

MARSHALLTOWN

— I O W A —

Joel Greer, Mayor
Jessica Kinser, Administrator
Diana Steiner, Finance Director
24 North Center Street
Marshalltown, IA 50158-4911
Tel - (641) 754-5760
Fax - (641) 754-5781

FINANCE DEPARTMENT

May 22, 2019

To: Mayor Joel Greer
Members of the City Council

From: Diana Steiner, Finance Director

Re: FY2019 Budget Amendment

Policy Issue: The Council must approve an amended budget after a public hearing. By approving the budget, Council gives the authority to City staff to spend up to the amount approved within the 9 function areas.

Recommendation: Consider proposed amended budget for the current fiscal year after the public hearing at May 28, 2019 at 5:30 p.m.

Background: There will be no increase in property tax levies due to the proposed budget amendment. Any increase in expenditures will be met from the increased non-property tax revenues and cash balances not originally budgeted. A budget will have to be amended when the budgeted expenditures by function are expected to exceed the amount originally budgeted for that function. Due to the tornado disaster and other costs that are now known, a budget amendment is necessary. Staff provided the re-estimated budget information for FY19 in reports given to you while discussing the FY20 budget. We now want to incorporate those changes officially into the FY19 budget. There have also been some other changes made, such as an increase in our general liability insurance, increase in payments expected to be made to Marshalltown Visitors Bureau since our revenue for hotel/motel tax has increased, expenses from new grants/donations, additional expenses and more accurate estimates related to the tornado repairs and cleanup, etc. Most of the related FEMA revenues from the tornado are not budgeted to be reimbursed this fiscal year. See the handouts provided to you at the May 13, 2019 Council meeting for more detail.

Note that Marshalltown Water Works is part of our budget for state reporting purposes. There is no change to their budget. Their revenues are \$4,738,193 and expenditures are \$4,365,718.

The "City Budget Amendment and Certification Resolution" form is our first and only amendment for this fiscal year. The first column is the original FY19 budget as certified in March of 2018. The middle column shows the changes and the last column is the amended budget proposed.

Budget Impact: Revenues have increased primarily due to insurance proceeds from the tornado, new grants/donations, increased Road Use Tax and Local Option Sales Tax, and interest income. Expenditures have increased primarily due to tornado related costs and new costs that are grant/donation funded.

Attachment: City Budget Amendment and Certification Resolution

cc: Jessica Kinser, City Administrator