



City of
Mason City

Fiscal Year 2024
Budget Presentation

Fiscal 2024 Budget Overview

- As Presented:
 - The General Fund budget is balanced, with a projected 6/30/24 fund balance of \$6,500,000.00, or 41.44% of general revenues.
 - Property Tax levy is slightly down at \$13.98800/\$1,000 valuation.
 - We are showing a 5.25% increase in base wages for non-union and have updated the salary numbers to show the Firefighters Union tentative settlement and the AFSCME agreement that is going to the membership for vote.
 - Net of transfers, General Fund spending is down \$9,272.03 (-0.06%).
 - We have included a 5% increase in health premiums at 7/1/23.

Fiscal 2024 Budget Overview

- As Presented (Continued):
 - Funding is included for all FY24 proposed CIP projects. Total capital projects are estimated at \$29.8 million.
 - Total budgeted expenditures are estimated at \$85.0 million excluding transfers between funds, as compared to \$101.9 million re-estimated expenditures in FY23.
 - Rate increases for Water, Sewer, Storm Sewer, and Sanitation are as presented in the five-year rate plan approved by Council in 2022.

General Fund Budget

- Overall:
 - Revenues: \$15,684.640.69
 - Expenditures: \$15,684.640.69
 - Estimated balance at 7/1/23: \$6,500,000.00
 - Estimated balance at 6/30/24: \$6,500,000.00
 - Fund balance remains strong and stable at 41.44% of budgeted revenues. All fund balance shown is undesignated, as all prior year projects and bond funds have been moved out of the GF.
 - The State of Iowa continues to create significant issues for property tax revenues. This year, the Business Property Tax Credit creates a new reduction of taxable valuation of over \$37 million. While the State is backfilling for now, that is unlikely to last for long.

General Fund Budget

- Funding is included for the following new/revised positions:
 - Police- Crime Victim Specialist position grant is expiring 9/30/23, so full funding from City resources is shown after that point.
 - Police & Fire- vacant positions
 - Mayor/Council pay- we have increased budgeted pay by 50%, pending Council review and action in ordinance within the timeframe prescribed by law.
 - Recreation- we have included additional wages for a part-time position or positions to assist with e-sports and other activities.

General Fund Budget Detail by Department

	Proposed	Proposed	Vs. FY23	
<u>Department</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>XP % Change</u>	<u>Notes</u>
Police	259,664.00	7,212,267.98	-2.33%	Facility improvements now in Fund 015
Fire	240,900.00	3,651,784.59	4.69%	Increase driven by employee costs
Dev Services	370,500.00	1,060,908.30	1.08%	
Engineer	28,300.00	553,949.22	0.30%	
Street	31,206.00	17,550.00	83.77%	Less tree purchases forecast in FY23
Human Rights & Clerk	48,225.00	117,340.00	-5.90%	
Youth Task Force	276,499.64	313,099.97	11.50%	Director position not filled 1/23-6/23
Transit & Safety	1,005,768.00	1,054,067.17	-7.54%	No new transit buses this year
General Gov't	297,000.00	954,236.31	4.77%	Council pay, other wage increases & legal costs
Finance	13,126,578.05	465,226.35	2.04%	
Human Resources	-	284,210.80	-3.64%	
Total	15,684,640.69	15,684,640.69	-0.06%	

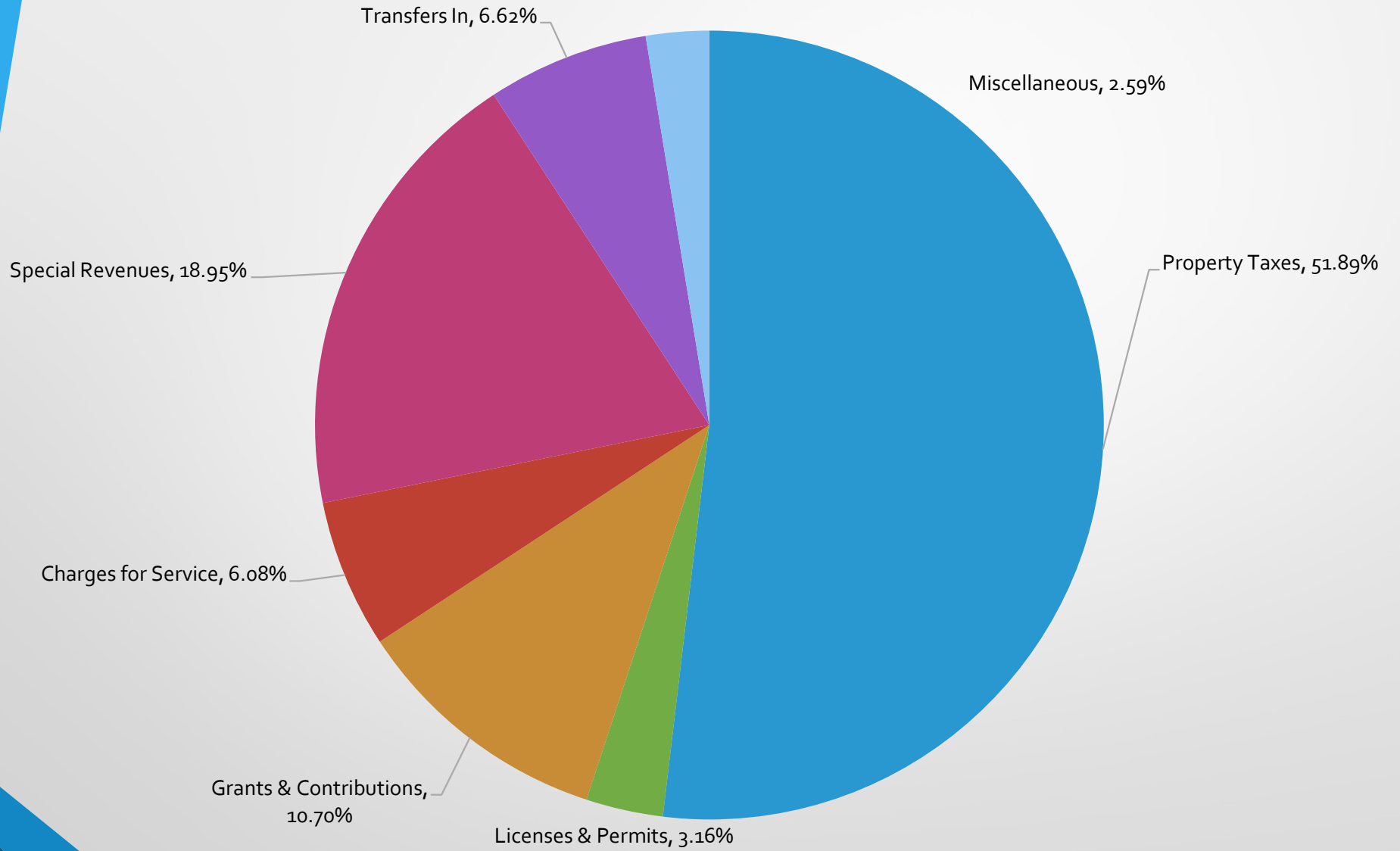
General Fund Operating Sub-Fund Details

	Property	Non-PT RV	Proposed	Vs. FY23	
<u>Department</u>	<u>Tax RV</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>XP % Change</u>	<u>Notes</u>
Recreation	1,052,941.40	605,205.85	1,845,021.31	6.70%	New PT Position; Pool Wages
Library*	999,703.34	334,289.28	1,415,152.07	2.41%	Projected wages & benefits
Museum	359,057.85	289,845.87	649,603.71	-1.52%	
Airport	389,193.98	472,483.90	861,677.89	-43.80%	Capital Proj to Funds 015 & 320
Cemetery	189,302.78	225,671.81	421,081.79	-4.42%	Move of Capital to Fund 015
Total	2,990,199.35	1,927,496.71	5,192,536.77	-4.56%	

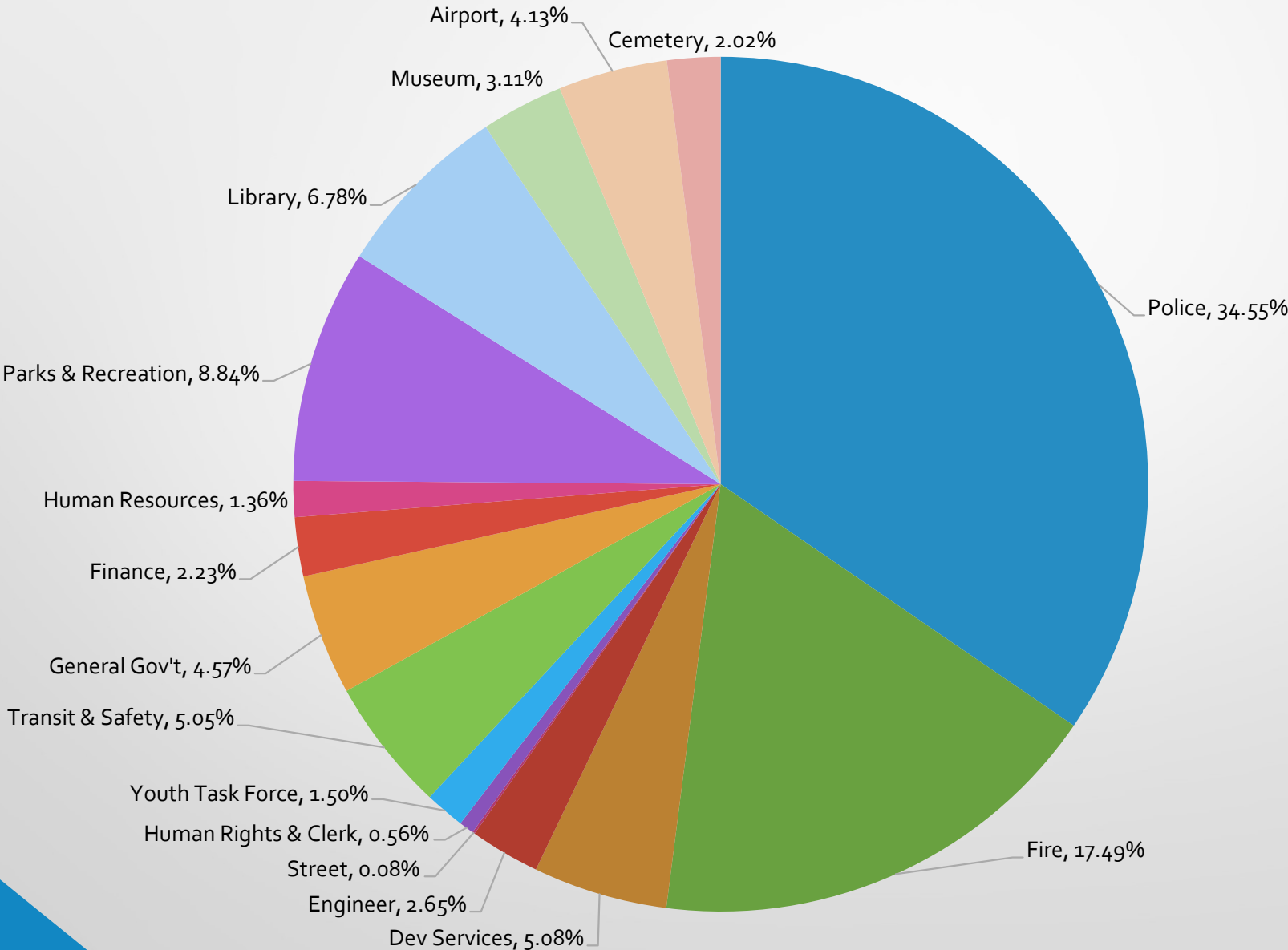
* Non-Property Tax Revenues for Library includes the Library Levy approved by voters (\$0.14/\$1,000)

This analysis is skewed this year as we change how we budget for capital projects (especially for Airport). Future budget processes using this model will allow for much better year-to-year comparison and analysis.

General Revenues by Type, FY24 Budget



City of Mason City: General Fund Expenditure Share by Dept- FY24



Outside Entity Funding

Hotel/Motel Tax	FY23	FY24	FY24	
<u>Grantee</u>	<u>Approved</u>	<u>Requested</u>	<u>Proposed</u>	<u>Public Purpose</u>
Visit Mason City (45%)	297,000.00	337,500.00	337,500.00	Promote Tourism
MC Youth Baseball	10,000.00	15,000.00	10,000.00	Promote Tourism
North Iowa Corridor	160,000.00	180,000.00	180,000.00	Promote Economic Dvpt
Main Street MC	42,500.00	45,000.00	42,500.00	Promote Tourism & Ec Dvpt
Senior Center	15,000.00	16,000.00	15,000.00	Promote Community Vitality
RC Sculptures	15,000.00	15,000.00	15,000.00	Promote Tourism
NI Events Center	10,000.00	10,000.00	10,000.00	Promote Tourism
NIACC Pappajohn	10,000.00	10,000.00	10,000.00	Promote Economic Dvpt
Northern Lights Homeless Shelter		10,000.00		
RCR Debt Transfer	70,000.00			
Recreation	60,000.00	80,000.00	80,000.00	
	689,500.00	718,500.00	700,000.00	

Tax Rate Comparison: Current vs. Proposed

	FY23	FY24
General	8.10000	8.10000
Library	0.14000	0.14000
Emergency	0.27000	0.27000
Trust & Agency	2.71578	2.33362
Tort Liability	0.24476	0.23908
Debt Service	2.52692	2.90530
City Rate	13.99746	13.98800

Employee Health Insurance Budget

- Revenues: \$6,017,505.89
- Expenditures: \$6,086,500.00
- Projected FB @ 7/1/23: \$2,135,343.22
- Projected FB @ 6/30/24: \$2,066,349.11
- Rate Increase of 5% at 7/1/23

Premium Contributions for FY24

- Retirees: \$197,378.16 (100% of applicable premium)
- Employees: \$860,222.51 (Transitioning to 19%)
- City: \$3,380,731.47 (Transitioning to 81%)

Road Use Tax Fund

- ▶ Revenues: \$3,840,440.00
- ▶ Expenditures: \$4,279,476.93
- ▶ Projected FB @ 7/1/23: \$3,047,730.36
- ▶ Projected FB @ 6/30/24: \$2,608,693.44
- ▶ All bond funds have been moved out of Road Use and into Fund 320, G.O. Capital Projects.

LOSST Debt Issuance

- To assist in financing the Bike North Iowa/ Destination Iowa improvements (totaling around \$12 million), we are planning on an approximately \$6.6 million revenue bond issuance.
- Will be repaid in full by LOSST over 15 years; not a general obligation of the City.
- The financing includes a debt service reserve to be deposited in new Fund 123. Debt payments will be made from new Fund 122, LOSST Debt Service.

Debt Service Fund

- Total debt service payments for year: \$7,742,462.50.
- Planned Debt Issuance:
 - We expect a 2023 General Obligation issuance for \$9.4 million, with payments to begin in FY24.
- Total DS Levy responsibility: \$3,784,327.
- Total levy requested is 2.90530, higher than the current year but within our policy range.
- We project to be at 59.73% of our legal debt limit at year-end. Our self-imposed limit is 70% of the legal debt limit, with the goal over the next few years being to stabilize debt at about 50% of the legal limit.

Water Fund Budget

- ▶ Revenues: \$7,569,603.12
- ▶ Expenditures: \$8,693,843.97
- ▶ Projected FB @ 7/1/23: \$3,190,325.33
- ▶ Projected FB @ 6/30/23: \$2,066,084.48
- ▶ We have a major spend-down of fund balance due to funding needed for major water capital projects.
- ▶ Capital projects will now be expended from new Fund 603.
- ▶ Year 2 of 5-year rate plan- 2.5% increase.

Sewer Fund Budget

- Revenues: \$5,905,237.81
- Expenditures: \$6,403,801.56
- Projected FB @ 7/1/23: \$1,604,241.85
- Projected FB @ 6/30/24: \$1,105,678.09
- Capital projects will now be expended from new Fund 613.
- Year 2 of 5-year rate plan- 3.5% increase.
- We anticipate the initiation of proceedings for a Planning & Design Loan for the Nutrient Reduction improvements in the near future, with a plan to borrow \$750,000 toward planning & design costs in FY24.

Storm Sewer Fund Budget

- Revenues: \$444,110.00
- Expenditures: \$306,154.16
- Projected FB @ 7/1/23: \$159,862.79
- Projected FB @ 6/30/24: \$297,818.62
- All bond funds have been moved out of fund.
- Wages & projects related to storm sewer maintenance were moved from Road Use to this fund for the FY23 budget, and we show this continuing.
- Year 2 of 5-year rate plan- 2% increase.

Sanitation Budget

- Revenues: \$1,883,173.20
- Expenditures: \$2,026,158.67
- Projected FB @ 7/1/23: \$282,343.77
- Projected FB @ 6/30/24: \$139,358.30
- Fund balance is draw down due to 2 truck purchases in 2 fiscal years.
- Year 2 of 5-year rate plan- 3% increase.

Ambulance Budget

- Revenues: \$2,919,420.29
- Expenditures: \$2,942,036.08
- Projected FB @ 7/1/23: \$492,918.62
- Projected FB @ 6/30/24: \$470,302.83
- We have proposed to pay for an ambulance in FY24 with bond funds due to the drawdown of fund balance over the past two years.
- Includes \$110,000 Federal Grant for training.

Golf & Arena Budget

Golf

- Revenues: \$532,963.76
- Expenditures: \$532,963.76
- Budgeted Transfer In: \$13,303.76

Arena

- Revenues: \$782,802.71
- Expenditures: \$879,091.26
- Budgeted Transfer In: \$120,000.00
- Fund balance at 6/30/24: \$153,948.89