

City of Maquoketa

Fiscal Year 2024 – 2025 Budget Proposal

&

Fiscal Year 2023 – 2024 Re-estimate



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Section I: Management Analysis

To: Mayor Tom Messerli & City Council

From: Joshua Boldt, City Manager/Clerk

Subject: Budget Management Analysis FY2024-2025

Date: April 6, 2024

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. However, the past year has been remarkably difficult due to State mandated changes for property tax revenue, the upstart of a new City revenue system in Franchise Fees, and unprecedented cost increases causing various administrative adjustments as Staff works into a final proposal.

This document is intended to continue to build on our community strategy to showcase or highlight Maquoketa's advantages in such a way to attract prospective residents and businesses while remaining resourceful with the City's assets. 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. Further, the State legislature continues to be a looming threat to the City's fiscal sustainability. Property tax reform was objectively reached by the State in 2023 ([See HF-718](#)) causing all Cities to become concerned with State controls over property tax revenue needed in order to keep operations funded. Another looming concern for Iowa Cities is the State Legislature's pending discussion on the consolidation of Local Option Sales Tax (LOST), a cash flow resource for the City of approximately \$800,000 - \$900,000 per year dependent on the spending of the local consumer. In short, there is plenty of reason to worry about forces outside of the City's control.

The City Council and Finance & Personnel Committee are thus given a difficult task to recommend and adopt a City budget. 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.

Another aim of this communication is the City's budget needs 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 document 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
- FY2023-2024 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 3.4% as of October 2023. To compare, the United States unemployment rate in October 2023 was 3.9%.

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

2020 Census Study:

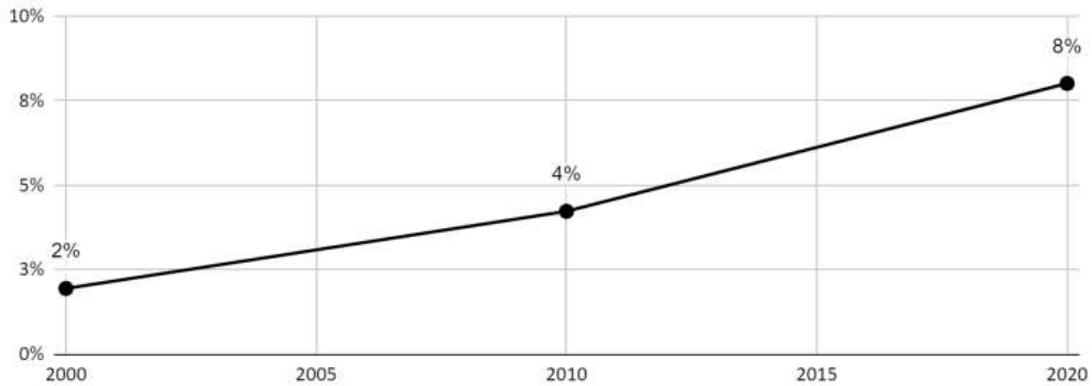
At the conclusion of the [City's 10-Year Street Improvement Plan](#) in March 2023, the City's chosen consultant, WHKS, recommended developing a relationship with one of their grant writing subcontractors, [Lovely City](#). Lovely City is headquartered out of Dubuque and focuses on grant writing among other contracted projects for various Cities. The core of any proposal is developing a unique data understanding of each community so it can be pitched in all grant proposals. For a small fee, Lovely City took a deep look into understanding Maquoketa's changing demographic profile according to the 2020 Census and all subsequent block groups. This relationship and the data sets produced have proved valuable to the City, including MMEU.

There were a number of critical statistics produced. The two most important in the view of management: 1) Maquoketa's diversity share has doubled every 10 years since year 2000 and 2) Maquoketa has a strong youth population that exceeds State and US youth proportional population.

The challenge with statistics is the reader must infer meaning out of the presentation. Why is Maquoketa becoming more diverse? There are some clear indicators such as the Micronesian population continuously increasing in the community. Why does Maquoketa have a strong youth population number? Management is a little less clear on this.

The point of this is that Maquoketa is becoming more diverse and will welcome many new faces over the next couple decades. It's important for City and Business leaders to adapt to this change so our community services and business needs are met in order to sustain Maquoketa's future. A couple of charts regarding these two points are shared on the next page. The full statistical study is available at City Hall for review.

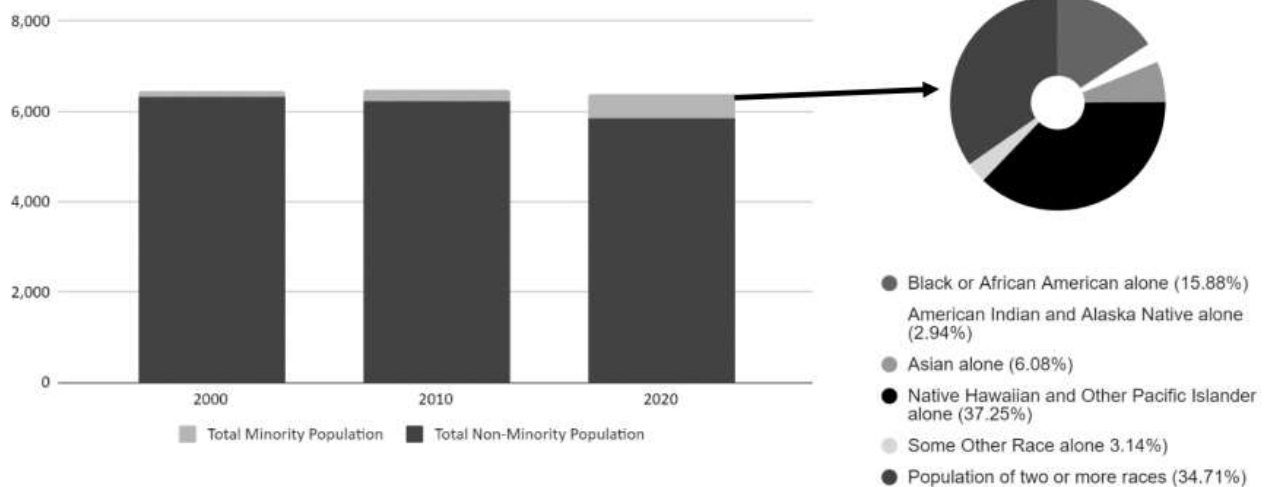
Figure 1.4a Maquoketa Minority Population 2000-2020



Source: U.S. Census Bureau, 2020 Census Redistricting Data (Public Law 94-171), Hispanic or Latino or Not Hispanic or Latino by Race

Figure 1.4b provides a summary of the minority groups present in Maquoketa and their proportion of the total minority population in the community. Hawaiian or Pacific Islanders make up the greatest share of minorities in the community, representing 37.25%. The second most populous minority group in Maquoketa is residents of two or more races, 34.71%.

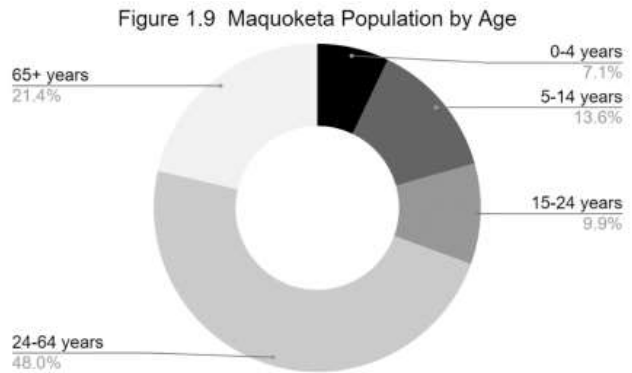
Figure 1.4b Maquoketa Minority Population 2000-2020



Source: U.S. Census Bureau, 2020 Census Redistricting Data (Public Law 94-171), Hispanic or Latino or Not Hispanic or Latino by Race

Figure 1.5 shows the 2020 minority population distribution among the block groups. Maquoketa’s minority population is disproportionately located in Tract 9505, Block Group 2 and Tract 9506, Block Group 3. This is a change from 2010 when minority populations were disproportionately distributed in Tract 9506, Block Groups 1 and 3. Minority residents make up 10.8% of Tract 9505, Block Group 2; these residents constitute 18.4% of the total minority population. Minority residents make up 11.8% of Tract 9506, Block Group 3; these residents constitute 20.59% of the total minority population. These areas combined make up 28% of the Maquoketa population but are home to 38% of its minority residents.

Maquoketa has a relatively young population with more residents under age 5 (7.1%) and 0-14 (20.7%) than the United States (5.7% and 18.24%, respectively). Maquoketa has residents 65 years and older making up 21.4% of its population which is also higher than the United States (16.8%). This means that the working age portion of the population is smaller than the United States.



Source: U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimates, Total Population, Sex by Age

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, 8000 barrel per day were produced.

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.

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.



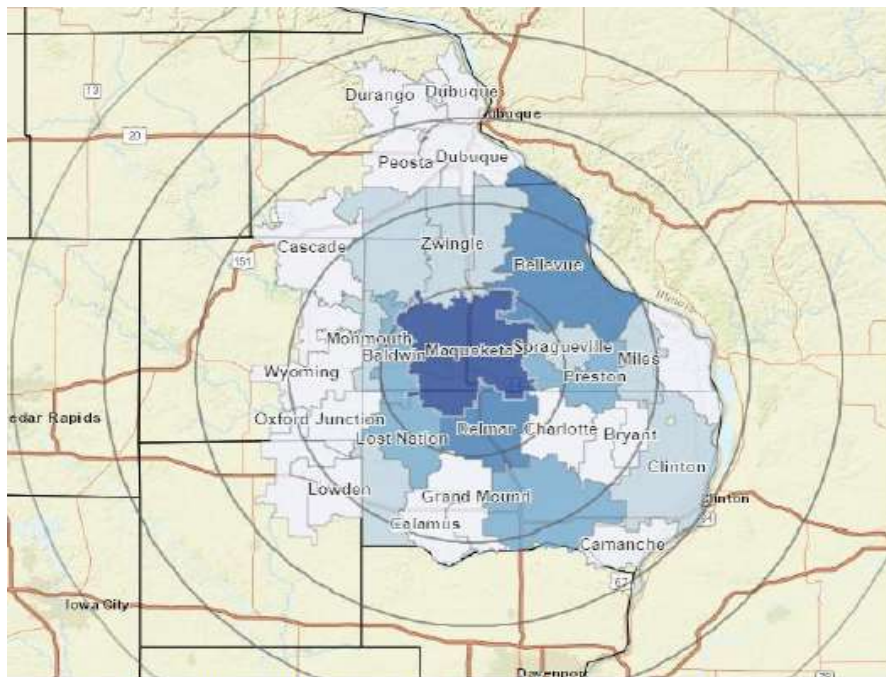
The 12-acre site yielded over 18 million engines, making the company the 10th largest employer in Iowa, drawing workers from over 33 different communities in three states. It was the first time that farmers here worked in a factory, farming around their shift, thus changing the socio-economic status 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 2022 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 have discussions with prospective businesses and families.

In great news, 2023 was a highlight for Maquoketa Business. Con-Trol filled 1200 E Summit St and now distributes packaging material from John Deere’s supply chain employing two shifts and around 30 employees at any given time. This also significantly increased truck traffic.

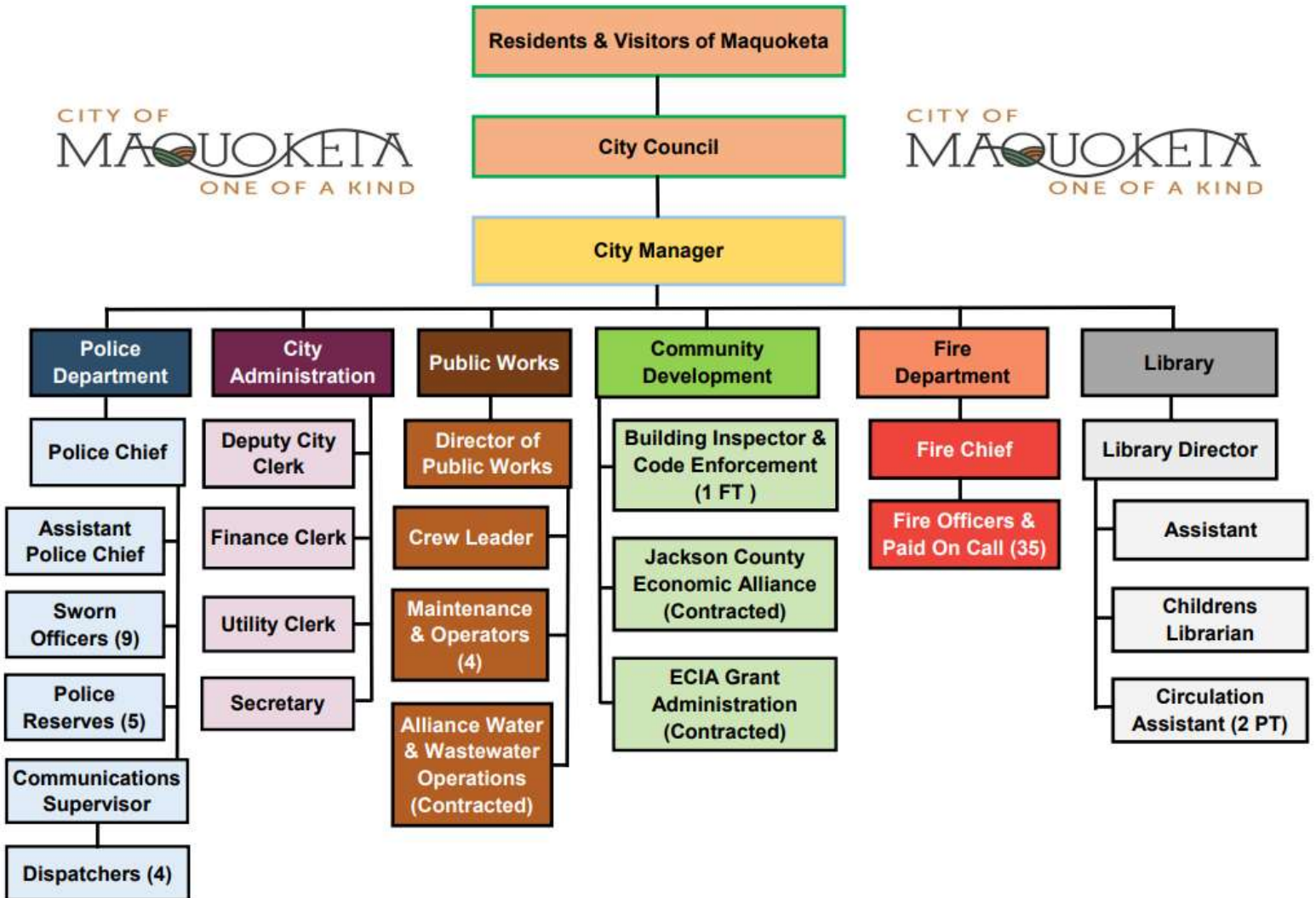
Family Dollar Distribution, the City’s largest employer, stated in 2023 they became fully staffed after 6-7 years of effort. This was in large part due to pay increases commanding greater attention of Maquoketa’s laborshed.

Best of all, the City obtained a grand promise from Quality Flow Environmental (QFE) to purchase at least 5.5 acres from the City of Maquoketa for the purpose of a manufacturing facility of dry fertilizer into organic products. This is expected to deliver 40 high-quality jobs, a 50,000 square foot facility, and leave room for potential expansion in later years. Maquoketa was chosen due to it’s proximity to mega-dairy farms in which unused and dried manure could be reprocessed into sustainable materials. Groundbreaking is expected in 2024.

Further in 2024, the City’s Industrial Park continues to be the target of an additional party seeking to utilize 15 acres of property. Gronen Development out of Dubuque has toured the City’s Industrial Land. There is long-term optimism on the distribution and warehousing potential in Maquoketa.

This concludes our discussion on the City’s profile, we discuss current financial trends as of January 31, 2024 and review the City’s Organizational Chart next.

City of Maquoketa Organizational Chart



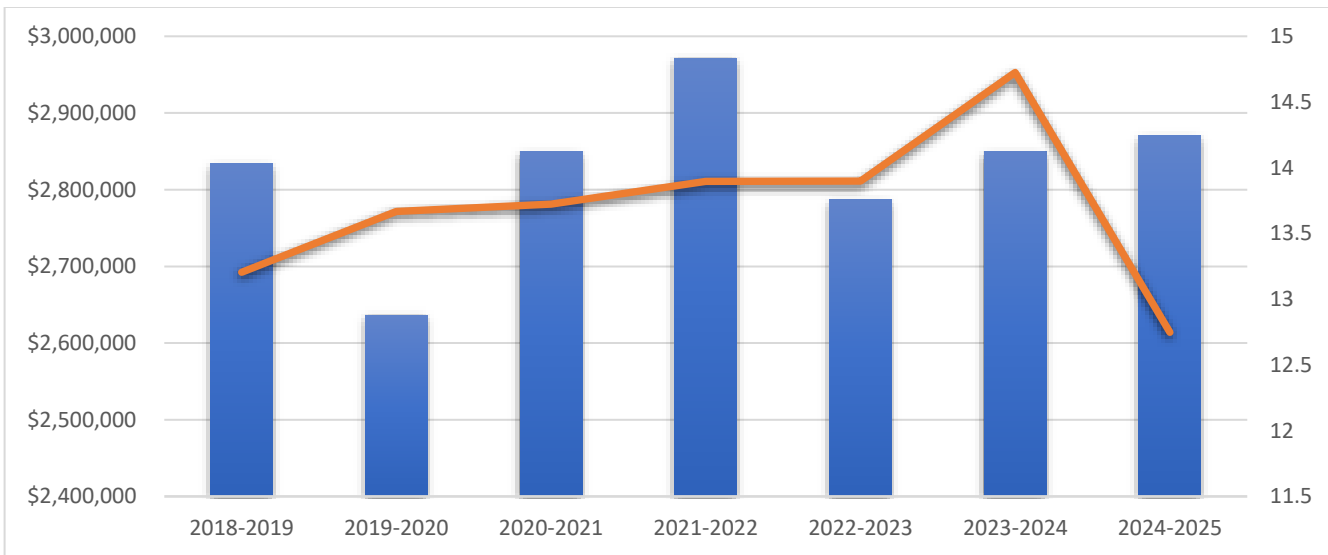
FY2023 – 2024 Current Financial Trends

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 FY24-25 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	2024-2025
Taxes Levied on Property	\$ 2,833,643	\$ 2,636,542	\$ 2,849,655	\$ 2,971,152	\$ 2,786,681	\$ 2,849,865	\$ 2,870,323
Rate	13.20436	13.66835	13.72317	13.89513	13.89987	14.72495	12.74823
Total Property Tax Levy Increase/Decrease (%)		-6.96%	8.08%	4.26%	-6.21%	2.27%	0.72%
Total Property Tax Levy Increase/Decrease (\$\$\$)		\$ (197,101)	\$ 213,113	\$ 121,497	\$ (184,471)	\$ 63,184	\$ 20,458



To validate the City’s tax competitiveness in the FY23-24 year, City Staff conducted an external analysis of comparable Cities at the request of the Finance and Personnel Committee. The following page’s chart displays Maquoketa property tax competitiveness relative to other Cities.

Property Taxes - FY2022-2023		Actual 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	15.8	13.91%	No increase in valuation. Pay is 30% below market and they've experienced turnover problems.
Anamosa	14.67	17.07	16.36%	\$16.00 rate estimated, but turned to \$17.07
Manchester	15.74	15.93	1.21%	2% increase in valuation overall from 2022.
Muscatine	15.97	15.67	-1.88%	Overall valuation change of +10% in January 2022. Finance Director states the FY24-25 year rate will go up significantly due to wage costs.
Independence	16.97	17.25	1.65%	No increase in value. Council knowingly going to pass a significant budget deficit to burn down General Fund reserve dollars.
Mount Vernon	12.99	13.15	1.23%	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	12.45	-2.51%	Lowering levy! +16% valuation growth based on marketwide reassessment in January 2022.
Median	15.205	15.865	1.44%	
Average	15.2525	15.9475	4.86%	

Please note we intentionally excluded Clinton County cities due to their local assessor's office having completed a 2022 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. 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 has kept incredibly strong fund balance and staff plans to slow burn the balance in conjunction with the [10-Year Street Improvement Plan](#).

As of this date, Road Use Tax income is trending **+4.15%** year over year compared to Quarter 1 & 2 2022 numbers.

The Road Use Tax year-end income prediction has been revised to \$870,267 for FY2023-2024. This is a welcomed increase. It is a conservative estimate based on the trend but Maquoketa will end FY2023-2024 with better than expected Road Use Tax. Again, the great news is that the Road Use Tax balance remains impressively strong at \$2,101,060 as of June 30, 2023. This represents a fund balance reserve of 161.77% and is the driving force behind the City's 10-Year Street Improvement Plan.

For FY2024-2025, Staff estimates Road Use Tax income at \$878,278.

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.

FY2020-2021: \$750,870 Actual
FY2021-2022: \$829,465 Actual
FY2022-2023: \$768,398 Actual
FY2023-2024: \$800,000 Predicted
FY2024-2025: \$800,000 Budgeted

Staff does expect a small upswing in actual for FY2023-2024 but it remains to be seen what the results are. According to Finance experts, it may be a couple years before City sales tax revenues meet or exceed pandemic levels where abundant stimulus packages were in the hands of local residents.



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

LOST DISTRUBITION	
General Fund - Administration	32.50%
General Fund - Park Operation	20%
Wastewater Fund	37.50%
Water Fund	10%
Total LOST Distribution	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 is 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. This assumption was also based on the \$11,000,000 construction estimate which we know now...wasn’t even close. The route the City Council chose and adopted was the least of all evils in 2022.

For Q1 2023, the City generated \$287,338 in Sewer Receipts compared to \$283,816 in Q1 2022. **This represents a 1.24% increase.** The City remains below the City’s original Sewer target of \$1,418,068 for the FY23-24 year. Thus, expected Sewer Receipts for FY2023-2024 is revised to \$1,166,692 for FY23-24 and budgeted at \$1,201,590 for FY24-25.

- July – September 2022: \$283,816
- July – September 2023: \$287,338
- **Difference = +1.24%**

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 2023, the City generated \$173,415 in revenue compared to \$154,275 in Q1 2022. **This represents a 12.40% increase.** Again, similar to Wastewater receipts, the City's Water receipts are trending below the City's original revenue target of \$710,575 for the year. The expected revenue for FY2023-2024 is \$684,480 and \$705,000 for FY24-25.

- July – September 2022: \$154,275
- July – September 2023: \$173,415
- **Difference = +12.40%**

Stormwater Fund Fees

For the maintenance and upkeep of the City's Stormwater system including all potential piping replacement costs, the City assesses a small fee on every Utility bill.

In Q1 2023, the City generated \$37,340 in revenue compared to \$35,189 in Q1 2022. **This represents a 6.11% increase.** The FY23-24 projection for Stormwater receipts is \$153,604 and \$158,212 for FY24-25.

- July – September 2022: \$35,189
- July – September 2023: \$37,340
- **Difference = +6.11%**

Ongoing Projects

The subject of this section is to describe the impressive array of City projects Maquoketa has and is going through as of April 2024. 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. At one point in time in 2023, City Staff and the web of paid contractors were administering approximately \$33 Million in Capital Projects all at once. The City's 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 finished as of this writing! The final Iowa Department of Transportation (IDOT) walk through is completed. The City is now in the Financial Audit phase which is an 18-24-month process with IDOT. In 2024, the City will install banners on the light poles.

To give some historical context on this project, years ago 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

The City has maximized every grant source and never loaned up to the maximum amounts allowed by USDA. To date (April 6, 2024), the Platt Street Fund holds \$416,663 for the purpose of finishing IDOT's financial audit and paying one more construction pay app after the construction contractor submits qualified documentation.

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 and more inviting streetscape.

A photo of the finished project is shown here:



Horseshoe Pond Renovation

In late 2023, the Community Foundation of Jackson County supported a City application in the amount of \$12,500 to rehabilitate the overall condition of Horseshoe Pond which is tucked away in the campground and along Prairie Creek. The project match is buoyed by the Parks Department Capital Improvement Plan which seeks to apply approximately \$11,500 for the purpose of grant local match per year. Together with the resources of the Public Works Department, a massive pond renovation is underway and the expected completion is May 15, 2024.

During the course of the pitch to Community Foundation of Jackson County, the City consulted with IDNR about eco-friendly treatments for the pond and what the best overall practice is for creating a long-term community asset. The penultimate solution is a full dry out and redig of the pond (which would be a multi-year process) or full 2 acre dredging with potential cost estimates of \$200,000 to \$300,000. Neither are in the realm of reality given the resources available to the City. IDNR suggested to consult with a pond management expert.

[Bjornsen Pond Management](#) was contacted to assist with these goals. Staff was asked to send photos of the pond. It was determined no fish can survive due to invasive coontail and lack of significant depth.



Multiple suggestions were offered and weighed against the City's budget capacity with the Community Foundation of Jackson County application.

To produce an application, City Staff and ultimately the Parks Board and IKES Club focused on water quality, depth if possible, a circular trail, recreational features, and replacement of the North dock. The belief is that the community would be able to enjoy the pond through fishing, taking a small walk, or enjoy a picnic.

The end result and expected outcomes are:

- Two underwater aerators
- One center fountain
- Tear out of the North Dock
- Rehabilitation of the South Dock approach

- Addition of two new docks
- Completion of a circular trail
- One-year supply of pond treatment including organic muck eater
- Restocking of Horseshoe Pond Fish

Horseshoe Pond Campground revenue is on an upward trend with 27.66% rise from 2022 to 2023. While many locals do enjoy the campground as a staycation, the campground is also now listed through [reserveamerica.com](https://www.reserveamerica.com) and the City is driving digital reservations since visitors may attempt to stay in our City for various tourism related travel such as the Maquoketa Caves State Park, Codfish Hollow, or Fairgrounds events. We want our visitors to leave with a positive impression of the City.

South Main Lighting Project

The South Main Connector Trail project concluded in 2022 and early 2023 leaving the City Council with a nice trail connector system on the South Main corridor. At the conclusion, the City and County both received public feedback indicating lighting on the street and trail would be a worthy pursuit.

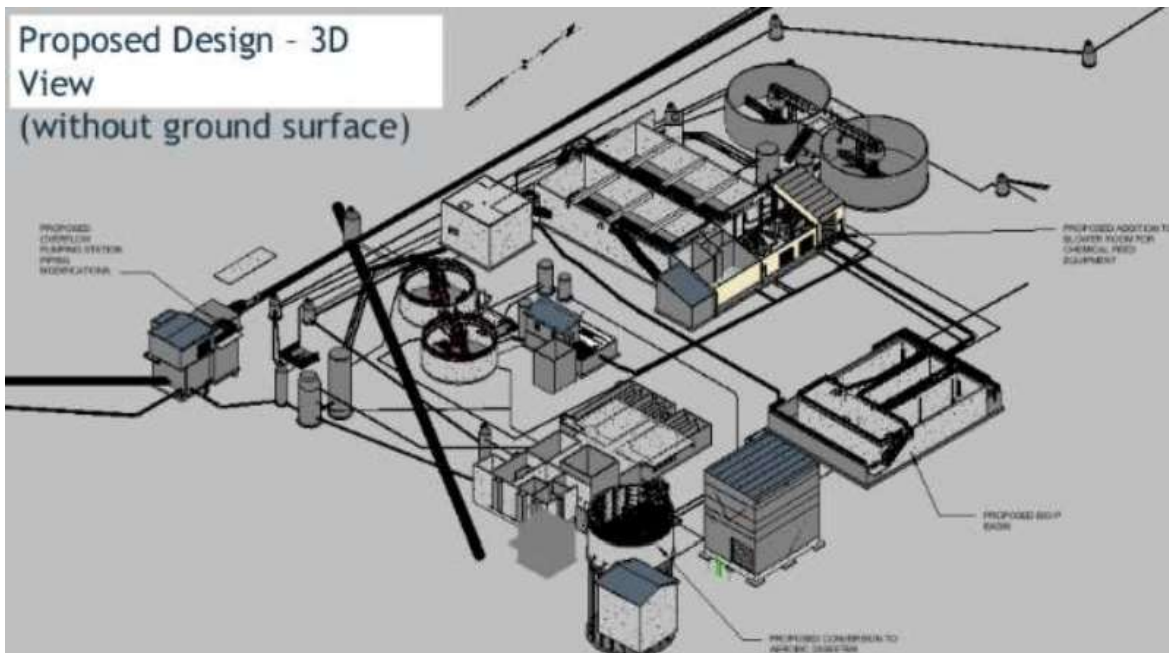
The County and City entered into a cost sharing 28E agreement for the project. The City competitively bid the project with the private market and MMEU. MMEU was awarded the work and completed all improvements for approximately \$60,000 compared to private market offers from Shaw Electric and Davenport Electric at \$146,570 and \$135,855 respectively.



Wastewater Treatment Facility Upgrade

The current 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 estimated cost of this project has been 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 cumulative output is best shown by this chart:

Wastewater Plant Funding - 04.06.24	
Tricon Construction Bid	\$16,280,000
Change Order 1 Decrease	(\$763,613)
Change Order 2 Increase	\$177,423
Net Revised Construction Contract	\$15,693,810
WHKS Planning & Design	\$1,150,000
WHKS Consulting & On-Site Engineering/Consulting (Estimated)	\$750,000
CDBG - Water/Sewer (Awarded)	
	\$600,000
Congresswoman Hinson Award - Community Projects Funding (Awarded)	
	\$3,500,000
Total Cost to Taxpayer over 30 years	
	\$13,493,810
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 2025. The loan is paid through the State of Iowa Revolving Loan Fund (SRF).	

As a major reference to resident concerns over the mission to reconfigure Wastewater Treatment Plants, WHKS informed City Staff in March 2024 that Algona, IA had a bid opening of a comparable WWTP project with massive cost increases due to contractors already locked up in the market. Algona is around 5,375 in population and is faced with a \$29,000,000 construction offer. It is unknown at this time what that community will do.

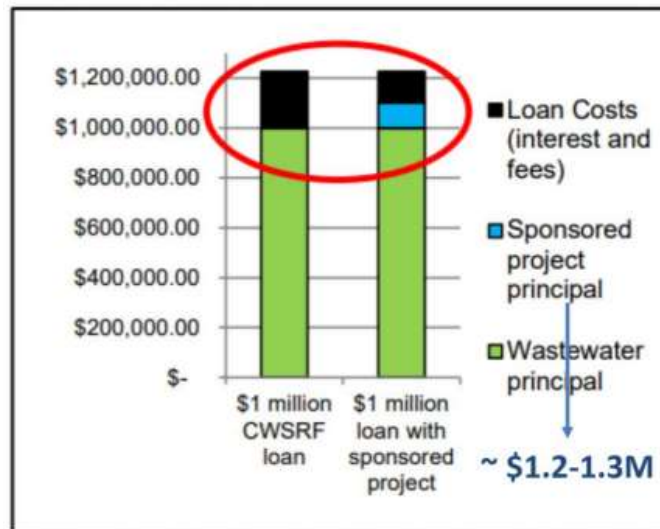
Destination Iowa – Prairie Creek Recreation Area Improvement

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 at an estimated value of \$1.186 Million. 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, 2024.

A few inspiration photos for the project are provided:





On April 23, 2024, City Staff and WHKS will open competitive bids for the local water quality sponsored project which forms the project’s local match. Soon (as of this writing, 04/06/24), very soon, we’ll know the project capacity relative to grant budget and notice to proceed in the project will commence on October 1, 2024.

Jackson County Conservation Board continues to pursue the IDOT permits needed for the HWY 64 backslope trail and North entrance construction.

The Disc-Golf Design was completed in 2023 and is awaiting the green light until hard costs are known on the Prairie Creek Rehabilitation and trail improvements.



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.

Actual project commencement is late April 2024.

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. All 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.

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:



The City had to make strategic decisions on where to fund the 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 acted on this blessing though not all MIDAS funds could be used to fund the projects due to the original intent of MIDAS funds needing to operate as a revolving loan. Thus, City Staff repurposed leftover bond proceeds from the 2019 and 2021 issues to cover any remaining Façade East contributions required of the City.

The Façade East CDBG project is due October 2024 and Tricon has been well underway in late 2023 and early 2024.

Downtown Green Space

One of the more fascinating projects for the City of Maquoketa is the downtown Green Space Redevelopment 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 or decades long 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, City Council, 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. To help sort through desires and practical proposals, the City opted to contract the University of Iowa IISCs program whereby the Engineering students took on a real-life case study to design, engineer, and recommend a solution to the stakeholders of Maquoketa. [This was completed in the Spring of 2023.](#) The legitimacy of the collaboration led to a Dubuque Racing Association grant of award of \$25,000 to prepare the site and finalize design concepts in the Summer of 2023.

The City enlisted the Maquoketa Betterment Corporation as the responsible fundraising body for the project. The Maquoketa Betterment Corporation then enlisted a set of volunteers for a fundraising committee. City Staff worked directly with Origin Design to produce final concepts for the purpose of an engineer's cost estimate and inspiration images to drive donor interest.

To date, fundraising committee has approximately \$800,000 - \$900,000 in pledged commitments and the public facing phase of fundraising will begin in late April 2024. The project is estimated by Origin Design to be \$1.32 Million including all contingencies and possible inflation markers. Thus, the City continues to aim toward a State of Iowa Economic Development Authority partnership in the Summer of 2024 to close any finance gaps that may remain.

City Staff and fundraising committee members have already begun advanced discussions with IEDA staff reference the application.



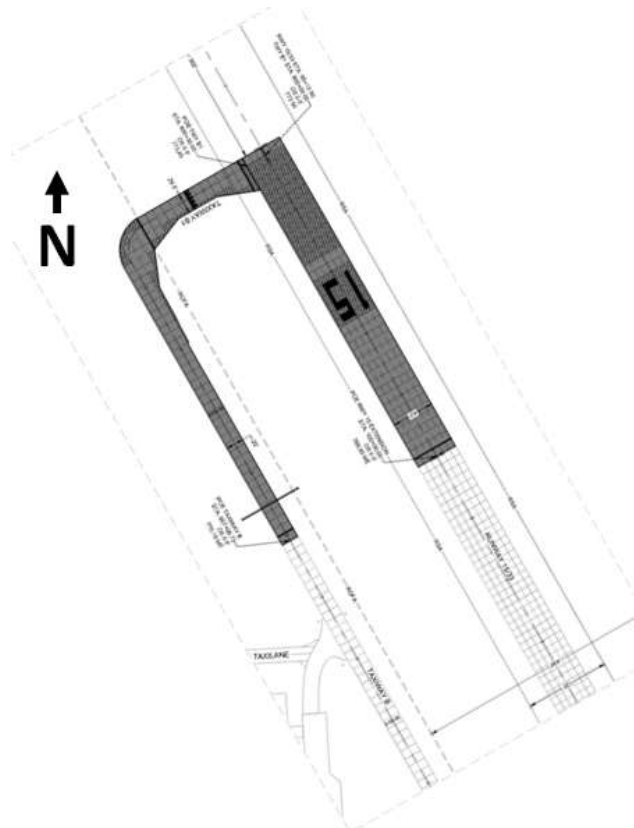
Airport Runway Extension

The City of Maquoketa Airport Commission and City Council have positioned the City for the extension of the runway. The runway would extend from 3300 feet to 3800 feet. This project has been in progress for 10+ years. The FAA has a vested interest in completing this project with 90% of all funds coming from FAA resources. FAA project grants carry a 20-year grant contingency allowing FAA to demand repayment of grant funds if project objectives are not completed or executed. After the City and FAA's investment in project engineering, land purchasing, lowering of high capacity power lines on HWY-64, and litigation/condemnation associated with the relocation of 134th Avenue, there is plenty of financial cause for the City of Maquoketa to finish the runway extension.

On April 4th, 2024 the City of Maquoketa opened bid offers for the actual extension construction. The lowest, responsive bidder provided a total offer of \$1,279,616. This is well below the engineer's estimate of \$1,787,225. After construction inspection and required consulting services, City Staff estimates the project will conclude at the \$1.6 - \$1.7 Million level due to fringe contracts and the risk of required change orders.

The construction start is in the Fall of 2024 and is expected to conclude by late Spring 2025 in time for the busy season at Maquoketa's Airport.

Below is a graphic summary of the runway project:

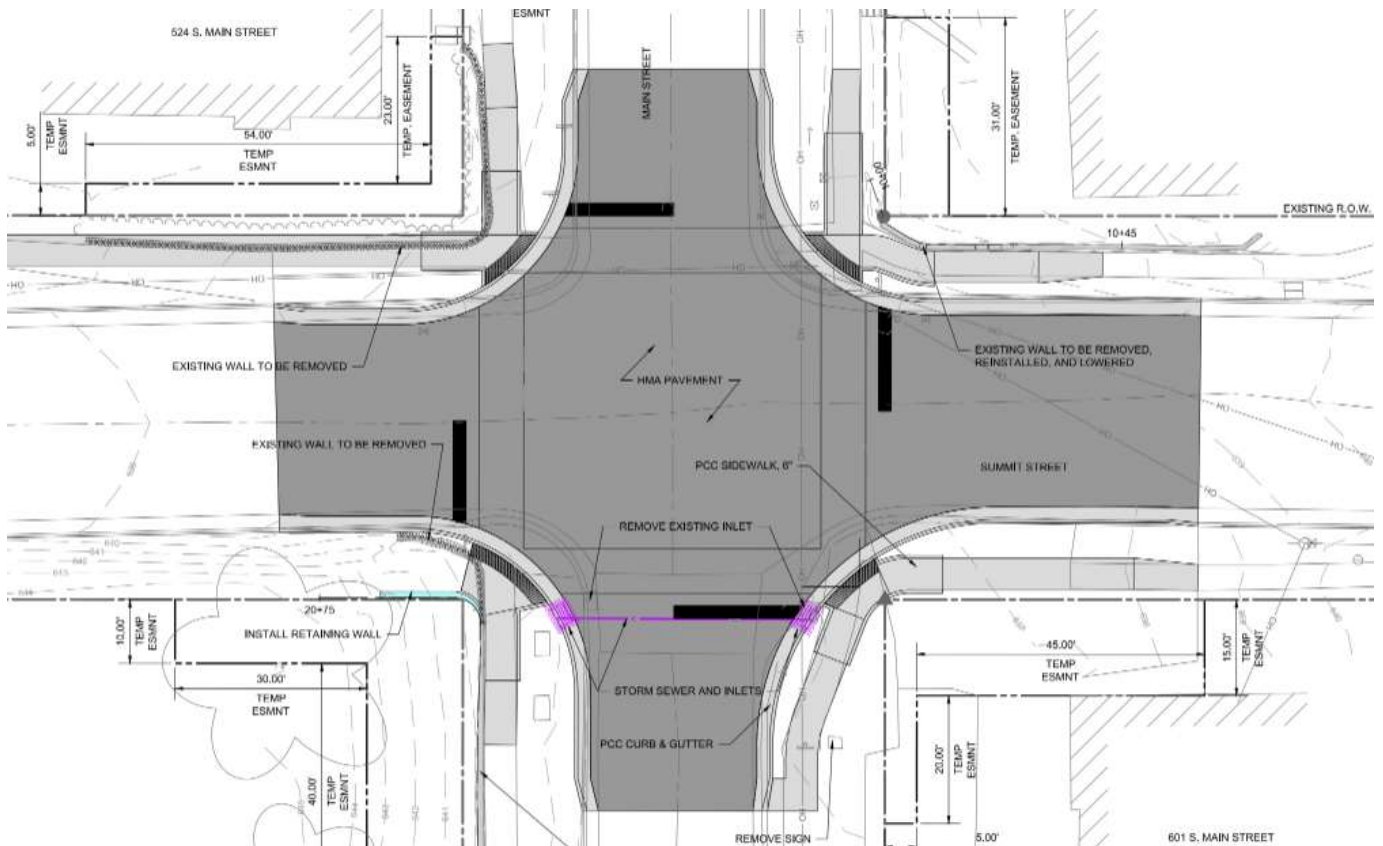


South Main & Summit Street Reconstruction

In 2023, the City utilized the help of Jackson County Engineering to design initial specs for a South Main and Summit Street intersection reconstruction. According the City’s [Traffic Safety Action Plan](#), this intersection was the most significant safety concern among focus group responses and survey data.

In 2017, the City ordered an IDOT safety audit. This was produced but lacked further engineering analysis. Our partners at ECIA in 2023, suggested the City take a chance at the State’s TSIP funding for this project after reviewing the Traffic Safety Action Plan. The City was eventually notified of a \$290,000 TSIP Award by IDOT for this project. All remaining funds for the project will be dedicated out of the STBG funding managed by ECIA. Aside from final engineering costs (approximately \$11,000), no local funds will be used to complete the reconstruction.

The overall goal of the improvement is to improve sight angles, round out curb edges for safer turning, and increase the intersection surface area by reclaiming all available City right-of-way. All neighbors have been met with as of this writing and this should be underway in 2025. The total cost is estimated at \$449,550.



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

The following schedule was shared with Department Heads and the Finance & Personnel Committee on October 9, 2023:

October 27, 2023 – City Manager, Joshua Boldt, & Finance Clerk, Andrea White, will with our auditor’s blessing, conclude and CLOSE the previous FY22-23 year. Our Auditor, Sikich, will provide an exit conference on their findings and recommendations as well as send our staff ending adjustments.

October 27 - November 10, 2023 — City Manager, Joshua Boldt, and Finance Clerk, Andrea White, will review current financial year revenues & expenditures relative to revised estimates from the State of Iowa as well as the budget re-estimate captured in the City’s amendment plans. Josh & Andrea will also recommend operational spending in anticipation of department head meetings for FY24-25.

November 10 - December 1, 2023 — Intense Department Head meetings to discuss FY24-25 operating budget and capital expenditure needs. Josh & Andrea will also discuss budget performance for FY24-25 within each department.

December 8, 2023 – Draft 1 due from Joshua Boldt & Andrea White for budget re-estimate proposal for FY23-24, FY24-25 budget, CIP plan for FY24-25

December 11, 2023 – Finance & Personnel Committee work session #1 on said budget and related spending plans for the City of Maquoketa.

January 5 – Draft 2 due and potentially final plan (except property tax revenue est.).

January 8 – 2nd work session scheduled with Finance & Personnel Committee for budgets.

January TBD—Once property tax maximum limits have been received, we will want to meet with Council or Finance/Personnel to resolve any remaining budget questions or problems.

February 5 – Resolution on setting public hearing for April 1 on maximum levy per state code.

March 20 – Publication notice on maximum levy in Maquoketa Sentinel Press.

April 1— Public hearing on maximum levy per state code and resolution approving max levy at 5:30 P.M.

April 1 – Resolution setting a public hearing on April 15 for proposed FY24-25 budget.

April 3 – Publication notice on proposed FY24-25 budget in MSP.

April 15 – Public hearing on presentation of proposed budget to City Council. Resolution adopting FY24-25 budget.

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 additional outcome of the Sikich LLP audit of 2022 was the recommendation to adopt an operating minimum fund balance policy which are detailed on the next set of pages.

On June 5th, 2023, the City Council passed a fund balance minimum policy for operation-based funds which was a carryover goal from 2022. This effectively targets 25% as a minimum balance policy for funds such as the General Fund, Road Use Tax Fund, Utility Funds, and others that serve as a basic operational fund as opposed to reserve funds for the purpose of Capital Equipment or Projects.

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.

CITY OF MAQUOKETA FUND BALANCE MINIMUM POLICY

The objective of this policy is for the City Council of the City of Maquoketa to formally define a fund balance minimum policy for operation-based funds such as the General Fund, Airport Fund, Road Use Tax Fund, and all Utility Funds.

The intent of this policy is to preserve strong financial capacities for the City of Maquoketa. Strategic decisions by Staff or City Council must be made in consideration of this policy. This may be directed by a member of the public, City Council, or City Staff.

This is a non-restrictive policy. However, if a subject fund is below the fund balance minimum target, then City Staff must identify a strategy to restore the fund balance minimum outlined by this policy.

Fund Balance Minimum Reserve:

Fund balance minimum reserve shall be maintained at a level of 25% or greater of the next fiscal year's predicted annual expenditure. This applies to the General Fund, Airport Fund, Road Use Tax Fund, and all Utility Funds.

Example:

The annual expenditure budget of the General Fund is \$5,000,000. The 25% reserve minimum would be \$1,250,000.

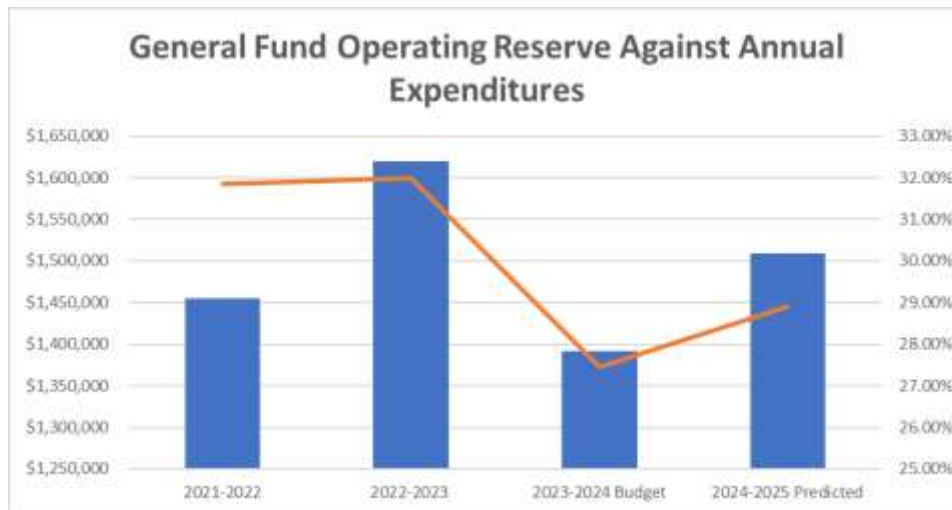
Section II: Major Funds Analysis

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 is limited. We discuss in detail what the objectives of the General Fund Departments are and in aggregate present a re-estimate for FY2023-2024 and FY2024-2025 Budget. First, we present the fund revenue-expenses in total.

General Fund - 001				
	2021-2022	2022-2023	2023-2024 Budget	2024-2025 Predicted
Total Revenues	\$ 4,442,442	\$ 4,730,739	\$ 4,834,510	\$ 5,185,861
Total Expenditures	\$ 3,975,761	\$ 4,565,542	\$ 5,062,818	\$ 5,068,736
Net Revenues/Expenditures	\$ 466,681	\$ 165,197	\$ (228,308)	\$ 117,125
Ending Fund Balance	\$ 1,454,706	\$ 1,619,903	\$ 1,391,595	\$ 1,508,720
% Reserve against Operating Expenditures	31.86%	32.00%	27.45%	28.90%



Operational Accomplishments for 2023 and Forward Goals for 2024

City Administration

2023 Accomplishments

- Complete all Façade East projects under an aggregate \$1,000,000 budget.
 - April 2024 Report: In progress and well within target.
- Recruit and award a Stormwater Levee Construction bid under \$2,700,000.
 - April 2024 Report: Successful.
- Establish a Fund Balance Minimum policy with the Finance & Personnel Committee.
 - April 2024 Report: Successful.
- 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.
 - April 2024 Report: Work in progress at this time with the Finance & Personnel Committee. These goals have been widely discussed with Department Heads and remains an item of focus in 2024.
- 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.
 - April 2024 Report: Successful.
- In partnership with the Police Department, develop and recommend City Council action on administrative traffic offenses & property condition neglect.
 - April 2024 Report: Successful. The Police and Building/Code Department now has the ability to cite traffic and property offenses on the local administrative fine level. According to the PD, this has been a welcomed change in traffic enforcement in the Community.
- 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.
 - April 2024 Report: Work in progress. The Building Department issued a Municipal Infraction in 2023 to one junkyard. A Court ruling on April 1, 2024 did not go in the City’s favor. This will be a carryover goal for 2024.
- Close and welcome two Industrial prospects on the City’s Highway-61 Industrial Park.
 - April 2024 Report: Work in progress. Quality Flow Environmental (QFE) issued a public notice of their arrival to Maquoketa and have continued to work with acquisition and development

- contractors to build a 50,000 square foot facility in Maquoketa. There is an additional prospect at this time seeking 15 acres of space. This will be a carryover goal for 2024.
- 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 be used or committed by December 31, 2024.
 - April 2024 Report: Successful. Funding plan is actively closing contract commitments by the December 31, 2024 deadline.

2024 Forward Goals

- 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.
- 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.
- Close all business legal challenges before the City of Maquoketa.
- Accurately define the roles and responsibilities of Economic and Community Development in the City of Maquoketa between the parties of Jackson County Economic Alliance, Maquoketa Chamber of Commerce, ECIA, and City Staff.
- Produce a FY2025-2026 budget that receives contributions from Franchise Fee revenue to cover the costs of equipping the Police Department, Street Department, and other traditional covered General Fund expenses (as permitted by law) for the purpose of preparing the City for long-term sustainability. This will require City Council action on revenue purpose statement adjustments in the FY2024-2025 in preparation for FY2025-2026.
- Develop Department Head staff so they are better prepared for year-end expenditure limits in future budget years.
- Provide adequate professional and continuing education for front office staff.
- Execute a meaningful City Council Work Session on a 3-5 Year Strategic Plan.

Police Department

2023 Accomplishments

- 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.
 - April 2024 Report: Successful. The Police Department remains fully staffed though there is a strong possibility of this being a challenge in 2024.
- 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.
 - April 2024 Report: Successful. Officer James Tenney has filled this position and is doing a wonderful job.
- 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.
 - April 2024 Report: Successful in most areas. As noted in the 2023 Police Chief report, the Police Department went through an extensive painting remodel with volunteer help.
- Research and apply for grants and other funding to help support or offset cost of upcoming equipment and major facility needs.
 - April 2024 Report: Chief Brendan Zeimet made this a focus in 2023 though only minor in-kind contributions have been realized. Chief Zeimet continues to make a strong effort in researching grants and hopefully 2024 will have bigger results. This will be a carryover goal.
- 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.
 - April 2024 Report: Successful. Chief Zeimet has appropriately certified individuals in the Police Department for future IN SERVICE training.

2024 Forward Goals:

- Research and apply for grants and other funding to help support or offset cost of upcoming equipment and major facility needs.

- Implement new in-car and body worn camera system to replace our outdated failing old body worn cameras.
- Begin recruitment and hiring process to fill vacancy that will occur with a retirement this September.
- Continue building maintenance projects. Our building is 35 years old with many original features. This goal/project will be a constant, and something that we address little-by-little every year.
- Implement and adjust policies and procedures as needed when the current jail and Sheriff's Office move to their new location.
- Send officers to a variety of Instructor Level Certification Courses. In an effort to keep training costs down, its important to have in-house instructors to conduct our required yearly in-service trainings. Currently, we lack in-house instructors.
- Implementation of juvenile diversion program. Asst. Chief Jason Thomson and SRO James Tenney have been spearheading this project working with Juvenile Court Services to create a more fair and consistent way of dealing with minor juvenile offenses.
- Adjust Capital Improvement Plan to better prepare and measure for future changes, and expenses that occur with changing technology and required upgrades to systems.

Public Works

2023 Accomplishments

- Implement the 10-Year Street Improvement program with City Council blessing.
 - April 2024 Report: Successful. [See plan here.](#)
- 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.
 - April 2024 Report: Successful. Public Works Department went well beyond the “worst 3 streets” and spent significant resources cleaning street edges in the community. Realistically, the crew could do this all summer and still have work. Therefore, this item continues to be a 2024 goal.
- Complete street name sign replacement program.
 - April 2024 Report: Work in progress. This will be a 2024 carryover goal.
- 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.
 - April 2024 Report: This goal was disregarded in 2023.
- 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
 - April 2024 Report: Work in progress. This will be a 2024 carryover goal.
- Install a French Drain along the west side of the yellow office building.
 - April 2024 Report: Not started. This will be a 2024 carryover goal.
- 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.
 - April 2024 Report: Work in progress. City Staff have continued to consult with MMEU on a safety solution along with private electric contractors. No plan has been executed but this goal has been well discussed. This will be a 2024 carryover goal.
- Match the City’s operating budget for ADA compliant sidewalk repairs to a Grant opportunity.
 - April 2024 Report: Partially successful. The City successfully exhausted the ADA repair sidewalk budget by improving the Erie and South Vermont intersection.

2024 Forward Goals

- 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.
- 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.
- Complete the Stormwater Levee Project by December 31, 2024.
- Obtain SS4A grant for the rehabilitation and sidewalk enhancement of Apple Street, Quarry Street, and Locust Street. This goal and grant project is connected to the School's planned consolidation into Briggs Elementary.
- Complete and ADA sidewalk-street approach inventory, assessment, and funding plan for all intersection in City limits where sidewalk-street connections apply.
- Complete the Horseshoe Pond Rehabilitation Project in May 2024.
- Successfully execute all local street rehab contracts in the appropriate order and without significant challenges.

Library

2023 Accomplishments

The Library, in general, an increase in engagement and an increase in use of all aspects of the library including the following:

- An increase in use of our online collection. Checkouts on OverDrive/Libby went up 10% from 9,360 to 10,340 from FY22 to FY23. Active users also increased by 24%, from 255 to 315.
- Physical collection circulation went up 10%, from 30,074 to 33,044.
- Door count to the physical library saw a significant increase of 12%, we had 26,124 visits in FY22 and 29,143 in FY23.
- WiFi connections went up by 26%, from 8,525 to 10,746.
- Website visits increased by 19%, from 9,016 to 10,754
- Program attendance went up 62% from 1,447 to 2,340
- The Library began a Seed Library and made it available to the public. The Library was able to get enough seed donations to start a well-stocked library that was utilized by many patrons this spring.
- The Library is fully staffed with two new part-time employees who have come on and worked out really well.

2024 Forward Goals

- Continue to increase use of the library with new card holders and programming.
- Replacement of the storm windows.
- Update of the Community Room with new paint and tables.
- Replace a few of the public computers with updated models.
- Weeding of the adult and young adult collections.

Fire Department

2023 Accomplishments

- **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.
 - April 2024 Report: Successful. Council action on Resolution 2023-06 provided a \$12/hour for noncertified and \$14/hour certified rate. This has been budget neutral due to the Fire Department not meeting an authorized 35 staffing.
- **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.
 - April 2024 Report. Successful. Delivery likely in 2025 for the Rural Pumper.

2024 Forward Goals

- **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, this particular problem remains a challenge.
- Secure a grant award for the purchase of the next Rescue Truck and all associated radio upgrades for vehicles.
- Seal the Fire Department parking lot to preserve useful life.
- Rehabilitate Northwest wall and alley to preserve the life of the Fire Department.

YMCA

2023 Accomplishments

- YMCA conducted our Facility Investment Campaign raising \$800,000 and utilizing just shy of \$200,000 of our capital reserve to successfully reinvest in our community asset:
 - Replaced the pool air handling unit, fresh air intake unit and pool heater.
 - Painted the interior of the facility as well as the pool shell.
 - Replaced flooring throughout the facility.
 - Conducted many other smaller projects like refinishing the parking lot, refinishing the gym floor, and bringing the facility to life by adding many colorful pictures throughout.
 - Newly renovated wellness center to better meet the needs of our members and guests.
 - All work was completed without closing the whole facility at one time, allowing us to serve our community while the dust was flying!
- The YMCA continues to serve about 1 in 4 adults and 1 in 2 children in our service area.
- Year-round sports served over 1,000 children in our area!
- The YMCA operates the only indoor public pool in Jackson County. This summer alone we recorded over 15,000 visits to our swimming pool!
- The YMCA continued to save lives through our comprehensive swim lesson program, serving over 500 children.
- The YMCA raised over \$100,000 for the first time with our Annual Giving Campaign. Your generosity allowed us to be open to all, regardless of ability to pay. Annually we provide scholarships to about 1 in 5 of our members.

2024 Forward Goals

- Annual Giving contributions growing from 100,000 to 115,000 to meet the ever-growing financial need of our community.
- Grow endowment to exceed \$700,000, an increase of \$100,000.
- National Y sets 15% of total revenue from contributions as a sign of a healthy Y. We're on schedule to be at 22% in 2024!
- Membership revenue growth of 10%

- Program revenue growth of 10%
- Expense Management that sees only 3% growth in expenses or less.
- Return \$140,000 + to our CIP from operational performance.
- Membership that exceed 1,000 total units for the first time in our history.

Alliance Water & Wastewater

2023 Accomplishments

- Start the WWTP upgrade
 - April 2024 Report: Successful. Approximately 40% finished as of April 6, 2024.
- Inspection and painting of the East 250,000-gallon water tower. Expected cost may be as high as \$150,000 - \$200,000.
 - April 2024 Report: In progress with bid awarded. The project “all-in” will cost just under \$200,000.
- Put our new valve inspection, exercising and maintenance SOP into effect.
 - April 2024 Report: Successful.
- Jet and televise at least 10,000 feet of sewer main (approx. 20 blocks) with our new equipment.
 - April 2024 Report: Successful. Alliance jetted 11,044 feet and televised 6,565 for a total of 17,609.
- Flushing all 319 Fire Hydrants (entire system).
 - April 2024 Report: Successful.
- Replace or repair 6 valves and/or hydrants.
 - April 2024 Report: Successful. 2 hydrants were replaced as well.
- Keep 5 person staffing and train current and any new employees so they can get their grade licenses in water and waste water.
 - April 2024 Report: Work in progress and this will be a carryover goal for 2024.
- Complete the City GIS maps of the water and wastewater system. This will be helpful to the 10-Year Street Improvement Plan.
 - April 2024 Report: Successful.
- Update our water conservation plan.
 - April 2024 Report: Work in progress and will thus be a carryover goal for 2024.
- Solicit bids for sludge hauling to be done in late 2023.
 - April 2024 Report: Successful. It is a multi-year contract.

2024 Forward Goals

- Keep 5 person staffing and train current and any new employees so they can get their grade licenses in water and waste water.
- Finish East Water Tower Painting project under \$200,000 all-in.
- Televis and assess mains at 300 South Jones to determine an effective long-term flow solution.
- Jet and Televis at least 10,000 feet.
- Continue valve exercising program of ¼ of the City per year.
- Start UV disinfection at the WWTP.
- Complete all pre-treatment agreements with relevant businesses by June 30, 2024.
- Complete the WWTP upgrade at a substantially complete level by December 31, 2024.
- Update our water conservation plan.

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 committed by December 31, 2024 and cannot be used to restore fund reserves or long-standing pension deficits.

For Maquoketa in 2022 and 2023, 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.

The ongoing opportunity within this funding source is that the City can and will be able to apply the remaining resources into Capital Projects and valuable community-based spending. A final plan has been determined is detailed in the below chart.

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> - \$160,000 total 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>Revenue Loss Replacement</u>: \$234,430 in FY23-24 to help recapture various City economic losses directly and indirectly resulting from the COVID pandemic of 2020.</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.

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.

- **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			
	2022-2023 Actual	2023-2024 Budget	2024 - 2025 Proposed
430000 - Interest	\$ 130,028	\$ 270,000	\$ 265,000
475001 - Sale of Assets	\$ 370	\$ -	
479655 - YMCA IMV Transfer	\$ 278,650	\$ 30,000	
479661 - Fire Department Transfer	\$ 56,600	\$ 3,348	
479671 - Parks Transfer	\$ 7,500	\$ 12,500	
479691 - Public Works General	\$ -	\$ 16,157	
482000 - Proceeds from Debt	\$ -	\$ -	
483000 - Transfer In	\$ 1,707,048	\$ 866,659	\$ 805,291
483001 - Interfund Loans	\$ -	\$ -	
Total Revenues	\$ 2,180,196	\$ 1,198,664	\$ 1,070,291
64700 - Administration	\$ -	\$ 11,000	\$ 35,000
64710 - Cable Channel 22	\$ -	\$ -	
64765 - YMCA Building	\$ 86,222	\$ 411,695	\$ 85,259
64770 - Fire Department	\$ 259,275	\$ 11,500	\$ 266,159
64780 - Parks Department	\$ 29,155	\$ 66,978	\$ 162,000
64790 - Police Department	\$ 5,584	\$ 28,076	\$ 43,550
64800 - Public Works General Fund	\$ 3,075	\$ 199,159	\$ 80,000
64810 - Public Works Road Use Tax	\$ 80,322	\$ 186,450	\$ 542,335
64820 - Other Projects	\$ 3,090	\$ 5,000	\$ 10,000
68999 - Bond Issuance Costs	\$ -	\$ -	
69101 - Transfers Out	\$ 267,204	\$ 582,753	\$ 135,730
Total Expenditures	\$ 733,927	\$ 1,502,611	\$ 1,360,033
Net Revenues/Expenditures	\$ 1,446,269	\$ (303,947)	\$ (289,742)
Ending Fund Balance	\$ 2,990,026	\$ 2,686,079	\$ 2,396,337

Library CIP - 030			
	FY2022-2023 Actual	FY2023-2024 Budget	FY2024-2025 Proposed
Revenue	\$ 15,000	\$ 35,000	\$ 85,000
Expenses	\$ 15,000	\$ 31,097	\$ 70,000
Balance	\$ 31	\$ 3,934	\$ 18,934

Airport CIP - 304			
	FY2022-2023	FY2023-2024	FY2024-2025
	Actual	Budget	Proposed
Revenue	\$ 25,328	\$ 34,184	\$ 23,400
Expenses	\$ 22,400	\$ 40,000	\$ -
Balance	\$ 7,454	\$ 1,638	\$ 25,038

Wastewater CIP - 305			
	FY2022-2023	FY2023-2024	FY2024-2025
	Actual	Budget	Proposed
430000 - Interest	\$ 16,871	\$ 30,000	\$ 25,000
483000 - Transfers In	\$ 156,635	\$ 108,000	\$ 106,500
Total Revenue	\$ 173,506	\$ 138,000	\$ 131,500
65999 - Expenses	\$ 220,413	\$ 114,300	\$ 11,000
Ending Balance	\$ 359,593	\$ 383,293	\$ 503,793

Water CIP - 604			
	FY2022-2023	FY2023-2024	FY2024-2025
	Actual	Budget	Proposed
430000 - Interest	\$ 21,924	\$ 27,818	\$ 40,000
483000 - Transfers In	\$ -	\$ 82,600	\$ 88,350
Total Revenue	\$ 21,924	\$ 110,418	\$ 128,350
65999 - Expenses	\$ 9,930	\$ 118,767	\$ 96,000
Ending Balance	\$ 460,159	\$ 451,810	\$ 484,160

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.

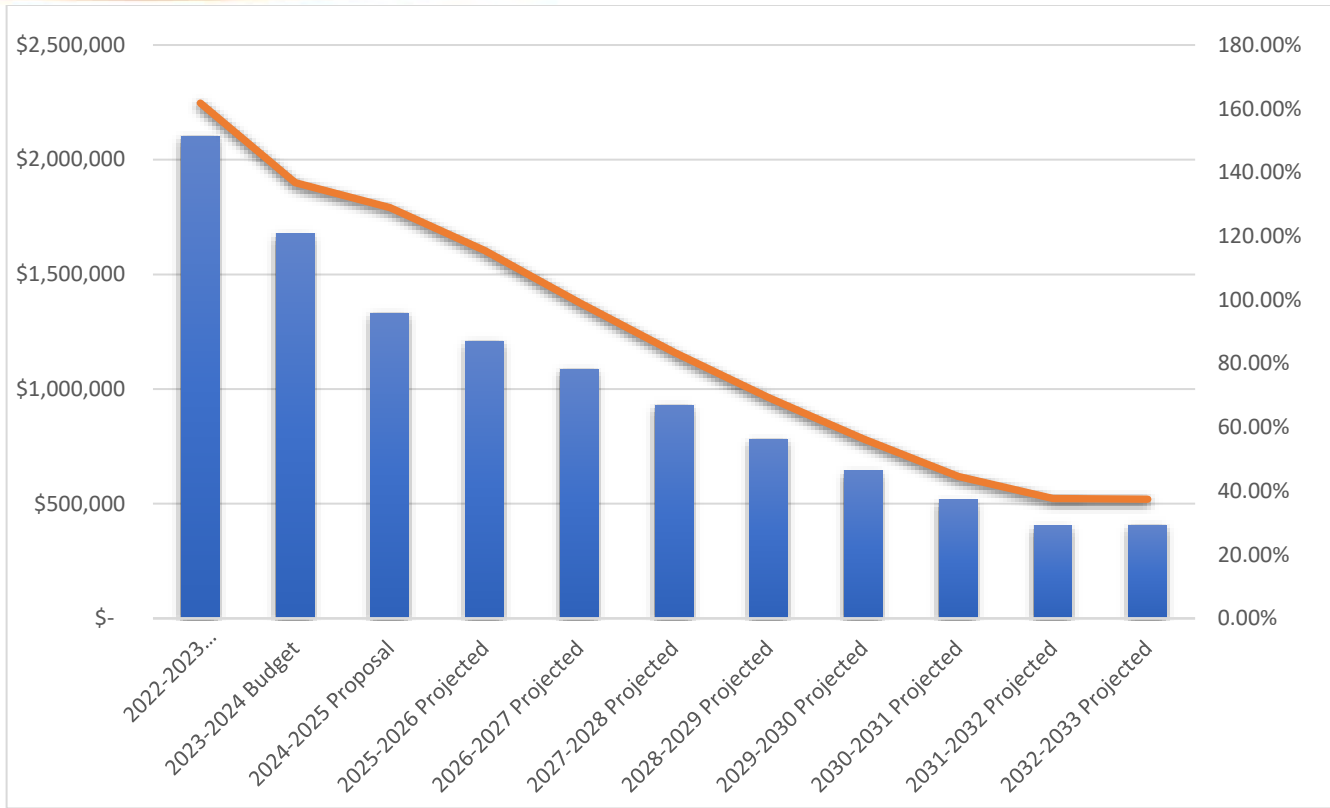
The RUT is driving force behind the City's movement toward a 10-Year Street Improvement Plan. The RUT balance is strong with a FY2022-2023 ending balance of \$2,101,341 which is a high 161.77% fund balance reserve.

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 \$5,262,500 without even recruiting the assistance of State and Federal grants, Franchise Fee revenue dedicated to local streets, and ECIA's STBG funding. This is a powerful opportunity.

Road Use Tax Fund - 110													
	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	
443000 - Taxes - State Fund	\$ 843,282	\$ 870,267	\$ 878,278	\$ 910,000	\$ 925,000	\$ 938,875	\$ 964,694	\$ 991,223	\$ 1,018,482	\$ 1,046,490	\$ 1,075,269	\$ 1,104,838	
471500 - Refunds/Reimbursements	\$ -	\$ 5,269	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
483000 - Transfers In	\$ 12,790	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Revenues	\$ 856,072	\$ 875,536	\$ 878,278	\$ 910,000	\$ 925,000	\$ 938,875	\$ 964,694	\$ 991,223	\$ 1,018,482	\$ 1,046,490	\$ 1,075,269	\$ 1,104,838	
63780 - Street Lighting	\$ 8,934	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
64010 - Audit	\$ 3,050	\$ 4,600	\$ 4,600	\$ 4,738	\$ 4,880	\$ 5,027	\$ 5,177	\$ 5,333	\$ 5,493	\$ 5,657	\$ 5,827	\$ 6,002	
64071 - Engineering Fees	\$ 19,800	\$ 10,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
64090 - Insurance	\$ 4,488	\$ 5,296	\$ 6,249	\$ 6,624	\$ 7,021	\$ 7,443	\$ 7,889	\$ 8,363	\$ 8,864	\$ 9,396	\$ 9,960	\$ 10,558	
65270 - Rock/Cement/Blacktop	\$ 182,270	\$ 130,230	\$ 50,000	\$ 60,000	\$ 60,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	
65280 - Street Improvements	\$ -	\$ 380,000	\$ 360,000	\$ 375,000	\$ 375,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	
65991 - Paint/Supplies/Signs	\$ 8,591	\$ 33,000	\$ 23,000	\$ 23,000	\$ 23,690	\$ 24,401	\$ 25,133	\$ 25,887	\$ 26,663	\$ 27,463	\$ 28,287	\$ 29,136	
67101 - Public Works Truck	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
69101 - Transfer Out	\$ 387,388	\$ 383,888	\$ 447,600	\$ 321,100	\$ 327,522	\$ 334,072	\$ 340,754	\$ 347,569	\$ 354,520	\$ 361,611	\$ 368,723	\$ 375,835	
68125 - Admin Cost to Streets	\$ 221,825	\$ 233,945	\$ 233,945	\$ 240,963	\$ 248,192	\$ 255,638	\$ 263,307	\$ 271,206	\$ 279,343	\$ 287,723	\$ 296,355	\$ 305,245	
63512 - Repairs/Lamps/Wiring		\$ 30,000	\$ 7,000										
63712 - PWR Street Lighting		\$ 40,000	\$ 41,000										
64151 - Rental Equip/Snow Rem.		\$ 3,000	\$ 3,000										
65290 - Salt/Sand/Supplies		\$ 44,800	\$ 44,800										
Total Expenses	\$ 836,347	\$ 1,298,759	\$ 1,226,194	\$ 1,031,425	\$ 1,046,306	\$ 1,096,580	\$ 1,112,260	\$ 1,128,357	\$ 1,144,883	\$ 1,161,850	\$ 1,179,539	\$ 1,197,273	
Net Revenues/Expenditures	\$ 19,725	\$ (423,223)	\$ (347,916)	\$ (121,425)	\$ (121,306)	\$ (157,705)	\$ (147,566)	\$ (137,134)	\$ (126,401)	\$ (115,360)	\$ 3,729	\$ 17,565	
Ending Fund Balance	\$ 2,101,060	\$ 1,677,837	\$ 1,329,921	\$ 1,208,496	\$ 1,087,190	\$ 929,485	\$ 781,918	\$ 644,784	\$ 518,383	\$ 403,022	\$ 406,751	\$ 424,317	
Fund Balance Reserve	161.77%	136.83%	128.9%	115.50%	99.14%	83.57%	69.30%	56.32%	44.62%	37.61%	37.41%	#REF!	
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.													
Rock/Cement/Blacktop to be used for contingency or supplemental purposes beginning in FY2023-2024													
Transfer out includes Capital Improvement Plan transfer (REF: CIP RUI as of 1/24/24) and \$100,500 in annual debt service (2016 Main Street project) until FY2032-2033													



Local Option Sales Tax Fund

We recall from page 17 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.

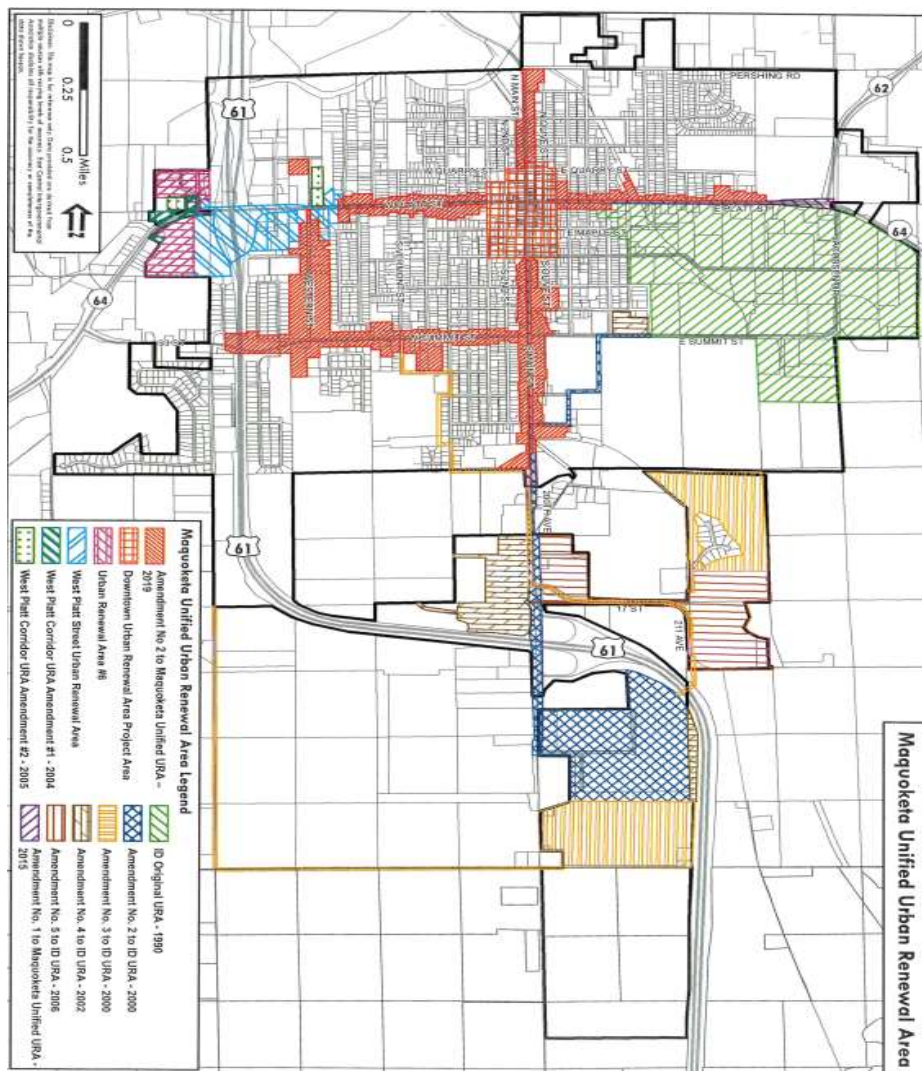
Sales tax revenue is one of the best measurements of economy health. We've already indicated the rising cost of goods and services has impacted our City's budget. The most evident data is in our LOST revenue and hopefully in the next couple years the City can return to a robust local spending economy similar to the levels observed during pandemic era personal stimulus incentives.

Local Option Sales Tax - 121			
	2022-2023 Actual	2023-2024 Budget	2024 - 2025 Proposed
409010 - 1% Local Option Sales Tax	\$ 768,398	\$ 800,000	\$ 800,000
69101 - Transfer out - GF Admin (32%)	\$ 230,519	\$ 260,000	\$ 260,000
69101 - Transfer out - GF Parks (20%)	\$ 153,680	\$ 160,000	\$ 160,000
69101 - Transfer out - Wastewater (37.5%)	\$ 288,149	\$ 300,000	\$ 300,000
69101 - Transfer out - Water (10%)	\$ 76,840	\$ 80,000	\$ 80,000
Total Expenditures	\$ 749,188	\$ 800,000	\$ 800,000
Net Revenue/Expenditures	\$ 19,209.95	\$ -	\$ -
Ending Fund Balance	\$ 19,209.95	\$ 19,209.95	\$19,209.95
Chart does not match but does reflect the end fund objective of LOST transfers.			

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 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:

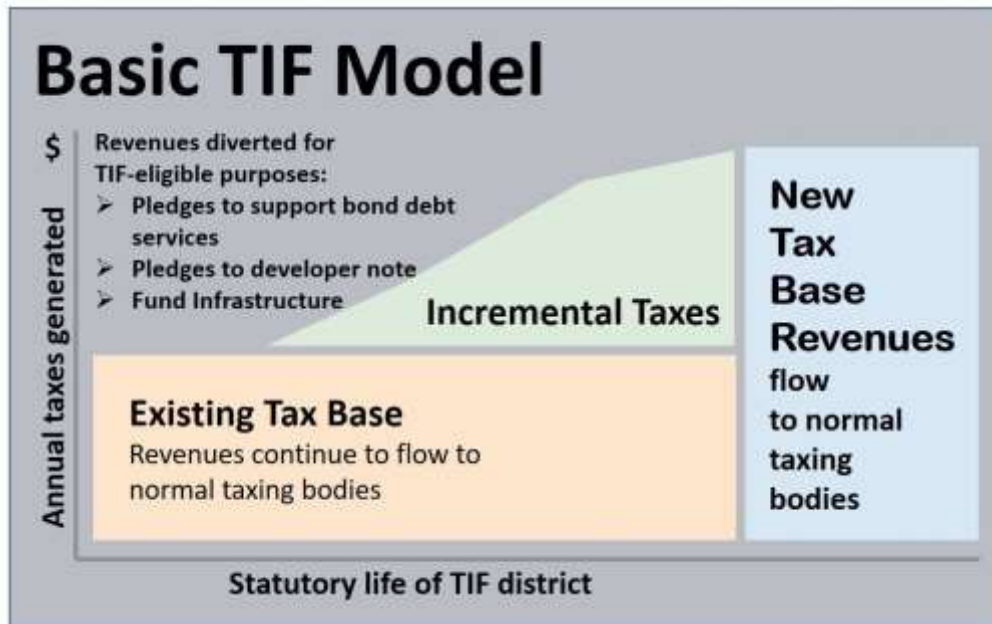


Once an Urban Renewal Plan is prepared and adopted, the City may enter into developmental agreements with private business or commit themselves to public infrastructure projects that are qualified within the Urban Renewal plan.

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. This problem is a classic dilemma of being a good neighbor and not overextending the claim relative to the City’s growth needs.

However, when a TIF claim is made, the purpose is to eventually increase property value. All taxing bodies make a substantial investment in counting on the development to 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 rate on that increased property 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 costs in the future such as Meadow Park subdivision once homes are built or all legal costs related to the Clinton Engines Property in 2023.

	TIF DISTRICT	CLAIM 11/22 FOR 23-24	CLAIM 11/23 FOR 24-25
13	HURST HOTEL REBATE Res. 08-52 approved 11-3-08, \$13,333 for each of 15 years	\$ 13,333.00	
31	DOWNTOWN STREET PROJECT GO BOND-MAT 6/01/33 Res. 16-12 approved	\$ 152,723.00	\$ 148,723.00
36	2019 A BOND PRINCIPAL & INTEREST PYMTS Res. 2019-47 approved	\$ 156,300.00	\$ 165,000.00
37	2021 A BOND PRINCIPAL & INTEREST PYMTS Res. 2021-39 approved	\$ 112,090.00	\$ 113,290.00
38	DOWNTOWN REVITALIZATION-FAÇADE PROGRAM (EAST) Res. 2021-56 (ECIA)		\$ 12,326.00
39	JACKSON CO ECONOMIC DEVELOPMENT \$60,000 per year	\$ 60,000.00	\$ 54,614.00
40	BSM2 DEV, INNOVATE 120, 138 S MAIN, PLAYALARGA, LLC TO UNIFIED URBAN AREA LEGAL FEES- Ahlers & Cooney	\$ 14,980.00	\$ 14,000.00
41	CHAMBER OF COMMERCE \$20,000 per year	\$ 20,000.00	\$ 20,000.00
43	CLINTON ENGINES VAPOR INTRUSION LEGAL FEES- LYNCH DALLAS/SCHULTHEIS WHITE/SHUTTLEWORTH & INGERSOLL	\$ -	\$ 36,561.00
44	BUILD GRANT ADMINISTRATION LEGAL FEES- ECIA	\$ 7,425.00	\$ 4,946.00
45	DOWNTOWN INCENTIVE FY 22/23	\$ 88,729.00	\$ 71,431.00
46	BSM2 DEVELOPMENT, LLC- WESTERN AVE	\$ -	\$ -
47	ROCKDALE ENTERPRISES- MOORE LOCAL Res. 2021-34 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	\$ 5,000.00
48	GT DEVELOPMENT-MITCHELL MASKREY Res. 2020-57 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	\$ 5,000.00
49	BR2- DOLLAR FRESH Res. 2020-76 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	\$ 70,000.00
50	TIF BOND DEBT REPAYMENT	\$ 25,000.00	\$ -
	TOTALS	\$ 726,080.00	\$ 720,891.00

In short summary, the City's TIF fund is able to make a City claim on the 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 Actual	FY2023-2024 Budget	FY2024-2025 Proposed
Revenue/TIF Claim	\$ 726,743	\$ 726,080	\$ 720,891
Qualified TIF EXPENSES			
Hurst Hotel Rebate - Resolution 2008-52; \$13,333/year until 2023	\$ 12,332	\$ 13,333	\$ -
Hainstock LMI Set Aside	\$ 11,445	\$ 16,275	\$ -
Downtown Steet Project GO 2016A Bond	\$ 151,623	\$ 152,723	\$ 148,723
Downtown Street Project 2019A GO Bond	\$ 163,100	\$ 156,300	\$ 165,000
2021A GO BOND	\$ 112,755	\$ 112,090	\$ 113,290
TIF Bond Debt Repayment		\$ 25,000	
Jackson County Economic Alliance Contract	\$ 60,000	\$ 60,000	\$ 54,614
Urban Renewal Plan Amendment #4 - Services by Ahlers & Cooney	\$ 7,870	\$ 14,980	\$ 14,000
Chamber of Commerce Agreement	\$ 40,000	\$ 20,000	\$ 20,000
Osterhaus Upper Story Housing Agreement Legal Fees	\$ 3,991	\$ -	\$ -
Clinton Engines Vapor Intrusion Costs	\$ 47,585	\$ -	\$ 36,561
Build Grant Administration - ECIA (Platt St)	\$ 38,000	\$ 7,425	\$ 4,946
Downtown Incentives Program - Fund 007	\$ 89,885	\$ 88,729	\$ 71,431
Mitchell Maskrey Mill	\$ -	\$ 8,000	\$ 5,000
Rockdale Locker/Moore Local	\$ -	\$ 2,500	\$ 5,000
Meadow Park Subdivision	\$ -	\$ -	\$ -
Dollar Fresh (June 2024 - June 2038)	\$ -	\$ 65,000	\$ 70,000
Downtown Façade East	\$ -	\$ -	\$ 12,326
Total Expenses	\$ 738,586	\$ 742,355	\$ 720,891
Net Revenue/Expenditures	\$ (11,843)	\$ (16,275)	\$ -
Fund Balance	\$ 50,917.00	\$ 34,642.00	\$ 34,642.00

Debt Service Fund

The City's Debt Service Fund is the final stop for 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. It will be a community benefit for many years to come.

If the City looks forward into the borrowing environment, terms will not be as advantageous. It is our goal to recommend a stand-by strategy but the City is quickly approaching a moment where strategic direction should be offered by City Council to plan for the next round of projects. 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. At the request of the City Manager, Northland Securities also delivered an updated Debt Summary Table after the County Assessor delivered Citywide value increases. This was updated on February 7, 2024.

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 did very well on not building up USDA debt to the ceiling.
- 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			
	FY2022-2023	FY2023-2024	FY2024-2025
	Actual	Budget	Proposed
400000 - Fire Station Levy	\$ -	\$ -	
400002 - 2019A Debt Levy	\$ 156,271	\$ 68,087	\$ 149,333
483000 - Transfer In	\$ 1,206,788	\$ 1,207,096	\$ 1,192,171
Total Revenue	\$ 1,363,059	\$ 1,275,183	\$ 1,341,504
68170 - 2023 USDA Water Rev.			
	\$ -	\$ 46,620	\$ 46,620
68171 - 2023 USDA Water Int.			
	\$ -	\$ -	\$ -
68175 - Street Lighting Project			
	\$ 10,502	\$ -	\$ -
68176 - 2023 USDA Sewer Rev.			
	\$ -	\$ 17,880	\$ 17,880
68177 - 2023 USDA Sewer Int.			
	\$ -	\$ -	\$ -
68178 - 2023 USDA Storm Rev.			
	\$ -	\$ 60,162	\$ 60,162
68179 - 2023 USDA Storm Int.			
	\$ -	\$ -	\$ -
68225 - 2016A Downtown			
	\$ 195,500	\$ 200,000	\$ 200,000
68226 - 2016A Downtown Int.			
	\$ 56,223	\$ 52,823	\$ 48,823
68235 - AMI Meter Loan			
	\$ 19,568	\$ 19,000	\$ 19,000
68236 - AMI Meter Interest			
	\$ 3,973	\$ 4,160	\$ 3,780
68240 - Water Treatment SRF			
	\$ 150,538	\$ 154,000	\$ 158,000
68241 - Water Treatment SRF Int.			
	\$ 9,616	\$ 8,153	\$ 5,038
68255 - Fine Bubble Aeration			
	\$ 6,138	\$ 6,000	\$ 7,000
68256 - Fine Bubble Aeration Int.			
	\$ 963	\$ 1,593	\$ 1,398
68260 - Fire Station Bond			
	\$ -	\$ -	\$ -
68261 - Fire Station Int.			
	\$ -	\$ -	\$ -
68262 - 2019A GO Bond			
	\$ 295,600	\$ 300,000	\$ 315,000
68263 - 2021 GO Bond			
	\$ 190,600	\$ 190,000	\$ 195,000
68264 - 2019A GO Bond Int.			
	\$ 113,100	\$ 101,900	\$ 95,600
68266 - 2021A GO Bond Int.			
	\$ 36,755	\$ 36,090	\$ 32,290
Total Debt Expenses	\$ 1,089,076	\$ 1,198,381	\$ 1,205,591
Ending Fund Balance			
	\$ 803,227	\$ 880,029	\$ 1,015,942

Debt Capacity Summary Analysis (February 2024)

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						TIF Agree Combined	2024 SRF Estimated	Total Debt Against Legal Debt Limit	Available Legal Capacity	Percent Debt to Legal Debt Limit
			GO 2016A	GO 2014 Loan	GO 2017 Loan	GO 2013A	GO 2021A	GO					
FY 2024	354,264,431	17,713,222	-	-	-	-	-	-	4,000,000	11,374,690	6,338,542	64.22%	
FY 2025	447,527,889	22,376,394	1,985,000	6,075	14,564	2,840,000	1,720,000	100,000	3,825,000	10,500,639	11,875,755	46.93%	
FY 2026	447,527,889	22,376,394	1,785,000	2,026	9,572	2,525,000	1,535,000	100,000	3,640,000	9,602,596	12,773,798	42.91%	
FY 2027	447,527,889	22,376,394	1,590,000	-	4,580	2,195,000	1,335,000	100,000	3,484,000	8,678,590	13,687,814	38.78%	
FY 2028	447,527,889	22,376,394	1,370,000	-	-	1,880,000	1,130,000	100,000	3,278,000	7,738,000	14,638,394	34.98%	
FY 2029	447,527,889	22,376,394	1,155,000	-	-	1,505,000	980,000	100,000	3,098,000	6,828,000	15,548,394	30.51%	
FY 2030	447,527,889	22,376,394	935,000	-	-	1,140,000	825,000	100,000	2,885,000	5,885,000	16,481,394	26.34%	
FY 2031	447,527,889	22,376,394	710,000	-	-	770,000	660,000	100,000	2,698,000	4,828,000	17,438,394	22.07%	
FY 2032	447,527,889	22,376,394	480,000	-	-	380,000	495,000	100,000	2,497,000	3,962,000	18,414,394	17.71%	
FY 2033	447,527,889	22,376,394	245,000	-	-	-	330,000	100,000	2,292,000	2,967,000	19,408,394	13.25%	
FY 2034	447,527,889	22,376,394	-	-	-	-	165,000	100,000	2,083,000	2,348,000	20,028,394	10.40%	
FY 2035	447,527,889	22,376,394	-	-	-	-	-	100,000	1,869,000	1,969,000	20,407,394	6.80%	
FY 2036	447,527,889	22,376,394	-	-	-	-	-	100,000	1,651,000	1,751,000	20,628,394	7.83%	
FY 2037	447,527,889	22,376,394	-	-	-	-	-	100,000	1,429,000	1,629,000	20,847,394	6.83%	
FY 2038	447,527,889	22,376,394	-	-	-	-	-	-	1,202,000	1,202,000	21,174,394	5.37%	
FY 2039	447,527,889	22,376,394	-	-	-	-	-	-	971,000	971,000	21,405,394	4.34%	
FY 2040	447,527,889	22,376,394	-	-	-	-	-	-	735,000	735,000	21,641,394	3.28%	
FY 2041	447,527,889	22,376,394	-	-	-	-	-	-	495,000	495,000	21,881,394	2.21%	
FY 2042	447,527,889	22,376,394	-	-	-	-	-	-	250,000	250,000	22,128,394	1.12%	
Original Issue Per Amount			3,440,000	40,482	49,923	3,710,000	2,110,000	-	-	-	-	-	

Assumed Valuation Growth 0.00%
Debt Limit (as % of 100% valuation) 5.00%

** TIF Agreements are estimated

The table on the previous chart should be very welcome news to all concerned. Due to property value increases, this schedule accelerated the City’s capacity to schedule debt relative to values as permitted by State law.

At a later time with the Finance & Personnel Committee, City Staff will offer discussion on whether or not the City Council should be interested in a self-imposed debt limit policy. Of the four policies first recommended by our financial audit contractor, debt limit policy is the only one not yet realized by City Council and this was in large part due to the City’s prior debt position.

Active Debt Issuances & Purposes (March 2023)

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

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
 Call Date 6/1/2024

Notes:

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													
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 Meter, Vehicles Notes:

Call Date 6/1/2029

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, 2023)

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, 2023 are as follows:

Fiscal Year	Governmental Activities			
	General Obligation Notes		Loans Payable (Direct Placement)	
	Principal	Interest	Principal	Interest
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	720,000	111,488	-	-
2029-2033	3,475,000	266,555	-	-
2034	165,000	2,970	-	-
TOTAL	\$ 7,245,000	\$ 1,035,060	\$ 29,262	\$ -

Fiscal Year	Business-Type Activities			
	SRF Notes Payable (Direct Placement)		SRF Capital Loan Notes Payable (Direct Placement)	
	Principal	Interest	Principal	Interest
2024	\$ 179,000	\$ 12,075	\$ 4,387,248	\$ 37,323
2025	184,000	8,832	-	-
2026	190,000	5,481	119,313	-
2027	27,000	3,495	-	-
2028	28,000	2,935	-	-
2029-2033	124,000	6,500	-	-
TOTAL	\$ 732,000	\$ 39,318	\$ 4,506,561	\$ 37,323

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 contractor out of Missouri. Alliance serves the City 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 (\$4.62), commercial (\$8.66), and industrial accounts (\$17.91). Considering this brief review, we look forward to each operational budget.

Wastewater Fund

610 - Wastewater Fund			
	2022-2023 Actual	2023-2024 Budget	2024-2025 Proposal
451000 - Sanitary Sewer Receipts	\$ 1,085,202	\$ 1,166,592	\$ 1,201,590
451200 - DNR Mandate WWTP Fee	\$ 39,271	\$ 162,345	\$ 162,500
454200 - Misc Sales/Tapping Fee	\$ 2,603	\$ 2,000	\$ 2,500
458001 - Sales Tax/Sewer	\$ 10,140	\$ 10,753	\$ 11,075
471500 - Refunds/Reimbursement	\$ -	\$ 1,000	\$ -
409000 - 1% Local Prop. Tax Off	\$ -	\$ -	\$ -
430000 - Interest	\$ 40,956	\$ 85,000	\$ 90,000
483000 - Transfer In	\$ 299,207	\$ 300,000	\$ 300,000
Total Revenues	\$ 1,477,379	\$ 1,727,690	\$ 1,767,665
63500 - Equipment/Repairs	\$ 67,578	\$ 65,000	\$ 65,000
63710 - Building Maintenance	\$ 1,413	\$ 5,000	\$ 5,000
63720 - Utilities	\$ 101,962	\$ 110,000	\$ 110,000
64012 - Half maps/Half audit	\$ 3,050	\$ 3,200	\$ 3,200
64087 - Insurance	\$ 42,995	\$ 49,798	\$ 57,885
64132 - Misc Expenses/Legal Fee	\$ 1,524	\$ 1,500	\$ 1,500
64180 - State Sales Tax	\$ 10,086	\$ 10,753	\$ 11,075
64425 - Haul Screenings	\$ 6,871	\$ 8,500	\$ 8,500
64687 - Alliance Operations	\$ 467,750	\$ 500,256	\$ 525,268
64703 - Analysis/Tests	\$ 15,930	\$ 18,000	\$ 18,000
64705 - Emergency Repairs	\$ -	\$ 5,000	\$ 5,000
64990 - Maintenance Contracts	\$ 9,447	\$ 15,000	\$ 15,000
65010 - Chemicals/Compliance	\$ 6,418	\$ 6,000	\$ 6,000
65080 - Records/Supplies/Postage	\$ 427	\$ 400	\$ 400
65995 - Materials/Supplies/Misc.	\$ 16,877	\$ 12,500	\$ 12,500
67998 - Vertical Screen	\$ 3,567	\$ 4,000	\$ 4,000
69101 - Transfer Out	\$ 265,461	\$ 673,204	\$ 714,785
Total Expenditures	\$ 1,021,356	\$ 1,488,111	\$ 1,563,113
Net Revenues/Expenditures	\$ 456,023	\$ 239,579	\$ 204,552
Ending Fund Balance	\$ 1,065,659	\$ 1,305,238	\$ 1,509,790
% Reserve Against Operating Expenditures	71.61%	83.50%	82.21%

Water Fund

600 - Water Fund			
	2022-2023 Actual	2023-2024 Budget	2024-2025 Proposal
450000 - Water Receipts	\$ 608,968	\$ 684,480	\$ 705,000
450100 - Sales/Misc Customers	\$ 6,763	\$ 5,000	\$ 5,000
454000 - Tapping/Reconnect Fee	\$ 3,774	\$ 4,000	\$ 4,000
458001 - Sales Tax Water	\$ -	\$ -	\$ -
458002 - State Excise Tax	\$ 41,838	\$ 41,069	\$ 42,300
471500 - Refunds/Reimbursements	\$ 2,496	\$ 2,000	\$ 2,000
474500 - Sale of Salvage	\$ -	\$ 332	\$ -
430000 - Interest	\$ 20,016	\$ 25,000	\$ 30,000
483000 - Transfer In	\$ -	\$ -	\$ -
483000 - Transfer in from General Fund CIP Fund	\$ -	\$ -	\$ -
483000 - Transfer in from General Fund	\$ 70,000	\$ 85,854	\$ 80,000
Total Revenue	\$ 753,855	\$ 847,735	\$ 868,300
63325 - Vehicle Fuel	\$ 1,567	\$ 1,800	\$ 1,854
63503 - Building Maintenance	\$ 14,369	\$ 5,000	\$ 5,150
63504 - Emergency Repairs	\$ 6,000	\$ 5,000	\$ 5,150
63506 - Water Tests VOC/SOC	\$ 3,822	\$ 5,000	\$ 5,150
63507 - State Permit Fees	\$ 790	\$ 1,000	\$ 1,030
63511 - Utility Bills	\$ 4,625	\$ 5,120	\$ 5,274
63710 - Building Utilities/Maint.	\$ 130,187	\$ 136,000	\$ 140,080
64012 - Half maps/Half audit	\$ 3,050	\$ 3,200	\$ 3,296
64086 - Insurance	\$ 32,516	\$ 37,122	\$ 38,236
64114 - Attorney/Engineer Fee	\$ 375	\$ 500	\$ 515
64181 - State Excise Tax	\$ 41,826	\$ 41,069	\$ 42,301
64402 - Maint/Equipment Rentals	\$ 9,787	\$ 12,000	\$ 12,360
64403 - Water Main Repairs	\$ -	\$ -	\$ -
64409 - Refunds/Overpayments	\$ -	\$ -	\$ -
64901 - Alliance Operations	\$ 116,938	\$ 125,064	\$ 128,816
64990 - Maintenance Contracts	\$ 3,239	\$ 3,000	\$ 3,090
64999 - AMI Hosting	\$ 754	\$ 25,000	\$ 25,750
65010 - Chemicals	\$ 85,783	\$ 83,000	\$ 85,490
65054 - Water Meter	\$ 25,771	\$ 5,000	\$ 5,150
65060 - Office Supplies/Expenses	\$ 257	\$ 500	\$ 515
65080 - Records/Supplies/Postage	\$ 16,889	\$ 15,000	\$ 15,450
65422 - Valves/Hydrants	\$ 16,622	\$ 17,000	\$ 17,510
65980 - Misc. Expenses	\$ 749	\$ 1,000	\$ 1,030
65995 - Materials/Supplies/Misc	\$ 13,041	\$ 11,000	\$ 11,330
69101 - Transfer Out	\$ 187,750	\$ 331,342	\$ 341,282
Total Expenditures	\$ 716,707	\$ 869,717	\$ 895,809
Net Revenues/Expenditures	\$ 37,148	\$ (21,982)	\$ (27,509)
Ending Fund Balance	\$ 460,891	\$ 438,909	\$ 411,400
% Reserve Against Operating Expenditures	52.99%	49.00%	44.50%

Stormwater Fund

740 - Stormwater Fund			
	2022-2023 Actual	2023-2024 Budget	2024 - 2025 Proposal
451500 - Stormwater Revenue	\$ 142,887	\$ 153,604	\$ 158,212
458001 - Sales Tax	\$ 1,973	\$ 2,500	\$ 2,500
459000 - Permit Review	\$ -	\$ -	\$ -
483000 - Transfer in from General Fund	\$ 17,500	\$ -	\$ -
Total Revenues	\$ 162,360	\$ 156,104	\$ 160,712
Expenditures			
64180 - Sales Tax	\$ 1,962	\$ 2,500	\$ 2,500
65996 - Materials	\$ -	\$ -	\$ -
67650 - Stormwater Expense	\$ -	\$ 4,000	\$ 4,000
67655 - Stormsewer Repairs	\$ 33	\$ 4,000	\$ 4,000
69151 - Transfer Out	\$ 70,200	\$ 136,873	\$ 305,875
Total Expenditures	\$ 72,195	\$ 147,373	\$ 316,375
Net Revenue/Expenditures	\$ 90,165	\$ 8,731	\$ (155,663)
Ending Fund Balance	\$ 365,052	\$ 373,783	\$ 218,119
% Reserve Against Operating Expenditures	247.71%	118.15%	148.00%

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 crop dusters 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.



In 2023, the City welcomed Metro Aviation as a Corporate Hangar tenant. Metro focuses on helicopter mechanicals and employs mechanic technicians at the City airport.



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.

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 2024 and beyond, City Staff has communicated with the City's contract consultant on the airport, McClure Engineering, 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.

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 though fund losses remain a large risk.

Airport Fund - 660			
	2022-2023 Actual	2023-2024 Budget	2024 - 2025 Proposed
475200 - Fuel Sales	\$ 30,374	\$ 75,000	\$ 40,000
444010 - Grant Revenue	\$ 214,685	\$ -	\$ -
431110 - Crop Rental	\$ 9,040	\$ 9,500	\$ 11,000
431120 - Refunds/MISC/Rentals	\$ 20	\$ -	\$ -
431130 - Corp. Hangar Rent	\$ 4,909	\$ 8,000	\$ 11,000
431900 - T-Hanger Rent	\$ 9,500	\$ 9,600	\$ 9,744
431901 - B-CAP Hanger Rent	\$ 2,400	\$ 1,800	\$ 1,900
483000 - Transfer In	\$ 22,400	\$ -	\$ -
Total Revenues	\$ 293,328	\$ 103,900	\$ 73,644
60100 - Salaries	\$ 3,559	\$ 3,646	\$ 3,904
63313 - Vehicle Expenses	\$ 153	\$ 200	\$ 500
63500 - Equipment/Repairs/Mater	\$ 3,044	\$ 4,200	\$ 4,200
63714 - Utilities	\$ 10,387	\$ 12,000	\$ 12,000
63730 - Telephone/Cell Phone	\$ 1,316	\$ 1,200	\$ 1,300
64028 - Promotions/Advertising	\$ 71	\$ 100	\$ 100
64082 - Insurance (Prop. & Liability)	\$ 8,291	\$ 9,278	\$ 10,444
64110 - Legal Expenses	\$ 9,517	\$ 500	\$ 500
64400 - Refunds	\$ -	\$ -	\$ -
64578 - Grant Expenditures	\$ 121,095	\$ 10,000	\$ -
64602 - Mowing	\$ 4,080	\$ 6,500	\$ 6,500
64603 - Gas	\$ 39,374	\$ 60,000	\$ 35,000
64604 - Dust Control	\$ 5	\$ 1,000	\$ 1,000
65999 - Other Supplies	\$ 125	\$ -	\$ -
69101 - Transfer Out	\$ 25,000	\$ 32,400	\$ 22,800
Total Expenditures	\$ 226,017	\$ 141,024	\$ 98,248
Net Revenue/Expenditures	\$ 67,311	\$ (37,124)	\$ (24,604)
Ending Fund Balance	\$ 67,312	\$ 30,188	\$ 5,584
% Reserve Against Operating Expenditures	47.73%	30.73%	5.58%

Performance Accountability & Conclusion

For this document, 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 and has been adopted by the City Council as a Fund Balance Minimum Policy.

	% Reserve	2022-2023 Expenditures	% Reserve	2023-2024 Expenditures	% Reserve	2024-2025 Expenditures
General Fund	32.00%	\$ 4,565,542	27.45%	\$ 5,062,818	28.90%	\$ 5,068,736
Road Use Tax Fund	161.77%	\$ 836,347	136.83%	\$ 1,298,759	128.94%	\$ 1,226,194
Wastewater Fund	71.61%	\$ 1,021,356	83.50%	\$ 1,488,111	82.21%	\$ 1,509,790
Water Fund	52.99%	\$ 716,707	49.00%	\$ 869,717	44.50%	\$ 895,809
Stormwater Fund	247.71%	\$ 72,195	118.15%	\$ 147,373	148.00%	\$ 316,375
Airport Fund	47.73%	\$ 226,017	30.73%	\$ 141,024	5.58%	\$ 98,248

- Capital funds capacity remains at a high level and is further supplemented by the City’s American Rescue Plan Act (ARPA) fund for the near-term but long-term concerns remain due to rising project costs. At the end of Fiscal Year 2023 – 2024, City Staff predicts the total Capital Fund balances to end at \$3,522,820 (including Utility CIPs) with \$306,921 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.
- The Airport Fund is a financial budgeting concern currently and into the future. Even with the Airport in great position, meaning fully leased including the addition of Metro Aviation, the Airport continues to fast burn fund balances and by 2025-2026, the Airport Fund will be negative requiring assistance from other sources such as it’s own CIP or General Fund. In October 2023, the Airport Commission and City Council approved a continual 3% annual increase to Airport lease rents. Over the course of 10 years, this is expected to deliver an additional \$33,652 to help maintain the property. Airport impact economists would advise that having an airport increases the possibility of Industrial Business and regional spending due to traffic. According to [IDOT’s 2022 Airport Economic Impact Study](#), Maquoketa’s total regional impact was \$213,700.

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 data has been updated for 2024 and 2025.

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	354,264,431	1.92%	215,851,562	-3.20%
2024 - 2025	447,527,889	26.32%	245,916,917	13.93%
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 3-5 years from now when the availability for Federal investment isn't abundant.

In addition, State of Iowa legislature changes have ushered in the City need to create new revenue sources. For 2024, City Staff and the community will be challenged to adopt these changes and prepare for a time in the near future where property tax is a limited source of revenue as required by State law. In short, this year has been remarkably difficult to predict and has required constant change on the part of staff and the City Council. The City remains fiscally responsible for the time being but much work is still ahead in order for the City to stay responsible and responsive to future dilemmas.

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