

MARSHALLTOWN

— I O W A —

City Administrator's Office

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To: Mayor Greer and the City Council
From: Jessica Kinser, City Administrator
Date: January 6, 2023
RE: CIP FY23 to 27- FIRST DRAFT

Attached with this memo you will find three documents which comprise the first draft of the City's Capital Improvement Plan (CIP) which re-estimates the current fiscal year and plans projects and funding for the next 4 fiscal years.

1. Projects by Fund- shows where the money comes from and what it is proposed to be used for. Some projects have funding from multiple funds and will appear in multiple funds. This report should always tie back to the Tyler financial system budget reports.
2. Project Worksheets- provides detail for each specific project, including descriptions and justifications. The funding sources for each project are identified near the bottom of each page. This could not be generated by fund and only by department, so they do not appear in an order that corresponds to the first report. To find a project in the many pages, I recommend using the search function in Adobe to get to what you are looking for.

We would typically use the first draft of the CIP to go through the debt capacity workbook. We are unable to present this at this time because we have not received the property tax valuations from the County Auditor's office in time to prepare for this meeting. Fund 353 is where we have placed future projects proposed for borrowing for your review.

The following are items to note for each of the funds presented:

- Fund 030- The revenue source in this fund is the CIP tax levy (\$0.675/\$1,000 of taxable valuation) and is used to fund the regular capital needs of departments rather than the General Fund (001). 15% of the funds are to be used for large capital equipment purchases, which we are showing in Fund 032. This fund will change as it is dependent on tax valuations yet to be received. Once revenue numbers are known, the negative balance in FY25 will be addressed.
- Fund 031- This is the Building Maintenance Fund, and is typically funded by the sale of City-owned buildings or other fixed assets. This list of projects is more robust than in prior years thanks to Heather and David Deemer. We will be bringing a proposal to the Council in 2023 to conduct an overall facilities study

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and maintenance plan which will add to this listing. At this time we only have enough funding to cover fiscal year 2024. Staff has not prioritized the projects listed.

- Fund 032- This fund is only for the accounting of the purchase of larger dollar Fire vehicles, with the next to occur in fiscal year 2026. 15 percent of the CIP tax levy is coming into this fund. **This fund will change as it is dependent on tax valuations yet to be received.**
- Fund 110- The Road Use Tax fund captures many projects. Large projects to note are the repayment of the work to occur on Highway 14/South Center Street (3 installments) and Railroad Crossing Safety Improvements/Quiet Zone (work outside of railroad right-of-way). Change orders for the Edgewood Extension outside of Capital LOST will also come from this fund. Road Use Tax also pays for all equipment necessary for the Engineering, Street and Utility divisions of Public Works.
- Fund 121- This accounts for the LOST- Capital designated funds, which is no longer a funded category. Projects to utilize these funds include the Edgewood Extension (local, non-eligible grant costs) and South 7th Avenue Extension. The balance on the fund is -\$71,500 to show that the Capital funds are fully-designated and the source of the City Hall Parking Lot is Council-designated LOST.
- Fund 132- Two projects are partially accounted for in this fund- the CDBG funds for Elks Park and DOT Traffic Safety Improvement grants, which is active for a traffic signal controller project currently. This fund also accounts for non-capital grants as well so more activity will show in the Tyler budget reports.
- Fund 133- This fund is showing this year to account for the federal and state hazard mitigation funds coming in for the Coliseum Generator. The expenses are spread over three funds (031, 133, 140). The fund does account for other federal grants that are not capital-related, so the financial reports will show activity not shown in the CIP.
- Fund 145- This fund is new for fiscal year 2024. This is the Tornado fund that accounted for FEMA projects as well as insurance proceeds. The donated resources will be fully received in the current fiscal year, so we are proposing using those funds and the equipment reimbursement funds to pay for equipment replacement for those used in the tornado response. This includes a truck for Parks and multiple pieces of equipment for the Street Department.
- Funds 151, 152 & 177- These fund accounts for Police special revenues, of which some capital spending occurs. There are no planned purchases but this provides budgetary authority to make purchases.
- Fund 170- The Library Gift Fund includes donations to the Library which are then allocated to specific uses. The planned capital expenses include a portion

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remaining due on the Bookmobile and the construction of a garage for the Bookmobile. The Library is also planning to undertake an interior remodel to create more meeting spaces using donations.

- Fund 311- This fund is accounting for the Edgewood Extension project. All federal and state grants will flow through this fund. The local portion of the project is shown in Fund 121 and 110.
- Fund 312- This is the Airport capital fund and is showing the activity for the terminal and hangar project that remains in this fiscal year. It is also showing future FAA CIP projects and the associated federal revenue and costs, which have a local match in Fund 353.
- Fund 353- This fund is a “holding” fund for future projects for which general obligation bonds are the proposed funding source and the debt service levy is the proposed repayment source. This includes a number of park projects as well as street and other infrastructure. We will discuss these items in more detail with the Debt Capacity Workbook, but the individual project worksheets have more detail for the proposed projects.
- Fund 355- The Dangerous and Dilapidated (D&D) Building Fund reflects the revenue transferred from the General Fund as well as recent bond revenues. A significant amount of work is occurring in the current fiscal year, with lesser amounts moving forward. It is estimated that the fund will run out of money in FY25, so a borrowing is proposed for FY26 (see fund 353).
- Fund 360- This fund accounts for the bond proceeds and projects from the 2019 GO Bond. Recent Council actions moved different projects into this fund that had actual expenditures in place of projects that were still budgeted but had no expenditures. This was done to avoid owing the IRS the difference between interest earned on the funds and the interest paid on bond. This fund is considered closed ending fiscal year 2023.
- Fund 362- This fund accounts for the 2020 GO Bond and projects. The only project not complete in this fund is the Railroad Crossing Safety Improvements/Quiet Zone. This is still scheduled to occur but we are experiencing difficulties with Union Pacific on approvals.
- Fund 363- This fund accounts for the 2021 GO Bond projects, including State Street and the Center Street Viaduct. Other bond projects have been swapped between funds to use up older dollars first. This is true for some Police and Fire Building projects, which were moved from Fund 354. As noted earlier, Fund 360 had projects moved to this fund, including Kiwanis Park, Park 101, and the Farmer’s Market.
- Fund 389- This fund accounts for the American Rescue Plan Act (ARPA) funds, which are currently allocated to the State Street project and the Edgewood

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detention pond project. An explanation of the remaining balance can be found on the fund sheet.

- Fund 395- This is the fund that we capture a number of our economic development-related street projects in, including South 7th Avenue and Creekside Estates, which will both have developer payments to the City.
- Fund 612- This fund contains capital projects related to the Wastewater Treatment Plant. The larger SRF-funded projects have been moved to other wastewater funds.
- Fund 615- This fund is accounting for two major projects – the point-in-place repair project and the Treatment Plant headworks project. Both are being funded mostly by a loan from the State Revolving Fund, with some additional cash on-hand supporting the unfunded portions.
- Fund 616- This fund includes projects which have sanitary sewer costs associated with them, like State Street and South 7th Avenue Extension. This fund is also the home to a manhole rehab project in FY25-27.
- Fund 690- The Transit Fund captures capital purchase that support Marshalltown Municipal Transit. Bus replacements are set to occur in FY24 and FY26, which will have an 85% federal grant for the standard length, and local cost for the remainder (and extra length as proposed).
- Fund 740/741- The Stormwater Fund includes equipment, vehicles, repairs, and maintenance for the stormwater collection system and lift stations. The 4th Street/Meadow Lane project is set to finish this year. The next large projects are actually shown in Fund 353, which would be State Street storm outlets in FY25 and 26.
- Fund 750- Compost activities are accounted for in this fund, which are supported by user fees of the Compost Facility. The current fiscal year includes a compost turner, using fund balance. Future years would be paid for with user fees from a future year if no fund balance accrues over time.

This is the first draft of the Capital Improvement Plan. The second draft will come back to the Council at the January 23rd meeting. Our objectives at that meeting will be a review of the debt capacity worksheet and changes to existing projects. If there are additional projects the Council would like to discuss, please let me know before the January 23rd meeting to call out as a special discussion item.

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