City of Indianola
FY2021 Environmental Scan

CITY COUNCIL MEETING
19 AUGUST 2019
Agenda Items

• Current Status
• Revenue Forecasts
• State and National Review
• Important FY21 Budget Notes
• Upcoming Budget Process
Annual Revenues and Expenditures

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues</th>
<th>Expenditures</th>
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</thead>
<tbody>
<tr>
<td>2016</td>
<td>20,000,000</td>
<td>15,000,000</td>
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<tr>
<td>2017</td>
<td>25,000,000</td>
<td>20,000,000</td>
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<tr>
<td>2018</td>
<td>22,000,000</td>
<td>18,000,000</td>
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<tr>
<td>2019 (UnAudited)</td>
<td>23,000,000</td>
<td>17,000,000</td>
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<tr>
<td>2020 (Budgeted)</td>
<td>24,000,000</td>
<td>16,000,000</td>
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</tbody>
</table>
Annual Revenues, Expenditures and Fund Balance

Revenues
Expenditures
Fund Balance
Annual Revenues, Expenditures, Fund Balance and Adjusted Fund Balance
Taxable Valuation

Difference is TIF Increment Valuation:
FY2020: $78,588,074
New SF Housing Permits in Indianola and Des Moines Metro

- **Indianola**
- **Des Moines Metro**

![Graph](image-url)
Road Use Tax Received

- Time-21 Legislation
- Growth at $25,000-$50,000 per year
- Next Jump After 2020 Census: Approximately $150,000
MEC Gas Franchise Fee

Likely Due to Warm Winter - Can Happen Anytime

Increase at Only 10,000-20,000 Each Year
Residential Sanitary Sewer Revenue

Sanitary Sewer Revenue Budgeted at 0% Increase
Local Option Sales Tax

Warren County Begins Collection

Budgeted at $800,000, Trend Shows over $1 Million; Estimate from IDR Received on Friday: $1,244,739 for August 2019 to July 2020
State and National Level

• State
  • $1.8 Million Federal Fine for SNAP program
  • Corn and Soybean Prices Lower
  • State Budget Constraints

• National
  • Markets Falling on Recession Fears
  • Trade Talks Seem Unproductive
  • MCA Passage Seems Uncertain
Important FY2021 Budget Notes

• Warren County Reassessment
  • Some impact—uncertain at this time

• Bond Rating Change from Aa3 to Aa2
  • Will assist with future borrowing interest rate
  • Will interest rates remain lower?
  • This is the best time for borrowing for larger capital project—low interest rates and high debt capacity

• Levy Rate Still Lower in cities over 6,500 in population including Norwalk, Grimes, Polk City, Adel, and Bondurant: 14th lowest out of 62 cities
<table>
<thead>
<tr>
<th>Event/Purpose</th>
<th>Date/Deadline</th>
<th>Responsibility</th>
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</thead>
<tbody>
<tr>
<td>Environmental Scan</td>
<td>Today</td>
<td>Finance Director</td>
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<tr>
<td>Presentation</td>
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<tr>
<td>CIP Requests</td>
<td>October 30</td>
<td>Department Heads</td>
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<tr>
<td>CIP Presentation</td>
<td>September 21</td>
<td>Finance Director</td>
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<td>Salary and Benefit</td>
<td>November 15</td>
<td>HR/Finance</td>
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<td>Spreadsheet</td>
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<td>Non Profits Requests</td>
<td>December 1</td>
<td>Non-Profits</td>
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<td>Department Head Discussions</td>
<td>December 1-15</td>
<td>Finance Director/City Manager/Department Heads</td>
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<tr>
<td>New Required Revenue Public Hearing</td>
<td>January or March 2020</td>
<td>Finance Director</td>
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<tr>
<td>Budget Drafts and Discussions</td>
<td>January 24-February 7</td>
<td>Finance Director/Council</td>
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<td>Budget Workshops</td>
<td>January 20/February 17</td>
<td>Finance Director/Council</td>
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<td>Budget Hearing/Adoption</td>
<td>March 16</td>
<td>Finance Director/Council</td>
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<td>Budget Submission Deadline</td>
<td>March 31</td>
<td>Finance Director</td>
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