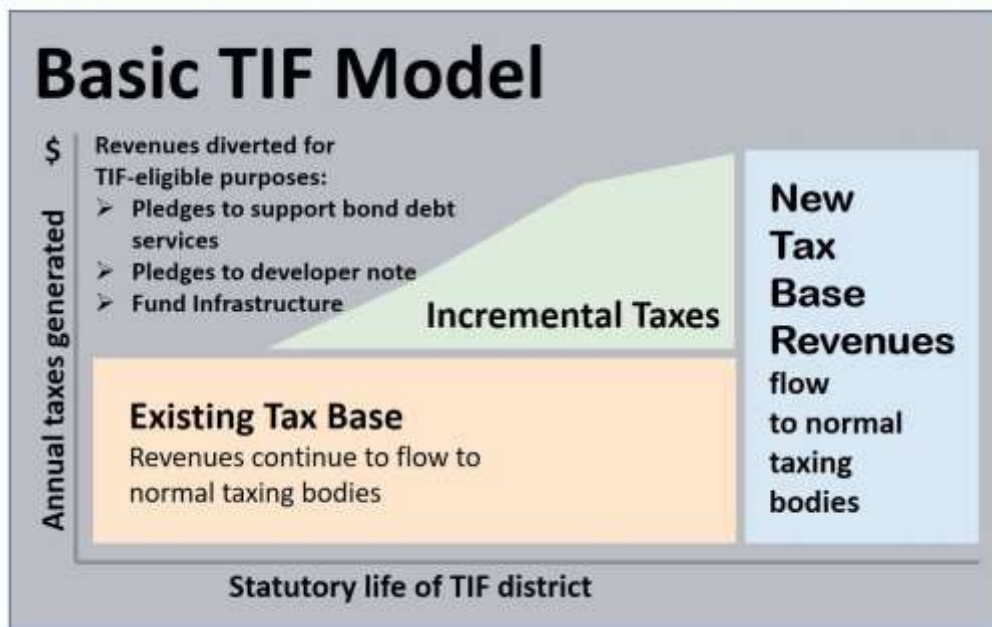


Once an Urban Renewal Plan is prepared and adopted, the City may enter into developmental agreements with private business or commit themselves to public infrastructure projects that are qualified within the Urban Renewal plan.

No project or TIF undertaking goes without an opposite effect. When the City declares and claims TIF expenses, it does take away from Jackson County’s ability to tax property values that are otherwise declared by the City’s TIF claim. It’s a classic dilemma of being a good neighbor and not stretching the claim relative to the City’s growth needs.

However, when a TIF claim is made, the purpose is to increase property value. All taxing bodies make a substantial investment in counting on the development to eventually deliver higher property value when it is released from the City’s TIF claims. The gap between frozen value and actual value is commonly called increment. Upon delivery of a mature and successful TIF claim, ALL taxing bodies benefit from the increased property value and may levy a specific rate on that increased value.

The following graphic is borrowed from Clarendon Hills, IL website and best explains how TIF increment funds infrastructure and then delivers the increased property value to all taxing bodies upon maturity.



Finance Clerk, Andrea White, works closely with Jackson County Auditor’s office on the management of all TIF related projects. Andrea also works with private consultant, Northland Securities, who is an expert in this field free of charge. Northland Securities competes for the City’s bond business when the City pursues a bond.

The City’s typical TIF claim for the last two years are on next page’s chart. The City’s previous and current claim are high historically. However, the City must continue to expect approximately \$700,000 - \$800,000 in

TIF claims for the next several years. This due to various infrastructure projects and recent private agreements prior to 2022. This chart below doesn't even capture Meadow Park subdivision, Moore Local, Dollar Fresh, and Mitchell Maskrey Mill full impact which is why the City must continue to expect a \$700,000 - \$800,000 claim.

	TIF DISTRICT	CLAIM 11/21 FOR 22-23	CLAIM 11/22 FOR 23-24	CLAIM 11/23 FOR 24-25	CLAIM 11/24 FOR 25-26	CLAIM 11/25 FOR 26-27
12	\$350,000 TIF REBATE Res. 00-97 approved 11-21-00 (Maq Housing LP I-Ales) 100% incremental taxes for 20 years or \$350,000 which ever comes first					
13	HURST HOTEL REBATE Res. 05-70 approved 11-21-05 (Maq. Housing LP II - Ales) Res. 08-52 approved 11-3-08, \$13,333 for each of 15 years	\$ 13,333.00	\$ 13,333.00			
31	DOWNTOWN STREET PROJECT GO BOND-MAT 6/01/33 Res. 20-82 approved	\$ 151,623.00	\$ 152,723.00	\$ 148,723.00	\$ 149,723.00	\$ 150,418.00
35	DOWNTOWN GO BOND (Escrow/Prepay Debt) Res.					
36	2019 A BOND PRINCIPAL & INTEREST PYMTS Res. 20-82 approved	\$ 163,100.00	\$ 156,300.00	\$ 165,000.00	\$ 167,400.00	\$ 180,698.00
37	2021 A BOND PRINCIPAL & INTEREST PYMTS Res.	\$ 112,755.00	\$ 112,090.00	\$ 113,290.00	\$ 114,390.00	\$ 115,390.00
38	DOWNTOWN REVITALIZATION-FAÇADE PROGRAM Res.					
39	JACKSON CO ECONOMIC DEVELOPMENT Res. 18-XX approved 15/16 - 18/19	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00
40	BSM2 DEV, INNOVATE 120, 138 S MAIN, PLAYALARGA, LLC TO UNIFIED URBAN AREA Res 20-82 approved Ahlers & Cooney	\$ 7,870.00	\$ 14,980.00			
41	CHAMBER OF COMMERCE \$20,000 per year	\$ 40,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
42	UPPER STORY (OSTERHAUS) LEGAL FEES Res 20-82 approved	\$ 3,991.00	\$ -			
43	CLINTON ENGINES VAPOR INTRUSION	\$ 47,585.00	\$ -			
44	BUILD GRANT ADMINISTRATION LEGAL FEES- ECIA	\$ 38,000.00	\$ 7,425.00			
45	DOWNTOWN INCENTIVE FY 20/21	\$ 89,885.00	\$ 88,729.00	\$ 90,623.00	\$ 100,000.00	\$ 100,000.00
46	BSM2 DEVELOPMENT, LLC- WESTERN AVE		\$ -			
47	ROCKDALE ENTERPRISES- MOORE LOCAL Rebate is 50% of the tax increment for FY 23/24-FY 32/33 with a not to exceed of \$150,000		\$ 2,500.00			
48	GT DEVELOPMENT-MITCHELL MASKREY Rebate is 100% of the tax increment for FY 23/24- FY 32/33 with a not to exceed of \$140,000		\$ 8,000.00			
49	BR2- DOLLAR FRESH Rebate is 90% of the tax increment for FY 23/24- FY 37/38 with a not to exceed of \$1,300,000		\$ 65,000.00			
50	TIF BOND DEBT REPAYMENT		\$ 25,000.00			
TOTALS		\$ 728,142.00	\$ 726,080.00	\$ 597,636.00	\$ 611,513.00	\$ 626,506.00

In short summary, the City's TIF fund is able to make a claim on increment. Thus, the ending balance of the Urban Renewal Fund should be neutral or close to it.

The following page puts this to an excel.

Urban Renewal Fund		
TIF Project Description	FY2022-2023	FY2023-2024
Revenue/TIF Claim	\$ 728,142	\$ 726,080
Qualified TIF EXPENSES		
Hurst Hotel Rebate - Resolution 2008-52; \$13,333/year until 2023	\$ 13,333	\$ 13,333
Hainstock LMI Set Aside	\$ 15,836	\$ -
Downtown Steet Project GO 2016A Bond	\$ 151,623	\$ 152,723
Downtown Street Project 2019A GO Bond	\$ 163,100	\$ 156,300
2021A GO BOND	\$ 112,755	\$ 112,090
TIF Bond Debt Repayment		\$ 25,000
Jackson County Economic Alliance Contract	\$ 60,000	\$ 60,000
Urban Renewal Plan Amendment #4 - Services by Ahlers & Cooney	\$ 7,870	\$ 14,980
Chamber of Commerce Agreement	\$ 40,000	\$ 20,000
Osterhaus Upper Story Housing Agreement Legal Fees	\$ 3,991	
Clinton Engines Vapor Intrusion Costs	\$ 47,585	
Build Grant Administration - ECIA (Platt St)	\$ 38,000	\$ 7,425
Downtown Incentives Program - Fund 007	\$ 89,885	\$ 88,729
Mitchell Maskrey Mill		\$ 8,000
Rockdale Locker/Moore Local		\$ 2,500
Meadow Park Subdivision		
Dollar Fresh (June 2024 - June 2038)		\$ 65,000
Total Expenses	\$ 743,978	\$ 726,080
Fund Balance	\$ 58,316.00	\$ 58,316.00

Debt Service Fund

The City's Debt Service Fund is the final stop for all debt payments before resources leave the City's possession.

The City of Maquoketa has a practice of borrowing for various purposes. These objectives have been for heavy equipment and construction projects. A City having no debt is not necessarily something to be proud of either. A City should utilize its debt capacity in order to fund big ticket items for a Community.

Under City Manager, Gerald Smith, the City of Maquoketa did an excellent job obtaining grant opportunities and borrowing money in order to meet local matches. Thankfully, this time period had the lowest borrowing rates on record from debt issuers and the City borrowed money at the right time. This was perhaps accidental, but it will be a community benefit for many years to come.

If the City looks forward into the borrowing environment, bond and interest rate costs will be extraordinary. It is our goal to recommend a stand-by strategy. This is because of rate levels and the City's debt payments for the next several fiscal years are historically high. By waiting multiple years as an example, the City will clear its debt capacity to more conservative level and be able to strategically plan with our Community stakeholders on what other Capital Assets are desired in the Community.

The latest debt book prepared by the City's Bond Consultant, Northland Securities, was delivered to Staff on January 24, 2022.

There are several key components we go through and we'll begin on the following pages. A glimpse of our Debt Service Fund is provided. The rise in Debt Service fund balance is intended and directly tied to readying the fund balance for annual payments for the payback of:

- Up to \$6,200,000 in USDA Platt Street Project related loans for Utility Infrastructure. The payback on this is 40 years at 1.15%. As we've stated before in this document, the City is doing very well on not building up USDA debt.
- Up to \$15,000,000 in State Revolving Loan Fund (SRF) related debt related to the City's Wastewater Treatment Plan upgrade. The City pursued and achieved "Disadvantaged Community Status" with the SRF program mid-2022 which will allow the City to payback the debt on a 30-year term instead of 20-years with an interest rate reduction. Without this possibility, again City residents and business would've otherwise faced a more drastic Utility rate increase recommendation but the City was able to defray this problem with the State's disadvantaged qualification.

Debt Service Fund - 200			
	FY2021-2022	FY2022-2023 Budget	FY2023-2024 Proposed
400000 - Fire Station Levy	\$ 149,498	\$ -	\$ -
400002 - 2019A Debt Levy	\$ -	\$ 150,000	\$ 68,087
483000 - Transfer In	\$ 807,154	\$ 1,159,426	\$ 1,081,984
Total Revenue	\$ 956,652	\$ 1,309,426	\$ 1,150,071
 			
68175 - Street Lighting Project	\$ 25,205	\$ 10,502	\$ -
68225 - 2016A Downtown	\$ 190,000	\$ 251,723	\$ 200,000
68226 - 2016A Downtown Int.	\$ 60,523	\$ -	\$ 52,823
68235 - AMI Meter Loan	\$ 18,000	\$ 23,540	\$ 19,000
68236 - AMI Meter Interest	\$ 4,900	\$ -	\$ 4,160
68240 - Water Treatment SRF	\$ 145,000	\$ 160,176	\$ 154,000
68241 - Water Treatment SRF Int.	\$ 14,089	\$ -	\$ 8,153
68255 - Fine Bubble Aeration	\$ 6,000	\$ 7,788	\$ 6,000
68256 - Fine Bubble Aeration Int.	\$ 1,220	\$ -	\$ 1,593
68260 - Fire Station Bond	\$ 125,000	\$ -	\$ -
68261 - Fire Station Int.	\$ 5,563	\$ -	\$ -
68262 - 2019A GO Bond	\$ 145,000	\$ 408,700	\$ 300,000
68263 - 2021 GO Bond	\$ 38,982	\$ 226,755	\$ 190,000
68264 - 2019A GO Bond Int.	\$ 119,500	\$ -	\$ 101,900
68266 - 2021A GO Bond Int.	\$ -	\$ -	\$ 36,090
Total Debt Expenses	\$ 898,982	\$ 1,089,184	\$ 1,073,719
 			
Ending Fund Balance	\$ 471,569	\$ 691,811	\$ 768,163

Debt Capacity Analysis (March 2023)

The City of Maquoketa is prohibited by State Code to exceed debt greater than 5% of the Community’s property valuation. This is a defined lane the State places on local communities. The City of Maquoketa has never actually exceeded or flirted with the limit.

Fiscal Year	Actual Valuation	Legal Debt Limit	Outstanding Debt Issues Subject to Debt Limit							Projected Debt SRF 2023A	Total Debt Against Legal Debt Limit	Available Legal Capacity	Percent Debt is of Legal Debt Limit
			CO 2016A	CO 2014 Loan	CO 2013 Loan	CO 2017 Loan	CO 2019A	CO 2021A	TIF Agree Combined				
FY 2023	347,594,617	17,379,732	2,380,000	14,173	10,500	24,548	3,435,000	2,110,000	300,664	4,000,000	12,274,885	5,104,847	70.63%
FY 2024	347,594,617	17,379,732	2,185,000	10,124	-	19,556	3,140,000	1,920,000	13,333	4,000,000	11,288,013	6,091,719	64.95%
FY 2025	347,594,617	17,379,732	1,985,000	6,075	-	14,564	2,840,000	1,730,000	-	3,835,000	10,410,639	6,960,093	59.90%
FY 2026	347,594,617	17,379,732	1,785,000	2,026	-	9,572	2,525,000	1,535,000	-	3,667,000	9,523,598	7,856,134	54.80%
FY 2027	347,594,617	17,379,732	1,580,000	-	-	4,580	2,195,000	1,335,000	-	3,496,000	8,610,580	8,769,152	49.54%
FY 2028	347,594,617	17,379,732	1,370,000	-	-	-	1,860,000	1,130,000	-	3,321,000	7,681,000	9,698,732	44.20%
FY 2029	347,594,617	17,379,732	1,155,000	-	-	-	1,505,000	980,000	-	3,143,000	6,783,000	10,996,732	39.03%
FY 2030	347,594,617	17,379,732	935,000	-	-	-	1,140,000	825,000	-	2,961,000	5,861,000	11,518,732	33.72%
FY 2031	347,594,617	17,379,732	710,000	-	-	-	770,000	660,000	-	2,776,000	4,916,000	12,463,732	28.29%
FY 2032	347,594,617	17,379,732	480,000	-	-	-	390,000	495,000	-	2,587,000	3,952,000	13,427,732	22.74%
FY 2033	347,594,617	17,379,732	245,000	-	-	-	-	330,000	-	2,394,000	2,969,000	14,410,732	17.08%
FY 2034	347,594,617	17,379,732	-	-	-	-	-	165,000	-	2,197,000	2,362,000	15,017,732	13.59%
FY 2035	347,594,617	17,379,732	-	-	-	-	-	-	-	1,996,000	1,996,000	15,383,732	11.48%
FY 2036	347,594,617	17,379,732	-	-	-	-	-	-	-	1,791,000	1,791,000	15,584,732	10.31%
FY 2037	347,594,617	17,379,732	-	-	-	-	-	-	-	1,582,000	1,582,000	15,797,732	9.10%
FY 2038	347,594,617	17,379,732	-	-	-	-	-	-	-	1,369,000	1,369,000	16,010,732	7.88%
FY 2039	347,594,617	17,379,732	-	-	-	-	-	-	-	1,152,000	1,152,000	16,227,732	6.63%
FY 2040	347,594,617	17,379,732	-	-	-	-	-	-	-	931,000	931,000	16,448,732	5.36%
FY 2041	347,594,617	17,379,732	-	-	-	-	-	-	-	705,000	705,000	16,674,732	4.06%
FY 2042	347,594,617	17,379,732	-	-	-	-	-	-	-	475,000	475,000	16,904,732	2.73%

Current Debt Issuances & Purposes (March 2023)

Northland Securities have provided all graphics for the City in this section. At the bottom of each spreadsheet, the purpose for each bond is listed.

Debt Service Schedule & Payment Source													
General Obligation Capital Loan Notes, Series 2007B													
Date	Principal	Coupon	Interest	Total	Fiscal Total	Sewer Utility	Water Utility	LOST	TIF	RUT	Special Assmnt	Other	Debt Service Levy
12/01/21			2,781.25	2,781.25									
06/01/22	125,000	4.450% *	2,781.25	127,781.25	130,562.50								130,562.50 0.59354
12/01/22			-	-									
Total	125,000		5,563	130,563	130,563	-	-	-	-	-	-	-	130,563

Issue Size \$1,600,000

Purposes Fire Station

Notes: Paid by Debt Levy

Call Date

Debt Service Schedule & Payment Source													
General Obligation Capital Loan Notes, Series 2016A													
Date	Principal	Coupon	Interest	Total	Fiscal Total	Sewer Utility	Water Utility	LOST	TIF	RUT	Special Assmnt	Other	Debt Service Levy
12/01/21			30,011.25	30,011.25									
06/01/22	190,000.00	2.000%	30,011.25	220,011.25	250,022.50				150,022.50	100,000.00			- -
12/01/22			28,111.25	28,111.25									
06/01/23	195,000.00	2.000%	28,111.25	223,111.25	251,222.50				151,222.50	100,000.00			- -
12/01/23			26,161.25	26,161.25									
06/01/24	200,000.00	2.000%	26,161.25	226,161.25	252,322.50				152,322.50	100,000.00			- -
12/01/24			24,161.25	24,161.25									
06/01/25	200,000.00	2.000% *	24,161.25	224,161.25	248,322.50				148,322.50	100,000.00			- -
12/01/25			22,161.25	22,161.25									
06/01/26	205,000.00	2.100% *	22,161.25	227,161.25	249,322.50				149,322.50	100,000.00			- -
12/01/26			20,008.75	20,008.75									
06/01/27	210,000.00	2.200% *	20,008.75	230,008.75	250,017.50				150,017.50	100,000.00			- -
12/01/27			17,698.75	17,698.75									
06/01/28	215,000.00	2.300% *	17,698.75	232,698.75	250,397.50				150,397.50	100,000.00			- -
12/01/28			15,226.25	15,226.25									
06/01/29	220,000.00	2.400% *	15,226.25	235,226.25	250,452.50				150,452.50	100,000.00			- -
12/01/29			12,586.25	12,586.25									
06/01/30	225,000.00	2.500% *	12,586.25	237,586.25	250,172.50				150,172.50	100,000.00			- -
12/01/30			9,773.75	9,773.75									
06/01/31	230,000.00	2.600% *	9,773.75	239,773.75	249,547.50				149,547.50	100,000.00			- -
12/01/31			6,783.75	6,783.75									
06/01/32	235,000.00	2.750% *	6,783.75	241,783.75	248,567.50				148,567.50	100,000.00			- -
12/01/32			3,552.50	3,552.50									
06/01/33	245,000.00	2.900% *	3,552.50	248,552.50	252,105.00				152,105.00	100,000.00			- -
12/01/33			-	-									
Total	2,570,000		432,473	3,002,473	3,002,473	-	-	-	1,802,473	1,200,000	-	-	-

Issue Size \$3,440,000

Purposes Street, water and Sewer Improvements

Notes:

Call Date 6/1/2024

Debt Service Schedule & Payment Source													
2014 Loan - Energy Efficiency Project													
Date	Principal	Coupon	Interest	Total	Fiscal Total	Sewer Utility	Water Utility	LOST	TIF	RUT	Special Assmnt	Other	Debt Service Levy
12/01/21			-	-									
06/01/22	4,049	0.000% *	-	4,049.00	4,049.00							4,049.00	-
12/01/22			-	-									-
06/01/23	4,049	0.000% *	-	4,049.00	4,049.00							4,049.00	-
12/01/23			-	-									-
06/01/24	4,049	0.000% *	-	4,049.00	4,049.00							4,049.00	-
12/01/24			-	-									-
06/01/25	4,049	0.000% *	-	4,049.00	4,049.00							4,049.00	-
12/01/25			-	-									-
06/01/26	2,026	0.000% *	-	2,026.00	2,026.00							2,026.00	-
12/01/26			-	-									-
Total	18,222		-	18,222	18,222	-	-	-	-	-	-	18,222	-

Issue Size \$40,492 **Purposes** WPPI loan in November 2015 - loan bears no interest. Final payment **Notes:**
Call Date November 2025

Debt Service Schedule & Payment Source													
2013 Loan - Street Light													
Date	Principal	Coupon	Interest	Total	Fiscal Total	Sewer Utility	Water Utility	LOST	TIF	RUT	Special Assmnt	Other	Debt Service Levy
12/01/21			-	-									
06/01/22	25,200	0.000% *	-	25,200.00	25,200.00							25,200.00	-
12/01/22			-	-									-
06/01/23	10,500	0.000% *	-	10,500.00	10,500.00							10,500.00	-
12/01/23			-	-									-
06/01/24			-	-									-
Total	35,700		-	35,700	35,700	-	-	-	-	-	-	35,700	-

Issue Size \$252,046 **Purposes** Street light project - loan payable to WPPI Energy \$2100 monthly **Notes:**
Call Date installments with no interest. Commencing in November 2022

Debt Service Schedule & Payment Source													
2017 Loan - WPPI													
Date	Principal	Coupon	Interest	Total	Fiscal Total	Sewer Utility	Water Utility	LOST	TIF	RUT	Special Assmnt	Other	Debt Service Levy
12/01/21			-	-									
06/01/22	4,992	0.000% *	-	4,992.00	4,992.00							4,992.00	-
12/01/22			-	-									-
06/01/23	4,992	0.000% *	-	4,992.00	4,992.00							4,992.00	-
12/01/23			-	-									-
06/01/24	4,992	0.000% *	-	4,992.00	4,992.00							4,992.00	-
12/01/24			-	-									-
06/01/25	4,992	0.000% *	-	4,992.00	4,992.00							4,992.00	-
12/01/25			-	-									-
06/01/26	4,992	0.000% *	-	4,992.00	4,992.00							4,992.00	-
12/01/26			-	-									-
06/01/27	4,580	0.000% *	-	4,580.00	4,580.00							4,580.00	-
Total	29,540		-	29,540	29,540	-	-	-	-	-	-	29,540	-

Issue Size \$49,923 **Purposes** WPPI loan in April 2017 - loan bears no interest. Final payment April **Notes:**
Call Date 2027

Debt Service Schedule & Payment Source													
General Obligation Capital Loan Notes, Series 2019A													
Date	Principal	Coupon	Interest	Total	Fiscal Total	Sewer Utility	Water Utility	LOST	TIF	RUT	Storm	Other	Debt Service Levy
12/01/21			59,450.00	59,450.00									
06/01/22	145,000	4.000%	59,450.00	204,450.00	263,900.00	9,500.00	45,500.00		171,463.00		18,000.00		19,437 0.08836
12/01/22			56,550.00	56,550.00									
06/01/23	295,000	4.000%	56,550.00	351,550.00	408,100.00	31,500.00	45,500.00		163,100.00		18,000.00		150,000 0.67266
12/01/23			50,650.00	50,650.00									
06/01/24	300,000	2.100%	50,650.00	350,650.00	401,300.00	31,500.00	45,500.00		156,300.00		18,000.00		150,000 0.67266
12/01/24			47,500.00	47,500.00									
06/01/25	315,000	4.000%	47,500.00	362,500.00	410,000.00	31,500.00	45,500.00		165,000.00		18,000.00		150,000 0.67266
12/01/25			41,200.00	41,200.00									
06/01/26	330,000	4.000%	41,200.00	371,200.00	412,400.00	31,500.00	45,500.00		167,400.00		18,000.00		150,000 0.67266
12/01/26			34,600.00	34,600.00									
06/01/27	335,000	4.000%	34,600.00	369,600.00	404,200.00	31,500.00	45,500.00		179,698.00		18,000.00		129,502 0.58074
12/01/27			27,900.00	27,900.00									
06/01/28	355,000	3.000% *	27,900.00	382,900.00	410,800.00	31,500.00	45,500.00		186,298.00		18,000.00		129,502 0.58074
12/01/28			22,575.00	22,575.00									
06/01/29	365,000	3.000% *	22,575.00	387,575.00	410,150.00	31,500.00	45,500.00		185,648.00		18,000.00		129,502 0.58074
12/01/29			17,100.00	17,100.00									
06/01/30	370,000	3.000% *	17,100.00	387,100.00	404,200.00	31,500.00	45,500.00		179,698.00		18,000.00		129,502 0.58074
12/01/30			11,550.00	11,550.00									
06/01/31	380,000	3.000% *	11,550.00	391,550.00	403,100.00	31,500.00	45,500.00		178,598.00		18,000.00		129,502 0.58074
12/01/31			5,850.00	5,850.00									
06/01/32	390,000	3.000% *	5,850.00	395,850.00	401,700.00	31,500.00	45,500.00		177,197.00		18,000.00		129,503 0.58074
12/01/32			-	-									
Total	3,580,000		749,850	4,329,850	4,329,850	324,500	500,500	-	1,910,400	-	198,000	-	1,396,450

Issue Size \$3,710,000 Purposes façade improvements, pocket neighborhood, platt st, 110 S main, Notes:
 Call Date 6/1/2027 vehicles and equipment

Debt Service Schedule & Payment Source
 General Obligation Capital Loan Notes, Series 2021A

Date	Principal	Coupon	Interest	Total	Fiscal Total	Sewer Utility	Water Utility	LOST	TIF	RUT	Storm	Other	Debt Service Levy
12/01/21				-									
06/01/22			38,082.27	38,082.27	38,082.27							38,082.27	-
12/01/22			18,377.50	18,377.50									
06/01/23	190,000	0.350%	18,377.50	208,377.50	226,755.00		62,000.00		112,755.00		52,000.00		-
12/01/23			18,045.00	18,045.00					-				
06/01/24	190,000	2.000%	18,045.00	208,045.00	226,090.00		62,000.00		112,090.00		52,000.00		-
12/01/24			16,145.00	16,145.00					-				
06/01/25	195,000	2.000%	16,145.00	211,145.00	227,290.00		62,000.00		113,290.00		52,000.00		-
12/01/25			14,195.00	14,195.00					-				
06/01/26	200,000	2.000%	14,195.00	214,195.00	228,390.00		62,000.00		114,390.00		52,000.00		-
12/01/26			12,195.00	12,195.00					-				
06/01/27	205,000	2.000%	12,195.00	217,195.00	229,390.00		62,000.00		115,390.00		52,000.00		-
12/01/27			10,145.00	10,145.00					-				
06/01/28	150,000	2.000%	10,145.00	160,145.00	170,290.00		62,000.00		56,290.00		52,000.00		-
12/01/28			8,645.00	8,645.00					-				
06/01/29	155,000	2.000%	8,645.00	163,645.00	172,290.00		62,000.00		58,290.00		52,000.00		-
12/01/29			7,095.00	7,095.00					-				
06/01/30	165,000	2.000%	7,095.00	172,095.00	179,190.00		62,000.00		65,190.00		52,000.00		-
12/01/30			5,445.00	5,445.00					-				
06/01/31	165,000	1.500%	5,445.00	170,445.00	175,890.00		62,000.00		61,890.00		52,000.00		-
12/01/31			4,207.50	4,207.50					-				
06/01/32	165,000	1.600%	4,207.50	169,207.50	173,415.00		62,000.00		59,415.00		52,000.00		-
12/01/32			2,887.50	2,887.50					-				
06/01/33	165,000	1.700%	2,887.50	167,887.50	170,775.00		62,000.00		56,775.00		52,000.00		-
12/01/33			1,485.00	1,485.00					-				
06/01/34	165,000	1.800%	1,485.00	166,485.00	167,970.00		62,000.00		53,970.00		52,000.00		-
Total	2,110,000		275,817	2,385,817	2,385,817	-	744,000	-	979,735	-	624,000	38,082	-

Issue Size \$2,110,000 **Purposes** Storm Water Levee, S Main St Bridge Mitchell maskrey, Trails, Water **Notes:**
Call Date 6/1/2029 Meter, Vehicles

This GO Capital Loan is related to the State Revolving Loan Fund for the financing of the Wastewater Treatment Plant. City Council passed this debt requirement by Resolution on March 6, 2023. The imagery isn't yet consistent with that of the previous General Obligation loans.

City of Maquoketa Iowa

20 year 2% SRF Loan

Waste Water Treatment Plan

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/01/2023	-	-	-	-
06/01/2024	165,000.00	2.000%	80,000.00	245,000.00
06/01/2025	168,000.00	2.000%	76,700.00	244,700.00
06/01/2026	171,000.00	2.000%	73,340.00	244,340.00
06/01/2027	175,000.00	2.000%	69,920.00	244,920.00
06/01/2028	178,000.00	2.000%	66,420.00	244,420.00
06/01/2029	182,000.00	2.000%	62,860.00	244,860.00
06/01/2030	185,000.00	2.000%	59,220.00	244,220.00
06/01/2031	189,000.00	2.000%	55,520.00	244,520.00
06/01/2032	193,000.00	2.000%	51,740.00	244,740.00
06/01/2033	197,000.00	2.000%	47,880.00	244,880.00
06/01/2034	201,000.00	2.000%	43,940.00	244,940.00
06/01/2035	205,000.00	2.000%	39,920.00	244,920.00
06/01/2036	209,000.00	2.000%	35,820.00	244,820.00
06/01/2037	213,000.00	2.000%	31,640.00	244,640.00
06/01/2038	217,000.00	2.000%	27,380.00	244,380.00
06/01/2039	221,000.00	2.000%	23,040.00	244,040.00
06/01/2040	226,000.00	2.000%	18,620.00	244,620.00
06/01/2041	230,000.00	2.000%	14,100.00	244,100.00
06/01/2042	235,000.00	2.000%	9,500.00	244,500.00
06/01/2043	240,000.00	2.000%	4,800.00	244,800.00
Total	\$4,000,000.00	-	\$892,360.00	\$4,892,360.00

Debt Service to Maturity (June 30, 2022)

In aggregate, our external financial auditors, Sikich LLP, determined our debt service to maturity to accurately report the City’s fiscal commitments. These are reported by Governmental Activities & Business Type Activities.

Debt Service to Maturity means the City’s commitment to pay off current obligations. These tables do not include the USDA loans on Platt Street or construction phase of the Wastewater Treatment Plant yet. City Staff expects Sikich LLP to upload these commitments in FY2024-2025 as the City begins payback.

The annual requirements to amortize all debt outstanding of the City as of June 30, 2022 are as follows:

Fiscal Year	Governmental Activities			
	General Obligation Notes		Loans Payable (Direct Placement)	
	Principal	Interest	Principal	Interest
2023	\$ 680,000	\$ 206,078	\$ 19,542	\$ -
2024	690,000	189,713	9,042	-
2025	710,000	175,613	9,042	-
2026	735,000	155,113	7,017	-
2027	750,000	133,608	4,161	-
2028-2032	3,785,000	365,163	-	-
2033-2034	575,000	15,850	-	-
TOTAL	\$ 7,925,000	\$ 1,241,138	\$ 48,804	\$ -

Fiscal Year	Business-Type Activities			
	SRF Notes Payable (Direct Placement)		SRF Capital Loan Notes Payable (Direct Placement)	
	Principal	Interest	Principal	Interest
2023	\$ 412,000	\$ 17,321	\$ -	\$ 16,957
2024	179,000	12,075	2,103,820	-
2025	184,000	8,832	-	-
2026	190,000	5,481	119,313	-
2027	27,000	3,495	-	-
2028-2032	129,000	9,032	-	-
2033-2034	23,000	404	-	-
TOTAL	\$ 1,144,000	\$ 56,640	\$ 2,223,133	\$ 16,957

Utility Funds

The City of Maquoketa features 3 primary Utility operating funds in order to account for residential and commercial utility payments and direct those resources towards the City’s obligations and strategic goals. These operational funds are: Wastewater, Water, and Stormwater. Utility operations are currently managed by Alliance Water & Wastewater, a for profit company out of Missouri. Alliance serves the City, at a minimum, to maintain staff levels in order to manage the system and correspond with most State level communications.

All but Stormwater are purely based on consumption and payable by Utility bills.

Stormwater revenue is generated by a monthly fee to residential (\$4.30), commercial (\$8.06), and industrial accounts (\$16.66).

Council Action on May 2nd, 2022

On May 2nd, 2022, City Council strategically adopted a fee increase in order to prepare the City for debt obligations on the Wastewater Treatment Plant project. In addition, the City’s operating Water Fund continued to lose cash at an alarming rate and without Council action, the Water Fund would have operated under negative balances. Therefore, Council adopted a one-time transfer of \$300,000 out of the General Fund CIP in order to rescue the Water Fund operating reserve balance and put mechanisms in place to prepare the City for substantial Capital Asset paybacks.

It should be noted this challenge is a consistent problem across most municipalities. Many communities were forced into the same problem. The justification is best described by the Agenda summary on May 2nd, 2022:

- a. **Ordinance No. 1193 - Ordinance amending Title 6, Chapter 4, Section 18, pertaining to water utility billing rates, of the Code of Ordinances of the City of Maquoketa, Iowa – third reading**

City Manager Summary: The next three action items are related and go into effect July 1, 2022 on a third reading. This Ordinance proposes adjustments of Water Utility Billing Rates for all usage classes in the following years:

FY2022-2023 (Effective July 1)	+7.5%
FY2023-2024 (Effective July 1)	+7.5%
FY2024-2025 & Subsequent Fiscal Years	+3.0%

Throughout the City of Maquoketa Budget Planning process, the City’s finances featured many positive signs. This includes a strong General Fund, General Fund CIP, Road Use and Local Option Sales Tax trends, etc. However, despite the City’s successes it was abundantly clear there were some issues to the long-term Capital planning success of the City.

Unfortunately, this Ordinance addresses those problems and is largely influenced by the rising cost of goods and services in the economy as well as a Water Fund Capital Reserve balance that flirted with dangerously low assets. Council action on March 21, 2022 allowed for the transfer of \$300,000 into the Water Fund out of the General Fund CIP. This Ordinance was assumed into the Budget planning process and a requirement of the discussed budget assumptions before the Finance and Personnel Committee and the City Council.

Though this is a painful reality, the Ordinance proposal regarding Water rates and the next two items are a result of the factual data.

All usage classes will receive the increased adjustment including bulk usage classes in an effort to distribute impact on large businesses and not just on the City’s residents and families. For example, users who receive more than 300 cubic feet of service are assessed an extra \$1.44 per 100 cubic feet of water used and users who use more than 100,300 cubic feet are assessed \$0.47 per 100 cubic feet of water. Most residents and families fall within 300 to 1000 cubic feet of water consumption per month.

It is important to understand that based on the City’s current debt structure surrounding the City’s utilities, the City’s Bond Broker, Northland Securities, advised the City to increase rates by +20% (FY22-23) and +25% (FY23-24). This is factual and once a reality in the Budget planning process for the City.

With the help of General Fund transfers as a result of increasing Local Option Sales Tax support and administrative cuts to budgets, the City was able to hold rate increases down to +7.5%.

Council support is recommended. (ADOPTED)

b. Ordinance No. 1194 - Ordinance amending Title 6, Chapter 22, Section 5, pertaining to storm water billing rates of the Code of Ordinances of the City of Maquoketa, Iowa – third reading

City Manager Summary: This Ordinance is similar in that it applies to the rates for the operation and maintenance of the storm water management facilities by applying a monthly rate on each residential, commercial, and industrial user in the City. The same rate increase is proposed:

FY2022-2023 (Effective July 1)	+7.5%
FY2023-2024 (Effective July 1)	+7.5%
FY2024-2025 & Subsequent Fiscal Years	+3.0%

The Council’s action to approve this Ordinance will help the City sustain debt and operational obligations to process the City’s storm drainage and properly allow runoff without damaging City or private property.

Council support is recommended. (ADOPTED)

c. Ordinance No. 1195 - Ordinance amending Title 6, Chapter 3, Section 4, pertaining to sewer utility billing rates, of the Code of Ordinances of the City of Maquoketa, Iowa – third reading

City Manager Summary: Similar to the above Ordinance proposals, this action proposes the following increases on the below Fiscal Years:

FY2022-2023 (Effective July 1)	+7.5%
FY2023-2024 (Effective July 1)	+7.5%
FY2024-2025 & Subsequent Fiscal Years	+3.0%

The State of Iowa Department of Natural Resources (IDNR), as part of the larger Mississippi River watershed, has tightened environmental contaminant restrictions as a byproduct of the Wastewater cleaning process. These tight restrictions were discussed at City Council on May 18, 2020 with WHKS, who serves as the engineering and design firm behind the Wastewater Treatment Plant project. In short, the City faces the following issues:

- The original construction of our current facility was completed in the 1950s. The structure is at or near 70 years old. Industry officials advise the useful structure life of Wastewater Treatment facility is around 50 years old. We’ve far extended the structure’s capacity.
- The Wastewater Treatment facility underwent significant expansion and equipment upgrades in 1978, 1995, and 2001. The life expectancy of said upgrades was around 20 years, including the 1995 solids handling equipment upgrade. We are thus on pace and due for a full suite of equipment upgrades.
- Our existing equipment is certainly not capable of meeting IDNR’s requirement of Wastewater byproduct reduction: Nitrogen (10 mg/L) & Phosphorus (1 mg/L). The deadline for compliance is December 2023.

This Ordinance allows for a rate increase that will substantially help drive the financing behind the new facility we’ve described.

Council support is recommended. (ADOPTED)

Council Action on March 6, 2023

- d. **Ordinance No. 1204 - Ordinance amending Title 6, Chapter 3, Section 4 pertaining to sewer billing rates of the Code of Ordinances of the City of Maquoketa, Iowa – DNR Mandate - Wastewater Plant**

City Manager Summary: This Ordinance change is directly related to the Wastewater Treatment Plant project which has been mandated by the DNR. As everyone knows all too well, the City's Wastewater plant needs a full upgrade due to concrete life issues as well as equipment breakdown and thus resulted in a construction bid of \$16,280,000. The DNR's mandate to compel the project in combination with cost increases in the market have pushed the City into a corner.

This wouldn't be proposed if it weren't for DNR requirements and project increases in the market. City Staff strongly recommends passage of this Ordinance. The Ordinance proposal calls out a \$5.00 residential account fee (2,108 accounts) and a \$7.50 commercial account fee (376 accounts). This is the only way to bridge the financing gap in the City's Sewer Utility Fund to make the debt service payments required by the project.

This is a fixed fee for the life of the loans. The fee will not be subject to routine rate increases. A basic \$74.26 Utility Bill for all City services (water, sewer, storm drainage, landfill, and trash pickup) would go to \$79.26. (ADOPTED)

For these reasons, Staff had to carefully plan to address the Community's need for a new facility while presenting a responsible solution for financing and budget management. A new facility comes with several amenities including less material and service costs for keeping an old facility running and increasing the City's capacity to process more water and waste if the community were to acquire additional industrial users or increase in population. Environmentally speaking, little to no contaminants will go into the Maquoketa River which will improve the river ecosystem.

Considering this review, we look forward to each operational budget.

Wastewater Fund

610 - Wastewater Fund					
	2019-2020	2020-2021	2021-2022	2022-2023 Budget	2023-2024 Proposed
451000 - Sanitary Sewer Receipts	\$ 1,055,777	\$ 1,087,664	\$ 1,106,267	\$ 1,179,598	\$ 1,418,068
451200 - DNR Mandate WWTP Fee				\$ 27,000	\$ 160,320
454200 - Misc Sales/Tapping Fee	\$ 1,872	\$ 1,805	\$ 1,645	\$ 2,000	\$ 2,000
458001 - Sales Tax/Sewer	\$ 12,520	\$ 14,136	\$ 14,204	\$ 13,491	\$ 13,491
471500 - Refunds/Reimbursement	\$ 207	\$ 3,729	\$ -	\$ -	\$ 1,000
409000 - 1% Local Prop. Tax Off	\$ 150,482	\$ -	\$ -	\$ -	\$ -
430000 - Interest	\$ 2,460	\$ 5,607	\$ 2,687	\$ 29,088	\$ 46,278
483000 - Transfer In	\$ -	\$ 187,717	\$ 212,788	\$ 262,500	\$ 271,875
Total Revenues	\$ 1,223,318	\$ 1,300,658	\$ 1,337,591	\$ 1,513,677	\$ 1,913,032
63500 - Equipment/Repairs	\$ 70,966	\$ 67,165	\$ 60,184	\$ 65,000	\$ 65,000
63710 - Building Maintenance	\$ 1,308	\$ 12,947	\$ 1,481	\$ 2,000	\$ 5,000
63720 - Utilities	\$ 84,923	\$ 81,188	\$ 104,942	\$ 110,000	\$ 110,000
64012 - Half maps/Half audit	\$ 3,150	\$ 3,131	\$ 3,605	\$ 3,200	\$ 3,200
64087 - Insurance	\$ 32,030	\$ 32,489	\$ 33,044	\$ 35,747	\$ 40,037
64132 - Misc Expenses/Legal Fee	\$ 1,275	\$ 1,488	\$ 1,385	\$ 1,500	\$ 1,500
64180 - State Sales Tax	\$ 12,665	\$ 14,020	\$ 14,247	\$ 13,491	\$ 13,491
64425 - Haul Screenings	\$ 6,000	\$ 6,883	\$ 6,720	\$ 8,500	\$ 8,500
64687 - Alliance Operations	\$ 445,416	\$ 455,136	\$ 458,813	\$ 473,674	\$ 500,256
64703 - Analysis/Tests	\$ 22,453	\$ 19,230	\$ 15,990	\$ 20,000	\$ 20,000
64705 - Emergency Repairs	\$ 34,629	\$ 115,130	\$ 27,655	\$ -	\$ -
64990 - Maintenance Contracts	\$ 6,890	\$ 9,776	\$ 10,886	\$ 13,000	\$ 15,000
65010 - Chemicals/Compliance	\$ 5,291	\$ 4,262	\$ 3,239	\$ 4,000	\$ 4,000
65080 - Records/Supplies/Postage	\$ 337	\$ 94	\$ 161	\$ 400	\$ 400
65995 - Materials/Supplies/Misc.	\$ 7,475	\$ 12,507	\$ 10,078	\$ 17,000	\$ 12,500
67998 - Vertical Screen	\$ -	\$ 1,934	\$ 1,908	\$ 4,000	\$ 4,000
69101 - Transfer Out	\$ 381,668	\$ 396,529	\$ 462,507	\$ 218,026	\$ 214,963
Total Expenditures	\$ 1,116,476	\$ 1,233,909	\$ 1,216,845	\$ 989,538	\$ 1,017,847
Net Revenues/Expenditures	\$ 106,842	\$ 66,749	\$ 120,746	\$ 524,139	\$ 895,185
Ending Fund Balance		\$ 488,890	\$ 609,636	\$ 1,133,775	\$ 2,028,960
% Reserve Against Operating Expenditures		40.18%	61.61%	111.39%	112.16%
General Fund Transfer					
FY2022-2023 & FY2023-2024 +7.5% Increase in Sewer Utility Rate; All subsequent years are +3.0%					
Possible start of SRF 30-Year Repayment: 2.0% @ 30 Years on \$10,384,000 (Estimate) = \$477,000 Annual					
20-Year Sewer Bond @ 2% Rate for \$4,000,000 = \$245,000 Annual					
DNR mandate fee of fixed \$5.00 & \$7.50 fee goes into effect April 2023 (valid for 3 months on 2023 fiscal year)					

Water Fund

600 - Water Fund			
	2021-2022	2022-2023 Budget	2023-2024 Proposed
450000 - Water Receipts	\$ 585,678	\$ 710,575	\$ 763,868
450100 - Sales/Misc Customers	\$ 5,353	\$ 5,000	\$ 5,000
454000 - Tapping/Reconnect Fee	\$ 3,660	\$ 4,000	\$ 4,000
458001 - Sales Tax Water	\$ 9	\$ -	\$ -
458002 - State Excise Tax	\$ 40,127	\$ 39,660	\$ 45,832
471500 - Refunds/Reimbursements	\$ 3,422	\$ 2,000	\$ 2,000
430000 - Interest	\$ 723	\$ 19,326	\$ 31,421
483000 - Transfer In	\$ 675,000	\$ -	\$ -
483000 - Transfer in from General Fund CIP Fund	\$ 300,000	\$ -	\$ -
483000 - Transfer in from General Fund	\$ -	\$ 70,000	\$ 72,500
Total Revenue	\$ 1,613,972	\$ 850,561	\$ 924,621
63325 - Vehicle Fuel	\$ 1,503	\$ 1,800	\$ 1,800
63503 - Building Maintenance	\$ 3,813	\$ 15,000	\$ 15,000
63504 - Emergency Repairs	\$ 12,712	\$ -	\$ -
63506 - Water Tests VOC/SOC	\$ 4,474	\$ 5,000	\$ 5,000
63507 - State Permit Fees	\$ -	\$ 1,000	\$ 1,000
63511 - Utility Bills	\$ 2,720	\$ 5,120	\$ 5,120
63710 - Building Utilities/Maint.	\$ 127,679	\$ 136,000	\$ 136,000
64012 - Half maps/Half audit	\$ 3,605	\$ 3,200	\$ 3,200
64086 - Insurance	\$ 26,014	\$ 27,053	\$ 30,299
64114 - Attorney/Engineer Fee	\$ 3,930	\$ 500	\$ 500
64181 - State Excise Tax	\$ 40,246	\$ 39,660	\$ 39,660
64402 - Maint/Equipment Rentals	\$ 12,663	\$ 12,000	\$ 12,000
64403 - Water Main Repairs	\$ -	\$ -	\$ -
64409 - Refunds/Overpayments	\$ 110	\$ -	\$ -
64901 - Alliance Operations	\$ 114,703	\$ 118,419	\$ 125,064
64990 - Maintenance Contracts	\$ 1,426	\$ 3,000	\$ 3,000
64999 - AMI Hosting	\$ 7,550	\$ 2,000	\$ 10,500
65010 - Chemicals	\$ 80,848	\$ 83,000	\$ 83,000
65054 - Water Meter	\$ 644,188	\$ 25,771	\$ 5,000
65060 - Office Supplies/Expenses	\$ 217	\$ 500	\$ 500
65080 - Records/Supplies/Postage	\$ 15,060	\$ 15,000	\$ 15,000
65422 - Valves/Hydrants	\$ 16,960	\$ 17,000	\$ 17,000
65980 - Misc. Expenses	\$ 876	\$ 1,000	\$ 1,000
65995 - Materials/Supplies/Misc	\$ 10,739	\$ 11,000	\$ 11,000
69101 - Transfer Out	\$ 201,024	\$ 187,750	\$ 350,372
Total Expenditures	\$ 1,333,060	\$ 710,773	\$ 871,015
Net Revenues/Expenditures	\$ 280,912	\$ 139,788	\$ 53,606
Ending Fund Balance	\$ 423,744	\$ 563,532	\$ 617,138
% Reserve Against Operating Expenditures	59.62%	64.70%	68.79%
FY2022-2023 & FY2023-2024 Water Rate Increase = +7.5%; All Subsequent years +3.0% Increase			
General Fund Transfer			

Stormwater Fund

740 - Stormwater Fund				
	2020-2021	2021-2022	2022-2023 Budget	2023-2024 Proposed
451500 - Stormwater Revenue	\$ 136,284	\$ 137,869	\$ 147,306	\$ 158,354
458001 - Sales Tax	\$ 1,930	\$ 2,010	\$ 2,500	\$ 2,500
459000 - Permit Review	\$ -	\$ -	\$ 1,000	\$ 1,000
483000 - Transfer in from General Fund	\$ -	\$ -	\$ 17,500	\$ 18,125
Total Revenues	\$ 138,214	\$ 139,879	\$ 168,306	\$ 179,979
Expenditures				
64180 - Sales Tax	\$ 1,932	\$ 2,012	\$ 2,500	\$ 2,500
65996 - Materials	\$ -	\$ -	\$ 1,000	\$ 1,000
67650 - Stormwater Expense	\$ 6,622	\$ -	\$ 4,000	\$ 4,000
67655 - Stormsewer Repairs	\$ -	\$ 1,880	\$ 4,000	\$ 4,000
69151 - Transfer Out	\$ 78,000	\$ 78,200	\$ 70,200	\$ 70,200
Total Expenditures	\$ 86,554	\$ 82,092	\$ 81,700	\$ 81,700
Net Revenue/Expenditures	\$ 51,660	\$ 57,787	\$ 86,606	\$ 98,279
Ending Fund Balance	\$ 217,100	\$ 274,887	\$ 361,493	\$ 459,772
% Reserve Against Operating Expenditures	264.46%	336.46%	442.46%	287.00%
FY2022-2023 & FY2023-2024 +7.5% Rate Increase; All Subsequent Years are +3.0% Increase				
GF Revenue Transfer in of 2.5%				

Airport Fund

The City of Maquoketa also owns and manages a local municipal airport with the ticker OQW. The airport itself features a current runway length of 3,300 feet and primarily serves local cropdusters and airplane enthusiasts who make a hobby of flying.

The airport's key advantages for enthusiasts focus around the facility being lean, simple, and private thus giving flyers less traffic to consider compared to other nearby airports such as Clinton, Dubuque, Monticello, and Davenport. The airport's fuel price is set at a competitive rate in order to boost traffic.

The airport has one t-hangar, a main hanger building that has two large "corporate" hangars that are heated with utilities available, and one b-cap hangar structure that is intended for shared use. Throughout 2022, all but the b-cap were at full capacity. However, the airport currently has the main South Corporate Hangar available for rent.





Managing the airport is a very lean operation with large risk of the General Fund needing to supplement the airport. Airports generally do not fully support themselves which is why the Federal Aviation Administration (FAA) takes a strong effort to supplement the Airport's improvement plan.

Most FAA grants fund projects at a 90% rate. The City's airport has utilized this funding source over the past two decades. However, even the 10% cost share remains a large request of the City.

Looking forward into 2023 and beyond, City Staff has communicated with the City's contract consultant on the airport and the FAA in order to carefully plan for expenses on the airport due to the limited revenue base the airport currently has. Outstanding challenges at the airport are currently facility wear on all structures and the need to finish the FAA's project on extending the runway by 500 feet to restore the landing strip back to its full capacity. If the City cannot complete the runway, the FAA will order the City to refund their 90% share back of all activities related to improving the runway. This includes the acquisition of land, lowering of Alliant's power lines, moving a gravel road, legal expenses, and consulting fees related to the design and engineering of the 500 feet. Actual construction of the 500 feet may cost as high as \$1,600,000 thus the City will have to ultimately earmark \$160,000 for completion of the runway.

In positive news, the recent BIL funding provided by the Federal Government allows for the rehabilitation of current facilities utilizing FAA funds at the normal 10% cost share. This means up to \$400,000 - \$500,000 could be used to revitalize the interior and exterior of facilities at the airport and make it attractive to guests. Staff has taken steps to earmark these improvements in future fiscal years.

Upon completion of the runway extension and facility improvements, the City's airport should be able to plan for the future and be a good marketing asset for the local community.

Airport Fund - 660			
	2021-2022	2022-2023 Budget	2023-2024 Proposed
475200 - Fuel Sales	\$ 28,661	\$ 29,000	\$ 29,000
444010 - Grant Revenue	\$ 153,820	\$ 214,685	\$ -
431110 - Crop Rental	\$ 9,040	\$ 9,500	\$ 9,500
431120 - Refunds/MISC/Rentals	\$ -	\$ 20	\$ -
431130 - Corp. Hangar Rent	\$ 5,900	\$ 5,000	\$ 5,000
431900 - T-Hanger Rent	\$ 9,600	\$ 9,600	\$ 9,600
431901 - B-CAP Hanger Rent	\$ 1,785	\$ 2,325	\$ 1,800
483000 - Transfer In	\$ 63,569	\$ 22,400	\$ 22,400
Total Revenues	\$ 272,375	\$ 292,530	\$ 77,300
60100 - Salaries	\$ 4,360	\$ 3,500	\$ 3,646
63313 - Vehicle Expenses	\$ 250	\$ 250	\$ 500
63500 - Equipment/Repairs/Mater	\$ 4,135	\$ 2,500	\$ 4,200
63714 - Utilities	\$ 10,092	\$ 12,000	\$ 12,000
63730 - Telephone/Cell Phone	\$ 1,243	\$ 1,200	\$ 1,200
64028 - Promotions/Advertising	\$ 15	\$ 100	\$ 100
64082 - Insurance (Prop. & Liability)	\$ 7,385	\$ 7,668	\$ 8,588
64110 - Legal Expenses	\$ 783	\$ 10,000	\$ 1,000
64400 - Refunds	\$ -	\$ -	\$ -
64578 - Grant Expenditures	\$ 144,250	\$ 185,000	\$ -
64602 - Mowing	\$ 5,855	\$ 6,500	\$ 6,500
64603 - Gas	\$ 38,282	\$ 17,166	\$ 25,000
64604 - Dust Control	\$ -	\$ -	\$ 1,000
65999 - Other Supplies	\$ 365	\$ 100	\$ -
69101 - Transfer Out	\$ 25,000	\$ 25,000	\$ 22,400
Total Expenditures	\$ 242,015	\$ 270,984	\$ 86,134
Net Revenue/Expenditures	\$ 30,360	\$ 21,546	\$ (8,834)
Ending Fund Balance	\$ 1	\$ 21,547	\$ 12,713
% Reserve Against Operating Expenditures	0.00%	25.02%	

Performance Accountability & Conclusion

Performance measurement is the process of collecting, analyzing, and reporting information on the operations of the City’s departments to measure the effectiveness and efficiency of its programs. Following are some of the key performance measures of the City of Maquoketa:

Financial Strength:

- Measuring each operating fund’s uncommitted reserve balance against forward operating expenditures. Internally and among other industry professionals, a 25% reserve balance is an acceptable target:

	%	2021-2022	%	2022-2023	%	2023-2024
	Reserve	Expenditures	Reserve	Expenditures	Reserve	Expenditures
General Fund	24.85%	\$ 3,975,761	31.37%	\$ 4,637,008	30.31%	\$ 4,339,138
Road Use Tax Fund	306.92%	\$ 596,460	220.80%	\$ 942,745	183.54%	\$ 1,022,186
Wastewater Fund	40.18%	\$ 1,216,845	61.61%	\$ 989,538	111.39%	\$ 1,017,847
Water Fund	10.71%	\$ 1,333,060	59.62%	\$ 710,773	64.70%	\$ 871,015
Stormwater Fund	264.46%	\$ 82,092	336.46%	\$ 81,700	442.46%	\$ 81,700
Airport Fund	-12.54%	\$ 242,015	0%	\$ 270,984	25.02%	\$ 86,134

- Capital funds capacity remains at a high level and is further supplemented by the City’s American Rescue Plan Act (ARPA) fund. At the end of Fiscal Year 2022 – 2023, City Staff predicts the total Capital Fund balances to end at \$2,984,169 with \$554,742 available in the ARPA Fund. These funds are enough to give the City breathing room but it’s important to remember that several high-cost projects are sunsetting and their final financial impact remains a management risk. In addition, Capital equipment and structure costs ballooned in 2022.

Citywide Valuation:

- Each year the City is assigned a growth value based on the performance of the City in terms of growing property values and expanding the tax base. There are very complex variables that go into this measurement including housing and business expansion. In summary, this is a good “on-the-surface” look at how Maquoketa is growing or perhaps is not. The chart below was updated by Northland Securities as of January 2022. The most up to date data for 2023 isn’t available yet but soon will be.

City of Maquoketa Valuation Data				
	100% Valuation	Growth in 100% Value	Taxable Value for Debt Service	Growth in Taxable Value
2011 - 2012	298,022,370		204,549,786	
2012 - 2013	298,026,748	0.00%	207,916,026	1.65%
2013 - 2014	300,663,591	0.88%	213,567,576	2.72%
2014 - 2015	306,251,860	1.86%	212,265,996	-0.61%
2015 - 2016	308,418,645	0.71%	210,412,784	-0.87%
2016 - 2017	308,133,378	-0.09%	208,892,999	-0.72%
2017 - 2018	307,738,267	-0.13%	210,174,854	0.61%
2018 - 2019	329,551,469	7.09%	222,005,029	5.63%
2019 - 2020	320,023,287	-2.89%	214,619,034	-3.33%
2020 - 2021	329,723,541	3.03%	216,069,529	0.68%
2021 - 2022	332,450,305	0.83%	219,972,274	1.81%
2022 - 2023	347,594,647	4.56%	222,996,371	1.37%
2023 - 2024				
2024 - 2025				
2025 - 2026				
2026 - 2027				
2027 - 2028				
Average Growth		1.44%		0.81%

Conclusion:

The intention of this narrative is to give the public, City Council, or other concerned stakeholders an inside view to the City's annual budget. This narrative was designed to give all a strategic look at the City's short- and long-term strategies in order to sustain and grow the City of Maquoketa. Though this narrative, we hope to build consensus, trust, and transparency on the funding objectives of the City.

The City sits on comfortable reserves but has outstanding challenges that remain solvable not impossible. Some of these outstanding challenges include the need to ensure Utility funds are prepared for outstanding debt payments once the Wastewater Treatment Plant concludes and ensuring all current & major projects conclude without immediately impacting City funds (i.e. Platt Street & Stormwater Levee Construction).

Another unforeseen challenge gaining momentum in management circles is whether or not a City is ready to sustain itself after all Federal resources are exhausted out of the Federal Government's American Rescue Plan Act, Bipartisan Infrastructure Law, and Inflation Reduction Act. The availability of opportunities to Maquoketa have and will continue however the City must prepare itself to be financially independent 5-10 years from now when the availability for Federal investment isn't abundant.