

# MARSHALLTOWN

— I O W A —

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## FINANCE DEPARTMENT

February 10, 2022

To: Mayor Joel Greer  
Members of the City Council

From: Diana Steiner, Finance Director

Re: Discussion of FY22 Amended Budget and FY23 Budget for the Capital Funds

**Policy Issue:** Adoption of FY22 Budget Amendment and FY23 Annual Budget to be approved after the March 28, 2022 budget hearing.

**Recommendation:** This is a review of the proposed budgets related to the Capital Funds.

**Background:** Capital funds are used for large construction projects such as buildings, bike trails, streets, parks, airport, etc. The revenue stream for these projects are donations, grants, and borrowed funds. Please refer to the Capital Improvement Plan (CIP) distributed at the January 24th Council meeting for more detail of the project

Department Directors and the City Administrator developed the budget amounts based on known or projected resources. In the attached budget comparison report, the first column shows the actual activity for FY21. The second column shows the adopted budget for FY22. The third column is the year-to-date activity through December (6 months of the fiscal year). The fourth column is a re-estimate of the FY22 budget. The fifth column is a proposed FY23 budget. The sixth column shows the dollar increase between columns five and four. The seventh column shows the percent increase between columns five and four.

Fund 300 CIP Collection Fund: This fund shows the amount of property taxes related to the capital projects maximum levy of 67.5 cents per \$1,000 of taxable valuations and projected backfill revenues. As needed, these collections are transferred to funds 030 (Capital Reserve CIP) and 032 (CIP Large Vehicle/Equipment) to pay for larger equipment purchases outside of the regular department operating budgets.

Fund 310 Federal Street Grants: The FY22 expenditure is for the Center St Viaduct.

Fund 311 RISE Street Grant: This is for the Edgewood Street extension.

Fund 312 Airport Project Fund: This includes the Maintenance Hangar & Terminal & Vault project. A federal and state grant will fund a portion of the project. Two million of bond funds were issued in FY21 to support this project. Other projects include signage and restrooms.

Fund 320 Special Assessment Projects: Funds are being collected for residential sidewalk assessments.

Fund 340 Bike Path Project Fund: Construction of bike paths paid for with grants and donations. The next phase will start in FY23.

Fund 341 Trees Forever Project: Funded by grants and donations. Trees are primarily planted in parks.

Fund 350 GO Bonds Capital Projects: Sidewalks not eligible to be paid out of Road Use Tax fund

Fund 354 Police & Fire Station: The budget is proposed to zero out at the end of FY22, assuming some lingering building issues on the PD side and sidewalks are completed, along with all litigation.

Fund 355 D&D: Used to remove dangerous and dilapidated (D&D) housing. Funding comes from the remaining Solid Waste fees at the end of the fiscal year, which is transferred in from the General Fund (approximately \$20,000). \$250,000 was reallocated to this fund from the 2019 Bond, \$1,050,000 was allocated from the 2021 bond, and based on discussions with Council \$600,000 may be allocated when the 2022 Bond is issued.

Fund 360 2019 GO Bond Projects: Expenditures for street improvements, sidewalks, Park 101, Farmers Market Improvements, etc.

Fund 361 Library Addition: On hold. This would require a public hearing. Estimated cost was \$1,675,000.

Fund 362 2020 GO Bond: This includes projects such as the Railroad Crossing Safety Improvements, Trail Replacement, Parking Lot Replacement on the Sixth Street Complex, etc

Fund 363:2021 GO Bond: \$9.5M in bond proceeds were received in FY22. Expenditures budgeted include S. Center St. Viaduct, State and E. Boone reconstructions, other street improvements \$1.05M was transferred to Fund 155 D&D.

Fund 364 2022 GO Bond: The issuance of a \$10M bond has been discussed with Council for budgeting purposes but no public hearings have been held yet. The proposed projects include park improvements, trail connection, parking lot sidewalk gap projects, D&D buildings, and a splash pad.

Fund 381 2019 Street, Sidewalk, Parking Lot Projects: This includes a parking lot innovation at 1<sup>st</sup> & Church St, the 12<sup>th</sup> Ave. sidewalk/trail installation

Fund 383 Coliseum Remodel: Expenditures primarily include equipment purchases and repairs.

Fund 389 American Rescue Plan (ARPA): The City received \$1,993,589 this fiscal year and will receive the same amount next fiscal year. The funds are budgeted to be spent in FY23 for the Edgewood Extension and State Street Reconstruction, as well as revenue replacement in the General Fund for \$288,147.

Fund 392 TIF District III Cap Projects: Funds remaining from a prior year project.

Fund 395: Economic Development Projects: Includes S. 7<sup>th</sup> Ave extension, Unity Point Secondary Access Road, E. Merle Hibbs, and Creekside Estates.

**Attachment:** Capital Funds Budget Comparison Report FY23

cc: Jessica Kinser, City Administrator