

CITY OF MARSHALLTOWN
COUNCIL AGENDA
CITY HALL COUNCIL CHAMBERS
10 W STATE STREET
OCTOBER 22, 2018, 5:30 PM

A. NOTICE TO PUBLIC

The Mayor and City Council welcome comment from the public during discussion of any of the agenda items. You are required to step to the microphone, state your name and address for the record and to limit the time used to present your remarks 3 minutes or less in order that others may be given the opportunity to speak. All speakers shall speak clearly and direct their comments to the Mayor and City Council and not to any Councilor specifically. It is at the discretion of the Mayor and Council to respond to specific questions and comments or to have staff respond during the meeting.

B. CALL TO ORDER

Mayor Joel T.S. Greer

C. PLEDGE OF ALLEGIANCE

D. ROLL CALL

Cahill, Gowdy, Hoop, Isom, Lamer, Martin, Wirin.

E. MAYOR, COUNCIL AND ADMINISTRATOR COMMENTS

F. CONSENT AGENDA

1. Approve 10/8/2018, Council Minutes

Documents:

[2018-10-08 Council-minutes.pdf](#)

2. Approve Bill List In The Amount Of \$1,192,684.76

Documents:

[2018-10-22_BillList.pdf](#)

3. Approve July 2018 Financial Statements

Documents:

[July 2018 Financials Memo.pdf](#)
[July 2018 Financial Statements.pdf](#)

4. RESOLUTION 2018-186 APPROVING AN AGREEMENT FOR TOBACCO ENFORCEMENT SERVICES BETWEEN THE CITY OF MARSHALLTOWN, IOWA, AND THE IOWA ALCOHOLIC

BEVERAGES DIVISION, STATE OF IOWA, CREATED PURSUANT
TO CHAPTER 28E.12 OF THE IOWA CODE

Documents:

[Iowa ABD Tobacco Enforcement 28E.pdf](#)
[FY 19 ABD Enforcement Agreement and Handbook.pdf](#)
[10-22-2018_RES Appv 28E Agreement Tobacco
Enforcement FYE 2018.pdf](#)

5. RESOLUTION 2018-187 ACCEPTING BID AND AUTHORIZING
THE PURCHASE OF ONE 2010 DODGE RAM 1500 SLT TRUCK
FROM JENSEN FORD FOR THE PRICE OF \$18,000.00 FOR USE
IN THE POLICE DEPARTMENT AS A PARKING ENFORCEMENT
AND POOL VEHICLE.

Documents:

[MPD Parking Enforcement Vehicle Purchase.pdf](#)
[10-22-2018_Resolution for purchase of Dodge Ram Parking
Enforcement Vehicle.pdf](#)

6. Approve Alcohol License Renewals - December Renewals
Haley's Deli BBQ and Catering, Plaza Mexico.

G. MOTIONS

1. Approve New Liquor License "OPA GRILL LLC" 4 W Boone St,
Special Class C Liquor License

Documents:

[rptLicenseApplication.pdf](#)

H. RESOLUTIONS

1. RESOLUTION 2018-188 APPROVING IOWA DEPARTMENT OF
TRANSPORTATION PRE-CONSTRUCTION AGREEMENT FOR
IMPROVEMENTS TO HIGHWAY 14

Documents:

[Res IDOT Precon Agreement for Hwy 14.pdf](#)
[2019-6-010_Marshalltown.pdf](#)
[Memo Hwy 14 PreCon Agreement.pdf](#)

2. BOND SERIES 2018

Two Public Hearings and a Resolution:

A) PUBLIC HEARING: GENERAL OBLIGATION LOAN
AGREEMENT, UP TO \$600,000

B) PUBLIC HEARING: ESSENTIAL PURPOSES LOAN
AGREEMENT, UP TO \$2,400,000

RESOLUTION 2018-189 SETTING DATE FOR SALE OF
\$2,400,000 GENERAL OBLIGATION CORPORATE PURPOSE
BONDS SERIES 2018, AND APPROVING PRELIMINARY

OFFICIAL STATEMENT

Documents:

[Res to Set PH on Sale of 2018 GO.pdf](#)

[Preliminary Official Statement 18 Marshalltown 2.4m GO.pdf](#)

3. RESOLUTION 2018-190 SETTING A DATE FOR A PUBLIC HEARING ON AN OFFER TO PURCHASE CITY-OWNED PROPERTY LOCATED AT 213 EAST MAIN STREET

Documents:

[Res to Set PH for Disposal of 213E Main.pdf](#)

[Cohen-Esrey Response 213 E Main.pdf](#)

4. RESOLUTION 2018-191 EXPRESSING INTENT TO CONSIDER A DEVELOPMENT AGREEMENT WITH COHEN-ESREY DEVELOPMENT GROUP, LLC FOR THE CONSTRUCTION OF AFFORDABLE HOUSING UNITS

Amended Resolution

Documents:

[Res of Intent for Cohen Esrey.pdf](#)

[TIF_Marshalltown_CohenEsrey_Signed.pdf](#)

5. RESOLUTION 2018-192 RESOLUTION EXPRESSING INTENT TO CONSIDER A DEVELOPMENT AGREEMENT WITH CONLIN DEVELOPMENT GROUP, LLC FOR THE CONSTRUCTION OF AFFORDABLE HOUSING UNITS

Documents:

[Res of Intent for Conlin Properties.pdf](#)

[Marshalltown City Council TIF Request from Conlin 10-18-18.pdf](#)

I. DISCUSSION

1. Discussion - Airport Hangar Project

Documents:

[10-22-2018_2018-_Airport Hangar 10-17-2018_Airport Hangar Sizing and Funding Memo.pdf](#)

[10-22-2018_2018-_Airport Hangar Funding Scenarios.pdf](#)

[10-22-2018_2018-_Airport Plane Size documentation.pdf](#)

[Memo on Airport Hangar Construction.pdf](#)

2. Discussion Of Proposals Received For Purchase Of 12, 20, And 26 East State Street

Documents:

Memo on Sale of State St Properties.pdf
CGA Proposal - 12 E State.pdf
Merge Proposal - 20, 26 E State.pdf
Eaton Proposal - 12,20,26 E State.pdf

J. **PUBLIC COMMENT**

Members of the public may make comments on any item which was not on the agenda during this time. The speaker shall approach the microphone, and state his or her name and address. Comments shall be limited to three minutes, unless a longer comment is authorized by the Mayor. The speaker shall direct comments to the Mayor and to the Council as a whole. The Mayor and Councilors shall not engage in discussion or debate on items raised by members of the public, and no action may be taken on items raised in public comments in order to comply with open meetings laws.

K. **ADJOURN**

Please visit the City's website for the complete agenda packet and to subscribe to agenda notices and department news. www.marshalltown-ia.gov

Council Proceedings
October 8, 2018

Pro Tempore Mayor Wirin called the meeting to order at 5:30 PM, October 8, 2018, in the Council Chambers at 10 W State Street and led the pledge of allegiance. Roll call- Present: Cahill, Hoop, Isom, Lamer, and Wirin. Absent: Gowdy and Martin. Council member Cahill recognized the UAW food box distribution program which is helping up to 90 families each week.

CONSENT AGENDA:

Lamer requested item 5 be held for further discussion. Isom moved to adopt the consent agenda as amended: Approve 9/24/18 and 10/1/18 Council Meeting Minutes; Approve Bill List in the amount of \$2,267,595.32; Receipt of Building Permit Report, September 2018; Resolution 2018-173 Declaring a Parks and Recreation Vehicle and a Mower Surplus and Accepting Disposal of Each Item; Resolution 2018-175 Accepting a Bid of \$73,700 from Iowa Demolition to Demolish the City Hall Annex and Accepting the Actual Cash Value Payment for the Damage; second by Lamer. Motion carried 5-0.

Isom moved to adopt Resolution 2018-174 Accepting an Actual Cash Value Payment of \$692,571.96 for the Senior Citizens Building. In discussion, Lamer questioned the dollar amount of the actual cash value compared to the insured value. Isom asked City Administrator Jessica Kinser if she had met with the two senior groups that were tenants in the building. Kinser state that she had and the meetings went well regarding the current and future locations of each tenant. Following Council discussion, public comments were made by the following: Jim Landt, 610 North 4th Avenue, stated the City should be getting more money from the insurance company and should have kept the building in better repair; Linda Clark, 306 South 2nd Avenue, presented petitions signed by 421 individuals to keep the building; Kathy Waltemeyer, Marshalltown, commented that the cost to run the building is minimal per resident over age 55 and that most City facilities are not profitable so why focus on the Senior Citizens Building. Cahill seconded the motion. On roll call, motion passed 4 – 1, with Lamer dissenting.

MOTIONS:

Motion by Lamer to accept the Wayfinding Master Plan. Casey Byers with Bolton & Menk gave an overview of the final report and the concepts that had been developed for monuments and building, park and directional signage. In public comment, Anna Wolvers, 213 Thomas Dr., questioned the timing of this plan when the rebuild from the tornado is not yet complete and said she felt the current signage is acceptable; Karn Gregorie, Martha Ellen Tye Foundation, commended the Council for having a plan to move forward with when ready and acknowledged the Foundation's financial contribution to the Plan. Seconded by Isom. Motion carried 5-0.

REPORTS:

Jenny Etter, Executive Director of the Marshalltown Central Business District, updated the Council on Downtown following the tornado. She has met with more than 60 business and building owners and the organization is now actively granting out the donations they received as a result of the tornado. October 13th is Marshalltown Strong Day, with the Holiday Stroll scheduled for November 17th from 4-8pm.

RESOLUTIONS:

Lamer motioned to adopt Resolution 2018-176 Approving an Amended Engineering Services Agreement #2 for the Marshalltown High Street Drainage Project # BLD17001 for Bolton & Menk, an Increase of \$11,950.00. Seconded by Isom. Resolution approved 5-0.

Isom motioned to adopt Resolution 2018-177 Approving Contract Change Order for the Police & Fire Headquarters Project # BLD17001 BP#6-1 General Supplies for Garling Construction, an Increase of \$2406.82. Seconded by Lamer. Resolution approved 5-0.

Lamer motioned to adopt Resolution 2018-178 Approving Contract Change Order for the Police & Fire Headquarters Project # BLD17001 BP#9-1 Gypsum Wall Assemblies for Hilsabek Schacht, Inc., an Increase of \$815.00. Seconded by Isom. Resolution approved 5-0.

Cahill motioned to adopt Resolution 2018-179 Approving Contract Change Order for the Police & Fire Headquarters Project # BLD17001 BP# 22-1 Plumbing & Mechanical for Tony's Plumbing & Heating LLC., an Increase of \$1352.00. Seconded by Isom. Resolution approved 5-0.

Isom motioned to adopt Resolution 2018-180 Approving Contract Change Order for the Police & Fire Headquarters Project # BLD17001 BP#26-1 Electrical Communications & Security for Devries Electric an Increase of \$16,613.44. Seconded by Lamer. Resolution approved 5-0.

Cahill motioned to adopt Resolution 2018-181 Approving Contract Chamber Order for the Police & Fire Headquarters Project # BLD17001 BP#3-1 Concrete Foundations for Caliber Concrete, an Increase of \$1346.00. Seconded by Isom. Resolution approved 5-0.

Lamer motioned to adopt Resolution 2018-182 Approving Contract Change Order for the Police & Fire Headquarters Project # BLD17001 BP#2-1 Site Demolition and Earthwork for CON-STRUCT, Inc., an Increase of \$469.38. Seconded by Cahill. Resolution approved 5-0.

Isom motioned to adopt Resolution 2018-183 Approving Contract Change Order for the Police & Fire Headquarters Project # BLD17001 BP#9-3 Painting for Heartland Finishes, an Increase of \$1235.00. Seconded by Cahill. Resolution approved 5-0.

Isom motioned to adopt Resolution 2018-184 Setting Date for Public Hearing on Offer to Purchase City-Owned Property Located at 22 North Center Street. In Council discussion, David Hicks, Executive Director of Youth and Shelter Services of Marshall County answered questions. Cahill and Wirin inquired as to what needed to be done for code compliance and improvements and how those would be funded. Hicks stated that ADA compliance and some electrical/technology upgrades would be useful and they are working with different funders on possible grants. Lamer stated that he would like to see the City have a formal review and estimates for the building improvement costs before moving forward. In public comments, Anna Wolvers, 213 Thomas Dr., stated the bid of \$35 was too low; Mark Eaton, 1007 S. 10th Ave., questioned the City's proposal to spend \$183,000 on updates to City Hall by selling the building when it could be rented to YSS. Cahill seconded the motion. On roll call, resolution approved 4-1, with Lamer dissenting.

Isom motioned to adopt Resolution 2018-185 Terminating the 28E Agreement with the Marshalltown YMCA/YWCA for Operation of the Aquatic Center. In public comment, Shelli Lechnir, Aquatic Director at the YMCA/YMCA, stated that lifeguard shortages were a nationwide issue and increasing the wages mid-season was too late to attract the staffing needed. She also stated that their insurance company has rated their lifeguard training program very highly; Anna Wolvers, 213 Thomas Dr., noted how difficult lifeguard training is and asked if the City would considered providing a Certified Pool Operator to provide services to a splash pad when built; Gary Thompson, 601 E. Main St., stated the Council should consider what happens with the ground lease before making a decision on the operations agreement. Hoop seconded the motion. On roll call, resolution approved 4-1, with Isom dissenting.

DISCUSSION:

City Administrator Kinser brought forth a proposal to sell four parcels of City property (12, 20, and 26 East State Street and 213 East Main Street) in the downtown area by way of a Request for Proposal process. Housing & Community Development Director Michelle Spohnheimer explained how the requests to purchase had come forth from developers interested in applying for the Low Income Housing Tax Credit program, which requires a site to be listed in the applications due November 1st. She stated there is interest from at least two developers. The following public comments were offered on the issue: Kathy Waltemeyer, Marshalltown, stated the previous discussion on the Senior Citizens Building was not genuine by having a discussion to sell the property on the agenda; Leigh Bauder, 401 Orchard Dr., stated the City should go back to the adjuster for more money on the value of the Senior Citizens Building and asked if selling the property with the building still standing is an option; Jim Landt, 610 North 4th Ave., questioned the value of the building prior to the tornado and stated the building is worth more fixed up than torn down; Tom Deimerly, Marshall Economic Development, let the Council know he had been working with the City and developers and that it is fiscally responsible for the Council to sell the lots and put them on the tax rolls; Linda Clark, 306 S. 2nd St., asked why YSS

cannot purchase the Senior Citizens Building instead of the Police Station. Motion by Cahill to direct staff issue the Request for Proposals for each parcel. Seconded by Isom. Motion approved 5-0.

Chief David Rierson discussed the survey results from the Open Burning survey, which had 566 responses. The results were overwhelmingly in favor of keeping open burning. Of those that were in favor of open burning, most did not want to see any restrictions placed on the timeframe. Chief Rierson is recommending that burning of garbage remains prohibited, and burning of yard waste continue to be allowed with some restrictions based on seasons when breathing and pulmonary issues are heightened. Specifically, the dates allowed are April 1st to June 30th and October 1st to November 31st, from 10 am to 7 pm daily, excluding holidays. This would continue to be limited to one-family dwelling units only, prohibited when atmospheric conditions make such fires hazardous (wind speed greater than 15 mph, extended dry weather conditions) and that burning must be at least 50 feet from any structure (on the ground) and 15 feet from any structure in an enclosed container. Motion by Cahill, seconded by Isom to direct staff to include the recommended parameters for open burning in an ordinance to adopt the 2015 International Building Code and Fire Code. Motion approved 5-0.

Kinser noted the Council was provided with the Third Quarter Strategic Plan Update in their packet. The tornado caused a change in the direction of the organization, which will be reviewed further in a strategic planning session.

PUBLIC COMMENT:

Gary Thompson, 601 E. Main Street, spoke about an email he had sent the Mayor and Council regarding the construction related closures in the 100 block of West Main Street. He requested that the Council establish an ordinance which prohibits a construction company from closing of the streets.

Duane Dixon, 200 S. 11th St., asked if dilapidated properties could be recommended to the Council, including 602 W. Boone St. and 519 S. 5th St. He also asked if the expansion joints on the Center Street viaduct had been reviewed and if the City can consider getting rid of the one way streets in Downtown.

John Blabaum, owner of 110 W. Main St., asked the Council to look into the construction closures that are blocking the street in front of his business.

Mark Eaton, 1007 S. 10th Ave., asked why the red placards were not being placed on other dangerous properties around the city including 1001 S. 10th Ave. and a house in the 300 block of Meadow Lane.

The meeting adjourned at 8:17 PM.

Respectfully submitted,

Jessica Kinser, City Administrator

CITY OF MARSHALLTOWN

ATTEST:

Joel T.S. Greer, Mayor

Shari L. Coughenour, CMC, City Clerk

BILL LIST - OCTOBER 22, 2018

Advertising		Wolfe.Clinic/4	105.00
T-R/11	2,030.59	Supplies/Parts	
Buildings/Improvements		Airgas.U.S.A./1	28.60
D.C.Taylor/2	116,554.79	Arnold.Motor.Su/16	1,265.04
Consulting & Professional Fees		Auto.Door.Group/1	977.34
Bolton&Menk.Inc/1	484.00	Barco.MuniProd/1	586.88
Fox.Engrg.Assc/1	3,990.00	Black.Hawk.Co/1	450.00
Howard.R.Green/1	16,923.20	Cntrl.IA.Distr/2	3,633.00
Iowa.One.Call/2	309.60	Cntrl.IA.Farm/3	771.52
Olsson.Assoc/2	11,156.91	Cntrl.Office/5	356.08
Story.Constr/1	63,260.88	Concrete/2	599.55
Contracts		Dave.Wright.Bui/1	100.00
01.Com.Inc/1	1,654.75	Dave.WrightCDRJ/4	1,140.04
Aramark.Unfrm/3	37.85	Ed.M.Feld.Eq/1	617.00
EVERY,L/1	4,995.00	Environ.Resourc/1	368.46
Backflow.Preven/3	1,230.00	Evergreen.Srv/1	2,817.50
Daves.Crane/1	1,950.00	Fastenal.Co/3	581.12
HANSEN,J/3	2,468.00	FBINAA/1	30.00
Hansen,S/2	1,422.00	Filtrat.Corp/1	71.45
Hotsy.Equipment/1	5,895.00	Galls.LLC/17	2,084.64
IA.Dpt.Safety/1	295.80	I.L.E.A./1	75.00
Koch.Brthrs/2	536.51	In.Stitches/1	140.00
M.I.C.A. Inc./1	200.00	Interst.Battery/1	197.40
Marsh.Co.Landfi/20	57,791.30	Jensen.Inc/1	41.34
Marshall.Co.Aud/2	13,411.00	Kriss.Premium/1	271.05
Mtn.Aviation/1	642.00	Marsh.Co.Engr/22	17,966.30
Network.Fleet/2	617.00	McAtee.Tire/1	22.50
RICOH.USA.INC/4	146.41	Midland.Scienti/2	191.98
Schumacher.Elev/2	421.45	Minuteman/1	39.45
Servicemaster/1	1,000.00	Motion.Industry/2	597.81
Stone.Sanit/1	1,664.25	Mtn.Aviation/1	64.20
Story.Co.Clrk/1	300.00	Napa.Auto/4	637.20
SUMNER.SRVC/1	3,759.80	Products.Inc./1	892.62
Thorp,R/3	128,705.07	Racom.Corp/1	215.00
Xerox.Corp/2	105.83	Robert.Hydraulq/1	150.00
Medical		Sandry.Fire.Sup/1	2,646.00
Cole,A/1	43.99	Sign.Creations/1	90.00
Occ.Med.Plus/2	906.50	Stop.Stick/1	28.00
Wellmark.Inc./1	21,265.77	Storey.Kenwrthy/2	416.58
Payroll.Deductions		Titan.Machinery/1	82.59
American.Educa./1	64.41	Traffic.Control/3	5,590.00
AXA/1	425.00	Verizon.Wireles/1	756.70
Collection.Svs./6	2,438.33	WW.Grainger/3	1,719.97
Colonial.Life/1	522.21	Ziegler/1	47.61
Fidelity.Securi/2	390.76	Zimco.Supply/1	560.00
Fire.Union.Dues/2	1,260.00	Travel/Training	
Galls.LLC/1	11.99	Petermeier,J/1	66.69
I.P.E.R.S./9	72,747.99	Ranson,R/1	93.68
I.R.S./9	76,336.62	Utilities	
IA.Treasurer/4	18,453.00	AlliantEnergy/58	32,362.84
ICMA.457/12	40,188.15	Consumr.Energy/2	436.40
M.F.P.R.S.I./4	117,599.50	Mtn.Wtrwrks/1	1,149.75
Meskwaki Nation/1	300.34	WoodRiver.Engry/3	556.95
Texas.Child.Sup/2	252.57	Total/459	1,192,684.76
TotalAdmin.Serv/4	7,683.94		
UAW.Local 893/1	148.48		
United.Way/4	831.54		
Payroll.Net			
Payroll/1	271,188.60		
Refund/Reimbursed			
Edgeton.M/1	21.56		
Rents/Leases			
Chicago.Hsg.Aut/1	1,890.00		
Farrell.Property/1	487.00		
Service/Repairs			
Arnold.Motor.Su/2	170.72		
Auto.Door.Group/1	282.98		
Beecken,H/1	820.00		
Century.Link/77	1,363.95		
Centurylink.Id/6	11.72		
Chicago.Hsg.Aut/1	72.62		
Cowan.Roofing/1	245.00		
Devig,T/5	535.00		
Dirt.to.Turf/3	2,005.00		
Gale-Hazen,E/1	75.00		
Gale-Hazen,K/1	165.00		
Hartwig.Plmbg/1	177.00		
Heart.of.Iowa/4	434.91		
IA.Pump.Works/1	6,438.43		
Jensen.Inc/1	252.98		
Language.Line.S/1	179.30		
LISKOWIAK,M/2	1,440.00		
McAtee.Tire/1	52.00		
Mtn.Aviation/2	1,799.95		
Nan.MckayAssoc/1	199.00		
Occ.Med.Plus/2	235.00		
Scharnweber.Wtr/1	27.00		
Servicemaster/1	11,332.98		
Startits,J/1	51.50		
US CELLULAR/1	211.65		



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

Oct. 12, 2018

To: Mayor Joel Greer
Members of the City Council

From: Finance Department

Re: July Monthly Financial Statements

Policy Issue: N/A

Recommendation: Staff recommends approving the July 2018 monthly financial statements.

Background: The Finance department has prepared and reconciled the July 2018 financial statements for your review. July is the beginning of our new fiscal year, so the monthly activity and year-to-date activity are the same. New fund numbers 145 (Tornado-General), 618 (Tornado-WPCP), 692 (Tornado-Transit), 742 (Tornado-Storm/Sewer), 751 (Tornado-Compost) were created to track the tornado activity. These were created to separate the special revenue fund (145) vs. the enterprise funds. Since the tornado happened July 19th, we did not pay very many bills related to it in July (most of the expense was for staff time). The attached reports include the following:

- Fund Balance Report, which includes the beginning balance at 6/30/18, the year-to-date revenues and expenses for 1 month and the ending fund cash balance.
- Cash & Investments Report, which includes current balances and interest rates for all city investments.
- Monthly Budget Report, which reflects monthly and year-to-date revenues and expenses by each fund and then in summary. If the YTD Activity amount is less than the YTD Budget amount, it will show as unfavorable for revenues and favorable for expenses.

Items of interest this month:

*The Police & Fire Building expenses were \$1,142,445, primarily from steel, masonry, roofing, walls, electric and plumbing work.

Attachment: July 2018 Financial Statements

cc: Jessica Kinser, City Administrator

City Council
Susan Cahill, Leon Lamer, Mike Gowdy,
Al Hoop, Gabriel Isom, Bill Martin, Bethany Wirin



MARSHALLTOWN

IOWA

FUND BALANCE REPORT AS OF 07/31/18

Fund	Beginning Balance	Total Revenues	Total Expenses	Ending Balance
001 - GENERAL FUND	1,556,085.70	237,198.42	1,234,999.87	558,284.25
010 - CASH FLOW RESERVE FUND	2,086,100.92	1,710.97	-	2,087,811.89
030 - CAPITAL RESERVE	224,801.61	216.43	87,411.95	137,606.09
031 - CAPITAL RSRV-BLDG MAINT	440,029.28	693.19	-	440,722.47
032 - CIP LARGE VEHICLE/EQUIPMENT	106,000.00	-	-	106,000.00
050 - COLISEUM ACTIVITY FUND	-	507.18	2,140.35	(1,633.17)
110 - ROAD USE TAX	4,534,210.54	262,766.97	69,021.86	4,727,955.65
112 - EMPLOYEE BENEFITS FUND	2,443,812.88	2,863.70	2,891.84	2,443,784.74
117 - POLICE/FIRE RETIREMENT	423,994.86	10,056.96	28.28	434,023.54
119 - EMERGENCY FUND	-	1,857.79	-	1,857.79
121 - LOCAL OPTION SALES TAX	4,084,222.31	246,724.35	14,426.75	4,316,519.91
125 - TAX INCREMENT FINANCING	500,738.78	1,353.14	50,000.00	452,091.92
130 - CITY TORT LIABILITY	71,645.60	1,080.24	5,179.33	67,546.51
131 - SPECIAL ASSESSMENTS SURPLUS	-	-	-	-
132 - GRANTS-STATE/LOCAL AGENCIES	(5,261.13)	-	-	(5,261.13)
133 - UNDESIGNATED FEDERAL GRANTS	-	-	-	-
140 - PARK & REC DONATION FUND	67,724.68	2,478.91	1,115.03	69,088.56
141 - MTOWN TENNIS ASSOC	1,685.91	2.66	-	1,688.57
142 - SOFTBALL ASSOCIATION FUND	1,020.65	-	2,163.08	(1,142.43)
143 - NICHOLSON FORD REAP GRANT	-	-	-	-
144 - LIVE HEALTHY IOWA	1,434.31	1.77	309.76	1,126.32
145 - TORNADO GENERAL	-	-	33,587.63	(33,587.63)
150 - COPS FAST GRANTS	(3,749.78)	-	6,902.76	(10,652.54)
151 - DEPT OF JUSTICE GRANTS	(685.68)	344.50	-	(341.18)
152 - POLICE UNDESIGNATED GRANTS	(3,264.76)	6,981.77	8,446.09	(4,729.08)
153 - POLICE DEPT DONATION FUND	151,172.19	48,763.29	746.85	199,188.63
156 - FIRE DEPT DONATION FUND	16,896.39	26.28	211.70	16,710.97
157 - FIRE DEPT GRANTS	4,608.45	7.26	-	4,615.71
160 - ECONOMIC DEVELOPMENT GIFT	50,000.17	78.77	-	50,078.94
161 - SURETY DEPOSITS/SUBDIVIDER	10,431.31	16.43	-	10,447.74
170 - LIBRARY DONATION FUND	97,429.97	1,503.77	6,384.13	92,549.61
177 - SEIZED ASSETS (POLICE)	40,445.23	427.52	251.20	40,621.55
179 - OTHER COMM AND ECON DEVELOPMENT	155,352.52	232.20	7,872.43	147,712.29
180 - HOUSING GRANTS	16,123.55	25.40	-	16,148.95
181 - (D)HUD LEAD GRANT	-	-	-	-
182 - #4 HUD LEAD GRANT	-	-	-	-
183 - FY 08 EDI (ECON DEV INCENTIVE)	(12,189.25)	-	160.00	(12,349.25)
184 - VOUCHERS - 002, 003	83,916.62	125,854.16	113,897.65	95,873.13
185 - CDBG HOUSING GRANTS	-	-	-	-
187 - HUD LEAD MATCH	-	-	-	-
190 - 911 SURCHARGE	464.27	-	464.00	0.27
200 - GO BONDS DEBT FUND	86,909.39	25,124.03	14,243.00	97,790.42
300 - CIP COLLECTION FUND	169,223.58	4,918.31	-	174,141.89
310 - FEDERAL STREET GRANTS	(66,984.26)	-	-	(66,984.26)
311 - RISE STREET GRANTS	(98,178.29)	-	-	(98,178.29)
312 - AIRPORT PROJECT FUND	(123,355.17)	-	-	(123,355.17)
320 - SPECIAL ASSESSMENT PROJECTS	(38,528.95)	1,981.00	-	(36,547.95)
340 - BIKE PATH PROJECT FUND	(225,706.49)	60,901.42	206.30	(165,011.37)
341 - TREES FOREVER PROJECT	2,196.27	449.16	-	2,645.43
350 - GO BONDS CAPITAL PROJECTS	8,498.01	13.39	-	8,511.40
351 - 2012 BOND CAPITAL PROJ FUND	-	-	-	-
352 - 2013 BOND PROCEEDS CAP PRJ	-	-	-	-
353 - 2014 GO BONDS	-	-	-	-
354 - POLICE & FIRE STATIONS	11,912,130.55	16,817.79	1,142,445.03	10,786,503.31
355 - 2015 GO BONDS (D&D)	112,035.15	175.47	650.00	111,560.62
356 - 2016 BONDS - STREET PROJECTS	-	12,532.40	12,532.40	-
357 - 2018 CY STREET PROJECTS	(14.91)	-	-	(14.91)
381 - CAPITAL STREET PROJECTS	-	-	-	-
382 - PUBLIC WORKS FACILITY	-	-	-	-
383 - CARNEGIE/CITY HALL REVITALIZTN	-	-	-	-
391 - TIF DISTRICT II CAP PROJECTS	-	-	-	-
392 - TIF DISTRICT III CAP PROJECTS	(8,017.10)	-	-	(8,017.10)
393 - TIF DISTRICT IV CAP PROJECTS	-	-	-	-
395 - ECONOMIC DEVELOPMENT PROJECT FUND	-	-	-	-

610 - WATER POLLUTION CONTROL	5,778.00	197,251.26	200,346.12	2,683.14
611 - WPCP REVENUE	10,296,770.66	242,863.84	197,251.26	10,342,383.24
612 - WPCP REVENUE BOND FUND	(31.52)	-	462.50	(494.02)
613 - SEWER I/I PROJECT	-	-	-	-
614 - WPCP CAPITAL IMPROVEMENT RSRV	1,020,098.91	1,606.99	-	1,021,705.90
615 - WPCP PLANT & IMPROVEMENTS	-	-	150.00	(150.00)
616 - SANITARY SEWER REHAB PROJECT	-	-	-	-
617 - SANITARY SEWER NEW CONSTRUCTN	89,981.26	-	-	89,981.26
618 - TORNADO-WPCP	-	-	430.91	(430.91)
690 - TRANSIT OPERATING	126,125.70	17,731.88	46,934.81	96,922.77
691 - PARA TRANSIT	-	-	-	-
692 - TORNADO - TRANSIT	-	-	-	-
740 - STORM SEWER UTILITY	1,891,776.85	512,097.22	48,901.46	2,354,972.61
741 - 2016 GO STORM WATER PROJ	1,561,196.20	2,809.71	-	1,564,005.91
742 - TORNADO - STORM/SEWER	-	-	884.63	(884.63)
750 - COMPOSTING FACILITY	181,573.75	4,838.31	4,817.90	181,594.16
751 - TORNADO - COMPOST	-	-	150.37	(150.37)
760 - P&R CONCESSIONS ENTERPRISE	(13,460.81)	15,487.44	13,187.54	(11,160.91)
881 - OCCUPATIONAL INSURANCE ESCROW	84,635.27	10,890.20	84,820.80	10,704.67
884 - GROUP HEALTH INSURANCE ESCROW	2,369,657.85	238,448.43	236,627.72	2,371,478.56
885 - FLEXIBLE BENEFITS FUND	-	-	-	-
886 - WORKMAN'S COMP DEDUCTIBLE FUND	37,367.51	58.87	-	37,426.38
899 - INVENTORY FUND	-	-	-	-
910 - POLICE PENSION - T & A	-	-	1,612.24	(1,612.24)
913 - 911 COMMISSION	(26,445.05)	37,831.40	72,919.42	(61,533.07)
950 - SUBDIVIDER IMPROVEMENT ESCROW	-	-	-	-
951 - SALES TAX REIMBURSEMENT	(2,113.56)	803.62	1,330.00	(2,639.94)
952 - SURETY BONDS/DEPOSITS	2,018.60	61.64	-	2,080.24
953 - IA STATE SLEUTH USR GRP	14,971.67	-	-	14,971.67
954 - FRIENDS OF THE LIBRARY	-	-	-	-
955 - WATER WORKS ASSESSMENTS	-	-	-	-
991 - GOVERNMENTAL ASSETS	-	-	-	-
	46,515,307.17	2,359,467.81	3,729,516.95	45,145,258.03

Account	Name	Ending Balance	Interst Rate
BalObject: 0110 - US Bank Acct			
999.0110.000	CASH US BANK	37,007.58	0.00
	Total BalObject: 0110 - US Bank Acct:	37,007.58	
BalObject: 0111 - UB&T Operating			
999.0111.000	UB&T Operating	9,403,258.14	2.29
	Total BalObject: 0111 - UB&T Operating:	9,403,258.14	
BalObject: 0112 - UB&T AP			
999.0112.000	UB&T AP	11,684.23	2.29
	Total BalObject: 0112 - UB&T AP:	11,684.23	
BalObject: 0113 - UB&T Payroll			
999.0113.000	UB&T Payroll	42,469.74	2.29
	Total BalObject: 0113 - UB&T Payroll:	42,469.74	
BalObject: 0114 - UB&T Dev Inspections			
999.0114.000	UB&T Dev Inspections	30,780.76	2.29
	Total BalObject: 0114 - UB&T Dev Inspections:	30,780.76	
BalObject: 0115 - UB&T HUD Admin			
999.0115.000	UB&T HUD Admin	118,693.44	2.29
	Total BalObject: 0115 - UB&T HUD Admin:	118,693.44	
BalObject: 0116 - UB&T HUD HAP			
999.0116.000	UB&T HUD HAP	55,985.51	2.29
	Total BalObject: 0116 - UB&T HUD HAP:	55,985.51	
BalObject: 0117 - UB&T Police			
999.0117.000	UB&T Police	24,447.44	2.29
	Total BalObject: 0117 - UB&T Police:	24,447.44	
BalObject: 0120 - PETTY CASH			
610.0120.000	PETTY CASH	200.00	0.00
750.0120.000	PETTY CASH	200.00	0.00
760.0120.000	PETTY CASH	300.00	0.00
	Total BalObject: 0120 - PETTY CASH:	700.00	
001.0121.000	PETTY CASH-SWIMMING POOLS	300.00	0.00
	Total BalObject: 0121 - PETTY CASH-SWIMMING POOLS:	300.00	
BalObject: 0122 - PETTY CASH-CITY CLERK			
001.0122.000	PETTY CASH-CITY CLERK	200.00	0.00
	Total BalObject: 0122 - PETTY CASH-CITY CLERK:	200.00	
BalObject: 0123 - PETTY CASH-LIBRARY			
001.0123.000	PETTY CASH-LIBRARY	100.00	0.00
	Total BalObject: 0123 - PETTY CASH-LIBRARY:	100.00	
BalObject: 0125 - PETTY CASH-PARK			
001.0125.000	PETTY CASH-PARK	200.00	0.00
	Total BalObject: 0125 - PETTY CASH-PARK:	200.00	
BalObject: 0130 - CASH HELD BY INSUR ADMI			
885.0130.000	CASH HELD BY INSUR ADMI	1.00	0.00
	Total BalObject: 0130 - CASH HELD BY INSUR ADMI:	1.00	
BalObject: 0216 - GREAT WESTERN BANK MM			

354.0216.000	GREAT WESTERN BANK MM	823,460.35	1.99
741.0216.000	GREAT WESTERN BANK MM	1,661,003.17	1.99
999.0216.000	GREAT WESTERN BANK MM	3,051,585.06	1.99
Total BalObject: 0216 - GREAT WESTERN BANK MM:		5,536,048.58	
BalObject: 0223 - MIDWEST ONE (0-90 DAYS)			
354.0223.000	MIDWEST ONE (0-90 DAYS)	750,000.00	2.35
Total BalObject: 0223 - MIDWEST ONE (0-90 DAYS):		750,000.00	
BalObject: 0240 - MIDWEST ONE CD (91-365 DAYS)			
354.0240.000	MIDWEST ONE CD (91-365 DAYS)	750,000.00	2.40
Total BalObject: 0240 - MIDWEST ONE CD (91-365 DAYS):		750,000.00	
BalObject: 0242 - GREAT WESTRN CD (91-365 DYS)			
354.0242.000	GREAT WESTERN CD(91-364)	1,250,000.00	2.04--2.10
Total BalObject: 0242 - GREAT WESTRN CD (91-365 DYS):		1,250,000.00	
BalObject: 0243 - GNB CD (91-364 DYS)			
354.0243.000	GNB CD (91-364 DAYS)	3,267,539.32	1.55--2.38
611.0243.000	GNB CD (91-364 DAYS)	503,290.96	2.15
Total BalObject: 0243 - GNB CD (91-364 DYS):		3,770,830.28	
BalObject: 0247 - FRMRS SVGS BK CD (91-365)			
121.0247.000	FRMRS SVGS BK CD (91-364 DAYS)	501,694.59	2.06
354.0247.000	FRMRS SVGS BK CD (91-364 DAYS)	1,258,902.05	1.82--1.99
999.0247.000	FRMRS SVGS BK CD (91-364 DAYS)	506,285.53	1.70
Total BalObject: 0247 - FRMRS SVGS BK CD (91-365):		2,266,882.17	
BalObject: 0252 - GNB 365 INV			
354.0252.000	GNB CD (365 DAYS)	2,016,205.49	1.61--1.65
999.0252.000	GNB CD (365 DAYS)	3,007,249.59	1.44--2.54
Total BalObject: 0252 - GNB 365 INV:		5,023,455.08	
BalObject: 0262 - GREAT WESTERN BANK (> 1 YR CD)			
010.0262.000	GREAT WESTRN CD (365 DAYS)	1,000,000.00	1.48--2.02
121.0262.000	GREAT WESTERN CD (365 Days)	1,000,173.56	1.68--1.81
611.0262.000	GREAT WESTRN CD (365 DAYS)	1,000,000.00	2.41
884.0262.000	GREAT WESTRN CD (365 DAYS)	500,000.00	2.52
999.0262.000	GREAT WESTRN CD (365 DAYS)	6,000,223.15	1.49--2.52
Total BalObject: 0262 - GREAT WESTERN BANK (> 1 YR CD):		9,500,396.71	
BalObject: 0265 - IPAIT CD (365)			
999.0265.000	IPAIT CD (365 DAYS)	500,000.00	1.50
Total BalObject: 0265 - IPAIT CD (365):		500,000.00	
BalObject: 0266 - CENTRAL STATE BANK CD (> 1 YR)			
121.0266.000	CENTRAL STATE BANK (365 DAYS)	500,000.00	2.46
884.0266.000	CENTRAL STATE BANK (365 DAYS)	1,020,952.93	1.96
999.0266.000	CENTRAL STATE BANK (365 DAYS)	3,017,300.82	1.75--2.70
Total BalObject: 0266 - CENTRAL STATE BANK CD (> 1 YR):		4,538,253.75	
BalObject: 0267 - FARMERS CD (> 1 YR)			
611.0267.000	FRMRS SVGS BK CD (365)	505,649.66	1.72
884.0267.000	FRMRS SVGS BK CD (365 DAYS)	504,586.99	1.85
999.0267.000	FRMRS SVGS BK CD (365 DAYS)	504,586.99	1.85
Total BalObject: 0267 - FARMERS CD (> 1 YR):		1,514,823.64	
BalObject: 999 - POOLED CASH			
999.0999.000	POOLED CASH	18,739.98	0.00
Total BalObject: 999 - POOLED CASH		18,739.98	
Grand Totals:		45,145,258.03	

MARSHALLTOWN

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Monthly Budget Report - Marshalltown

Group Summary

For Fiscal: Current Period Ending: 07/31/2018

Account Typ...	July Activity	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Total Budget
Fund: 001 - GENERAL FUND					
Revenue	237,198.42	1,266,124.18	237,198.42	-1,028,925.76	15,194,506.00
Expense	1,234,999.87	1,265,984.87	1,234,999.87	30,985.00	15,194,506.00
Total Fund: 001 - GENERAL FUND:	-997,801.45	139.31	-997,801.45	-997,940.76	0.00
Fund: 010 - CASH FLOW RESERVE FUND					
Revenue	1,710.97	14,556.91	1,710.97	-12,845.94	174,683.00
Total Fund: 010 - CASH FLOW RESERVE FUND:	1,710.97	14,556.91	1,710.97	-12,845.94	174,683.00
Fund: 030 - CAPITAL RESERVE					
Revenue	216.43	53,764.24	216.43	-53,547.81	645,429.00
Expense	87,411.95	53,731.09	87,411.95	-33,680.86	644,929.00
Total Fund: 030 - CAPITAL RESERVE:	-87,195.52	33.15	-87,195.52	-87,228.67	500.00
Fund: 031 - CAPITAL RSRV-BLDG MAINT					
Revenue	693.19	250.00	693.19	443.19	3,000.00
Total Fund: 031 - CAPITAL RSRV-BLDG MAINT:	693.19	250.00	693.19	443.19	3,000.00
Fund: 032 - CIP LARGE VEHICLE/EQUIPMENT					
Revenue	0.00	8,833.33	0.00	-8,833.33	106,000.00
Total Fund: 032 - CIP LARGE VEHICLE/EQUIPMENT:	0.00	8,833.33	0.00	-8,833.33	106,000.00
Fund: 050 - COLISEUM ACTIVITY FUND					
Revenue	507.18	3,355.82	507.18	-2,848.64	40,270.00
Expense	2,140.35	3,355.20	2,140.35	1,214.85	40,270.00
Total Fund: 050 - COLISEUM ACTIVITY FUND:	-1,633.17	0.62	-1,633.17	-1,633.79	0.00
Fund: 110 - ROAD USE TAX					
Revenue	262,766.97	283,333.33	262,766.97	-20,566.36	3,400,000.00
Expense	69,021.86	348,180.13	69,021.86	279,158.27	4,178,967.00
Total Fund: 110 - ROAD USE TAX:	193,745.11	-64,846.80	193,745.11	258,591.91	-778,967.00
Fund: 112 - EMPLOYEE BENEFITS FUND					
Revenue	2,863.70	217,823.32	2,863.70	-214,959.62	2,613,880.00
Expense	2,891.84	210,950.40	2,891.84	208,058.56	2,531,406.00
Total Fund: 112 - EMPLOYEE BENEFITS FUND:	-28.14	6,872.92	-28.14	-6,901.06	82,474.00
Fund: 117 - POLICE/FIRE RETIREMENT					
Revenue	10,056.96	101,944.82	10,056.96	-91,887.86	1,223,338.00
Expense	28.28	99,196.76	28.28	99,168.48	1,190,365.00
Total Fund: 117 - POLICE/FIRE RETIREMENT:	10,028.68	2,748.06	10,028.68	7,280.62	32,973.00

Monthly Budget Report - Marshalltown

For Fiscal: Current Period Ending: 07/31/2018

Account Typ...	July Activity	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Total Budget
Fund: 119 - EMERGENCY FUND					
Revenue	1,857.79	19,373.49	1,857.79	-17,515.70	232,482.00
Expense	0.00	19,373.50	0.00	19,373.50	232,482.00
Total Fund: 119 - EMERGENCY FUND:	1,857.79	-0.01	1,857.79	1,857.80	0.00
Fund: 121 - LOCAL OPTION SALES TAX					
Revenue	246,724.35	262,083.33	246,724.35	-15,358.98	3,145,000.00
Expense	14,426.75	301,177.92	14,426.75	286,751.17	3,614,290.00
Total Fund: 121 - LOCAL OPTION SALES TAX:	232,297.60	-39,094.59	232,297.60	271,392.19	-469,290.00
Fund: 125 - TAX INCREMENT FINANCING					
Revenue	1,353.14	70,220.74	1,353.14	-68,867.60	842,649.00
Expense	50,000.00	70,349.98	50,000.00	20,349.98	844,200.00
Total Fund: 125 - TAX INCREMENT FINANCING:	-48,646.86	-129.24	-48,646.86	-48,517.62	-1,551.00
Fund: 130 - CITY TORT LIABILITY					
Revenue	1,080.24	83.33	1,080.24	996.91	1,000.00
Expense	5,179.33	1,249.99	5,179.33	-3,929.34	15,000.00
Total Fund: 130 - CITY TORT LIABILITY:	-4,099.09	-1,166.66	-4,099.09	-2,932.43	-14,000.00
Fund: 132 - GRANTS-STATE/LOCAL AGENCIES					
Revenue	0.00	16.66	0.00	-16.66	200.00
Total Fund: 132 - GRANTS-STATE/LOCAL AGENCIES:	0.00	16.66	0.00	-16.66	200.00
Fund: 140 - PARK & REC DONATION FUND					
Revenue	2,478.91	483.33	2,478.91	1,995.58	5,800.00
Expense	1,115.03	408.32	1,115.03	-706.71	4,900.00
Total Fund: 140 - PARK & REC DONATION FUND:	1,363.88	75.01	1,363.88	1,288.87	900.00
Fund: 141 - MTOWN TENNIS ASSOC					
Revenue	2.66	0.00	2.66	2.66	0.00
Total Fund: 141 - MTOWN TENNIS ASSOC:	2.66	0.00	2.66	2.66	0.00
Fund: 142 - SOFTBALL ASSOCIATION FUND					
Revenue	0.00	2,443.35	0.00	-2,443.35	29,332.00
Expense	2,163.08	2,441.99	2,163.08	278.91	29,332.00
Total Fund: 142 - SOFTBALL ASSOCIATION FUND:	-2,163.08	1.36	-2,163.08	-2,164.44	0.00
Fund: 144 - LIVE HEALTHY IOWA					
Revenue	1.77	533.33	1.77	-531.56	6,400.00
Expense	309.76	629.17	309.76	319.41	7,551.00
Total Fund: 144 - LIVE HEALTHY IOWA :	-307.99	-95.84	-307.99	-212.15	-1,151.00
Fund: 145 - TORNADO GENERAL					
Expense	33,587.63	0.00	33,587.63	-33,587.63	0.00
Total Fund: 145 - TORNADO GENERAL:	33,587.63	0.00	33,587.63	-33,587.63	0.00
Fund: 150 - COPS FAST GRANTS					
Revenue	0.00	4,115.18	0.00	-4,115.18	49,402.00

Monthly Budget Report - Marshelltown

For Fiscal: Current Period Ending: 07/31/2018

Account Typ...	July Activity	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Total Budget
Expense	6,902.76	4,115.16	6,902.76	-2,787.60	49,402.00
Total Fund: 150 - COPS FAST GRANTS:	-6,902.76	0.02	-6,902.76	-6,902.78	0.00
Fund: 151 - DEPT OF JUSTICE GRANTS					
Revenue	344.50	1,916.66	344.50	-1,572.16	23,000.00
Expense	0.00	1,916.66	0.00	1,916.66	23,000.00
Total Fund: 151 - DEPT OF JUSTICE GRANTS:	344.50	0.00	344.50	344.50	0.00
Fund: 152 - POLICE UNDESIGNATED GRANTS					
Revenue	6,981.77	7,626.36	6,981.77	-644.59	91,553.00
Expense	8,446.09	7,627.17	8,446.09	-818.92	91,553.00
Total Fund: 152 - POLICE UNDESIGNATED GRANTS:	-1,464.32	-0.81	-1,464.32	-1,463.51	0.00
Fund: 153 - POLICE DEPT DONATION FUND					
Revenue	48,763.29	224.99	48,763.29	48,538.30	2,700.00
Expense	746.85	787.27	746.85	40.42	9,450.00
Total Fund: 153 - POLICE DEPT DONATION FUND:	48,016.44	-562.28	48,016.44	48,578.72	-6,750.00
Fund: 156 - FIRE DEPT DONATION FUND					
Revenue	26.28	416.66	26.28	-390.38	5,000.00
Expense	211.70	416.66	211.70	204.96	5,000.00
Total Fund: 156 - FIRE DEPT DONATION FUND:	-185.42	0.00	-185.42	-185.42	0.00
Fund: 157 - FIRE DEPT GRANTS					
Revenue	7.26	0.00	7.26	7.26	0.00
Total Fund: 157 - FIRE DEPT GRANTS:	7.26	0.00	7.26	7.26	0.00
Fund: 160 - ECONOMIC DEVELOPMENT GIFT					
Revenue	78.77	29.16	78.77	49.61	350.00
Total Fund: 160 - ECONOMIC DEVELOPMENT GIFT:	78.77	29.16	78.77	49.61	350.00
Fund: 161 - SURETY DEPOSITS/SUBDIVIDER					
Revenue	16.43	5.83	16.43	10.60	70.00
Total Fund: 161 - SURETY DEPOSITS/SUBDIVIDER:	16.43	5.83	16.43	10.60	70.00
Fund: 170 - LIBRARY DONATION FUND					
Revenue	1,503.77	1,718.74	1,503.77	-214.97	20,625.00
Expense	6,384.13	2,716.65	6,384.13	-3,667.48	32,600.00
Total Fund: 170 - LIBRARY DONATION FUND:	-4,880.36	-997.91	-4,880.36	-3,882.45	-11,975.00
Fund: 177 - SEIZED ASSETS (POLICE)					
Revenue	427.52	301.98	427.52	125.54	3,625.00
Expense	251.20	249.99	251.20	-1.21	3,000.00
Total Fund: 177 - SEIZED ASSETS (POLICE):	176.32	51.99	176.32	124.33	625.00
Fund: 179 - OTHER COMM AND ECON DEVELOPMENT					
Revenue	232.20	0.00	232.20	232.20	0.00
Expense	7,872.43	6,380.44	7,872.43	-1,491.99	76,582.00

Monthly Budget Report - Marshelltown

For Fiscal: Current Period Ending: 07/31/2018

Account Typ...	July Activity	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Total Budget
Total Fund: 179 - OTHER COMM AND ECON DEVELOPMENT:	-7,640.23	-6,380.44	-7,640.23	-1,259.79	-76,582.00
Fund: 180 - HOUSING GRANTS					
Revenue	25.40	0.00	25.40	25.40	0.00
Expense	0.00	172.47	0.00	172.47	2,070.00
Total Fund: 180 - HOUSING GRANTS:	25.40	-172.47	25.40	197.87	-2,070.00
Fund: 183 - FY 08 EDI (ECON DEV INCENTIVE)					
Expense	160.00	0.00	160.00	-160.00	0.00
Total Fund: 183 - FY 08 EDI (ECON DEV INCENTIVE):	160.00	0.00	160.00	-160.00	0.00
Fund: 184 - VOUCHERS - 002, 003					
Revenue	125,854.16	114,385.79	125,854.16	11,468.37	1,372,630.00
Expense	113,897.65	120,338.41	113,897.65	6,440.76	1,444,155.00
Total Fund: 184 - VOUCHERS - 002, 003:	11,956.51	-5,952.62	11,956.51	17,909.13	-71,525.00
Fund: 190 - 911 SURCHARGE					
Expense	464.00	0.00	464.00	-464.00	0.00
Total Fund: 190 - 911 SURCHARGE:	464.00	0.00	464.00	-464.00	0.00
Fund: 200 - GO BONDS DEBT FUND					
Revenue	25,124.03	347,458.47	25,124.03	-322,334.44	4,169,648.00
Expense	14,243.00	342,773.32	14,243.00	328,530.32	4,113,282.00
Total Fund: 200 - GO BONDS DEBT FUND:	10,881.03	4,685.15	10,881.03	6,195.88	56,366.00
Fund: 300 - CIP COLLECTION FUND					
Revenue	4,918.31	48,642.15	4,918.31	-43,723.84	583,706.00
Expense	0.00	62,577.41	0.00	62,577.41	750,929.00
Total Fund: 300 - CIP COLLECTION FUND:	4,918.31	-13,935.26	4,918.31	18,853.57	-167,223.00
Fund: 310 - FEDERAL STREET GRANTS					
Revenue	0.00	41,666.66	0.00	-41,666.66	500,000.00
Expense	0.00	41,666.66	0.00	41,666.66	500,000.00
Total Fund: 310 - FEDERAL STREET GRANTS:	0.00	0.00	0.00	0.00	0.00
Fund: 312 - AIRPORT PROJECT FUND					
Revenue	0.00	3,750.00	0.00	-3,750.00	45,000.00
Expense	0.00	3,750.00	0.00	3,750.00	45,000.00
Total Fund: 312 - AIRPORT PROJECT FUND:	0.00	0.00	0.00	0.00	0.00
Fund: 320 - SPECIAL ASSESSMENT PROJECTS					
Revenue	1,981.00	833.32	1,981.00	1,147.68	10,000.00
Total Fund: 320 - SPECIAL ASSESSMENT PROJECTS:	1,981.00	833.32	1,981.00	1,147.68	10,000.00
Fund: 340 - BIKE PATH PROJECT FUND					
Revenue	60,901.42	0.00	60,901.42	60,901.42	0.00
Expense	206.30	0.00	206.30	-206.30	0.00
Total Fund: 340 - BIKE PATH PROJECT FUND:	60,695.12	0.00	60,695.12	60,695.12	0.00

Monthly Budget Report - Marshelltown

For Fiscal: Current Period Ending: 07/31/2018

Account Typ...	July Activity	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Total Budget
Fund: 341 - TREES FOREVER PROJECT					
Revenue	449.16	250.00	449.16	199.16	3,000.00
Expense	0.00	250.00	0.00	250.00	3,000.00
Total Fund: 341 - TREES FOREVER PROJECT:	449.16	0.00	449.16	449.16	0.00
Fund: 350 - GO BONDS CAPITAL PROJECTS					
Revenue	13.39	0.00	13.39	13.39	0.00
Total Fund: 350 - GO BONDS CAPITAL PROJECTS:	13.39	0.00	13.39	13.39	0.00
Fund: 354 - POLICE & FIRE STATIONS					
Revenue	16,817.79	1,666.00	16,817.79	15,151.79	20,000.00
Expense	1,142,445.03	561,609.14	1,142,445.03	-580,835.89	6,742,000.00
Total Fund: 354 - POLICE & FIRE STATIONS:	-1,125,627.24	-559,943.14	-1,125,627.24	-565,684.10	-6,722,000.00
Fund: 355 - 2015 GO BONDS (D&D)					
Revenue	175.47	41.66	175.47	133.81	500.00
Expense	650.00	4,166.66	650.00	3,516.66	50,000.00
Total Fund: 355 - 2015 GO BONDS (D&D):	-474.53	-4,125.00	-474.53	3,650.47	-49,500.00
Fund: 356 - 2016 BONDS - STREET PROJECTS					
Revenue	12,532.40	0.00	12,532.40	12,532.40	0.00
Expense	12,532.40	0.00	12,532.40	-12,532.40	0.00
Total Fund: 356 - 2016 BONDS - STREET PROJECTS:	0.00	0.00	0.00	0.00	0.00
Fund: 357 - 2018 CY STREET PROJECTS					
Revenue	0.00	83,300.00	0.00	-83,300.00	1,000,000.00
Expense	0.00	83,300.00	0.00	83,300.00	1,000,000.00
Total Fund: 357 - 2018 CY STREET PROJECTS:	0.00	0.00	0.00	0.00	0.00
Fund: 392 - TIF DISTRICT III CAP PROJECTS					
Revenue	0.00	2.08	0.00	-2.08	25.00
Total Fund: 392 - TIF DISTRICT III CAP PROJECTS:	0.00	2.08	0.00	-2.08	25.00
Fund: 393 - TIF DISTRICT IV CAP PROJECTS					
Revenue	0.00	13,598.72	0.00	-13,598.72	163,250.00
Expense	0.00	13,598.72	0.00	13,598.72	163,250.00
Total Fund: 393 - TIF DISTRICT IV CAP PROJECTS:	0.00	0.00	0.00	0.00	0.00
Fund: 610 - WATER POLLUTION CONTROL					
Revenue	197,251.26	0.00	197,251.26	197,251.26	0.00
Expense	200,346.12	546,486.78	200,346.12	346,140.66	6,558,474.00
Total Fund: 610 - WATER POLLUTION CONTROL:	-3,094.86	-546,486.78	-3,094.86	543,391.92	-6,558,474.00
Fund: 611 - WPCP REVENUE					
Revenue	242,863.84	615,241.29	242,863.84	-372,377.45	7,382,896.00
Expense	197,251.26	0.00	197,251.26	-197,251.26	0.00
Total Fund: 611 - WPCP REVENUE:	45,612.58	615,241.29	45,612.58	-569,628.71	7,382,896.00

Monthly Budget Report - Marshelltown

For Fiscal: Current Period Ending: 07/31/2018

Account Typ...	July Activity	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Total Budget
Fund: 612 - WPCP REVENUE BOND FUND					
Expense	462.50	0.00	462.50	-462.50	0.00
Total Fund: 612 - WPCP REVENUE BOND FUND:	462.50	0.00	462.50	-462.50	0.00
Fund: 614 - WPCP CAPITAL IMPROVEMENT RSRV					
Revenue	1,606.99	416.66	1,606.99	1,190.33	5,000.00
Total Fund: 614 - WPCP CAPITAL IMPROVEMENT RSRV:	1,606.99	416.66	1,606.99	1,190.33	5,000.00
Fund: 615 - WPCP PLANT & IMPROVEMENTS					
Expense	150.00	0.00	150.00	-150.00	0.00
Total Fund: 615 - WPCP PLANT & IMPROVEMENTS:	150.00	0.00	150.00	-150.00	0.00
Fund: 616 - SANITARY SEWER REHAB PROJECT					
Revenue	0.00	276,666.66	0.00	-276,666.66	3,320,000.00
Expense	0.00	224,913.33	0.00	224,913.33	2,700,000.00
Total Fund: 616 - SANITARY SEWER REHAB PROJECT:	0.00	51,753.33	0.00	-51,753.33	620,000.00
Fund: 617 - SANITARY SEWER NEW CONSTRUCTN					
Revenue	0.00	1,166.66	0.00	-1,166.66	14,000.00
Total Fund: 617 - SANITARY SEWER NEW CONSTRUCTN:	0.00	1,166.66	0.00	-1,166.66	14,000.00
Fund: 618 - TORNADO-WPCP					
Expense	430.91	0.00	430.91	-430.91	0.00
Total Fund: 618 - TORNADO-WPCP:	430.91	0.00	430.91	-430.91	0.00
Fund: 690 - TRANSIT OPERATING					
Revenue	17,731.88	91,977.38	17,731.88	-74,245.50	1,103,881.00
Expense	46,934.81	96,697.19	46,934.81	49,762.38	1,160,585.00
Total Fund: 690 - TRANSIT OPERATING:	-29,202.93	-4,719.81	-29,202.93	-24,483.12	-56,704.00
Fund: 740 - STORM SEWER UTILITY					
Revenue	512,097.22	123,916.66	512,097.22	388,180.56	1,487,000.00
Expense	48,901.46	67,789.13	48,901.46	18,887.67	813,631.00
Total Fund: 740 - STORM SEWER UTILITY:	463,195.76	56,127.53	463,195.76	407,068.23	673,369.00
Fund: 741 - 2016 GO STORM WATER PROJ					
Revenue	2,809.71	187,750.00	2,809.71	-184,940.29	2,253,000.00
Expense	0.00	133,696.50	0.00	133,696.50	1,605,000.00
Total Fund: 741 - 2016 GO STORM WATER PROJ:	2,809.71	54,053.50	2,809.71	-51,243.79	648,000.00
Fund: 742 - TORNADO - STORM/SEWER					
Expense	884.63	0.00	884.63	-884.63	0.00
Total Fund: 742 - TORNADO - STORM/SEWER:	884.63	0.00	884.63	-884.63	0.00
Fund: 750 - COMPOSTING FACILITY					
Revenue	4,838.31	5,742.39	4,838.31	-904.08	68,909.00
Expense	4,817.90	17,637.76	4,817.90	12,819.86	211,677.00
Total Fund: 750 - COMPOSTING FACILITY:	20.41	-11,895.37	20.41	11,915.78	-142,768.00

Monthly Budget Report - Marshelltown

For Fiscal: Current Period Ending: 07/31/2018

Account Typ...	July Activity	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Total Budget
Fund: 751 - TORNADO - COMPOST					
Expense	150.37	0.00	150.37	-150.37	0.00
Total Fund: 751 - TORNADO - COMPOST:	150.37	0.00	150.37	-150.37	0.00
Fund: 760 - P&R CONCESSIONS ENTERPRISE					
Revenue	15,487.44	3,166.66	15,487.44	12,320.78	38,000.00
Expense	13,187.54	3,401.39	13,187.54	-9,786.15	40,825.00
Total Fund: 760 - P&R CONCESSIONS ENTERPRISE:	2,299.90	-234.73	2,299.90	2,534.63	-2,825.00
Fund: 881 - OCCUPATIONAL INSURANCE ESCROW					
Revenue	10,890.20	0.00	10,890.20	10,890.20	0.00
Expense	84,820.80	0.00	84,820.80	-84,820.80	0.00
Total Fund: 881 - OCCUPATIONAL INSURANCE ESCROW:	-73,930.60	0.00	-73,930.60	-73,930.60	0.00
Fund: 884 - GROUP HEALTH INSURANCE ESCROW					
Revenue	238,448.43	0.00	238,448.43	238,448.43	0.00
Expense	236,627.72	0.00	236,627.72	-236,627.72	0.00
Total Fund: 884 - GROUP HEALTH INSURANCE ESCROW:	1,820.71	0.00	1,820.71	1,820.71	0.00
Fund: 886 - WORKMAN'S COMP DEDUCTIBLE FUND					
Revenue	58.87	0.00	58.87	58.87	0.00
Total Fund: 886 - WORKMAN'S COMP DEDUCTIBLE FUND:	58.87	0.00	58.87	58.87	0.00
Fund: 910 - POLICE PENSION - T & A					
Expense	1,612.24	0.00	1,612.24	-1,612.24	0.00
Total Fund: 910 - POLICE PENSION - T & A:	1,612.24	0.00	1,612.24	-1,612.24	0.00
Fund: 913 - 911 COMMISION					
Revenue	37,831.40	0.00	37,831.40	37,831.40	0.00
Expense	72,919.42	0.00	72,919.42	-72,919.42	0.00
Total Fund: 913 - 911 COMMISION:	-35,088.02	0.00	-35,088.02	-35,088.02	0.00
Report Total:	-1,369,584.40	-442,845.91	-1,369,584.40	-926,738.49	-5,321,924.00

Fund Summary

Fund	July Activity	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Total Budget
001 - GENERAL FUND	-997,801.45	139.31	-997,801.45	-997,940.76	0.00
010 - CASH FLOW RESERVE F	1,710.97	14,556.91	1,710.97	-12,845.94	174,683.00
030 - CAPITAL RESERVE	-87,195.52	33.15	-87,195.52	-87,228.67	500.00
031 - CAPITAL RSRV-BLDG M.	693.19	250.00	693.19	443.19	3,000.00
032 - CIP LARGE VEHICLE/EQ	0.00	8,833.33	0.00	-8,833.33	106,000.00
050 - COLISEUM ACTIVITY FU	-1,633.17	0.62	-1,633.17	-1,633.79	0.00
110 - ROAD USE TAX	193,745.11	-64,846.80	193,745.11	258,591.91	-778,967.00
112 - EMPLOYEE BENEFITS F	-28.14	6,872.92	-28.14	-6,901.06	82,474.00
117 - POLICE/FIRE RETIREME	10,028.68	2,748.06	10,028.68	7,280.62	32,973.00
119 - EMERGENCY FUND	1,857.79	-0.01	1,857.79	1,857.80	0.00
121 - LOCAL OPTION SALES T	232,297.60	-39,094.59	232,297.60	271,392.19	-469,290.00
125 - TAX INCREMENT FINAN	-48,646.86	-129.24	-48,646.86	-48,517.62	-1,551.00
130 - CITY TORT LIABILITY	-4,099.09	-1,166.66	-4,099.09	-2,932.43	-14,000.00
132 - GRANTS-STATE/LOCAL	0.00	16.66	0.00	-16.66	200.00
140 - PARK & REC DONATION	1,363.88	75.01	1,363.88	1,288.87	900.00
141 - MTOWN TENNIS ASSOC	2.66	0.00	2.66	2.66	0.00
142 - SOFTBALL ASSOCIATIO	-2,163.08	1.36	-2,163.08	-2,164.44	0.00
144 - LIVE HEALTHY IOWA	-307.99	-95.84	-307.99	-212.15	-1,151.00
145 - TORNADO GENERAL	-33,587.63	0.00	-33,587.63	-33,587.63	0.00
150 - COPS FAST GRANTS	-6,902.76	0.02	-6,902.76	-6,902.78	0.00
151 - DEPT OF JUSTICE GRAI	344.50	0.00	344.50	344.50	0.00
152 - POLICE UNDESIGNATEI	-1,464.32	-0.81	-1,464.32	-1,463.51	0.00
153 - POLICE DEPT DONATIO	48,016.44	-562.28	48,016.44	48,578.72	-6,750.00
156 - FIRE DEPT DONATION F	-185.42	0.00	-185.42	-185.42	0.00
157 - FIRE DEPT GRANTS	7.26	0.00	7.26	7.26	0.00
160 - ECONOMIC DEVELOPMI	78.77	29.16	78.77	49.61	350.00
161 - SURETY DEPOSITS/SUE	16.43	5.83	16.43	10.60	70.00
170 - LIBRARY DONATION FU	-4,880.36	-997.91	-4,880.36	-3,882.45	-11,975.00
177 - SEIZED ASSETS (POLIC	176.32	51.99	176.32	124.33	625.00
179 - OTHER COMM AND ECC	-7,640.23	-6,380.44	-7,640.23	-1,259.79	-76,582.00
180 - HOUSING GRANTS	25.40	-172.47	25.40	197.87	-2,070.00
183 - FY 08 EDI (ECON DEV IN	-160.00	0.00	-160.00	-160.00	0.00
184 - VOUCHERS - 002, 003	11,956.51	-5,952.62	11,956.51	17,909.13	-71,525.00
190 - 911 SURCHARGE	-464.00	0.00	-464.00	-464.00	0.00
200 - GO BONDS DEBT FUND	10,881.03	4,685.15	10,881.03	6,195.88	56,366.00
300 - CIP COLLECTION FUND	4,918.31	-13,935.26	4,918.31	18,853.57	-167,223.00
310 - FEDERAL STREET GRAI	0.00	0.00	0.00	0.00	0.00
312 - AIRPORT PROJECT FUN	0.00	0.00	0.00	0.00	0.00
320 - SPECIAL ASSESSMENT	1,981.00	833.32	1,981.00	1,147.68	10,000.00
340 - BIKE PATH PROJECT FL	60,695.12	0.00	60,695.12	60,695.12	0.00

Monthly Budget Report - Marshalltown
For Fiscal: Current Period Ending: 07/31/2018

341 - TREES FOREVER PROJ	449.16	0.00	449.16	449.16	0.00
350 - GO BONDS CAPITAL PR	13.39	0.00	13.39	13.39	0.00
354 - POLICE & FIRE STATION	-1,125,627.24	-559,943.14	-1,125,627.24	-565,684.10	-6,722,000.00
355 - 2015 GO BONDS (D&D)	-474.53	-4,125.00	-474.53	3,650.47	-49,500.00
356 - 2016 BONDS - STREET F	0.00	0.00	0.00	0.00	0.00
357 - 2018 CY STREET PROJE	0.00	0.00	0.00	0.00	0.00
392 - TIF DISTRICT III CAP PR	0.00	2.08	0.00	-2.08	25.00
393 - TIF DISTRICT IV CAP PR	0.00	0.00	0.00	0.00	0.00
610 - WATER POLLUTION COI	-3,094.86	-546,486.78	-3,094.86	543,391.92	-6,558,474.00
611 - WPCP REVENUE	45,612.58	615,241.29	45,612.58	-569,628.71	7,382,896.00
612 - WPCP REVENUE BOND	-462.50	0.00	-462.50	-462.50	0.00
614 - WPCP CAPITAL IMPROV	1,606.99	416.66	1,606.99	1,190.33	5,000.00
615 - WPCP PLANT & IMPROV	-150.00	0.00	-150.00	-150.00	0.00
616 - SANITARY SEWER REH/	0.00	51,753.33	0.00	-51,753.33	620,000.00
617 - SANITARY SEWER NEW	0.00	1,166.66	0.00	-1,166.66	14,000.00
618 - TORNADO-WPCP	-430.91	0.00	-430.91	-430.91	0.00
690 - TRANSIT OPERATING	-29,202.93	-4,719.81	-29,202.93	-24,483.12	-56,704.00
740 - STORM SEWER UTILITY	463,195.76	56,127.53	463,195.76	407,068.23	673,369.00
741 - 2016 GO STORM WATEF	2,809.71	54,053.50	2,809.71	-51,243.79	648,000.00
742 - TORNADO - STORM/SEV	-884.63	0.00	-884.63	-884.63	0.00
750 - COMPOSTING FACILITY	20.41	-11,895.37	20.41	11,915.78	-142,768.00
751 - TORNADO - COMPOST	-150.37	0.00	-150.37	-150.37	0.00
760 - P&R CONCESSIONS EN	2,299.90	-234.73	2,299.90	2,534.63	-2,825.00
881 - OCCUPATIONAL INSUR/	-73,930.60	0.00	-73,930.60	-73,930.60	0.00
884 - GROUP HEALTH INSUR/	1,820.71	0.00	1,820.71	1,820.71	0.00
886 - WORKMAN'S COMP DEI	58.87	0.00	58.87	58.87	0.00
910 - POLICE PENSION - T & /	-1,612.24	0.00	-1,612.24	-1,612.24	0.00
913 - 911 COMMISSION	-35,088.02	0.00	-35,088.02	-35,088.02	0.00
Report Total:	-1,369,584.40	-442,845.91	-1,369,584.40	-926,738.49	-5,321,924.00



Joel T.S. Greer, Mayor
Jessica Kinser, City Administrator
Michael W. Tupper, Chief of Police
22 North Center Street
Marshalltown, IA 50158-4911
Tel - (641) 754-5725
Fax - (641) 752-1211

TO: Mayor Joel T.S. Greer
Members of the City Council
Jessica Kinser, City Administrator

FROM: Michael W. Tupper
Chief of Police

DATE: 10 October 2018

RE: 28E Agreement with Iowa ABD for Tobacco, Alternative Nicotine & Vapor Product Enforcement
FY 2018-2019

Policy Issue: City policy requires governing body approval of agreements and contracts.

Recommendation: Staff recommends the Marshalltown City Council approve the FY 2018-2019 28E Agreement with the Iowa Alcoholic Beverages Division (ABD) for the enforcement of Iowa's tobacco, alternative nicotine and vapor product laws. Staff also recommends the City Council authorize the Chief of Police to sign this agreement.

Background: The City of Marshalltown and the Marshalltown Police Department have a long standing relationship with the Iowa ABD for the enforcement of tobacco laws and public education connected to tobacco regulations in Iowa. Historically, the police department has partnered with Iowa ABD to conduct tobacco compliance checks at all licensed tobacco retail outlets in the city limits of Marshalltown. The attached agreement would require that the police department conduct compliance checks on all Marshalltown tobacco retailers before December 15, 2018. Non-compliant establishments must be checked again by March 15, 2019. The Iowa ABD will pay the police department \$75.00 per reported compliance check. The police department believes this is an important public health and public policy initiative. Staff recommends approval of this agreement.

Budget Impact: Not Applicable

Attachment: 28E Agreement with Iowa ABD for Tobacco, Alternative Nicotine & Vapor Product Enforcement for FY 2018-2019



Kim Reynolds *Governor of Iowa*
Adam Gregg *Lieutenant Governor*

Stephen Larson *Administrator*

September 10, 2018

Dear I-PLEDGE Partner,

Thank you for participating in the FY2019 I-PLEDGE Tobacco, Alternative Nicotine and Vapor Product Enforcement Program with the Iowa Alcoholic Beverages Division (ABD). Together, law enforcement agencies and ABD have raised the compliance rate by tobacco retailers to a remarkable 91%.

Enclosed are materials that will assist your department in the completion of youth tobacco, alternative nicotine and vapor product compliance checks during FY2019 (July 1, 2018 - June 30, 2019). Included are the following:

- A signed copy of the 28E Agreement between your department and the Iowa Alcoholic Beverages Division for FY2019.
- The FY2019 *Tobacco, Alternative Nicotine and Vapor Product Enforcement Handbook* to assist your department in the completion of youth tobacco, alternative nicotine and vapor product compliance checks. The handbook contains all of the information necessary to get your department started and contains ABD contact information for assistance if needed.

Please ensure your staff is aware that the contract calls for one (1) compliance check at each tobacco, alternative nicotine and vapor product retailer assigned to your department during FY2019. An additional compliance check must be performed on any retailer that fails the first compliance check. Your staff should log on to <https://tobacco.iowaabd.com/default.asp> to view a full list of retailers assigned to your department prior to conducting compliance checks.

Also note that alternative nicotine and vapor products are age-restricted pursuant to Iowa Code § 453A.2, and therefore included in the I-PLEDGE program. Attempts to purchase alternative nicotine and vapor products may be conducted at any retailer that sells these products. Details and examples of these age-restricted products are included in the enforcement handbook.

Again, I want to thank you for participating in the I-PLEDGE program during FY2019. I know the compliance success rate that Iowa has achieved would not be possible without the help of Iowa's law enforcement community.

If you have questions about the program, please refer to the contact information provided in the enforcement handbook. I wish you the best in FY2019 and hope that, together, we can build on the successes achieved in previous years.

Sincerely,

Jessica Ekman
Tobacco Program Coordinator

28E AGREEMENT FOR TOBACCO, ALTERNATIVE NICOTINE AND VAPOR PRODUCT ENFORCEMENT

SCHEDULE 1

THIS AGREEMENT is made and entered into on this 25th day of September, 2018 by and between the Iowa Alcoholic Beverages Division ("ABD"), and the Marshalltown Police Department (The "Department"). The parties agree as follows:

SECTION 1. IDENTITY OF THE PARTIES.

1.1 Iowa ABD. The ABD is authorized pursuant to Iowa Code Chapter 453A and a Memorandum of Understanding with the Iowa Department of Public Health to provide enforcement for Iowa's tobacco, alternative nicotine and vapor product laws. The ABD's address is: 1918 SE Hulsizer Road, Ankeny, Iowa 50021.

1.2 Department. The Department operates a duly recognized Iowa law enforcement agency. The Department's address is:

Marshalltown Police Department
22 N. Center Street, Marshalltown, Iowa 50158

SECTION 2. PURPOSE. The parties have entered into this Agreement for the purpose of providing and funding tobacco, alternative nicotine and vapor product enforcement activities in compliance with Iowa Code § 453A.2.

SECTION 3. TERM. The term of the Agreement shall be from the aforementioned date through June 30, 2019, unless earlier terminated in accordance with the terms of the Agreement.

SECTION 4. FILING. Pursuant to Iowa Code § 28E.8, the ABD shall electronically file the Agreement with the Iowa Secretary of State, after the parties have executed the agreement.

SECTION 5. RESPONSIBILITIES OF THE PARTIES.

5.1 Responsibilities of the Department.

5.1.1 Local Tobacco, Alternative Nicotine and Vapor Product Enforcement. The Department shall provide tobacco, alternative nicotine and vapor product enforcement of Iowa Code Chapter 453A.

5.1.2 Compliance Checks. "Compliance checks" mean activity to enforce tobacco, alternative nicotine and vapor product laws in accordance with Iowa Code § 453A.2 within the jurisdiction of the Department. Compliance checks also may

include enforcement of § 453A.2 within additional jurisdictions upon agreement of the Parties. ABD shall make available to the Department the location of each tobacco, alternative nicotine and vapor product permit holder subject to a compliance check by the Department at <https://tobacco.iowaabd.com/>.

The Department shall perform one (1) compliance check of each tobacco, alternative nicotine and vapor product permit holder within the jurisdiction of the Department during the term of the Agreement. Please note that alternative nicotine and vapor products are age-restricted pursuant to Iowa Code § 453A.2, and are therefore included in the I-PLEDGE program. Attempts to purchase alternative nicotine and vapor products may be conducted at any retailer that sells these products.

The Department shall not begin to conduct any retailer compliance checks until October 1, 2018.

The compliance check shall be completed and submitted for reimbursement to ABD by **December 15, 2018**. The Department should try to complete a compliance check of all seasonal businesses such as golf courses, marinas and bait shops before the businesses close for the 2018 business year, but not before October 1, 2018. If the department is unable to complete the compliance checks on seasonal businesses prior to the businesses close for the 2018 business year, the Department shall work with ABD to establish a plan for completing these compliance checks.

The Department shall conduct a second compliance check on any retailer that is found to be non-compliant during the first inspection. The second compliance check on the non-compliant retailer shall be completed and entered no later than **March 15, 2019**.

Clerks that fail compliance checks shall be ticketed criminally.

The Department shall, within seven (7) business days, notify the retail owner or manager of any violation. Within seventy-two (72) hours of the Department issuing a citation for a violation of Iowa Code § 453A.2(1) to a permit-holder or employee of a permit-holder, the Department must notify the local permit-issuing authority that issued the tobacco, alternative nicotine and vapor product permit to the retailer where the offense was committed.

If the Department fails to complete and submit reimbursement for compliance checks to ABD by **December 15, 2018**, ABD will consult with the Department to establish a plan for completing the remaining compliance checks. In the event that the Department fails to execute the agreed upon plan, the Department agrees that ABD may authorize the Iowa State Patrol or other law enforcement agency to conduct any remaining compliance checks.

- 5.1.3 Youth Volunteers.** Utilization of youth volunteers is strongly encouraged where feasible. The Department may compensate the youth involved in the compliance

checks in a manner consistent with Section 6. Keep in mind that the federal government (SYNAR) ***will not allow minors under the age of sixteen (16)*** to be used to conduct compliance checks. Please ensure that the officers assigned to conduct the compliance checks do not work with a youth younger than age 16.

5.1.4 Routine Enforcement. In addition to conducting compliance checks, the Department agrees to regularly enforce youth tobacco, alternative nicotine and vapor product laws by ticketing youth offenders.

5.1.5 Civil Proceedings. The Department shall cooperate with city, county and state prosecutors if civil permit proceedings are initiated against a tobacco, alternative nicotine and vapor product permit holder. The Department shall also cooperate in proceedings against cited clerks and minors. Cooperation shall include, but not be limited to, sharing investigative reports and copies of issued citations, as well as providing witness statements and testimony.

5.1.6 Compliance Reports. The Department shall provide monthly reports to the ABD in the manner prescribed by the ABD.

5.1.7 Miscellaneous. The Department shall be responsible for the day-to-day administration of its tobacco, alternative nicotine and vapor product enforcement activities. The Department shall provide all office space, equipment and personnel necessary to conduct tobacco, alternative nicotine and vapor product enforcement activities under the Agreement. The Department is solely responsible for the selection, hiring, disciplining, firing and compensation of its officers.

5.2 Responsibilities of the ABD.

5.2.1 Enforcement Guidance. The ABD shall provide guidance on tobacco, alternative nicotine and vapor product enforcement to the Department, if needed, and cooperate with the Department in the performance of the Agreement.

5.2.4 Payment. The ABD shall pay the Department in the manner described in Section 6.

5.2.5 Cooperation. If ABD believes that any officer of the Department fails to perform duties in a manner that is consistent with the Agreement, the ABD shall notify the Department. The Department shall then take such action as necessary to investigate and, if appropriate, discipline or reassign the officer away from tobacco, alternative nicotine and vapor product enforcement activities. The ABD shall have no authority to discipline or reassign an officer, except that the ABD shall have the authority to stipulate that a particular officer not be assigned to provide services under the Agreement.

5.2.6 Insurance, Benefits and Compensation. The ABD shall not provide for, nor pay, any employment costs of the Department's officers including, but not limited

to, worker's compensation, unemployment insurance, health insurance, life insurance and any other benefits or compensation, nor make any payroll payments with respect to the Department's officers. The ABD shall have no liability whatsoever for all such employment costs or other expenses relating to, or for the benefit of, the Department's officers.

SECTION 6. PAYMENT TO DEPARTMENT.

- 6.1 Method of Payment.** In consideration for providing the services required by the Agreement, the Department shall be paid on a flat fee basis of seventy-five dollars (\$75) per reported compliance check. The flat fee payment for each compliance check constitutes the full and exclusive remuneration for the compliance checks. For example, compensation of youth participants is the sole responsibility of the Department and is to be paid from the flat fee payment.
- 6.2 Eligible Claims.** Compliance checks that are conducted on or after **October 1, 2018** are eligible for payment provided that the results are reported in accordance with Section 5. Any compliance checks that were funded by a non-departmental entity are not eligible for payment.
- 6.3 Allocations.** The costs of the services referred to in Section 6.1 shall be allocated as follows:
- 6.3.1 Sole Activity.** Money paid to the Department, pursuant to the Agreement, shall be used to fund overtime of full- or part-time peace officer positions solely for tobacco, alternative nicotine and vapor product enforcement activities described in the Agreement. Money also shall be used for compensation, if any, of youth participants. In addition, the Department may use money paid pursuant to the Agreement for reasonable Department expenditures, including, but not limited to, officer training and equipment, provided that such expenditures do not impair the Department's ability to perform tobacco, alternative nicotine and vapor product enforcement activities.
- 6.3.2 Payment in Arrears.** The ABD may pay all approved invoices in arrears and in conformance with Iowa Code § 8A.514. The ABD, consistent with Iowa Code § 8A.514, may pay in less than the specified time period. Payment by the ABD in fewer than sixty (60) days, however, does not constitute an implied waiver of that Code section.

SECTION 7. ADMINISTRATION OF AGREEMENT. The ABD and the Department shall jointly administer the Agreement.

SECTION 8. NO SEPARATE ADMINISTRATIVE ENTITY. No new or separate legal or administrative entity is created by the Agreement.

SECTION 9. NO PROPERTY ACQUIRED. The ABD and the Department, in connection with the performance of the Agreement, shall acquire no real or personal property.

SECTION 10. TERMINATION.

- 10.1 Termination for Convenience.** Following twenty (20) days written notice, either party may terminate the Agreement, in whole or in part, for convenience without the payment of any penalty or incurring any further obligation to the non-terminating party. Following termination for convenience, the non-terminating party shall be entitled to compensation, upon submission of invoices and proper proof of claim, for services provided under the Agreement to the terminating party up to and including the date of termination.
- 10.2 Termination Due to Lack of Funds or Change in the Law.** Notwithstanding anything in this Contract to the contrary, and subject to the limitations set forth below, ABD shall have the right to terminate this Contract without penalty and without any advance notice as a result of any of the following:
- 10.2.1** The legislature or governor fail in the sole opinion of ABD to appropriate funds sufficient to allow ABD to either meet its obligations under this Contract or to operate as required and to fulfill its obligations under this Contract:
- 10.2.2** If funds are de-appropriated, reduced, not allocated, or receipt of funds is delayed, or if any funds or revenues needed by ABD to make any payment hereunder are insufficient or unavailable for any other reason as determined by ABD in its sole discretion.
- 10.3 Termination for Cause.** The occurrence of any one or more of the following events shall constitute cause for any party to declare another party in default of its obligations under the Agreement:
- 10.3.1** Failure to observe and perform any covenant, condition or obligation created by the Agreement;
- 10.3.2** Failure to make substantial and timely progress toward performance of the Agreement;
- 10.3.3** Failure of the party's work product and services to conform with any specifications noted herein;
- 10.3.4** Infringement of any patent, trademark, copyright, trade dress or any other intellectual property right.
- 10.4 Notice of Default.** If there occurs a default event under Section 10.3, the non-defaulting party shall provide written notice to the defaulting party requesting that the breach or noncompliance be immediately remedied. In the event that the breach or noncompliance

continues to be evidenced ten days beyond the date specified in the written notice, the non-defaulting party may either:

10.4.1 Immediately terminate the Agreement without additional written notice; or,

10.4.2 Enforce the terms and conditions of the Agreement and seek any available legal or equitable remedies.

In either event, the non-defaulting party may seek damages as a result of the breach or failure to comply with the terms of the Agreement.

SECTION 11. INDEMNIFICATION.

11.1 By ABD. Consistent with Article VII, Section 1 of the Iowa Constitution and Iowa Code Chapter 669, ABD agrees to defend and indemnify the Department and hold it harmless against any and all liabilities, damages, settlements, judgments, costs and expenses, including reasonable attorney's fees of counsel required to defend the Department, related to or arising out of ABD's negligent or wrongful acts or omissions in the performance of the Agreement.

11.2 By the Department. Consistent with Article VII, Section 1 of the Iowa Constitution and Iowa Code Chapter 670, the Department agrees to defend and indemnify and hold the State of Iowa and ABD harmless from any and all liabilities, damages, settlements, judgments, costs and expenses, including reasonable governmental attorney's fees and the costs and expenses of attorney fees of other counsel required to defend the ABD, related to or arising from any negligent or wrongful acts or omissions of the Department in the performance of this Agreement.

SECTION 12. CONTACT PERSON.

12.1 Contact Person. At the time of execution of the Agreement, each party shall designate, in writing, a Contact Person to serve until the expiration of the Agreement or the designation of a substitute Contact Person. During the term of the Agreement, each Contact Person shall be available to meet, as otherwise mutually agreed, to plan the services being provided under the Agreement.

SECTION 13. CONTRACT ADMINISTRATION.

13.1 Amendments. The Agreement may be amended in writing from time to time by mutual consent of the parties. All amendments to the Agreement must be fully executed by the parties.

13.2 Third Party Beneficiaries. There are no third party beneficiaries to the Agreement. The Agreement is intended only to benefit ABD and the Department.

- 13.3 Choice of Law and Forum.** The terms and provisions of the Agreement shall be construed in accordance with the laws of the State of Iowa. Any and all litigation or actions commenced in connection with the Agreement shall be brought in Des Moines, Iowa, in Polk County District Court for the State of Iowa. This provision shall not be construed as waiving any immunity to suit or liability that may be available to the State of Iowa, ABD or the Department.
- 13.4 Assignment and Delegation.** The Agreement may not be assigned, transferred or conveyed in whole or in part without the prior written consent of the other party.
- 13.5 Integration.** The Agreement represents the entire Agreement between the parties and neither party is relying on any representation that may have been made which is not included in the Agreement.
- 13.6 Headings or Captions.** The paragraph headings or captions are for identification purposes only and do not limit nor construe the contents of the paragraphs.
- 13.7 Not a Joint Venture.** Nothing in the Agreement shall be construed as creating or constituting the relationship of a partnership, joint venture, association of any kind or agent and principal relationship between the parties. Each party shall be deemed an independent contractor acting toward the expected mutual benefits. No party, unless otherwise specifically provided for herein, has the authority to enter into any contract or create an obligation or liability on behalf of, in the name of, or binding upon the other party to the Agreement.
- 13.8 Supersedes Former Agreements.** The Agreement supersedes all prior Agreements between ABD and the Department for the services provided in connection with the Agreement.
- 13.9 Waiver.** Except as specifically provided for in a waiver signed by duly authorized representatives of ABD and the Department, failure by any party at any time to require performance by the other party or to claim a breach of any provision of the Agreement shall not be construed as affecting any subsequent breach or the right to require performance with respect thereto or to claim a breach with respect thereto.
- 13.10 Notices.** Notices under the Agreement shall be in writing and delivered to the representative of the party to receive notice (identified below) at the address of the party to receive notice as it appears below or as otherwise provided for by proper notice here under. This person shall be the Contact Person. The effective date for any notice under the Agreement shall be the date of delivery of such notice (not the date of mailing) which may be effected by certified U.S. Mail return receipt requested with postage prepaid thereon or by recognized overnight delivery service, such as Federal Express or UPS. Failure to accept "receipt" shall constitute delivery.

If to ABD:

Jessica Ekman
Tobacco Program Coordinator
Iowa Alcoholic Beverages Division
1918 SE Hulsizer Road
Ankeny, Iowa 50021
515-281-7434
Email: Ekman@IowaABD.com

If to Department:

Chief Michael Tupper
Marshalltown Police Department
22 N. Center Street
Marshalltown, Iowa 50158
Email: MTupper@marshalltown-ia-gov

- 13.11 **Cumulative Rights.** The various rights, powers, options, elections and remedies of any party provided in the Agreement, shall be construed as cumulative and not one of them is exclusive of the others or exclusive of any rights, remedies or priorities allowed any party by law, and shall in no way affect or impair the right of any party to pursue any other equitable or legal remedy to which any party may be entitled as long as any default remains in any way un-remedied, unsatisfied or un-discharged.
- 13.12 **Severability.** If any provision of the Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the validity or enforceability of any other part or provision of the Agreement.
- 13.13 **Time is of the Essence.** Time is of the essence with respect to the performance of the terms of the Agreement.
- 13.14 **Authorization.** Each party to the Agreement represents and warrants to the other that:
- 13.14.1 It has the right, power and authority to enter into and perform its obligations under the Agreement.
- 13.14.2 It has taken all requisite action (corporate, statutory or otherwise) to approve execution, delivery and performance of the Agreement, and the Agreement constitutes a legal, valid and binding obligation upon itself in accordance with its terms.
- 13.15 **Successors in Interest.** All the terms, provisions and conditions of the Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives.
- 13.16 **Record Retention and Access.** The Department shall maintain books, records and documents which sufficiently and properly document and calculate all charges billed to

ABD throughout the term of the Agreement for a period of at least three (3) years following the date of final payment or completion of any required audit, whichever is later. The Department shall permit the Auditor of the State of Iowa or any authorized representative of the State and where federal funds are involved, the Comptroller General of the United States or any other authorized representative of the United States government, to access and examine, audit, excerpt and transcribe any directly pertinent books, documents, papers, electronic or optically stored and created records or other records of the Department relating to orders, invoices, or payments or any other documentation or materials pertaining to the Agreement. The Department shall not impose a charge for audit or examination of the books and records.

13.17 Additional Provisions. The parties agree that any Addendum, Rider or Exhibit, attached hereto by the parties, shall be deemed incorporated herein by reference.

13.18 Further Assurances and Corrective Instruments. The parties agree that they shall, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of the Agreement.

SECTION 14. EXECUTION.

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the Agreement and have caused their duly authorized representatives to execute the Agreement.

By Alcoholic Beverages Division



Joshua Happe, Regulatory Compliance Bureau Chief

9/28/18

Date

By Law Enforcement Agency



Department Official

09-25-2018

Date



Department Witness

9/25/18

Date

Marshalltown PD

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TOBACCO, ALTERNATIVE NICOTINE
& VAPOR PRODUCT

ENFORCEMENT HANDBOOK

SCHEDULE 1 | FY19



ALCOHOLIC
BEVERAGES
DIVISION
State of Iowa

STEPHEN LARSON | ADMINISTRATOR

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FY 2019



Thank you for taking the I-pledge and partnering with the Iowa Alcoholic Beverages Division (ABD) to help keep tobacco, alternative nicotine and vapor products out of the hands of Iowa's youth. This handbook is a valuable resource to assist in the successful completion of tobacco, alternative nicotine and vapor product enforcement initiatives. Relevant forms, sample letters and suggested procedures are contained in this publication. Feel free to make copies of these documents to complete necessary paperwork.

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I. Press Release

FY 2019



[POLICE DEPARTMENT/SHERIFF'S OFFICE] TO PARTNER WITH IOWA ALCOHOLIC BEVERAGES DIVISION FOR TOBACCO, ALTERNATIVE NICOTINE AND VAPOR PRODUCT EDUCATION AND ENFORCEMENT

[COMMUNITY], Iowa ([MONTH ##], 20##) – The [POLICE DEPT/SHERIFF'S OFFICE] has taken a pledge to keep tobacco, alternative nicotine and vapor products out of the hands of [COMMUNITY] youth.

Known as I-pledge, the program is a partnership with the Iowa Alcoholic Beverages Division (ABD) to educate local retailers and to enforce Iowa's tobacco, alternative nicotine and vapor product laws. Since the program's inception in 2000, the statewide tobacco compliance rate has grown to 91%. By participating in the program, the [POLICE DEPT/SHERIFF'S OFFICE] has committed to do its part to increase the compliance rate even more this year.

I-pledge places emphasis on retailer training. Clerks who successfully complete an online training course and then pass an exam will become I-pledge certified. This allows a retail establishment to use an affirmative defense against a civil penalty if the certified clerk makes an illegal sale.

"I-pledge's retailer training is a great way for clerks to prepare themselves to refuse illegal tobacco, alternative nicotine and vapor product sales," [CHIEF/SHERIFF NAME] said. "The training also assists retailers to ensure they maintain a compliant and responsible establishment."

[OFFICERS/DEPUTIES] will also be conducting compliance checks on local establishments as part of the I-pledge program. Underage customers, under the supervision of law enforcement officials, will enter establishments and attempt to buy tobacco, alternative nicotine and vapor products. Clerks who make the illegal sale will be cited on the spot.

Criminal penalties for selling tobacco, alternative nicotine and vapor products to a minor include a \$100 fine for a first offense, a \$250 fine for a second offense and a \$500 fine for third and subsequent offenses. However, handing out citations is not the intent of the I-pledge program.

"By partnering with the Iowa Alcoholic Beverages Division, we hope to educate clerks and maintain a compliant retail environment in our community," [CHIEF/SHERIFF] said. "Moreover, we pledge to help keep tobacco, alternative nicotine and vapor products out of the hands of Iowa's youth."

To take the I-pledge training or search certification records go to <https://abd.iowa.gov/>.

##

II. Officer Checklist

SCHEDULE 1

FY 2019



- ☐ 1. **Issue a press release** indicating your agency is partnering with the Iowa Alcoholic Beverages Division to conduct compliance checks. A suggested press release is included on page 2 of this handbook and can be downloaded at <https://abd.iowa.gov/>.

▶ Please do not provide retailers with advance notification of compliance checks.

- ☐ 2. **Visit your city clerk or county auditor** to obtain a current list of licensed tobacco, alternative nicotine and vapor product retailers in your area.

▶ ABD does not always receive the most current tobacco, alternative nicotine and vapor product permit information. Therefore, it is important that you receive a list from your city clerk or county auditor prior to conducting compliance checks. If you encounter discrepancies between your city clerk's/county auditor's list and ABD's online list, contact Jessica Ekman at 515-314-8561 or Ekman@IowaABD.com.

▶ You should also contact ABD if you know of, discover, or receive information regarding a retailer that is not on your city clerk's/county auditor's list or ABD's online list.

3. **Complete and submit compliance checks** on or before **December 15, 2018.**

☐ ▶ Try to complete compliance checks on **seasonal businesses** before the end of the 2018 business season but not before **October 1st**.

▶ Use only Fiscal Year 2019 Tobacco, Alternative Nicotine and Vapor Product Enforcement Program forms included in this handbook, or download current forms at <https://abd.iowa.gov/>.

- ☐ 4. **Immediately issue a criminal citation** to non-compliant clerks. Your agency should notify the city or county attorney within 72 hours for criminal proceedings. Your agency should also notify the business owner or manager of the tobacco/alternative nicotine/vapor product violation within seven (7) business days.

▶ Do not obtain the name of the clerk for compliance checks resulting in compliance. ABD does not need this information and the clerk may notify other retailers in the area that compliance checks are being conducted.

5. **Complete and submit a second compliance check on violators only by March 15, 2019.**

☐

NOTE: Compliance checks must be conducted at establishments during regular business hours.

III. Compliance Check Results - Unable to Complete

FY 2019



Not all compliance checks may be classified as compliant or non-compliant. Below are a few circumstances law enforcement should be aware of to ensure accurate results are reported to ABD:

- ▶ **Establishment tells youth that the business no longer sells tobacco, alternative nicotine or vapor products:** The officer should contact the city clerk/county auditor to determine if the business no longer holds a valid permit or if the business simply told the youth that the business no longer sells tobacco, alternative nicotine or vapor products. If the business does have a valid permit, enter the compliance check as "compliant." If the business no longer holds a valid permit, see payment schedule below.
- ▶ **Establishment no longer holds a valid permit:** Submit the compliance check as "no longer holds a valid tobacco, alternative nicotine, or vapor product permit." Make sure a compliance check was attempted if this selection is chosen. If you are aware an establishment on ABD's list no longer holds a valid permit prior to attempting to conduct a compliance check at the establishment, contact your ABD investigator. You can locate the ABD Investigator for your area and find their contact information on page 13.
- ▶ **Establishment is out of business:** Submit the compliance check as "out of business." Make sure a compliance check was attempted if this selection is chosen. If you are aware a business is no longer in operation prior to attempting to conduct a compliance check at the establishment, contact your ABD Investigator. You can locate the ABD Investigator for your area and find their contact information on page 13.
- ▶ **Youth is denied entry:** Submit the compliance check as "compliant." These establishments are typically "members only" or the youth is stopped at the door due to age.
- ▶ **Establishment is unsafe or inappropriate:** Establishments that are unsafe or inappropriate for a minor to enter can be considered an "unsatisfactory condition." However, to formally designate the establishment as an "unsatisfactory condition," the officer must contact their ABD investigator prior to conducting the compliance check for confirmation. The officer must conduct a "walk-through" of the premises to ensure the establishment is in compliance with Iowa's tobacco, alternative nicotine and vapor product laws.

PAYMENT SCHEDULE *(indicates if a compliance check will result in payment)*

<u>Reason</u>	<u>Paid Y/N</u>	<u>Reason</u>	<u>Paid Y/N</u>
Out of business	N	Unsatisfactory Condition (explain in comments)	?
Valid permit but no sale	Y	In operation but closed at time of visit	N
Inaccessible by youth (explain in comments)	?	Unsafe to access (explain in comments)	?
Private club (explain in comments)	?	Presence of law enforcement officials	N
Temporary business closure	N	Youth inspector knows salesperson	N
Unable to locate business	N	Moved to new location but not inspected	N
Wholesale/Carton sale only	N	Drive-thru only but youth inspector has no DL	N
Broken vending machine	N	Tobacco/alternative nicotine/vapor product out of stock	N
Duplicate	N	Run out of time	N
No longer holds valid permit	N	Other non-completion (explain in comments)	?

NOTE: A "?" in the paid column means payment for the compliance check will depend on the reason given in the comments section of the report. If you question what reason to use or are unsure if your department will be paid for an inspection, contact the ABD Investigator assigned to your area. You can locate the ABD Investigator for your area and find their contact information on page 13.

IV. Website, User ID and Password

FY 2019



The I-pledge Tobacco, Alternative Nicotine and Vapor Product Enforcement Program website allows law enforcement agencies to electronically file compliance check reports and submit results to ABD for payment online. Please follow the steps below to enter compliance check reports online.

1. Access the site by visiting <https://abd.iowa.gov/>;
2. Click on the "**I-pledge Training & Enforcement Log In**" link located under the TOBACCO banner at the top of the home page;
3. Choose the "**Tobacco, Alternative Nicotine and Vapor Product Enforcement Program.**" and enter a "**User ID**" and "**Password.**"

USER ID:

If you are a **Police Department**, your User ID is the name of your city.

Example: If you are entering results for the Polk City Police Department, your User ID is **Polk City** (include space).

If you are a **Sheriff's Department**, your User ID is the name of your county, plus the word "County".

Example: If you are entering results for the Buena Vista County Sheriff's Department, your User ID is **Buena Vista County** (include spaces).

PASSWORD:

You will use the same password that you used during FY2018.

- Your password is case sensitive, meaning capital and small letters must be in appropriate places.
- Your password cannot contain symbols like &, *, or #, etc.
- **DO NOT USE YOUR EMAIL ADDRESS AS A PASSWORD.**

If you experience difficulty accessing the I-pledge Tobacco, Alternative Nicotine and Vapor Product Enforcement Program website, make sure you are using **Internet Explorer** as your web browser. If you are using **Internet Explorer** and continue to experience difficulty, contact the ABD investigator assigned to your area. You can locate the ABD Investigator for your area and find their contact information on page 13. You may also contact Jessica Ekman at 515-314-8561 or Ekman@IowaABD.com.

V. Submitting Compliance Check Results FY 2019



Follow these easy steps to submit compliance reports online:

Login:

Login using your user ID and password. Please note both the user ID and password are case sensitive; **meaning capital and lowercase letters must be in appropriate places.**

Disclaimer:

A successful login will prompt a disclaimer screen. The disclaimer explains the terms of using the I-LEDGE Tobacco, Alternative Nicotine and Vapor Product Enforcement Program website. Agreeing to these terms allows you to enter the website and submit compliance reports for payment.

Locate Retailer:

A screen with a list of retailers will appear. You may sort each column by clicking on the column heading. After locating the appropriate retailer, click on that retailer's name and a screen with the retailer's information will appear. **Note: An accurate list of retailers should be obtained from your city clerk or county auditor. Contact ABD if you find discrepancies between the online list and the list obtained from your city clerk or county auditor.**

Enter Compliance Check Results:

After arriving at the retailer information screen, scroll to the bottom and click on **"Report Compliance."** A screen will appear that will allow you to enter compliance check results. Please complete all applicable fields accurately. If you do not see the "Report Compliance" button or the button does not work, make sure you are using **Internet Explorer** as your web browser.

Submit Compliance Check Results:

After entering the results of the compliance check, click on **"Submit"** located at the bottom of the screen. Submitting the results is the same as an invoice, billing ABD \$75 per compliance check. Payment will depend on whether the compliance check is eligible for reimbursement. If an explanation is required, please ensure a complete and accurate explanation is provided in the comments section. **It is imperative to enter compliance check reports accurately and in a timely manner.** Please contact your ABD Investigator if an error is made when entering a compliance check report. You can locate the ABD Investigator for your area and find their contact information on page 13.

Notifications to Retailers:

After receiving the compliance report, ABD will send a notification of compliance to retailers who do not sell tobacco, alternative nicotine or vapor products to underage youth and a notification of non-compliance to those who do sell. The notifications will be sent to retailers monthly. **It is imperative to enter compliance check reports accurately and in a timely manner.** Please contact your ABD Investigator if an error is made when entering a compliance check report. You can locate the ABD Investigator for your area and find their contact information on page 13.

Questions or Problems?

If you have problems submitting a report or have questions regarding the website, contact the ABD Investigator assigned to your area. You can locate the ABD Investigator for your area and find their contact information on page 13. You may also contact Jessica Ekman at 515-314-8561 or Ekman@IowaABD.com.

VI. Compliance Check Procedures

FY 2019



ABD has created the following suggested procedures for routine and fair monitoring of Iowa retail establishments licensed to sell tobacco, alternative nicotine and vapor products.

Preparing for Compliance Checks

A law enforcement agency (department) should coordinate the participation of a minor to assist with the controlled-buy operation (compliance check).

- ▶ **Minors shall be 16 or 17 years of age. Minors under the age of 16 shall not be used to conduct tobacco, alternative nicotine and vapor product compliance checks.**
- ▶ All minors should be of good character.
- ▶ Minors should have the appearance, demeanor, mannerisms and appropriate dress for their age group. Youth should refrain from wearing high school or college logos while conducting compliance checks.
- ▶ All minors shall have a parent or guardian complete a Parent/Guardian Consent Form prior to the scheduled compliance check date. Provide a copy of the consent form to the parent/guardian.

In order to maintain the integrity of the program, the officer conducting compliance checks should wear plain clothes and utilize an unmarked vehicle whenever possible.

The officer should review the list of retail establishments and determine what tobacco/alternative nicotine/vapor products each retailer sells. Payment cannot be made and the department will be asked to repeat the compliance check if the minor asks for a product not sold by the retailer.

The citing law enforcement official shall be available for testimony at hearings and district court proceedings at the request of the local/state prosecutor and shall advise local/state prosecutors and their ABD investigator as to the disposition of criminal citations.

A Briefing Shall be Held Prior to Conducting Checks

- ▶ **Appearance:** The officer should approve the minor's appearance and a photo should be taken of the minor before each day of compliance checks. The minor's appearance should not be changed after that point.
- ▶ **Official Identification:** The officer should verify the minor has proper, official identification showing date of birth. This shall be the only identification carried or presented throughout the course of the compliance check. The official identification should be an Iowa driver's license. Make a photocopy of the minor's ID.
- ▶ **Possessions:** The minor should only have buy money provided by the department in his/her possession; no other money should be on his/her person. Check the minor and his/her possessions to ensure there are no tobacco, alternative nicotine or vapor products in his/her possession prior to the check.
- ▶ **Instructions:** The minor should be instructed:
 - » As to what product he/she should attempt to purchase;
 - » Go directly to the targeted merchandise to attempt to make the purchase;
 - » Speak only as necessary - at no time should the minor try to persuade the licensee/clerk to complete the sale;
 - » If asked about age, the minor should truthfully respond with how old he/she is;
 - » If asked for ID, the minor should present his/her ID to the licensee/clerk;
 - » If the licensee/clerk takes a minor's ID, tell the minor not to argue but to leave the store and the officer will obtain the minor's ID and congratulate the licensee for compliance;
 - » If a receipt of the purchase is offered, accept and maintain for evidence;
- ▶ **Termination:** The officer shall have the authority to terminate the operation at any time for safety reasons.

NOTE: The success of the operation and the minor's continued participation in tobacco, alternative nicotine and vapor product compliance checks is not dependent upon making successful purchases.



Law Enforcement Positioning

- ▶ **Tobacco, Alternative Nicotine and Vapor Product Retailers:** If possible, the officer should be stationed either inside the store or at a point from which the officer can observe the sale. The officer should not appear to be with the minor.
- ▶ **Bars/Restaurants:** The minor should enter the establishment first and request a tobacco, alternative nicotine or vapor product. If possible, the officer should enter the bar/restaurant after the minor and observe the purchase attempt from a discreet location. The officer should not appear to be accompanying the minor. Most bars/restaurants typically sell traditional tobacco products versus alternative nicotine and vapor products. An establishment where an employee checks the minor's ID at the door and denies the minor access to the premises shall be considered to be compliant.

Unsatisfactory Condition

Establishments that are unsafe or inappropriate for a minor to enter can be considered an "unsatisfactory condition." A minor should never be sent into an adult entertainment facility or bar where the officer feels it is unsafe or inappropriate for the minor. **The majority of bars in Iowa do not fall under this condition.**

However, to formally designate the establishment as an "unsatisfactory condition," the officer must contact their ABD investigator prior to conducting the compliance check for confirmation. Once the establishment has been formally designated as an "unsatisfactory condition," the officer must conduct a "walk-through" of the premises to ensure the establishment is in compliance with Iowa's tobacco, alternative nicotine and vapor product laws. A payment will not be sent to law enforcement agencies that neglect to conduct a "walk-through" of "unsatisfactory condition" establishments. In the event that ABD feels the check can safely be conducted, the department will be asked to complete the check.

Vending Machines

A vending machine which is accessible to a youth under age 18 is in violation of Iowa Code section 453A.36(6). If an establishment has a vending machine, the minor should be instructed to approach the retailer and specifically ask for change for the vending machine. If change is given, the minor should purchase tobacco, alternative nicotine or vapor products from the machine and exit. Asking specifically for change for the vending machine helps to identify who to cite during a non-compliant vending machine sale.

Audio/Video Recording

Audio and video equipment may be utilized during compliance checks in lieu of officer observation.

Criminal Citation

Immediately issue a criminal citation to an employee/clerk who sells a tobacco, alternative nicotine or vapor product to a minor, a violation of Iowa Code section 453A.2(1). A citation must be issued before your department may receive payment. Selling a tobacco, alternative nicotine or vapor product to a minor is a scheduled violation, resulting in scheduled fines as follows:

- ▶ 1st Offense: \$100.00 plus surcharge and court costs
- ▶ 2nd Offense: \$250.00 plus surcharge and court costs
- ▶ 3rd Offense: \$500.00 plus surcharge and court costs

Reporting

The department shall enter the compliance check results into the I-pledge Tobacco, Alternative Nicotine and Vapor Product Enforcement Program accessible at <https://abd.iowa.gov/>. For further instruction on this procedure refer to pages 5 and 6. **It is imperative to enter compliance check reports accurately and in a timely manner.** Please contact your ABD Investigator if an error is made when entering a compliance check report. The ABD Investigator map can be found on page 13.

Additional Information

For further information on tobacco, alternative nicotine and vapor product laws refer to Iowa Code Chapter 453A. The Iowa Code can be viewed at www.legis.iowa.gov/.



VII. Youth Consent Form

FY 2019

Youth Participant's Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Home Phone Number: _____ Date of Birth: _____

Social Security Number: _____ Gender: _____

Youth's Driver License or Identification Card No.: _____

- ▶ I understand my participation is voluntary and I will be under the supervision of a law enforcement officer at all times.
- ▶ I understand it is essential to maintain the confidential nature of the program, therefore ensuring the effectiveness, accuracy and validity of the outcome.
- ▶ I understand my participation in the project can be terminated at any time by myself, a parent or the law enforcement agency.
- ▶ I understand compliance checks may result in the purchase of tobacco, alternative nicotine and vapor products. I understand tobacco, alternative nicotine and vapor products will be treated as evidence and maintained by the law enforcement agency.
- ▶ I understand that I may be required to enter bars.
- ▶ I understand retailers in violation of minimum-age tobacco, alternative nicotine and vapor product laws may receive citations that result in monetary fines, suspension or revocation of their license and that I may be asked to participate in the adjudication process.
- ▶ I understand the success of the project is not dependent upon making successful, illegal purchases.

My signature on this document verifies my willingness to participate in the project and to follow the rules and procedures outlined in the training.

Youth Signature _____ Date _____

I have read the Program Procedures and Youth Participant Guidelines and give my permission for my child to participate in this project.

Parent/Guardian Signature _____ Date _____

Program Coordinator _____ Date _____



VIII. Compliance Check Form FY 2019

Retailer: _____ Address: _____

City: _____ State: _____ ZIP: _____

RESULTS (check one):

☐ Compliant

Date Checked: _____

☐ Non-Compliant

Time Checked: _____

☐ Unable to Complete
(Not Applicable)

Clerk Information: ☐ Male ☐ Female

(NAME ONLY REQUIRED IF NON-COMPLIANT):

First Name: _____ Middle Initial: _____

Last Name: _____ Case #: _____

☐ I have issued a criminal citation to the clerk listed above for selling tobacco, alternative nicotine or vapor products to a person under age eighteen.
Iowa Code § 453A.2(1).

(NOTE: If the compliance check result is Non-Compliant, a citation must be issued before your department may receive payment.)

If Unable to Complete the Compliance Check (check one)

☐ Establishment has a **VALID PERMIT** but Does Not Sell Tobacco, Alternative Nicotine or Vapor Products.
- Permit Status Verified by City Clerk or County Auditor

☐ Establishment **No Longer Holds a Valid Tobacco, Alternative Nicotine or Vapor Product Permit**

☐ Establishment is **Out of Business**

☐ Establishment is designated as an **"Unsatisfactory Condition"**
- "Unsatisfactory Condition" verified by ABD Investigator
- Officer Conducted a Walk-Through of the Premises
(Explanation Required in Comments Section Below)

► If none of the above reasons apply, write reason and explanation on the back of the form—see page 4 for reason list.

OFFICER INFORMATION (OFFICER THAT CONDUCTED COMPLIANCE CHECK):

First Name: _____ Middle Initial: _____ Last Name: _____

Badge: _____ Department: _____

CONFIDENTIAL INFORMANT (CI):

CI Age: ☐ 16 ☐ 17 CI Gender: ☐ Male ☐ Female CI Number: (Last 4 digits of CI's ID)

CI Ethnicity: ☐ White ☐ Asian ☐ African American ☐ Native American ☐ Hispanic ☐ Other

RESULTS OF ATTEMPTED PURCHASE:

Attempted Purchase Item: ☐ Cigarettes ☐ Smokeless Tobacco ☐ Other Tobacco Product

☐ Vapor Product ☐ Alternative Nicotine Product

Age Requested? ☐ YES ☐ NO

ID Requested? ☐ YES ☐ NO

COMMENTS:

Officer Signature _____

\$75

IX. Alternative Nicotine & Vapor Products

FY 2019



What is an Alternative Nicotine and Vapor Product?

Vapor Product:

Any non-combustible product which may or may not contain nicotine, that employs a heating element, power source, electronic circuit, or other electronic, chemical, or mechanical means, regardless of shape or size, that can be used to produce vapor from a solution or other substance. Vapor product includes an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device, and any cartridge or other container of a solution or other substance, which may or may not contain nicotine, that is intended to be used with or in an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device. Vapor product does not include a product regulated as a drug or device by the United States Food and Drug Administration under chapter V of the federal Food, Drug and Cosmetic Act.

Alternative Nicotine Product:

A product, not consisting of or containing tobacco, that provides for the ingestion into the body of nicotine, whether by chewing, absorbing, dissolving, inhaling, snorting, or sniffing, or by any other means. Alternative nicotine products do not include cigarettes, tobacco products, or vapor products, or a product that is regulated as a drug or device by the United States Food and Drug Administration under chapter V of the federal Food, Drug and Cosmetic Act.

Based on advice from the Iowa Attorney General's Office, the last line of the above definition *eliminates cessation products from being included under the law*. **Therefore, the purchase of cessation products should not be attempted during tobacco, alternative nicotine and vapor product compliance checks.** The three types of over the counter cessation products currently approved by the FDA are nicotine gum, transdermal patches, and nicotine lozenges.

Why are some of the retailers listed in the I-pledge Tobacco, Alternative Nicotine and Vapor Product Enforcement Program website highlighted blue?

Retailers that indicated they were an alternative nicotine/vapor store on their permit applications are highlighted in blue within the I-pledge website. This does not mean that these retailers sell only vapor/alternative nicotine products but there is a high likelihood that this is the case. **It is recommended that the officer find out what products these retailers sell prior to conducting compliance checks.** This way the officer can ensure the minor is instructed to attempt to purchase a product the retailer carries. Payment cannot be made and the department will be asked to repeat the compliance check if the minor asks for a product not carried by the retailer.

Common Brands and Prices of Vapor Products Carried by Iowa Retailers:



Blu

Starter Kit \$34.99, Refill Cartridges \$14.99, Single Use Vape \$9.99



Finiti

Single Use Vape \$6.99, Starter Kit \$24.99
New packaging item is called "Fin"



Vuse

Digital Vapor Cigarettes

Vape Starter Kit \$24.99, Single Use Vape \$9.99,
V-Liquid (Refill Cartridge) \$5.99



South Beach Smoke

Advanced Electronic Vaporizer
Starter Kit \$29.99, 10ml E-liquid \$7.99



NJOY

Vape Starter Kit \$29.99, E-Juice \$7.99

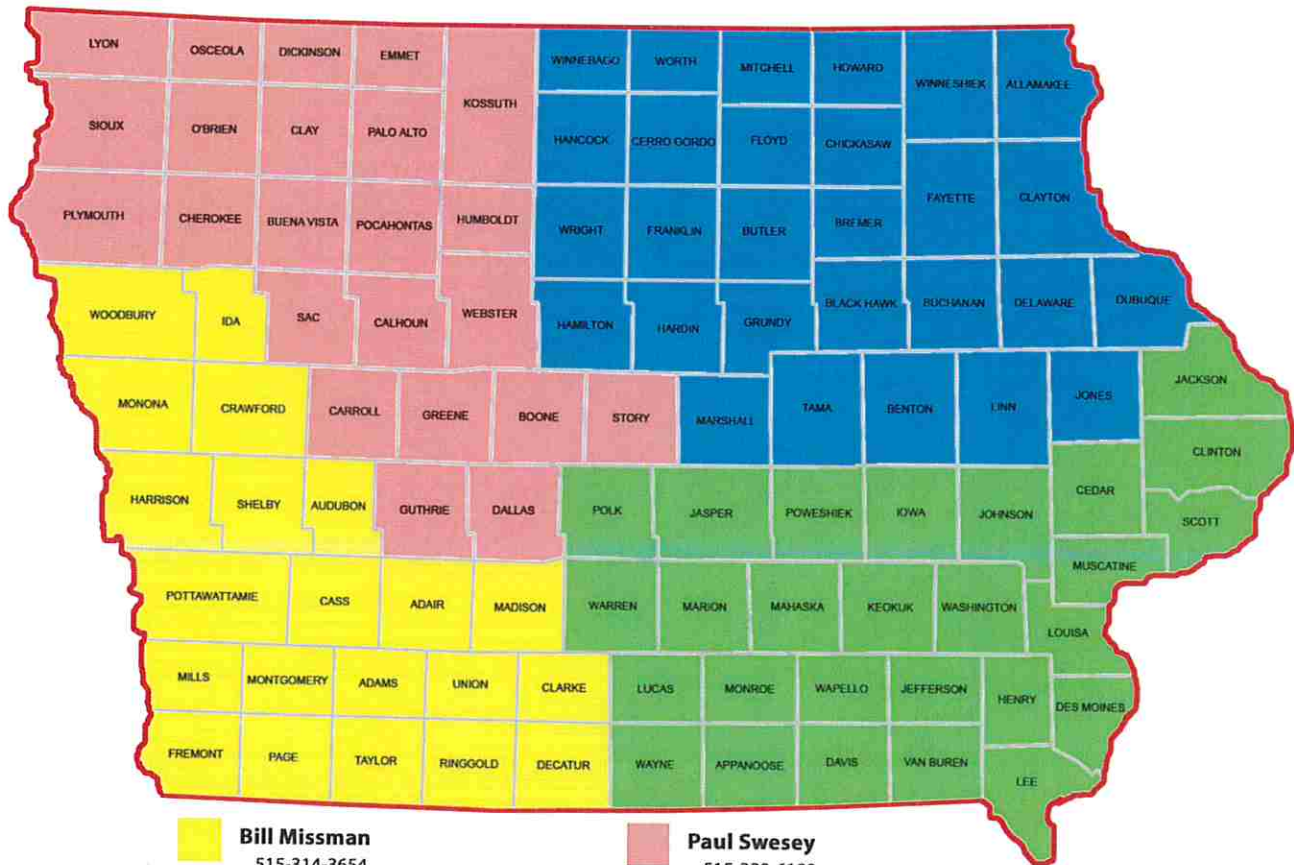


MarkTEN

Single Use Vape \$10

Please note these are only examples of prices and brands carried by some Iowa retailers. This information was collected in 2014 and may have changed since that time. Not all retailers will carry these brands and prices may vary from what is shown. Having the youth attempt to purchase a refill cartridge or single use vape may be the most cost effective option, as these items have prices that are comparable to traditional tobacco products.

X. ABD Tobacco Investigators FY 2019



Bill Missman
515-314-3654
Missman@iowaABD.com

Nick Gregory
515-401-5421
Gregory@iowaABD.com

Paul Swesey
515-330-6109
Swesey@iowaABD.com

Matt Jones
515-868-1053
Jones@iowaABD.com

Jessica Ekman can also answer questions about the Tobacco Enforcement Program. Jessica can be reached by telephone at 515.314-8561 or by email at Ekman@iowaABD.com.

Iowa Alcoholic Beverages Division
1918 SE Hulsizer Road
Ankeny, IA 50021
515.281.7400
866.IowaABD
<https://abd.iowa.gov/>



2018-????

RESOLUTION APPROVING AN AGREEMENT
FOR TOBACCO ENFORCEMENT SERVICES
BETWEEN

THE CITY OF MARSHALLTOWN, IOWA,

AND

THE IOWA ALCOHOLIC BEVERAGES DIVISION, STATE OF IOWA,
CREATED PURSUANT TO CHAPTER 28E.12 OF THE IOWA CODE

WHEREAS the City of Marshalltown, Iowa, has negotiated an Agreement for Tobacco Enforcement Services pursuant to Chapter 28E of the Iowa Code, with the Iowa Alcoholic Beverages Division, State of Iowa; and

WHEREAS the City Council of Marshalltown finds this Agreement for Services is in the best interest of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF
MARSHALLTOWN, IOWA:

Section 1. That the attached Agreement for Services is hereby approved in all respects and particulars.

Section 2. The Agreement for Services shall begin on October 1, 2018, and continue through June 30, 2019, and remain in effect until either party terminates the Agreement by written notice at least 20 days prior to the date of cancelation.

Section 3. That the Chief of Police and City Clerk are hereby authorized and directed to execute said Agreement for Services on behalf of the City of Marshalltown, and the City Clerk is authorized and directed to file this Agreement for Services with the Secretary of State, as required by law.

Passed this 22nd day of October 2018, and signed this _____ day of October 2018.

CITY OF MARSHALLTOWN, IOWA

James L. Lowrance, Mayor

ATTEST:

Shari L. Coughenour, CMC, City Clerk



Joel Greer, Mayor
Jessica Kinser, City Administrator
Michael W. Tupper, Chief of Police
22 North Center Street
Marshalltown, IA 50158-4911
Tel - (641) 754-5725
Fax - (641) 752-1211

TO: Mayor Joel Greer
Members of the Marshalltown City Council
Jessica Kinser, City Administrator

FROM: Michael W. Tupper
Chief of Police

DATE: 12 October 2018

RE: Marshalltown Police Department Parking Enforcement Vehicle Purchase

Policy Issue: City policy requires governing body approval of all vehicle purchases.

Recommendation: Staff recommends approving the purchase of a 2010 Dodge Ram 1500 SLT truck from Jensen Ford (Marshalltown). If approved for purchase, the police department's Support Services Division will utilize this vehicle for parking enforcement operations and as a pool vehicle. Purchase price is \$18,000.00. There are no trades involved with this purchase.

Background: The police department lost multiple unmarked/pool vehicles to damage caused by the July 19 tornado event. Currently the department is short vehicles in the police fleet. The department hired a full-time parking enforcement officer recently. This officer began duties on October 1. This new position requires the parking enforcement officer to travel throughout the city limits to enforce parking violations. The parking enforcement officer needs full and unrestricted access to an assigned vehicle. This purchase will allow the parking enforcement officer to perform assigned duties in a timely manner. This purchase is necessary to improve operational efficiencies.

Police department staff contacted Marshalltown area vendors seeking quotes for used vehicles that met department specifications for use as a parking enforcement vehicle. After looking at multiple vehicles, staff recommends purchasing a 2010 Dodge Ram truck from Jensen Ford. This vehicle will be a vehicle we can easily keep in service for five or more years. We will need to install very basic emergency lighting equipment into this vehicle.

Budget Impact: \$18,000.00. This purchase is necessary to replace a vehicle totaled during the July 19, 2018 tornado event. Insurance settlement dollars should cover this purchase in full. If necessary, budgeted CIP dollars in the FY 19 police budget can also be utilized to cover any costs not covered by insurance settlement dollars.

Misc.: MPD staff will be present at the October 22, 2018, meeting of the Marshalltown City Council to answer questions regarding this proposed police vehicle purchase.

2018-?????

RESOLUTION ACCEPTING BID AND AUTHORIZING THE PURCHASE OF ONE 2010 DODGE RAM 1500 SLT TRUCK FROM JENSEN FORD FOR THE PRICE OF \$18,000.00 FOR USE IN THE POLICE DEPARTMENT AS A PARKING ENFORCEMENT AND POOL VEHICLE.

WHEREAS the City of Marshalltown (hereinafter referred to as the "City"), State of Iowa, is a political subdivision organized and existing under the law and the Constitution of the State of Iowa (the "State"); and

WHEREAS the City of Marshalltown, Iowa desires to procure a used vehicle to be utilized by the police department as a parking enforcement and pool vehicle and sought quotes for this purpose; and

WHEREAS Jensen Ford, Marshalltown, Iowa submitted a bid on a 2010 Dodge Ram 1500 SLT truck for a purchase price of \$18,000.00, and

WHEREAS acceptance of this bid is in the best interest of the City of Marshalltown.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MARSHALLTOWN, IOWA:

Section 1. That the City of Marshalltown accepts the bid from Jensen Ford for the purchase of a 2010 Dodge Ram SLT truck to be used as said police vehicle for \$18,000.00.

Section 2. The Chief of Police of the City of Marshalltown is hereby authorized to enter into agreements on behalf of the City of Marshalltown to purchase said vehicle at the above referenced price and conditions.

Passed this 22nd day of October 2018, and signed this _____ day of October 2018.

CITY OF MARSHALLTOWN, IOWA

Joel T. S. Greer, Mayor

ATTEST:

Shari L. Coughenour, CMC, City Clerk

Applicant License Application ()

Name of Applicant: <u>OPA GRILL LLC</u>		
Name of Business (DBA): <u>OPA!!! GRILL</u>		
Address of Premises: <u>4 W Boone St</u>		
City <u>Marshalltown</u>	County: <u>Marshall</u>	Zip: <u>50158</u>
Business <u>(641) 328-2563</u>		
Mailing <u>4 W Boone St</u>		
City <u>Marshalltown</u>	State <u>IA</u>	Zip: <u>50158</u>

Contact Person

Name <u>Ioannis Coutsougeras</u>	
Phone: <u>(612) 345-2481</u>	Email <u>y.geras85@gmail.com</u>

Classification Special Class C Liquor License (BW) (Beer/Wine)

Term:12 months

Effective Date: 11/01/2018

Expiration Date: 01/01/1900

Privileges:

Special Class C Liquor License (BW) (Beer/Wine)

Status of Business

BusinessType: <u>Limited Liability Company</u>	
Corporate ID Number: <u>XXXXXXXXXX</u>	Federal Employer ID <u>XXXXXXXXXX</u>

Ownership

George Coutsougeras

First Name: <u>George</u>	Last Name: <u>Coutsougeras</u>	
City: <u>Marshalltown</u>	State: <u>Iowa</u>	Zip: <u>50158</u>
Position: <u>Owner</u>		
% of Ownership: <u>51.00%</u>	U.S. Citizen: <u>Yes</u>	

Ruth Coutsougeras

First Name: <u>Ruth</u>	Last Name: <u>Coutsougeras</u>	
City: <u>Marshalltown</u>	State: <u>Iowa</u>	Zip: <u>50158</u>
Position: <u>Owner</u>		
% of Ownership: <u>25.00%</u>	U.S. Citizen: <u>Yes</u>	

Ioannis Coutsougeras

First Name: <u>Ioannis</u>	Last Name: <u>Coutsougeras</u>	
City: <u>Marshalltown</u>	State: <u>Iowa</u>	Zip: <u>50158</u>
Position: <u>Owner</u>		
% of Ownership: <u>24.00%</u>	U.S. Citizen: <u>Yes</u>	

Insurance Company Information

Insurance Company: <u>ALLSTATE INSURANCE CO</u>	
Policy Effective Date:	Policy Expiration
Bond Effective	Dram Cancel Date:
Outdoor Service Effective	Outdoor Service Expiration
Temp Transfer Effective	Temp Transfer Expiration Date:

**RESOLUTION APPROVING IOWA DEPARTMENT OF TRANSPORTATION PRE-
CONSTRUCTION AGREEMENT FOR IMPROVEMENTS TO HIGHWAY 14**

WHEREAS, the City of Marshalltown (hereinafter referred to as the “City”), State of Iowa, is a political subdivision organized and existing under the law and the Constitution of the State of Iowa (the “State”); and

WHEREAS, the Iowa Department of Transportation has proposed an agreement for the purpose of designing, bidding and inspecting joint transportation improvement projects on Highway 14 within Marshalltown to occur in 2019; and

WHEREAS, the City is responsible for a portion of the work to be completed, including sidewalks, storm sewer, curb and gutter, medians, signage, and intake/utility access removals, estimated at \$1,789,015.68; and

WHEREAS, the agreement provides for the City to reimburse the State in three equal installments of \$596,338.56, with the City proposing the following repayment sources:

	Road Use Tax Fund	Stormwater Fund
Payment #1 (end of Project)	\$447,738.56	\$148,600
Payment #2 (2020)	\$596,338.56	
Payment #3 (2021)	\$596,338.56	

WHEREAS the Council has fully examined same and has found same to be in the best interests of the City of Marshalltown, Iowa, and that same should now be approved and accepted.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARSHALLTOWN, IOWA, the attached agreement is hereby approved and the Mayor and City Clerk are hereby authorized and directed to execute said Agreement; and

BE IT FURTHER RESOLVED, staff is directed to include this project in the Capital Improvement Plan with the funding sources specified.

Passed this 22nd day of October, 2018, and signed this __ day of October, 2018.

CITY OF MARSHALLTOWN, IOWA

Joel T.S. Greer, Mayor

ATTEST:

Shari L. Coughenour, CMC, City Clerk

**IOWA DEPARTMENT OF TRANSPORTATION
Preconstruction Agreement
For Primary Road Project**

County	<u>Marshall</u>
City	<u>Marshalltown</u>
Project No.	<u>NHSN-014-5(78)--2R-64 (HMA)</u>
	<u>NHSN-014-7(79)--2R-64 (ROW)</u>
Iowa DOT	
Agreement No.	<u>2019-6-010</u>
Staff Action No.	<u></u>

This Agreement, is entered into by and between the Iowa Department of Transportation, hereinafter designated the "DOT", and the city of Marshalltown, Iowa, a Local Public Agency, hereafter designated the "LPA" in accordance with Iowa Code Chapters 28E, 306, 306A and 313.4 as applicable;

The DOT proposes to establish or make improvements to Iowa 14 within Marshall County, Iowa; and

The DOT and the LPA are willing to jointly participate in said project, in the manner hereinafter provided; and

This Agreement reflects the current concept of this project which is subject to modification by mutual agreement between the LPA and the DOT; and

Therefore, it is agreed as follows:

1. Project Information

- a. The DOT will design, let, and inspect construction of the following described project in accordance with the project plans and DOT standard specifications:

Hot Mix Asphalt (HMA) resurfacing on Iowa 14 from 0.5 mile south of U.S. 30 north to the Iowa River bridges.

- b. As part of the project, the LPA has requested intakes, manhole adjustments, sidewalk replacement, curb and gutter work, patching and landscaping within the city all at no cost to the DOT. (See Exhibit A for location and Exhibit B for costs).
- c. All storm sewers constructed by the DOT as part of the project will become the property of the LPA, which will be responsible for their maintenance and operations. The LPA will not make any connections to said storm sewers without the prior written approval of the DOT. The LPA will prevent use of such storm sewers as a sanitary sewer.

2. Project Costs

- a. The LPA shall reimburse the DOT for its share of the project costs estimated at \$1,789,015.68, as shown in Exhibit B. LPA reimbursement will be made in three (3) equal yearly installments of approximately \$596,338.56 each. The first installment will be due upon completion of construction and proper billing by the DOT. The final two installments will be billed to the LPA one and two years subsequent to the date of the first billing respectively. The actual amount of reimbursement will be determined by the quantities in place and the accepted bid at the contract letting.

- b. The DOT will bear all costs except those allocated to the LPA under other terms of this Agreement.

3. Traffic Control

- a. Iowa 14 through-traffic will be maintained during the construction.
- b. If it becomes necessary to temporarily close LPA side roads during construction, the DOT will furnish and install the required barricades and signing for the closure at project cost and shall remove same upon completion of the project also at no expense or obligation to the LPA. The DOT will work in close cooperation with the LPA and the contractor to accommodate emergency services and local access across the project during construction. Any detours which may be necessary for project related LPA road closures will be the responsibility of the LPA all at no expense or obligation to the DOT.

4. Right of Way and Permits

- a. Subject to the provisions hereof, the LPA in accordance with 761 Iowa Administrative Code Chapter 150.3(1)c and 150.4(2) will remove or cause to be removed (within the corporate limits) all encroachments or obstructions in the existing primary highway right of way. The LPA will also prevent the erection and/or placement of any structure or obstruction on said right of way or any additional right of way which is acquired for this project including but not limited to private signs, buildings, pumps, and parking areas.
- b. The DOT will be responsible for the coordination of utility facility adjustments for the primary road project.
- c. The LPA agrees to relocate all city-owned utilities necessary for construction which are located within the existing street or alley right of way, subject to the approval of and without expense to the DOT and in accordance with 761 Iowa Administrative Code Chapter 150.4(5) and the DOT Utility Accommodation Policy.
- d. With the exception of service connections no new or future utility occupancy of project right of way, nor any future relocations of or alterations to existing utilities within said right of way will be permitted or undertaken by the LPA without the prior written approval of the DOT. All work will be performed in accordance with the Utility Accommodation Policy and other applicable requirements of the DOT.
- e. The LPA shall be responsible for providing, without cost to the DOT, any right of way for the project which involves dedicated streets or alleys, and any other LPA-owned lands which are required for the project, subject to the condition that the DOT shall reimburse the LPA for the value of LPA-owned improvements situated on such other LPA-owned lands. The LPA has apprised itself of the value of these lands, and as a portion of their participation in the project, voluntarily agrees to make such lands available without further compensation. The DOT shall be responsible for acquisition of all other right of way.
- f. In connection with this project any real estate and rights to real estate necessary for right of way at the connection of any public road and a primary highway project, any access road or frontage road, or any permanent utility easements which are or which will be under the jurisdiction of the LPA may be acquired by the DOT, for and in the name of the LPA. Where acquired by contract the LPA will receive title from the contract seller and the LPA will accept title thereto. Where acquired by condemnation, a single joint condemnation proceeding will be instituted by the DOT to acquire real estate or rights in real estate needed by the LPA for the LPA and to acquire real estate or rights in real estate needed by the DOT for the DOT.

5. Construction & Maintenance

- a. The LPA, in cooperation with the DOT, will take whatever steps may be required with respect to alteration of the grade lines of the new highway facilities constructed under the project in accordance with Iowa Code section 364.15. The DOT and LPA will work together to minimize potential impacts to properties that may occur as a result of the project.
- b. Upon completion of the project, no changes in the physical features thereof will be undertaken or permitted without the prior written approval of the DOT.
- c. Future maintenance of the primary highway within the project area will be carried out in accordance with the terms and conditions contained in 761 Iowa Administrative Code Chapter 150.

6. General Provisions

- a. If the LPA has completed a Flood Insurance Study (FIS) for an area which is affected by the proposed Primary Highway project and the FIS is modified, amended or revised in an area affected by the project after the date of this Agreement, the LPA shall promptly provide notice of the modification, amendment or revision to the DOT. If the LPA does not have a detailed Flood Insurance Study (FIS) for an area which is affected by the proposed Primary Highway project and the LPA does adopt an FIS in an area affected by the project after the date of this Agreement, the LPA shall promptly provide notice of the FIS to the DOT.
- b. The LPA will comply with all provisions of the equal employment opportunity requirements prohibiting discrimination and requiring affirmative action to assure equal employment opportunity as required by Iowa Code Chapter 216. No person will, on the grounds of age, race, creed, color, sex, sexual orientation, gender identity, national origin, religion, pregnancy, or disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which State funds are used.
- c. It is the intent of both (all) parties that no third party beneficiaries be created by this Agreement.
- d. If any section, provision, or part of this Agreement shall be found to be invalid or unconstitutional, such finding shall not affect the validity of the Agreement as a whole or any section, provision, or part thereof not found to be invalid or unconstitutional, except to the extent that the original intent of the Agreement cannot be fulfilled.
- e. This Agreement may be executed in (two) counterparts, each of which so executed will be deemed to be an original.
- f. This Agreement, as well as the unaffected provisions of any previous agreement(s), addendum(s), and/or amendment(s); represents the entire Agreement between the LPA and DOT regarding this project. All previously executed agreements will remain in effect except as amended herein. Any subsequent change or modification to the terms of this Agreement will be in the form of a duly executed amendment to this document.

July 2014

IN WITNESS WHEREOF, each of the parties hereto has executed Agreement No. 2019-6-010 as of the date shown opposite its signature below.

CITY OF MARSHALLTOWN:

By: _____ Date _____, 20____.
Title: Mayor

I, _____, certify that I am the Clerk of the City, and that
_____, who signed said Agreement for and on behalf of
the City was duly authorized to execute the same on the ____ day of _____, 20____.

Signed: _____
City Clerk of Marshalltown, Iowa

IOWA DEPARTMENT OF TRANSPORTATION:

By: _____ Date _____, 20____.
Scott A. Dockstader
District Engineer
District 1

Estimate Items Report

Version D07-D7 - Final Plans
Project NHSN-014-5(78)--2R-64

Item Number	Item Description	Units	Quantity	Cost Used	Suggested Cost	Line Total	Estimator Notes
100% Iowa DOT				SubTotal:		\$2,252,425.16	
2102-2710070	EXCAVATION, CL 10, RDWY+BORROW	CY	20.000	\$61.83	\$61.83	\$1,236.60	
2105-8425005	TOPSOIL, FURN+SPREAD	CY	13.000	\$142.59	\$142.59	\$1,853.67	
2212-0475095	CLEAN+PREPARATION OF BASE	Mile	3.020	\$487.95	\$487.95	\$1,473.61	
2212-5070310	PATCH, FULL-DEPTH REPAIR	SY	0.000	\$0.00	\$0.00	\$0.00	
2212-5070330	PATCH BY COUNT (REPAIR)	EA	0.000	\$0.00	\$0.00	\$0.00	
2214-5145150	PAV'T, SCARIFICATION	SY	86,866.300	\$2.34	\$2.34	\$203,267.14	
2214-7450050	BLADING+SHAPING SHLD MAT'L	STA	2.300	\$16.29	\$16.29	\$37.47	
2301-4874006	MEDIAN, DOWELLED PCC	SY	238.100	\$125.00	\$0.00	\$29,762.50	
2301-4874500	MEDIAN, PCC	SY		\$0.00	\$0.00	\$0.00	
2303-0002380	HMA INTERLAYER BASE, 3/8"	TON	919.040	\$42.22	\$42.22	\$38,801.87	
2303-1032500	HMA ST INTERMEDIATE, 1/2"	TON	6,983.650	\$36.07	\$36.07	\$251,900.26	
2303-1033500	HMA ST SURF, 1/2", NO FRIC	TON	8,906.670	\$87.50	\$87.50	\$779,333.63	
2303-1258283	ASPH BINDER, PG 58-28S	TON	953.420	\$368.64	\$368.64	\$351,468.75	
2303-1258346	ASPH BINDER, PG 58-34E	TON	73.520	\$510.00	\$510.00	\$37,495.20	
2303-6911000	HMA PAV'T SAMPLE	LS	1.000	\$3,497.63	\$3,497.63	\$3,497.63	
2401-6745650	RMVL OF EXIST STRUCT	LS	0.200	\$2,500.00	\$0.00	\$500.00	
2435-0250704	INTAKE, SW-507, TOP ONLY	EA		\$0.00	\$0.00	\$0.00	
2435-0250804	INTAKE, SW-508, TOP ONLY	EA		\$0.00	\$0.00	\$0.00	
2435-0250904	INTAKE, SW-509, TOP ONLY	EA		\$0.00	\$0.00	\$0.00	
2435-0254504	INTAKE, SW-545, TOP ONLY	EA		\$0.00	\$0.00	\$0.00	
2435-0254514	INTAKE, SW-545 MOD, TOP ONLY	EA		\$0.00	\$0.00	\$0.00	
2435-0600010	MANHOLE ADJUSTMENT, MINOR	EA	14.000	\$700.00	\$700.00	\$9,800.00	
2510-6745850	RMVL OF PAV'T	SY	318.100	\$12.00	\$12.00	\$3,817.20	
2510-6750600	RMVL OF INTAKE+UTILITY ACCESS	EA		\$0.00	\$0.00	\$0.00	
2511-0300000	RMVL OF RECREATIONAL TRAIL	SY		\$0.00	\$0.00	\$0.00	
2511-0302600	RECREATIONAL TRAIL, PCC, 6"	SY		\$0.00	\$0.00	\$0.00	
2511-6745900	RMVL OF SIDEWALK	SY	794.000	\$17.82	\$17.82	\$14,149.08	
2511-7526004	SIDEWALK, PCC, 4"	SY	178.300	\$72.23	\$72.23	\$12,878.61	
2511-7526006	SIDEWALK, PCC, 6"	SY	655.300	\$85.77	\$85.77	\$56,205.08	

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2019-6-010_Marshalltown

Estimate Items Report

Version D07-D7 - Final Plans
Project NHSN-014-5(78)--2R-64

Item Number	Item Description	Units	Quantity	Cost Used	Suggested Cost	Line Total	Estimator Notes
2511-7528101	DETECTABLE WARNING	SF	772.000	\$36.11	\$36.11	\$27,876.92	
2512-1725156	CURB+GUTTER, PCC, 1.5'	LF		\$0.00	\$0.00	\$0.00	
2512-1725256	CURB+GUTTER, PCC, 2.5'	LF	408.000	\$61.91	\$61.91	\$25,259.28	
2516-8625000	COMBINED CONC SIDEWALK+RETAINING WALL	CY	4.300	\$1,250.00	\$1,250.00	\$5,375.00	
2523-0000310	HANDHOLE+JUNCTION BOX	EA		\$0.00	\$0.00	\$0.00	
2524-6765010	RMV+REINSTALL SIGN	EA		\$0.00	\$0.00	\$0.00	
2524-9276021	PSSTP ANCHOR, BRK-AWAY SOIL INSTALLATION	EA		\$0.00	\$0.00	\$0.00	
2525-0000200	LOOP DETECTOR (ADD/RPLCMNT TO EXIST SYS)	EA	50.000	\$1,410.57	\$1,410.57	\$70,528.50	
2526-8285000	CONSTRUCTION SURVEY	LS	1.000	\$27,254.34	1.21 %	\$27,254.34	
2527-9263109	PAINTED PAV'T MARK, WATERBORNE/SOLVENT	STA	796.240	\$14.95	\$14.95	\$11,903.79	
2527-9263137	PAINTED SYMBOL+LEGEND, WATERBORNE/SOLVNT	EA	104.000	\$182.44	\$182.44	\$18,973.76	
2528-8445110	TRAFFIC CONTROL	LS	1.000	\$34,011.62	1.51 %	\$34,011.62	
2528-8445113	FLAGGER	EA	50.000	\$459.08	\$459.08	\$22,954.00	
2529-2242304	CD JNT ASSEMBLY	EA		\$0.00	\$0.00	\$0.00	
2529-5070110	PATCH, FULL-DEPTH FINISH, BY AREA	SY	762.100	\$139.08	\$139.08	\$105,992.87	
2529-5070120	PATCH, FULL-DEPTH FINISH, BY COUNT	EA	30.000	\$190.34	\$190.34	\$5,710.20	
2533-4980005	MOBILIZATION	LS	1.000	\$86,718.37	3.85 %	\$86,718.37	
2542-1006001	CRACK & JOINT CLEAN & FILL (PCC PAV'T)	Mile		\$0.00	\$0.00	\$0.00	
2542-1007000	SEALER MATERIAL (PCC PAV'T)	LB		\$0.00	\$0.00	\$0.00	
2554-0212020	VALVE BOX EXTENSION	EA	14.000	\$150.00	\$0.00	\$2,100.00	
2599-9999003	LANDSCAPE GRADING	CY		\$0.00	\$0.00	\$0.00	
2599-9999005	LANDSCAPE PLANTINGS - AUTUMN FIRE SEDUM	EA		\$0.00	\$0.00	\$0.00	
2599-9999005	LANDSCAPE PLANTINGS - AUTUMN MOOR GRASS	EA		\$0.00	\$0.00	\$0.00	
2599-9999005	LANDSCAPE PLANTINGS - CREEPING LILYTURF	EA		\$0.00	\$0.00	\$0.00	
2599-9999005	LANDSCAPE PLANTINGS - DAYLILY	EA		\$0.00	\$0.00	\$0.00	
2599-9999005	LANDSCAPE PLANTINGS - PRAIRIE DROPSEED	EA		\$0.00	\$0.00	\$0.00	
2599-9999005	LANDSCAPE PLANTINGS - SUMMER BEAUTY ONION	EA		\$0.00	\$0.00	\$0.00	
2599-9999010	IRRIGATION	LS	0.000	\$0.00	\$0.00	\$0.00	
2599-9999018	CONCRETE PAVERS	SY		\$0.00	\$0.00	\$0.00	

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Estimate Items Report

Version D07-D7 - Final Plans
Project NHSN-014-5(78)--2R-64

Item Number	Item Description	Units	Quantity	Cost Used	Suggested Cost	Line Total	Estimator Notes
2601-2634105	MULCH, BONDED FIBER MATRIX	ACRE	0.300	\$5,079.51	\$5,079.51	\$1,523.85	
2601-2636044	SEED+FERTILIZE (URBAN)	ACRE	0.300	\$7,738.52	\$7,738.52	\$2,321.56	
2602-0000309	PERIMETER+SLOPE SEDIMENT CNTL DEVICE, 9"	LF	1,560.000	\$3.61	\$3.61	\$5,631.60	
2602-0000350	RMVL OF PERIMETER+SLOPE SEDIMNT CNTL DEV	LF	1,560.000	\$0.52	\$0.52	\$811.20	
100% City of Marshalltown				SubTotal:		\$1,789,015.68	
2102-2710070	EXCAVATION, CL 10, RDWY+BORROW	CY	20.000	\$61.83	\$61.83	\$1,236.60	
2105-8425005	TOPSOIL, FURN+SPREAD	CY	13.000	\$142.59	\$142.59	\$1,853.67	
2212-0475095	CLEAN+PREPARATION OF BASE	Mile	0.000	\$487.95	\$0.00	\$0.00	
2212-5070310	PATCH, FULL-DEPTH REPAIR	SY	0.000	\$756.00	\$0.00	\$0.00	
2212-5070330	PATCH BY COUNT (REPAIR)	EA	0.000	\$157.36	\$0.00	\$0.00	
2214-5145150	PAV'T, SCARIFICATION	SY	0.000	\$2.34	\$0.00	\$0.00	
2214-7450050	BLADING+SHAPING SHLD MAT'L	STA	0.000	\$16.29	\$16.29	\$0.00	
2301-4874006	MEDIAN, DOWELLED PCC	SY	0.000	\$125.00	\$0.00	\$0.00	
2301-4874500	MEDIAN, PCC	SY	68.500	\$125.00		\$8,562.50	
2303-0002380	HMA INTERLAYER BASE, 3/8"	TON	0.000	\$42.22	\$42.22	\$0.00	
2303-1032500	HMA ST INTERMEDIATE, 1/2"	TON	0.000	\$36.07	\$36.07	\$0.00	
2303-1033500	HMA ST SURF, 1/2", NO FRIC	TON	0.000	\$87.50	\$87.50	\$0.00	
2303-1258283	ASPH BINDER, PG 58-28S	TON	0.000	\$368.64	\$0.00	\$0.00	
2303-1258346	ASPH BINDER, PG 58-34E	TON	0.000	\$510.00	\$510.00	\$0.00	
2303-6911000	HMA PAV'T SAMPLE	LS	0.000	\$3,497.63	\$0.00	\$0.00	
2401-6745650	RMVL OF EXIST STRUCT	LS	0.800	\$2,500.00		\$2,000.00	
2435-0250704	INTAKE, SW-507, TOP ONLY	EA	20.000	\$2,650.00	\$0.00	\$53,000.00	
2435-0250804	INTAKE, SW-508, TOP ONLY	EA	1.000	\$2,900.00	\$0.00	\$2,900.00	
2435-0250904	INTAKE, SW-509, TOP ONLY	EA	13.000	\$3,900.00	\$0.00	\$50,700.00	
2435-0254504	INTAKE, SW-545, TOP ONLY	EA	4.000	\$6,000.00	\$0.00	\$24,000.00	
2435-0254514	INTAKE, SW-545 MOD, TOP ONLY	EA	4.000	\$4,000.00	\$11,865.72	\$16,000.00	
2435-0600010	MANHOLE ADJUSTMENT, MINOR	EA	0.000	\$700.00	\$700.00	\$0.00	
2510-6745850	RMVL OF PAV'T	SY	5,121.500	\$12.00	\$12.00	\$61,458.00	
2510-6750600	RMVL OF INTAKE+UTILITY ACCESS	EA	42.000	\$2,682.68	\$2,682.68	\$112,672.56	
2511-0300000	RMVL OF RECREATIONAL TRAIL	SY	34.800	\$11.00	\$0.00	\$382.80	

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2019-6-010_Marshalltown

Estimate Items Report

Version D07-D7 - Final Plans
Project NHSN-014-5(78)--2R-64

Item Number	Item Description	Units	Quantity	Cost Used	Suggested Cost	Line Total	Estimator Notes
2511-0302600	RECREATIONAL TRAIL, PCC, 6"	SY	34.800	\$85.77	\$0.00	\$2,984.80	
2511-6745900	RMVL OF SIDEWALK	SY	647.100	\$17.82	\$17.82	\$11,531.32	
2511-7526004	SIDEWALK, PCC, 4"	SY	200.200	\$72.23	\$72.23	\$14,460.45	
2511-7526006	SIDEWALK, PCC, 6"	SY	505.700	\$85.77	\$85.77	\$43,373.89	
2511-7528101	DETECTABLE WARNING	SF	481.000	\$36.11	\$36.11	\$17,368.91	
2512-1725156	CURB+GUTTER, PCC, 1.5'	LF	11,013.000	\$69.13	\$69.13	\$761,328.69	
2512-1725256	CURB+GUTTER, PCC, 2.5'	LF	3,745.000	\$61.91	\$61.91	\$231,852.95	
2516-8625000	COMBINED CONC SIDEWALK+RETAINING WALL	CY	10.900	\$1,250.00	\$1,250.00	\$13,625.00	
2523-0000310	HANDHOLE+JUNCTION BOX	EA	2.000	\$3,250.18	\$3,250.18	\$6,500.36	
2524-6765010	RMV+REINSTALL SIGN	EA	18.000	\$250.00	\$150.00	\$4,500.00	
2524-9276021	PSSTP ANCHOR, BRK-AWAY SOIL INSTALLATION	EA	18.000	\$160.00	\$0.00	\$2,880.00	
2525-0000200	LOOP DETECTOR (ADD/RPLCMNT TO EXIST SYS)	EA				\$0.00	
2526-8285000	CONSTRUCTION SURVEY	LS	0.000	\$23,248.94	1.21 %	\$0.00	
2527-9263109	PAINTED PAV'T MARK, WATERBORNE/SOLVENT	STA	0.000	\$14.95	\$0.00	\$0.00	
2527-9263137	PAINTED SYMBOL+LEGEND, WATERBORNE/SOLVNT	EA	0.000	\$182.44	\$182.44	\$0.00	
2528-8445110	TRAFFIC CONTROL	LS	0.000	\$32,471.66	1.69 %	\$0.00	
2528-8445113	FLAGGER	EA	0.000	\$459.08	\$0.00	\$0.00	
2529-2242304	CD JNT ASSEMBLY	EA				\$0.00	
2529-5070110	PATCH, FULL-DEPTH FINISH, BY AREA	SY	51.900	\$173.00	\$173.00	\$8,978.70	
2529-5070120	PATCH, FULL-DEPTH FINISH, BY COUNT	EA	3.000	\$142.69	\$142.69	\$428.07	
2533-4980005	MOBILIZATION	LS	0.000	\$76,663.87	3.99 %	\$0.00	
2542-1006001	CRACK & JOINT CLEAN & FILL (PCC PAV'T)	Mile				\$0.00	
2542-1007000	SEALER MATERIAL (PCC PAV'T)	LB				\$0.00	
2554-0212020	VALVE BOX EXTENSION	EA	0.000	\$0.00	\$0.00	\$0.00	
2599-9999003	LANDSCAPE GRADING	CY	381.000	\$80.00		\$30,480.00	
2599-9999005	LANDSCAPE PLANTINGS - AUTUMN FIRE SEDUM	EA	673.000	\$20.00		\$13,460.00	
2599-9999005	LANDSCAPE PLANTINGS - AUTUMN MOOR GRASS	EA	260.000	\$25.00		\$6,500.00	
2599-9999005	LANDSCAPE PLANTINGS - CREEPING LILYTURF	EA	385.000	\$8.00		\$3,080.00	
2599-9999005	LANDSCAPE PLANTINGS - DAYLILY	EA	2,048.000	\$20.00		\$40,960.00	

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Estimate Items Report

Version D07-D7 - Final Plans
Project NHSN-014-5(78)--2R-64

Item Number	Item Description	Units	Quantity	Cost Used	Suggested Cost	Line Total	Estimator Notes
2599-9999005	LANDSCAPE PLANTINGS - PRAIRIE DROPSEED	EA	594.000	\$25.00		\$14,850.00	
2599-9999005	LANDSCAPE PLANTINGS - SUMMER BEAUTY ONION	EA	362.000	\$20.00		\$7,240.00	
2599-9999010	IRRIGATION	LS	1.000	\$15,000.00		\$15,000.00	
2599-9999018	CONCRETE PAVERS	SY	1,138.000	\$170.00		\$193,460.00	
2601-2634105	MULCH, BONDED FIBER MATRIX	ACRE	0.300	\$5,079.51	\$5,079.51	\$1,523.85	
2601-2636044	SEED+FERTILIZE (URBAN)	ACRE	0.300	\$7,738.52	\$7,738.52	\$2,321.56	
2602-0000309	PERIMETER+SLOPE SEDIMENT CNTL DEVICE, 9"	LF	1,340.000	\$3.61	\$3.61	\$4,837.40	
2602-0000350	RMVL OF PERIMETER+SLOPE SEDIMNT CNTL DEV	LF	1,340.000	\$0.54	\$0.54	\$723.60	
				Total:		\$4,041,440.84	



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

October 18, 2018

**To: Mayor Joel Greer
Members of the City Council**

From: Diana Steiner, Finance Director

Re: Preconstruction Agreement with IDOT for Highway 14 Improvements

Policy Issue: Per the City's purchasing policy, Council must approve contracts equal to or greater than \$45,000.

Recommendation: Staff recommends approving the preconstruction agreement with the Iowa Department of Transportation (IDOT).

Background: The Iowa DOT will undertake a project to resurface Highway 14 from 0.5 miles south of U.S. 30 to Anson Street, then another small area from Woodland Street to the Iowa River Bridge in 2019. The DOT will be responsible for the design, bidding and construction oversight of the project. The City will reimburse the DOT for construction-related costs of City infrastructure. The Engineer's estimate for the cost to the City is \$1,789,015.68, which is proposed to be repaid in three installments of \$596,338.56 each. This amount is subject to change based on the accepted bid at the contract letting and any quantity changes that occur through construction.

As part of the construction design process, the City submitted specific median changes to add pavers and plantings where available to enhance the aesthetic appeal and community pride. The estimated construction cost for these improvements is \$350,000 of the total project cost above. A rendering of what the medians would look like is attached with this memo.

Budget Impact: The City will use \$148,600 in Storm Water Funds for the stormwater portion, with the balance to come from Road Use Tax (RUT) funds to repay the costs. At the end of FY18 the RUT fund had a balance of \$4.5 million. For FY19, the net change is a decrease of \$780K based on budgeted projects. Therefore, this leaves a projected fund balance at the end of FY19 of \$3.7 million before the IDOT payment referenced above

Attachments: Resolution, Preconstruction Agreement, and Rendering of Medians

cc: Jessica Kinser, City Administrator

City Council
Susan Cahill, Leon Lamer, Mike Gowdy,
Al Hoop, Gabriel Isom, Bill Martin, Bethany Wirin



CENTER STREET FACING NORTH



RESOLUTION TO HOLD HEARINGS,
SET SALE OF GENERAL OBLIGATION
CORPORATE PURPOSE BONDS SERIES
2018, AND AUTHORIZE PRELIMINARY
OFFICIAL STATEMENT

422742-31

Marshalltown, Iowa

October 22, 2018

The City Council of the City of Marshalltown, Iowa, met on October 22, 2018, at 5:30 o'clock p.m., at the Council Chambers, Marshalltown, Iowa.

The meeting was called to order by the Mayor, and the roll being called, the following named Council Members were present and absent:

Present: _____

Absent: _____.

This being the time and place for holding a hearing on the proposal to enter into a loan agreement related to financing the construction of improvements to streets, sidewalks, waterworks and sanitary sewers , the City Clerk reported that no written objections had been placed on file. Whereupon, the Mayor called for any written or oral objections, and the following persons filed or made comments:

(List names of persons)

There being no further comments, the Mayor closed the public hearing.

This also being the time and place for holding a hearing on the proposal to enter into a loan agreement related to financing improvements to a City parking lot, the City Clerk reported that no written objections had been placed on file and that no petition has been filed asking that the question of entering into this loan agreement be submitted to the registered voters of the City. Whereupon, the Mayor called for any written or oral objections, and the following persons filed or made comments:

(List names of persons)

There being no further comments, the Mayor closed the public hearing.

It was reported that a preliminary official statement had been prepared in connection with the sale of the City's \$2,400,000 General Obligation Corporate Purpose Bonds, Series 2018, and it is now necessary to set a date for the sale of such bonds and to make provision for the approval of the preliminary official statement and to authorize its use by Speer Financial, Inc., the city's municipal advisor.

Council Member _____ introduced the resolution next hereinafter set out, related to setting the date for the sale of the City's General Obligation Corporate Purpose Bonds, Series 2018, and approving a preliminary official statement, and moved its adoption, seconded by Council Member _____. After due consideration and discussion, the Mayor put the question upon the adoption of the resolution, and the roll being called, the following Council Members voted:

Ayes: _____

Nays: _____.

Whereupon, the Mayor declared the resolution duly adopted as hereinafter set out.

RESOLUTION NO. _____

Resolution setting date for sale of \$2,400,000 General Obligation Corporate Purpose Bonds, Series 2018, and approving preliminary official statement

WHEREAS, the City of Marshalltown (the “City”), in Marshall County, State of Iowa, has proposed to enter into a General Obligation Loan Agreement (the “Essential Purposes Loan Agreement”) in a principal amount not to exceed \$2,400,000, pursuant to the provisions of Section 384.24A of the Code of Iowa, for the purpose of financing the construction of improvements to streets, sidewalks, waterworks and sanitary sewers, and has published notice of the proposed action and has held a hearing thereon; and

WHEREAS, the City has also proposed to enter into a General Obligation Loan Agreement (the “Parking Lot Loan Agreement”) in a principal amount not to exceed \$600,000, pursuant to the provisions of Section 384.24A of the Code of Iowa, for the purpose of financing improvements to a City parking lot, and has published notice of the proposed action and has held a hearing thereon, and no petition has been filed asking that the question of entering into the Parking Lot Loan Agreement be submitted to the registered voters of the City; and

WHEREAS, it has been determined that the City should sell \$2,400,000 General Obligation Corporate Purpose Bonds, Series 2018 (the “Bonds”), and it is necessary to set a date for the sale of the Bonds; and

WHEREAS, a preliminary official statement (the “Preliminary Official Statement”) has been prepared in connection with the sale of the Bonds, and it is now necessary to make provision for the approval of the Preliminary Official Statement and to authorize its use by Speer Financial, Inc., the City’s municipal advisor;

NOW, THEREFORE, Be It Resolved by the City Council of the City of Marshalltown, Iowa, as follows:

Section 1. The Essential Purposes Loan Agreement and the Parking Lot Loan Agreement are hereby combined and are designated as the “Loan Agreement.” The Council hereby expresses its intent to enter into the Loan Agreement and issue the Bonds and further declares that this resolution shall constitute the “additional action” required by Section 384.24A of the Code of Iowa.

Section 2. Sealed bids for the purchase of the Bonds shall be received and canvassed on behalf of the City at 10:30 o’clock a.m. on November 5, 2018, at the City Clerk’s office, 24 North Center Street, Marshalltown, Iowa, and the City Council shall meet on the same date at 5:30 o’clock p.m., at the Council Chambers, in the City, for the purpose of considering such bids received and considering and passing a resolution providing for the award and sale of the Bonds.

Section 3. Pursuant to Section 75.14 of the Code of Iowa, the City Council hereby authorizes the use of electronic bidding procedures for the sale of the Bonds through SpeerAuction and hereby finds and determines that the SpeerAuction competitive bidding system will provide reasonable security and maintain the integrity of the competitive bidding process and will facilitate the delivery of bids by interested parties under the circumstances of this bond sale.

Section 4. The use by Speer Financial, Inc. of the Preliminary Official Statement relating to the Bonds, in substantially the form as has been presented to and considered by the City Council, is hereby approved, and Speer Financial, Inc. is hereby authorized to prepare and use a final Official Statement for the Bonds substantially in the form of the Preliminary Official Statement, but with such changes therein as are required to conform the same to the terms of the Bonds and the resolution, when adopted, providing for the issuance of the Bonds, and the City Clerk is hereby authorized and directed to execute a final Official Statement for the Bonds, if requested. The Preliminary Official Statement as of its date is deemed final by the City within the meaning of Rule 15(c)(2)-12 of the Securities and Exchange Commission.

Section 5. All resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved October 22, 2018.

Mayor

Attest:

City Clerk

• • • •

On motion and vote, the meeting adjourned.

Mayor

Attest:

City Clerk

STATE OF IOWA
COUNTY OF MARSHALL SS:
CITY OF MARSHALLTOWN

I, the undersigned, City Clerk of the City of Marshalltown, do hereby certify that as such I have in my possession or have access to the complete corporate records of the City and of its Council and officers and that I have carefully compared the transcript hereto attached with those corporate records and that the transcript hereto attached is a true, correct and complete copy of all the corporate records relating to setting the date for the sale and approving a preliminary official statement related to the issuance of the City's General Obligation Corporate Purpose Bonds, Series 2018, and that the transcript hereto attached contains a true, correct and complete statement of all the measures adopted and proceedings, acts and things had, done and performed up to the present time with respect thereto.

WITNESS MY HAND this _____ day of _____, 2018.

City Clerk

October 15, 2018

Shari L. Coughenour
City Clerk/City Hall
24 North Center Street
Marshalltown, Iowa 50158

Re: General Obligation Corporate Purpose Bonds, Series 2018
Our File No. 422742-26

Dear Shari:

I have prepared and enclose proceedings to be used at the Council meeting on October 22 to hold the hearings on the two loan agreements and to adopt a resolution setting the date for the sale and approving the preliminary official statement for the City's \$2,400,000 General Obligation Corporate Purpose bond issue.

The materials enclosed include the following items:

1. Proceedings covering the public hearings on the two loan agreements, followed by the Resolution expressing intent to enter into a loan agreement. The Resolution also sets November 5 as the date for the sale of the Bonds and approves the preliminary official statement related to the Bonds.
2. Certificate attesting the transcript.

As these proceedings are completed, please return one fully executed copy to our office, and contact me if you have questions.

Very truly yours,

Robert E. Josten

Cc by email: Jessica Kinser
Diana Steiner
Roger Schoell
Maggie Burger/Charlotte Nielsen

Date of Sale: Monday, November 5, 2018
 Between 10:00 and 10:30 A.M., C.S.T. (Closed Speer Auction)
 Before 10:30 A.M., C.S.T. (Sealed Bids)
 (Alternative Bid Methods)

Investment Rating:
 Moody's Investors Service ...
 (Rating Requested)

Official Statement

In the opinion of Dorsey & Whitney LLP, Bond Counsel, according to present laws, rulings and decisions and assuming compliance with certain covenants, the interest on the Bonds will be excluded from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax under the Internal Revenue Code of 1986 (the "Code"); provided however such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations for taxable years beginning before January 1, 2018. In the opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "TAX EXEMPTION AND RELATED CONSIDERATIONS" herein.



\$2,400,000*
CITY OF MARSHALLTOWN
Marshall County, Iowa
General Obligation Corporate Purpose Bonds, Series 2018

Dated Date of Delivery Book-Entry Bank Qualified Due Serially June 1, 2023 - 2029

The \$2,400,000* General Obligation Corporate Purpose Bonds, Series 2018 (the "Bonds") are being issued by the City of Marshalltown, Marshall County, Iowa (the "City"). Interest is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2019. Interest is calculated based on a 360-day year of twelve 30-day months. The Bonds will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Bonds will mature on June 1 in the following years and amounts.

AMOUNTS*, MATURITIES, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS

Principal Amount*	Due June 1	Interest Rate	Price or Yield	CUSIP Number(1)	Principal Amount*	Due June 1	Interest Rate	Price or Yield	CUSIP Number(1)
\$110,000.....	2023	%	%		\$385,000.....	2027	%	%	
350,000.....	2024	%	%		400,000.....	2028	%	%	
360,000.....	2025	%	%		420,000.....	2029	%	%	
375,000.....	2026	%	%						

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

OPTIONAL REDEMPTION

Bonds due June 1, 2023 - 2024, inclusive, are not subject to optional redemption. Bonds due June 1, 2025 - 2029, inclusive, are callable in whole or in part on any date on or after June 1, 2024, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot. See "OPTIONAL REDEMPTION" herein.

PURPOSE, LEGALITY AND SECURITY

The proceeds of the Bonds will be used to: (i) construct improvements to streets, sidewalks, waterworks, and sanitary sewers, (ii) construct improvements to a City parking lot, and (iii) pay the costs of issuing the Bonds. See "THE PROJECT" herein.

In the opinion of Dorsey & Whitney LLP, Des Moines, Iowa, the Bonds are valid and binding general obligations of the City, and all taxable property within the boundaries of the City is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate or amount. The City will furnish the written approving opinion of Bond Counsel, Dorsey & Whitney LLP, Des Moines, Iowa, evidencing legality of the Bonds and that the interest thereon is exempt from federal income taxes as and to the extent discussed under the heading "TAX EXEMPTION AND RELATED CONSIDERATIONS" herein.

The City intends to designate the Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b)(3) of the Internal Revenue Code of 1986.

This Official Statement is dated October __, 2018, and has been prepared under the authority of the City. An electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Official Statement Sales Calendar". Additional copies may be obtained from Ms. Diana Steiner, Finance Director, City of Marshalltown, 24 N. Center Street, Marshalltown, Iowa, 50158, or from the Registered Municipal Advisors to the City.



*Subject to principal adjustment in accordance with the Official Terms of Offering.

(1) CUSIP numbers appearing in this Official Statement have been provided by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw Hill Financial Inc. The City is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Bonds or as set forth on the cover of this Official Statement.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the City from time to time (collectively, the “Official Statement”), may be treated as an Official Statement with respect to the Bonds described herein that is deemed near final as of the date hereof (or the date of any such supplement or correction) by the City.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law or deemed appropriate by the City, shall constitute a “Final Official Statement” of the City with respect to the Bonds, as that term is defined in Rule 15c2-12. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Bonds and other information may be included in a separate document entitled “Final Official Statement” rather than through supplementing the Official Statement by an addendum or addenda.

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations with respect to the Bonds other than as contained in the Official Statement or the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to completeness. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY SINCE THE RESPECTIVE DATES THEREOF.

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement, they will be furnished on request. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

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OFFICIAL BID FORM

OFFICIAL TERMS OF OFFERING

EXHIBIT A – EXAMPLE ISSUE PRICE CERTIFICATE

BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement, including the Official Terms of Offering and the Official Bid Form, which are provided for the convenience of potential investors and should be reviewed in their entirety by potential investors.

Issuer:	City of Marshalltown, Marshall County, Iowa.
Issue:	\$2,400,000* General Obligation Corporate Purpose Bonds, Series 2018.
Dated Date:	Date of delivery (expected to be on or about December 3, 2018).
Interest Due:	Each June 1 and December 1, commencing December 1, 2019.
Principal Due:	Serially each June 1, commencing June 1, 2023 through June 1, 2029, as detailed on the cover page of this Official Statement.
Optional Redemption:	Bonds maturing on or after June 1, 2025, are callable at the option of the City on any date on or after June 1, 2024, at a price of par plus accrued interest. See “OPTIONAL REDEMPTION” herein.
Authorization:	The Bonds are being issued pursuant to authority established in Code of Iowa, Chapter 384, and all laws amendatory thereof and supplementary thereto, and in conformity with a resolution of the City Council duly passed and approved.
Security:	The Bonds are valid and binding general obligations of the City, and all taxable property within the boundaries of the City is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate or amount.
Investment Rating:	An investment rating for the Bonds has been requested from Moody’s Investors Service, New York, New York. See “INVESTMENT RATING” herein.
Purpose:	The proceeds of the Bonds will be used to: (i) construct improvements to streets, sidewalks, waterworks, and sanitary sewers, (ii) construct improvements to a City parking lot, and (iii) pay the costs of issuing the Bonds. See “THE PROJECT” herein.
Tax Exemption:	Dorsey & Whitney LLP, Des Moines, Iowa, will provide an opinion as to the tax exemption of the Bonds as discussed under “TAX EXEMPTION AND RELATED CONSIDERATIONS” in this Official Statement.
Bank Qualified:	The City intends to designate the Bonds as “qualified tax-exempt obligations”.
Bond Registrar/Paying Agent:	Bankers Trust Company, Des Moines, Iowa.
Delivery:	The Bonds are expected to be delivered on or about December 3, 2018.
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository of the Bonds. See APPENDIX B herein.
Denomination:	\$5,000 or integral multiples thereof.
Municipal Advisor:	Speer Financial, Inc., Waterloo, Iowa and Chicago, Illinois.

CITY OF MARSHALLTOWN
Marshall County, Iowa

Joel Greer
Mayor

Council Members

Susan Cahill

Mike Gowdy

Al Hoop

Gabriel Isom

Leon Lamer

Bill Martin

Bethany Wirin

Officials

Jessica Kinser
City Administrator

Shari Coughenour
City Clerk

Diana Steiner
Finance Director

Roger Schoell, Esq.
City Attorney

BONDHOLDERS' RISKS

Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history of economic prospects connected with a particular issue, secondary marketing practices in connection with a particular bond or note issue are suspended or terminated. Additionally, prices of bond or note issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price of the Bonds.

Ratings Loss

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "___" to the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of Moody's, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

Additional regulation of rating agencies could materially alter the methodology, rating levels, and types of ratings available, for example, and these changes, if ever, could materially affect the market value of the Bonds.

Forward-Looking Statements

This Official Statement contains statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “forecast,” “intend,” “expect” and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and the actual results. These differences could be material and could impact the availability of funds of the City to pay debt service when due on the Bonds.

Tax Matters, Bank Qualification and Loss of Tax Exemption

As discussed under the heading “**TAX EXEMPTION AND RELATED CONSIDERATIONS**” herein, the interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Bonds, as a result of acts or omissions of the City in violation of its covenants in the Resolution. Should such an event of taxability occur, the Bonds would not be subject to a special prepayment and would remain outstanding until maturity or until prepaid under the prepayment provisions contained in the Bonds, and there is no provision for an adjustment of the interest rate on the Bonds.

The City intends to designate the Bonds as “qualified tax-exempt obligations” under the exception provided in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). The City has further covenanted to comply with certain other requirements, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code. Actions, or inactions, by the City in violation of its covenants could affect the designation, which could also affect the pricing and marketability of the Bonds.

It is possible that legislation will be proposed or introduced that could result in changes in the way that tax exemption is calculated, or whether interest on certain securities are exempt from taxation at all. Prospective purchasers should consult with their own tax advisors regarding any pending or proposed federal income tax legislation. The likelihood of any pending or future legislation being enacted or whether the currently proposed terms of any pending legislation will be altered or removed during the legislative process cannot be reliably predicted.

It is also possible that actions of the City after the closing of the Bonds will alter the tax status of the Bonds, and, in the extreme, remove the tax exempt status from the Bonds. In that instance, the Bonds are not subject to mandatory prepayment, and the interest rate on the Bonds does not increase or otherwise reset. A determination of taxability on the Bonds, after closing of the Bonds, could materially adversely affect the value and marketability of the Bonds.

DTC-Beneficial Owners

Beneficial Owners of the Bonds may experience some delay in the receipt of distributions of principal of and interest on the Bonds since such distributions will be forwarded by the Paying Agent to DTC and DTC will credit such distributions to the accounts of the Participants which will thereafter credit them to the accounts of the Beneficial Owner either directly or indirectly through indirect Participants. Neither the City nor the Paying Agent will have any responsibility or obligation to assure that any such notice or payment is forwarded by DTC to any Participants or by any Participant to any Beneficial Owner.

In addition, since transactions in the Bonds can be effected only through DTC Participants, indirect participants and certain banks, the ability of a Beneficial Owner to pledge the Bonds to persons or entities that do not participate in the DTC system, or otherwise to take actions in respect of such Bonds, may be limited due to lack of a physical certificate. Beneficial Owners will be permitted to exercise the rights of registered Owners only indirectly through DTC and the Participants. See **APPENDIX B – Describing Book-Entry Only Issuance.**

Continuing Disclosure

A failure by the City to comply with continuing disclosure obligations (see “**CONTINUING DISCLOSURE**” herein) will not constitute an event of default on the Bonds. Any such failure must be disclosed in accordance with Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission (the “Commission”) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and may adversely affect the transferability and liquidity of the Bonds and their market price.

Suitability of Investment

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Bankruptcy

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors’ rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Bonds will be similarly qualified.

Federal Tax Legislation

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals pending in Congress that could, if enacted, alter or amend one or more of the federal tax matters described herein in certain respects or would adversely affect the market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Bonds. In addition regulatory actions are from time to time announced or proposed, and litigation threatened or commenced, which if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Tax Levy Procedures

The Bonds are general obligations of the City, payable from and secured by a continuing ad valorem tax levied against all of the taxable property valuation within the City. See **“PROPERTY ASSESSMENT AND TAX INFORMATION”** herein for more details. As part of the budgetary process each fiscal year, the City will have an obligation to request a debt service levy to be applied against all of the taxable property within the City. A failure on the part of the City to make a timely levy request or a levy request by the City that is inaccurate or is insufficient to make full payments of the debt service of the Bonds for a particular fiscal year may cause Bondholders to experience delay in the receipt of distributions of principal of and/or interest on the Bonds. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the City and certain other public officials to perform the terms of the resolution for the Bonds) may have to be enforced from year to year.

Federal Funds Orders and State Funds Legislation

Various federal executive orders, and a law (SF 481) recently enacted in Iowa which becomes effective July 1, 2018 (collectively “ICE Enforcement Initiatives”), impose requirements intended to ensure compliance with the federal immigration detention processes. The ICE Enforcement Initiatives impose various penalties for non-compliance, including the loss of state and/or federal funding under certain circumstances. Rules to administer SF481 in Iowa have yet to be drafted. The loss of state and/or federal funds in any significant amount could negatively impact the City’s overall financial position and may affect its rating. However, the Bonds are secured by a debt service levy upon real property in the jurisdictional limits of the City, and are not secured by state or federal funds. Iowa Code section 76.2 provides that when an Iowa political subdivision issues general obligation bonds, “the governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full.”

Other Factors

An investment in the Bonds involves an element of risk. The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should become thoroughly familiar with this entire Official Statement and the Appendices hereto.

THE CITY

The City is located in East Central Iowa and was incorporated in 1863 under the laws of the state of Iowa (the “State”), later amended in July 1975, under the City Home Rule Act. The City is approximately 19.19 square miles with a 2010 Census population of 27,552, which is a 5.93% increase over the 2000 Census population of 26,009. The City is the largest city in Marshall County (the “County”).

City Organization and Services

The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. The Mayor and Council are elected for a four year staggered term rotation, allowing continuity within the membership. Four of the council members are elected from within their respective districts. The mayor and the three remaining council members are elected at large. The City Administrator, hired by the City Council is responsible for carrying out the policies and ordinances of the council, overseeing the day-to-day operations of the government, and for hiring the City Clerk and department managers. Policy is established by the Mayor and the City Council.

The City employs approximately 202 full-time equivalent employees, including sworn police officers and firefighters. The different City departments are organized under five unions. All union contracts have been ratified and expire on June 30, 2020.

The City provides the following services as authorized by its charter: public safety, public works, culture and recreation, and community development. The City also provides additional services including sewage collection and disposal, compost facility, a transit system, storm water system, and municipal parking lots. The Fire Department has 10 trucks and special vehicles, including a boat, and operates out of one station. City government services are administered at City Hall. The City owns and operates a water works system and a sewage collection, and secondary treatment system. The City's Water Works is organized as a separate entity and is managed by a separate board of trustees, which is appointed by the Mayor and City Council.

Community Life

The City considers itself a central hub for the State and offers four diverse golf courses, art galleries, historic Main Street, antique shopping, annual festivals and events/architectural tours, Lincoln Highway, indoor and outdoor aquatic centers, and 9.6 miles of bike and walking trails. The City is located just 30 miles north of the Iowa Speedway of Newton and close to vineyards and wineries, a Las Vegas-style casino and other attractions. The City offers a small town lifestyle within reach of a large metropolitan area for culture and transportation.

In addition, the Marshall Economic Development (MED) continues to serve the City by stimulating economic growth. The more recent successful projects include assistance with the Menards, Alliant Energy power plant, and TIG Distribution Center and Hawkeye Hotel. These projects and others affected by the organization with a capital investment of more than 200 million dollars.

Education

The Marshalltown Community School District is the largest of two school districts serving the City and has a total enrollment of approximately 5,458 students. East Marshall School District has an enrollment of approximately 562.

Vocational and technical education courses are available from Iowa Valley Community College District. This community college district is comprised of Ellsworth Community College in Iowa Falls, Iowa Valley Continuing Education, Buena Vista College and Marshalltown Community College in the City, and Iowa Valley Grinnell, located in Grinnell. The community college has enrollment of approximately 2,890 full-time and part-time students. College and graduate level degree programs are available from several colleges and universities including the University of Iowa, located 100 miles southeast of the City in Iowa City; Iowa State University, located 41 miles west of the City in Ames, Drake University, located 52 miles southwest in Des Moines, and the University of Northern Iowa located 52 miles northeast in Cedar Falls.

Transportation

The City is located 52 miles northeast of Des Moines, Iowa, approximately 245 miles northeast of Kansas City, Missouri and, 320 miles west of Chicago, Illinois. It is accessible by U.S. Highway 30 and State Highway 14. Interstate 80 runs south of the City approximately 30 miles, linking the City to other communities east and west throughout Iowa and the nation. The Union Pacific Railroad runs through the City and provides a direct route from Chicago to the West Coast. Its north-south lines run through nearby Des Moines connecting Minneapolis and Kansas City.

Recent Events

The City experienced an EF-3 tornado on July 19, 2018. Industry, businesses and residences on the north side of the community were affected. There are approximately 60 residences with structural damage that have been or are planned to be demolished. There are at least 15 parcels in Marshalltown Central Business District which will be demolished, and at least five other businesses outside of the Central Business District which were destroyed or experienced significant damage. JBS USA, LLC and Lennox Industries, Inc. have committed to rebuilding. The County Assessor will review progress on repairs in 2019 and make adjustments to valuations which will impact fiscal year 2021. The City will be proactively taking steps this fiscal year to mitigate any potential valuation loss in future years.

The City did receive a Federal Public Assistance Disaster Declaration, which will allow the City to request reimbursement of up to 85 percent (75 percent federal and 10 percent state) for debris removal, emergency protective measures and other projects to be completed in the coming years as a result of the damage. The Federal Individual Assistance Disaster Declaration was denied, but the State is appealing that decision.

The City experienced damage to multiple municipal buildings and parks as part of the disaster. The City's insurance through the Iowa Communities Assurance Pool (ICAP) will result in a cost of only \$10,000 for all covered losses for property and vehicles.

SOCIOECONOMIC INFORMATION

The following demographic information is for the City. Additional comparisons are made with County and the State.

Population

The following table reflects population trends for the City, the County and the State.

Population Comparison(1)

<u>Year</u>	<u>The City</u>	<u>Percent Change</u>	<u>The County</u>	<u>Percent Change</u>	<u>The State</u>	<u>Percent Change</u>
1970	26,219	n/a	41,076	n/a	2,824,376	n/a
1980	26,938	2.74%	41,652	1.40%	2,913,808	3.17%
1990	25,178	(6.53%)	38,276	(8.11%)	2,776,755	(4.70%)
2000	26,009	3.30%	39,311	2.70%	2,926,324	5.39%
2010	27,552	5.93%	40,648	3.40%	3,046,355	4.10%

Note: (1) Source: U.S. Bureau of the Census.

Employment

Following are lists of large employers located in the City [and in the surrounding area].

Major City Employers(1)

Name	Product/Service	Approximate Employment (2)
JBS USA, LLC. a/k/a Swift & Company	Pork Processing.....	2,300
Emerson Process Management, LLC	Relays and Industrial Controls	1,135
Marshalltown Community School District	Education	950
Lennox Industries, Inc.	Refrigeration and Heating Equipment	915
Iowa Veterans Home.....	Nursing Care Facility	865
Iowa Valley Community College District	Higher Education	835(3)
Unity Point Health.....	Health Care	400
Hy-Vee.....	Grocery Store	340
Walmart.....	Retail Store.....	300
City of Marshalltown	Government.....	200
McFarland Clinic.....	Health Care	185
Mid Iowa Community Action (MICA)	Human Services	150
Marshall County	Government.....	130
Packaging Corporation of America	Shipping Containers	130
Marshalltown Company	Masonry and Concrete Tools.....	100
Mechdyne Corporation	Electronic Computers.....	100
Mid-Iowa Workshops, Inc.	Packaging and Assembling.....	100

Note: (1) Source: Area Chamber of Commerce, selected telephone surveys and the 2018 Manufacturers' News Inc.
(2) Includes part-time employees and seasonal employees.
(3) Includes all employees of the District including those in facilities not located in the City.

The following tables show employment by industry and by occupation for the City, the County and the State as reported by the U.S. Census Bureau 2012 - 2016 American Community Survey 5-year estimated values.

Employment By Industry(1)

Classification	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	143	1.1%	693	3.6%	61,676	3.9%
Construction.....	940	7.5%	1,415	7.3%	98,744	6.2%
Manufacturing.....	3,828	30.6%	5,348	27.5%	241,775	15.2%
Wholesale trade	257	2.1%	441	2.3%	45,637	2.9%
Retail trade.....	1,243	9.9%	1,963	10.1%	184,920	11.7%
Transportation and warehousing, and utilities.....	522	4.2%	860	4.4%	73,083	4.6%
Information	139	1.1%	252	1.3%	27,781	1.8%
Finance and insurance, and real estate and rental and leasing.....	280	2.2%	644	3.3%	120,220	7.6%
Professional, scientific, and management, and administrative and waste management services	771	6.2%	1,050	5.4%	114,113	7.2%
Educational services, and health care and social assistance	2,669	21.3%	4,215	21.7%	386,743	24.4%
Arts, entertainment, and recreation, and accommodation and food services	849	6.8%	1,157	6.0%	115,726	7.3%
Other services, except public administration.....	610	4.9%	879	4.5%	67,384	4.2%
Public administration	277	2.2%	506	2.6%	49,376	3.1%
Total	12,528	100.0%	19,423	100.0%	1,587,178	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey 5-Year Estimates from 2012 - 2016.

Employment By Occupation(1)

Classification	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Management, business, science, and arts occupations	2,892	23.1%	5,062	26.1%	554,422	34.9%
Service occupations	2,414	19.3%	3,410	17.6%	261,576	16.5%
Sales and office occupations	2,433	19.4%	3,819	19.7%	364,658	23.0%
Natural resources, construction, and maintenance occupations.....	1,219	9.7%	2,034	10.5%	148,783	9.4%
Production, transportation, and material moving occupations	3,570	28.5%	5,098	26.2%	257,739	16.2%
Total	12,528	100.0%	19,423	100.0%	1,587,178	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey 5-Year Estimates from 2012 - 2016.

The following shows the annual average unemployment rates for the City, the County, the State and the United States.

Annual Average Unemployment Rates(1)(2)

Calendar Year	The City	The County	The State	United States
2009	7.7%	7.3%	6.4%	9.3%
2010	7.0%	6.8%	6.0%	9.6%
2011	6.9%	6.6%	5.5%	8.9%
2012	6.8%	6.4%	5.0%	8.1%
2013	6.5%	6.0%	4.7%	7.4%
2014	5.8%	5.4%	4.2%	6.2%
2015	5.6%	5.1%	3.8%	5.3%
2016	5.4%	4.9%	3.6%	4.9%
2017	5.3%	4.6%	3.1%	4.4%
2018(3)	6.1%	5.5%	2.4%	3.9%

- Notes: (1) Source: Iowa Workforce Development and U.S. Bureau of Labor Statistics.
(2) Not seasonally adjusted.
(3) Preliminary rates for the month of August 2018. Rate for the City and County increased, in part, due to temporary layoffs because of the tornado on July 19.

Building Permits

Building permits have averaged \$35,491,800 over the last five years in the City, excluding the value of land.

City Building Permits(1) (Excludes the Value of Land)

Fiscal Year	Number of Permits	Total Value
2009.....	154	\$26,948,800
2010.....	111	21,750,300
2011.....	132	28,597,000
2012.....	159	15,798,000
2013.....	143	18,988,000
2014.....	114	53,428,000
2015.....	126	37,843,000
2016.....	131	25,349,000
2017.....	148	29,485,000
2018.....	119	31,354,000

Note: (1) Source: the City.

Housing

The U.S. Census Bureau 5-year estimated values reported that the median value of the City's owner-occupied homes was \$98,800. This compares to \$104,600 for the County and \$132,800 for the State. The following table represents the five year average market value of specified owner-occupied units for the City, the County and the State at the time of the 2012 - 2016 American Community Survey.

Home Values(1)

Value	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000	862	12.9%	1,456	13.2%	94,855	10.7%
\$50,000 to \$99,999.....	2,514	37.7%	3,731	33.9%	210,180	23.8%
\$100,000 to \$149,999.....	1,789	26.8%	2,759	25.1%	198,528	22.5%
\$150,000 to \$199,999.....	695	10.4%	1,392	12.7%	151,979	17.2%
\$200,000 to \$299,999.....	552	8.3%	1,074	9.8%	139,989	15.9%
\$300,000 to \$499,999.....	208	3.1%	481	4.4%	65,586	7.4%
\$500,000 to \$999,999.....	0	0.0%	51	0.5%	17,262	2.0%
\$1,000,000 or more	47	0.7%	49	0.4%	4,740	0.5%
Total	6,667	100.0%	10,993	100.0%	883,119	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 - 2016.

Mortgage Status(1)

Mortgage Status	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Housing units with a mortgage.....	4,070	61.0%	6,454	58.7%	537,848	60.9%
Housing units without a mortgage.....	2,597	39.0%	4,539	41.3%	345,271	39.1%
Total	6,667	100.0%	10,993	100.0%	883,119	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 - 2016.

Income

The U.S. Census Bureau 5-year estimated values reported that the City had a median family income of \$57,947. This compares to \$63,425 for the County and \$69,419 for the State. The following table represents the distribution of family incomes for the City, the County and the State at the time of the 2012 - 2016 American Community Survey.

Family Income(1)

Income	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Less than \$10,000.....	228	3.5%	276	2.7%	26,246	3.3%
\$10,000 to \$14,999.....	114	1.8%	164	1.6%	17,702	2.2%
\$15,000 to \$24,999.....	404	6.2%	531	5.2%	48,901	6.1%
\$25,000 to \$34,999.....	645	9.9%	911	8.9%	64,651	8.1%
\$35,000 to \$49,999.....	1,027	15.8%	1,428	13.9%	104,560	13.1%
\$50,000 to \$74,999.....	1,959	30.2%	3,027	29.5%	173,454	21.7%
\$75,000 to \$99,999.....	938	14.5%	1,698	16.5%	138,749	17.4%
\$100,000 to \$149,999.....	890	13.7%	1,646	16.0%	141,473	17.7%
\$150,000 to \$199,999.....	102	1.6%	341	3.3%	45,120	5.6%
\$200,000 or more	184	2.8%	252	2.5%	37,808	4.7%
Total	6,491	100.0%	10,274	100.0%	798,664	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 to 2016.

The U.S. Census Bureau 5-year estimated values reported that the City had a median household income of \$50,934. This compares to \$54,193 for the County and \$54,570 for the State. The following table represents the distribution of household incomes for the City, the County and the State at the time of the 2012 - 2016 American Community Survey.

Household Income(1)

Income	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Less than \$10,000.....	483	4.8%	623	4.1%	75,624	6.1%
\$10,000 to \$14,999.....	507	5.0%	685	4.5%	60,809	4.9%
\$15,000 to \$24,999.....	1,249	12.4%	1,612	10.5%	126,359	10.2%
\$25,000 to \$34,999.....	1,005	10.0%	1,482	9.7%	129,439	10.4%
\$35,000 to \$49,999.....	1,606	16.0%	2,310	15.1%	175,853	14.2%
\$50,000 to \$74,999.....	2,564	25.5%	3,900	25.5%	246,562	19.8%
\$75,000 to \$99,999.....	1,280	12.7%	2,152	14.1%	172,210	13.9%
\$100,000 to \$149,999.....	955	9.5%	1,771	11.6%	162,741	13.1%
\$150,000 to \$199,999.....	167	1.7%	432	2.8%	49,988	4.0%
\$200,000 or more	235	2.3%	326	2.1%	43,056	3.5%
Total	10,051	100.0%	15,293	100.0%	1,242,641	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 - 2016.

Agriculture

Shown below is information on the agricultural value of the County and the statewide average.

Average Value Per Acre(1)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Average Value Per Acre:					
Marshall County.....	\$8,976	\$8,550	\$7,995	\$7,474	\$7,676
State of Iowa.....	8,716	7,943	7,633	7,183	7,326

Note: (1) Source: Cooperative Extension Service - Iowa State University.

Local Option Sales Tax

The City approved a 1% local option sales and service tax (“Local Option Tax”) at a special referendum. The Local Option Tax for the City became effective April 1, 2000. In 2011 the City held a referendum, which was approved by voters, to extend the Local Option Tax through fiscal year 2025. The City held a special referendum on August 1, 2017 to change the allocation of the Local Option Tax. The City’s Local Option Tax proceeds are designated 78% for property tax relief, and the remaining 22% to be used for any legal purpose.

Once approved, a Local Option Tax can only be repealed through a public referendum at which a majority voting approve the repeal or tax rate change. If a Local Option Tax is not imposed county-wide, then the question of repeal is voted upon only by voters in such areas of a county where the tax has been imposed. A Local Option Tax may not be repealed within one year of the effective date.

The State of Iowa Department of Revenue (the “Department”) administers collection and disbursement of all local option sales and services taxes in conjunction with administration of the State-wide sales, services and use tax presently assessed at 6%. The Department is required by statute to remit at least 95% of the estimated tax receipts to a county board of supervisors (for taxes imposed in unincorporated areas) and to each incorporated city. Such remittances are on a monthly basis. Once a year the Department reconciles its monthly estimated payments and makes an adjustment payment or debit at the November 10 payment date. Remittance of collections within a county are based upon the following statutory formula for county-wide collections:

- 75 percent: Based on a pro rata share of population (the most recent certified federal census) of those incorporated or unincorporated areas in a county which have approved a Local Option Tax.
- 25 percent: Based on a pro rata share of total property tax dollars levied during the three year period beginning July 1, 1982, through June 30, 1985, for those incorporated or unincorporated areas of a county which have approved a Local Option Tax.

Local Option Taxes are based on the same sales currently taxed by the state-wide 6% sales and services tax, with the present statutory exceptions of (i) certain sales of motor fuel or special fuel as defined in Chapter 452A, (ii) the rental of rooms, apartments or sleeping quarters taxed under Chapter 423A (hotel/motel tax) during the period the hotel/motel tax is imposed, (iii) the sale of natural gas or electric energy in a city or county where the gross receipts are subject to a franchise fee or user fee during the period the franchise or user fee is imposed, (iv) the sales price from a pay television service consisting of a direct-to-home satellite service, (v) the sale of equipment by the State Department of Transportation or (vi) certain construction-related equipment and other items.

The following table shows the trend of City Local Option tax receipts.

Local Option Tax Receipts(1)

Fiscal Year Ending June 30	Local Option Sales Tax Receipts(2)	Percent Change +(-)
2010.....	\$2,707,066	n/a
2011.....	2,915,686	7.71%
2012.....	2,997,102	2.79%
2013.....	2,895,143	(3.40%)
2014.....	3,014,944	4.14%
2015.....	3,165,062	4.98%
2016.....	4,323,828	36.61%(3)
2017.....	3,273,231	(24.30%)
2018.....	3,052,903(4)	(6.73%)
2019.....	3,002,931(4)	(1.64%)

- Notes: (1) Source: Iowa Department of Revenue.
(2) Includes a reconciliation payment in November attributable to the previous fiscal year.
(3) Increase due to large construction project in the City with additional temporary workers living in the City during that time.
(4) Collections received or expected to be received, not including any allowance for the reconciliation payment.

Retail Sales

The Department of Revenue of the State of Iowa provides retail sales figures based on sales tax reports for years ending June 30. The Department of Revenue figures provide recent data to confirm trends in retail sales activity in the City. The following amounts exclude the City's Local Option Tax.

Retail Taxable Sales(1)

Fiscal Year Ending June 30	Taxable Sales	Annual Percent Change + (-)
2008(2).....	\$331,472,166	n/a
2009.....	324,595,803	(2.07%)
2010.....	301,294,760	(7.18%)
2011.....	304,662,931	1.12%
2012.....	322,643,986	5.90%
2013.....	321,699,702	(0.29%)
2014.....	328,920,980	2.24%
2015.....	331,780,905	0.87%
2016.....	352,326,540	6.19%
2017.....	360,825,713	2.41%

Growth from 2008 to 2017 8.86%

- Notes: (1) Source: the Iowa Department of Revenue.
(2) Fiscal year 2008 amounts reflect a year ending March 31st.

THE PROJECT

The proceeds of the Bonds will be used to: (i) construct improvements to streets, sidewalks, waterworks, and sanitary sewers, (ii) construct improvements to a City parking lot, and (iii) pay the costs of issuing the Bonds.

DEFAULT RECORD

The City has no record of default and has met its debt repayment obligations promptly.

SHORT-TERM BORROWING

The City has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

DEBT INFORMATION

After issuance of the Bonds, the City will have outstanding \$40,979,701* principal amount of general obligation debt. In addition, the City has outstanding approximately \$13,797,152 principal amount of sewer revenue debt.

The City has a general obligation legal debt limit equal to 5% of Actual Valuation. For the January 1, 2017 Actual Valuation of \$1,575,947,498 (including tax increment valuation and excluding military exemption valuation) applied to fiscal year 2018/19, the total limit is \$78,797,375. Including the Bonds, the estimated principal amount of bonded and non-bonded debt applicable to this limit is \$44,887,557* which includes \$3,907,856 in TIF rebates, resulting in a net legal debt margin of \$33,909,818*.

The City does not expect to issue any additional general obligation debt in fiscal year 2019. The City does expect to issue sewer revenue debt through the State Revolving Fund, but the amount has not been determined at this time.

Summary of Outstanding General Obligation Debt(1) (Principal Only)

Bonded Debt:	
Series 2011.....	\$ 3,625,000
Series 2011B	1,540,000
Series 2012A	3,775,000
Series 2012B	1,620,000
Series 2013A	3,945,000
Series 2014A	1,415,000
Series 2015A	1,800,000
Series 2016A	4,340,000
Series 2016B	3,700,000
Series 2017.....	12,720,000
The Bonds(2)	2,400,000
Other Loans:	
Fire Equipment.....	<u>99,701</u>
Total(2)	<u>\$40,979,701</u>
Notes: (1) Source: the City.	
(2) Subject to change.	

*Subject to change.

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General Obligation Debt(1)
(Principal Only)

Fiscal Year Ending June 30	Series 2011	Series 2011B	Series 2012A	Series 2012B	Series 2013A	Series 2014A	Series 2015	Fire Equipment Loan	Series 2016A	Series 2016B
2019	\$ 395,000	\$ 150,000	\$ 400,000	\$ 345,000	\$ 970,000	\$ 275,000	\$ 250,000	\$28,486	\$ 325,000	\$ 220,000
2020	410,000	155,000	400,000	335,000	975,000	275,000	275,000	28,486	330,000	220,000
2021	425,000	160,000	400,000	330,000	1,000,000	300,000	325,000	28,486	335,000	225,000
2022	440,000	165,000	425,000	320,000	1,000,000	325,000	350,000	14,243	340,000	260,000
2023	460,000	170,000	425,000	290,000	0	240,000	375,000	0	550,000	270,000
2024	475,000	175,000	400,000	0	0	0	225,000	0	580,000	275,000
2025	500,000	180,000	425,000	0	0	0	0	0	605,000	275,000
2026	520,000	190,000	450,000	0	0	0	0	0	170,000	475,000
2027	0	195,000	450,000	0	0	0	0	0	175,000	485,000
2028	0	0	0	0	0	0	0	0	220,000	495,000
2029	0	0	0	0	0	0	0	0	230,000	500,000
2030	0	0	0	0	0	0	0	0	235,000	0
2031	0	0	0	0	0	0	0	0	245,000	0
2032	0	0	0	0	0	0	0	0	0	0
2033	0	0	0	0	0	0	0	0	0	0
2034	0	0	0	0	0	0	0	0	0	0
2035	0	0	0	0	0	0	0	0	0	0
2036	0	0	0	0	0	0	0	0	0	0
2037	0	0	0	0	0	0	0	0	0	0
Total	\$3,265,000	\$1,540,000	\$3,775,000	\$1,620,000	\$3,945,000	\$1,415,000	\$1,800,000	\$99,701	\$4,340,000	\$3,700,000

Fiscal Year Ending June 30	Series 2017	Total Outstanding General Obligation Debt	The Bonds(2)	Total General Obligation Debt(2)	Cumulative Principal Retired(2)	
					Amount	Percent
2019	\$ 535,000	\$ 3,893,486	\$ 0	\$ 3,893,486	\$ 3,893,486	9.50%
2020	525,000	3,928,486	0	3,928,486	7,821,972	19.09%
2021	155,000	3,683,486	0	3,683,486	11,505,458	28.08%
2022	100,000	3,739,243	0	3,739,243	15,244,701	37.20%
2023	505,000	3,285,000	110,000	3,395,000	18,639,701	45.49%
2024	515,000	2,645,000	350,000	2,995,000	21,634,701	52.79%
2025	535,000	2,520,000	360,000	2,880,000	24,514,701	59.82%
2026	350,000	2,155,000	375,000	2,530,000	27,044,701	66.00%
2027	360,000	1,665,000	385,000	2,050,000	29,094,701	71.00%
2028	375,000	1,090,000	400,000	1,490,000	30,584,701	74.63%
2029	390,000	1,120,000	420,000	1,540,000	32,124,701	78.39%
2030	915,000	1,150,000	0	1,150,000	33,274,701	81.20%
2031	950,000	1,195,000	0	1,195,000	34,469,701	84.11%
2032	990,000	990,000	0	990,000	35,459,701	86.53%
2033	1,020,000	1,020,000	0	1,020,000	36,479,701	89.02%
2034	1,060,000	1,060,000	0	1,060,000	37,539,701	91.61%
2035	1,105,000	1,105,000	0	1,105,000	38,644,701	94.30%
2036	1,155,000	1,155,000	0	1,155,000	39,799,701	97.12%
2037	1,180,000	1,180,000	0	1,180,000	40,979,701	100.00%
Total	\$12,720,000	\$38,579,701	\$2,400,000	\$40,979,701		

Notes: (1) Source: the City. For term bonds, mandatory redemption amounts are shown.
(2) Subject to change.

Statement of Bonded Indebtedness(1)(2)

City Actual Value, January 1, 2017	\$1,575,947,498
City Taxable Value, January 1, 2017	\$ 863,101,621

	Total	Applicable Percent	Amount	Ratio to City Actual Value	Ratio to City Taxable Value	Per Capita (2010 Pop. 27,552)
Direct Debt(3)	\$40,979,701	100.00%	\$40,979,701	2.60%	4.75%	\$1,487.36
Overlapping Debt:						
East Marshall Community School District	\$ 2,365,000	1.12%	\$ 26,488	0.00%	0.00%	\$ 0.96
Marshalltown Community School District	11,385,000	80.63%	9,179,726	0.58%	1.06%	333.18
Iowa Valley Community College(4)	700,000	16.80%	117,600	0.01%	0.01%	4.27
Marshall County	0	48.91%	0	0.00%	0.00%	0.00
Total Overlapping Bonded Debt	\$14,450,000		\$ 9,323,814	0.59%	1.07%	\$ 338.41
Total Direct and Overlapping Bonded Debt(3)			\$50,303,515	3.19%	5.82%	\$1,825.77

Per Capita Actual Value	\$57,199.02
Per Capita Taxable Value	\$31,326.28

- Notes: (1) Source: the City, Audited Financial Statements and EMMA for the County, School District and Community College.
(2) As of the date of issuance for the Direct Bonded Debt and September 24, 2018 for Overlapping Debt.
(3) Subject to change.
(4) Excludes \$3,910,000 in Industrial New Jobs Training Certificates, which are expected to be paid by proceeds from anticipated job credits from withholding taxes.

PROPERTY ASSESSMENT AND TAX INFORMATION

Property Tax Assessment

In compliance with Section 441.21 of the Code of Iowa, as amended, the State Director of Revenue annually directs all county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The final values, called Actual Valuation, are then adjusted by the County Auditor. Taxable Valuation subject to tax levy is then determined by the application of State determined rollback percentages, principally to residential property.

Beginning in 1978, the State required a reduction in Actual Valuation to reduce the impact of inflation on its residents. The resulting value is defined as the Taxable Valuation. Such rollback percentages may be changed in future years. Certain historical rollback percentages for residential, multi-residential, agricultural and commercial valuations are as follows:

Percentages for Taxable Valuation After Rollbacks(1)

<u>Fiscal Year</u>	<u>Residential</u>	<u>Multi- Residential(2)</u>	<u>Ag Land & Buildings</u>	<u>Commercial</u>
2009/10	45.5893%	N/A	93.8568%	100.0000%
2010/11	46.9094%	N/A	66.2715%	100.0000%
2011/12	48.5299%	N/A	69.0152%	100.0000%
2012/13	50.7518%	N/A	57.5411%	100.0000%
2013/14	52.8166%	N/A	59.9334%	100.0000%
2014/15	54.4002%	N/A	43.3997%	95.0000%
2015/16	55.7335%	N/A	44.7021%	90.0000%
2016/17	55.6259%	86.2500%	46.1068%	90.0000%
2017/18	56.9391%	82.5000%	47.4996%	90.0000%
2018/19	55.6209%	78.7500%	54.4480%	90.0000%

- Notes: (1) Source: the Iowa Department of Revenue.
(2) New category beginning with fiscal year 2017.

Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following tax year. For example, the assessments finalized on January 1, 2017, are used to calculate tax liability for the tax year starting July 1, 2018 through June 30, 2019.

Property Tax Collection

Each county is required by State law to collect all tax levies within its jurisdiction and remit, before the fifteenth of each month, the amount collected through the last day of the preceding month to underlying units of government, including the City. Property tax payments are made at the office of each county treasurer in full or one-half by September 30 and March 31, pursuant to the Code of Iowa, Sections 445.36 and 445.37. Where the first half of any property tax has not been paid by October 1, such installment becomes delinquent. If the second installment is not paid, it becomes delinquent on April 1. Delinquent taxes and special assessments are subject to a penalty at the rate of one and one-half percent per month, to a maximum of eighteen percent per annum.

If taxes are not paid when due, the property may be offered at the regular tax sale on the third Tuesday of June following the delinquency date. Purchasers at the tax sale must pay an amount equal to the taxes, special assessments, interest and penalties due on the property, and funds so received are applied to the payment of taxes. A property owner may redeem from the regular tax sale, but failing redemption within two years, the tax sale purchaser is entitled to a deed which in general conveys the title free and clear of all liens except future installments of taxes.

Actual (100%) Valuations for the City(1)(2)

Property Class	Fiscal Year: Levy Year:	2014/15 2013	2015/16 2014	2016/17 2015	2017/18 2016	2018/19 2017
Residential		\$ 801,332,119	\$ 803,732,949	\$ 807,301,571	\$ 809,821,936	\$ 855,070,536
Agricultural		10,359,779	10,293,332	10,117,916	9,853,499	8,601,940
Commercial		240,130,945	239,239,462	214,809,890	217,077,808	226,758,898
Industrial		68,266,920	68,624,625	69,490,286	71,218,793	68,545,170
Multi-residential(3)		0	0	32,072,856	32,339,360	36,899,124
Railroads		2,877,663	3,107,197	3,573,135	4,334,016	4,311,857
Utilities without Gas and Electric(4)		3,914,703	4,467,385	3,061,092	2,825,595	2,908,138
Gas and Electric Utility(4)		165,363,180	203,378,461	226,574,365	307,764,842	375,124,239
Less: Military Exemption		(2,685,934)	(2,561,932)	(2,488,999)	(2,405,701)	(2,272,404)
Total		\$1,289,559,375	\$1,330,281,479	\$1,364,512,112	\$1,452,830,148	\$1,575,947,498
Percent Change +(-)		(3.63%)(5)	3.16%	2.57%	6.47%	8.47%

- Notes: (1) Source: Iowa Department of Management.
(2) Includes tax increment finance (TIF) valuations used in the following amounts:

January 1:	2013	2014	2015	2016	2017
TIF Valuation	\$37,409,137	\$40,194,757	\$14,353,482	\$5,394,151	\$24,539,106

- (3) New Class as of January 1, 2015, previously reported as Commercial Property.
(4) See "PROPERTY TAX INFORMATION – Utility Property Tax Replacement" herein.
(5) Based on 2012 Actual Valuation of \$1,338,080,519.

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For the January 1, 2017 levy year, the City's Taxable Valuation was comprised of approximately 55% residential, 24% commercial, 7% industrial, 3% multi-residential, 10% utilities and less than 1% agriculture and military exemption.

Taxable ("Rollback") Valuations for the City(1)(2)

Property Class	Fiscal Year: Levy Year:	2014/15 2013	2015/16 2014	2016/17 2015	2017/18 2016	2018/19 2017
Residential		\$435,926,120	\$447,948,671	\$449,068,758	\$461,105,154	\$475,597,834
Agricultural		4,496,113	4,601,327	4,665,045	4,680,367	4,683,585
Commercial		228,124,764	215,315,517	193,328,904	195,370,030	204,083,012
Industrial		64,853,588	61,762,165	62,541,260	64,096,916	61,690,655
Multi-residential(3)		0	0	27,662,865	26,680,016	29,058,092
Railroads		2,733,780	2,796,477	3,215,822	3,900,614	3,880,671
Utilities without Gas and Electric(4)		3,914,703	4,467,385	3,061,092	2,825,595	2,908,138
Gas and Electric Utility(4)		60,932,833	60,930,476	61,169,942	73,018,143	83,472,038
Less: Military Exemption		(2,685,934)	(2,561,932)	(2,488,999)	(2,405,701)	(2,272,404)
Total		\$798,295,967	\$795,260,086	\$802,224,689	\$829,271,134	\$863,101,621
Percent Change +/-		(5.08)%(5)	(0.38)%	0.88%	3.37%	4.08%

- Notes: (1) Source: Iowa Department of Management.
(2) Includes tax increment finance (TIF) valuations used in the following amounts:

January 1:	2013	2014	2015	2016	2017
TIF Valuation	\$37,409,137	\$40,194,757	\$14,353,482	\$5,394,151	\$24,539,106

- (3) New Class as of January 1, 2015, previously reported as Commercial Property.
(4) See "PROPERTY TAX INFORMATION – Utility Property Tax Replacement" herein.
(5) Based on 2012 Taxable Valuation of \$841,049,188.

The following shows the trend in the City's tax extensions and collections.

Tax Extensions and Collections(1)

Levy Year	Fiscal Year	Amount Levied	Amount Collected(2)	Percent Collected
2008.....	2009-10.....	\$ 9,293,081	\$ 9,293,390	100.00%
2009.....	2010-11.....	9,505,825	9,502,757	99.97%
2010.....	2011-12.....	10,167,673	10,174,664	100.07%
2011.....	2012-13.....	10,317,995	10,329,141	100.11%
2012.....	2013-14.....	10,535,094	10,482,871	99.50%
2013.....	2014-15.....	10,397,290	10,388,476	99.92%
2014.....	2015-16.....	10,329,114	10,317,745	99.89%
2015.....	2016-17.....	11,100,009	11,058,824	99.63%
2016.....	2017-18.....	11,436,367	11,432,600	99.97%
2017.....	2018-19.....	11,502,245	- In Collection - -	

- Notes: (1) Source: the State of Iowa Department of Management and the City. Does not include amounts for Utility Replacement or collections for the City's tax increment finance district.
(2) Includes delinquent taxes.

Principal Taxpayers(1)

<u>Taxpayer Name</u>	<u>Business/Service</u>	Levy Year 2017 <u>Taxable Valuation(2)</u>
Interstate Power & Light Company	Utility	\$ 78,241,980
JBS USA, LLC a/k/a Swift & Company	Meat Processing.....	19,500,003
Fisher Controls International.....	Manufacturing.....	19,233,711
Marshalltown, Center IO, LLC.....	Commercial Property	14,748,237
Menard, Inc.	Manufacturing and Retail Store.....	11,794,590
Unity Point Health Marshalltown.	Health Care	10,545,122
Walmart.....	Retail Store.....	9,393,606
Lennox Manufacturing Inc.....	Manufacturing.....	8,631,806
ITC Midwest LLC.....	Utility	5,818,298
Union Pacific Railroad	Railroad.....	3,880,671
Total		\$181,788,024
Ten Largest Taxpayers as Percent of City's 2017 Taxable Valuation (\$863,101,621)		21.06%

- Notes: (1) Source: the County.
(2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked. The 2017 taxable valuation is the most current available.

Levy Limits

Normal municipal operations and maintenance costs are generally funded through the corporate property tax levy. Iowa State Code does not allow the municipal general fund to be taxed above \$8.10 per thousand dollars of taxable value in any one year. In addition to the General Fund, there are several other tax funds that the City can create and use for specific purposes.

The property tax rates for the City from levy year 2013 through levy year 2017 are shown below:

Property Tax Rates: Levy Years 2013 - 2017(1)(2) (Per \$1,000 Actual Valuation)

	Fiscal Year: Levy Year:	2014/15 2013	2015/16 2014	2016/17 2015	2017/18 2016	2018/19 2017
City:						
General Fund		\$ 8.10000	\$ 8.10000	\$ 8.10000	\$ 8.10000	\$ 8.10000
Emergency Levy.....		0.21270	0.26994	0.27000	0.27000	0.27000
Debt Service Fund.....		3.11044	3.38369	3.63269	3.61913	0.84653
Employee Benefits.....		2.09317	1.80306	1.76288	1.77860	4.45181
Capital Improvement		0.67499	0.62169	0.67500	0.67499	0.67500
Other		0.57225	0.58419	0.84101	0.83886	0.93824
Total City		\$14.76355	\$14.76257	\$15.28158	\$15.28158	\$15.28158
Marshall County		\$ 7.44499	\$ 7.44499	\$ 6.94499	\$ 6.71518	\$ 6.32150
Marshalltown Community School District.....		18.15000	18.33104	17.97478	17.94963	17.99365
Iowa Valley Community College District		1.79487	1.78170	1.74505	1.36842	0.99668
Other		0.45236	0.45121	0.41278	0.38863	0.36181
Total Tax Rate.....		\$42.60577	\$42.77151	\$42.35918	\$41.70344	\$40.95522

- Notes: (1) Source: Iowa Department of Management.
(2) Does not include the tax rate for agriculture.

Tax Levy Procedures

The Bonds are general obligations of the City, payable from and secured by a continuing ad valorem tax levied against all of the property valuation within the City. As part of the budgetary process each fiscal year, the City will have an obligation to request a debt service levy to be applied against all of the taxable property within the City. A failure on the part of the City to make a timely levy request or a levy request by the City that is inaccurate or is insufficient to make full payments of the debt service of the Bonds for a particular fiscal year may cause Bond holders to experience delay in the receipt of distributions of principal of and/or interest on the Bonds. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the City and certain other public officials to perform the terms of the resolution for the Bonds) may have to be enforced from year to year.

Notwithstanding the foregoing, Iowa Code section 76.2 provides when an Iowa political subdivision issues bonds, “the governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditor(s) to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full.”

Utility Property Tax Replacement

Property owned by entities involved primarily in the production, delivery, service and sale of electricity and natural gas (“Utilities”) pay a replacement tax based upon the delivery of energy by Utilities in lieu of property taxes. All replacement taxes are allocated among local taxing bodies by the State Department of Revenue and the Department of Management. This allocation is made in accordance with a general allocation formula developed by the Department of Management on the basis of general property tax equivalents. Utility properties paying the replacement tax are exempt from the levy of property tax by political subdivisions. In addition to the replacement tax, Utility property will continue to be valued by a special method as provided in the statute and taxed at the rate of three cents per one thousand dollars for the general fund of the State.

By statute, the replacement tax collected by the State and allocated among local taxing bodies (including the City) shall be treated as property tax when received and shall be disposed of by the county treasurer as taxes on real estate. It is possible that the general obligation debt capacity of the City could be adjudicated to be proportionately reduced in future years if Utility property were determined to be other than “taxable property” for purposes of computing the City’s debt limit under Article XI of the Constitution of the State of Iowa. There can be no assurance that future legislation will not (i) operate to reduce the amount of debt the City can issue or (ii) adversely affect the City’s ability to levy taxes in the future for the payment of the principal of and interest on its outstanding debt obligations, including the Bonds. Approximately 10% of the City’s levy year 2017 taxable valuation currently is utility property.

Tax Increment Financing

The Code of Iowa currently authorizes the use of two types of tax increment financing by local taxing districts in the State of Iowa. The first type allows local governments to establish TIF districts to be established for the purposes of financing designated urban renewal projects which contribute to the urban redevelopment and economic development of the immediate area. The taxable valuation for this type of TIF district in the City for levy year 2017 was \$24,539,106.

The second type of tax increment financing was authorized by state legislative action in the mid-1980's. The area community colleges can establish TIF districts by contract with specific local businesses and industries to provide jobs training programming for new employees of existing expanding businesses or employees of new businesses. The revenues from these job training TIF districts then retire the debt incurred from the issuance of jobs training certificates which finance the cost of jobs training programming over a maximum of ten years. Upon payment of all jobs training certificates, the district dissolves and the incremental value from the new or expanded business reverts to the general tax base. There is no current valuation for this second type of TIF district.

Legislation

From time to time, legislative proposals are pending in Congress and the Iowa General Assembly that would, if enacted, alter or amend one or more of the property tax matters described herein. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted, and there can be no assurance that such proposals will not apply to valuation, assessment or levy procedures for taxes levied by the City or have an adverse impact on the future tax collections of the City. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed federal or state tax legislation. The opinions expressed by Bond Counsel are based upon existing legislation as of the date of issuance and delivery of the Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending federal or state tax legislation.

During the 2013 legislative session, the Iowa General Assembly enacted Senate File 295 (the "Act"), which the Governor signed into law on June 12, 2013. Among other things, the Act (i) reduces the maximum annual taxable value growth percent, due to revaluation of existing residential and agricultural property to 3%, (ii) assigns a "rollback" (the percentage of a property's value that is subject to tax) to commercial, industrial and railroad property of 90%, (iii) creates a new property tax classification for multi-residential properties (apartments, nursing homes, assisted living facilities and certain other rental property) and assigns a declining rollback percentage to such properties for each year until the residential rollback percentage is reached in the 2022 assessment year, after which the rollback percentage for such properties will be equal to the residential rollback percentage each assessment year, and (iv) exempts a specified portion of the assessed value of telecommunication properties.

The Act includes a standing appropriation to replace some of the tax revenues lost by local governments, including tax increment districts, resulting from the new rollback for commercial and industrial property. Beginning in fiscal year 2018 the standing appropriation cannot exceed the actual 2017 appropriation amount. The appropriation does not replace losses to local governments resulting from the Act's provisions that reduce the annual revaluation growth limit for residential and agricultural properties to 3%, the gradual transition for multi-residential properties from the residential rollback percentage (currently 53% of market value), or the reduction in the percentage of telecommunications property that is subject to taxation.

Given the wide scope of the statutory changes, and the State's discretion in establishing the annual replacement amount that is appropriated each year commencing in fiscal 2018, the impact of the Act on the City's future property tax collections is uncertain and the City has not attempted to quantify the financial impact of the Act's provisions on the City's future operations. It has been projected by Moody's Investor Service that local governments in Iowa are likely to experience sizeable reductions in tax revenues collected starting in fiscal 2018¹. According to Moody's, local governments that may experience disproportionately higher revenue losses include regions that have a substantial commercial base, a large share of multi-residential developments (such as college towns), or significant amounts of telecommunications property.

¹ US Public Finance Weekly Credit Outlook, May 30, 2013, Moody's Investors Service.

Notwithstanding any decrease in property tax revenues that may result from the Act, Iowa Code section 76.2 provides that when an Iowa political subdivision issues bonds, "[t]he governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full."

From time to time, other legislative proposals may be considered by the Iowa General Assembly that would, if enacted, alter or amend one or more of the property tax matters described in this Official Statement. It cannot be predicted whether or in what forms any of such proposals may be enacted, and there can be no assurance that such proposals will not apply to valuation, assessment or levy procedures for the levy of taxes by the City.

FINANCIAL INFORMATION

Investment Policy

Each investment made by the City must be authorized by applicable law and the City's Investment Policy. Only the City Treasurer and City Administrator, as limited by a special City resolution, and others authorized by resolution of the City may invest City funds. The City Treasurer when investing or depositing public funds is required to exercise care, skill, prudence, and diligence.

Financial Reports

The City's financial statements are audited annually by certified public accountants. The City's financial statements are completed on a modified accrual basis of accounting consistent with generally accepted accounting principles applicable to governmental entities. See **APPENDIX A** for more detail.

No Consent or Updated Information Requested of the Auditor

The tables and excerpts (collectively, the "Excerpted Financial Information") contained in this "**FINANCIAL INFORMATION**" section are from the audited financial statements of the City, including the audited financial statements for the fiscal year ended June 30, 2017 (the "2017 Audit"). The 2017 Audit has been prepared by Eide Bailly, L.L.P., Certified Public Accountants, Dubuque, Iowa, (the "Auditor"), and received by the City Council. The City has not requested the Auditor to update information contained in the Excerpted Financial Information and the 2017 Audit; nor has the City requested that the Auditor consent to the use of the Excerpted Financial Information and the 2017 Audit in this Official Statement. The inclusion of the Excerpted Financial Information and the 2017 Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the City since the date of the 2017 Audit. Questions or inquiries relating to financial information of the City since the date of the 2017 Audit should be directed to the City.

Summary Financial Information

The following tables are summaries and do not purport to be the complete audits, copies of which are available upon request. See **APPENDIX A** for the City's 2017 Audit. The City expects its General Fund balance for the fiscal year ending June 30, 2018 to increase by approximately \$675,050. The City has approved a budget for fiscal year 2019 with an anticipated increase to the General Fund balance of approximately \$284,000; to date, revenues and expenditures are generally within budgeted amounts.

Statement of Net Position Governmental Activities(1)

	Audited as of June 30				
	2013	2014	2015	2016	2017
ASSETS:					
Cash and Cash Equivalents.....	\$ 18,141,703	\$13,341,623	\$16,936,244	\$19,233,676	\$26,605,875
Receivables					
Property Taxes:					
Delinquent	149,627	143,256	119,079	103,928	116,944
Succeeding Year	11,374,988	11,296,887	11,228,611	12,034,777	12,552,215
Accounts and Unbilled Usage.....	413,357	439,799	680,741	733,888	272,505
Special Assessments.....	81,914	71,075	56,876	37,888	28,735
Due from Component Unit	10,037	11,209	13,690	13,223	13,355
Due from Other Governments.....	1,158,089	1,660,946	1,323,859	2,520,104	1,731,970
Inventories	97,321	26,544	107,955	115,380	134,370
Prepaid Items	311,520	303,276	275,871	275,975	323,946
Deferred Charges					
Resources Held in Escrow for Bond Refunding.....	3,030,214	0	0	0	0
Capital Assets					
Land	3,915,612	4,000,012	4,000,014	4,000,014	4,665,014
Land Improvements	2,389,084	2,389,084	2,389,084	2,476,257	2,583,059
Buildings and Structures	17,690,016	17,674,420	17,707,821	17,707,821	17,707,821
Equipment and Vehicles	14,594,933	16,204,870	16,260,561	16,899,577	17,046,381
Infrastructure	36,757,660	38,486,018	38,486,018	39,738,566	40,792,336
Construction in Progress	574,986	224,207	1,113,923	1,182,096	3,074,150
Accumulated Depreciation	(32,134,865)	(34,439,796)	(36,806,184)	(39,140,202)	(41,434,434)
Total Assets.....	<u>\$ 78,556,196</u>	<u>\$71,833,430</u>	<u>\$73,894,163</u>	<u>\$77,932,968</u>	<u>\$86,214,242</u>
DEFERRED OUTFLOWS OF RESOURCES:					
Pension Related Deferred Outflows	\$ 0	\$ 0	\$ 2,141,995	\$ 2,413,973	\$ 4,628,479
LIABILITIES:					
Accounts Payable.....	\$ 1,907,755	\$ 882,759	\$ 870,197	\$ 1,176,610	\$ 1,947,009
Accrued Payroll and Payroll Benefits	431,983	448,991	492,561	169,252	250,341
Retainage Payable	421,279	15,664	315,217	65,988	91,859
Deposits Payable.....	0	155,306	152,162	147,156	155,678
Deferred Revenue(2)					
Succeeding Year Property Tax	11,374,988	0	0	0	0
Other	153,234	0	0	0	0
Due to Other Governments.....	125,596	103,592	100,335	123,866	111,375
Accrued Interest Payable.....	63,524	61,655	34,012	31,868	45,739
Noncurrent Liabilities					
Due Within One Year					
Bonds and Notes Payable	2,673,841	2,831,717	3,066,991	2,716,447	3,684,361
Compensated Absences Payable	169,892	286,151	311,726	256,980	266,107
Due in More Than One Year					
Bonds and Notes Payable	24,206,631	18,434,829	17,489,700	16,835,192	20,183,972
Compensated Absences Payable	938,704	837,822	814,847	860,815	864,338
Net Pension Liability	0	0	8,146,627	10,158,993	13,402,626
Net OPEB Liability	2,876,495	3,129,798	3,533,359	3,779,077	4,517,049
Total Liabilities.....	<u>\$ 45,343,922</u>	<u>\$27,188,284</u>	<u>\$35,327,734</u>	<u>\$36,322,244</u>	<u>\$45,520,454</u>
DEFERRED INFLOWS OF RESOURCES(2):					
Succeeding Year Property Taxes	\$ 0	\$11,296,887	\$11,228,611	\$12,034,777	\$12,552,215
Pension Related Deferred Inflows.....	0	0	3,736,204	1,294,912	453,289
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$11,296,887</u>	<u>\$14,964,815</u>	<u>\$13,329,689</u>	<u>\$13,005,504</u>
NET POSITION:					
Net Investment in Capital Assets	\$ 29,002,766	\$30,504,272	\$32,948,014	\$34,132,724	\$35,605,495
Restricted for:					
Capital Improvements.....	6,090,445	4,754,750	5,504,376	10,281,063	8,244,518
Community Development	589,387	288,043	216,297	184,110	284,226
Debt Service.....	29,621	48,225	46,959	107,604	237,889
Employee Benefits.....	0	1,564,035	2,161,420	2,396,249	2,877,960
Emergency Communications	0	349,082	367,709	492,293	608,779
Other Purposes	2,997,220	1,453,658	1,822,430	3,345,316	3,358,869
Unrestricted.....	(5,497,165)	(5,613,806)	(17,323,596)	(20,244,351)	(18,900,973)
Total Net Position	<u>\$ 33,212,274</u>	<u>\$33,348,259</u>	<u>\$25,743,609</u>	<u>\$30,695,008</u>	<u>\$32,316,763</u>

Notes: (1) Source: Audited financial statements of the City for the fiscal years ended June 30, 2013 through 2017.
(2) Format change in 2014.

Statement of Activities Governmental Activities(1)

	Audited for Year Ended June 30				
	2013	2014	2015	2016	2017
FUNCTIONS/PROGRAMS:					
Governmental Activities:					
Public Safety	\$ (7,453,431)	\$ (7,614,121)	\$ (7,641,007)	\$ (7,781,174)	\$ (9,493,551)
Public Works	(9,199,921)	(2,964,836)	(1,528,931)	(880,391)	(3,352,764)
Health and Social Services	(200,383)	533,144	(314,146)	(307,071)	(92,948)
Culture and Recreation	(2,863,832)	(3,080,212)	(2,866,578)	(2,687,881)	(2,401,815)
Community and Economic Development	(822,775)	(1,664,215)	77,114	109,178	(897,964)
General Government	(1,148,176)	(1,150,899)	(1,125,422)	(1,034,934)	(392,869)
Interest on Long-Term Debt	(628,314)	(627,060)	(425,967)	(429,891)	(429,296)
Total Governmental Activities	<u>\$ (22,316,832)</u>	<u>\$ (16,568,199)</u>	<u>\$ (13,824,937)</u>	<u>\$ (13,012,164)</u>	<u>\$ (17,061,207)</u>
GENERAL REVENUES:					
Taxes:					
Property	\$ 9,967,944	\$ 10,036,577	\$ 9,777,342	\$ 9,534,568	\$ 10,156,476
Tax Increment Financing	1,138,171	1,475,200	1,219,210	1,276,898	435,098
Local Options Sales Tax	2,781,316	2,936,344	3,164,249	4,248,087	3,476,514
Utility Excise	820,070	921,454	884,215	903,826	938,662
Hotel/Motel	378,567	432,108	474,474	542,180	479,576
Mobile Homes	14,198	13,314	12,973	12,931	17,682
Unrestricted:					
State Generated Revenues	369,337	453,645	845,140	1,244,225	1,384,158
Investment Earnings	126,436	112,280	53,042	90,717	113,371
Miscellaneous Revenues	637,775	493,213	660,348	551,452	645,749
Transfers	(163,060)	(169,951)	(172,735)	(441,321)	1,035,676
Total General Revenues and Transfers	<u>\$ 16,070,754</u>	<u>\$ 16,704,184</u>	<u>\$ 16,918,258</u>	<u>\$ 17,963,563</u>	<u>\$ 18,682,962</u>
Change In Net Position	\$ (6,246,078)	\$ 135,985	\$ 3,093,321	\$ 4,951,399	\$ 1,621,755
Net Position - Beginning	<u>\$ 39,458,352</u>	<u>\$ 33,212,274</u>	<u>\$ 22,650,288(2)</u>	<u>\$ 25,743,609</u>	<u>\$ 30,695,008</u>
Net Position - Ending	<u>\$ 33,212,274</u>	<u>\$ 33,348,259</u>	<u>\$ 25,743,609</u>	<u>\$ 30,695,008</u>	<u>\$ 32,316,763</u>

Notes: (1) Source: Audited financial statements of the City for the fiscal years ended June 30, 2013 through 2017.
(2) Restated due to GASB 68 implementation.

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Balance Sheet General Fund(1)

	Audited as of June 30				
	2013	2014	2015	2016	2017
ASSETS:					
Cash and Cash Equivalents.....	\$ 4,218,696	\$ 3,517,118	\$ 3,614,228	\$ 3,395,312	\$ 3,712,289
Receivables					
Property Taxes:					
Delinquent.....	77,403	76,069	56,759	54,452	64,677
Succeeding Year.....	6,863,531	6,573,120	6,530,994	7,016,662	7,336,744
Accounts and Unbilled Usage.....	165,113	181,636	219,670	191,908	188,653
Due from Other Funds.....	133,036	223,021	106,099	99,211	25,874
Due from Component Unit.....	10,037	11,209	13,690	13,223	13,355
Due from Other Governments.....	252,225	238,335	193,267	228,597	279,883
Advance to Other Funds.....	95,000	0	0	0	0
Prepaid Items.....	241,974	249,958	237,568	221,785	266,203
Total Assets.....	<u>\$12,057,015</u>	<u>\$11,070,466</u>	<u>\$10,972,275</u>	<u>\$11,221,150</u>	<u>\$11,887,678</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:					
Liabilities:					
Accounts Payable.....	\$ 118,374	\$ 98,361	\$ 248,477	\$ 112,878	\$ 245,086
Accrued Payroll and Payroll Benefits.....	410,175	425,464	467,075	159,689	236,408
Retainage Payable.....	0	0	0	0	2,770
Deferred Revenue(2).....	6,996,071	0	0	0	0
Due to Other Governments.....	125,596	95,133	100,335	114,214	98,533
Due to Other Funds.....	25,303	0	0	0	0
Total Liabilities.....	<u>\$ 7,675,519</u>	<u>\$ 618,958</u>	<u>\$ 815,887</u>	<u>\$ 386,781</u>	<u>\$ 582,797</u>
DEFERRED INFLOWS OF RESOURCES(2):					
Unavailable Revenue - Property Taxes.....	\$ 0	\$ 6,573,120	\$ 6,530,994	\$ 7,016,662	\$ 7,336,744
Unavailable Revenue - Other.....	0	126,241	62,792	99,158	37,185
Unavailable Revenue - Intergovernmental.....	0	0	8,839	0	50,770
Total Deferred Inflows of Resources.....	<u>\$ 0</u>	<u>\$ 6,699,361</u>	<u>\$ 6,602,625</u>	<u>\$ 7,115,820</u>	<u>\$ 7,424,699</u>
FUND BALANCES:					
Nonspendable.....	\$ 241,974	\$ 249,958	\$ 237,568	\$ 221,785	\$ 266,203
Restricted.....	1,153,313	588,928	694,247	725,844	812,092
Committed.....	250,000	250,000	250,000	250,000	250,000
Unassigned.....	2,736,209	2,663,261	2,371,948	2,520,920	2,551,887
Total Fund Balances.....	<u>\$ 4,381,496</u>	<u>\$ 3,752,147</u>	<u>\$ 3,553,763</u>	<u>\$ 3,718,549</u>	<u>\$ 3,880,182</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances.....	<u>\$12,057,015</u>	<u>\$11,070,466</u>	<u>\$10,972,275</u>	<u>\$11,221,150</u>	<u>\$11,887,678</u>

Notes: (1) Source: Audited financial statements of the City for the fiscal years ended June 30, 2013 through 2017.
(2) Format change in 2014.

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Statement of Revenues, Expenditures and Changes in Fund Balances General Fund(1)

	Audited Fiscal Year Ended June 30				
	2013	2014	2015	2016	2017
REVENUES:					
Property Taxes	\$ 5,984,410	\$ 6,049,691	\$ 5,684,978	\$ 5,541,436	\$ 5,923,793
Other City Taxes.....	1,138,837	1,187,602	1,224,633	1,308,014	1,253,732
Use of Money and Property	125,428	120,970	101,113	98,862	136,919
Licenses and Permits	219,392	391,091	321,446	289,261	285,839
Intergovernmental.....	906,655	809,834	1,012,319	1,263,374	1,327,827
Charges for Service.....	878,710	807,082	895,920	958,113	974,800
Miscellaneous.....	266,343	279,945	273,096	200,544	121,109
Total Revenue	<u>\$ 9,519,775</u>	<u>\$ 9,646,215</u>	<u>\$ 9,513,505</u>	<u>\$ 9,659,604</u>	<u>\$10,024,019</u>
EXPENDITURES:					
Current:					
Public Safety	\$ 7,774,342	\$ 8,839,884	\$ 8,185,211	\$ 8,472,255	\$ 8,980,687
Public Works	1,654,301	1,635,380	1,677,313	1,690,083	1,766,272
Health and Social Services	405,393	448,301	441,290	409,924	33,535
Culture and Recreation.....	2,679,429	2,581,438	2,684,275	2,448,957	2,688,511
Community and Economic Development	113,965	170,007	131,238	122,437	400,499
General Government	1,147,332	1,252,426	1,273,399	1,185,537	1,462,058
Debt Service.....	13,840	13,840	36,716	11,991	25,690
Total Expenditures.....	<u>\$13,788,602</u>	<u>\$14,941,276</u>	<u>\$14,429,442</u>	<u>\$14,341,184</u>	<u>\$15,357,252</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>\$ (4,268,827)</u>	<u>\$ (5,295,061)</u>	<u>\$ (4,915,937)</u>	<u>\$ (4,681,580)</u>	<u>\$ (5,333,233)</u>
Other Financing Sources (Uses):					
Transfers (Net)(2)	<u>4,841,951</u>	<u>4,665,712</u>	<u>4,717,553</u>	<u>4,846,366</u>	<u>5,494,866</u>
Net Change in Fund Balances	\$ 573,124	\$ (629,349)	\$ (198,384)	\$ 164,786	\$ 161,633
Fund Balances - Beginning.....	<u>\$ 3,808,372</u>	<u>\$ 4,381,496</u>	<u>\$ 3,752,147</u>	<u>\$ 3,553,763</u>	<u>\$ 3,718,549</u>
Fund Balances - Ending	<u>\$ 4,381,496</u>	<u>\$ 3,752,147</u>	<u>\$ 3,553,763</u>	<u>\$ 3,718,549</u>	<u>\$ 3,880,182</u>

- Notes: (1) Source: Audited financial statements of the City for the fiscal years ended June 30, 2013 through 2017.
(2) Property taxes are transferred in from a special revenue tax fund to offset the employee benefits that are expensed through the General Fund.

EMPLOYEE RETIREMENT AND OTHER POST EMPLOYMENT BENEFIT OBLIGATIONS

Pensions

The City contributes to the Municipal Fire and Police Retirement System of Iowa Plan ("MFPRSI"). Membership is mandatory for fire fighters and police officers covered by the provisions of Chapter 411 of the Code of Iowa. Employees of the City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by MFPRSI. MFPRSI issues a stand-alone financial report which is available to the public by mail at 7155 Lake Drive, Suite #201, West Des Moines, Iowa 50266 or at www.mfprsi.org. See **APPENDIX A - Note 7** for more information. At June 30, 2017, the City reported a liability of \$9,755,815 for its proportionate share of the net pension liability.

The City also contributes to the Iowa Public Employees' Retirement System ("IPERS"), which is a state-wide multiple-employer cost-sharing defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS benefits are established under Iowa Code, Chapter 97B and the administrative rules thereunder. IPERS plan members are required to contribute a percentage of their annual salary, in addition to the City being required to make annual contributions to IPERS. Contribution amounts are set by State statute. The City's share is payable from the applicable funds of the City. All contributions are on a current basis. See **APPENDIX A - Note 7** for additional information on IPERS.

The following table sets forth the contributions made by the City and employees to IPERS for the period indicated. The City has always made their full statutorily required contributions to IPERS. The City cannot predict the levels of funding that will be required in the future.

<u>Fiscal Year</u>	<u>% of Payroll Paid by the City</u>	<u>% of Payroll Paid by Employee</u>
2014.....	8.93%	5.95%
2015.....	8.93%	5.95%
2016.....	8.93%	5.95%
2017.....	8.93%	5.95%
2018.....	8.93%	5.95%

The City cannot predict the levels of funding that will be required in the future as any IPERS unfunded pension benefit obligation could be reflected in future years in higher contribution rates. The investment of moneys, assumptions underlying the same and the administration of IPERS is not subject to the direction of the City. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of IPERS (“UAALs”). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, adjustments, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAAL could be substantial in the future, requiring significantly increased contributions from the City which could affect other budgetary matters.

The following table sets forth certain information about the funding status of IPERS that has been extracted from the comprehensive annual financial reports of IPERS for fiscal years noted below (collectively, the “IPERS CAFRs”). A complete copy of the Reports can be obtained by visiting IPERS website at: <http://www.ipers.org>.

<u>Valuation Date</u>	<u>Actuarial Value of Assets [a]</u>	<u>Market Value of Assets [b]</u>	<u>Actuarial Accrued Liability [c]</u>	<u>Unfunded Actuarial Accrued Liability (Actuarial Value) [c]-[a]</u>	<u>Funded Ratio (Actuarial Value) [a]/[c]</u>	<u>Unfunded Actuarial Accrued Liability (Market Value) [c]-[b]</u>	<u>Funded Ratio (Market Value) [b]/[c]</u>	<u>Covered Payroll [d]</u>	<u>UAAL as a Percentage of Covered (Actuarial Value) [b-a]/[c]</u>
2013.....	\$24,711,096,187	\$24,756,663,715	\$30,498,342,320	\$5,787,246,133	81.02%	\$5,741,678,605	81.17%	\$6,880,131,134	84.12%
2014.....	26,460,428,085	28,038,549,893	32,004,456,088	5,544,028,003	82.68%	3,965,906,195	87.61%	7,099,277,280	78.09%
2015.....	27,915,379,103	28,429,834,829	33,370,318,731	5,454,939,628	83.65%	4,940,483,902	85.19%	7,326,348,141	74.46%
2016.....	29,033,696,587	28,326,433,656	34,619,749,147	5,586,052,560	83.86%	6,293,315,491	81.82%	7,556,515,720	73.92%
2017.....	30,472,423,914	30,779,116,326	37,440,382,029	6,967,958,115	81.39%	6,661,265,703	82.21%	7,863,160,443	88.62%

Source: IPERS Reports.

According to IPERS, the market value investment return on program assets is as follows:

<u>Fiscal Year Ended June 30</u>	<u>Investment Return %</u>
2013.....	10.12%
2014.....	15.88%
2015.....	3.96%
2016.....	2.15%
2017.....	11.70%

Source: IPERS Reports

On March 24, 2017, IPERS Investment Board voted to approve changes to economic assumptions used in calculating IPERS’ liabilities. This action followed an economic assumption study presentation by the consulting actuarial firm of Cavanaugh Macdonald of Bellevue, Nebraska.

The new assumptions are:

- Inflation drops from 3 percent to 2.6 percent
- Interest on member accounts drops from 3.75 percent to 3.5 percent
- Investment return drops from 7.5 percent to 7 percent
- Wage growth drops from 4 percent to 3.25 percent
- Payroll growth drops from 4 percent to 3.25 percent

The study applied these assumptions to the 2016 data to illustrate their impact on key funding measurements. The funded ratio is a “snapshot in time” and indicates the financial health of a pension system. Using the new assumptions, with the 2016 data, IPERS’ funded ratio dropped from 84 percent to 80 percent. These assumptions will first be applied in the June 30, 2017 valuation, which will be used to determine the contribution rates effective July 1, 2018.

The net result of these changes will be a lower funded ratio and an increase in liabilities of \$1.4 billion. Even though these changes will have a negative impact on IPERS’ funded ratio, the Investment Board believes that these modifications will provide a more accurate valuation of future liabilities. Each year an investment return is less than the assumed return adds to the liability and increases the needed return in future years which can lead to even higher contribution rates.

Bond Counsel, the City and the Municipal Advisor undertake no responsibility for and make no representations as to the accuracy or completeness of the information available from the IPERS discussed above or included on the IPERS website, including, but not limited to, updates of such information on the Auditor of State’s website or links to other website site or links to other websites through the IPERS website.

The City reported a liability of \$5,044,545 as of June 30, 2017 for its proportionate share of the net pension liability for IPERS. The net pension liability is the amount by which the total actuarial liability exceeds the pension plan’s net assets or fiduciary net position (essentially the market value) available for paying benefits. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2016, the City’s collective proportion was 0.08157%. For additional information, see the City’s Audited Financial Statements for Fiscal Year Ending June 30, 2017 in **APPENDIX A**.

Other Post-Employment Benefits (OPEB)

In June 2004, the Governmental Accounting Standards Board (“GASB”) issued GASB 45, which address how state and local governments are required to account for and report their costs and obligations related to other post-employment benefits (“OPEB”), defined to include post-retirement healthcare benefits. GASB 45 Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension establishes financial reporting standards designed to measure, recognize and display OPEB costs. OPEB costs would become measurable on an accrual basis of accounting, and contribution rates (actuarially determined) would be prescribed for funding such costs. The provisions of GASB 45 do not require governments to fund their OPEBs. The City may establish its OPEB liability at zero as of the beginning of the initial year of implementation; however the unfunded actuarial liability is required to be amortized over future periods. The City currently finances the retiree benefit plan on a pay-as-you-go basis.

As of July 1, 2016, the most recent valuation date for the period July 1, 2016 through June 30, 2017, the actuarial accrued liability was \$11,671,551, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$11,671,551. The covered payroll (annual payroll of active employees covered by the plan) was \$10,057,832 and the ratio of the UAAL to covered payroll was 116.0%. As of June 30, 2017, there were no trust fund assets. As of the July 1, 2016 actuarial valuation date, the frozen entry age actuarial cost method was used.

See **APPENDIX A – Notes (7) and (8)** herein for further discussion of the City’s employee retirement benefit obligations.

REGISTRATION, TRANSFER AND EXCHANGE

See also **APPENDIX B - BOOK-ENTRY SYSTEM** for information on registration, transfer and exchange of book-entry bonds. The Bonds will be initially issued as book-entry bonds.

The City shall cause books (the “Bond Register”) for the registration and for the transfer of the Bonds to be kept at the principal office maintained for the purpose by the Bond Registrar in Des Moines, Iowa. The City will authorize to be prepared, and the Bond Registrar shall keep custody of, multiple bond blanks executed by the City for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Bond Resolution. Upon surrender for transfer or exchange of any Bond at the principal office maintained for the purpose by the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the registered owner or such owner’s attorney duly authorized in writing, the City shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the registered owner, transferee or transferees (as the case may be) a new fully registered Bond or Bonds of the same maturity and interest rate of authorized denominations, for a like aggregate principal amount.

The execution by the City of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less Bonds previously paid.

The Bond Registrar shall not be required to transfer or exchange any Bond following the close of business on the fifteenth day of the month next preceding an interest payment date on such bond (known as the record date), nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen days next preceding mailing of a notice of redemption of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bonds shall be made only to or upon the order of the registered owner thereof or such owner’s legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the City or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a bond surrendered for redemption.

TAX EXEMPTION AND RELATED CONSIDERATIONS

Tax Exemption

The opinion of Bond Counsel will state that under present laws and rulings, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed under the Internal Revenue Code of 1986 (the “Code”), provided, however that such interest must be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations for taxable years beginning before January 1, 2018.

The opinions set forth in the preceding sentence will be subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. In the resolution authorizing the issuance of the Bonds, the City will covenant to comply with all such requirements.

There may be certain other federal tax consequences to the ownership of the Bonds by certain taxpayers, including without limitation, corporations subject to the branch profit tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security and Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Bond Counsel will express no opinion with respect to other federal tax consequences to owners of the Bonds. Prospective purchasers of the Bonds should consult with their tax advisors as to such matters.

Proposed Changes in Federal Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress [and in the states] that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. No prediction is made whether such provisions will be enacted as proposed or concerning other future legislation affecting the tax treatment of interest on the Bonds. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Qualified Tax-Exempt Qualification

In the resolutions authorizing the issuance of the Bonds, the City will designate the Bonds as “qualified tax exempt obligations” within the meaning of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes a portion of the interest expense that is allocable to tax-exempt obligations. In the opinion of Bond Counsel, the Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

Original Issue Premium

The Bonds maturing in the years _____ are being issued at a premium to the principal amount payable at maturity. Except in the case of dealers, which are subject to special rules, Bondholders who acquire the Bonds at a premium must, from time to time, reduce their federal tax bases for the Bonds for purposes of determining gain or loss on the sale or payment of such Bonds. Premium generally is amortized for federal income tax purposes on the basis of a bondholder's constant yield to maturity or to certain call dates with semiannual compounding. Bondholders who acquire any Bonds at a premium might recognize taxable gain upon sale of the Bonds, even if such Bonds are sold for an amount equal to or less than their any original cost. Amortized premium is not deductible for federal income tax purposes. Bondholders who acquire any Bonds at a premium should consult their tax advisors concerning the calculation of bond premium and the timing and rate of premium amortization, as well as the state and local tax consequences of owning and selling the Bonds acquired at a premium.

Original Issue Discount

The Bonds maturing in the years _____ (collectively, the "Discount Bonds") are being sold at a discount from the principal amount payable on such Bonds at maturity. The difference between the price at which a substantial amount of the Discount Bonds of a given maturity is first sold to the public (the "Issue Price") and the principal amount payable at maturity constitutes "original issue discount" under the Code. The amount of original issue discount that accrues to a holder of a Discount Bond under section 1288 of the Code is excluded from federal gross income to the same extent that stated interest on such Discount Bond would be so excluded. The amount of the original issue discount that accrues with respect to a Discount Bond under section 1288 is added to the owner's federal tax basis in determining gain or loss upon disposition of such Discount Bonds (whether by sale, exchange, redemption or payment at maturity).

Interest in the form of original issue discount accrues under section 1288 pursuant to a constant yield method that reflects semiannual compounding on dates that are determined by reference to the maturity date of the Discount Bond. The amount of original issue discount that accrues for any particular semiannual accrual period generally is equal to the excess of (1) the product of (a) one-half of the yield on such Discount Bonds (adjusted as necessary for an initial short period) and (b) the adjusted issue price of such Discount Bonds, over (2) the amount of stated interest actually payable. For purposes of the preceding sentence, the adjusted issue price is determined by adding to the Issue Price for such Discount Bonds the original issue discount that is treated as having accrued during all prior semiannual accrual periods. If a Discount Bond is sold or otherwise disposed of between semiannual compounding dates, then the original issue discount that would have accrued for that semiannual accrual period for federal income tax purposes is allocated ratably to the days in such accrual period.

An owner of a Discount Bond who disposes of such Discount Bond prior to maturity should consult owner's tax advisor as to the amount of original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bond prior to maturity.

Owners who purchase Discount Bonds in the initial public offering but at a price different than the Issue Price should consult their own tax advisor with respect to the tax consequences of the ownership of Discount Bonds.

The Code contains provisions relating to the accrual of original issue discount in the case of subsequent purchasers of bond such as the Discount Bonds. Owners who do not purchase Discount Bonds in the initial offering should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

Original issue discount that accrues in each year to an owner of a Discount Bond may result in collateral federal income tax consequences to certain taxpayers. No opinion is expressed as to state and local income tax treatment of original issue discount. All owners of Discount Bonds should consult their own tax advisors with respect to the federal, state, local and foreign tax consequences associated with the purchase, ownership, redemption, sale or other disposition of Discount Bonds.

CONTINUING DISCLOSURE

For the purpose of complying with Rule 15c2-12 of the Securities Exchange Commission, as amended and interpreted from time to time (the “Rule”), the City will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds to provide reports of specified information and notice of the occurrence of certain events, as hereinafter described (the “Disclosure Covenants”). The information to be provided on an annual basis, and the events as to which notice is to be given, is set forth in **“APPENDIX D – Form of Continuing Disclosure Certificate”**. This covenant is being made by the City to assist the Underwriter(s) in complying with the Rule.

Breach of the Disclosure Covenants will not constitute a default or an “Event of Default” under the Bonds or Resolution, respectively. A broker or dealer is to consider a known breach of the Disclosure Covenants, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a failure on the part of the City to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the Bonds and their market price.

Pursuant to the Rule, in the last five years, the City, to the best of its knowledge, failed to timely file certain tables for its required annual operating data and audited or unaudited financial statements for fiscal year June 30, 2014. The City has filed a Notice of Failure to File for the fiscal year 2014.

Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of Section (b)(5) of the Rule.

OPTIONAL REDEMPTION

Bonds due June 1, 2023 - 2024 inclusive, are not subject to optional redemption. Bonds due June 1, 2025 - 2029, inclusive, are callable in whole or in part on any date on or after June 1, 2024, at a price of par and accrued interest. If selection by lot within a maturity is required, the Registrar shall designate the Bonds to be redeemed by random selection of the names of the registered owners of the entire annual maturity until the total amount of Bonds to be called has been reached.

If less than all of the maturity is called for redemption, the City will notify DTC of the particular amount of such maturity to be redeemed prior to maturity. DTC will determine by lot the amount of each Participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed.

Thirty days’ written notice of redemption shall be given to the registered owner of the Bond. Failure to give written notice to any registered owner of the Bonds or any defect therein shall not affect the validity of any proceedings for the redemption of the Bonds. All Bonds or portions thereof called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment. Written notice will be deemed completed upon transmission to the owner of record.

LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the City taken with respect to the issuance or sale thereof. There is no litigation now pending, or to the knowledge of the City, threatened against the City that is expected to materially impact the financial condition of the City.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds and with regard to the tax-exempt status of the interest thereon (see **“TAX EXEMPTION AND RELATED CONSIDERATIONS”** herein) are subject to the approving legal opinion of Dorsey & Whitney LLP, Des Moines, Iowa, Bond Counsel, a form of which is attached hereto as **APPENDIX C**. Signed copies of the opinion, dated and premised on law in effect as of the date of original delivery of the Bonds, will be delivered to the Underwriter at the time of such original delivery. The Bonds are offered subject to prior sale and to the approval of legality of the Bonds by Bond Counsel.

The legal opinion to be delivered will express the professional judgment of Bond Counsel and by rendering a legal opinion, Bond Counsel does not become an insurer or guarantor of the result indicated by that expression of professional judgment or of the transaction or the future performance of the parties to the transaction.

Bond Counsel has not been engaged, nor has it undertaken, to prepare or to independently verify the accuracy of the Official Statement, including but not limited to financial or statistical information of the City and risks associated with the purchase of the Bonds, except Bond Counsel has reviewed the information and statements contained in the Official Statement under, **“TAX EXEMPTION AND RELATED CONSIDERATIONS”** and **“LEGAL MATTERS”**, insofar as such statements contained under such captions purport to summarize certain provisions of the Internal Revenue Code of 1986, the Bonds and any opinions rendered by Bond Counsel. Bond Counsel has prepared the documents contained in **APPENDIX C** and **APPENDIX D**.

OFFICIAL STATEMENT AUTHORIZATION

This Official Statement has been authorized for distribution to prospective purchasers of the Bonds. All statements, information, and statistics herein are believed to be correct but are not guaranteed by the consultants or by the City, and all expressions of opinion, whether or not so stated, are intended only as such.

This Official Statement is not to be construed as a contract or agreement amongst the City, the Underwriter, or the holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinions contained herein are subject to change without notice and neither the delivery of this Official Statement or the sale of the Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. The information contained in this Official Statement is not guaranteed.

INVESTMENT RATING

The City has supplied certain information and material concerning the Bonds and the City to the rating service shown on the cover page, including certain information and materials which may not have been included in this Official Statement, as part of its application for an investment rating on the Bonds. A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Generally, such rating service bases its rating on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating service if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the secondary market price of the Bonds. An explanation of the significance of the investment rating may be obtained from the rating agency: Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, telephone 212-553-1658.

UNDERWRITING

The Bonds were offered for sale by the City at a public, competitive sale on November 5, 2018. The best bid submitted at the sale was submitted by _____ (the “Underwriter”). The City awarded the contract for sale of the Bonds to the Underwriter at a price of \$_____ (reflecting the par amount of \$_____, plus a reoffering premium of \$_____, and less an Underwriter’s discount of \$_____). The Underwriter has represented to the City that the Bonds have been subsequently re-offered to the public initially at the yields or prices set forth in the Final Official Statement.

MUNICIPAL ADVISOR

The City has engaged Speer Financial, Inc. as municipal advisor (the “Municipal Advisor”) in connection with the issuance and sale of the Bonds. The Municipal Advisor is a Registered Municipal Advisor in accordance with the rules of the MSRB. The Municipal Advisor will not participate in the underwriting of the Bonds. The financial information included in the Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Municipal Advisor is not a firm of certified public accountants and does not serve in that capacity or provide accounting services in connection with the Bonds. The Municipal Advisor is not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement, nor is the Municipal Advisor obligated by the City’s continuing disclosure undertaking.

CERTIFICATION

We have examined this Official Statement dated October __, 2018, for the \$2,400,000* General Obligation Corporate Purpose Bonds, Series 2018, believe it to be true and correct and will provide to the purchaser of the Bonds at the time of delivery a certificate confirming to the purchaser that to the best of our knowledge and belief, information in the Official Statement was at the time of acceptance of the bid for the Bonds and, including any addenda thereto, was at the time of delivery of the Bonds true and correct in all material respects and does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

/s/ **DIANA STEINER**
Finance Director
CITY OF MARSHALLTOWN
Marshall County, Iowa

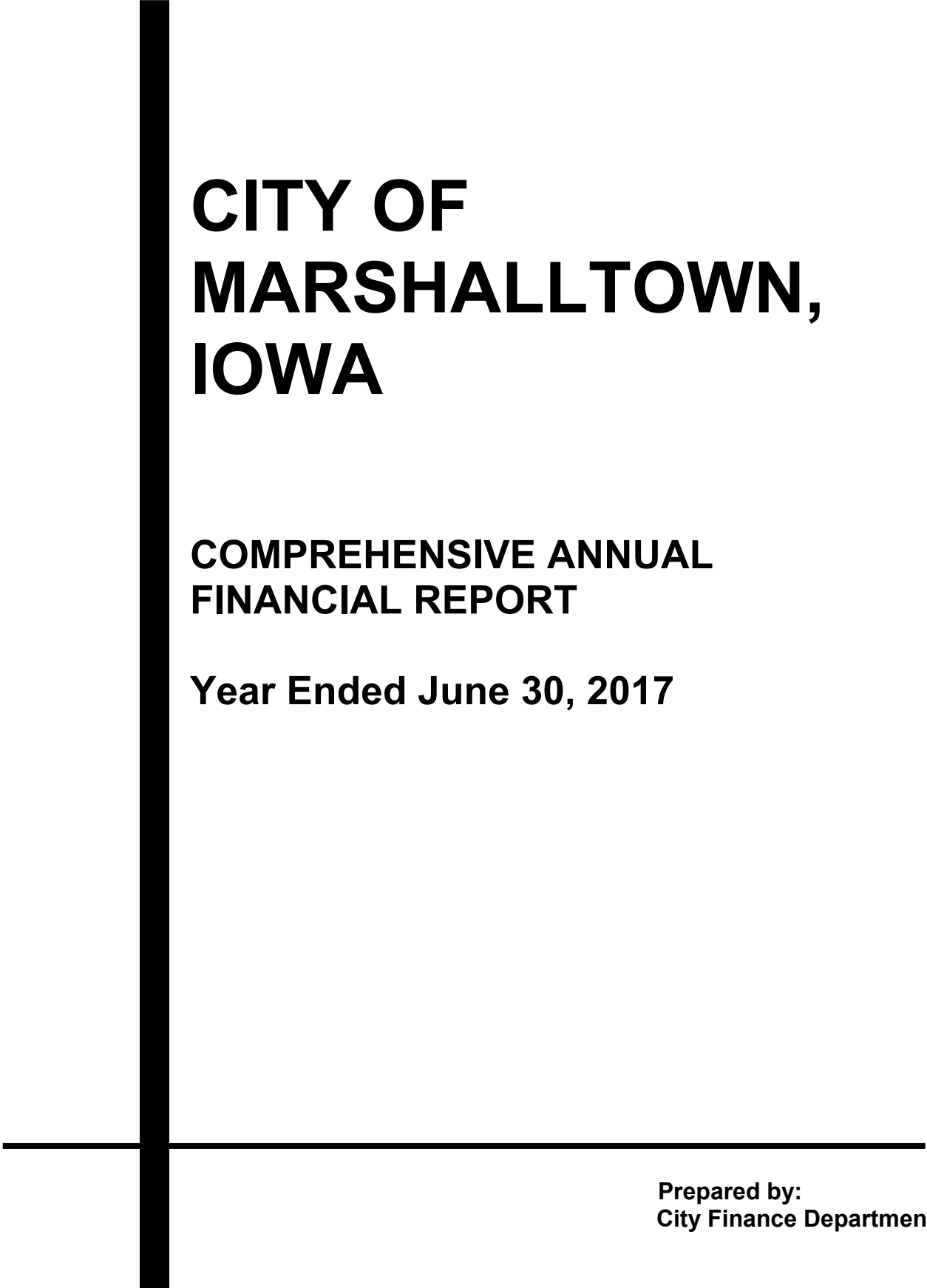
/s/ **JOEL GREER**
Mayor
CITY OF MARSHALLTOWN
Marshall County, Iowa

*Subject to change.

APPENDIX A

**CITY OF MARSHALLTOWN
MARSHALL COUNTY, IOWA**

FISCAL YEAR 2017 AUDITED FINANCIAL STATEMENTS



CITY OF MARSHALLTOWN, IOWA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2017

**Prepared by:
City Finance Department**

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Introductory Section

June 30, 2017

City of Marshalltown



City of Marshalltown
James Lowrance, Mayor
Jessica Kinser, City Administrator
Diana Steiner, Finance Director
24 North Center Street
Marshalltown, IA 50158-4911
Tel - (641) 754-5760
Fax - (641) 754-5781
Email: dsteiner@marshalltown-ia.gov

December 20, 2017

To the Honorable Mayor, City Council Members
And Citizens of the City of Marshalltown, Iowa:

The City of Marshalltown, Iowa, is required by various state and federal regulations to publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (generally accepted accounting principles or GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to these requirements, the Comprehensive Annual Financial Report (CAFR) of the City of Marshalltown, Iowa for the fiscal year ended June 30, 2017 as prepared by the Finance Department is hereby submitted in accordance with the provisions of Chapter 11.6 of the Code of Iowa.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City's financial statements have been audited by Eide Bailly, L.L.P, a firm of licensed Certified Public Accountants, and they have issued an unmodified ("clean") opinion on the City's financial statements for the year ended June 30, 2017. The independent auditor's report is located at the front of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing single audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Information related to this single audit, including the Schedule of Expenditures of Federal Awards, Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, Independent Auditor's Report on Compliance for Each Major Program and Report on Internal Control over Compliance Required by the Uniform Guidance and Schedule of Findings and Questioned Costs is included in the section entitled Compliance Section.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

City Council
Susan Cahill, Mike Gowdy, Joel Greer, Al Hoop,
Leon Lamer, Bill Martin, Bethany Wirin



Profile of the City

The City was incorporated July 27, 1863 under the laws of the State of Iowa, later amended on June 16, 1975 under the City Home Rule Act. Marshalltown is located in the central region of the state, with a land area of 19.28 square miles and a population of 27,552 as of the 2010 census. The City is empowered to levy a property tax on real property located within its boundaries, and has the power to extend its corporate limits by annexation.

The City operates under a mayor-council form of government. Setting policy and legislative authority are vested in the seven-member council. The City Council is responsible for passing ordinances, resolutions, adopting and amending the budget, appointing committees and hiring the City Administrator as provided by city ordinance. The Mayor and Council are elected for a four year staggered term rotation, allowing continuity within the membership. Four of the council members are elected from within their respective districts. The mayor and the three remaining council members are elected at large. The City Administrator, hired by the City Council is responsible for carrying out the policies and ordinances of the council, overseeing the day-to-day operations of the government, and for hiring the City Clerk and department managers.

The City provides the following services as authorized by its charter: public safety, public works, culture, recreation, and community development. The City also provides additional services including sewage collection and disposal, compost facility, a transit system, and municipal parking lots.

The City's financial statements include all funds, departments, boards and commissions, and other government entities that do not have separate legal status as required by accounting principals generally accepted in the United States of America.

In Marshalltown, the library is overseen by a board of directors and included in the operations of the general fund. 911 Communications are administered by a 911 Commission, which uses an agreement allowed by Chapter 28 of the Code of Iowa and is included in this report. The water distribution system, administered by an independent utility board of trustees, and the Convention and Visitors Bureau, administered by a board of directors, are included as component units of the City.

The annual budget serves as the foundation for the City of Marshalltown's financial planning, development and control. The City Administrator and Finance Director are responsible for developing a budget proposal to the City Council. The proposed budget is presented to the Council in January and February of each year. The Council is required to hold public hearings on the proposed budget and to adopt the final budget no later than March 15 for the fiscal year beginning the following July first. The appropriated budget is prepared by fund and function.

Local Economy

The 2010 census showed Marshalltown's population increasing 5.9% from 26,009 to 27,552. Unemployment in the City was at 4.3% as of June 2017. This is higher than the Iowa rate of 3.2% as of June 2017.

The number of building permits increased in fiscal year 2017. 20 new residential construction building permits were issued creating 41 housing units for a value of \$6,766,000. 30 residential remodeling, repairs, and addition permits were issued for a value of \$752,000. This was an overall increase from the prior year of \$1,221,000. Total building permit activity for commercial industrial, residential and accessory structures totaled 148 building permits with a valuation of \$29,485,000. This included large projects such as the Holiday Inn Express and The Willows Assisted Living complex.

The Local Option Sales Tax (LOST) which begun April 1, 2000 was voted and approved for another 10 year extension which will end in 2025. The allocation remained the same with 75% being designated for property tax relief, 20% for street projects and 5% allocated for council discretion. For fiscal year ending June 30, 2017 the City collected approximately \$3.5 million (accrual basis). The voters passed a referendum August 1, 2017 to reallocate the LOST for 78% property tax relief and 22% council discretion. This became effective November 1, 2017, which would affect next fiscal year's budget and audit.

Major Initiatives

Alliant Energy's Iowa utility completed their construction of a \$700 million, 650 – megawatt electric generating plant in the spring of 2017. The station is expected to power more than 500,000 homes in Iowa and Minnesota. The generating plant replaces a large portion of the coal-fired generating station, with 150 watts to remain for peak generation. This project created 15 to 20 permanent jobs and 250 to 350 jobs, on average, during construction. Alliant Energy is the City's largest taxpayer.

Unity Point Healthcare purchased what was formerly known as the Marshalltown Medical and Surgical Center (MMSC) in May 2017. This transition has provided a stable medical provider and employer in the community. Unity Point has provided a positive direction for the future access to high quality medical services and is actively recruiting physicians and other professionals. While no timetable has been established, plans do include the future development of the south campus.

The Marshalltown School District completed the renovation and addition of the Marshalltown High School Roundhouse. The board approved an almost \$8 million construction contract in October 2013. With architectural fees and other costs, the project cost approximately \$10 million. Phase one included the renovation of the current gym including a new efficient heating and cooling system, a state-of-the-art gym floor, more safer/comfortable bleachers, and locker and weight rooms. It also included a new roof and other features. General obligation bonds were sold and will be repaid with future sales tax revenue and will not include any increase to property tax rates. Phase two is underway and includes an auxiliary gym and wrestling room and is estimated to cost \$3.85 million and be paid for by donations. The Martha- Ellen Tye Foundation said it will donate a \$1 million challenge grant to the project when the community raises its first \$1 million. To date \$2.8 million of the anticipated \$3.85 million has been raised.

Hawkeye Hotels, LLC is building a Holiday Inn Express hotel with an estimated project cost of \$10,000,000. It is anticipated to open in the spring of 2018.

A new housing development, Wandering Creek, has begun construction. It includes plans for 52 townhomes, in 2-4 unit configurations. The total estimated investment is over \$10,000,000.

Inter-governmental Cooperation

The Marshalltown Area Chamber of Commerce, Marshalltown Community School District, Iowa Valley Community College and area business leaders formed the Marshalltown Business-Education Alliance. The mission of the Alliance is to drive the successful execution of the partners' strategic plans, achieve measurable results, and be the education system of choice. Five goals were identified (a) remove barriers and expand educational opportunities and career pathways for students, (b) actively engage business leaders and educators to determine the skills needed in the workplace, (c) improve community perceptions and attitudes about education, (d) develop a unified front to ensure parents recognize the value of education and (e) provide "one voice advocacy" for policies and issues affecting education excellence.

The City of Marshalltown has been a successful recipient of five Lead Based Paint Hazard Control Grants from the US Department of Housing and Urban Development. Since 2003 a total of \$12,687,265 has been awarded. By the end of 2017, a total of 722 housing units will be made lead safe through home renovations

such as window replacement, siding installation and paint stabilization. The City has established partnerships with 28 other governmental entities to offer a regional program throughout four Counties. The current grant is the largest totaling \$3,400,000. 130 housing units will be made lead safe over a three year period.

Long-Term Financial Planning

Maintenance and rehabilitation of the City's infrastructure (such as streets, sewers and bridges) have been the major priority of the City during the last four years. The City annually adopts a five-year Capital Improvement Program that provides a framework for the development and maintenance of infrastructure to meet current and future needs. In conjunction with this program, the City of Marshalltown includes a five year equipment replacement plan.

A vote was taken August 2, 2016 by the citizens of Marshalltown and approved for the construction of a new joint Police and Fire Building. The total cost estimate is \$17.5 million, which will be funded with general obligation bonds. The anticipated completion date of the construction is January 2019.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the years ending June 30, 1990, and consecutively 1993 through 2016. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In 2012, Marshalltown was selected as an All American City by the National Civic League. Marshalltown was one of 13 communities selected for the prestigious award. The City was a finalist for the 2014 All American City Award.

The preparation of this report could not be accomplished without the dedicated services of the entire Finance Department staff. We also want to acknowledge the assistance from many other department staff, agencies and organizations which are all vital to the culmination of this report.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Diana Steiner".

Diana Steiner
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Marshalltown
Iowa**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

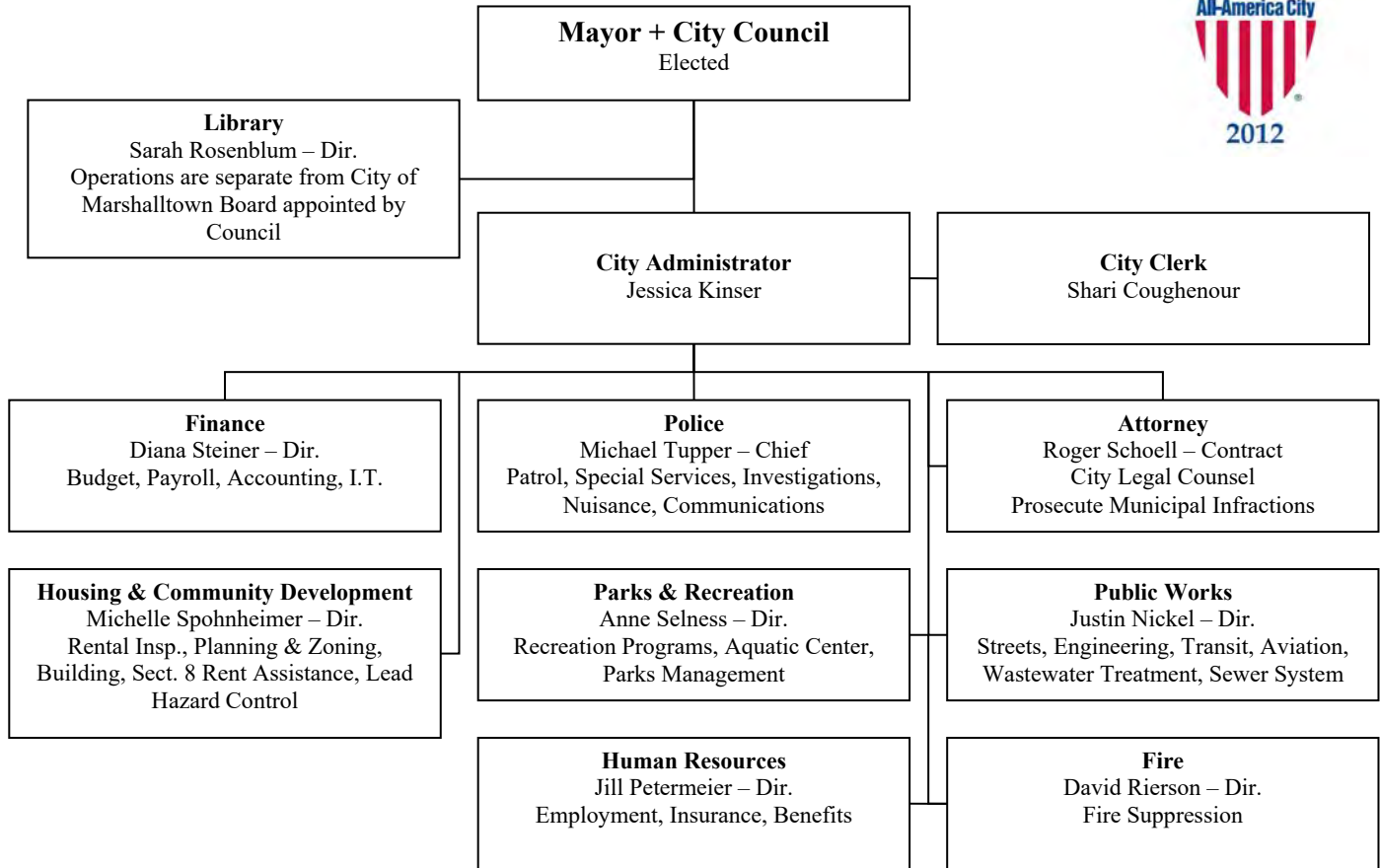
June 30, 2016

Executive Director/CEO



Marshalltown Organization Chart

Marshalltown



City of Council Bluffs

Officials

June 30, 2017

Name	Title	Term Expires
Elected officials:		
James Lowrance	Mayor	December 31, 2017
Bethany Wirin	Mayor Pro-Tem, Council At Large	December 31, 2017
Bill Martin	Council Member At Large	December 31, 2017
Leon Lamer	Council Member At Large	December 31, 2019
Susan Cahill	Council Member First Ward	December 31, 2021
Joel Greer	Council Member Second Ward	December 31, 2019
Mike Gowdy	Council Member Third Ward	December 31, 2017
Al Hoop	Council Member Fourth Ward	December 31, 2019
Council-appointed officials:		
Jessica Kinser	City Administrator	Contract Expires November 14, 2021
City Administrator appointment with Council Approval:		
Shari Coughenour	City Clerk	Indefinite
Diana Steiner	Finance Director	Indefinite
David Rierson	Fire Chief	Indefinite
Michelle Spohnheimer	Housing & Community Dev. Director	Indefinite
Anne Selness	Parks and Recreation Director	Indefinite
Michael Tupper	Police Chief	Indefinite
Justin Nickel	Public Works Director	Indefinite
Jill Petermeier	Human Resources Director	Indefinite

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Financial Statements
June 30, 2017
City of Marshalltown



Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Marshalltown, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Marshalltown, Iowa, (City) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Marshalltown Water Works or Marshalltown Convention and Visitors Bureau, which represent the entire assets, net position and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Marshalltown Water Works or Marshalltown Convention and Visitors Bureau, is based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Marshalltown Convention and Visitors Bureau were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Marshalltown, Iowa, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Marshalltown, Iowa's financial statements. The introductory section, combining nonmajor fund financial statements, schedule of bond maturities, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the financial statements.

The combining nonmajor fund financial statements, schedule of bond maturities, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, schedule of bond maturities, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Dubuque, Iowa
December 20, 2017

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The following is a narrative overview and analysis of the financial activities of the City of Marshalltown for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-4 of this report. Additional historical information can be found in the Statistical Section of this report supporting some of the analysis presented in this discussion and the transmittal letter.

Financial Highlights of Primary Government

- Assets of the City of Marshalltown exceeded its liabilities at the close of the most recent fiscal year by \$82,042,840 (net position) as compared to \$79,237,110 in the prior year.
- The City's total net position increased by \$2,805,730. This increase is primarily attributable to an increase in revenue from road use tax, federal HUD programs, and intergovernmental funds for capital projects.
- As of the close of the current fiscal year, the City of Marshalltown's governmental funds reported combined ending fund balances of \$23,662,812 an increase of \$5,862,552 in comparison with the prior year. This change was primarily from other additional city taxes and proceeds from debt for the police and fire building not yet spent..
- \$2,452,890 in unassigned fund balance is available for spending at the City's discretion. Prior year unassigned fund balance was \$2,325,761. This is an increase of \$127,129.
- The City's total debt had a net increase of \$5.1 million during the current fiscal year. This change reflects the retirement of existing bonds and the issuance of \$9.9 million in new GO Debt and Revenue Debt. The new debt was for streets and storm water, the Police and Fire building, and a fire truck.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Marshalltown's basic financial statements. The City of Marshalltown's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Marshalltown's finances, in a manner more similar to a private-sector business.

The statement of net position presents information on all of the City of Marshalltown's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Marshalltown is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Marshalltown that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Marshalltown include public safety, public works (roads, utilities and traffic controls), health and social services, parks and recreation, library, economic development and general government. The business-type activities of the City of Marshalltown include compost, concessions, storm sewer, water pollution control and transportation activities.

The government-wide financial statements include the City of Marshalltown itself (known as the primary government) and also a legally separate Water Works and Convention and Visitors Bureau for which the City of Marshalltown is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Marshalltown, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Marshalltown can be divided into three categories: governmental, proprietary and fiduciary.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the city's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Marshalltown maintains 14 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances. Major funds include General, Road Use Tax, Debt Service, Property Tax and other capital project and special revenue funds. Data from the other nine non-major governmental funds are combined into a single, aggregated presentation in the governmental funds financial statements. Individual fund data on each of the non-major governmental funds is provided in the form of combining statements in the supplementary information section.

The City of Marshalltown adopts an annual appropriated budget for all funds as required by state statute. In Iowa, budgetary compliance is at the function level, transcending fund level accounting as demonstrated in this report. Budgetary comparison statements have been provided for the governmental and enterprise/proprietary fund levels. This comparison demonstrates the City's compliance with state requirements.

Proprietary funds. The City of Marshalltown maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Marshalltown uses enterprise funds to account for its Storm Sewer, Water Pollution Control, Compost, Transit and Concession activities. Internal service funds are an accounting vehicle used to accumulate and allocate costs internally among the City of Marshalltown's various functions. The City of Marshalltown uses internal service funds to account for its insurance operations. Because this service predominantly benefits governmental rather than business-type functions, they have been included with governmental activities in the government-wide financial statements. Individual fund data for the internal service funds are provided in the form of combining statements in the supplementary information section.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Storm Sewer, Water Pollution Control and Non-major Enterprise funds, namely, Compost, Transit and Concession activities.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not available to support the City of Marshalltown's own programs. The most significant fiduciary fund maintained by the City of Marshalltown is the payroll fund; which records the taxes collected for other taxing jurisdictions within the City of Marshalltown. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. The City's budgetary comparison schedule and other postemployment benefit plan information is presented as required supplementary information immediately following the notes to basic financial statements. The combining statements referred to earlier in connection with non-major governmental, non-major enterprise funds, internal service funds, and agency funds are presented immediately following the required supplementary information (RSI).

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Marshalltown, assets exceeded liabilities by \$82,042,840 at the close of the most recent fiscal year.

By far, the largest portion of the City of Marshalltown's net position \$74,595,658 reflect its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less depreciation and any related debt. The City of Marshalltown uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Marshalltown's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Marshalltown Net Position June 30, 2017 Governmental Activities

	FY 2016-17	FY 2015-16	Increase (Decrease)
Current and Other Assets	\$ 41,779,915	\$ 35,068,839	\$ 6,711,076
Capital Assets	44,434,327	42,864,129	1,570,198
Total Assets	<u>86,214,242</u>	<u>77,932,968</u>	<u>8,281,274</u>
			-
Deferred Outflows of Resources	<u>4,628,479</u>	<u>2,413,973</u>	<u>2,214,506</u>
Current and Other Liabilities	6,552,469	4,688,167	1,864,302
Noncurrent Liabilities	<u>38,967,985</u>	<u>31,634,077</u>	<u>7,333,908</u>
Total liabilities	<u>45,520,454</u>	<u>36,322,244</u>	<u>9,198,210</u>
Deferred Inflow of Resources	<u>13,005,504</u>	<u>13,329,689</u>	<u>(324,185)</u>
Net Position			
Net investment in capital assets	35,605,495	34,132,724	1,472,771
Restricted	15,612,241	16,806,635	(1,194,394)
Unrestricted	<u>(18,900,973)</u>	<u>(20,244,351)</u>	<u>1,343,378</u>
Total net position	<u>\$ 32,316,763</u>	<u>\$ 30,695,008</u>	<u>\$ 1,621,755</u>

Business-Type Activities

	FY 2016-17	FY 2015-16	Increase (Decrease)
Current and Other Assets	\$ 15,427,099	\$ 16,534,347	\$ (1,107,248)
Capital Assets	58,806,482	55,353,558	3,452,924
Total Assets	74,233,581	71,887,905	2,345,676
Deferred Outflows of Resources	376,486	178,507	197,979
Current and Other Liabilities	2,820,202	2,400,778	419,424
Noncurrent Liabilities	22,014,961	21,038,991	975,970
Total liabilities	24,835,163	23,439,769	1,395,394
Deferred Inflow of Resources	48,827	84,541	(35,714)
Net Position			
Net investment in capital assets	38,990,163	39,370,548	(380,385)
Restricted	180,225	181,757	(1,532)
Unrestricted	10,555,689	8,989,797	1,565,892
Total net position	\$ 49,726,077	\$ 48,542,102	\$ 1,183,975

Total Net Position

	FY 2016-17	FY 2015-16	Increase (Decrease)
Current and Other Assets	\$ 57,207,014	\$ 51,603,186	\$ 5,603,828
Capital Assets	103,240,809	98,217,687	5,023,122
Total Assets	160,447,823	149,820,873	10,626,950
Deferred Outflows of Resources	5,004,965	2,592,480	2,412,485
Current and Other Liabilities	9,372,671	7,088,945	2,283,726
Noncurrent Liabilities	60,982,946	52,673,068	8,309,878
Total liabilities	70,355,617	59,762,013	10,593,604
Deferred Inflow of Resources	13,054,331	13,414,230	(359,899)
Net Position			
Net investment in capital assets	74,595,658	73,503,272	1,092,386
Restricted	15,792,466	16,988,392	(1,195,926)
Unrestricted	(8,345,284)	(11,254,554)	2,909,270
Total net position	\$ 82,042,840	\$ 79,237,110	\$ 2,805,730

A portion of the City of Marshalltown's governmental and business-type activities net position of \$15,792,466 represents resources that are subject to external restrictions. Prior year comparison shows \$16,988,392, a decrease of \$1,195,926.

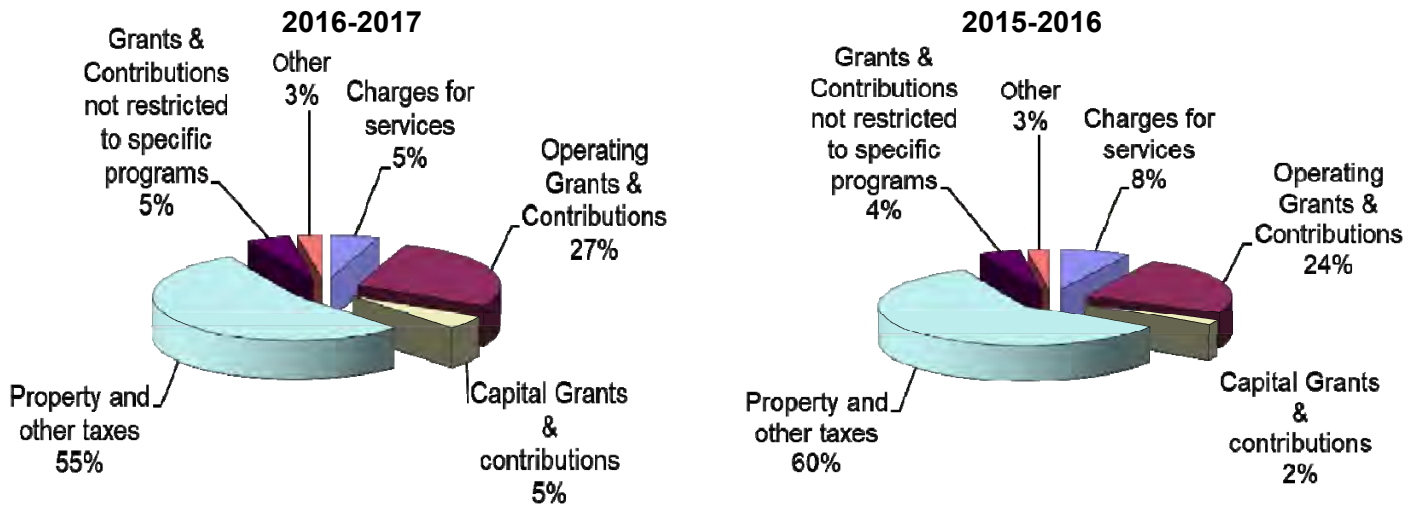
The following is a more detailed review of the year's operation.

City of Marshalltown Changes in Net Position

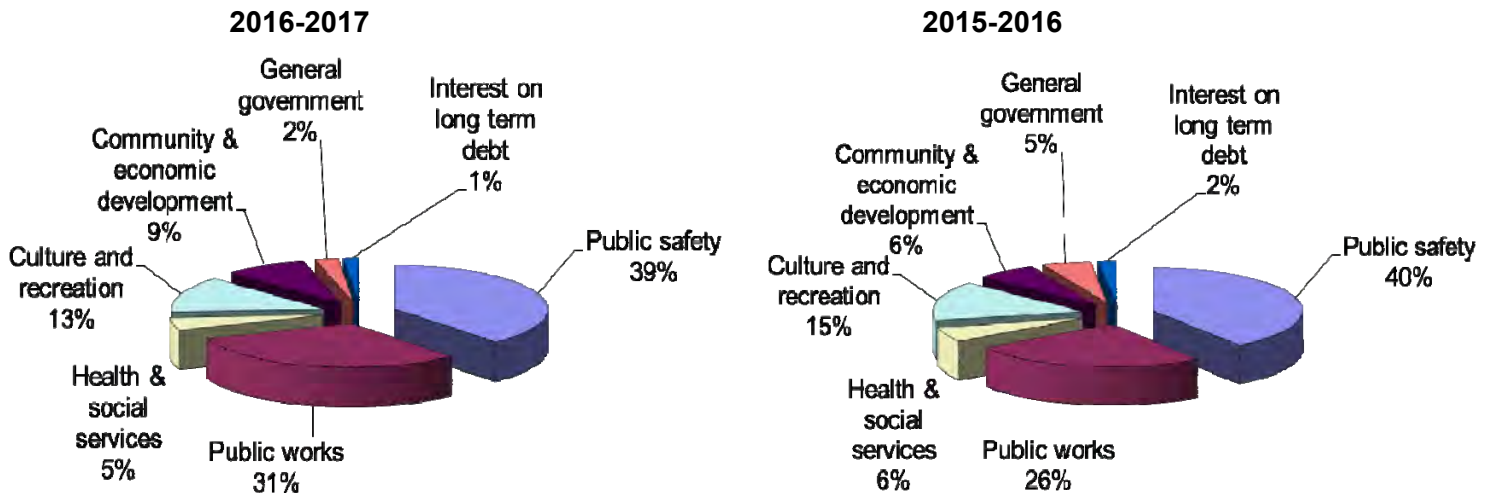
	Governmental Activities		Increase (Decrease)
	<u>FY 2016-17</u>	<u>FY 2015-16</u>	
Revenues:			
Program revenues:			
Charges for services	\$ 1,559,120	\$ 2,129,820	\$ (570,700)
Operating grants and contributions	7,387,980	6,712,866	675,114
Capital grants and contributions	1,768,179	519,172	1,249,007
General revenues			
Property and other taxes	15,504,008	16,518,490	(1,014,482)
Grants and contributions not restricted to specific programs	1,384,158	1,244,225	139,933
Other	759,120	642,169	116,951
Total revenues	<u>28,362,565</u>	<u>27,766,742</u>	<u>595,823</u>
Expenses:			
Public safety	10,713,027	8,996,389	1,716,638
Public works	8,553,684	5,706,337	2,847,347
Health and social services	1,306,389	1,274,669	31,720
Culture and recreation	3,654,545	3,358,064	296,481
Community and economic development	2,433,608	1,449,883	983,725
General government	685,937	1,158,789	(472,852)
Interest on long-term debt	429,296	429,891	(595)
Total expenses	<u>27,776,486</u>	<u>22,374,022</u>	<u>5,402,464</u>
Increase in net position before transfers	586,079	5,392,720	(4,806,641)
Transfers	<u>1,035,676</u>	<u>(441,321)</u>	<u>1,476,997</u>
Increase in Net Position	<u>1,621,755</u>	<u>4,951,399</u>	<u>(3,329,644)</u>
Net Position - Beginning of Year	<u>30,695,008</u>	<u>25,743,609</u>	<u>4,951,399</u>
Net Position - End of Year	<u>\$ 32,316,763</u>	<u>\$ 30,695,008</u>	<u>\$ 1,621,755</u>

Property and other taxes decreased by \$1,014,482 primarily due to decreased local option sales taxes.

Governmental Revenues as a Percent - Two Year Comparison



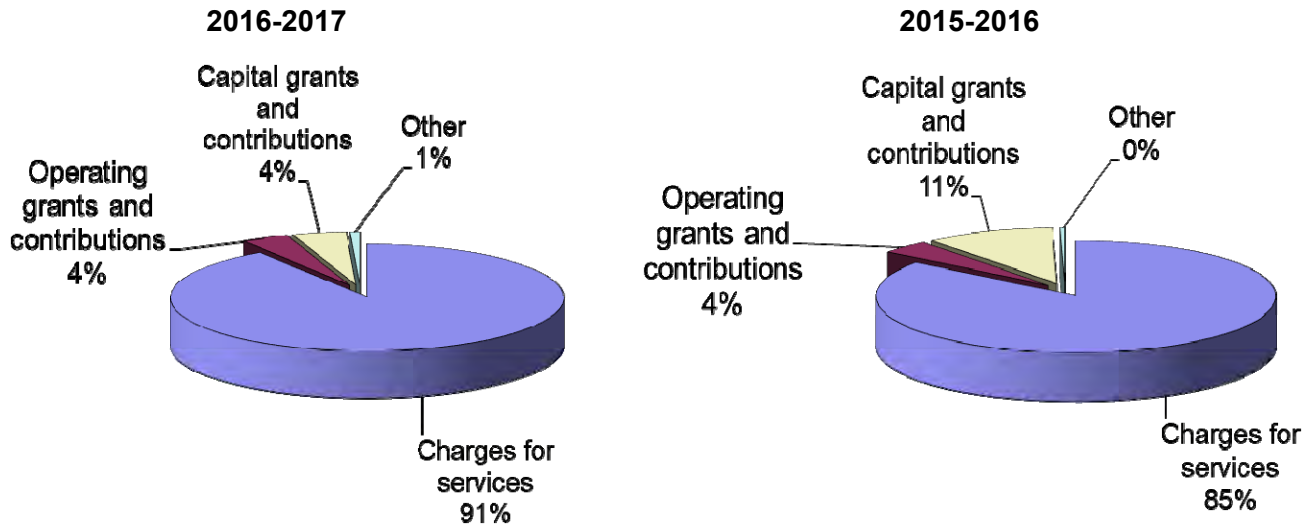
Governmental Expenses as a Percent - Two Year Comparison



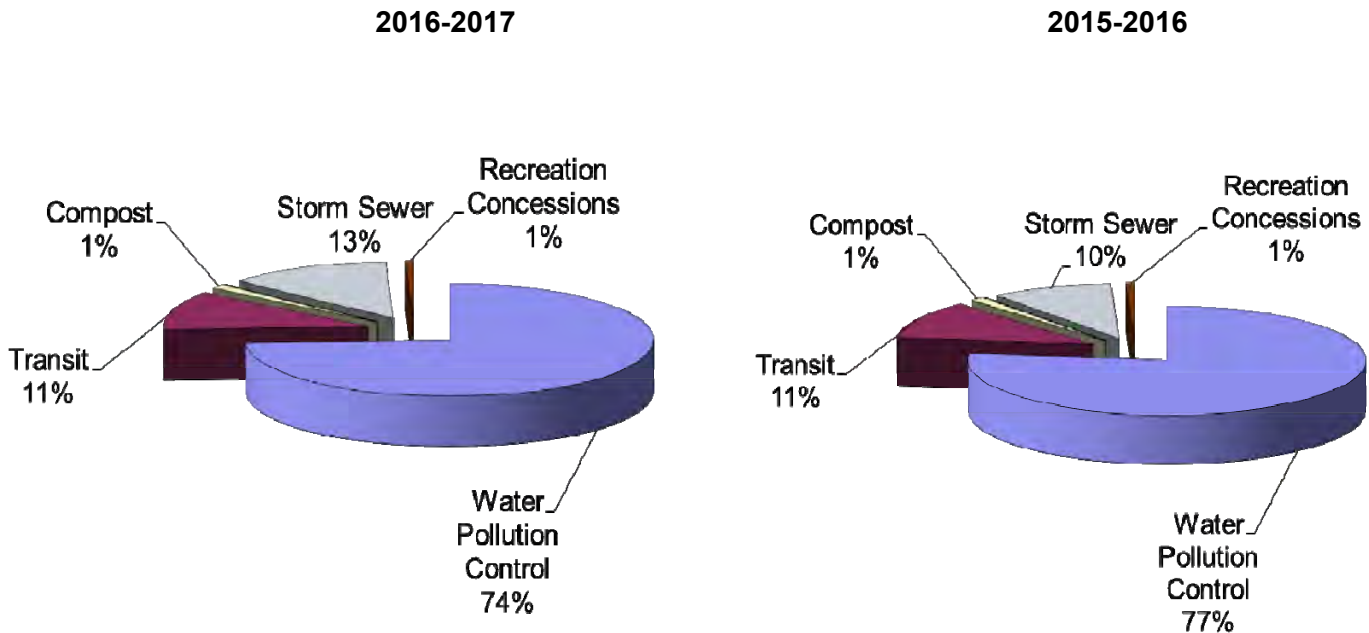
	Business-Type Activities		
	FY 2016-17	FY 2015-16	Increase (Decrease)
Revenues:			
Program revenues:			
Charges for services	\$ 8,846,146	\$ 7,719,170	\$ 1,126,976
Operating grants and contributions	381,810	363,188	18,622
Capital grants and contributions	432,400	942,209	(509,809)
General revenues			
Other	76,481	33,763	42,718
Total revenues	<u>9,736,837</u>	<u>9,058,330</u>	<u>678,507</u>
Expenses:			
Business type	<u>7,517,186</u>	<u>6,959,950</u>	<u>557,236</u>
Total expenses	<u>7,517,186</u>	<u>6,959,950</u>	<u>557,236</u>
Increase in net position before transfers	2,219,651	2,098,380	121,271
Transfers	<u>(1,035,676)</u>	<u>441,321</u>	<u>(1,476,997)</u>
Increase in Net Position	<u>1,183,975</u>	<u>2,539,701</u>	<u>(1,355,726)</u>
Net Position - Beginning of Year	<u>48,542,102</u>	<u>46,002,401</u>	<u>2,539,701</u>
Net Position - End of Year	<u>\$ 49,726,077</u>	<u>\$ 48,542,102</u>	<u>\$ 1,183,975</u>

Business type expenses increased during 2016-17 due to more repairs and maintenance expenses and salary and benefit increases.

Business-type Revenues as a Percent –Two Year Comparison



Business-type Expenses as a Percent – Two Year Comparison



Total Governmental & Business-Type Activities			
	FY 2016-17	FY 2015-16	Increase (Decrease)
Revenues:			
Program revenues:			
Charges for services	\$ 10,405,266	\$ 9,848,990	\$ 556,276
Operating grants and contributions	7,769,790	7,076,054	693,736
Capital grants and contributions	2,200,579	1,461,381	739,198
General revenues			
Property and other taxes	15,504,008	16,518,490	(1,014,482)
Grants and contributions not restricted to specific programs	1,384,158	1,244,225	139,933
Other	835,601	675,932	159,669
Total revenues	38,099,402	36,825,072	1,274,330
Expenses:			
Public safety	10,713,027	8,996,389	1,716,638
Public works	8,553,684	5,706,337	2,847,347
Health and social services	1,306,389	1,274,669	31,720
Culture and recreation	3,654,545	3,358,064	296,481
Community and economic development	2,433,608	1,449,883	983,725
General government	685,937	1,158,789	(472,852)
Interest on long-term debt	429,296	429,891	(595)
Business type	7,517,186	6,959,950	557,236
Total expenses	35,293,672	29,333,972	5,959,700
Increase in net position	2,805,730	7,491,100	(4,685,370)
Net Position - Beginning of Year	79,237,110	71,746,010	7,491,100
Net Position - End of Year	\$ 82,042,840	\$ 79,237,110	\$ 2,805,730

Financial Analysis of the Government's Funds

As noted earlier, the City of Marshalltown uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The financial reporting focus of the City of Marshalltown's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information may be useful in assessing the City of Marshalltown's financing requirements. In particular, unassigned fund balance may serve as useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City of Marshalltown's governmental funds reported a combined ending fund balance of \$23,662,812, an increase of \$5,862,552 in comparison with the prior year. Of this total amount \$2,452,890 is unassigned fund balance, which is available to meet the future financial needs of the City. \$20,501,606 is restricted, \$250,000 is committed and \$458,316 is nonspendable.

The General fund is the chief operating fund of the City of Marshalltown. At the end of the current fiscal year this fund balance increased by \$161,633 to \$3,880,182, with an unassigned fund balance of \$2,551,887, a restricted balance of \$812,092, and a committed balance of \$250,000. The remaining \$266,203 is nonspendable (prepaid items).

The Road Use Tax fund is apportioned to the City from the state gasoline taxes based upon population. This fund is used for street related purposes only. Major street resurfacing and reconstruction are scheduled each year in the spring after the impact of winter weather can be determined. At the end of the current fiscal year, the ending fund balance of \$5,283,437 is an increase of \$1,599,946 compared to the prior year. This increase is due to a majority of the current year street projects being funded through bond proceeds, and additional revenue.

The Lead Abatement program was continued through funding from the Lead-Based Paint Hazard Control grant. The program includes multiple counties due to the high incidents of lead poisoning in young children. The City administers the grant in collaboration with many health and welfare agencies and the local hospital. For the current fiscal year, the City expended \$1,222,630 under this program.

The renewal of the Local Option Sales Tax (LOST) referendum insures property tax relief (75%), storm sewer and other capital improvements (20%), and any project designated by the Council (5%) until 2025. Property tax relief dollars are transferred to other funds with the remaining funds going towards capital projects. The council designated their 5% to go towards general fund support for this fiscal year. The entire balance is restricted for these three purposes. The increase in the balance this year was \$1,293,527. The Council also approved a \$215,124 transfer to increase the cash flow reserve.

The Tax Increment Financing (TIF) fund continues to be a useful tool for the City of Marshalltown as they continue to work with developers on rehabilitation of existing facilities, including the downtown area, and new construction throughout the city. Multiple rebates will be paid in the future.

Changes in the Public Works and Other Projects capital project fund is due to the continuation of several street projects during the fiscal year.

Proprietary funds. The City of Marshalltown's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The ending net position for the proprietary funds was \$49,726,077, a net position increase of \$1,183,975.

Budgetary Highlights

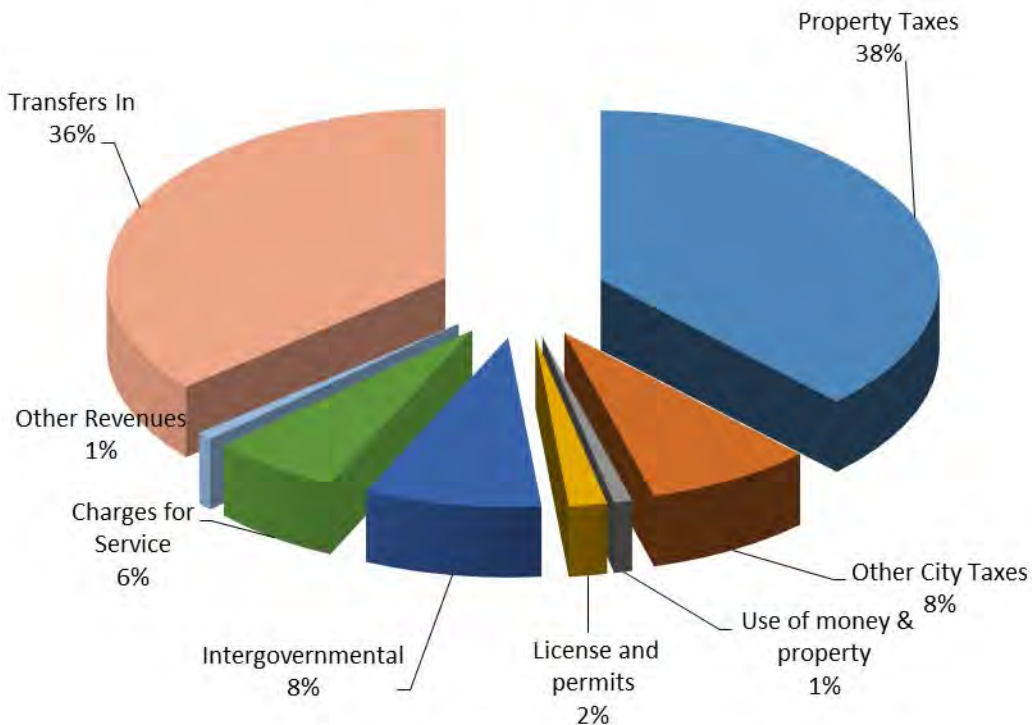
General Fund

Revenues and transfers in for the general fund operations, on the GAAP basis, were less than revenue estimates by \$727,058 and departmental expenditures and transfers out on the GAAP basis were \$1,196,214 less than expenditure estimates.

The following schedule presents a summary of General Fund revenues and transfers in on the GAAP basis for the fiscal year ended June 30, 2017, and the amount and percentage of increases and decreases.

Revenues	FY 2016-17	Percentage of Total	FY 2015-16	Percentage of Total	Change	Percentage of Change
Property Taxes	\$ 5,923,793	37.74%	\$ 5,541,436	37.74%	\$ 382,357	37.80%
Other City Taxes	1,253,732	7.99%	1,308,014	8.91%	(54,282)	-5.37%
Use of Money and Property	136,919	0.87%	98,862	0.67%	38,057	3.76%
License and Permits	285,839	1.82%	289,261	1.97%	(3,422)	-0.34%
Intergovernmental	1,327,827	8.46%	1,263,374	8.60%	64,453	6.37%
Charges for Service	974,800	6.21%	958,113	6.53%	16,687	1.65%
Other Revenues	121,109	0.77%	200,544	1.37%	(79,435)	-7.85%
Transfers In	5,670,383	36.13%	5,023,228	34.21%	647,155	63.98%
Total	<u>\$ 15,694,402</u>	<u>100.00%</u>	<u>\$ 14,682,832</u>	<u>100.00%</u>	<u>\$ 1,011,570</u>	<u>100.00%</u>

2017 General Fund Revenues and Transfers

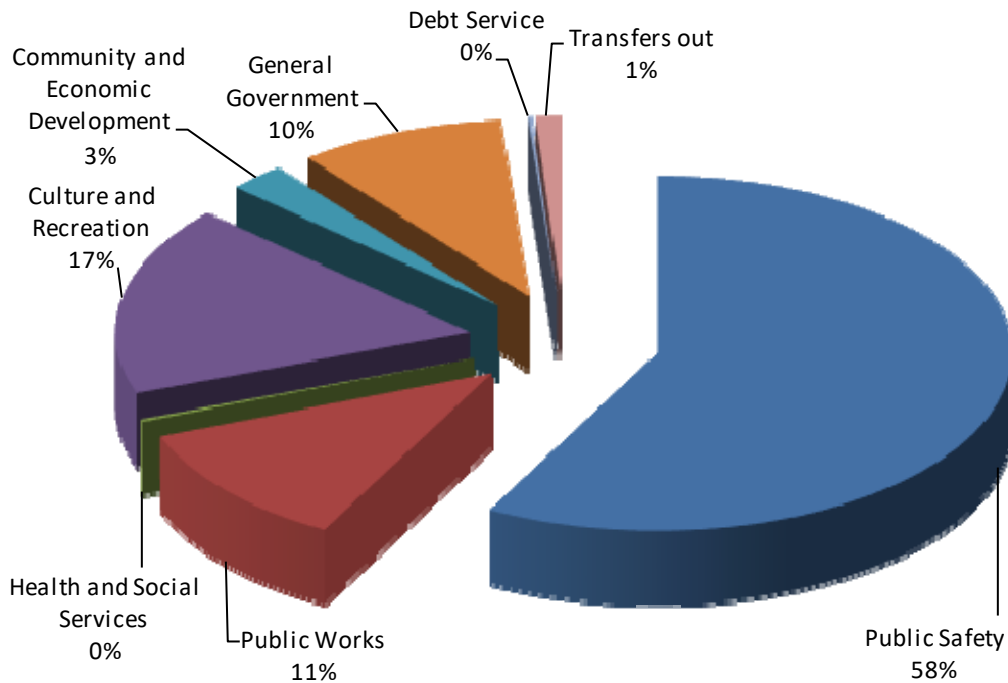


Current and prior year's property taxes continue to represent the largest revenue source, with \$5.92 million or 38% of all general fund revenues. The increase in property tax revenues from 2016 was \$382,357. The next largest revenue is Transfers In. All general fund employee benefits are reflected in the operating fund even though a transfer is required from the special revenue fund, which collects the tax. The increase in transfers reflects the increase in benefits such as retirement, and retirement payouts to health savings accounts.

The following schedule represents a two year comparison summary of General Fund expenditures and transfers out on the GAAP basis of accounting and the percentage of increases and decreases in relation to prior year amounts:

Expenditures	FY 2016-17	Percentage of Total	FY 2015-16	Percentage of Total	Change	Percentage of Change
Public Safety	\$ 8,980,687	57.82%	\$ 8,472,255	58.36%	\$ 508,432	50.11%
Public Works	1,766,272	11.37%	1,690,083	11.64%	76,189	7.51%
Health and Social Services	33,535	0.22%	409,924	2.82%	(376,389)	-37.09%
Culture and Recreation	2,688,511	17.31%	2,448,957	16.87%	239,554	23.61%
Community and Economic Development	400,499	2.58%	122,437	0.84%	278,062	27.40%
General Government	1,462,058	9.41%	1,197,528	8.25%	264,530	26.07%
Debt Service	25,690	0.17%	-	0.00%	25,690	2.53%
Transfers out	175,517	1.13%	176,862	1.22%	(1,345)	-0.13%
Total	<u>\$ 15,532,769</u>	<u>100.0%</u>	<u>\$ 14,518,046</u>	<u>100.00%</u>	<u>\$1,014,723</u>	<u>100.00%</u>

2017 General Fund Expenditures and Transfers Out



The general fund expenditures increased this year by \$1,014,723. The multiyear union contracts provided for a 2.5% wage increase. Other one-time expenditures included new accounting software. Current cash flow projections and the management's stability of the City's general fund balance provide continued assurance that the City will not need to enter the short-term debt market to pay for current expenditures now or in the foreseeable future.

Enterprise Operations

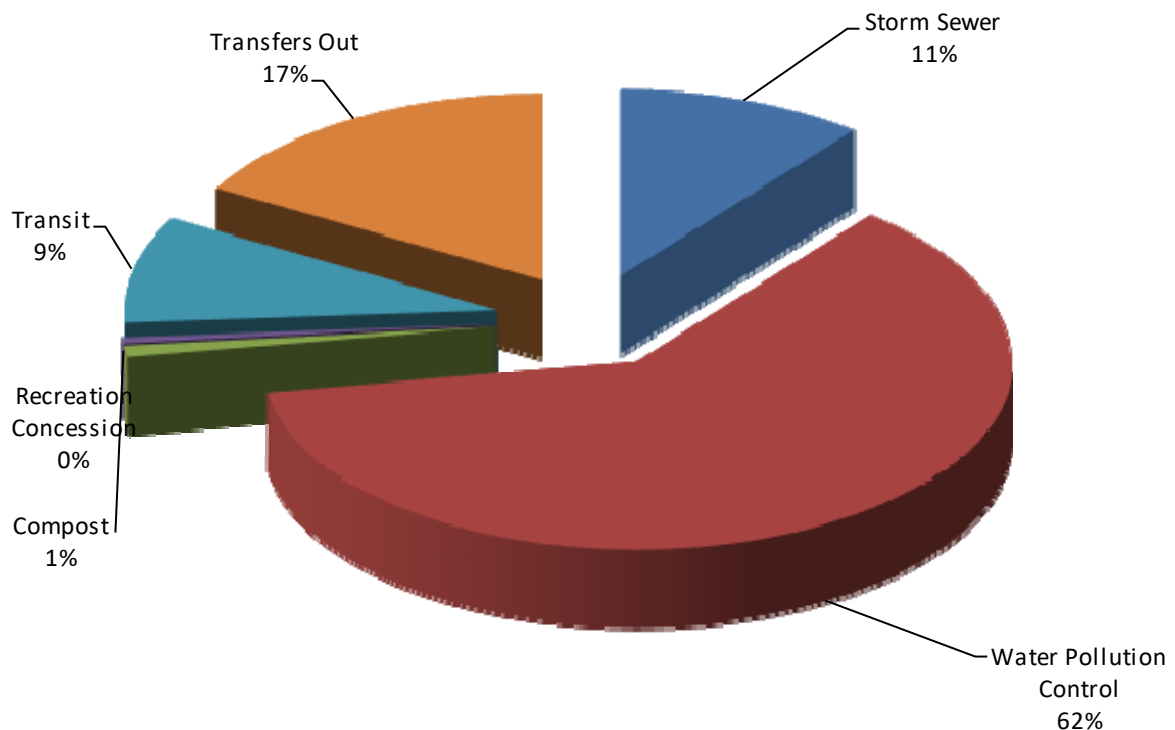
The City's enterprise operations consist of five separately accounted for operations, which are administered by two different departments. Transit, Compost facility, Water Pollution Control and Storm Sewer are operated by the Public Works Department, and the Recreation Concessions are administered by Parks & Recreation Department.

Operating revenues for the City's combined enterprise operations increased by \$717,145. This increase is primarily due to increased charges for services. Total operating expenses for the combined enterprise operations increased by \$2,072,875. This was primarily due to sanitary sewer improvements.

Revenues	FY 2016-17	Percentage of Total	FY 2015-16	Percentage of Total	Change	Percentage of Change
Charges for Services	\$ 8,806,173	86.16%	\$ 7,722,724	81.3%	\$ 1,083,449	151.08%
Operating Grants and Contributions	381,810	3.74%	363,188	3.8%	18,622	2.60%
Capital Grants and Contributions	432,400	4.23%	942,209	9.9%	(509,809)	-71.09%
General Revenues Other	116,450	1.14%	33,763	0.4%	82,687	11.53%
Transfers In	483,517	4.73%	441,321	4.6%	42,196	5.88%
Total	<u>\$ 10,220,350</u>	<u>100.00%</u>	<u>\$ 9,503,205</u>	<u>100.0%</u>	<u>\$ 717,145</u>	<u>100.00%</u>

Expenditures	FY 2016-17	Percentage of Total	FY 2015-16	Percentage of Total	Change	Percentage of Change
Storm Sewer	\$ 970,912	10.7%	\$ 683,581	9.8%	\$ 287,331	13.9%
Water Pollution Control	5,574,332	61.7%	5,375,656	77.2%	198,676	9.6%
Compost	88,171	1.0%	79,479	1.1%	8,692	0.4%
Recreation Concession	46,512	0.5%	49,816	0.7%	(3,304)	-0.2%
Transit	837,259	9.3%	774,972	11.1%	62,287	3.0%
Transfers Out	1,519,193	16.8%	-	0.0%	1,519,193	73.3%
Total	<u>\$ 9,036,379</u>	<u>100.00%</u>	<u>\$ 6,963,504</u>	<u>100.00%</u>	<u>\$ 2,072,875</u>	<u>100.00%</u>

Enterprise Expenses and Transfers Out 2017



Capital Asset and Debt Administration

Capital assets. The City of Marshalltown's investment in capital assets for its governmental and business type activities as of June 30, 2017 amount to \$178,607,270. This investment in capital assets includes land, land improvements, buildings, machinery and equipment, park facilities, roads, highways and sewers. The total increase in the City of Marshalltown's investment in capital assets for the current fiscal year was \$8,968,046.

Governmental Activities			
	FY 2016-17	FY 2015-16	Increase (decrease)
Land and Improvements	\$ 7,248,073	\$ 6,476,271	\$ 771,802
Buildings and Structures	17,707,821	17,707,821	-
Equipment and vehicles	17,046,381	16,899,577	146,804
Infrastructure	40,792,336	39,738,566	1,053,770
Construction in Progress	3,074,150	1,182,096	1,892,054
Total	<u>\$ 85,868,761</u>	<u>\$ 82,004,331</u>	<u>\$ 3,864,430</u>

Business Type Activities			
	FY 2016-17	FY 2015-16	Increase (decrease)
Land and Improvements	\$ 3,121,325	\$ 3,113,153	\$ 8,172
Buildings and Structures	10,845,457	10,845,458	(1)
Machinery and Equipment	18,165,805	18,222,566	(56,761)
Infrastructure, sewers & lift stations	53,088,621	52,967,711	120,910
Construction in Progress	7,517,301	2,486,005	5,031,296
Total	<u>\$ 92,738,509</u>	<u>\$ 87,634,893</u>	<u>\$ 5,103,616</u>

Total Governmental and Business Type Activities			
	FY 2016-17	FY 2015-16	Increase (decrease)
Land and Improvements	\$ 10,369,398	\$ 9,589,424	\$ 779,974
Buildings and Structures	28,553,278	28,553,279	(1)
Machinery and Equipment	35,212,186	35,122,143	90,043
Infrastructure, sewers & lift stations	93,880,957	92,706,277	1,174,680
Construction in Progress	10,591,451	3,668,101	6,923,350
Total	<u>\$ 178,607,270</u>	<u>\$ 169,639,224</u>	<u>\$ 8,968,046</u>

Major capital asset events during the current fiscal year include the following:

- Water pollution and street projects continuing.
- Various machinery and equipment purchases throughout the year including new vehicles for several departments.
- New accounting software and related hardware.
- Updated playground equipment at MEGA 10 Park.
- Beginning stage of Police and Fire Building design.

Additional information on the City' of Marshalltown's capital assets can be found in Note 5 on pages 52-54 of this report.

Long-term debt. At the end of the current fiscal year, the City of Marshalltown had total debt outstanding and unamortized premiums and discounts of \$45,797,025. Of this amount, \$30,886,025 comprises debt backed by the full faith and credit of the City. The remainder of the City of Marshalltown's debt represents bonds secured solely by revenues generated from the sanitary sewer rental fees.

	Governmental Activities		Increase (Decrease)
	FY 2016-17	FY 2015-16	
General Obligation Bonds and Notes Payable	<u>\$ 23,868,333</u>	<u>\$ 19,551,639</u>	<u>\$ 4,316,694</u>

	Business Type Activities		Increase (Decrease)
	FY 2016-17	FY 2015-16	
General Obligation Bonds and Notes Payable	\$ 7,017,692	\$ 4,866,086	\$ 2,151,606
Revenue Bonds and Notes Payable	14,911,000	16,308,000	(1,397,000)
Total	<u>\$ 21,928,692</u>	<u>\$ 21,174,086</u>	<u>\$ 754,606</u>

	Total Governmental and Business Type Activities		Increase (Decrease)
	FY 2016-17	FY 2015-16	
General Obligation Bonds and Notes Payable	\$ 30,886,025	\$ 24,417,725	\$ 6,468,300
Revenue Bonds and Notes Payable	14,911,000	16,308,000	(1,397,000)
Total	<u>\$ 45,797,025</u>	<u>\$ 40,725,725</u>	<u>\$ 5,071,300</u>

The City of Marshalltown's total debt increased by approximately \$5 million during the current fiscal year due to the issuance of approximately \$10 million less normal retirement of debt of approximately \$5 million.

Moody's Investors Service rated the City on October 24, 2016 and September 11, 2017. The City maintained their Aa2 rating.

State statutes limit the amount of general obligation debt a governmental entity may issue to 5 percent of its total assessed valuation. The current debt limitation for the City of Marshalltown is \$68,225,606, significantly in excess of the City of Marshalltown's outstanding general obligation debt.

Additional information on the City of Marshalltown's long term debt can be found in Note 6 on pages 54-58 of this report.

Economic Factors and Next Year's Budgets and Rates

The local economy of the City remains strong and is creating more private public agreements to maintain that strength. A new housing development has begun construction. The Wandering Creek development includes plans for 52 townhomes, in a 2-4 configuration. This total estimated investment is over \$10 million. Also, Hawkeye Hotels, LLC has announced plans for the construction of a Holiday Inn Express with an estimated cost of \$10 million. The new Alliant Energy Power plant started generating electricity in the spring of 2017.

The budget for the ensuing fiscal year 2018 considers many factors and estimates about the finances of the upcoming year. Sales tax and hotel/motel tax are expected to decline now that the Alliant Energy plant construction workers are done. The road use taxes collected by the state are stable but the forecast is to maintain a conservative projection for these revenue sources... Taxpayers approved a referendum in August to re-allocate the local option sales tax so 78% will go towards property tax relief and 22% will be Council designated effective November 1, 2017.

The following items are also forefront in revenue and expenditure projections: (a) The City's contribution rate for the Police and Fire retirement system has decreased in fiscal year 2018, but will increase for fiscal year 2019. This rate fluctuates on an annual basis. (b) The Iowa Public Employees Retirement System maintained the same rate for fiscal year 2018, but is also rising in fiscal year 2019. (c) Compliance with sanitary and storm water regulations will continue to be implemented over the next several years. Sewer rates have been increased to accommodate the costs with these mandates. (d) The cost of health care continues to rise. The City has experienced an increase in health related claims but no change in premiums will occur for the next fiscal year. Changes in claims are always a factor that the City continues to monitor. More preventive care options are encouraged to help avoid the high dollar claims. The claims are reviewed on a quarterly basis by the insurance committee.

Developments in commercial ventures will positively affect the property tax base within the next one to five years as progress on the new construction of 52 townhomes and the construction of a new hotel is completed.

Requests for Information

This financial report is designed to provide a general overview of the City of Marshalltown's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the Finance Director, 24 N. Center Street, Marshalltown, IA 50158-4911.

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Basic Financial Statements
June 30, 2017

City of Marshalltown

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	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Marshalltown Water Works	Marshalltown Convention and Visitors Bureau
Assets					
Cash and cash equivalents	\$ 26,605,875	\$ 13,397,495	\$ 40,003,370	\$ 2,879,126	\$ 218,714
Receivables					
Property taxes					
Delinquent	116,944	-	116,944	-	-
Succeeding year	12,552,215	-	12,552,215	-	-
Accounts and unbilled usage	272,505	1,185,699	1,458,204	484,326	-
Special assessments	28,735	-	28,735	-	-
Due from component unit	13,355	534,829	548,184	-	-
Due from other governments	1,731,970	22,054	1,754,024	-	-
Inventories	134,370	23,324	157,694	-	-
Prepaid items	323,946	83,473	407,419	38,727	3,294
Restricted assets					
Cash and cash equivalents	-	180,225	180,225	761,500	-
Capital assets					
Land	4,665,014	890,631	5,555,645	1,112,721	-
Land improvements	2,583,059	2,230,694	4,813,753	-	-
Buildings and structures	17,707,821	10,845,457	28,553,278	17,714,969	-
Equipment and vehicles	17,046,381	18,165,805	35,212,186	2,512,792	102,086
Sanitary sewers and lift stations	-	37,277,440	37,277,440	-	-
Infrastructure	40,792,336	15,811,181	56,603,517	12,092,085	-
Construction in progress	3,074,150	7,517,301	10,591,451	-	-
Accumulated depreciation	(41,434,434)	(33,932,027)	(75,366,461)	(15,396,183)	(17,355)
Total assets	86,214,242	74,233,581	160,447,823	22,200,063	306,739
Deferred Outflows of Resources					
Pension related deferred outflows	4,628,479	376,486	5,004,965	179,546	-

See Notes to Financial Statements

City of Marshalltown
Statement of Net Position
June 30, 2017

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Marshalltown Water Works	Marshalltown Convention and Visitors Bureau
Liabilities					
Accounts payable	\$ 1,947,009	\$ 436,074	\$ 2,383,083	\$ 117,844	\$ 14,316
Accrued payroll and payroll benefits	250,341	45,003	295,344	20,481	5,862
Retainage payable	91,859	143,337	235,196	-	-
Deposits payable	155,678	-	155,678	-	-
Due to other governments	111,375	36,416	147,791	-	-
Accrued interest payable	45,739	46,976	92,715	10,876	-
Due to primary government	-	-	-	548,184	-
Liabilities payable from restricted assets					
Customer deposits	-	-	-	215,145	-
Noncurrent liabilities					
Due within one year					
Bonds and notes payable	3,684,361	2,067,686	5,752,047	350,000	-
Compensated absences payable	266,107	44,710	310,817	103,160	-
Due in more than one year					
Bonds and notes payable	20,183,972	19,861,006	40,044,978	6,360,534	-
Compensated absences payable	864,338	221,772	1,086,110	-	-
Net Pension liability	13,402,626	1,397,733	14,800,359	1,939,011	-
Net OPEB liability	4,517,049	534,450	5,051,499	107,190	-
Total liabilities	<u>45,520,454</u>	<u>24,835,163</u>	<u>70,355,617</u>	<u>9,772,425</u>	<u>20,178</u>
Deferred Inflows of Resources					
Succeeding year property taxes	12,552,215	-	12,552,215	-	-
Pension related deferred inflows	453,289	48,827	502,116	10,885	-
Total deferred inflows of resources	<u>13,005,504</u>	<u>48,827</u>	<u>13,054,331</u>	<u>10,885</u>	<u>-</u>
Net position					
Net investment in capital assets	35,605,495	38,990,163	74,595,658	11,325,850	84,731
Restricted for					
Capital improvements	8,244,518	-	8,244,518	-	-
Community development	284,226	-	284,226	-	-
Debt service	237,889	180,225	418,114	-	-
Employee benefits	2,877,960	-	2,877,960	-	-
Emergency communications	608,779	-	608,779	-	-
Other purposes	3,358,869	-	3,358,869	-	-
Unrestricted	<u>(18,900,973)</u>	<u>10,555,689</u>	<u>(8,345,284)</u>	<u>1,270,449</u>	<u>201,830</u>
Total net position	<u>\$ 32,316,763</u>	<u>\$ 49,726,077</u>	<u>\$ 82,042,840</u>	<u>\$ 12,596,299</u>	<u>\$ 286,561</u>

Functions/Programs	Expenses	Program Revenues		
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
Public safety	\$ 10,713,027	\$ 518,463	\$ 671,396	\$ 29,617
Public works	8,553,684	231,554	3,851,961	1,117,405
Health and social services	1,306,389	4,250	1,209,191	-
Culture and recreation	3,654,545	449,955	185,554	617,221
Community and economic development	2,433,608	106,562	1,425,146	3,936
General government	685,937	248,336	44,732	-
Interest on long-term debt	429,296	-	-	-
Total governmental activities	27,776,486	1,559,120	7,387,980	1,768,179
Business-type activities				
Water pollution control	5,574,332	7,545,682	-	4,347
Storm sewer	970,912	1,129,135	-	428,053
Compost	88,171	75,803	-	-
Transit	837,259	57,749	381,810	-
Concessions	46,512	37,777	-	-
Total business-type activities	7,517,186	8,846,146	381,810	432,400
Total primary government	\$ 35,293,672	\$ 10,405,266	\$ 7,769,790	\$ 2,200,579
Component Units				
Water works	\$ 3,462,002	\$ 4,078,978	\$ -	\$ -
Convention and visitors bureau	302,437	371,681	-	-
Total component units	\$ 3,764,439	\$ 4,450,659	\$ -	\$ -
General Revenues				
Taxes				
Property				
Tax increment financing				
Local option sales				
Utility excise				
Hotel/motel				
Mobile homes				
Unrestricted				
State generated revenues				
Investment earnings				
Miscellaneous revenues				
Transfers				
Total general revenues and transfers				
Change in net position				
Net Position - Beginning				
Net Position - Ending				

See Notes to Financial Statements

City of Marshalltown
Statement of Activities
Year Ended June 30, 2017

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Marshalltown Water Works	Marshalltown Convention and Visitors Bureau
\$ (9,493,551)	\$ -	\$ (9,493,551)	\$ -	\$ -
(3,352,764)	-	(3,352,764)	-	-
(92,948)	-	(92,948)	-	-
(2,401,815)	-	(2,401,815)	-	-
(897,964)	-	(897,964)	-	-
(392,869)	-	(392,869)	-	-
(429,296)	-	(429,296)	-	-
(17,061,207)	-	(17,061,207)	-	-
-	1,975,697	1,975,697	-	-
-	586,276	586,276	-	-
-	(12,368)	(12,368)	-	-
-	(397,700)	(397,700)	-	-
-	(8,735)	(8,735)	-	-
-	2,143,170	2,143,170	-	-
\$ (17,061,207)	\$ 2,143,170	\$ (14,918,037)	\$ -	\$ -
\$ -	\$ -	\$ -	\$ 616,976	\$ -
-	-	-	-	69,244
\$ -	\$ -	\$ -	\$ 616,976	\$ 69,244
\$ 10,156,476	\$ -	\$ 10,156,476	\$ -	\$ -
435,098	-	435,098	-	-
3,476,514	-	3,476,514	-	-
938,662	-	938,662	-	-
479,576	-	479,576	-	-
17,682	-	17,682	-	-
1,384,158	-	1,384,158	-	-
113,371	76,481	189,852	8,834	509
645,749	-	645,749	-	-
1,035,676	(1,035,676)	-	-	-
18,682,962	(959,195)	17,723,767	8,834	509
1,621,755	1,183,975	2,805,730	625,810	69,753
30,695,008	48,542,102	79,237,110	11,970,489	216,808
\$ 32,316,763	\$ 49,726,077	\$ 82,042,840	\$ 12,596,299	\$ 286,561

	General	Special Revenue	
		Road Use Tax	Local Option Sales Tax
Assets			
Cash and cash equivalents	\$ 3,712,289	\$ 4,812,369	\$ 5,263,029
Receivables			
Property taxes			
Delinquent	64,677	-	-
Succeeding year	7,336,744	-	-
Accounts and unbilled usage	188,653	-	-
Special assessments	-	-	-
Due from other funds	25,874	-	-
Due from component unit	13,355	-	-
Due from other governments	279,883	356,971	243,844
Inventory	-	134,370	-
Prepaid items	266,203	23,317	-
Total assets	<u>\$ 11,887,678</u>	<u>\$ 5,327,027</u>	<u>\$ 5,506,873</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	\$ 245,086	\$ 40,808	\$ 71,177
Accrued payroll and payroll benefits	236,408	252	-
Retainage payable	2,770	-	-
Due to other governments	98,533	2,530	-
Due to other funds	-	-	-
Total liabilities	<u>582,797</u>	<u>43,590</u>	<u>71,177</u>
Deferred Inflows of Resources			
Unavailable revenue- property taxes	7,336,744	-	-
Unavailable revenue- special assessments	-	-	-
Unavailable revenue- other	37,185	-	-
Unavailable revenue- intergovernmental	50,770	-	-
Total deferred inflows of resources	<u>7,424,699</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	266,203	157,687	-
Restricted	812,092	5,125,750	5,435,696
Committed	250,000	-	-
Unassigned	2,551,887	-	-
Total fund balances	<u>3,880,182</u>	<u>5,283,437</u>	<u>5,435,696</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,887,678</u>	<u>\$ 5,327,027</u>	<u>\$ 5,506,873</u>

See Notes to Financial Statements

City of Marshalltown
Balance Sheet
Governmental Funds
Year Ended June 30, 2017

Funds		Capital Projects Funds		Nonmajor Governmental Funds	Total
Property Tax	HUD Programs	Debt Service	Public Works and Other Projects		
\$ 2,861,329	\$ 183,843	\$ 207,473	\$ 4,806,310	\$ 2,067,529	\$ 23,914,171
14,705	-	26,890	4,883	5,789	116,944
1,678,213	-	2,984,305	552,953	-	12,552,215
-	6,444	-	-	67,674	262,771
-	-	-	28,735	-	28,735
-	-	-	78,886	-	104,760
-	-	-	-	-	13,355
1,926	138,802	3,526	430,446	276,572	1,731,970
-	-	-	-	-	134,370
-	11,231	-	2,246	20,949	323,946
<u>\$ 4,556,173</u>	<u>\$ 340,320</u>	<u>\$ 3,222,194</u>	<u>\$ 5,904,459</u>	<u>\$ 2,438,513</u>	<u>\$ 39,183,237</u>
\$ -	\$ 35,689	\$ -	\$ 1,131,224	\$ 149,336	\$ 1,673,320
-	9,174	-	-	4,507	250,341
-	-	-	73,586	15,503	91,859
-	-	-	-	10,312	111,375
-	-	-	-	104,760	104,760
<u>-</u>	<u>44,863</u>	<u>-</u>	<u>1,204,810</u>	<u>284,418</u>	<u>2,231,655</u>
1,678,213	-	2,984,305	552,953	-	12,552,215
-	-	-	28,735	-	28,735
-	3,936	-	-	53,821	94,942
-	-	-	429,806	132,302	612,878
<u>1,678,213</u>	<u>3,936</u>	<u>2,984,305</u>	<u>1,011,494</u>	<u>186,123</u>	<u>13,288,770</u>
-	11,231	-	2,246	20,949	458,316
2,877,960	280,290	237,889	3,685,909	2,046,020	20,501,606
-	-	-	-	-	250,000
-	-	-	-	(98,997)	2,452,890
<u>2,877,960</u>	<u>291,521</u>	<u>237,889</u>	<u>3,688,155</u>	<u>1,967,972</u>	<u>23,662,812</u>
<u>\$ 4,556,173</u>	<u>\$ 340,320</u>	<u>\$ 3,222,194</u>	<u>\$ 5,904,459</u>	<u>\$ 2,438,513</u>	<u>\$ 39,183,237</u>

City of Marshalltown
Reconciliation of the Balance Sheet
Governmental Funds to the Statement of Net Position
June 30, 2017

Total governmental fund balances		\$ 23,662,812
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	\$ 85,868,761	
Accumulated depreciation is	<u>(41,434,434)</u>	
		44,434,327
Some of the City's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and, therefore, are recognized as deferred inflows of resources, in the governmental funds.		736,555
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period and therefore are not reported in the funds.		
Pension related deferred outflows	4,628,479	
Pension related deferred inflows	<u>(453,289)</u>	
		4,175,190
Internal service funds are used by the City's management to charge the costs of self-insurance programs to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		2,272,071
Some liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Those liabilities consist of:		
Long-term debt	(23,868,333)	
Accrued interest on the bonds	(45,739)	
Compensated absences	(1,130,445)	
Net pension liability	(13,402,626)	
Net OPEB liability	<u>(4,517,049)</u>	
		<u>(42,964,192)</u>
Net position of governmental activities		<u><u>\$ 32,316,763</u></u>

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		Special Revenue	
	General	Road Use Tax	Local Option Sales Tax
Revenues			
Property taxes	\$ 5,923,793	\$ -	\$ -
TIF revenues	-	-	-
Other city taxes	1,253,732	-	3,476,514
Use of money and property	136,919	-	15,018
Licenses and permits	285,839	-	-
Intergovernmental	1,327,827	3,520,988	-
Charges for service	974,800	-	-
Special assessments	-	-	-
Miscellaneous	121,109	-	-
Total revenues	<u>10,024,019</u>	<u>3,520,988</u>	<u>3,491,532</u>
Expenditures			
Current			
Public safety	8,980,687	-	19,076
Public works	1,766,272	965,325	706,424
Health and social services	33,535	-	-
Culture and recreation	2,688,511	-	-
Community and economic development	400,499	-	-
General government	1,462,058	-	3,000
Debt service			
Principal	25,690	-	-
Interest and other fiscal charges	-	-	-
Total expenditures	<u>15,357,252</u>	<u>965,325</u>	<u>728,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,333,233)</u>	<u>2,555,663</u>	<u>2,763,032</u>
Other financing sources (uses)			
General obligation bonds issued	-	-	-
Premium on general obligation bonds issued	-	-	-
Transfers in	5,670,383	-	1,219,193
Transfers out	<u>(175,517)</u>	<u>(955,717)</u>	<u>(2,688,698)</u>
Total other financing sources (uses)	<u>5,494,866</u>	<u>(955,717)</u>	<u>(1,469,505)</u>
Net change in fund balances	161,633	1,599,946	1,293,527
Fund balances - beginning	<u>3,718,549</u>	<u>3,683,491</u>	<u>4,142,169</u>
Fund balances - ending	<u>\$ 3,880,182</u>	<u>\$ 5,283,437</u>	<u>\$ 5,435,696</u>

See Notes to Financial Statements

City of Marshalltown
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2017

Funds		Capital Projects Funds		Nonmajor Governmental Funds		Total
Property Tax	HUD Programs	Debt Service	Public Works and Other Projects			
\$ 1,343,892	\$ -	\$ 2,447,447	\$ 441,345	\$ -	\$ 10,156,477	
-	-	-	-	435,098	435,098	
126,572	-	226,181	46,909	317,829	5,447,737	
2,987	1,684	4,782	26,380	20,362	208,132	
-	-	-	-	-	285,839	
174,838	2,646,831	323,941	1,453,528	742,398	10,190,351	
-	-	-	-	16,172	990,972	
-	-	-	10,406	-	10,406	
-	57,813	-	400,092	505,433	1,084,447	
<u>1,648,289</u>	<u>2,706,328</u>	<u>3,002,351</u>	<u>2,378,660</u>	<u>2,037,292</u>	<u>28,809,459</u>	
9,189	-	-	1,615,766	577,021	11,201,739	
-	-	-	5,166,522	81,907	8,686,450	
-	1,243,944	-	-	5,000	1,282,479	
-	-	-	-	789,869	3,478,380	
-	1,326,425	-	-	85,375	1,812,299	
-	-	-	382	-	1,465,440	
-	-	2,705,000	-	-	2,730,690	
-	-	419,527	-	-	419,527	
<u>9,189</u>	<u>2,570,369</u>	<u>3,124,527</u>	<u>6,782,670</u>	<u>1,539,172</u>	<u>31,077,004</u>	
<u>1,639,100</u>	<u>135,959</u>	<u>(122,176)</u>	<u>(4,404,010)</u>	<u>498,120</u>	<u>(2,267,545)</u>	
-	-	-	6,815,000	142,430	6,957,430	
-	-	-	136,991	-	136,991	
2,250,000	-	252,461	300,000	-	9,692,037	
<u>(3,407,389)</u>	<u>-</u>	<u>-</u>	<u>(1,168,579)</u>	<u>(260,461)</u>	<u>(8,656,361)</u>	
<u>(1,157,389)</u>	<u>-</u>	<u>252,461</u>	<u>6,083,412</u>	<u>(118,031)</u>	<u>8,130,097</u>	
481,711	135,959	130,285	1,679,402	380,089	5,862,552	
<u>2,396,249</u>	<u>155,562</u>	<u>107,604</u>	<u>2,008,753</u>	<u>1,587,883</u>	<u>17,800,260</u>	
<u>\$ 2,877,960</u>	<u>\$ 291,521</u>	<u>\$ 237,889</u>	<u>\$ 3,688,155</u>	<u>\$ 1,967,972</u>	<u>\$ 23,662,812</u>	

City of Marshalltown

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds to the Statement of Activities
Year Ended June 30, 2017

Net change in fund balances – total governmental funds \$ 5,862,552

Amounts reported for governmental activities in the Statement of

Activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	\$ 4,477,017	
Book value of disposals	(113,763)	
Depreciation expense	<u>(2,793,056)</u>	
Net change in capital assets		1,570,198

Because some revenues will not be collected for several months after the City's fiscal year end, they are not considered "available" revenues and are unavailable in the governmental funds. Unavailable revenues decreased by these amounts this year:

Intergovernmental	(512,334)	
Charges for service	<u>65,441</u>	
Net effect		(446,893)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. In the current period, these amounts are:

Debt repayments	2,730,690	
Debt proceeds, including premiums	<u>(7,094,421)</u>	
Net effect		(4,363,731)

Some items reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Increase in accrued interest and premium amortization	33,166	
Increase in compensated absences	(12,650)	
Increase in net OPEB liability	(737,972)	
Net effect of pension related activity	<u>(187,503)</u>	
Total additional expenses		(904,959)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income (loss) of the internal service funds is reported with governmental activities.

(95,412)

Change in net position of governmental activities \$ 1,621,755

City of Marshalltown
Statement of Net Position
Proprietary Funds
June 30, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Pollution Control	Storm Sewer	Nonmajor Enterprise	Total	
Assets					
Current assets					
Cash and cash equivalents	\$ 10,111,265	\$ 2,978,833	\$ 307,397	\$ 13,397,495	\$ 2,691,704
Receivables					
Accounts and unbilled usage	1,063,852	119,090	2,757	1,185,699	9,734
Due from other funds	-	-	-	-	850
Due from component unit	432,053	102,776	-	534,829	-
Due from other governments	-	-	22,054	22,054	-
Inventories	16,394	-	6,930	23,324	-
Prepaid items	52,559	11,222	19,692	83,473	-
Total current assets	11,676,123	3,211,921	358,830	15,246,874	2,702,288
Noncurrent assets					
Restricted assets					
Cash and cash equivalents	180,225	-	-	180,225	-
Capital assets					
Land	375,912	504,282	10,437	890,631	-
Land improvements	1,957,598	30,000	243,096	2,230,694	-
Buildings and structures	10,135,409	6,000	704,048	10,845,457	-
Equipment and vehicles	16,153,243	364,111	1,648,451	18,165,805	-
Sanitary sewers and lift stations	37,166,635	110,805	-	37,277,440	-
Infrastructure	-	15,811,181	-	15,811,181	-
Construction in progress	6,594,045	923,256	-	7,517,301	-
Accumulated depreciation	(27,136,793)	(5,332,304)	(1,462,930)	(33,932,027)	-
Total noncurrent assets	45,426,274	12,417,331	1,143,102	58,986,707	-
Total assets	57,102,397	15,629,252	1,501,932	74,233,581	2,702,288
Deferred Outflows of Resources					
Pension related deferred outflows	248,971	42,679	84,836	376,486	-

City of Marshalltown
Statement of Net Position
Proprietary Funds
June 30, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Pollution Control	Storm Sewer	Nonmajor Enterprise	Total	
Liabilities					
Current liabilities					
Accounts payable	\$ 392,340	\$ 32,447	\$ 11,287	\$ 436,074	\$ 273,689
Accrued payroll and payroll benefits	28,580	5,120	11,303	45,003	-
Deposits payable	-	-	-	-	155,678
Retainage payable	143,337	-	-	143,337	-
Due to other governments	32,312	362	3,742	36,416	-
Due to other funds	-	-	-	-	850
Accrued interest payable	42,734	4,242	-	46,976	-
Compensated absences	30,160	6,416	8,134	44,710	-
General obligation bonds	380,000	150,000	-	530,000	-
Sewer revenue capital loan note	99,686	-	-	99,686	-
Revenue bonds	1,438,000	-	-	1,438,000	-
Total current liabilities	2,587,149	198,587	34,466	2,820,202	430,217
Noncurrent liabilities					
Compensated absences	163,558	31,832	26,382	221,772	-
General obligation bonds	3,596,938	2,466,916	-	6,063,854	-
Sewer revenue capital loan note	324,152	-	-	324,152	-
Revenue bonds	13,473,000	-	-	13,473,000	-
Net OPEB liability	350,068	147,505	36,877	534,450	-
Net pension liability	924,325	158,448	314,960	1,397,733	-
Total noncurrent liabilities	18,832,041	2,804,701	378,219	22,014,961	-
Total liabilities	21,419,190	3,003,288	412,685	24,835,163	430,217
Deferred Inflows of Resources					
Pension related deferred inflows	32,289	5,535	11,003	48,827	-
Net Position					
Net investment in capital assets	26,246,117	11,600,944	1,143,102	38,990,163	-
Restricted for					
Bond and interest payments	180,225	-	-	180,225	-
Unrestricted	9,473,547	1,062,164	19,978	10,555,689	2,272,071
Total net position	\$ 35,899,889	\$ 12,663,108	\$ 1,163,080	\$ 49,726,077	\$ 2,272,071

City of Marshalltown
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Pollution Control	Storm Sewer	Nonmajor Enterprise	Total	
Operating Revenues					
Charges for service	\$ 7,370,973	\$ 1,129,135	\$ 186,918	\$ 8,687,026	\$ 2,150,196
Miscellaneous	119,147	-	-	119,147	482,777
Total operating revenues	7,490,120	1,129,135	186,918	8,806,173	2,632,973
Operating Expenses					
Salaries and benefits	1,623,602	274,634	562,732	2,460,968	-
Services and supplies	1,911,483	266,270	257,913	2,435,666	-
Claims paid	-	-	-	-	2,138,620
Health insurance premiums	-	-	-	-	406,725
Depreciation	1,470,579	381,884	151,296	2,003,759	-
Miscellaneous	8,074	201	-	8,275	207,012
Total operating expenses	5,013,738	922,989	971,941	6,908,668	2,752,357
Operating income (loss)	2,476,382	206,146	(785,023)	1,897,505	(119,384)
Nonoperating Revenues (Expenses)					
Federal and state grants	-	-	381,810	381,810	-
Interest income	62,404	12,664	1,413	76,481	23,972
Interest and other debt expense	(560,588)	(47,926)	-	(608,514)	-
Gain (loss) on disposal of capital assets	55,562	-	(15,593)	39,969	-
Net nonoperating revenues (expenses)	(442,622)	(35,262)	367,630	(110,254)	23,972
Income (loss) before capital contributions and transfers	2,033,760	170,884	(417,393)	1,787,251	(95,412)
Capital Contributions	4,347	428,053	-	432,400	-
Transfers In	304,800	3,200	175,517	483,517	-
Transfers Out	(300,000)	(1,219,193)	-	(1,519,193)	-
Change in Net Position	2,042,907	(617,056)	(241,876)	1,183,975	(95,412)
Net Position - Beginning	33,856,982	13,280,164	1,404,956	48,542,102	2,367,483
Net Position - Ending	\$ 35,899,889	\$ 12,663,108	\$ 1,163,080	\$ 49,726,077	\$ 2,272,071

City of Marshalltown
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities -
	Water Pollution Control	Storm Sewer	Nonmajor Enterprise	Total	Internal Service Funds
Cash Flows from Operating Activities					
Cash received from customers	\$ 7,298,167	\$ 1,048,846	\$ 185,499	\$ 8,532,512	\$ 2,167,759
Cash payments to suppliers for goods and services	(1,685,269)	(241,863)	(258,255)	(2,185,387)	(2,691,961)
Cash payments to employees for services	(1,462,745)	(259,950)	(534,896)	(2,257,591)	-
Other operating receipts	119,147	-	-	119,147	482,777
Net Cash provided by (used for) Operating Activities	4,269,300	547,033	(607,652)	4,208,681	(41,425)
Cash Flows from Noncapital Financing Activities					
Transfers from other funds	304,800	3,200	175,517	483,517	-
Transfers to other funds	(300,000)	(1,219,193)	-	(1,519,193)	-
Grants received	-	-	359,756	359,756	-
Decrease in due from other funds	-	-	-	-	(850)
Decrease in due to other funds	-	-	-	-	850
Net Cash provided by (used for) Noncapital Financing Activities	4,800	(1,215,993)	535,273	(675,920)	-
Cash Flows from Capital and Related Financing Activities					
Proceeds from sale of capital assets	-	-	100	100	-
Acquisition and construction of capital assets	(5,061,242)	-	-	(5,061,242)	-
Proceeds from issuance of debt	-	2,965,000	-	2,965,000	-
Payment of debt	(1,865,428)	(348,084)	-	(2,213,512)	-
Interest and fiscal charges paid	(560,752)	(43,683)	-	(604,435)	-
Net Cash provided by (used for) Capital and Related Financing Activities	(7,487,422)	2,573,233	100	(4,914,089)	-
Cash Flows from Investing Activities					
Interest received on investment securities	62,404	12,664	1,413	76,481	23,972
Net Increase (Decrease) in Cash and Cash Equivalents	(3,150,918)	1,916,937	(70,866)	(1,304,847)	(17,453)
Cash and Cash Equivalents, Beginning	13,442,408	1,061,896	378,263	14,882,567	2,709,157
Cash and Cash Equivalents, Ending	<u>\$ 10,291,490</u>	<u>\$ 2,978,833</u>	<u>\$ 307,397</u>	<u>\$ 13,577,720</u>	<u>\$ 2,691,704</u>

City of Marshalltown
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Pollution Control	Storm Sewer	Nonmajor Enterprise	Total	
Reconciliation of Operating Income (Loss) to Net Cash provided by used for) Operating Activities					
Operating income (loss)	\$ 2,476,382	\$ 206,146	\$ (785,023)	\$ 1,897,505	\$ (119,384)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities					
Depreciation	1,470,579	381,884	151,296	2,003,759	-
Changes in assets, deferred outflows, liabilities, and deferred inflows					
Decrease (increase) in receivables	(72,806)	(80,289)	(1,419)	(154,514)	9,041
Increase in inventories and prepaid items	(16,480)	(1,266)	(3,285)	(21,031)	-
Increase (decrease) in accounts payable	246,502	25,512	(799)	271,215	60,396
Increase in accrued liabilities	15,065	1,222	8,354	24,641	-
Increase in due to other governments	4,266	362	3,742	8,370	-
Increase in unearned revenue	-	-	-	-	8,522
Increase in net OPEB liability	57,192	24,099	6,025	87,316	-
Increase in net pension liability	238,640	21,517	64,956	325,113	-
Increase in deferred outflows	(137,839)	(17,549)	(42,591)	(197,979)	-
Decrease in deferred inflows	(12,201)	(14,605)	(8,908)	(35,714)	-
Total	1,792,918	340,887	177,371	2,311,176	77,959
Net Cash provided by (used for) Operating Activities	\$ 4,269,300	\$ 547,033	\$ (607,652)	\$ 4,208,681	\$ (41,425)
Noncash Capital Activities Donations of capital assets	\$ 4,347	\$ 428,053	\$ -	\$ 432,400	\$ -

City of Marshalltown
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

	Agency Funds
Assets	
Cash and cash equivalents	\$ 17,996
Accounts and unbilled usage	<u>22,223</u>
Total assets	<u>40,219</u>
Liabilities	
Due to City	23,724
Due to Sleuth User Group	14,972
Due to other governments	<u>1,523</u>
Total liabilities	<u><u>\$ 40,219</u></u>

Notes to Financial Statements
June 30, 2017
City of Marshalltown

Note 1 - Summary of Significant Accounting Policies

The City of Marshalltown, Iowa (City) was incorporated in 1863 under the laws of the State of Iowa, later amended in July 1975, under the City Home Rule Act. The City operates by ordinance under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. The City of Marshalltown, Iowa, provides such services as are authorized by its charter to advance the welfare, health, comfort, safety, and convenience of the City and its inhabitants.

The accounting and reporting policies of the City relating to the accompanying financial statements conform to U.S. generally accepted accounting principles (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following represents the more significant accounting and reporting policies and practices used in the preparation of these financial statements:

Reporting Entity

For financial reporting purposes, the City of Marshalltown, Iowa, has included all funds, organizations, agencies, boards, commissions, and authorities. The City has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the City.

These financial statements present the City of Marshalltown, Iowa (the primary government) and its component units. The following component units are entities which are legally separate from the City, but are financially accountable to the City or whose relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. Discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the City.

Discretely Presented Component Units: The Marshalltown Water Works (Water Works) was established to operate the City's water works facilities. The Water Works is governed by a three-member board of trustees appointed by the Mayor. A financial benefit/burden relationship exists between the City and the Water Works in that the City is authorized by statute to issue general obligation debt for a City utility and may certify taxes for the payment of the debt. The Water Works is presented as a proprietary fund type and has a June 30 year-end.

The Marshalltown Convention and Visitors Bureau (Bureau) was established to promote and develop the visitor and convention business and for economic development within the community. The Bureau is governed by a board of directors not less than 9 more than 13 members. It is comprised of two members appointed solely by the City Council, two members appointed solely by the Executive Board of the Chamber of Commerce and five members appointed jointly by the City Council and Executive Board of the Chamber of Commerce, from the general public (one member) and the hospitality industry (four members). The Bureau may not borrow money or issue bonds without written permission of the City. The Bureau is presented as a proprietary fund type and has a June 30 year-end.

Complete financial statements for each of the individual component units may be obtained at the respective entity's administrative office as follows:

Marshalltown Water Works
205 East State Street
Marshalltown, Iowa 50158

Marshalltown Convention and Visitors Bureau
709 South Center Street
Marshalltown, Iowa 50158

Jointly Governed Organizations: The City also participates in several jointly governed organizations that provide goods or services to the citizenry of the City but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The City Council is a member of or appoints representatives to the following boards and commissions: Mid Iowa Drug Task Force, Marshall County Emergency Management Commission, Marshall County 911 Joint Services Board, Marshall County Assessor's Conference Board and the Marshall County Solid Waste Management Commission. Financial transactions relating to these organizations are included in the City's financial statements only to the extent of the City's contributions, if any, to these organizations.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The Statement of Net Position presents the City's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following three categories.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt attributable to the acquisition, construction, or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment, including special assessments. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Road Use Tax Fund* is used to account for the operations of street related expenses. Financing is provided by the City's share of state gasoline taxes, which are received on a per capita basis. State law requires these revenues to be received and disbursed in a special fund.

The *Local Option Sales Tax Fund* is used to account for the sale and service taxes collected to be applied to general property tax relief, and for storm sewer maintenance and improvements and related street repairs.

The *Property Tax Fund* is used to account for property tax collections for the emergency fund levy and employee benefits, which are then transferred to the general fund.

The *HUD Programs Fund* is used to account for the operations of a Federal Section 8 rental voucher assistance program, a grant from HUD to assist with security deposits and first month's rent program, and lead abatement program.

The *Debt Service Fund* is used to account for the servicing of general obligation debt.

The *Public Works and Other Projects Fund* is used to account for resources used in the acquisition and construction of capital facilities and other fixed assets with the exception of those that are financed through the Culture and Recreation Projects Fund, Airport Projects Fund, or through proprietary funds.

The City reports the following major proprietary funds:

The *Water Pollution Control Fund* is used to account for the operation and maintenance of the City's wastewater treatment facility and sanitary sewer. Services are supported primarily by user charges.

The *Storm Sewer Fund* is used to account for the operation of the City's storm sewers. Services are supported primarily by user charges.

Additionally, the City reports the following fund types:

Internal service funds account for group insurance benefits, occupational insurance benefits, and workmen's compensation benefits provided to other departments on a cost reimbursement basis.

Agency funds function primarily as a clearing mechanism for cash resources which are collected by the City, held as such for a brief period and then disbursed to the authorized recipient. The agency funds of the City are used for payroll clearing activities.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Agency fund financial statements are reported using the accrual basis of accounting but have no measurement focus.

Property taxes are recognized as revenue in the year for which they have been levied, provided they are collected within 60 days after year-end. Sales taxes are considered measurable and available at the time the underlying transaction occurs provided they are collected within 60 days after year-end. Other taxes are considered measurable and available when they have been collected by the state or other levying authority. Special assessments receivable are recognized at the time of their levy. The related revenue is recognized at the time the assessment is due or collected. Licenses and permits, fines and forfeitures, and miscellaneous revenues are generally recognized as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recognized as earned.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water pollution control function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Under terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general revenues.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash, Cash Equivalents, and Investments. The City maintains a cash and investment pool. These pooled deposits are invested in interest-bearing cash accounts or certificates of deposit. Interest on the pooled cash and investments is recognized as revenue when earned and allocated to the funds on a systematic basis. However, interest of the Road Use Tax Fund is credited directly to the General Fund. Cash and investments are separately held by the discretely presented component units for which interest is also recognized as revenue when earned.

GASB Statement No. 79 addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The Diversified Portfolio meets all of the necessary criteria in GASB Statement No. 79 to elect to measure all of the investments in the Diversified Portfolio at amortized cost.

Property Tax Receivable, Including Tax Increment Financing. Property tax, including tax increment financing, in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the City to the County Board of Supervisors. Current year delinquent property taxes receivable represents unpaid taxes from the current year. The succeeding year property tax receivable represents taxes certified by the City to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the City is required to certify its budget to the County Auditor by March 15 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is unavailable and will not be recognized as revenue until the year for which it is levied.

The County Treasurer bills and collects taxes for the City. Taxes for the year ended June 30, 2017, were certified with the County during the preceding fiscal year and were due in two equal installments by September 30, 2016 and March 31, 2017. Any County collections on the 2016-2017 tax levy remitted to the City within sixty days subsequent to June 30, 2017, are recorded as property tax revenues. Taxes not collected and remitted to the City within sixty days subsequent to June 30, 2017, are delinquent and have been recorded as receivables. This amount is recorded as unavailable revenue in the governmental funds but is recognized as revenue in the government-wide financial statements.

Accounts Receivable and Unbilled Usage. Accounts receivable are recorded at the time the service is billed. Unbilled usage for service consumed between periodic scheduled billing dates is estimated and is recognized as revenue in the period in which the service is provided.

Due From and Due to Other Funds. Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Due From Other Governments. Due from other governments represents various shared revenues, grants, and reimbursements from other governments. Shared revenues are recognized during the period when received by the collecting authority, the State of Iowa. Federal grant revenue is recognized when expenditures for the purpose of the grant have been incurred in the government-wide financial statements and as long as it meets the measurable and available criteria in the governmental fund statements.

Inventories and Prepaid Items. Inventories of materials and supplies in the proprietary and governmental fund types are stated at cost using the first-in, first-out method. The costs of governmental fund inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The costs of governmental fund prepaid items are recorded as expenditures when consumed rather than when purchased.

Restricted Assets. Funds set aside for the payment of City enterprise and component unit revenue bonds are classified as restricted assets since their use is restricted by applicable bond indentures. Other restricted assets include funds for customer deposits restricted for application to unpaid customer accounts or for refund to customers.

Deferred Outflows of Resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date, but before the end of the employer’s reporting period.

Deferred Inflows of Resources. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources consist of an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Although certain revenues are measurable, they may not be available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Unavailable revenue represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period.

Unavailable revenue at the fund level consists of property tax receivable, special assessments receivable, succeeding year property tax receivable, and other receivables not collected within sixty days after year-end. Unavailable revenue in the Statement of Net Position consists of succeeding year property tax receivable that will not be recognized as revenue until the year in which they are levied.

Compensated Absences. City employees accumulate a limited amount of earned but unused vacation, compensatory time and sick leave hours for subsequent use or for payment upon termination, death, or retirement. Accumulated sick leave is generally paid at 25%, not to exceed 1,440 hours for municipal fire employees, 1,072.5 hours for municipal police employees and 1,040 hours for all others, upon retirement if the employee has at least 15 years of service. All vacation and sick leave is accrued when incurred in the government-wide and proprietary financial statements. Governmental funds record the earned vacation and vested sick leave hours as an expenditure of the current year to the extent it is paid during the year. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The compensated absences liability has been computed based on rates of pay in effect as of June 30, 2017.

Water Works employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, retirement, or death. The liability is recorded on the Statement of Net Position based on rates of pay in effect as of June 30, 2017.

Long-Term Obligations. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are amortized over the life of the bonds using the straight line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Capital Assets. Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (\$50,000 for infrastructure) and an estimated useful life in excess of two years. All land is recorded regardless of cost. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. All infrastructure of the City has been recorded to date.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

	<u>Years</u>
Land improvements	10-30
Buildings and structures	30-50
Equipment and vehicles	5-30
Sanitary sewers and lift stations	30-50
Infrastructure	20-50

Property, plant and equipment of the Water Works is depreciated using the straight line method over the following estimated useful lives.

	<u>Years</u>
Plants, wells, and storage	10-40
Distribution property	50-99
Meters	10-20
Vehicles	5
Equipment	7-10

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System and the Municipal Fire and Police Retirement Systems' and additions to/deductions from the Systems' fiduciary net position have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability attributes to the governmental activities will be paid primarily by the general funds.

Statement of Cash Flows – Cash Equivalents. For purposes of the Statement of Cash Flows for the proprietary funds and the component units, all short-term cash investments that are highly liquid (including restricted assets) are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the day of purchase they have a maturity date no longer than three months.

Fund Equity. In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable fund balances cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

Restricted fund balances are restricted for specific purposes when constraints placed on the use of the resources are either externally imposed by their providers, such as creditors, grantors, or other governments; or imposed by law through constitutional provisions or enabling legislation.

Committed fund balances can be used only for specific purposes determined pursuant to constraints formally imposed by the City Council, the highest level of decision making authority, through resolution approved prior to year end.

Assigned fund balances are amounts the City intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. These amounts are designated by City Council.

Unassigned fund balances are amounts not included in the other spendable classifications. The general fund is the only fund that reports a positive unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Council has provided otherwise in its commitment or assigned actions.

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As of June 30, 2017, fund balances consisted of the following:

	General	Road Use Tax	Local Option Sales Tax	HUD Programs	Property Tax
Nonspendable					
Inventory and prepaid items	\$ 266,203	\$ 157,687	\$ -	\$ 11,231	\$ -
Restricted for					
Capital improvements	222,656	5,125,750	4,170,031	-	-
Property tax relief	589,436	-	1,265,665	-	-
Debt service	-	-	-	-	-
Employee benefits	-	-	-	-	2,877,960
Emergency communication	-	-	-	-	-
Economic development	-	-	-	-	-
Health and welfare	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Housing	-	-	-	280,290	-
Total restricted	812,092	5,125,750	5,435,696	280,290	2,877,960
Committed					
Capital improvements	250,000	-	-	-	-
Unassigned	2,551,887	-	-	-	-
Total fund balance	\$ 3,880,182	\$ 5,283,437	\$ 5,435,696	\$ 291,521	\$ 2,877,960

	Debt Service	Public Works and Other Projects	Nonmajor Governmental Funds	Total
Nonspendable				
Inventory and prepaid items	\$ -	\$ 2,246	\$ 20,949	\$ 458,316
Restricted for				
Capital improvements	-	3,685,909	-	13,204,346
Property tax relief	-	-	-	1,855,101
Debt service	237,889	-	-	237,889
Employee benefits	-	-	-	2,877,960
Emergency communication	-	-	608,779	608,779
Economic development	-	-	943,301	943,301
Health and welfare	-	-	207,546	207,546
Parks and recreation	-	-	286,394	286,394
Housing	-	-	-	280,290
Total restricted	237,889	3,685,909	2,046,020	20,501,606
Committed				
Capital improvements	-	-	-	250,000
Unassigned	-	-	(98,997)	2,452,890
Total fund balance	\$ 237,889	\$ 3,688,155	\$ 1,967,972	\$ 23,662,812

Note 2 - Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. At June 30, 2017, disbursements exceeded the amended budget amounts in the health and social services function. Additionally, before the budget was amended, disbursements exceeded the original amount budgeted for the capital projects function.

Note 3 - Deposits and Investments

Deposits. On June 30, 2017, the carrying amount of the City's deposits was \$40,201,591 and the bank balances were \$40,465,368. The City's deposits in banks at June 30, 2017, were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

As of June 30, 2017, the City's carrying amount of deposits, related bank balances, and other cash, including fiduciary funds, were as follows:

	Carrying Amount	Bank Balance
Money Market	\$ 6,011,087	\$ 6,011,087
Demand Deposits	8,730,152	8,998,229
Certificates of Deposits	25,456,052	25,456,052
Petty Cash	4,300	-
Total	\$ 40,201,591	\$ 40,465,368

The City had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

The Marshalltown Water Works' carrying amount of deposits was \$3,640,626 all of which was covered by federal depository insurance or insured by the state through pooled collateral, State Sinking Funds and by the state's ability to assess for lost funds.

The Convention and Visitors Bureau's deposits carrying amount and bank balance amount was \$218,714 all of which was covered by federal depository insurance.

The City and the Water Works are authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the City Council or Board of Trustees and the Treasurer of the State of Iowa; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

Interest Rate Risk. The City's investment policy limits the investments of operating funds (funds expected to be expended in the current budget year or within fifteen months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in instruments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the City. The City did not hold any instruments with a maturity greater than 397 days during the year.

Credit Risk. The City's investment policy limits investments in commercial paper and other corporate debt to the top two highest classifications. The City did not invest in any commercial paper or other corporate debt during the year.

Concentration of Credit Risk. The City's investment policy does not allow for a prime bankers' acceptance or commercial paper and other corporate debt balances to be greater than ten percent of its total deposits and investments. The policy also limits the amount that can be invested in a single issue to five percent of its total deposits and investments. The City held no such investments during the year.

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's deposits are entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

Custodial Credit Risk – Investments. For an investment, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City had no custodially-held investments during the year.

Note 4 - Interfund Balance and Transfers

Due to/from primary government and component unit balances as of June 30, 2017, consisted of the following:

Receivable Entity	Payable Entity	Amount
Primary Government:	Component Unit:	
Governmental Fund, General Fund	Water Works	\$ 13,355
Enterprise Fund, Water Pollution Control	Water Works	432,053
Enterprise Fund, Storm Sewer	Water Works	102,776
		<u>\$ 548,184</u>

Due from/to other funds as of June 30, 2017, consisted of the following:

Due to General Fund from Nonmajor Governmental	<u>\$ 25,874</u>
Due to Public Works and Other Projects Fund from Nonmajor Governmental	<u>\$ 78,886</u>
Due to Internal Service Funds from Internal Service Funds	<u>\$ 850</u>

The interfund balances result from negative cash balances.

Interfund transfers for the year ended June 30, 2017, consisted of the following:

Transfers to General Fund from	
Road Use Tax	\$ 955,717
Local Option Sales Tax	438,698
Property Tax	3,407,389
Public Works and Other Projects	868,579
Total Transfers to General Fund	<u>\$ 5,670,383</u>
Transfers to Local Option Sales Tax Fund from Storm Sewer	<u>\$ 1,219,193</u>
Transfers to Public Works and Other Projects Fund from:	
Water Pollution Control Fund	<u>\$ 300,000</u>
Transfers to Property Tax Fund from Local Option Sales Tax	<u>\$ 2,250,000</u>
Transfers to Debt Service Fund from Nonmajor Governmental	<u>\$ 252,461</u>
Transfers to Water Pollution Control Public Works and Other from:	
Nonmajor Governmental Funds	4,800
Public Works and Other	300,000
	<u>\$ 304,800</u>
Transfers to Storm Sewer Fund from Nonmajor Governmental	<u>\$ 3,200</u>
Transfers to Nonmajor Enterprise Funds from General	<u>\$ 175,517</u>

Transfers are used to (1) move property tax revenues from the fund that state statute requires to collect them to the fund that expends the associated expenditure, (2) offset public works salaries within the general fund with road use tax dollars collected, and (3) move a portion of local option sales tax to the fund that is receiving the property tax relief.

Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2017, was as follows:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Primary Government				
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 4,000,014	\$ 665,000	\$ -	\$ 4,665,014
Construction in progress	1,182,096	3,650,013	(1,757,959)	3,074,150
Total capital assets, not being depreciated	<u>5,182,110</u>	<u>4,315,013</u>	<u>(1,757,959)</u>	<u>7,739,164</u>
Capital assets, being depreciated				
Buildings and structures	17,707,821	-	-	17,707,821
Land improvements	2,476,257	106,802	-	2,583,059
Equipment and vehicles	16,899,577	759,391	(612,587)	17,046,381
Infrastructure	39,738,566	1,053,770	-	40,792,336
Total capital assets, being depreciated	<u>76,822,221</u>	<u>1,919,963</u>	<u>(612,587)</u>	<u>78,129,597</u>
Less accumulated depreciation for				
Buildings and structures	(6,982,371)	(497,807)	-	(7,480,178)
Land improvements	(1,446,576)	(28,581)	-	(1,475,157)
Equipment and vehicles	(9,623,672)	(1,010,949)	498,824	(10,135,797)
Infrastructure	(21,087,582)	(1,255,720)	-	(22,343,302)
Total accumulated depreciation	<u>(39,140,201)</u>	<u>(2,793,057)</u>	<u>498,824</u>	<u>(41,434,434)</u>
Total Capital Assets, Being Depreciated, Net	<u>37,682,020</u>	<u>(873,094)</u>	<u>(113,763)</u>	<u>36,695,163</u>
Governmental Activities Capital Assets, Net	<u>\$ 42,864,130</u>	<u>\$ 3,441,919</u>	<u>\$ (1,871,722)</u>	<u>\$ 44,434,327</u>

City of Marshalltown
Notes to Financial Statements
June 30, 2017

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Business-Type Activities				
Capital assets, not being depreciated				
Land	\$ 902,168	\$ -	\$ (11,537)	\$ 890,631
Construction in progress	2,486,005	5,152,206	(120,910)	7,517,301
Total capital assets, not being depreciated	<u>3,388,173</u>	<u>5,152,206</u>	<u>(132,447)</u>	<u>8,407,932</u>
Capital assets, being depreciated				
Buildings and structures	10,845,457	-	-	10,845,457
Land improvements	2,210,984	19,710	-	2,230,694
Equipment and vehicles	18,222,567	311,999	(368,761)	18,165,805
Sanitary sewers and lift stations	37,277,440	-	-	37,277,440
Infrastructure	15,690,271	120,910	-	15,811,181
Total capital assets, being depreciated	<u>84,246,719</u>	<u>452,619</u>	<u>(368,761)</u>	<u>84,330,577</u>
Less accumulated depreciation for				
Buildings and structures	(6,256,170)	(56,605)	-	(6,312,775)
Land improvements	(1,767,536)	(326,314)	-	(2,093,850)
Equipment and vehicles	(11,587,325)	(535,945)	353,066	(11,770,204)
Sanitary sewers and lift stations	(7,892,644)	(767,278)	-	(8,659,922)
Infrastructure	(4,777,659)	(317,617)	-	(5,095,276)
Total accumulated depreciation	<u>(32,281,334)</u>	<u>(2,003,759)</u>	<u>353,066</u>	<u>(33,932,027)</u>
Total Capital Assets, Being Depreciated, Net	<u>51,965,385</u>	<u>(1,551,140)</u>	<u>(15,695)</u>	<u>50,398,550</u>
Business-Type Activities Capital Assets, Net	<u>\$ 55,353,558</u>	<u>\$ 3,601,066</u>	<u>\$ (148,142)</u>	<u>\$ 58,806,482</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities

Public safety	\$ 504,577
Public works	1,485,856
Health and social services	9,787
Culture and recreation	716,051
General government	<u>76,786</u>

Total Depreciation Expense – Governmental Activities	<u><u>\$ 2,793,057</u></u>
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Business-Type Activities

Water pollution control	\$ 1,470,579
Storm sewer	381,884
Compost facility	12,189
Bus transit	<u>139,107</u>

Total Depreciation Expense – Business-Type Activities	<u><u>\$ 2,003,759</u></u>
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Note 6 - Long-Term Debt

The following is a summary of changes in the City's long-term debt for the year ended June 30, 2017:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year
Governmental Activities					
General obligation bonds and notes payable	\$ 19,307,597	\$ 6,957,430	\$ 2,730,690	\$ 23,534,337	\$ 3,684,361
Unamortized premiums	<u>244,042</u>	<u>136,991</u>	<u>47,037</u>	<u>333,996</u>	<u>-</u>
Total general obligation bonds	19,551,639	7,094,421	2,777,727	23,868,333	3,684,361
Compensated absences payable	1,117,795	269,630	256,980	1,130,445	266,107
Net OPEB liability	<u>3,779,077</u>	<u>737,972</u>	<u>-</u>	<u>4,517,049</u>	<u>-</u>
	<u>24,448,511</u>	<u>8,102,023</u>	<u>3,034,707</u>	<u>29,515,827</u>	<u>3,950,468</u>

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year
Business-Type Activities					
General obligation bonds and notes payable	\$ 4,897,266	\$ 2,965,000	\$ 888,428	\$ 6,973,838	\$ 629,686
Unamortized premiums	-	76,627	4,711	71,916	-
Unamortized discounts	(31,180)	-	(3,118)	(28,062)	-
Total general obligation bonds	4,866,086	3,041,627	890,021	7,017,692	629,686
Revenue bonds payable	16,308,000	-	1,397,000	14,911,000	1,438,000
Compensated absences payable	257,130	55,903	46,551	266,482	44,710
Net OPEB liability	447,134	87,316	-	534,450	-
	<u>21,878,350</u>	<u>3,184,846</u>	<u>2,333,572</u>	<u>22,729,624</u>	<u>2,112,396</u>
Total	<u>\$ 46,326,861</u>	<u>\$ 11,286,869</u>	<u>\$ 5,368,279</u>	<u>\$ 52,245,451</u>	<u>\$ 6,062,864</u>

For the governmental activities, compensated absences and net OPEB liability are generally liquidated by the general fund.

Bonded Debt. Details of the City's bonds and notes payable as of June 30, 2017, are as follows:

	Interest Rates	Govern- mental Activities	Business- type Activities	Total
General Obligation Bonds and Notes				
2009A Essential corporate purpose refunding bonds, issued May 1, 2009	3.00	300,000	-	300,000
2011A Essential corporate purpose, issued April 1, 2011	2.25-3.45	-	4,005,000	4,005,000
2011B Essential corporate purpose, issued October 26, 2011	1.45-2.85	1,685,000	-	1,685,000
2012A Essential corporate purpose, issued April 12, 2012	1.00-2.50	4,125,000	-	4,125,000
2012B Refunding, issued April 24, 2012	1.50-2.05	1,975,000	-	1,975,000
2013A Essential corporate purpose, issued March 12, 2013	1.50-1.75	4,895,000	-	4,895,000
2014A Essential corporate purpose, issued December 16, 2014	2.00-2.50	1,590,000	-	1,590,000
2015A Essential corporate purpose, issued November 24, 2015	2.00-2.60	2,000,000	-	2,000,000
2016A General obligation corporate purpose, issued August 9, 2016	2.00	2,035,000	2,545,000	4,580,000
2016B General obligation corporate purpose, issued December 1, 2016	2.00	4,780,000	-	4,780,000
Total general obligation bonds and notes		<u>23,385,000</u>	<u>6,550,000</u>	<u>29,935,000</u>
Notes Payable				
Software loan note, issued March 3, 2014	0.00	21,150	-	21,150
Alliant loan note, issued September 17, 2014	0.00	-	423,838	423,838
IDPS fire truck loan, issued July 5, 2016	0.00	128,187	-	128,187
Total notes payable		<u>149,337</u>	<u>423,838</u>	<u>573,175</u>
Revenue Bonds				
Water Pollution Control, improvement and refunding bonds, Series 2012C, issued May 8, 2012	2.58	-	2,122,000	2,122,000
Water Pollution Control, improvement bonds, Series 2013, issued June 18, 2013	2.09	-	2,906,000	2,906,000
Water Pollution Control, improvement bonds, Series 2014, issued June 18, 2013	2.90	-	4,580,000	4,580,000
Water Pollution Control, improvement bonds, Series 2015, issued August 13, 2015	2.69	-	5,303,000	5,303,000
Total revenue bonds		-	<u>14,911,000</u>	<u>14,911,000</u>
Total long-term debt		<u>\$ 23,534,337</u>	<u>\$ 21,884,838</u>	<u>\$ 45,419,175</u>

The resolutions providing for the issuance of the City's revenue bonds include the following provisions:

- (1) The bonds will only be redeemed from the future earnings of the enterprise activity and the bond holders hold a lien on the future earnings of the funds.
- (2) Sufficient monthly transfers shall be made to a separate sewer revenue bond and interest sinking fund for the purpose of making the bond principal and interest payments when due.

Future Requirements to Maturity. Principal and interest requirements to maturity for the City's bonds and notes outstanding as of June 30, 2017, are as follows:

Years Ending June 30,	Governmental Activities General Obligation Bonds and Notes		Business-Type Activities General Obligation Bonds and Notes	
	Principal	Interest	Principal	Interest
2018	3,684,361	501,072	629,686	174,473
2019	2,813,761	388,196	655,959	161,649
2020	2,833,486	342,795	672,249	147,481
2021	2,938,486	294,438	693,556	132,111
2022	3,034,243	240,026	622,388	115,578
2023-2027	7,235,000	529,893	2,770,000	309,970
2028-2032	995,000	29,900	930,000	47,300
Total	<u>\$ 23,534,337</u>	<u>\$ 2,326,320</u>	<u>\$ 6,973,838</u>	<u>\$ 1,088,562</u>

Years Ending June 30,	Business-Type Activities Water Pollution Control Revenue Bonds		Total Business-Type Activities	
	Principal	Interest	Principal	Interest
2018	1,438,000	389,721	2,067,686	564,194
2019	1,464,000	352,330	2,119,959	513,979
2020	1,077,000	314,269	1,749,249	461,750
2021	1,106,000	286,159	1,799,556	418,270
2022	1,134,000	257,299	1,756,388	372,877
2023-2027	6,133,000	826,315	8,903,000	1,136,285
2028-2032	2,559,000	118,376	3,489,000	165,676
Total	<u>\$ 14,911,000</u>	<u>\$ 2,544,469</u>	<u>\$ 21,884,838</u>	<u>\$ 3,633,031</u>

In fiscal year ended June 30, 2017, the Water Pollution Control Fund had net revenues of \$4,017,439 and the amount of Principal and Interest due was \$1,957,588.

Legal Debt Margin. The City's legal debt margin as of June 30, 2017, is as follows:

Regular Realty Valuations	\$ 1,123,584,265
Utility Valuations	226,574,365
Incremental Valuations	14,353,482
Total actual valuations applicable to debt	<u>\$ 1,364,512,112</u>
Debt Limit - 5% of Total Actual Valuations Applicable to Debt	<u>\$ 68,225,606</u>
Amount of Debt Applicable to Limitation	
General obligation bonds and notes	30,508,175
Urban renewal rebate agreements	<u>4,023,000</u>
	34,531,175
Less funds available from	
Debt service fund	237,889
Tax increment financing	<u>943,301</u>
Total debt applicable to debt margin	<u>33,349,985</u>
Legal debt margin	<u><u>\$ 34,875,621</u></u>

Note 7 - Retirement Plans

(a) Iowa Public Employees' Retirement System - IPERS

Plan Description – IPERS membership is mandatory for employees of the City and the Water works, except for those covered by another retirement system. Throughout this IPERS disclosure, all references to the City will incorporate both the City and the Water Works, unless otherwise noted.

Employees of the City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A regular member may retire at normal retirement age and receive monthly benefits without an early retirement deduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.)

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits – A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefits or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions – Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2017, pursuant to the required rate, Regular members contributed 5.95% of pay and the City contributed 8.93% for a total rate of 14.88%.

The City's total contributions to IPERS for the year ended June 30, 2017 were \$518,532. The Water Work's total contributions to IPERS for the year ended June 30, 2017 were \$47,683.

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation (effective June 30, 2014)	3.00 percent per annum
Rates of Salary Increase (effective June 30, 2010)	4.00 to 17.00 percent, average, including inflation. Rates vary by membership group.
Long-Term Investment Rate of Return (effective June 30, 1996)	7.50 percent compounded annually, net of investment expense including inflation
Wage Growth (effective June 30, 1990)	4.00 percent per annum based on 3.00 percent inflation and 1.00 percent real wage inflation

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting and expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Core Plus Fixed Income	28%	1.90
Domestic Equity	24	5.85
International Equity	16	6.32
Private Equity/Debt	11	10.31
Real Estate	8	3.87
Credit Opportunities	5	4.48
TIPS	5	1.36
Other Real Assets	2	6.24
Cash	1	(0.26)
	<u>100%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

City Specific IPERS Disclosures

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2017, the City reported a liability of \$5,044,545 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2016, the City's collective proportion was .08157 percent which was a decrease of .00113 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the City recognized pension expense of \$565,737. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 44,584	\$ 60,205
Changes of Assumptions	76,964	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	718,688	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	-	116,024
City Contributions Subsequent to the Measurement Date	<u>518,532</u>	<u>-</u>
Total	<u><u>\$ 1,358,768</u></u>	<u><u>\$ 176,229</u></u>

The \$518,532 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ending June 30</u>	<u>Total</u>
2018	\$ 62,821
2019	62,821
2020	355,866
2021	192,746
2022	<u>(10,247)</u>
	<u><u>\$ 664,007</u></u>

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Discount Rate (7.50%)	1% Increase (8.50%)
City's Proportionate Share of the Net Pension Liability	\$ 8,161,390	\$ 5,044,545	\$ 2,413,886

Payable to the Pension Plan – At June 30, 2017, the City reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Water Works Specific IPERS Disclosures

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2017, the Water Works reported a liability of \$462,143 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Water Work's proportion of the net pension liability was based on the Water Work's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2016, the Water Work's collective proportion was .0073434 percent which was a decrease of .000014 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Water Works recognized pension expense of \$55,682. At June 30, 2017, the Water Utility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Results	\$ 4,084	\$ 5,515
Changes of Assumptions	7,051	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	65,841	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	6,569	3,187
Water Works Contributions Subsequent to the Measurement Date	47,683	-
Total	<u>\$ 131,228</u>	<u>\$ 8,702</u>

The \$47,683 reported as deferred outflows of resources related to pensions resulting from the Water Works contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30,	Total
2018	\$ 9,779
2019	9,779
2020	35,096
2021	20,230
2022	(41)
	\$ 74,843

Sensitivity of the Utility's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Water Utility's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the Water Utility's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Discount Rate (7.50%)	1% Increase (8.50%)
Water Works' Proportionate Share of the Net Pension Liability	\$ 747,685	\$ 462,143	\$ 221,142

Payable to the Pension Plan – At June 30, 2017, the Water Works reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

(b) Municipal Fire and Police Retirement System of Iowa – MFPRSI

Plan Description – MFPRSI membership is mandatory for fire fighters and police officers covered by provisions of Chapter 411 of the Code of Iowa. Employees of the City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by MFPRSI. MFPRSI issues a stand-alone financial report which is available to the public by mail at 7155 Lake Drive, Suite 201, West Des Moines, Iowa 50366 or at www.mfprsi.org.

MFPRSI benefits are established under Chapter 411 of the Code of Iowa and the administrative rules thereunder. Chapter 411 of the Code of Iowa and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – Members with 4 or more years of service are entitled to pension benefits beginning at age 55. Full service retirement benefits are granted to members with 22 years of service, while partial benefits are available to those members with 4 to 22 years of service based on the ratio of years completed to years required (i.e., 22 years). Members with less than 4 years of service are entitled to a refund of their contribution only, with interest, for the period of employment.

Benefits are calculated based upon the member's highest 3 years of compensation. The average of these 3 years becomes the member's average final compensation. The base benefit is 66 percent of the member's average final compensation. Additional benefits are available to members who perform more than 22 years of service (2 percent for each additional year of service, up to a maximum of 8 years). Survivor benefits are available to the beneficiary of a retired member according to the provisions of the benefit option chosen plus an additional benefit for each child. Survivor benefits are subject to a minimum benefit for those members who chose the basic benefit with a 50 percent surviving spouse benefit.

Active members, at least 55 years of age, with 22 or more years of service have the option to participate in the Deferred Retirement Option Program (DROP). The DROP is an arrangement whereby a member who is otherwise eligible to retire and commence benefits opts to continue to work. A member can elect a 3, 4, or 5 year DROP period. By electing to participate in DROP the member is signing a contract indicating the member will retire at the end of the selected DROP period. During the DROP period the member's retirement benefit is frozen and a DROP benefit is credited to a DROP account established for the member. Assuming the member completes the DROP period, the DROP benefit is equal to 52% of the member's retirement benefit at the member's earliest date eligible and 100% if the member delays enrollment for 24 months. At the member's actual date of retirement the member's DROP account will be distributed to the member in the form of a lump sum or rollover to an eligible plan.

Disability and Death Benefits – Disability coverage is broken down into two types, accidental and ordinary. Accidental disability is defined as permanent disability incurred in the line of duty, with benefits equivalent to the greater of 60 percent of the member's average final compensation or the member's service retirement benefit calculation amount. Ordinary disability occurs outside the call of duty and pays benefits equivalent to the greater of 50 percent of the member's average final compensation, for those with 5 or more years of service, or the member's service retirement benefit calculation amount, and 25 percent of average final compensation for those with less than 5 years of service.

Death benefits are similar to disability benefits. Benefits for accidental death are 50 percent of the average final compensation of the member plus an additional amount for each child, or the provisions for ordinary death. Ordinary death benefits consist of a pension equal to 40 percent of the average final compensation of the member plus an additional amount for each child, or a lump-sum distribution to the designated beneficiary equal to 50 percent of the previous year's earnable compensation of the member or equal to the amount of the member's total contributions plus interest.

Benefits are increased (escalated) annually in accordance with Chapter 411.6 of the Code of Iowa which states a standard formula for the increases.

The surviving spouse or dependents of an active member who dies due to a traumatic personal injury incurred in the line of duty receives a \$100,000 lump-sum payment.

Contributions – Member contribution rates are set by state statute. In accordance with Chapter 411 of the Code of Iowa as modified by act of the 1994 General Assembly, to establish compliance with the Federal Older Workers Benefit Protections Act, the contribution rate was 9.40% of earnable compensation for the year ended June 30, 2017.

Employer contribution rates are based upon an actuarially determined normal contribution rate and set by state statute. The required actuarially determined contributions are calculated on the basis of the entry age normal method as adopted by the Board of Trustees as permitted under Chapter 411 of the Code of Iowa. The normal contribution rate is provided by state statute to be the actuarial liabilities of the plan less current plan assets, with such total divided by 1 percent of the actuarially determined present value of prospective future compensation of all members, further reduced by member contributions and state appropriations. Under the Code of Iowa the employer's contribution rate cannot be less than 17.00% of earnable compensation. The contribution rate was 25.92% for the year ended June 30, 2017.

The City's contributions to MFPRSI for the year ended June 30, 2017 was \$1,086,753.

If approved by the state legislature, state appropriation may further reduce the employer's contribution rate, but not below the minimum statutory contribution rate of 17.00% of earnable compensation. The State of Iowa therefore is considered to be a non-employer contributing entity in accordance with the provisions of the Governmental Accounting Standards Board Statement No 67 – Financial Reporting for Pension Plans, (GASB 67).

There were no state appropriations to MFPRSI during the fiscal year ended June 30, 2017.

Actuarial Assumptions - The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation (effective June 30, 2014)	3.00 percent per annum
Rates of Salary Increase (effective June 30, 2010)	4.00 to 15.11 percent, average, including inflation. Rates vary by membership group.
Long-Term Investment Rate of Return (effective June 30, 1996)	7.50 percent compounded annually, net of investment expense including inflation

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period of July 1, 2002 to June 30, 2012. There were no significant changes of benefit terms.

Mortality rates were based on RP 2000 Blue Collar Combined Healthy table with males set-back two years, females set-forward one year and disableds set-forward one year (male only rates), with no projection of future mortality improvements.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (i.e., expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Large Cap	6.0%
Small Cap	5.8%
International Large Cap	7.0%
Emerging Markets	8.8%
Emerging Market Debt	6.5%
Private Non-Core Real Estate	9.3%
Master Limited Partnerships	8.5%
Private Equity	9.8%
Core Plus Fixed Income	3.8%
Private Core Real Estate	6.8%
Treasury Inflation Protected Securities	2.8%
Tactical Asset Allocation	6.0%

Discount Rate – The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made at 9.4% of covered payroll and the City contributions will be made at rates equal to the difference between actuarially determined rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued MFPRSI financial report which is available on MFPRSI’s website at www.mfprsi.org.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2017, the City reported a liability of \$9,755,815 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all MFPRSI participating employers. At June 30, 2016, the City’s collective proportion was 1.56027 percent which was a decrease of .044289 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the City recognized pension expenses of \$1,318,479. At June 30, 2017 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Results	\$ 251,785	\$ 9,048
Changes of Assumptions	411,896	133,628
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,725,054	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	170,708	183,221
City Contributions Subsequent to the Measurement Date	1,086,753	-
Total	<u>\$ 3,646,196</u>	<u>\$ 325,897</u>

The \$1,086,753 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended June 30,	Total
2018	\$ 330,560
2019	330,560
2020	965,864
2021	591,600
2022	14,962
	<u>\$ 2,233,546</u>

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Discount Rate (7.50%)	1% Increase (8.50%)
City's Proportionate Share of the Net Pension Liability	\$ 15,311,260	\$ 9,755,818	\$ 5,129,319

Payables to the Pension Plan – At June 30, 2017, the City reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to MFPRSI.

(c) Pension Plan – Marshalltown Water Works Supplemental Retirement and Pension Plan

Plan Description – The Water Works maintains the Marshalltown Water Works Supplemental Retirement and Pension Plan, which is a single employer defined benefit plan administered by United Bank and Trust.

The Plan was established by the Marshalltown Water Works' Board of Trustees on September 30, 1953. The Plan was restated and amended on January 1, 2014. The Board of Trustees has the authority to amend the Plan at any time.

Pension Benefits – Employees who retire at or after age 65, or age 62 with 25 years of credited service, are entitled to retirement benefits payable monthly for life. Monthly benefits are equal to 2.12% of the employee's five-year final average salary multiplied by the number of years of consecutive service for the year ended June 30, 2017. Service prior to January 1, 1986 shall be limited to 25 years. Benefits are fully vested on reaching 10 or more years of credited service.

Disability and Death Benefits – A vested member who is awarded federal Social Security disability benefits is eligible to claim Water Works pension benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement and has participated in the plan for 10 or more years prior to death, and is totally vested, the surviving spouse may request a return of the participant's accrued contributions with interest to the date of the participant's death, or may leave the balance in the pension plan and be entitled to a joint and 100% survivor annuity at the time the participant would have become eligible for pension benefits.

Contributions – The Water Works' funding policy provides for employer and employee contributions at actuarially determined rates that are sufficient to accumulate assets to pay benefits when due. The frozen entry age actuarial cost method is used to determine annual plan costs. The employer contribution rate for the year ended June 30, 2017 was 8.93% plus an additional \$4,000 per bi-weekly payroll. The employee contribution rate for the year ended June 30, 2017 was 4.95%. Contributions paid by the Water Works for the year ended June 30, 2017 totaled \$152,140, and the contributions paid by employees totaled \$24,468.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2017, the Water Works reported a net pension liability of \$1,476,868. The net pension liability was measured as of April 1, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that April 1, 2017.

For the year ended June 30, 2017, the Water Works recognized pension expense of \$137,585. At June 30, 2017 Water Works reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Results	\$ 20,167	\$ 2,183
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	28,151	-
Total	<u>\$ 48,318</u>	<u>\$ 2,183</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense as follows:

<u>Years Ending June 30,</u>	<u>Total</u>
2018	\$ 23,357
2019	18,319
2020	11,526
2021	(7,067)
2022	-
	<u>\$ 46,135</u>

Actuarial Assumptions – The total pension liability in the April 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rates of Salary Increase (effective April 1, 2015)	3.00 percent per annum
Long-Term Investment Rate of Return (effective April 1, 2015)	7.00 percent compounded annually

The actuarial assumptions used in the April 1, 2017 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the 1983 Group Annuity Mortality Table.

The long-term expected rate of return on pension plan investments was determined using best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation). These ranges are combined to produce the long-term expected rate of return. The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.93% based on the target allocation of assets summarized in the following table:

<u>Asset Class</u>	<u>Asset Allocation</u>
Large Cap Equity	30.0%
Small Cap Equity	10.0
International Equity	10.0
High Dividend Equity	10.0
Fixed Income	40.0
Total	<u>100.0%</u>

Sensitivity of the Water Works' Net Pension Liability to Changes in the Discount Rate – The following presents the Water Works' net pension liability calculated using the discount rate of 7.0 percent, as well as what the Water Works' net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0 percent) or 1-percentage point higher (8.0 percent) than the current rate.

	1% Decrease (6.0%)	Discount Rate (7.00%)	1% Increase (8.00%)
Water Works' Proportionate Share of the Net Pension Liability	\$ 1,707,914	\$ 1,476,868	\$ 1,278,424

Note 8 - Other Postemployment Benefits

The City implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits other Than Pensions* prospectively during the year ended June 30, 2009.

Plan Description - The City operates a single-employer retiree benefit plan which provides postemployment medical and dental benefits for retirees and their spouses. The Plan does not issue a stand-alone financial report.

Retirees or eligible spouses are required to contribute for their coverage the following percentages of the total premium:

50% if disabled while on duty (police or fire) except disability related expenses are 100% paid by the City,
50% if retiring employee satisfies the rule of 88 or police/fire employee is 55 with 22 years of service,
50% for grandfathered police/fire,
100% for all other including surviving spouses.

To be eligible for the medical and dental insurance coverage, a retiree must be at least 55 years old, or disabled and receiving or eligible to receive a pension under the Iowa Public Employees' Retirement System (IPERS) or the Municipal Fire and Police Retirement System of Iowa (MFPRSI). There are 137 active and 64 retired members in the plan.

Funding Policy - The contribution requirements of plan members are established and may be amended by the City. The City currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation - The City's annual OPEB cost is calculated based on the annual required contribution (ARC) of the City, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the City's annual OPEB cost for the years ended June 30, 2017 and 2016, the amount actually contributed to the plan and changes in the City's net OPEB obligation:

	2017	2016
Normal Cost	\$ 233,665	\$ 192,824
Amortization of UAAL	820,830	325,679
Annual Required Contribution	1,054,495	518,503
Interest on Net OPEB Obligation	169,048	20,740
Adjustment to Annual Required Contribution	(232,783)	(62,408)
Annual OPEB cost	990,760	476,835
Contributions Made	(165,472)	(202,043)
Increase in net OPEB obligation	825,288	274,792
Net OPEB Obligation, Beginning of Year	4,226,211	3,951,419
Net OPEB Obligation, End of Year	\$ 5,051,499	\$ 4,226,211

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2017.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2017, 2016, and 2015, are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contribution	Net OPEB Obligation
June 30, 2017	\$ 990,760	16.70%	\$ 5,051,499
June 30, 2016	476,835	42.37%	4,226,211
June 30, 2015	476,835	5.35%	3,951,419

Funded Status and Funding Progress - As of July 1, 2016, the most recent actuarial valuation date for the period July 1, 2016 through June 30, 2017, the actuarial accrued liability was \$11,671,551, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$11,671,551. The covered payroll (annual payroll of active employees covered by the plan) was \$10,057,832 and the ratio of the UAAL to covered payroll was 116.0%. As of June 30, 2017, there were no trust fund assets.

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumption about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress for the Retiree Health Plan, presented as Required Supplementary Information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2016 actuarial valuation date, the frozen entry age actuarial cost method was used. The actuarial assumptions include a 4% discount rate based on the City's funding policy. The projected annual medical trend rate is 6%. A inflation rate of 0% is assumed for purpose of this computation.

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the City's past experience.

The UAAL is being amortized over 30 years on a closed group basis.

Note 9 - Risk Management

The City is a member in the Iowa Communities Assurance Pool (Pool), as allowed by Chapter 670.7 of the Code of Iowa. The Pool is a local government risk-sharing pool whose 700 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials' liability, police professional liability, property, inland marine, and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses, and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300% of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Pool also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses and reinsurance premiums, all of which are due and payable in the current year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The City's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The City's contributions to the Pool for the year ended June 30, 2017 were \$196,030.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured in an amount not to exceed \$2,650,000 per claim. For members requiring specific coverage from \$3,000,000 to \$15,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location, with excess coverage reinsured by Lexington Insurance Company.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhaust total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The City does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such losses can be reasonably estimated. Accordingly, at June 30, 2017, no liability has been recorded in the City's financial statements. As of June 30, 2017, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given sixty days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their casualty capital contributions. If a member withdraws after the sixth year, the member is refunded 100% of its casualty capital contributions. However, the refund is reduced by an amount equal to the annual casualty operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

The City has established a Group Insurance Benefits Fund for insuring health benefits provided to City employees and covered dependents which is included as an internal service fund. Health benefits were self-insured up to a specific stop-loss amount of \$85,000 and an aggregate stop-loss of approximately \$2,690,030 for 2017. Coverage from a private insurance company is maintained for losses in excess of the aggregate stop-loss amount. All claims handling procedures are performed by a third-party claims administrator. Reported claims as of June 30, 2017, as well as incurred but not reported claims, have been accrued as a liability based upon the claims administrator's estimate and are included in accounts payable. The liability does not include any allocated or unallocated claim adjustment expenses.

All operating funds of the City participate in the program and make payments to the Group Insurance Benefits Fund based on actuarial estimates of the amounts needed to pay prior and current year claims.

The City has established an Occupational Insurance Benefits Fund to self-insure for workers' compensation benefits for all currently employed police officers and firefighters and police officers and firefighters who have retired due to an accidental disability prior to December 1992, in accordance with Chapter 411.15 of the Code of Iowa. The General Fund is charged for benefits paid to police officers and firefighters by the Occupational Insurance Benefits Fund, which is also accounted for as an internal service fund. Reported claims as of June 30, 2017, as well as incurred but not reported claims, have been accrued as a liability based upon the City's best estimate and are included in accounts payable. The liability does not include any allocated or unallocated claim adjustment expenses. There is no stop-loss insurance for this coverage.

The claims liabilities of \$272,641 in the Group Insurance Benefits Fund and \$1,048 in the Occupational Insurance Benefits Fund are based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The entire amounts will be paid within one year of year-end.

Changes in reported liabilities for the fiscal years ended June 30, 2017 and 2016, are summarized as follows:

	Group Insurance Benefits Fund	Occupational Insurance Benefits Fund
Liabilities as of June 30, 2015	\$ 332,293	\$ 3,007
Claims and Changes in Estimates During Fiscal Year 2016	2,112,780	31,664
Claim Payments	<u>(2,234,531)</u>	<u>(31,920)</u>
Liabilities as of June 30, 2016	210,542	2,751
Claims and Changes in Estimates During Fiscal Year 2017	2,011,711	126,493
Claim Payments	<u>(1,949,612)</u>	<u>(128,196)</u>
Liabilities as of June 30, 2017	<u><u>\$ 272,641</u></u>	<u><u>\$ 1,048</u></u>

Note 10 - Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all regular City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees, until termination, retirement, death, or unforeseeable emergency. The plan complies with IRC Section 457(g), which allows for the plan to hold its assets in trust. Under these requirements, the City does not own the amount deferred by employees and, therefore, the liability and corresponding investment are not reflected in the financial statements.

During this fiscal year, the City also made payroll IRAs available to its employees in accordance with Internal Revenue Code Section 401. This plan is also available to all regular City employees. Participation is optional and withdrawals are governed by current IRS regulations.

Note 11 - Commitments

The City has recognized as a liability only that portion of construction contracts representing construction completed through June 30, 2017. The City has additional commitments for signed construction contracts of approximately \$2,729,649 as of June 30, 2017, to be paid as work on the projects progresses.

Note 12 - Major Customer

The financial statements of the Water Pollution Control Enterprise Fund include sales and receivables from Swift and Company, a major customer, of \$2,689,377 and \$224,380, respectively.

Note 13 - Litigation

The City is a defendant in several claims and lawsuits. In the opinion of the City Attorney and management, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Note 14 - Deficit Balances

At June 30, 2017, funds with deficit balances were as follows:

Special Revenue Funds - Grant Fund	\$ 22,474
Capital Projects Funds - Airports Projects Fund	34,105
Capital Projects Funds - Culture & Recreation Projects Fund	42,226
Internal Service Funds - Occupational Insurance Benefits Fund	1,898

These deficit balances will be recovered through future grant funding and through internal service charges.

Note 15 - Tax Abatements

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City provides tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Chapters 15A and 403 of the Code of Iowa. For these types of projects, the City enters into agreements with developers which require the City, after developers meet the terms of the agreements, to rebate a portion of the property tax paid by the developers, to pay the developers an economic development grant or to pay the developers a predetermined dollar amount. No other commitments were made by the City as part of these agreements.

For the year ended June 30, 2017, the City did not abate property tax under the urban renewal and economic development projects. Property tax revenues of the City were not reduced under agreements entered into by other entities for the year ended June 30, 2017.

Note 16 - Subsequent Events

On September 11, 2017 the City of Marshalltown issued General Obligation Municipal Building Bonds, Series 2017 in the amount of \$12,720,000. The bonds were issued to finance the construction, furnishing and equipping of a facility for the joint use of the municipal police and fire departments, including construction of related infrastructure improvements and acquiring real estate. The City maintained their Aa2 bond rating for the sale of these bonds. The interest rate on the bonds is 3%, with a maturity date of June 1, 2037.

Required Supplementary Information
June 30, 2017

City of Marshalltown

City of Marshalltown
Required Supplementary Information
Schedule of Funding Progress for the Retiree Benefit Plan

Schedule of Funding Progress						
Actuarial Valuation Date	Fair Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
July 1, 2016	\$ -	\$ 11,671,551	\$ 11,671,551	0.00%	\$ 10,057,832	116.0%
July 1, 2014	-	5,856,914	5,856,914	0.00%	9,663,341	60.6%
July 1, 2012	-	5,687,909	5,687,909	0.00%	9,331,501	61.0%

See Note 8 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, funded status and funding progress.

City of Marshalltown
Required Supplementary Information
Budgetary Comparison Schedule of Receipts, Disbursements, and
Changes in Balances – Budget and Actual (Cash Basis)
Governmental Funds and Enterprise Funds
Year Ended June 30, 2017

	Actual			Budgeted Amounts		Final to
	Governmental Funds	Enterprise Funds	Total	Original Budget	Final Budget	Actual Variance
Receipts						
Property taxes	\$ 11,098,786	\$ -	11,098,786	\$ 11,100,009	\$ 11,100,009	\$ (1,223)
TIF revenues	439,671	-	439,671	502,248	502,248	(62,577)
Other city taxes	6,381,371	-	6,381,371	4,937,768	6,127,230	254,141
Licenses and permits	249,742	8,857	258,599	265,125	260,625	(2,026)
Use of money and property	196,939	127,844	324,783	148,210	196,143	128,640
Intergovernmental	9,164,610	359,756	9,524,366	10,100,702	10,497,207	(972,841)
Charges for service	1,037,673	8,519,745	9,557,418	8,681,743	8,732,439	824,979
Special assessments	10,406	-	10,406	22,206	32,206	(21,800)
Miscellaneous	914,281	124,865	1,039,146	324,600	653,664	385,482
Other financing sources	7,184,068	3,108,826	10,292,894	2,900,000	18,532,445	(8,239,551)
Total receipts	<u>36,677,547</u>	<u>12,249,893</u>	<u>48,927,440</u>	<u>38,982,611</u>	<u>56,634,216</u>	<u>(7,706,776)</u>
Disbursements						
Public safety	9,547,971		9,547,971	9,313,399	9,849,923	301,952
Public works	3,534,985		3,534,985	4,015,593	4,045,779	510,794
Health and social services	1,290,082		1,290,082	1,651,699	1,280,394	(9,688)
Culture and recreation	2,907,125		2,907,125	3,320,411	3,065,183	158,058
Community and economic development	1,831,118		1,831,118	1,485,750	1,920,906	89,788
General government	1,478,843		1,478,843	1,837,625	1,948,400	469,557
Debt service	3,124,527		3,124,527	3,091,413	3,191,461	66,934
Capital projects	6,608,920	-	6,608,920	3,475,376	9,049,750	2,440,830
Business-type activities	-	12,519,064	12,519,064	12,587,369	25,519,319	13,000,255
Total disbursements	<u>30,323,571</u>	<u>12,519,064</u>	<u>42,842,635</u>	<u>40,778,635</u>	<u>59,871,115</u>	<u>17,028,480</u>
Excess (deficiency) of receipts over (under) disbursements	<u>6,353,976</u>	<u>(269,171)</u>	<u>6,084,805</u>	<u>(1,796,024)</u>	<u>(3,236,899)</u>	<u>9,321,704</u>
Transfers						
Transfers in	10,887,712	483,518	11,371,230	8,876,230	11,253,644	(117,586)
Transfers out	(9,852,036)	(1,519,194)	(11,371,230)	(8,876,230)	(11,253,644)	117,586
Total transfers	<u>1,035,676</u>	<u>(1,035,676)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	7,389,652	(1,304,847)	6,084,805	(1,796,024)	(3,236,899)	9,321,704
Fund Balances, Beginning	<u>16,524,519</u>	<u>14,882,567</u>	<u>31,407,086</u>	<u>27,371,938</u>	<u>33,856,541</u>	<u>(2,449,455)</u>
Fund Balances, Ending	<u>\$ 23,914,171</u>	<u>\$ 13,577,720</u>	<u>\$ 37,491,891</u>	<u>\$ 25,575,914</u>	<u>\$ 30,619,642</u>	<u>\$ 6,872,249</u>

City of Marshalltown
Required Supplementary Information
Budgetary Comparison Schedule – Budget to GAAP Reconciliation
Year Ended June 30, 2017

	Governmental Funds			Proprietary Funds Enterprise		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis	Cash Basis	Accrual Adjustments	Accrual Basis
Revenues	\$ 36,677,547	\$ (773,667)	\$ 35,903,880	\$ 12,249,893	\$ (2,553,029)	\$ 9,696,864
Expenditures/Expenses	30,323,571	753,433	31,077,004	12,519,064	(5,041,851)	7,477,213
Net	6,353,976	(1,527,100)	4,826,876	(269,171)	2,488,822	2,219,651
Transfers	1,035,676	-	1,035,676	(1,035,676)	-	(1,035,676)
Beginning Fund Balances/ Net Position	16,524,519	1,275,741	17,800,260	14,882,567	33,659,535	48,542,102
Ending Fund Balances/ Net Position	<u>\$ 23,914,171</u>	<u>\$ (251,359)</u>	<u>\$ 23,662,812</u>	<u>\$ 13,577,720</u>	<u>\$ 36,148,357</u>	<u>\$ 49,726,077</u>

The budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the City Council annually adopts a budget on the cash basis following required public notice and hearing for all funds except internal service funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon nine (9) major classes of disbursements known as functions, not by fund or fund type. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects and business-type activities. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, the Debt Service Fund, Capital Projects Funds and Enterprise Funds. Although the budget document presents function disbursements by fund type, the legal level of control is at the aggregated function level, not by fund. During the year, one budget amendment was prepared with the required public hearing. The amendments increased budgeted disbursements by \$19,092,480.

At June 30, 2017, disbursements exceeded the amended budget amounts in the health and social services function. Additionally, before the budget was amended, disbursements exceeded the original amount budgeted for the capital projects function.

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City of Marshalltown
Required Supplementary Information
Schedule of City's Proportionate Share of Net Pension Liability
Iowa Public Employees' Retirement System – IPERS

Fiscal Year Ended	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered payroll	City's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2017	0.0816%	\$ 5,044,545	\$ 5,772,452	87.39%	81.82%
2016	0.0827%	4,109,324	5,714,192	71.91%	85.19%
2015	0.0828%	3,349,191	5,521,483	60.66%	87.61%

See accompanying notes to required supplementary information.

Note: GASB Statement No.68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

City of Marshalltown
Required Supplementary Information
Schedule of City Contributions
Iowa Public Employees' Retirement System – IPERS

Fiscal Year Ended	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2017	\$ 518,532	\$ 518,532	\$ -	\$ 5,806,629	8.93%
2016	515,480	515,480	-	5,772,452	8.93%
2015	510,213	510,213	-	5,714,192	8.93%
2014	493,003	493,003	-	5,521,483	8.93%
2013	471,574	471,574	-	5,462,753	8.63%
2012	422,426	422,426	-	5,234,876	8.07%
2011	359,543	359,543	-	5,173,124	6.95%
2010	336,261	336,261	-	5,056,637	6.65%
2009	305,547	305,547	-	4,808,928	6.35%
2008	277,631	277,631	-	4,590,139	6.05%

City of Marshalltown
Required Supplementary Information
Schedule of Water Works' Proportionate Share of Net Pension Liability
Iowa Public Employees' Retirement System – IPERS

Fiscal Year Ended	Water Works' proportion of the net pension liability	Water Works' proportionate share of the net pension liability	Water Works' covered payroll	Water Works' proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2017	0.0073%	\$ 462,143	\$ 526,989	87.69%	81.82%
2016	0.0073%	362,120	502,146	72.11%	85.19%
2015	0.0075%	298,746	492,923	60.61%	87.61%

Note: GASB Statement No.68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

City of Marshalltown
Required Supplementary Information
Schedule of Water Works Contributions
Iowa Public Employees' Retirement System – IPERS

Fiscal Year Ended	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Water Works' Covered Payroll	Contributions as a Percentage of Covered Payroll
2017	\$ 47,683	\$ 47,683	-	\$ 533,963	8.93%
2016	47,060	47,060	-	526,989	8.93%
2015	44,842	44,842	-	502,146	8.93%
2014	44,018	44,018	-	492,923	8.93%
2013	41,028	41,028	-	473,218	8.67%
2012	36,382	36,382	-	450,830	8.07%
2011	30,686	30,686	-	441,525	6.95%
2010	28,064	28,064	-	422,015	6.65%
2009	25,865	25,865	-	407,323	6.35%
2008	23,482	23,482	-	388,132	6.05%

Changes of benefit terms

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3 percent per year measured from the member's first unreduced retirement age to a 6 percent reduction for each year of the retirement before age 65.

In 2008, legislative action transferred four groups – emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits was lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained at 22 or more. Their contribution rates were also changed to be shared 50-50 by the employee and employer, instead of the previous 40-60 split.

Changes of assumptions

The 2014 valuation implemented the following retirements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25 percent to 3.00 percent
- Decreased the assumed rate of interest on member account from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study.

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

City of Marshalltown
Required Supplementary Information
Schedule of City's Proportionate Share of Net Pension Liability
Municipal Fire and Police Retirement System of Iowa - MFPRSI

Fiscal Year Ended	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered payroll	City's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2017	1.5602%	\$ 9,755,815	\$ 4,229,147	230.68%	78.20%
2016	1.5160%	7,122,296	3,975,266	179.17%	83.04%
2015	1.5611%	5,658,798	3,987,282	141.92%	86.27%

Note: GASB Statement No.68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

City of Marshalltown
Required Supplementary Information
Schedule of City Contributions
Municipal Fire and Police Retirement System of Iowa – IPERS

Fiscal Year Ended	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2017	\$ 1,086,753	\$ 1,086,753	-	\$ 4,192,720	25.92%
2016	1,174,434	1,174,434	-	4,229,147	27.77%
2015	1,208,879	1,208,879	-	3,975,266	30.41%
2014	1,200,723	1,200,723	-	3,987,282	30.11%
2013	1,025,722	1,025,722	-	3,908,165	26.25%
2012	950,492	950,492	-	3,838,823	24.76%
2011	736,174	736,174	-	3,699,363	19.90%
2010	616,553	616,553	-	3,626,678	17.00%
2009	655,955	655,955	-	3,498,435	18.75%
2008	862,919	862,919	-	3,386,660	25.48%

Notes to Required Supplementary Information – Pension Liability:

Changes of benefit terms: There were no significant changes of benefit terms.

Changes of assumptions: Effective July 1, 2014, two additional steps to phase in the 1994 Group Annuity Mortality Table for post-retirement mortality. The two additional steps result in a weighting of 2/12 of the 1971 Group Annuity Mortality Table and 10/12 of the 1994 Group Annuity Mortality Table.

City of Marshalltown
Required Supplementary Information
Schedule of Water Works' Net Pension Liability
Supplemental Retirement and Pension Plan

Fiscal Year Ended	Water Works' proportionate share of the net pension liability	Water Works' covered payroll	Water Works' proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2017	\$ 1,476,868	\$ 499,157	295.87%	45.72%
2016	1,547,805	462,980	334.31%	44.16%
2015	1,471,746	483,147	304.62%	46.85%

The amounts presented for each fiscal year were determined as of April 1.

Note: GASB Statement No. 67 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Water Works will present information for those years for which information is available.

City of Marshalltown
Required Supplementary Information
Schedule of Water Works Contributions
Supplemental Retirement and Pension Plan

Fiscal Year Ended	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2017	\$ 152,140	\$ 152,140	-	\$ 499,157	30.48%
2016	119,344	119,344	-	462,980	25.78%
2015	121,145	121,145	-	483,147	25.07%
2014	122,357	122,357	-	500,366	24.45%
2013	117,189	117,189	-	478,884	24.47%
2012	112,779	112,779	-	479,708	23.51%
2011	111,885	111,885	-	470,579	23.78%
2010	114,091	114,091	-	547,402	20.84%
2009	91,232	91,232	-	543,736	16.78%
2008	34,708	34,708	-	514,193	6.75%

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Other Supplementary Information
June 30, 2017

City of Marshalltown

Special Revenue Funds

E-911 Surcharge – To account for activity associated with the E911 Joint Services Board.

Grant Fund – To account for various state and federal grant activities.

Special Contributions – To reflect activities associated with donations and special contributions to various City departments.

Tax Increment Financing – To account for revenue taxes levied for specific uses within the designated district. Specific uses may include the construction of infrastructure and payments associated with debt and other development agreements.

Other – To account for other various revenues, seized assets, City tort liability, special assessments and economic development gift funding.

Capital Projects Funds

Airport Projects – To account for ongoing projects at the municipal airport.

Culture and Recreation Projects – To account for resources used in the acquisition and construction of capital facilities and other capital assets associated with the City's culture and recreation function.

	Special	
	E-911 Surcharge	Grant Fund
Assets		
Cash and cash equivalents	\$ 530,418	\$ -
Receivables		
Property taxes		
Delinquent	-	-
Accounts and unbilled usage	-	-
Due from other governments	79,678	31,717
Prepaid items	17,887	192
Total assets	<u>\$ 627,983</u>	<u>\$ 31,909</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities		
Accounts payable	\$ 1,317	\$ 1,451
Accrued payroll and payroll benefits	-	4,038
Retainage payable	-	-
Due to other governments	-	10,312
Due to other funds	-	25,874
Total liabilities	<u>1,317</u>	<u>41,675</u>
Deferred Inflows of Resources		
Unavailable revenue- other	-	-
Unavailable revenue- Intergovernmental	-	12,708
Total deferred inflows of resources	<u>-</u>	<u>12,708</u>
Fund Balances		
Nonspendable	17,887	192
Restricted	608,779	-
Unassigned	-	(22,666)
Total fund balances	<u>626,666</u>	<u>(22,474)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 627,983</u>	<u>\$ 31,909</u>

City of Marshalltown
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017

Revenue Funds			Capital Projects Funds		Total Nonmajor Governmental Funds
Special Contributions	Tax Increment Financing	Other	Airport Projects	Culture and Recreation Projects	
\$ 310,342	\$ 936,710	\$ 196,361	\$ -	\$ 93,698	\$ 2,067,529
-	5,789	-	-	-	5,789
130	-	67,544	-	-	67,674
-	802	-	44,781	119,594	276,572
603	-	2,267	-	-	20,949
<u>\$ 311,075</u>	<u>\$ 943,301</u>	<u>\$ 266,172</u>	<u>\$ 44,781</u>	<u>\$ 213,292</u>	<u>\$ 2,438,513</u>
\$ 23,609	\$ -	\$ 2,538	\$ -	\$ 120,421	\$ 149,336
469	-	-	-	-	4,507
-	-	-	-	15,503	15,503
-	-	-	-	-	10,312
-	-	-	78,886	-	104,760
<u>24,078</u>	<u>-</u>	<u>2,538</u>	<u>78,886</u>	<u>135,924</u>	<u>284,418</u>
-	-	53,821	-	-	53,821
-	-	-	-	119,594	132,302
-	-	53,821	-	119,594	186,123
603	-	2,267	-	-	20,949
286,394	943,301	207,546	-	-	2,046,020
-	-	-	(34,105)	(42,226)	(98,997)
<u>286,997</u>	<u>943,301</u>	<u>209,813</u>	<u>(34,105)</u>	<u>(42,226)</u>	<u>1,967,972</u>
<u>\$ 311,075</u>	<u>\$ 943,301</u>	<u>\$ 266,172</u>	<u>\$ 44,781</u>	<u>\$ 213,292</u>	<u>\$ 2,438,513</u>

	Special	
	E-911 Surcharge	Grant Fund
Revenues		
TIF revenues	\$ -	\$ -
Other city taxes	317,829	-
Use of money and property	2,149	9,783
Intergovernmental	-	153,828
Charges for service	-	-
Miscellaneous	363	116,471
Total revenues	320,341	280,082
Expenditures		
Current		
Public safety	185,968	314,378
Public works	-	-
Health and social services	-	-
Culture and recreation	-	25,225
Community and economic development	-	8,135
Total expenditures	185,968	347,738
Excess of revenues (expenditures) over expenditures (revenues)	134,373	(67,656)
Other Financing Sources (Uses)		
General obligation bonds issued	-	142,430
Transfers out	-	-
Total other financing sources (uses)	-	142,430
Net Change in Fund Balances	134,373	74,774
Fund Balances (Deficit) - Beginning	492,293	(97,248)
Fund Balances (Deficit) - Ending	\$ 626,666	\$ (22,474)

City of Marshalltown
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (Deficit)
Nonmajor Governmental Funds
Year Ended June 30, 2017

Revenue Funds			Capital Projects Funds		Total Nonmajor Governmental Funds
Special Contributions	Tax Increment Financing	Other	Airport Projects	Culture and Recreation Projects	
\$ -	\$ 435,098	\$ -	\$ -	\$ -	\$ 435,098
-	-	-	-	-	317,829
2,113	4,518	1,240	-	559	20,362
70,445	58,396	-	142,836	316,893	742,398
16,172	-	-	-	-	16,172
307,640	-	78,959	-	2,000	505,433
396,370	498,012	80,199	142,836	319,452	2,037,292
23,961	-	52,714	-	-	577,021
-	-	1,906	80,001	-	81,907
-	-	5,000	-	-	5,000
287,090	-	28,715	-	448,839	789,869
-	74,000	-	-	3,240	85,375
311,051	74,000	88,335	80,001	452,079	1,539,172
85,319	424,012	(8,136)	62,835	(132,627)	498,120
-	-	-	-	-	142,430
-	(252,461)	(8,000)	-	-	(260,461)
-	(252,461)	(8,000)	-	-	(118,031)
85,319	171,551	(16,136)	62,835	(132,627)	380,089
201,678	771,750	225,949	(96,940)	90,401	1,587,883
\$ 286,997	\$ 943,301	\$ 209,813	\$ (34,105)	\$ (42,226)	\$ 1,967,972

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Nonmajor Enterprise Funds

Compost Facility – To account for the operation and maintenance of the City’s facility for yard wastes. Services are supported primarily by user charges.

Bus Transit – To account for the City’s mass transit operations. Services are supported primarily from transit property taxes accounted for and transferred from the General Fund, intergovernmental revenues, and user charges.

Recreation Concessions – To account for the concessions activity of the municipal swimming pool. Services are supported by user fees.

City of Marshalltown
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2017

	Compost Facility	Bus Transit	Recreation Concessions	Total Nonmajor Enterprise Funds
Assets				
Current assets				
Cash and cash equivalents	\$ 179,367	\$ 117,704	\$ 10,326	\$ 307,397
Receivables				
Accounts and unbilled usage	1,354	1,403		2,757
Due from other governments	-	22,054	-	22,054
Inventories	6,930	-	-	6,930
Prepaid items	663	18,817	212	19,692
Total current assets	<u>188,314</u>	<u>159,978</u>	<u>10,538</u>	<u>358,830</u>
Noncurrent assets				
Capital assets				
Land	10,437	-	-	10,437
Land improvements	235,361	7,735	-	243,096
Buildings and structures	26,919	677,129	-	704,048
Equipment and vehicles	85,947	1,562,504	-	1,648,451
Accumulated depreciation	(310,208)	(1,152,722)	-	(1,462,930)
Total noncurrent assets	<u>48,456</u>	<u>1,094,646</u>	<u>-</u>	<u>1,143,102</u>
Total assets	<u>236,770</u>	<u>1,254,624</u>	<u>10,538</u>	<u>1,501,932</u>
Deferred Outflows of Resources				
Pension related deferred outflows	<u>5,519</u>	<u>78,400</u>	<u>917</u>	<u>84,836</u>
Liabilities				
Current liabilities				
Accounts payable	181	5,530	5,576	11,287
Accrued payroll and payroll benefits	1,189	8,607	1,507	11,303
Due to other governments	-	3,742	-	3,742
Compensated absences	290	7,844	-	8,134
Total current liabilities	<u>1,660</u>	<u>25,723</u>	<u>7,083</u>	<u>34,466</u>
Noncurrent liabilities				
Compensated absences	3,809	22,573	-	26,382
Net OPEB liability	-	36,877	-	36,877
Net pension liability	20,488	291,067	3,405	314,960
Total noncurrent liabilities	<u>24,297</u>	<u>350,517</u>	<u>3,405</u>	<u>378,219</u>
Total liabilities	<u>25,957</u>	<u>376,240</u>	<u>10,488</u>	<u>412,685</u>
Deferred Inflows of Resources				
Pension related deferred inflows	<u>716</u>	<u>10,168</u>	<u>119</u>	<u>11,003</u>
Net Position				
Net investment in capital assets	48,456	1,094,646	-	1,143,102
Unrestricted	<u>167,160</u>	<u>(148,030)</u>	<u>848</u>	<u>19,978</u>
Total net position	<u>\$ 215,616</u>	<u>\$ 946,616</u>	<u>\$ 848</u>	<u>\$ 1,163,080</u>

City of Marshalltown
Combining Statement of Revenues, Expenditures
and Changes in Fund Net Position
Nonmajor Enterprise Funds
Year Ended June 30, 2017

	Compost Facility	Bus Transit	Recreation Concessions	Total Nonmajor Enterprise Funds
Operating Revenues				
Charges for service	75,798	73,342	37,778	186,918
Operating Expenses				
Salaries and benefits	67,349	474,054	21,329	562,732
Services and supplies	8,631	224,098	25,184	257,913
Depreciation	12,189	139,107	-	151,296
Total operating expenses	88,169	837,259	46,513	971,941
Operating loss	(12,371)	(763,917)	(8,735)	(785,023)
Nonoperating Revenues (Expenses)				
Federal and state grants	-	381,810	-	381,810
Interest income	858	502	53	1,413
Loss on disposal of fixed assets	-	(15,593)	-	(15,593)
Net nonoperating revenues	858	366,719	53	367,630
Loss before transfers	(11,513)	(397,198)	(8,682)	(417,393)
Transfers in	-	175,517	-	175,517
Change in Net Position	(11,513)	(221,681)	(8,682)	(241,876)
Net Position - Beginning	227,129	1,168,297	9,530	1,404,956
Net Position - Ending	\$ 215,616	\$ 946,616	\$ 848	\$ 1,163,080

City of Marshalltown
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2017

	Compost Facility	Bus Transit	Recreation Concessions	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities				
Cash received from customers	\$ 75,398	\$ 72,121	\$ 37,980	\$ 185,499
Cash payments to suppliers for goods and services	(11,050)	(223,915)	(23,290)	(258,255)
Cash payments to employees for services	(58,908)	(454,807)	(21,181)	(534,896)
Net Cash provided by (used for) Operating Activities	5,440	(606,601)	(6,491)	(607,652)
Cash Flows from Noncapital Financing Activities				
Transfers from other funds	-	175,517	-	175,517
Grants received	-	359,756	-	359,756
Net Cash Provided by Noncapital Financing Activities	-	535,273	-	535,273
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	-	100	-	100
Cash Flows from Investing Activities				
Interest received on investment securities	858	502	53	1,413
Net Increase (Decrease) in Cash and Cash Equivalents	6,298	(70,726)	(6,438)	(70,866)
Cash and Cash Equivalents, Beginning	173,069	188,430	16,764	378,263
Cash and Cash Equivalents, Ending	\$ 179,367	\$ 117,704	\$ 10,326	\$ 307,397

City of Marshalltown
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2017

	Compost Facility	Bus Transit	Recreation Concessions	Total Nonmajor Enterprise Funds
Reconciliation of Operating Loss to Net Cash provided by (used for) Operating Activities				
Operating loss	\$ (12,371)	\$ (763,917)	\$ (8,735)	\$ (785,023)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities				
Depreciation	12,189	139,107	-	151,296
Changes in assets, deferred outflows, liabilities, and deferred inflows				
Decrease (increase) in receivables	(400)	(1,221)	202	(1,419)
Increase in inventories and prepaid items	(2,152)	(1,020)	(113)	(3,285)
Increase (decrease) in accounts payable	(267)	(2,539)	2,007	(799)
Increase in accrued liabilities	555	7,369	430	8,354
Increase in due to other governments	-	3,742	-	3,742
Increase in net OPEB liability	-	6,025	-	6,025
Increase in net pension liability	8,728	56,055	173	64,956
Increase in deferred outflows	(1,558)	(40,512)	(521)	(42,591)
Increase (decrease) in deferred inflows	716	(9,690)	66	(8,908)
Total adjustments	17,811	157,316	2,244	177,371
Net Cash provided by (used for) Operating Activities	\$ 5,440	\$ (606,601)	\$ (6,491)	\$ (607,652)

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Internal Service Funds

Group Insurance Benefits – To account for employee health insurance premiums and claim payments.

Occupational Insurance Benefits – To account for medical claims associated with work related injuries and disabled policemen and firemen.

Workmen's Compensation Deductible – To account for workmen's compensation deductible insurance claims.

City of Marshalltown
Combining Statement of Net Position
Internal Service Funds
June 30, 2017

	Group Insurance Benefits	Occupational Insurance Benefits	Workmen's Compensation Deductible	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 2,654,384	\$ -	\$ 37,320	\$ 2,691,704
Receivables				
Accounts	9,734	-	-	9,734
Due from other funds	850	-	-	850
Total current assets	2,664,968	-	37,320	2,702,288
Liabilities				
Current liabilities				
Accounts payable	272,641	1,048	-	273,689
Deposits payable	155,678	-	-	155,678
Due to other funds	-	850	-	850
Total current liabilities	428,319	1,898	-	430,217
Total net position - unrestricted	\$ 2,236,649	\$ (1,898)	\$ 37,320	\$ 2,272,071

City of Marshalltown
Combining Statement of Revenues, Expenses, and
Changes in Fund Net Position
Internal Service Funds
Year Ended June 30, 2017

	Group Insurance Benefits	Occupational Insurance Benefits	Workmen's Compensation Deductible	Total
Operating Revenues				
Charges for service	\$ 2,150,196	\$ -	\$ -	\$ 2,150,196
Miscellaneous	462,777	20,000	-	482,777
Total operating revenues	2,612,973	20,000	-	2,632,973
Operating Expenses				
Claims paid	2,011,711	126,493	416	2,138,620
Health insurance premiums	399,920	6,805	-	406,725
Miscellaneous	206,982	-	30	207,012
Total operating expenses	2,618,613	133,298	446	2,752,357
Operating loss	(5,640)	(113,298)	(446)	(119,384)
Nonoperating Revenues				
Interest income	23,558	232	182	23,972
Change in Net Position	17,918	(113,066)	(264)	(95,412)
Net Position - Beginning	2,218,731	111,168	37,584	2,367,483
Net Position - Ending	\$ 2,236,649	\$ (1,898)	\$ 37,320	\$ 2,272,071

City of Marshalltown
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2017

	Group Insurance Benefits	Occupational Insurance Benefits	Workmen's Compensation Deductible	Total
Cash Flows from Operating Activities				
Cash received from customers	\$ 2,167,759	\$ -	\$ -	\$ 2,167,759
Cash payments to suppliers for goods and services	(2,556,514)	(135,001)	(446)	(2,691,961)
Other operating receipts	462,777	20,000	-	482,777
Net Cash from (used for) Operating Activities	74,022	(115,001)	(446)	(41,425)
Cash Flows from Noncapital				
Financing Activities				
Decrease in due from other funds	(850)	-	-	(850)
Increase in due to other funds	-	850	-	850
Net Cash provided by (used for) Noncapital Financing Activities	(850)	850	-	-
Cash Flows from Investing Activities				
Interest received on investment securities	23,558	232	182	23,972
Net Increase (Decrease) in Cash and Cash Equivalents	96,730	(113,919)	(264)	(17,453)
Cash and Cash Equivalents, Beginning	2,557,654	113,919	37,584	2,709,157
Cash and Cash Equivalents, Ending	<u>\$ 2,654,384</u>	<u>\$ -</u>	<u>\$ 37,320</u>	<u>\$ 2,691,704</u>
Reconciliation of Operating Income (Loss) to Net Cash from (used for) Operating Activities				
Operating loss	\$ (5,640)	\$ (113,298)	\$ (446)	\$ (119,384)
Changes in assets and liabilities				
Decrease in receivables	9,041	-	-	9,041
Increase (decrease) in accounts payable	62,099	(1,703)	-	60,396
Increase in deposits payable	8,522	-	-	8,522
Total	79,662	(1,703)	-	77,959
Net Cash provided from (used for) Operating Activities	<u>\$ 74,022</u>	<u>\$ (115,001)</u>	<u>\$ (446)</u>	<u>\$ (41,425)</u>

Fiduciary Funds

Agency funds are used to account for funds where the City acts as custodian. Agency funds include:

Payroll Fund – For the internal accounting of payroll and associated liability payments.

Sleuth User Group – To account for membership fees and operations for public safety user group.

Surety Bonds/Deposits – To account for developer's deposits for construction inspections required by the City.

Other – To account for other miscellaneous activities associated with City agencies.

City of Marshalltown
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Payroll Fund				
Assets				
Cash and cash equivalents	\$ 238,480	\$ 36,776,760	\$ 37,015,240	\$ -
Prepaid items	32,546	22,223	32,546	22,223
	<u>\$ 271,026</u>	<u>\$ 36,798,983</u>	<u>\$ 37,047,786</u>	<u>\$ 22,223</u>
Total assets				
	<u>\$ 271,026</u>	<u>\$ 36,798,983</u>	<u>\$ 37,047,786</u>	<u>\$ 22,223</u>
Liabilities				
Accrued payroll and benefits	\$ 238,000	\$ 36,777,240	\$ 37,015,240	\$ -
Accounts Payable	480	-	480	-
Due to City	32,546	22,223	32,546	22,223
	<u>\$ 271,026</u>	<u>\$ 36,799,463</u>	<u>\$ 37,048,266</u>	<u>\$ 22,223</u>
Total liabilities				
	<u>\$ 271,026</u>	<u>\$ 36,799,463</u>	<u>\$ 37,048,266</u>	<u>\$ 22,223</u>
Sleuth User Group				
Assets				
Cash and cash equivalents	\$ 14,909	\$ 63	\$ -	\$ 14,972
	<u>\$ 14,909</u>	<u>\$ 63</u>	<u>\$ -</u>	<u>\$ 14,972</u>
Liabilities				
Due to Sleuth User Group	\$ 14,909	\$ 63	\$ -	\$ 14,972
	<u>\$ 14,909</u>	<u>\$ 63</u>	<u>\$ -</u>	<u>\$ 14,972</u>
Surety Bonds/Deposits				
Assets				
Cash and cash equivalents	\$ 1,247	\$ 1,501	\$ 1,247	\$ 1,501
	<u>\$ 1,247</u>	<u>\$ 1,501</u>	<u>\$ 1,247</u>	<u>\$ 1,501</u>
Liabilities				
Due to City	\$ 1,247	\$ 1,501	\$ 1,247	\$ 1,501
	<u>\$ 1,247</u>	<u>\$ 1,501</u>	<u>\$ 1,247</u>	<u>\$ 1,501</u>

City of Marshalltown
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Other				
Assets				
Cash and cash equivalents	\$ 3,058	\$ 2,424	\$ 3,959	\$ 1,523
Liabilities				
Due to other governments	\$ 3,058	\$ 2,424	\$ 3,959	\$ 1,523
All Agency Funds				
Assets				
Cash and cash equivalents	\$ 257,694	\$ 36,780,748	\$ 37,020,446	\$ 17,996
Prepaid items	32,546	22,223	32,546	22,223
Total assets	\$ 290,240	\$ 36,802,971	\$ 37,052,992	\$ 40,219
Liabilities				
Accounts payable	\$ 480	\$ -	\$ 480	\$ -
Accrued payroll and benefits	238,000	36,777,240	37,015,240	-
Due to Sleuth User Group	14,909	63	-	14,972
Due to City	33,793	23,724	33,793	23,724
Due to other governments	3,058	2,424	3,959	1,523
Total liabilities	\$ 290,240	\$ 36,803,451	\$ 37,053,472	\$ 40,219

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Long-Term Debt
June 30, 2017

City of Marshalltown

City of Marshalltown
Schedule of Bond Maturities
June 30, 2017

Issue	Year Ending June 30,	Interest Rates	Interest	Principal
Governmental Activities				
General Obligation				
2009A Essential corporate purpose refunding bonds issued May 1, 2009	2018	3.00%	<u>\$ 9,000</u>	<u>\$ 300,000</u>
			<u>9,000</u>	<u>300,000</u>
2011B Essential corporate purpose, issued October 26, 2011	2018	1.45%	38,177	145,000
	2019	1.65%	36,075	150,000
	2020	1.90%	33,600	155,000
	2021	2.05%	30,655	160,000
	2022	2.20%	27,375	165,000
	2023	2.35%	23,745	170,000
	2024	2.45%	19,750	175,000
	2025	2.60%	15,463	180,000
	2026	2.75%	10,782	190,000
	2027	2.85%	5,558	195,000
			<u>241,180</u>	<u>1,685,000</u>

City of Marshalltown
Schedule of Bond Maturities
June 30, 2017

Issue	Year Ending June 30,	Interest Rates	Interest	Principal
Governmental Activities (continued)				
General Obligation (continued)				
2012A Essential corporate purpose, issued April 12, 2012	2018	1.00%	\$ 78,437	\$ 350,000
	2019	1.25%	74,938	400,000
	2020	1.50%	69,937	400,000
	2021	1.75%	63,938	400,000
	2022	2.00%	56,938	425,000
	2023	2.00%	48,437	425,000
	2024	2.25%	39,938	400,000
	2025	2.25%	30,937	425,000
	2026	2.25%	21,375	450,000
	2027	2.50%	11,250	450,000
			<u>496,125</u>	<u>4,125,000</u>
2012B Crossover advance refunding, issued April 24, 2012	2018	1.50%	32,995	355,000
	2019	1.50%	27,670	345,000
	2020	1.50%	22,495	335,000
	2021	1.65%	17,470	330,000
	2022	1.90%	12,025	320,000
	2023	2.05%	5,945	290,000
			<u>118,600</u>	<u>1,975,000</u>
2013A Essential corporate purpose, issued March 12, 2013	2018	1.50%	77,175	950,000
	2019	1.50%	62,925	970,000
	2020	1.50%	48,375	975,000
	2021	1.63%	33,750	1,000,000
	2022	1.75%	17,500	1,000,000
			<u>239,725</u>	<u>4,895,000</u>
2014A Essential corporate purpose, issued December 16, 2014	2018	2.00%	35,200	175,000
	2019	2.00%	31,700	275,000
	2020	2.00%	26,200	275,000
	2021	2.30%	20,700	300,000
	2022	2.40%	13,800	325,000
	2023	2.50%	6,000	240,000
			<u>133,600</u>	<u>1,590,000</u>

City of Marshalltown
Schedule of Bond Maturities
June 30, 2017

Issue	Year Ending June 30,	Interest Rates	Interest	Principal
Governmental Activities (continued)				
General Obligation (continued)				
2015A Essential corporate purpose, issued November 24, 2015	2018	2.00%	\$ 45,988	\$ 200,000
	2019	2.00%	41,988	250,000
	2020	2.35%	36,988	275,000
	2021	2.35%	30,525	325,000
	2022	2.35%	22,888	350,000
	2023	2.35%	14,663	375,000
	2024	2.60%	5,850	225,000
			<u>198,890</u>	<u>2,000,000</u>
2016A General obligation corporate purpose, issued August 9, 2016	2018	2.00%	40,700	90,000
	2019	2.00%	38,900	165,000
	2020	2.00%	35,600	170,000
	2021	2.00%	32,200	170,000
	2022	2.00%	28,800	175,000
	2023	2.00%	25,300	405,000
	2024	2.00%	17,200	420,000
	2025	2.00%	8,800	440,000
			<u>227,500</u>	<u>2,035,000</u>
2016B General obligation corporate purpose, issued December 1, 2016	2018	2.00%	143,400	1,080,000
	2019	2.00%	74,000	220,000
	2020	2.00%	69,600	220,000
	2021	2.00%	65,200	225,000
	2022	2.00%	60,700	260,000
	2023	2.00%	55,500	270,000
	2024	2.00%	50,100	275,000
	2025	2.00%	44,600	275,000
	2026	2.00%	39,100	475,000
	2027	2.00%	29,600	485,000
	2028	2.00%	19,900	495,000
	2029	2.00%	10,000	500,000
			<u>661,700</u>	<u>4,780,000</u>
Notes Payable				
Software loan note, issued March 3, 2014	2018	0.00%	-	10,875
	2019	0.00%	-	10,275
			<u>-</u>	<u>21,150</u>

(continued)

City of Marshalltown
Schedule of Bond Maturities
June 30, 2017

Issue	Year Ending June 30,	Interest Rates	Interest	Principal
Governmental Activities (continued)				
Notes Payable (continued)				
IDPS fire truck loan note, issued July 5, 2016	2018	0.00%	\$ -	\$ 28,486
	2019	0.00%	-	28,486
	2020	0.00%	-	28,486
	2021	0.00%	-	28,486
	2022	0.00%	-	14,243
			<u>-</u>	<u>128,187</u>
General Obligation and Notes Payable				
Total governmental activities	2018		501,072	3,684,361
	2019		388,196	2,813,761
	2020		342,795	2,833,486
	2021		294,438	2,938,486
	2022		240,026	3,034,243
	2023		179,590	2,175,000
	2024		132,838	1,495,000
	2025		99,800	1,320,000
	2026		71,257	1,115,000
	2027		46,408	1,130,000
	2028		19,900	495,000
	2029		10,000	500,000
			<u>\$ 2,326,320</u>	<u>\$ 23,534,337</u>

City of Marshalltown
Schedule of Bond Maturities
June 30, 2017

Issue	Year Ending June 30	Interest Rates	Interest	Principal
Business-type Activities				
General Obligation				
2011 Essential corporate purpose, issued April 1, 2011	2018	2.25%	\$ 118,768	\$ 380,000
	2019	2.45%	110,218	395,000
	2020	2.65%	100,540	410,000
	2021	2.90%	89,676	425,000
	2022	3.00%	77,350	440,000
	2023	3.10%	64,150	460,000
	2024	3.20%	49,890	475,000
	2025	3.35%	34,690	500,000
	2026	3.45%	17,940	520,000
			<u>663,222</u>	<u>4,005,000</u>
2016A General obligation corporate purpose, issued August 9, 2016	2018	2.00%	50,900	150,000
	2019	2.00%	47,900	160,000
	2020	2.00%	44,700	160,000
	2021	2.00%	41,500	165,000
	2022	2.00%	38,200	165,000
	2023	2.00%	34,900	145,000
	2024	2.00%	32,000	160,000
	2025	2.00%	28,800	165,000
	2026	2.00%	25,500	170,000
	2027	2.00%	22,100	175,000
	2028	2.00%	18,600	220,000
	2029	2.00%	14,200	230,000
	2030	2.00%	9,600	235,000
	2031	2.00%	4,900	245,000
			<u>413,800</u>	<u>2,545,000</u>
Note Payable				
Alliant Loan, issued September 17, 2014	2018	0.00%	4,805	99,686
	2019	0.00%	3,531	100,959
	2020	0.00%	2,241	102,249
	2021	0.00%	935	103,556
	2022	0.00%	28	17,388
			<u>11,540</u>	<u>423,838</u>
Revenue Bonds				
Sewer Revenue Improvement and Refunding, Issued May 8, 2012	2018	2.58%	54,748	530,000
	2019	2.58%	41,074	532,000
	2020	2.58%	27,348	121,000
	2021	2.58%	24,226	124,000
	2022	2.58%	21,028	127,000
	2023	2.58%	17,750	131,000
	2024	2.58%	14,370	134,000
	2025	2.58%	10,914	137,000
	2026	2.58%	7,378	141,000
	2027	2.58%	3,742	145,000
			<u>222,578</u>	<u>2,122,000</u>

City of Marshalltown
Schedule of Bond Maturities
June 30, 2017

Issue	Year Ending June 30	Interest Rates	Interest	Principal
Business-type Activities (Continued)				
Revenue Bonds (Continued)				
Sewer Revenue Improvement Issued	2018	2.09%	\$ 59,502	\$ 237,000
June 18, 2013	2019	2.09%	54,518	243,000
	2020	2.09%	49,418	247,000
	2021	2.09%	44,225	253,000
	2022	2.09%	38,916	258,000
	2023	2.09%	33,492	264,000
	2024	2.09%	27,943	269,000
	2025	2.09%	22,290	275,000
	2026	2.09%	16,511	281,000
	2027	2.09%	10,607	287,000
	2028	2.09%	4,588	292,000
			<u>362,010</u>	<u>2,906,000</u>
2014 Series Sewer Revenue Improvement Issued	2018	2.90%	132,820	325,000
June 18, 2013	2019	2.90%	123,395	334,000
	2020	2.90%	113,709	344,000
	2021	2.90%	103,733	354,000
	2022	2.90%	93,467	364,000
	2023	2.90%	82,911	374,000
	2024	2.90%	72,065	385,000
	2025	2.90%	60,900	396,000
	2026	2.90%	49,416	408,000
	2027	2.90%	37,584	420,000
	2028	2.90%	25,404	432,000
	2029	2.90%	12,876	444,000
			<u>908,280</u>	<u>4,580,000</u>

City of Marshalltown
Schedule of Bond Maturities
June 30, 2017

Issue	Year Ending June 30	Interest Rates	Interest	Principal
Business-type Activities (Continued)				
Revenue Bonds (Continued)				
Sewer Revenue Improvement Issued	2018	2.69%	\$ 142,651	\$ 346,000
August 13, 2015	2019	2.69%	133,343	355,000
	2020	2.69%	123,794	365,000
	2021	2.69%	113,975	375,000
	2022	2.69%	103,888	385,000
	2023	2.69%	93,531	395,000
	2024	2.69%	82,906	406,000
	2025	2.69%	71,984	417,000
	2026	2.69%	60,767	428,000
	2027	2.69%	49,254	440,000
	2028	2.69%	37,418	451,000
	2029	2.69%	25,286	464,000
	2030	2.69%	12,804	476,000
			<u>1,051,601</u>	<u>5,303,000</u>
 Total business-type activities	2018		564,194	2,067,686
	2019		513,979	2,119,959
	2020		461,750	1,749,249
	2021		418,270	1,799,556
	2022		372,877	1,756,388
	2023		326,734	1,769,000
	2024		279,174	1,829,000
	2025		229,578	1,890,000
	2026		177,512	1,948,000
	2027		123,287	1,467,000
	2028		86,010	1,395,000
	2029		52,362	1,138,000
	2030		22,404	711,000
	2031		4,900	245,000
			<u>\$ 3,633,031</u>	<u>\$ 21,884,838</u>

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Statistical Section (Unaudited)
June 30, 2017

City of Marshalltown

This part of the City's statistical comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	109
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These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	117
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	122
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	127
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	129

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

	Fiscal					
	2017	2016	2015	2014	2013	2012
Governmental activities						
Net investment in capital assets	\$ 35,605,495	\$ 34,132,724	\$ 32,948,014	\$ 30,504,272	\$ 29,002,766	\$ 28,325,116
Restricted	15,612,241	16,806,635	10,119,191	8,457,793	9,706,673	11,863,770
Unrestricted	<u>(18,900,973)</u>	<u>(20,244,351)</u>	<u>(17,323,596)</u>	<u>(5,613,806)</u>	<u>(5,497,165)</u>	<u>(730,534)</u>
Total governmental activities net position	<u>\$ 32,316,763</u>	<u>\$ 30,695,008</u>	<u>\$ 25,743,609</u>	<u>\$ 33,348,259</u>	<u>\$ 33,212,274</u>	<u>\$ 39,458,352</u>
Business-type activities						
Net investment in capital assets	\$ 38,990,163	\$ 39,370,548	\$ 38,458,793	\$ 40,565,122	\$ 37,861,816	\$ 35,454,854
Restricted	180,225	181,757	130,261	80,048	64,281	49,296
Unrestricted	<u>10,555,689</u>	<u>8,989,797</u>	<u>7,413,347</u>	<u>4,444,459</u>	<u>5,613,164</u>	<u>4,815,992</u>
Total business-type activities net position	<u>\$ 49,726,077</u>	<u>\$ 48,542,102</u>	<u>\$ 46,002,401</u>	<u>\$ 45,089,629</u>	<u>\$ 43,539,261</u>	<u>\$ 40,320,142</u>
Primary Government						
Net investment in capital assets	\$ 74,595,658	\$ 73,503,272	\$ 71,406,807	\$ 71,069,394	\$ 66,864,582	\$ 63,779,970
Restricted	15,792,466	16,988,392	10,249,452	8,537,841	9,770,954	11,913,066
Unrestricted	<u>(8,345,284)</u>	<u>(11,254,554)</u>	<u>(9,910,249)</u>	<u>(1,169,347)</u>	<u>115,999</u>	<u>4,085,458</u>
Total primary government net position	<u>\$ 82,042,840</u>	<u>\$ 79,237,110</u>	<u>\$ 71,746,010</u>	<u>\$ 78,437,888</u>	<u>\$ 76,751,535</u>	<u>\$ 79,778,494</u>

City of Marshalltown
Net Position by Component
Last Ten Fiscal Years (Accrual Basis of Accounting)

Year			
2011	2010	2009	2008
\$ 27,720,521	\$ 26,650,049	\$ 23,043,549	\$ 19,020,002
8,246,658	5,480,294	4,092,324	3,466,011
<u>2,811,692</u>	<u>5,344,963</u>	<u>7,751,144</u>	<u>8,744,229</u>
<u>\$ 38,778,871</u>	<u>\$ 37,475,306</u>	<u>\$ 34,887,017</u>	<u>\$ 31,230,242</u>
\$ 31,937,474	\$ 30,006,298	\$ 29,462,000	\$ 28,057,883
946,902	947,675	948,423	949,146
<u>5,329,554</u>	<u>5,842,883</u>	<u>5,736,915</u>	<u>5,564,413</u>
<u>\$ 38,213,930</u>	<u>\$ 36,796,856</u>	<u>\$ 36,147,338</u>	<u>\$ 34,571,442</u>
\$ 59,657,995	\$ 56,656,347	\$ 52,505,549	\$ 47,077,885
9,193,560	6,427,969	5,040,747	4,415,157
<u>8,141,246</u>	<u>11,187,846</u>	<u>13,488,059</u>	<u>14,308,642</u>
<u>\$ 76,992,801</u>	<u>\$ 74,272,162</u>	<u>\$ 71,034,355</u>	<u>\$ 65,801,684</u>

	Fiscal					
	2017	2016	2015	2014	2013	2012
Expenses						
Governmental activities:						
Public safety	\$ 10,713,027	\$ 8,996,389	\$ 8,516,307	\$ 9,092,842	\$ 8,607,561	\$ 8,731,373
Public works	8,553,684	5,706,337	6,186,551	6,465,974	13,472,047	7,049,394
Health and social services	1,306,389	1,274,669	1,784,302	1,301,574	903,270	1,154,023
Culture and recreation	3,654,545	3,358,064	3,505,193	3,645,774	3,435,212	2,757,409
Community and economic development	2,433,608	1,449,883	1,370,533	3,051,319	2,249,158	2,417,304
General government	685,937	1,158,789	1,299,063	1,322,112	1,285,356	1,278,776
Interest on long term debt	429,296	429,891	425,967	627,060	628,314	563,965
Total governmental activities expenses	<u>27,776,486</u>	<u>22,374,022</u>	<u>23,087,916</u>	<u>25,506,655</u>	<u>30,580,918</u>	<u>23,952,244</u>
Business-type activities:						
Water pollution control	5,574,332	5,375,656	4,584,245	4,608,246	4,295,804	4,735,491
Storm sewer	970,912	683,181	698,627	786,788	669,666	611,543
Compost	88,171	79,479	42,054	39,846	51,440	40,048
Transit	837,259	771,818	767,054	827,333	794,179	732,113
Concessions	46,512	49,816	34,907	42,535	59,267	82,739
Total business-type activities expenses	<u>7,517,186</u>	<u>6,959,950</u>	<u>6,126,887</u>	<u>6,304,748</u>	<u>5,870,356</u>	<u>6,201,934</u>
Total primary government expenses	<u>\$ 35,293,672</u>	<u>\$ 29,333,972</u>	<u>\$ 29,214,803</u>	<u>\$ 31,811,403</u>	<u>\$ 36,451,274</u>	<u>\$ 30,154,178</u>
Program Revenues						
Governmental activities						
Charges for service:						
Public safety	\$ 518,463	\$ 264,966	\$ 150,181	\$ 254,952	\$ 198,296	\$ 173,007
Public works	231,554	970,315	1,529,047	658,590	766,244	477,553
Health and social services	4,250	37,053	52,534	68,187	38,891	79,159
Culture and recreation	449,955	468,455	449,155	426,653	454,318	473,715
Community and economic development	106,562	265,176	278,924	360,999	153,563	170,617
Other activities	248,336	123,855	171,846	112,992	123,157	269,371
Operating grants and contributions	7,387,980	6,712,866	6,461,208	6,354,163	6,202,784	5,656,234
Capital grants and contributions	1,768,179	519,172	170,084	701,920	326,833	492,676
Total governmental activities program revenues	<u>10,715,279</u>	<u>9,361,858</u>	<u>9,262,979</u>	<u>8,938,456</u>	<u>8,264,086</u>	<u>7,792,332</u>
Business-type activities						
Charges for service:						
Water pollution control	7,545,682	6,563,351	6,066,644	5,860,659	5,079,296	4,937,481
Storm sewer	1,129,135	948,214	776,483	709,946	310,689	310,584
Compost	75,803	73,336	74,687	60,223	57,417	59,316
Transit	57,749	93,352	110,342	124,956	134,387	104,394
Concessions	37,777	40,917	32,522	39,208	43,706	49,559
Operating grants and contributions	381,810	363,188	386,922	407,338	376,900	353,216
Capital grants and contributions	432,400	942,209	493,326	444,674	2,889,069	2,281,955
Total business-type activities program revenues	<u>9,660,356</u>	<u>9,024,567</u>	<u>7,940,926</u>	<u>7,647,004</u>	<u>8,891,464</u>	<u>8,096,505</u>
Total primary government program revenues	<u>\$ 20,375,635</u>	<u>\$ 18,386,425</u>	<u>\$ 17,203,905</u>	<u>\$ 16,585,460</u>	<u>\$ 17,155,550</u>	<u>\$ 15,888,837</u>

City of Marshalltown
Changes in Net Position
Last Ten Fiscal Years (Accrual Basis of Accounting)

Year			
2011	2010	2009	2008
\$ 8,028,333	\$ 8,065,379	\$ 7,633,307	\$ 7,542,266
6,203,182	4,652,177	4,783,710	5,083,392
1,771,196	1,330,332	710,361	1,273,679
3,801,068	3,842,524	2,744,793	2,900,972
2,346,822	2,343,854	2,369,887	1,795,613
1,174,190	707,425	1,073,832	1,120,708
578,629	659,449	846,296	841,587
<u>23,903,420</u>	<u>21,601,140</u>	<u>20,162,186</u>	<u>20,558,217</u>
4,275,726	4,451,055	4,104,671	4,127,563
558,572	536,859	484,772	516,213
37,961	39,067	45,822	89,164
702,544	596,690	569,665	562,279
54,447	48,738	107,677	59,936
<u>5,629,250</u>	<u>5,672,409</u>	<u>5,312,607</u>	<u>5,355,155</u>
<u>\$ 29,532,670</u>	<u>\$ 27,273,549</u>	<u>\$ 25,474,793</u>	<u>\$ 25,913,372</u>
\$ 223,311	\$ 194,712	\$ 79,976	\$ 186,932
428,841	717,658	720,300	446,564
48,134	78,181	41,585	66,515
490,057	443,268	436,038	469,169
227,024	157,415	287,548	312,835
155,658	98,728	153,242	159,155
7,801,666	5,935,212	4,952,094	6,006,627
304,891	2,106,963	1,766,302	1,570,148
<u>9,679,582</u>	<u>9,732,137</u>	<u>8,437,085</u>	<u>9,217,945</u>
4,280,970	4,772,834	4,921,428	4,915,786
301,235	299,772	279,142	303,621
45,860	31,943	33,404	26,155
117,259	118,331	115,486	129,841
48,180	48,570	59,669	61,986
239,651	669,067	572,393	290,701
1,797,999	621,223	611,649	165,849
<u>6,831,154</u>	<u>6,561,740</u>	<u>6,593,171</u>	<u>5,893,939</u>
<u>\$ 16,510,736</u>	<u>\$ 16,293,877</u>	<u>\$ 15,030,256</u>	<u>\$ 15,111,884</u>

	Fiscal					
	2017	2016	2015	2014	2013	2012
Net (Expense)/Revenue						
Governmental activities	\$ (17,061,207)	\$ (13,012,164)	\$ (13,824,937)	\$ (16,568,199)	\$ (22,316,832)	\$ (16,159,912)
Business-type activities	2,143,170	2,064,617	1,814,039	1,342,256	3,021,108	1,894,571
Total primary government net expense	<u>\$ (14,918,037)</u>	<u>\$ (10,947,547)</u>	<u>\$ (12,010,898)</u>	<u>\$ (15,225,943)</u>	<u>\$ (19,295,724)</u>	<u>\$ (14,265,341)</u>
General Revenues and Other Changes in Net Position						
Governmental activities:						
Taxes						
Property	\$ 10,156,476	\$ 9,534,568	\$ 9,777,342	\$ 10,036,577	\$ 9,967,944	\$ 9,853,096
Other	5,347,532	6,983,922	5,755,121	5,778,420	5,132,322	6,063,108
Unrestricted						
State generated revenues	1,384,158	1,244,225	845,140	453,645	369,337	317,412
Investment earnings	113,371	90,717	53,042	112,280	126,436	173,169
Miscellaneous revenues	645,749	551,452	660,348	493,213	637,775	602,269
Transfers	<u>1,035,676</u>	<u>(441,321)</u>	<u>(172,735)</u>	<u>(169,951)</u>	<u>(163,060)</u>	<u>(169,661)</u>
Total governmental activities	<u>18,682,962</u>	<u>17,963,563</u>	<u>16,918,258</u>	<u>16,704,184</u>	<u>16,070,754</u>	<u>16,839,393</u>
Business-type activities:						
Investment earnings	76,481	33,763	26,891	38,161	34,951	41,980
Miscellaneous revenues	-	-	-	-	-	-
Transfers	<u>(1,035,676)</u>	<u>441,321</u>	<u>172,735</u>	<u>169,951</u>	<u>163,060</u>	<u>169,661</u>
Total business-type activities	<u>(959,195)</u>	<u>475,084</u>	<u>199,626</u>	<u>208,112</u>	<u>198,011</u>	<u>211,641</u>
Total primary government	<u>\$ 17,723,767</u>	<u>\$ 18,438,647</u>	<u>\$ 17,117,884</u>	<u>\$ 16,912,296</u>	<u>\$ 16,268,765</u>	<u>\$ 17,051,034</u>
Change in Net Position						
Governmental activities	\$ 1,621,755	\$ 4,951,399	\$ 3,093,321	\$ 135,985	\$ (6,246,078)	\$ 679,481
Business-type activities	<u>1,183,975</u>	<u>2,539,701</u>	<u>2,013,665</u>	<u>1,550,368</u>	<u>3,219,119</u>	<u>2,106,212</u>
Total primary government	<u>\$ 2,805,730</u>	<u>\$ 7,491,100</u>	<u>\$ 5,106,986</u>	<u>\$ 1,686,353</u>	<u>\$ (3,026,959)</u>	<u>\$ 2,785,693</u>

City of Marshalltown
Changes in Net Position (continued)
Last Ten Fiscal Years (Accrual Basis of Accounting)

Year				
	2011	2010	2009	2008
	\$ (14,223,838)	\$ (11,869,003)	\$ (11,725,101)	\$ (11,340,272)
	<u>1,201,904</u>	<u>889,331</u>	<u>1,280,564</u>	<u>538,784</u>
	<u>\$ (13,021,934)</u>	<u>\$ (10,979,672)</u>	<u>\$ (10,444,537)</u>	<u>\$ (10,801,488)</u>
	\$ 9,210,796	\$ 8,957,392	\$ 8,617,322	\$ 7,821,311
	<u>5,565,923</u>	<u>5,206,539</u>	<u>5,787,467</u>	<u>5,735,724</u>
	305,694	333,259	339,243	368,341
	167,610	162,173	325,699	602,711
	435,191	641,234	468,253	653,069
	<u>(157,811)</u>	<u>(192,057)</u>	<u>(156,108)</u>	<u>(151,256)</u>
	<u>15,527,403</u>	<u>15,108,540</u>	<u>15,381,876</u>	<u>15,029,900</u>
	57,359	55,775	139,224	245,262
	-	-	-	2,151
	<u>157,811</u>	<u>192,057</u>	<u>156,108</u>	<u>151,256</u>
	<u>215,170</u>	<u>247,832</u>	<u>295,332</u>	<u>398,669</u>
	<u>\$ 15,742,573</u>	<u>\$ 15,356,372</u>	<u>\$ 15,677,208</u>	<u>\$ 15,428,569</u>
	\$ 1,303,565	\$ 3,239,537	\$ 3,656,775	\$ 3,689,628
	<u>1,417,074</u>	<u>1,137,163</u>	<u>1,575,896</u>	<u>937,453</u>
	<u>\$ 2,720,639</u>	<u>\$ 4,376,700</u>	<u>\$ 5,232,671</u>	<u>\$ 4,627,081</u>

Function/Program	Program Revenues						
	2017	2016	2015	2014	2013	2012	2011
Governmental activities							
Public safety	\$ 1,219,476	\$ 1,215,215	\$ 875,300	\$ 1,478,721	\$ 1,154,130	\$ 777,123	\$ 980,216
Public works	5,200,920	4,825,946	4,657,620	3,501,138	4,272,126	3,602,446	3,737,210
Health and social services	1,213,441	967,598	1,470,156	1,834,718	702,887	955,529	1,531,281
Culture and recreation	1,252,730	670,183	638,615	565,562	571,380	707,189	1,399,468
Community and economic development	1,535,644	1,559,061	1,447,647	1,387,104	1,426,383	1,465,674	1,822,717
General government	293,068	123,855	173,641	171,213	137,180	284,371	208,690
Total governmental activities	<u>\$ 10,715,279</u>	<u>\$ 9,361,858</u>	<u>\$ 9,262,979</u>	<u>\$ 8,938,456</u>	<u>\$ 8,264,086</u>	<u>\$ 7,792,332</u>	<u>\$ 9,679,582</u>
Business-type activities							
Water pollution control	\$ 7,550,029	\$ 6,976,658	\$ 6,378,473	\$ 5,896,233	\$ 5,303,615	\$ 6,519,524	\$ 5,130,757
Storm sewer	1,557,188	1,477,116	992,924	887,240	3,016,135	767,941	1,197,010
Compost	75,803	73,336	74,687	60,223	57,417	59,316	45,860
Transit	439,559	456,540	462,320	764,100	470,591	700,165	409,347
Concessions	37,777	40,917	32,522	39,208	43,706	49,559	48,180
Total business-type activities	<u>\$ 9,660,356</u>	<u>\$ 9,024,567</u>	<u>\$ 7,940,926</u>	<u>\$ 7,647,004</u>	<u>\$ 8,891,464</u>	<u>\$ 8,096,505</u>	<u>\$ 6,831,154</u>

City of Marshalltown
Program Revenues by Function/Program
Last Ten Fiscal Years (Accrual Basis of Accounting)

by Fiscal Year

<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 960,979	\$ 854,028	\$ 969,752
4,029,975	3,260,842	3,342,003
1,300,200	321,478	975,487
925,422	2,010,582	1,862,073
1,651,247	1,836,913	1,909,475
<u>864,314</u>	<u>153,242</u>	<u>159,155</u>
<u>\$ 9,732,137</u>	<u>\$ 8,437,085</u>	<u>\$ 9,217,945</u>
\$ 5,315,535	\$ 5,426,868	\$ 4,915,859
454,271	465,414	427,640
31,943	33,404	59,235
711,421	607,816	429,219
<u>48,570</u>	<u>59,669</u>	<u>61,986</u>
<u>\$ 6,561,740</u>	<u>\$ 6,593,171</u>	<u>\$ 5,893,939</u>

City of Marshalltown
Fund Balances – Governmental Funds
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund										
Nonspendable	\$ 266,203	\$ 221,785	\$ 237,568	\$ 249,958	\$ 241,974	\$ 258,309	\$ 230,633	N/A	N/A	N/A
Restricted	812,092	725,844	694,247	588,928	1,153,313	517,008	456,488	N/A	N/A	N/A
Committed	250,000	250,000	250,000	250,000	250,000	250,000	250,000	N/A	N/A	N/A
Unassigned	2,551,887	2,520,920	2,371,948	2,663,261	2,736,209	2,783,055	2,839,102	N/A	N/A	N/A
Reserved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 233,410	\$ 266,493	\$ 254,813
Unreserved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3,587,644	3,778,280	3,719,837
Total general fund	3,880,182	3,718,549	3,553,763	3,752,147	4,381,496	3,808,372	3,776,223	3,821,054	4,044,773	3,974,650
All Other Governmental Funds										
Nonspendable	192,113	169,570	146,258	79,862	141,231	222,131	178,954	N/A	N/A	N/A
Restricted	19,689,514	14,107,300	11,301,502	7,328,052	12,887,420	17,264,749	7,701,874	N/A	N/A	N/A
Unassigned	(98,997)	(195,159)	(84,155)	(270,543)	(198,484)	(323,895)	(506,674)	N/A	N/A	N/A
Reserved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5,485,108	5,280,068	7,071,466
Unreserved reported in:										
Special revenue funds	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,003,450	1,692,822	2,376,891
Capital projects funds	N/A	N/A	N/A	N/A	N/A	N/A	N/A	110,818	129,053	-
Total all other governmental funds	19,782,630	14,081,711	11,363,605	7,137,371	12,830,167	17,162,985	7,374,154	6,599,376	7,101,943	9,448,357
Total fund balances of governmental funds	\$ 23,662,812	\$ 17,800,260	\$ 14,917,368	\$ 10,889,518	\$ 17,211,663	\$ 20,971,357	\$ 11,150,377	\$ 10,420,430	\$ 11,146,716	\$ 13,423,007

Note:

In 2011, the City implemented new accounting presentations under GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", which requires a new presentation of fund balances.

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	Fiscal Year						
	2017	2016	2015	2014	2013	2012	2011
Revenues							
Taxes	\$ 16,039,312	\$ 17,018,694	\$ 16,030,409	\$ 16,251,920	\$ 15,617,908	\$ 16,392,387	\$ 15,191,296
Use of money and property	208,132	129,003	124,857	169,135	194,543	203,524	198,097
Licenses and permits	285,839	289,261	321,446	391,091	219,392	203,813	232,542
Intergovernmental	10,190,351	7,931,849	7,471,242	6,618,339	6,475,308	7,229,540	7,278,810
Charges for service	990,972	1,023,895	964,075	874,840	915,644	897,955	866,580
Special assessments	10,406	12,991	14,738	11,688	14,306	21,759	31,019
Miscellaneous	1,084,447	410,616	2,102,572	684,707	912,585	651,226	741,748
Total revenues	<u>28,809,459</u>	<u>26,816,309</u>	<u>27,029,339</u>	<u>25,001,720</u>	<u>24,349,686</u>	<u>25,600,204</u>	<u>24,540,092</u>
Expenditures							
Public safety	9,337,823	8,864,323	8,743,014	8,559,357	8,135,052	7,977,604	7,370,014
Public works	6,930,498	4,208,292	4,669,213	4,985,535	12,081,043	5,605,515	4,841,484
Health and social services	1,282,479	1,352,206	1,907,586	1,385,246	968,157	1,223,039	1,753,967
Culture and recreation	2,840,820	2,539,673	2,268,546	2,739,578	2,551,437	1,853,940	2,998,877
Community and economic development	1,812,299	1,431,086	1,381,445	3,044,706	2,234,323	2,414,531	2,341,523
General government	1,245,851	1,133,255	1,273,399	1,253,001	1,177,738	1,087,036	1,071,829
Capital outlay	4,477,017	2,554,674	1,439,787	2,944,911	3,118,982	2,572,134	1,601,447
Debt service							
Principal	2,730,690	3,066,991	2,971,716	5,663,840	2,788,840	2,928,840	2,613,841
Interest and other fiscal charges	419,527	436,018	457,343	649,203	643,405	626,514	581,504
Total expenditures	<u>31,077,004</u>	<u>25,586,518</u>	<u>25,112,049</u>	<u>31,225,377</u>	<u>33,698,977</u>	<u>26,289,153</u>	<u>25,174,486</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,267,545)</u>	<u>1,229,791</u>	<u>1,917,290</u>	<u>(6,223,657)</u>	<u>(9,349,291)</u>	<u>(688,949)</u>	<u>(634,394)</u>
Other Financing Sources (Uses)							
Sale of governmental assets	-	-	-	4,000	35,298	166,128	2,152
Debt issued	6,957,430	2,000,000	2,225,000	67,463	5,600,000	10,460,000	1,520,000
Payment of refunded bonds	-	-	-	-	-	53,462	-
Premium and accrued interest on debt issued	136,991	94,422	58,295	-	117,359	-	-
Transfers in	9,692,037	8,003,404	8,268,840	8,195,955	7,813,126	7,182,963	7,085,563
Transfers out	(8,656,361)	(8,444,725)	(8,441,575)	(8,365,906)	(7,976,186)	(7,352,624)	(7,243,374)
Total other financing sources (uses)	<u>8,130,097</u>	<u>1,653,101</u>	<u>2,110,560</u>	<u>(98,488)</u>	<u>5,589,597</u>	<u>10,509,929</u>	<u>1,364,341</u>
Net change in fund balances	<u>\$ 5,862,552</u>	<u>\$ 2,882,892</u>	<u>\$ 4,027,850</u>	<u>\$ (6,322,145)</u>	<u>\$ (3,759,694)</u>	<u>\$ 9,820,980</u>	<u>\$ 729,947</u>
Debt service as a percentage of noncapital expenditures	11.8%	15.2%	14.5%	22.3%	11.2%	15.0%	13.6%

City of Marshalltown
Changes in Fund Balances – Governmental Funds
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

Ended June 30,		
2010	2009	2008
\$ 14,569,739	\$ 14,855,452	\$ 14,053,501
206,909	343,980	617,026
212,918	294,196	365,034
7,168,913	6,031,273	7,587,326
845,703	820,780	874,706
51,581	83,043	28,083
<u>1,125,338</u>	<u>1,525,314</u>	<u>1,157,194</u>
<u>24,181,101</u>	<u>23,954,038</u>	<u>24,682,870</u>
7,492,213	7,143,869	7,588,682
3,787,116	3,498,289	3,913,315
1,318,373	718,526	1,284,767
3,081,402	2,176,451	2,552,969
2,347,611	1,975,245	1,462,263
1,990,657	1,023,774	1,082,742
2,160,036	5,767,146	5,923,147
2,660,000	2,553,840	2,152,278
<u>651,854</u>	<u>1,286,096</u>	<u>1,190,984</u>
<u>25,489,262</u>	<u>26,143,236</u>	<u>27,151,147</u>
<u>(1,308,161)</u>	<u>(2,189,198)</u>	<u>(2,468,277)</u>
224,484	14,015	20,465
700,000	3,500,000	15,455,000
-	(3,445,000)	(11,205,000)
-	-	-
5,825,922	6,496,136	7,506,477
<u>(6,017,979)</u>	<u>(6,652,244)</u>	<u>(7,657,733)</u>
<u>732,427</u>	<u>(87,093)</u>	<u>4,119,209</u>
<u>\$ (575,734)</u>	<u>\$ (2,276,291)</u>	<u>\$ 1,650,932</u>
14.2%	18.8%	15.7%

City of Marshalltown
Tax Revenues by Source – Governmental Funds
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

Fiscal year	Property Tax	Tax Increment Financing Tax	Utility ExciseTax	Utility Franchise Fee	Hotel/Motel Tax	Local Option Sales Tax	911 Surcharge	Mobile Home Tax	Total
2007-08	\$ 7,820,995	\$ 1,935,170	\$ 844,407	\$ 229,721	\$ 290,531	\$ 2,657,617	\$ 260,185	\$ 14,875	\$ 14,053,501
2008-09	8,615,820	1,801,960	891,859	217,600	342,176	2,738,030	234,078	13,929	14,855,452
2009-10	8,954,147	1,312,611	868,422	221,034	393,823	2,618,645	188,530	12,527	14,569,739
2010-11	9,204,384	1,402,010	797,989	229,291	370,541	2,939,704	234,195	13,182	15,191,296
2011-12	9,864,582	1,513,164	857,689	223,436	415,196	3,250,865	253,941	13,514	16,392,387
2012-13	9,967,944	1,138,171	820,070	277,060	378,567	2,781,316	240,582	14,198	15,617,908
2013-14	10,036,577	1,475,200	921,454	163,488	432,108	2,936,344	273,435	13,314	16,251,920
2014-15	9,777,342	1,219,210	884,215	223,758	474,474	3,164,249	274,188	12,973	16,030,409
2015-16	9,534,568	1,276,898	903,826	226,548	542,180	4,248,087	273,656	12,931	17,018,694
2016-17	10,156,477	435,098	938,663	217,475	479,576	3,476,514	317,829	17,680	16,039,312

City of Marshalltown
General Governmental Tax Revenues by Source
Year Ended June 30, 2017
(Modified Accrual Basis of Accounting)

Fund	Property Tax	Tax Increment Financing Tax	Utility Excise Tax	Utility Franchise Fee	Hotel/Motel Tax	Local Option Sales Tax	911 Surcharge	Mobile Home Tax	Total
General	\$ 5,923,793	\$ -	\$ 549,196	\$ 217,475	\$ 479,576	\$ -	\$ -	\$ 7,486	\$ 7,177,526
Tax Increment									
Financing	-	435,098	-	-	-	-	-	-	435,098
E-911 Surcharge	-	-	-	-	-	-	317,829	-	317,829
Local Option									
Sales Tax	-	-	-	-	-	3,476,514	-	-	3,476,514
Property tax	1,343,892	-	124,869	-	-	-	-	1,702	1,470,463
Debt Service	2,447,447	-	223,136	-	-	-	-	3,045	2,673,628
Capital Projects	441,345	-	41,462	-	-	-	-	5,447	488,254
Total	<u>\$10,156,477</u>	<u>\$ 435,098</u>	<u>\$ 938,663</u>	<u>\$ 217,475</u>	<u>\$ 479,576</u>	<u>\$ 3,476,514</u>	<u>\$ 317,829</u>	<u>\$ 17,680</u>	<u>\$ 16,039,312</u>

City of Marshalltown
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Levy Year	Fiscal Year	Residential Property	Commercial Property	Industrial Property	Total Regular Realty	TIF	Agland Realty	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Gross Value	Taxable Assessed Value as a Percentage of Actual Gross Value
2006	2007-08	341,564,905	270,177,904	57,589,054	669,331,863	54,807,718	2,534,103	726,673,684	12.93500	1,186,917,748	61.224%
2007	2008-09	354,114,382	234,223,608	49,224,985	637,562,975	50,679,345	3,533,390	691,775,710	13.68652	1,255,060,705	55.119%
2008	2009-10	380,636,723	225,880,427	56,224,469	662,741,619	36,639,623	3,804,309	703,185,551	13.76759	1,262,319,793	55.706%
2009	2010-11	397,183,541	216,744,087	57,440,303	671,367,931	39,224,720	4,089,857	714,682,508	13.93650	1,280,682,454	55.805%
2010	2011-12	417,071,906	212,845,232	59,866,238	689,783,376	41,694,319	4,377,890	735,855,585	14.51331	1,310,087,232	56.168%
2011	2012-13	431,280,150	221,772,457	61,505,293	714,557,900	31,552,130	4,605,496	750,715,526	14.28339	1,312,105,030	57.215%
2012	2013-14	449,211,004	219,544,651	64,114,746	732,870,401	44,270,422	4,695,878	781,836,701	14.18432	1,333,053,884	58.650%
2013	2014-15	434,833,408	202,005,765	58,618,711	695,457,884	37,409,137	4,496,113	737,363,134	14.76356	1,281,885,530	57.522%
2014	2015-16	448,390,423	183,199,944	57,943,159	689,533,526	40,194,757	4,601,327	734,329,610	14.76257	1,322,550,079	55.524%
2015	2016-17	477,738,442	184,047,569	60,250,209	722,036,220	14,353,482	4,665,045	741,054,747	15.28158	1,356,883,195	54.614%

Rollback Factors by Class

Fiscal Year	Tax Exempt		Multi-				
	Gas & Electric	Property	Residential	Residential	Agricultural	Commercial	Railroad
2006-07	67,247,692	116,058,327	45.99600		100.00000	99.15090	99.15090
2007-08	64,804,167	117,919,100	45.55960		100.00000	100.00000	100.00000
2008-09	99,127,772	109,139,073	44.08030		90.10230	99.73120	99.73120
2009-10	101,313,932	89,188,699	45.58930		93.85680	100.00000	100.00000
2010-11	117,499,581	95,951,150	46.90940		66.27150	100.00000	100.00000
2011-12	135,852,760	86,651,379	48.52990		69.01520	100.00000	100.00000
2012-13	147,398,057	112,284,058	50.75180		57.54110	100.00000	100.00000
2013-14	153,467,212	112,570,348	52.81660		59.93340	100.00000	100.00000
2014-15	165,363,180	156,351,613	54.40020		43.39970	95.00000	100.00000
2015-16	203,378,461	148,643,971	55.73350		44.02100	90.00000	90.00000
2016-17	226,574,365	168,759,389	55.62590	86.25000	46.10680	90.00000	90.00000

Source: Marshall County Auditor's Office and IA Dept of Mgmt website.

Notes: Effective with the January 1, 1999 valuations, Alliant Energy, the local gas and electric provider, is assessed a utility excise tax instead of taxes based upon property valuations.

Each year the State of Iowa assigns a rollback factor to calculate the percent of assessed value which will be taxable.

This rate is assigned per property classification and can fluctuate each year. Industrial property is taxed at 100% of its gross assessed value.

City of Marshalltown
Tax Rates – Direct and Overlapping Governments
Last Ten Fiscal Years (Per \$1,000 Assessed Valuations)

Levy year Jan 1,	Collection Year	Marshall County	Community Schools	Marshalltown	City Assessor	Community College	County Extension	State of Iowa	Total
2006	2007-08	7.60000	18.07061	12.93500	0.31708	1.81770	0.10587	0.00350	40.84976
2007	2008-09	7.59349	18.01415	13.68652	0.32982	2.19223	0.11859	0.00350	41.93830
2008	2009-10	7.73919	18.00985	13.76759	0.29308	2.15454	0.11078	0.00300	42.07803
2009	2010-11	7.73661	17.84133	13.93650	0.26635	2.03379	0.12442	0.00340	41.94240
2010	2011-12	7.72562	17.65203	14.51331	0.24816	1.95682	0.12408	0.00320	42.22322
2011	2012-13	7.44499	17.54224	14.28339	0.26539	1.88711	0.12385	0.00330	41.55027
2012	2013-14	7.44499	17.52934	14.18432	0.27661	1.80632	0.13567	0.00330	41.38055
2013	2014-15	7.44499	18.15000	14.76355	0.29712	1.79487	0.15194	0.00330	42.60577
2014	2015-16	7.44499	18.33104	14.76257	0.29197	1.78170	0.15594	0.00330	42.77151
2015	2016-17	6.94499	17.97478	15.28158	0.25199	1.74505	0.15749	0.00330	42.35918

Source: Marshall County Auditor's Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Marshalltown. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt of each overlapping government.

City of Marshalltown
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	Jan 1, 2015 Taxable Assessed Value Payable 16- 17	Rank	Percentage of Total City Taxable Assessed Value	Jan 1, 2006 Taxable Assessed Value Payable 07- 08	Rank	Percentage of Total City Taxable Assessed Value
IES Utilities (Interstate Power)	\$ 57,720,441	1	7.4%	\$ 98,575,149	1	14.6%
Emerson Process Mgt/Fisher Controls	19,057,320	2	2.4%	10,812,010	6	1.6%
MMSC, Ventures Inc	10,080,885	3	1.3%	19,140,866	2	2.8%
Lennox Industries Inc	9,981,806	4	1.3%	14,684,500	3	2.2%
Walmart, Real Estate Business	9,494,955	5	1.2%	11,365,164	5	1.7%
Swift, Pork Company	9,346,914	6	1.2%			
Swift & Company	8,950,734	7	1.1%	9,118,774	7	1.4%
Menard, Inc	8,233,578	8	1.1%			
Marshalltown Town Center Partners	4,896,090	9	0.6%	12,315,627	4	1.8%
Packaging Corporation of America	4,623,930	10	0.6%			0.9%
Embers of Marshalltown				6,128,054	8	0.9%
Inns of Iowa Ltd				6,116,082	9	0.8%
Marshalltown Medical and Surgical				<u>5,245,690</u>	10	
	<u>\$ 142,386,653</u>		<u>18.2%</u>	<u>\$ 193,501,916</u>		<u>28.7%</u>

Note: Alliant Energy (IES Utilities), the local gas and electric provider, is now assessed a utility excise tax instead of taxes based upon their property valuation. The gas and electric assessed property value for January 1, 2015 was \$61,169,942.

City of Marshalltown

Sales Tax Last Ten Years

CalendarYear	Taxable Retail Sales	No. of Businesses
2007	349,978,209	3,937
2008	348,367,544	4,084
2009	324,325,683	4,031
2010	326,686,187	3,971
2011	327,832,928	3,944
2012	348,039,169	3,950
2013	346,378,427	3,947
2014	328,920,980	2,935
2015	331,780,905	2,870
2016	352,326,540	2,875

Source: Iowa Department of Revenue Sales and Use Tax Report based on year ending March 31 following the calendar year.

City of Marshalltown
Property Tax Levies and Collections
Last Ten Fiscal Years

Collection year	Levy year	Current levy	Amount (1)	Percent of levy collected (2)	Delinquent tax collections (3)	Total tax collections	Collections to total tax levy (2)
2007-08	2006	8,143,010	8,157,864	100.18%	3,656	8,161,520	100.23%
2008-09	2007	8,945,150	8,955,138	100.11%	1,427	8,956,565	100.13%
2009-10	2008	9,293,081	9,291,663	99.98%	1,727	9,293,390	100.00%
2010-11	2009	9,505,825	9,498,727	99.93%	4,030	9,502,757	99.97%
2011-12	2010	10,167,673	10,166,706	99.99%	7,958	10,174,664	100.07%
2012-13	2011	10,317,995	10,324,685	100.06%	4,456	10,329,141	100.11%
2013-14	2012	10,535,094	10,478,161	99.46%	4,710	10,482,871	99.50%
2014-15	2013	10,397,290	10,381,760	99.85%	6,716	10,388,476	99.92%
2015-16	2014	10,329,114	10,314,800	99.86%	2,945	10,317,745	99.89%
2016-17	2015	11,100,009	11,056,848	99.61%	1,976	11,058,824	99.63%

(1) Current tax collections reflect payments received by the Marshall County Treasurer's office from July 1 through June 30 of each year. Taxes levied for the current year are classified as delinquent if not paid by June 30 each year.

(2) Collection percentages are close to 100% each year since the State of Iowa provides for "tax sales" in June of each year for properties with unpaid taxes. Substantially all of the taxes are paid by investors purchasing tax certificates from the "tax sales." Collections in excess of 100% are due to rounding differences when tax rates are applied to property valuations, differences in tax credits reimbursed by the State of Iowa, or changes in taxable valuations by the County Assessor after the City's budget is certified.

(3) Delinquent tax collections reflect amounts of delinquent taxes the City received during the year. Information is not available from the County Treasurer's Office as to the year(s) for which the delinquent tax collections apply.

Source: General Purpose Financial Statements

City of Marshalltown
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities			Business-type Activities							
	General Obligation Bonds	Notes Payable	Urban	General Obligation Bonds	Revenue Bonds	Sewer Capital Loan Note Payable	Total Primary Government	Personal Income	Percentage of		
			Renewal Tax						Personal Income	Population	Per Capita
			Increment Revenue Bonds and Notes								
2008	21,845,000	96,884	-	-	1,555,000	4,040,000	27,536,884	22,919	1,201	26,073	1,056
2009	19,360,000	83,044	-	-	1,295,000	3,725,000	24,463,044	22,894	1,069	26,073	938
2010	17,405,245	69,204	-	-	1,035,000	3,396,914	21,906,363	22,436	976	26,073	840
2011	16,324,658	55,363	-	6,053,230	775,000	3,062,701	26,270,952	22,204	1,183	27,552	954
2012	23,918,462	41,523	-	5,746,348	4,595,000	-	34,301,333	22,204	1,545	27,552	1,245
2013	26,852,789	27,683	-	5,404,466	7,822,000	-	40,106,938	21,924	1,829	27,683	1,449
2014	21,185,242	81,304	-	4,720,834	12,727,000	-	38,714,380	21,880	1,769	27,844	1,390
2015	20,512,103	44,588	-	4,705,702	11,710,000	619,452	37,591,845	22,512	1,670	27,727	1,356
2016	19,519,042	32,597	-	4,343,820	16,308,000	522,266	40,725,725	22,403	1,818	27,727	1,469
2017	23,718,996	149,337	-	6,593,854	14,911,000	423,838	45,797,025	22,535	2,032	27,328	1,676

Source: Census Quick Facts

City of Marshalltown
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Estimated Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Notes Payable	Total		
2008	21,845,000	96,884	21,941,884	1.85	841.56
2009	19,360,000	83,044	19,443,044	1.55	745.72
2010	17,405,245	69,204	17,474,449	1.25	670.01
2011	22,377,888	55,363	22,433,251	1.15	594.34
2012	29,664,810	41,523	29,706,333	1.58	916.91
2013	32,257,255	27,683	32,284,938	1.76	965.13
2014	25,906,076	81,304	25,987,380	1.66	941.54
2015	25,217,805	664,040	25,881,845	1.69	933.45
2016	23,862,862	554,863	24,417,725	1.57	880.65
2017	30,312,850	573,175	30,886,025	1.98	1,130.20

City of Marshalltown
Direct and Overlapping Governmental Activities Debt
As of June 30, 2017

Name of Governmental Unit	Debt Outstanding	Percentage Applicable to Marshalltown	City of Marshalltown Share of Debt
Iowa Valley Schools	\$ 14,096,250	50.18%	\$ 7,073,504
Marshalltown Community School District	13,160,000	80.70%	10,620,506
Marshall County	<u>1,070,478</u>	49.55%	<u>530,458</u>
	28,326,728		18,224,468
City of Marshalltown	<u>23,868,333</u>	100.00%	<u>23,868,333</u>
	<u>\$ 52,195,061</u>		<u>\$ 42,092,801</u>

Source:

- 1) State of Iowa Treasurer's Office
- 2) IA Valley School District

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Marshalltown. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping governments.

City of Marshalltown
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year Ending June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Gross assessed valuations:										
Regular realty	\$ 1,123,584,265	\$ 1,322,550,079	\$ 1,281,885,530	\$ 1,135,316,250	\$ 1,133,154,843	\$ 1,132,540,153	\$ 1,123,958,153	\$ 1,124,366,238	\$ 1,105,253,588	\$ 1,027,939,554
Utility	226,574,365	203,378,461	165,363,180	153,467,212	147,398,057	135,852,760	117,499,581	101,313,932	99,127,772	107,436,245
Incremental	<u>14,353,482</u>	<u>40,194,757</u>	<u>37,409,137</u>	<u>44,270,422</u>	<u>31,552,130</u>	<u>41,694,319</u>	<u>39,224,720</u>	<u>36,639,623</u>	<u>50,679,345</u>	<u>54,807,718</u>
Total actual valuations applicable to debt	<u>1,364,512,112</u>	<u>1,566,123,297</u>	<u>1,484,657,847</u>	<u>1,333,053,884</u>	<u>1,312,105,030</u>	<u>1,310,087,232</u>	<u>1,280,682,454</u>	<u>1,262,319,793</u>	<u>1,255,060,705</u>	<u>1,190,183,517</u>
Debt limit - 5% of total actual valuations applicable to debt	<u>68,225,606</u>	<u>78,306,165</u>	<u>74,232,892</u>	<u>66,652,694</u>	<u>65,605,252</u>	<u>65,504,362</u>	<u>64,034,123</u>	<u>63,115,990</u>	<u>62,753,035</u>	<u>59,509,176</u>
Amount of debt applicable to limitation:										
General obligation bonds and notes	30,508,175	24,204,863	25,734,040	26,216,304	32,162,683	29,696,523	22,475,363	17,469,204	19,443,044	21,941,884
Urban Renewal Rebate agreements	4,023,000	1,690,000	-	-	-	-	-	-	-	-
Urban renewal tax increment revenue bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debt applicable to limitation	<u>34,531,175</u>	<u>25,894,863</u>	<u>25,734,040</u>	<u>26,216,304</u>	<u>32,162,683</u>	<u>29,696,523</u>	<u>22,475,363</u>	<u>17,469,204</u>	<u>19,443,044</u>	<u>21,941,884</u>
Less:										
Funds available from:										
Debt service	237,889	107,604	46,959	48,225	3,079,346	3,082,247	-	-	262,165	232,719
Special revenue	<u>943,301</u>	<u>771,750</u>	<u>250,051</u>	<u>-</u>	<u>-</u>	<u>474,917</u>	<u>417,812</u>	<u>348,685</u>	<u>413,834</u>	<u>438,585</u>
Total debt applicable to debt limit	<u>33,349,985</u>	<u>25,015,509</u>	<u>25,437,030</u>	<u>26,168,079</u>	<u>29,083,337</u>	<u>26,139,359</u>	<u>22,057,551</u>	<u>17,120,519</u>	<u>18,767,045</u>	<u>21,270,580</u>
Legal debt margin	<u>\$ 34,875,621</u>	<u>\$ 53,290,656</u>	<u>\$ 48,795,862</u>	<u>\$ 40,484,615</u>	<u>\$ 36,521,915</u>	<u>\$ 39,365,003</u>	<u>\$ 41,976,572</u>	<u>\$ 45,995,471</u>	<u>\$ 43,985,990</u>	<u>\$ 38,238,596</u>

City of Marshalltown
Pledged – Revenue Coverage
Last Ten Fiscal Years

Water Pollution Control				Debt Service Requirements			
Year	Gross Revenue	Expenses (1)	Available For Debt Service	Principal	Interest & other debt expense	Total	Coverage
2007-08	5,128,279	2,746,362	2,381,917	566,000	197,189	763,189	3.12
2008-09	5,330,410	2,828,873	2,501,537	575,000	196,155	771,155	3.24
2009-10	5,214,302	3,154,596	2,059,706	585,000	165,650	750,650	2.74
2010-11	5,184,069	2,943,228	2,240,841	595,000	192,539	787,539	2.85
2011-12	6,557,228	3,225,133	3,332,095	605,000	384,184	989,184	3.37
2012-13	5,151,326	2,800,306	2,351,050	610,000	313,139	923,139	2.55
2013-14	5,897,218	2,994,802	2,902,416	595,000	307,956	902,956	3.21
2014-15	6,091,170	2,731,357	3,359,813	1,017,000	503,890	1,520,890	2.21
2015-16	6,593,505	3,246,028	3,347,477	1,402,000	641,312	2,043,312	1.64
2016-17	7,552,524	3,543,159	4,009,365	1,397,000	560,588	1,957,588	2.05

(1) Total operating expenses, less depreciation.

Sources: City Financial Records and Water Works Financial Records

City of Marshalltown
Demographic and Economic Statistics
Last Ten Fiscal Years

Calendar Year	Median Age (Zip 50158)	School Enrollment		Unemployment Percent
		Public	Private	
	(1)	(2)	(3)	(4)
2008	40.2	5,065	235	4.80
2009	40.8	4,938	181	6.70
2010	38.0	5,123	170	6.70
2011	38.0	5,317	208	7.00
2012	38.0	5,322	227	6.70
2013	38.0	5,308	228	6.20
2014	37.3	5,085	218	5.90
2015	35.3	5,385	216	5.00
2016	35.3	5,322	221	4.00
2017	36.1	5,435	215	3.70

Note: Total personal income information for the City of Marshalltown is not available.

Sources:

- (1) Citydata.com web site
- (2) Iowa Department of Education
- (3) Iowa Dept of Education website for nonpublic schools: St. Francis Catholic School, and Marshalltown Christian School
- (4) Job Service of Iowa: <http://www.iowaworkforce.org>

City of Marshalltown
Principal Employers
Current Year and Nine Years Ago

Employer	Industry	2017- Employees	2008- Employees
(JBS) Swift & Company	Pork processors	2,300	2,200
Emerson Process Mgt/Fisher Controls	Valves and regulators manufacturer	1,200	1,200
Marshalltown Community School District	Education	1,002	915
Iowa Veteran's Home	Hospital Care Facility	1,000	1,000
Lennox Industries, Inc	Furnace and air conditioning manufacturer	800	1,065
Central Iowa Health Care	Hospital	715	715
HyVee Food Stores *	Grocery store	340	340
Wal-Mart*	Retail	325	325
Marshalltown Community College	Education	245	245
McFarland Clinic PC	Medical clinic	223	223
City of Marshalltown*	Municipal government	210	198
Marshall County	County government	176	166

Note: Total employment information for the City of Marshalltown is not available. Consequently, each employer's percentage of total employment can not be calculated.

Source: Marshalltown Chamber of Commerce

* Includes full time, part time and seasonal employees

City of Marshalltown
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	Full-time-Equivalent Employees as of June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Public Safety	90.26	98.28	97.32	99.1	99.00	99.00	88.00	86.00	98.91	101.94
Public Works	20.46	20.61	21.14	21.02	21.00	21.00	20.00	21.00	20.06	19.88
Health and Social Services	4.13	8.38	9.44	8.49	8.00	8.00	6.50	6.50	6.26	7.14
Culture and Recreation	26.81	26.39	27.28	27.6	29.00	29.00	28.00	29.00	25.95	26.17
Community and Economic Development	2.26	2.6	3.29	4.21	4.00	3.00	5.50	5.50	3.55	3.09
General Government	15.93	15.57	17.67	17.91	18.00	17.00	18.00	18.00	17.55	18.16
Business-Type	29.01	32.57	32.25	32.89	34.00	35.00	34.00	36.00	31.95	30.70
Capital Projects	-	-	-	-	-	1.00	1.00	1.00	0.13	0.02
Total	<u>188.86</u>	<u>204.40</u>	<u>208.39</u>	<u>211.22</u>	<u>213.00</u>	<u>213.00</u>	<u>201.00</u>	<u>203.00</u>	<u>204.36</u>	<u>207.10</u>

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Function/Program	Fiscal Year				
	2017	2016	2015	2014	2013
General Government					
Building Permits:					
New Construction:					
Number of permits	28	29	46	42	36
Value of permits	22,091,000	13,434,000	27,124,000	29,427,000	2,553,000
Remodeling, repairs and additions:					
Number of permits	120	102	80	72	71
Value of permits	7,434,000	11,915,000	10,719,000	24,001,000	16,435,000
Police					
Physical arrests	2,320	2,216	3,114	3,438	3,000
Violations:					
Parking	2,775	3,005	5,420	5,835	4,248
Traffic	1,801	1,255	1,889	1,803	2,500
Drunk driving	131	100	122	164	112
Narcotics	396	358	577	449	308
Fire					
Emergency responses	2,653	2,527	2,530	2,321	2,218
Fires extinguished	156	131	127	112	169
Inspections	555	519	223	471	541
Parks and recreation					
Adult team sports					
Leagues	6	6	8	12	8
Participation	9,327	9,656	8,492	5,670	8,705
Youth activities					
Programs	30	27	32	33	32
Participation	3,256	3,224	3,249	3,502	3,569
Library					
Volumes in collection	144,143	143,783	100,376	101,034	101,194
Total volumes borrowed	250,941	287,092	274,787	290,606	292,964
Sewage system					
Per million					
Daily average treatment in gallons	3.95	4.73	4.26	4.75	6.4
Maximum daily capacity of treatment plant in thousands of gallons	17,440	17,440	17,440	17,440	17,440
Sewer customers served	10,159	9,481	9,785	9,383	9,409
* Computer software was counting sewer credit meters					
Sewer rates in effect					
Base charge per month	\$20.25	\$17.57	\$15.60	\$14.31	\$12.12
Flow charge per 100 cubic feet	\$2.63	\$2.27	\$2.11	\$2.03	\$1.89
Transit					
Total route miles	131,829	134,737	110,394	133,405	132,475
# of passengers	90,353	101,805	111,542	104,513	113,728
General Elections - November of each year					
Registered voters	24,920	16,231	25,549	15,796	15,196
Number of votes cast	18,175	3,492	13,844	N/A	11,836
Percentage of registered voters voting	72.93%	21.51%	54.19%	N/A	77.89%

City of Marshalltown
Operating Indicators by Function/Program
Last Ten Fiscal Years

Ending June 30,				
2012	2011	2010	2009	2008
58	37	37	51	39
10,523,000	1,967,000	17,798,500	12,191,800	22,522,000
101	95	74	103	149
5,275,000	26,630,000	3,951,800	14,757,000	25,418,400
	2,254	3,421	3,581	3,045
5,629	10,269	N/A	N/A	6,802
2,939	3,290	3,787	4,758	4,793
110	120	224	218	234
398	369	385	460	512
689	1,885	N/A	N/A	2,274
54	71	N/A	N/A	51
353	376	N/A	N/A	380
10	8	10	10	4
8,611	6,762	6,105	5,373	2,201
28	31	27	40	35
3,587	4,246	3,780	3,478	7,268
133,971	129,219	101,194	93,755	91,914
300,784	310,849	327,106	262,755	253,855
6.4	6.4	7.51	6.82	7.38
17,440	17,440	17,440	17,440	17,440
9,405	9,447	10,248	9,397	9,435
\$10.27	\$10.27	\$10.27	\$9.51	\$9.51
\$1.76	\$1.76	\$1.76	\$1.76	\$1.63
131,749	135,711	107,157	105,282	105,435
112,318	130,974	111,586	113,934	111,849
16,659	17,494	16,860	17,015	17,015
1,063	8,643	1,335	N/A	N/A
6.38%	49.41%	7.92%	N/A	N/A

Function/Program	Fiscal Year					
	2017	2016	2015	2014	2013	2012
Police						
# of stations	1	1	1	1	1	1
# of employees	62	57	55	55	63	59
Non-dispatch	49	45	42	43	50	47
Dispatch	13	12	13	12	13	12
Fire						
# of stations	1	1	1	1	1	1
# of employees	29	28	28	27	30	29
Parks and recreation						
Park areas						
# parks	21	21	26	26	26	26
# acres	210	210	328	328	325	325
Athletics						
# Baseball/softball fields	5	5	6	6	10	6
# Soccer/football fields	0	0	6	6	4	6
# Tennis courts	5	5	12	12	13	12
# Basketball Courts	4	4				
Other						
# playgrounds	20	20	21	21	20	17
Miles of bike trails	7	7	9.6	9.6	8	8
# Swimming pools	1	1	1	1	1	1
# Park Shelters	29	29				
Public works						
Streets:						
Paved	157.5	157.5	157.5	157.5	157.5	157.5
Unpaved	5.8	5.8	5.8	5.8	5.8	5.8
Sewage system						
Number of treatment plants	1	1	1	1	1	1
Miles of sewers						
Storm	60.48	60.48	59.7	59.31	59.31	59.04
Sanitary	148.85	148.85	146.6	146.5	146.5	146.5
Transit						
# of buses	7	8	10	8	9	9
Education - Public and private						
Number of elementary schools	7	6	6	8	9	9
Number of elementary school instructors	262	283	299	305	243	237
Number of secondary schools	2	3	3	3	2	2
Number of secondary school instructors	150	280	250	238	143	146
Cemeteries						
Number of facilities	2	2	2	2	2	2
Number of acres						
Developed	135	135	135	135	135	135
Undeveloped	80	80	80	80	80	80
Hospitals						
Number of hospitals	1	1	1	1	1	1
Number of beds	49	49	125	125	125	125

City of Marshalltown
Capital Asset and Employment Statistics by Function/Program
Last Ten Fiscal Years

Ending June 30,			
2011	2010	2009	2008
1	1	1	1
61	59	58	58
48	46	45	45
13	13	13	13
1	1	1	1
29	26	29	29
26	26	26	26
325	325	328	328
6	6	6	6
6	6	6	6
	12	12	4
17	17	17	17
8	8	8	8
1	1	1	1
157.5	157.5	157.5	157.4
5.8	5.8	5.8	5.8
1	1	1	1
58.8	58.5	57.1	57.1
146.5	146.5	145.7	145.7
10	10	9	10
9	7	7	7
248	225	225	203
2	2	2	2
150	156	150	147
2	2	2	2
135	135	135	135
80	80	80	80
1	1	1	1
125	125	125	125

	2017	2016	2015	2014	2013	2012	2011
Revenues:							
Sewer Rental	\$ 7,370,973	\$ 6,341,560	\$ 5,875,990	\$ 5,611,519	\$ 4,860,499	\$ 4,661,934	\$ 4,152,904
Interest Income	62,404	30,154	24,526	36,356	32,361	37,704	53,312
Grants	-	-	-	39,669	39,669	1,582,043	849,787
Miscellaneous	119,147	221,791	190,654	218,797	218,797	275,547	128,066
Total revenues	<u>7,552,524</u>	<u>6,593,505</u>	<u>6,091,170</u>	<u>5,906,341</u>	<u>5,151,326</u>	<u>6,557,228</u>	<u>5,184,069</u>
Expenses:							
Costs of Service	3,543,159	3,217,648	2,678,407	2,994,802	2,800,306	3,225,133	2,945,845
Depreciation	1,470,579	1,487,116	1,283,352	1,269,460	1,182,359	1,126,174	1,134,959
Debt Service	<u>2,426,016</u>	<u>2,492,501</u>	<u>1,502,938</u>	<u>1,252,956</u>	<u>1,131,139</u>	<u>1,859,184</u>	<u>778,689</u>
Total expenses	<u>7,439,754</u>	<u>7,197,265</u>	<u>5,464,697</u>	<u>5,517,218</u>	<u>5,113,804</u>	<u>6,210,491</u>	<u>4,859,493</u>
Net Income (Loss)	<u>\$ 112,770</u>	<u>\$ (603,760)</u>	<u>\$ 626,473</u>	<u>\$ 389,123</u>	<u>\$ 37,522</u>	<u>\$ 346,737</u>	<u>\$ 324,576</u>

Water Pollution Control Historic Coverage

Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011
Net Income (Loss)	\$ 112,770	\$ (603,760)	\$ 626,473	\$ 389,123	\$ 37,522	\$ 346,737	\$ 324,576
Add depreciation	1,470,579	1,487,116	1,283,352	1,269,460	1,182,359	1,126,174	1,134,959
Add debt retirement	<u>2,426,016</u>	<u>2,492,501</u>	<u>1,502,938</u>	<u>1,252,956</u>	<u>1,131,139</u>	<u>1,859,184</u>	<u>778,689</u>
Net income available for debt service	<u>\$ 4,009,365</u>	<u>\$ 3,375,857</u>	<u>\$ 3,412,763</u>	<u>\$ 2,911,539</u>	<u>\$ 2,351,020</u>	<u>\$ 3,332,095</u>	<u>\$ 2,238,224</u>
Historic debt service	\$ 2,426,016	\$ 2,492,501	\$ 1,502,938	\$ 1,252,956	\$ 1,131,139	\$ 1,859,184	\$ 778,689
Historic coverage	1.65	1.35	2.32	2.32	2.08	1.79	2.87
Projected max future debt	\$ 2,430,980	\$ 2,430,980	\$ 1,343,085	\$ 1,343,085	\$ 1,085,594	\$ 1,085,594	\$ 1,211,115
Projected coverage	1.65	1.39	2.16	2.17	2.17	3.07	1.85

City of Marshalltown
Water Pollution Control
Historic Earnings
Last Ten Fiscal Years

<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 4,558,315	\$ 4,868,033	\$ 4,584,414
50,336	116,922	212,420
391,132	292,060	73
<u>214,519</u>	<u>53,395</u>	<u>331,372</u>
 <u>5,214,302</u>	 <u>5,330,410</u>	 <u>5,128,279</u>
 3,142,187	 2,828,873	 2,746,362
1,119,009	1,079,643	1,184,012
<u>749,863</u>	<u>771,155</u>	<u>763,189</u>
 <u>5,011,059</u>	 <u>4,679,671</u>	 <u>4,693,563</u>
 <u>\$ 203,243</u>	 <u>\$ 650,739</u>	 <u>\$ 434,716</u>

<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 203,243	\$ 650,739	\$ 434,716
1,119,009	1,079,643	1,184,012
<u>749,863</u>	<u>771,155</u>	<u>763,189</u>
 <u>\$ 2,072,115</u>	 <u>\$ 2,501,537</u>	 <u>\$ 2,381,917</u>
 \$ 749,863	 \$ 771,155	 \$ 763,189
2.76	3.24	3.12
\$ 735,293	\$ 744,273	\$ 752,953
2.82	3.36	3.16

City of Marshalltown
Water Pollution Control
Number of Customers by Type
Last Ten Fiscal Years

Year	Residential	Multi-Family	Commercial	Industrial	Total	Incr (Decr)
2008	8,229	418	741	47	9,435	(13)
2009	8,206	412	735	44	9,397	(38)
2010	8,247	421	732	33	9,433	36
2011	8,251	406	749	41	9,447	14
2012	8,216	406	743	40	9,405	(42)
2013	8,228	405	737	39	9,409	4
2014	8,469	397	824	50	9,740	331
2015	8,505	398	823	51	9,777	37
2016	8,525	394	840	50	9,809	32
2017	8,730	389	988	52	10,159	350

Note: Due to a computer modification in fiscal year 2003, a more accurate count can be ascertained.

Prior years included credit meters. Information based upon number of meters.

Source: Marshalltown Water Works

City of Marshalltown
Water Pollution Control
Present Net Position
As of June 30, 2017

Sewer Revenue Operating and Maintenance Accounts	\$ 483,707
Sewer Revenue Sinking Reserve Fund Account	180,225
Additional Capital Replacement Fund Account	1,387,420
Undesignated	<u>7,602,420</u>
 Total Water Pollution Control Net Position	 <u><u>\$ 9,653,772</u></u>

City of Marshalltown
Water Pollution Control
Major Users – Two Year Comparison

	2017			2016		
	Avg Gallons Per Month	Monthly Bill	2017 Ranking	Avg Gallons Per Month	Monthly Bill	2016 Ranking
JBS Swift & Company	63,421,892	\$ 215,854	1	61,035,000	\$ 180,117	1
IA Veterans Home	2,211,150	7,780	2	2,306,209	7,016	2
Emerson Processing/Fisher Controls	926,710	3,272	3	709,291	2,170	4
Marshalltown Community School District	675,008	2,389	4	324,819	1,003	9
Sunset Village Mobile Home Park	616,165	2,183	5	744,260	2,276	3
Rainbow Carwash I & III	566,174	2,007	6	416,013	1,280	8
Central Iowa Truckwash LLC	564,802	2,002	7	491,124	1,508	7
Packaging Corporation	513,315	1,822	8	524,535	1,609	5
YMCA	295,398	1,057	9	NA	NA	NA
BM Marshalltown Venture, LLC	281,560	1,008	10	NA	NA	NA
Unity Point Health	NA	NA	NA	515,746	1,583	6
Concrete Inc.	NA	NA	NA	318,087	983	10

Source: City Financial Records and Marshalltown Water Works

Compliance Section

June 30, 2017

City of Marshalltown



**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

To the Honorable Mayor and
Members of the City Council
City of Marshalltown, Iowa

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Marshalltown, Iowa, (City) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 20, 2017. Our report includes a reference to other auditors who audited the financial statements of the Marshalltown Waterworks and the Marshalltown Convention and Visitor's Bureau, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

The financial statements of the Marshalltown Convention and Visitor's Bureau, a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not extend to those financial statements.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2017 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City and are reported in Part IV of the accompanying schedule of findings and questioned costs. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Dubuque, Iowa
December 20, 2017



Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Honorable Mayor and
Members of the City Council
City of Marshalltown, Iowa

Report on Compliance for Each Major Federal Program

We have audited the City of Marshalltown, Iowa's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2017. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2017.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Dubuque, Iowa
December 20, 2017

City of Marshalltown
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
U.S. Department of Housing and Urban Development:				
Direct program:				
Housing Voucher Cluster:				
Section 8 Housing Choice Vouchers	14.871		\$ 1,425,146	\$ -
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900		1,222,630	-
Total U.S. Department of Housing and Urban Development			<u>2,647,776</u>	<u>-</u>
U.S. Department of Justice:				
Pass-through program from:				
Iowa Department of Justice:				
Organized Crime Drug Enforcement Task Force	16.111	WC-IAN-0117	975	-
Direct:				
Law Enforcement Assistance FBI Field Police Training	16.302		490	-
Pass-through program from:				
Iowa Department of Justice:				
Violence Against Women Formula Grants	16.588	VW-11-52	41,674	-
Direct program:				
Bulletproof Vest Partnership Program	16.607		2,125	-
Pass through program from:				
Marshall County:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	14-JAG-159844	27,816	-
Direct:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738		20,625	10,313
			<u>48,441</u>	<u>10,313</u>
Total U.S. Department of Justice			<u>93,705</u>	<u>10,313</u>

City of Marshalltown
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

Federal Grantor/Pass-through Grantor/Program	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
U.S. Department of Transportation:				
Direct program:				
Airport Improvement Program	20.106		\$ 9,283	\$ -
Pass-through program from:				
Iowa Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	STP-U-4797(618)--70-64	628,094	-
Highway Planning and Construction	20.205	STP-U-4797(617)--70-64	427,816	-
Highway Planning and Construction	20.205	STP-U-4797(619)--70-64	338,628	-
Highway Planning and Construction	20.205	TAP-U-4797(620)--8164	148,197	-
Highway Planning and Construction	20.205	NRT-nt10(004)9g-00	22,756	-
Cluster total			<u>1,565,491</u>	<u>-</u>
Formula Grants for Rural Areas	20.509	IA-18-X030	<u>208,006</u>	<u>-</u>
Highway Safety Cluster:				
State and Community Highway Safety	20.600	17-402-M0AL, Task 12-00-00	6,918	-
State and Community Highway Safety	20.600	PAP 16-402-M0OP, Task 07-00-00	1,624	-
Cluster total			<u>8,542</u>	<u>-</u>
Total U.S. Department of Transportation			<u>1,791,322</u>	<u>-</u>
Total			<u>\$ 4,532,803</u>	<u>\$ 10,313</u>

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Marshalltown, Iowa, and is presented on the modified accrual basis of accounting for governmental funds and the full accrual basis of accounting for proprietary funds. The information in this schedule is presented in accordance with the requirements of Uniform Guidance. The City received federal awards both directly from federal agencies and indirectly through pass-through entities. Federal financial assistance provided to a subrecipient is treated as an expenditure when it is paid to the subrecipient.

Note 2 – Significant Accounting Policies

Governmental fund types account for the City's federal grant activity. Therefore, expenditures in the schedule of expenditures of federal awards are recognized on the modified accrual basis – when they become a demand on current available financial resources in the governmental fund types and on the full accrual basis – when expenditures are incurred in the proprietary funds. The City's summary of significant accounting policies is presented in Note 1 in the City's basic financial statements.

The City has not elected to use the 10% de minimis cost rate.

Part I: Summary of the Independent Auditor's Results:

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	No
Significant deficiency not considered to be a material weakness	None Reported
Noncompliance material to financial statements noted	No

Federal Awards

Internal control over major programs:	
Material weakness identified	No
Significant deficiency not considered to be a material weakness	None reported
Type of auditor's report issued on compliance for the major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516	No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.871
Highway Planning and Construction Cluster Highway Planning and Construction	20.205
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee	No

Part II: Findings Related to the Financial Statements:

There were no findings to report.

Part III: Findings and Questioned Costs for Federal Awards:

There were no findings and questioned costs to report.

Part IV: Other Findings Related to Required Statutory Reporting:

2017-IA-A Certified Budget – Disbursements at June 30, 2017, exceeded the amended budget amounts in the health and social services function. Additionally, before the budget was amended, disbursements exceeded the original amount budgeted for the capital projects function.

Recommendation – The budget should have been amended in accordance with Chapter 384.18 of the Code of Iowa before disbursements were allowed to exceed budget.

Response – The budget will continue to be monitored on a regular basis. Additional budget amendments, other than the normal May amendment that is done on an annual basis, will be completed if necessary.

2017-IA-B Questionable Expenditures - We noted no expenditures that we believe may fail to meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

2017-IA-C Travel Expense - No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

2017-IA-D Business Transactions - No business transactions between the City and City officials or employees were noted.

2017-IA-E Bond Coverage - Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.

2017-IA-F Council Minutes - No transactions were found that we believe should have been approved in the Council minutes but were not.

2017-IA-G Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City's investment policy were noted.

2017-IA-H Revenue Bonds – No instances of noncompliance with provisions of the City's revenue bond resolutions were noted.

2017-IA-I Annual Urban Renewal Report – The urban renewal annual report was properly approved and certified to the Iowa Department of Management on or before December 1.

Part IV: Other Findings Related to Required Statutory Reporting: (continued)

2017-IA-J TIF Certifications – It was noted during our reconciliation procedures the total TIF requested from the County exceeds the amount of TIF obligations outstanding.

Recommendation – The City should reconcile its remaining TIF obligations with TIF funds on hand and future requests from the County.

Response – The City will reconcile all TIF obligations in the upcoming year.

2017-IA-K Fire Truck Loan – During the year ended June 30, 2017, the City entered into a loan agreement with Iowa Finance Authority. However, a public hearing was not held prior to the authorization of the agreement as required by Chapter 384.24A of the Code of Iowa.

Recommendation – The City should consult legal counsel for the disposition of this matter. In the future, the City should hold a public hearing prior to the authorization of a loan agreement in accordance with Chapter 384.24A of the Code of Iowa.

Response – The City held a public hearing after the receipt of loan funds with the Iowa Finance Authority and will hold the required public hearings in the future.

APPENDIX B

DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to any Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to any Tender/Remarketing Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX C

DRAFT FORM OF OPINION OF BOND COUNSEL

APPENDIX D

DRAFT CONTINUING DISCLOSURE CERTIFICATE

OFFICIAL BID FORM

City of Marshalltown
24 N. Center Street
Marshalltown, IA 50158

November 5, 2018
Speer Financial, Inc.
Facsimile: (319) 291-8628

Dear Council Members:

For the \$2,400,000* General Obligation Corporate Purpose Bonds, Series 2018 (the "Bonds"), of the City of Marshalltown, Marshall County, Iowa (the "City"), as described in the annexed Official Terms of Offering, which is expressly made a part of this bid, we will pay you \$_____ (no less than \$2,380,800). The Bonds are to bear interest at the following respective rates (each a multiple of 1/8 or 1/100 of 1%) for the Bonds of each designated maturity.

AMOUNTS* AND MATURITIES – JUNE 1

\$110,000	2023	_____ %	\$360,000	2025	_____ %	\$400,000	2028	_____ %
350,000	2024	_____ %	375,000	2026	_____ %	420,000	2029	_____ %
			385,000	2027	_____ %			

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

Maturities: _____	Term Maturity _____	Maturities: _____	Term Maturity _____
Maturities: _____	Term Maturity _____	Maturities: _____	Term Maturity _____

*Subject to principal adjustment in accordance with the Official Terms of Offering.

In submitting this bid, we represent that (i) this bid constitutes a firm offer to purchase the Bonds, and (ii) we have an established industry reputation for underwriting new issuances of municipal bonds and notes.

The Bonds are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Dorsey & Whitney LLP, Des Moines, Iowa. The City will pay for the legal opinion. **The Purchaser agrees to apply for CUSIP numbers** and pay the fee charged by the CUSIP Service Bureau and will accept the Bonds with the CUSIP numbers as entered on the Bonds.

As evidence of our good faith, if we are the winning bidder, we will wire transfer the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time to the City's good faith bank and under the terms provided in the Official Terms of Offering for the Bonds. Alternatively, we have wire transferred or enclosed herewith a check payable to the City in the amount of the Deposit under the terms provided in the Official Terms of Offering for the Bonds.

Attached hereto is a list of members of our account on whose behalf this bid is made.

Form of Deposit (Check One)

Prior to Bid Opening:
Certified/Cashier's Check ☐
Wire Transfer ☐

Within TWO Hours of Bid Opening:
Wire Transfer ☐

Amount: \$48,000

Account Manager Information

Underwriter/Bank _____
Address _____
Authorized Rep _____
City _____ State/Zip _____
Direct Phone (_____) _____
FAX Number (_____) _____
E-Mail Address _____

Bidders Option Insurance

We have purchased insurance from:
Name of Insurer
(Please fill in)

Premium: _____

Maturities: (Check One)

☐ _____ Years

☐ All

The foregoing bid was accepted and the Bonds sold by resolution of the City on November 5, 2018, and receipt is hereby acknowledged of the good faith Deposit which is being held in accordance with the terms of the annexed Official Terms of Offering.

ATTEST:

CITY OF MARSHALLTOWN
MARSHALL COUNTY, IOWA

City Clerk

Mayor

-----NOT PART OF THE BID-----
(Calculation of true interest cost)

Gross Interest	\$
Less Premium/Plus Discount	\$
True Interest Cost	\$
True Interest Rate	%
TOTAL BOND YEARS	19,041.67
AVERAGE LIFE	7.934 Years

OFFICIAL TERMS OF OFFERING

\$2,400,000*

CITY OF MARSHALLTOWN MARSHALL COUNTY, IOWA

General Obligation Corporate Purpose Bonds, Series 2018

The City of Marshalltown, Marshall County, Iowa, (the “City”), will receive electronic bids on the SpeerAuction (“SpeerAuction”) website address “www.SpeerAuction.com” for its \$2,400,000* General Obligation Corporate Purpose Bonds, Series 2018 (the “Bonds”), on an all or none basis between 10:30 A.M. and 11:00 A.M., C.S.T., Monday, November 5, 2018. To bid electronically, bidders must have: (1) completed the registration form on the SpeerAuction website, and (2) requested and received admission to the City’s sale (as described below). The City will also receive sealed bids for the Bonds, on an all or none basis, at the City Hall, 24 N. Center Street, Marshalltown Iowa, before 11:00 A.M., C.S.T., Monday, November 5, 2018. The City will also receive facsimile bids at (319) 291-8628 for the Bonds, on an all or none basis, before 11:00 A.M., C.S.T., Monday, November 5, 2018. Upon receipt, facsimile bids will be sealed and treated as sealed bids, and along with all other sealed bids will be publicly opened and, together with any electronic bids, read.

Award will be made or all bids rejected at a meeting of the City on that date. The City reserves the right to reject all bids, to reject any bid proposal not conforming to this Official Terms of Offering, and to waive any irregularity or informality with respect to any bid. Additionally, the City reserves the right to modify or amend this Official Terms of Offering; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Bonds and any such modification or amendment will be announced on the Amendments Page of the SpeerAuction webpage and through *Thomson Municipal News*.

The Bonds are valid and binding general obligations of the City, and all taxable property within the boundaries of the City is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate or amount.

**ADJUSTMENTS TO PRINCIPAL AMOUNT AFTER DETERMINATION OF BEST BID. The aggregate principal amount of the Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the City or its designee after the determination of the Winning Bidder. The City may increase or decrease each maturity in increments of \$5,000, but the total amount to be issued will not exceed \$2,400,000. Interest rates specified by the Winning Bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the City.*

The dollar amount of the purchase price proposed by the Winning Bidder will be changed if the aggregate principal amount of the Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Bonds will be made while maintaining, as closely as possible, the Winning Bidder’s net compensation, calculated as a percentage of bond principal. The Winning Bidder may not withdraw or modify its bid as a result of any post-bid adjustment. Any adjustment shall be conclusive, and shall be binding upon the Winning Bidder.

Establishment of Issue Price (10% Test to Apply if Competitive Sale Requirements are Not Satisfied)

The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at Closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the forms attached hereto as Exhibit A to this Official Terms of Offering, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Bond Counsel.

The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because:

- (1) the City shall disseminate this Official Terms of Offering to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest true interest cost), as set forth in this Official Terms of Offering.

Any bid submitted pursuant to this Official Terms of Offering shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event that the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. The City shall treat the first price at which 10% of a maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the City if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. **The City will not require bidders to comply with the “hold-the-offering-price rule” and therefore does not intend to use the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity. Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to the 10% test in order to establish the issue price of the Bonds.**

If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the City the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Official Terms of Offering. Further, for purposes of this Official Terms of Offering:

- (1) “public” means any person other than an underwriter or a related party,
- (2) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),
- (3) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (4) “sale date” means the date that the Bonds are awarded by the City to the winning bidder.

Bond Details

The Bonds will be in fully registered form in the denominations of \$5,000 and integral multiples thereof in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, to which principal and interest payments on the Bonds will be paid. Individual purchases will be in book-entry form only. Interest on each Bond shall be paid by check or draft of the Bond Registrar to the person in whose name such Bond is registered at the close of business on the fifteenth day of the month next preceding an interest payment date on such bond. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal office maintained for the purpose by the Bond Registrar in Des Moines, Iowa. Semiannual interest is due June 1 and December 1 of each year, commencing December 1, 2019 and is payable by Bankers Trust Company, Des Moines, Iowa (the “Bond Registrar”). The Bonds are dated the date of delivery (expected to be on or about December 3, 2018).

AMOUNTS* AND MATURITIES – JUNE 1

\$110,000	2023	\$360,000	2025	\$400,000	2028
350,000	2024	375,000	2026	420,000	2029
		385,000	2027		

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

The Bonds due June 1, 2023 - 2024, inclusive, are non-callable. The Bonds due June 1, 2025 - 2029, inclusive, are callable in whole or in part and on any date on or after June 1, 2024, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in any order of maturity as determined by the City and within any maturity by lot.

Method of Bidding Electronically

Notwithstanding the fact that the City permits receiving bids electronically using SpeerAuction, all bidders must have a signed, but uncompleted, Official Bid Form delivered to Speer Financial, Inc., Suite 608, 531 Commercial Street, Waterloo, Iowa, (319) 291-8628 facsimile, prior to the close of bidding to which a printout of the electronic bid will be attached and delivered to the City.

All-or-none bids must be submitted via the internet address www.SpeerAuction.com. The use of SpeerAuction shall be at the bidder's risk and expense and the City shall have no liability with respect thereto, including (without limitation) liability with respect to incomplete, late arriving and non-arriving bids.

To bid via the SpeerAuction webpage, bidders must first visit the SpeerAuction webpage where, if they have not previously registered with either SpeerAuction, Grant Street Group (the "Auction Administrator") or any other website administered by the Auction Administrator, they may register and then request admission to bid on the Bonds. Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. Only registered broker-dealers and dealer banks with DTC clearing arrangements will be eligible to bid electronically.

The "Rules" of the SpeerAuction bidding process may be viewed on the SpeerAuction webpage and are incorporated herein by reference. Bidders must comply with the Rules of SpeerAuction in addition to the requirements of the City's Official Terms of Offering. In the event the Rules of SpeerAuction and this Official Terms of Offering conflict, this Official Terms of Offering shall be controlling.

All electronic bids must be submitted on the SpeerAuction webpage. Electronic bidders may change and submit bids as many times as they choose during the sale period but may not delete a submitted bid. The last bid submitted by an electronic bidder before the deadline for receipt of bids will be compared to all other final bids to determine the winning bidder. During the bidding, no bidder will see any other bidder's bid nor the status of their bid relative to other bids (e.g., whether their bid is a leading bid). The electronic bidder bears all risk of transmission failure. Any questions regarding bidding on the SpeerAuction website should be directed to Grant Street Group at (412) 391-5555 x 370.

Each bidder shall be solely responsible for making necessary arrangements to access SpeerAuction for purposes of submitting its internet bid in a timely manner and in compliance with the requirements of the Terms of Offering. The City is permitting bidders to use the services of the SpeerAuction solely as a communication mechanism to conduct the internet bidding and the SpeerAuction is not an agent of the City. Provisions of the Terms of Offering and Official Bid Form shall control in the event of conflict with information provided by the Internet Bid System.

Electronic Facsimile Bidding: Bids may be submitted via facsimile at (319) 291-8628. Electronic facsimile bids will be sealed and treated as sealed bids. Neither the City nor its agents will assume liability for the inability of the bidder to reach the above named fax numbers prior to the time of sale specified above. Transmissions received after the deadline will be rejected. Bidders electing to submit bids via facsimile transmission bear full and complete responsibility for the transmission of such bid. Neither the City nor its agents will assume responsibility for the inability of the bidder to reach the above specified fax number prior to the time of sale. Time of receipt shall be the time recorded by the person receiving the facsimile and shall be conclusive.

Bidding Parameters and Award of the Bonds

All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. The rates bid shall be in non-descending order. The differential between the highest rate bid and the lowest rate bid shall not exceed six percent (6%). All bids must be for all of the Bonds and must be for not less than \$2,380,800.

Award of the Bonds: The Bonds will be awarded on the basis of true interest cost, determined in the following manner. True interest cost shall be computed by determining the annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Bonds from the payment dates thereof to the dated date and to the bid price. For the purpose of calculating true interest cost, the Bonds shall be deemed to become due in the principal amounts and at the times set forth in the table of maturities set forth above. In the event two or more qualifying bids produce the identical lowest true interest cost, the winning bid shall be the bid that was submitted first in time on the SpeerAuction webpage or if all such bids are not submitted electronically, the winning bid shall be determined by lot.

The Bonds will be awarded to the bidder complying with the terms of this Official Terms of Offering whose bid produces the lowest true interest cost rate to the City as determined by the City's Registered Municipal Advisor, which determination shall be conclusive and binding on all bidders; provided, that the City reserves the right to reject all bids or any non-conforming bid and reserves the right to waive any informality in any bid. Electronic bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the SpeerAuction Observation Page immediately after the bidding.

The premium or discount, if any, is subject to pro rata adjustment if the maturity amounts of the Bonds are changed, maintaining, as close as possible, the same dollar amount of profit per \$1,000 bond as bid.

The true interest cost of each electronic bid will be computed by SpeerAuction and reported on the Observation Page of the SpeerAuction webpage immediately following the date and time for receipt of bids. These true interest costs are subject to verification by the City's Municipal Advisor, will be posted for information purposes only and will not signify an actual award of any bid or an official declaration of the winning bid. The City or its Municipal Advisor will notify the bidder to whom the Bonds will be awarded, if and when such award is made.

The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to MSRB Rules G-8, G-11 and G-36. The winning bidder will be required to pay the standard MSRB charge for Bonds purchased. In addition, the winning bidder who is a member of the Securities Industry and Financial Markets Association ("SIFMA") will be required to pay SIFMA's standard charge per Bond.

Good Faith Deposit and Other Matters

The winning bidder is required to a wire transfer from a solvent bank or trust company to the City's good faith bank the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time as evidence of the good faith of the bidder. Alternatively, a bidder may submit its Deposit upon or prior to the submission of its bid in the form of a certified or cashier's check on, or a wire transfer from, a solvent bank or trust company for **TWO PERCENT OF PAR** payable to the Treasurer of the City. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received within such two hour time period provided that such winning bidder's federal wire reference number has been received. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award.

If a wire transfer is used for the Deposit, it must be sent according to the following wire instructions:

Amalgamated Bank of Chicago
Corporate Trust
30 North LaSalle Street
38th Floor
Chicago, IL 60602
ABA # 071003405

Credit To: 3281 Speer Bidding Escrow
RE: City of Marshalltown, Marshall County, Iowa bid for
\$2,400,000* General Obligation Corporate Purpose Bonds, Series 2018

If the wire shall arrive in such account prior to the date and time of the sale of the Bonds. Contemporaneously with such wire transfer, the prospective purchaser shall send an email to biddingscrow@aboc.com with the following information: (1) indication that a wire transfer has been made, (2) the amount of the wire transfer, (3) the issue to which it applies, and (4) the return wire instructions if such prospective purchaser is not awarded the Bonds. The City and any prospective purchaser who chooses to wire the Deposit hereby agree irrevocably that Speer Financial, Inc. ("Speer") shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: (i) if the bid is not accepted, Speer shall, at its expense, promptly return the Deposit amount to the unsuccessful prospective purchaser; (ii) if the bid is accepted, the Deposit shall be forwarded to the City, (iii) Speer shall bear all costs of maintaining the escrow account and returning the funds to the prospective purchaser; (iv) Speer shall not be an insurer of the Deposit amount and shall have no liability except if it willfully fails to perform, or recklessly disregards, its duties specified herein; and (v) income earned on the Deposit, if any, shall be retained by Speer.

The City covenants and agrees to enter into a written agreement, certificate or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the City for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter.

The Underwriter's obligation to purchase the Bonds shall be conditioned upon the City delivering the Undertaking on or before the date of delivery of the Bonds.

The Bonds will be delivered to the successful purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be on or about December 3, 2018. Should delivery be delayed beyond sixty (60) days from the date of sale for any reason beyond the control of the City except failure of performance by the purchaser, the City may cancel the award or the purchaser may withdraw the good faith deposit and thereafter the purchaser's interest in and liability for the Bonds will cease.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the City, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as that term is defined in the Rule. By awarding the Bonds to any underwriter or underwriting syndicate, the City agrees that, no more than seven (7) business days after the date of such award, it shall provide, without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded, up to 50 copies of the Final Official Statement to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The City shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the City it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

By submission of its bid, the senior managing underwriter of the successful purchaser agrees to supply all necessary pricing information and any Participating Underwriter identification necessary to complete the Official Statement within 24 hours after award of the Bonds. Additional copies of the Final Official Statement may be obtained by Participating Underwriters from the printer at cost.

The City will, at its expense, deliver the Bonds to the purchaser in New York, New York (or arrange for "FAST" delivery) through the facilities of DTC and will pay for the bond attorney's opinion. At the time of closing, the City will also furnish to the purchaser the following documents, each dated as of the date of delivery of the Bonds: (1) the legal opinion of Dorsey & Whitney LLP, Des Moines, Iowa, that the Bonds are lawful and enforceable obligations of the City in accordance with their terms; (2) the opinion of said attorneys that the interest on the Bonds is exempt from federal income taxes as and to the extent set forth in the Official Statement for the Bonds; and (3) a no litigation certificate by the City.

The City intends to designate the Bonds as “qualified tax-exempt obligations” pursuant to the small issuer exception provided by Section 265(b) (3) of the Internal Revenue Code of 1986, as amended.

The City has authorized the printing and distribution of an Official Statement containing pertinent information relative to the City and the Bonds. Copies of such Official Statement or additional information may be obtained from Ms. Diana Steiner, Finance Director, City of Marshalltown, 24 N. Center Street, Marshalltown, Iowa 50158 or an electronic copy of this Official Statement is available from the www.speerfinancial.com website under “Official Statement Sales/Competitive Calendar” or from the Registered Municipal Advisor to the City, Speer Financial, Inc., 531 Commercial Street, Suite 608, Waterloo, Iowa 50701 (telephone (319) 291-2077), and One North LaSalle Street, Suite 4100, Chicago, Illinois 60602 (telephone (312) 346-3700).

/s/ **DIANA STEINER**
Finance Director
CITY OF MARSHALLTOWN
Marshall County, Iowa

EXHIBIT A

EXAMPLE ISSUE PRICE CERTIFICATE

[from bond counsel]

RESOLUTION SETTING A DATE FOR A PUBLIC HEARING ON AN OFFER TO
PURCHASE CITY-OWNED PROPERTY LOCATED AT 213 EAST MAIN STREET

WHEREAS, the City of Marshalltown, Iowa (the “City”), pursuant to and in strict compliance with all laws applicable to the City, and in particular the provisions of Chapter 403 of the Code of Iowa, has adopted an Urban Renewal Plan for the Marshalltown Urban Renewal Area No. 4 (the “Urban Renewal Area”); and

WHEREAS, Chapter 403 of the Code of Iowa provides a process by which a city may dispose of property once an offer to purchase property has been received, including giving notice of the receipt of such offer and opportunity for a public hearing; and

WHEREAS, a Request for Proposals inviting offers to purchase the City-owned property located at 213 East Main Street (the “Property”) was circulated to interested parties; and

WHEREAS, the City has received an offer (the “Offer”) to purchase the Property from Cohen-Esrey Development Group, LLC (“Cohen-Esrey”), pursuant to which Cohen-Esrey would pay the City \$1.00 for the Property and would use the Property to construct a four-story structure with approximately 52 affordable units; and

WHEREAS, in accordance with Sections 403.8 and 403.9 of the Code of Iowa, it is now necessary that a date be set for a public hearing on the Offer;

NOW, THEREFORE, Be It Resolved by the City Council of the City of Marshalltown, Iowa, as follows:

Section 1. This City Council will meet at the Council Chambers, Marshalltown, Iowa, on the 26th day of November, 2018, at 5 o’clock p.m., at which time and place it will hold a public hearing on the proposed Offer.

Section 2. The City Clerk shall publish notice of the hearing, the same being in the form attached hereto, which publication shall be made in a legal newspaper of general circulation in Marshalltown, which publication shall be not less than thirty (30) days before the date set for hearing.

Passed and approved October 22, 2018.

Mayor

Attest:

City Clerk

NOTICE OF URBAN RENEWAL COMPETITIVE BID PROCESS AND INTENTION TO
ACCEPT OFFER FOR SALE OF CITY PROPERTY

The City of Marshalltown, Iowa (the “City”) has proposed the sale of certain property owned by the City. The property is located at 213 East Main Street and has a legal description of Lots 4 and 5, excluding the West 43 feet of Lot 5 in Block 13 of the Town of Marshall (the “Property”). The lot, which is paved and serves as a parking lot, is located in the Marshalltown Urban Renewal Area No. 4 (the “Urban Renewal Area”).

The City Council is interested in selling the property to an entity that will serve the best interests of the Marshalltown community and its residents.

The proposed sale is subject to the uses specified in the urban renewal plan for the Urban Renewal Area.

The City is inviting competitive proposals for the sale of the Property. Further information is available from the City Administrator, City Hall, 24 North Center Street, Marshalltown, Iowa 50158 (641) 754-5799. Written proposals for the sale of the Property must be received no later than 1:00 o’clock p.m. on the 20th day of November, 2018, at the office of the City Administrator. In the event competing proposals are timely submitted, all proposals will be reviewed by the City Council. The City reserves the right to reject any or all proposals, and to waive any informalities.

The City is further providing notice that it has received and intends to accept an offer (the “Offer”) to purchase the Property from Cohen-Esrey Development Group, LLC, which provides that Cohen-Esrey will acquire the Property from the City for \$1.00, to be paid at closing. Cohen-Esrey intends to construct a four-story structure with approximately 52 affordable units.

In the event no competing proposals are received by the City, the City Council intends to approve the sale of the Property to Cohen-Esrey, following a public hearing on the Offer, to be held at 5 o’clock p.m., on the 26th day of November, 2018, at the Council Chambers. At the hearing, any interested person may file written comments or present oral comments with respect to the proposed sale of the Property.

Shari Coughenour
City Clerk

STATE OF IOWA
COUNTY OF MARSHALL SS:
CITY OF MARSHALLTOWN

I, the undersigned, City Clerk of the City of Marshalltown, Iowa (the “City”), do hereby certify that pursuant to the resolution of its City Council fixing a date of public hearing on a proposed offer to purchase City-owned property, the notice, of which the printed slip attached to the publisher’s affidavit hereto attached is a true and complete copy, was published on the date and in the newspaper specified in such affidavit, which newspaper has a general circulation in the City.

WITNESS my hand this ____ day of _____, 2018.

City Clerk

(Attach here publisher’s affidavit of publication of notice.)



Cohen-Esrey Development Group, LLC
6800 W. 64th Street, Suite 101
Overland Park, KS 66202
Main: 913.671.3300
FAX: 913.671.3301

Date: October 15th, 2018
Request for Proposal: Sale of 213 East Main Street
Presented By: Cohen-Esrey Development Group, LLC
Parcel ID: 8418-35-203-003
Lot Area: 0.32 Acres



MARSHALLTOWN SENIOR RESIDENCES
LETTIS-FLETCHER BUILDING RESTORATIONS
10.15.2018

SITE PLAN



Overview of Organization

Cohen-Esrey (cohenesrey.com) is a multifamily housing developer based in Overland Park, KS. Cohen-Esrey Development Group (CEDG) is the development arm of the company with a focus on developing Workforce and Affordable housing developments. We specialize in working with cities, communities, and neighborhoods to help develop urban infill projects as well as rehabbing existing historic and other buildings into attractive, quality affordable housing.

In the last 20 years, CEDG has developed over 50 properties representing 2600 units. In recent years, CEDG has accelerated its development activity. The developments have been Affordable Housing projects; utilizing a combination of Low Income Housing Tax Credits, state and federal Historic Tax Credits, and other creative public and private funding sources. Types of developments include new construction, urban infill, adaptive reuse of historic buildings, and acquisition/rehab of existing buildings.

In addition, CEDG's affiliate, Cohen-Esrey Communities, currently manages 7000 units in 25 states. Together, the Cohen-Esrey family of companies brings a wealth of development, financing, and property management expertise to every project in which it is involved. Moving forward, CEDG is expanding its development reach and products by incorporating mixed-use, mixed-income projects to assist cities, communities, and neighborhoods meet their toughest development and housing challenges.

Cohen-Esrey is a privately held company that employs about 300 employees with a 50+ year track record. Financial Statements may be provided at a later date if necessary.

Please consult Cohen-Esrey's website (cohenesrey.com) for additional information on projects and personnel.

Contact Persons for Project (see attached):

Brian Sweeney, Development Director. bsweeney@cohenesrey.com. 612.817.3266. 640 Main Street North, Suite 32, Stillwater, MN 55082.

Jon Atlas, VP of Development. jatlas@cohenesrey.com. 913.671.3389. 6800 W 64th Street, Suite 101, Overland Park, KS. 66202.

Tom Anderson, Managing Director. tanderson@cohenesrey.com. 913.671.3363. 6800 W 64th Street, Overland Park, KS. 66202.

Cohen-Esrey Principals: Robert Esrey serves as Cohen-Esrey's Chairman and Lee Harris is President and CEO.

Use of Property

Cohen-Esrey Development Group intends to acquire the parking lot build a 4-story structure with approximately 52 affordable units. Parking will be behind the building and to the south allowing residents' easy access.

Intended Improvements

Cohen-Esrey intends to build a 4-story building that occupies the parking lot on Main Street. The project is intended to have approximately 52 units and cost approximately \$10 million.

Purchase Price

Cohen-Esrey is offering \$1.00 to purchase the parking lot on Main Street (Parcel ID: 8418-35-203-003).

Contingences

The sale of this property will have no contingencies.

CEDG: KEY DEVELOPMENT PARTNERS

ARCHITECT: ASK Studio, Des Moines, will serve as the architect and designer of the Marshalltown Senior Residences development. Brent Schipper is the Principal of ASK Studio. The firm is one of the most experience architects in the upper Midwest in providing design for Workforce and Affordable housing projects. Over the past decade ASK Studio has designed new, repurposed, or remodeled units in over 60 affordable housing projects, representing over 3000 affordable units. ASK Studio has had dozens of design, preservation, and environmental awards (see askstudio.com) for current project information.

Tom Anderson, Managing Director



Tom Anderson serves as Managing Director of CEDG. In his role, Tom is responsible for strategic planning and execution of all CEDG business lines as well as day-to-day management of a growing team of Development Partners. Previously he served as Director of State Tax Credits with Cohen-Esrey Capital Partners, LLC (CECP). Prior to his tenure at Cohen-Esrey, Tom was Senior Vice President for Q10|Triad Capital Advisors, a Midwest regional commercial mortgage banking company, where he ran all loan production activities for the Kansas City office. Tom's background also includes multi-family and commercial property management, leasing, investment sales, asset management, development, and project management. In total, Tom brings over 25-years of experience in the commercial real estate industry to his position with CEAP with emphasis on institutional-quality real estate and building high-performing teams. Tom is a graduate of Florida State University with degrees in Finance and Real Estate.

Jon Atlas, Vice President of Development



In his role as Vice President of Development, Jon conducts site analyses, creates financial models, assembles development teams, attracts financing, and executes the application process for Low-Income Housing Tax Credit projects throughout Cohen-Esrey's footprint states. Jon has many years of housing, tax credit, and policy experience. Prior to joining Cohen-Esrey, Jon was a vice president at JP Morgan in Chicago, where he underwrote and closed more than 40 LIHTC transactions across the country, totaling \$500 million in equity. He previously worked for National Equity Fund as an associate fund manager, raising LIHTC equity from institutional tax credit investors. In addition, Jon served as a legislative assistant for two members of Congress in Washington, D.C., advising them on a variety of topics including housing, economic development, taxes, and public safety. Jon graduated from Duke University, where he received a degree in public policy. He also has a master in business administration from the University of Chicago with concentrations in finance, economics, and entrepreneurship.

Brian Sweeney, Development Director

Brian Sweeney joins Cohen-Esrey Development Group in 2015 and serves as Development Director for Cohen-Esrey serving Minnesota, Iowa, and Wisconsin. Brian previously was Director of Planning and Economic Development for the City of St. Paul as well as Executive Director of the St. Paul Housing and Redevelopment Authority (HRA) where he was a key development player for downtown, riverfront, and community development projects. He oversaw the city's allocation of the Section 42 Low Income Housing Tax Credits (LIHTC), federal and state historic tax credits allocations, and helped launch numerous mixed-use, mixed-income development projects in St. Paul. Later,

Brian was also President of a Twin Cities urban multi-family housing developer that specialized in working closely with Twin Cities communities assisting in helping turn around troubled city-owned properties, including serving as Master Developer for the 8-acre development now known as Terra Springs, a 5-building, 175 unit developments on Main Street in Stillwater, MN. Brian, who lives in Stillwater, MN, is an Urban Studies major from the George Washington University, Washington, DC.

Charles Robinson, Vice President Design & Construction

Charles Robinson serves as Vice President of Design and Construction of Construction Technologies, LLC (CT). Charles has been in the construction industry since 1995. In his role, Charles is responsible for management of the design and construction business line as well as the day-to-day management of project management, construction management, financial management, quality management, risk management, and all other company operations involving construction. Charles brings over 20 years of experience in the construction industry and managed the construction of more than \$250,000,000 in multi-family, industrial, medical facilities and railroad infrastructure projects.

Prior to joining Cohen-Esrey, Charles owned and operated a general contracting company where he constructed several complex projects nationwide and partnered with Fortune 500 construction companies as a subcontractor on large infrastructure development projects. Charles graduated from the University of Nebraska Lincoln in 1997 where he played NCAA Division I Basketball and earned a Bachelor of Science Degree in Civil Engineering. He also has Master Degree in Business Administration from Bellevue University with concentrations in management and entrepreneurship.

**RESOLUTION EXPRESSING INTENT TO CONSIDER A DEVELOPMENT AGREEMENT WITH
COHEN-ESREY DEVELOPMENT GROUP, LLC FOR THE CONSTRUCTION OF AFFORDABLE
HOUSING UNITS**

WHEREAS, the tornado on July 19, 2018, caused damage to multiple structures throughout the City, including the property owned by Cohen-Esrey Development Group, LLC (“Cohen-Esrey”) located at 201 East Main Street; and

WHEREAS, the Iowa Finance Authority set-aside an allocation for disaster recovery for Marshalltown in the 2019 Low Income Housing Tax Credit Program, with pre-applications due on November 1, 2019;

WHEREAS, Cohen-Esrey is proposing an affordable housing development utilizing the properties of 201, 209 and 213 East Main Street to construct up to 46 affordable units; and

WHEREAS, the project location is in Urban Renewal Area #4, with the proposed project being consistent with the stated projects for which the City could consider as listed in the Urban Renewal Plan for Area #4;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARSHALLTOWN, IOWA, a Development Agreement for the rebate of incremental taxes shall be considered should Cohen-Esrey receive an allocation of Low Income Housing Tax Credits; and

BE IT FURTHER RESOLVED, the terms of the agreement will be an annual rebate of ninety percent of incremental taxes for a ten year period, not-to-exceed \$275,000.

Passed this 22nd day of October, 2018, and signed this _____ day of October, 2018.

CITY OF MARSHALLTOWN, IOWA

Joel T.S. Greer, Mayor

ATTEST:

Shari L. Coughenour, CMC, City Clerk



Cohen-Esrey Development Group, LLC
6800 W. 64th Street, Suite 101
Overland Park, KS 66202
Main: 913.671.3300
FAX: 913.671.3301

October 18, 2018

Ms. Jessica Kinser
City Administrator
24 North Center
City of Marshalltown, IA 50158

Dear Ms. Kinser:

This letter is a request for the City Council to consider a resolution of intent to enter into a development agreement in the Urban Renewal Area (TIF District) for the properties that would include the Marshalltown Historic Residences at 201 East Main Street, 209 E. Main Street, as well as the city owned parking lot at 213 E. Main Street.

Since the tornado, Cohen Esrey Development Group has continued to analyze the best possible path forward for 201 East Main Street. Despite the extensive damage, we believe we have a way forward to redevelop the building maintain the affordable housing. In addition and separately, we believe there is an opportunity to add a new LIHTC development of 42-46 new affordable housing units on the 209 and 213 East Main Street sites, as well as utilizing our property along Church Street for parking .

LIHTC (Section 42) properties are assessed on an 'income base' formula. Our initial analysis, based on other Iowa LIHTC projects we are involved in, suggests we believe our future development would be valued at approximately \$ 1.1 million. Our request to the City is that it consider providing the new construction project (42-46 units) 90% of a TIF for a 10 year period.

Thank you for your consideration. We look forward to working together to assist with the recovery of Marshalltown.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jon Atlas', with a long horizontal stroke extending to the right.

Jon Atlas
Vice President of Development
jatlas@cohenesrey.com
913-671-3389

**RESOLUTION EXPRESSING INTENT TO CONSIDER A DEVELOPMENT AGREEMENT WITH
CONLIN DEVELOPMENT GROUP, LLC FOR THE CONSTRUCTION OF AFFORDABLE
HOUSING UNITS**

WHEREAS, the tornado on July 19, 2018, caused damage to multiple structures throughout the City including rental housing units; and

WHEREAS, the Iowa Finance Authority set-aside an allocation for disaster recovery for Marshalltown in the 2019 Low Income Housing Tax Credit Program, with pre-applications due on November 1, 2019;

WHEREAS, Conlin Development Group, LLC, or its assignee, is proposing an affordable housing development utilizing a parcel located on East LaFrentz Lane to construct up to 55 affordable units; and

WHEREAS, the project location is in Urban Renewal Area #3;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARSHALLTOWN, IOWA, the City shall amend the current Urban Renewal Plan for Area #3 to allow for tax increment financing to be considered for multi-family residential developments; and

BE IT FURTHER RESOLVED, the City Council shall consider a Development Agreement for the rebate of incremental taxes should Conlin Development Group, LLC, or its assignee, receive an allocation of Low Income Housing Tax Credits; and

BE IT FURTHER RESOLVED, the terms of the agreement will be an annual rebate of ninety percent of incremental taxes for a ten-year period, not-to-exceed \$500,000.

Passed this 22nd day of October, 2018, and signed this _____ day of October, 2018.

CITY OF MARSHALLTOWN, IOWA

Joel T.S. Greer, Mayor

ATTEST:

Shari L. Coughenour, CMC, City Clerk



October 18, 2018

The City of Marshalltown
Attn: City Administrator Jessica Kinser
24 N Center Street
Marshalltown, IA 50158

Dear Ms Kinser:

We are writing to request the consideration by the Marshalltown City Council of a resolution of intent to enter into a development agreement in the Urban Renewal Area (TIF District) in which we propose to build a 55 unit affordable housing project. This project would be located to the east of Walmart on La Frenz Dr (see Exhibit A) and comprise part of a lot approximately 6.75 acres. Although the assessor will make the final determination as to what the actual assessed value will be, we would estimate the future full assessed value (including land) of the project will be \$2,552,341 per the attached spreadsheet (Exhibit B). As you can see, we used the tax valuation of current affordable multifamily developments (per Iowa Finance Authority) in Marshalltown as well as a few other communities to make this estimate.

Thank you for your consideration and please let us know if your office or council members would like additional information.

Sincerely,

A handwritten signature in blue ink that reads "J.B. Conlin". The signature is fluid and cursive, with the first letters of the first and last names being capitalized.

J.B. Conlin
Chief Operations Officer
Conlin Properties, Inc.
3721 SW 61st Street
Des Moines, IA 50321
(515) 246-2936

EXHIBIT A

Parcel #1

The East 466.69 feet of the West 641.69 feet of the South 466.69 feet of the NE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 11, Township 83 North, Range 18 West of the 5th P.M., Marshall County, Iowa.

and

Parcel #2 (approximate example map below)

The East 466.69 feet of the West 641.69 feet of the North 163.34 feet of the South 630.03 feet of Section 11, Township 83 North, Range 18 West of the 5th P.M., Marshall County, Iowa.

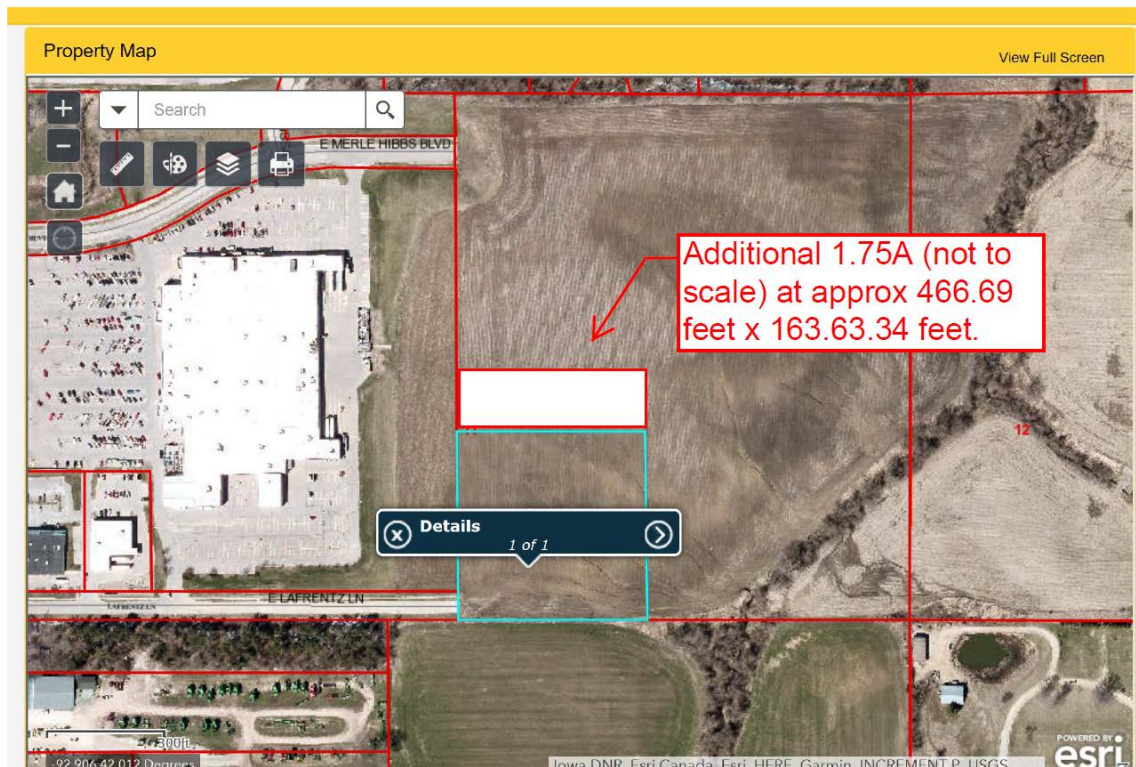


			Exhibit B								
LIHTC Project Number	LIHTC Award Year	Project Name	Project Address	Number of Buildings	Number of Units	2017 Gross Taxable Value	Lot area in square ft		2017 Per Unit Gross Taxable	Number of Proposed Units	Estimated Tax Valuation
13-13-47	2013	Marshalltown Senior Residences	201 E Main St	1	28	\$ 984,990	10,800		\$ 35,178.21	55	\$ 1,934,801.79
94-15	1994	Hillcrest Apts	208 Glenda Dr	3	32	\$ 758,443	79,100		\$ 23,701.34	55	\$ 1,303,573.91
98-25	1998	Marshalltown Sundance Apts	1407 South 7th Avenue	2	32	\$ 820,827	229,108		\$ 25,650.84	55	\$ 1,410,796.41
12-12-20	2012	The Tallcorn	134 #2 E Main Street	1	49	\$ 237,798	30,000	discard			
01-22	2001	River Oaks	1509 Marion Street	8	28	\$ 465,894	158,100		\$ 16,639.07	55	\$ 915,148.93
02-10	2002	River Birch ETO	1601 Marion Street	6	20	\$ 231,885	132,858		\$ 11,594.25	55	\$ 637,683.75
03-25	2003	Westown Apartments	122 West Main Street	1	36	\$ 619,398	21,600		\$ 17,205.50	55	\$ 946,302.50
93-30	1993	Crestview of Marshalltown	202 N 2nd Ave	1	40	\$ 1,086,921	139,870		\$ 27,173.03	55	\$ 1,494,516.38
					265	\$ 5,206,156		average	\$ 22,448.89	55	\$ 1,234,689.09
						Upward adjustment for new construction					\$ 500,000.00
						Estimate using Marshalltown Projects					\$ 1,734,689.09
15-15-11	2015	Canterbury Heights	755 NW 56sth, Pleasant Hill	1	62	\$ 3,777,100	132,858		\$ 60,920.97	55	\$ 3,350,653.23
13-13-18	2013	Hilltop Senior	3720 E. Douglas Ave, DSM	1	62	\$ 3,820,700	132,858		\$ 61,624.19	55	\$ 3,389,330.65
						Estimate using projects in other cities			\$ 61,272.58	55	\$ 3,369,991.94
						Total estimate of future assessed value					\$ 2,552,340.51



Joel T.S. Greer, Mayor
Jessica Kinser, Administrator
Justin Nickel, Public Works Director
24 North Center Street
Marshalltown, IA 50158-4911
Tel - (641) 754-5734
Fax - (641) 754-5793

DEPARTMENT OF PUBLIC WORKS

October 17, 2018

To: Mayor Joel T.S. Greer
Members of the City Council

From: Justin Nickel
Director of Public Works

Re: Airport Hangar Size and Funding Discussion

In 2017, the airport used its accrued FAA entitlement funds for pavement maintenance on Runway18-36, parallel taxiway and Runway end 36 connecting taxiway. The City was required to make pavement improvements before entitlement funds could be used for construction of a new hangar.

Starting in FFY 2019, the Marshalltown Municipal Airport will have \$595,000 of entitlement funds available if designed and constructed in multiple FAA fiscal years. Engineering staff have been planning for construction of a large hangar with the entitlement funds. Discussion with the City Council in 2017 centered on the need for a hangar larger than any currently at the airport and the need for a new terminal building.

The amount of available entitlement funds is not enough to fund a hangar of the desired size (100' x 120'). A summary table of options of costs and funding is attached for information. The current funds would allow for the construction of a hangar that is similar in size to the existing storage hangar (connected to the terminal building) but would not solve the current issue of needing a larger storage hangar.

If the city was to move forward with a 75' x 75' hangar the clear door width would be approximately 65' for a building of this size. The proposed 75' x 75' hangar would only be able to accommodate planes with a wing width of approximately 55' or less. The construction of at least a 75' x 75' hangar would allow more aircraft to be stored than can currently be stored with the existing buildings. The proposed hangar building would be built with a larger clear door height to allow aircraft with larger tail heights to be stored in the building, that aren't able to be stored in the existing buildings.

City Council

Leon Lamer, Mike Gowdy, Sue Cahill, Al Hoop,
Gabe Isom, Bill Martin, Bethany Wirin



A rule of thumb is that when moving an aircraft into a building, at least 10' should be provided on each side of the wing to allow the airplane to be backed in the hangar building without any special assistance. If less than 10' is provided on each side of the wing, a wing walker must be provided on each side of the wing to monitor the movement of the aircraft. Anything less than a few feet of clearance from each wingtip is less than desirable.

The Marshalltown Municipal Airport is designed for FAA airplane design group II aircraft. Aircraft in this group have a maximum wing span of up to 79'. According to ACRP Report 113, Guidebook on General Aviation Facility Planning, approximately 83% of the aircraft in design group II do not exceed 75' in overall length. The maximum overall length of any aircraft in group II is no more than 100'.

A log of aircraft using the Marshalltown Municipal Airport has been obtained from FAA and is attached for reference. Included in this log is wing width information, approximate number of operations and overall aircraft length for your reference.

Recently surrounding airports have constructed large hangars as desired by the Marshalltown Municipal Airport. The Grinnell Regional Airport is currently constructing a 100' x 100' hangar with a 90' clear door width. The Ames Municipal Airport recently constructed a 120' x 95' hangar with an 80' clear door width. The Newton Municipal Airport constructed a 120' x 100' hangar with a 96' clear door opening and a terminal building.

Without construction of a larger hangar space, it is currently not possible to store larger aircraft that come to the airport inside and protected from the weather. As a result, they are forced to relocate to another airport, even though their business is in Marshalltown.

The current CIP has \$50,000 allocated for design of the 75' x 75' hangar in FY 2019. The City is responsible for 10% match (\$5,000). The City has funds identified, but not borrowed to date, for construction in FY 2020 (also a 10% match). Design and construction of a hangar larger than 75' x 75' would require commitment of further funds.

The cost information lays out three options. The first option is the construction of 75' x 75' hangar. The second is for a 120' x 100' Hangar with a 100' clear door width which is preferred to allow for larger aircraft to be housed at Marshalltown Airport, either overnight or during inclement weather. The third option is for the 120' x 100' hangar with a terminal building.

The amount of FAA entitlement funding remains the same with each option and the local share would need to increase to fund Option 2 or 3.

Attachment: Estimated Cost Information

cc: Jessica Kinser, City Administrator

City Council
Leon Lamer, Mike Gowdy, Sue Cahill, Al Hoop,
Gabe Isom, Bill Martin, Bethany Wirin



Project Funding Summary
 Hangar Improvements
 Marshalltown Municipal Airport
 October 4, 2018

	75' X 75' Hangar (Original CIP Budget)	100' x 120' Hangar (Preferred Hangar Development)	100' x 120' Hangar with Terminal Building (Preferred Hangar/Terminal Development)
Total Estimated Project Cost	\$671,300.00	\$1,350,000.00	\$2,300,000.00

Project Funding Summary (With FAA Entitlement and IDOT Funding)

FAA Entitlement Funds	\$595,000.00	\$595,000.00	\$595,000.00
IDOT Funding (GAVI up to \$150,000 max)		\$0.00	\$150,000.00
IDOT Funding (AIP 80% State/20% Local)		\$160,000.00	\$145,000.00
Local Funding	\$76,300.00	\$595,000.00	\$1,410,000.00
Total Funding (With FAA Entitlement and IDOT Funding)	\$671,300.00	\$1,350,000.00	\$2,300,000.00

Project Funding Summary (With Only FAA Entitlement Funding)

FAA Entitlement Funds	\$595,000.00	\$595,000.00	\$595,000.00
IDOT Funding (GAVI up to \$150,000 max)		\$0.00	\$0.00
IDOT Funding (AIP 80% State/20% Local)		\$0.00	\$0.00
Local Funding	\$76,300.00	\$755,000.00	\$1,705,000.00
Total Funding (With Only FAA Entitlement Funding)	\$671,300.00	\$1,350,000.00	\$2,300,000.00

TFMSC Report (Airport)

DRAFT

9-7-18

From 05/01/2013 To 04/31/2018 | Airport=MIW

Aircraft	Airplane Approach Category	Airplane Design Group	Total Operations	Max Takeoff Weight	Tail Height (ft)	Wing Width (ft)	Overall Length (ft)
C17 - Boeing Globemaster 3	B	IV	1	585,000			
GLF5 - Gulfstream V/G500	D	III	2	91,000	25.8	93.5	96.4
GLEK - Bombardier BD-700 Global Express	C	III	2	92,500	25.5	94.0	96.8
FA7X - Dassault Falcon F7X	B	III	16	70,000	25.7	86.0	76.1
CL60 - Bombardier Challenger 600/601/604	C	II	6	47,600	20.7	64.3	68.4
CL30 - Bombardier (Canadair) Challenger 300	C	II	4	38,900	20.3	63.8	68.6
GALX - IAI 1126 Galaxy/Gulfstream G200	C	II	9	35,500	21.4	58.1	62.3
LJ75 - Learjet 75	C	II	5	21,500	14.0	50.9	58.0
F900 - Dassault Falcon 900	B	II	100	45,503	24.8	63.4	66.3
F2TH - Dassault Falcon 2000	B	II	32	41,000	23.2	63.4	66.3
FA50 - Dassault Falcon/Mystère 50	B	II	253	39,700	22.9	61.8	60.8
C750 - Cessna Citation X	B	II	2	36,100	19.2	63.6	72.3
C680 - Cessna Citation Sovereign	B	II	2	30,300	19.2	63.1	61.8
C650 - Cessna III/VI/VII	B	II	7	22,000	16.8	53.5	55.4
C56X - Cessna Excel/XLS	B	II	28	20,200	17.2	56.4	52.5
E55P - Embraer Phenom 300	B	II	10	17,968	16.5	53.2	52.2
C25C - Cessna Citation CJ4	B	II	6	17,110	15.4	50.8	53.3
C560 - Cessna Citation V/Ultra/Encore	B	II	26	16,830	15.0	52.2	48.9
B350 - Beech Super King Air 350	B	II	41	15,000	14.4	57.9	46.7
BE30 - Raytheon 300 Super King Air	B	II	9	15,000	14.4	54.5	43.8
C550 - Cessna Citation II/Bravo	B	II	41	14,800	15.0	51.7	47.7
C25B - Cessna Citation CJ3	B	II	4	13,870	15.2	53.3	51.2
BE20 - Beech 200 Super King	B	II	25	12,500	15.0	54.5	43.9
BE9T - Beech F90 King Air	B	II	2	10,950	14.3	50.3	35.5
C441 - Cessna Conquest	B	II	3	9,925	13.2	49.3	39.0
PC12 - Pilatus PC-12	A	II	427	9,920	14.0	53.3	47.3
LJ35 - Bombardier Learjet 35/36	D	I	5	18,000			
H25B - BAe HS 125/700-800/Hawker 800	C	I	159	28,000	18.1	54.4	51.2
LJ60 - Bombardier Learjet 60	C	I	9	23,500			
WW24 - IAI 1124 Westwind	C	I	2	23,500			
LJ45 - Bombardier Learjet 45	C	I	74	21,500			
LJ55 - Bombardier Learjet 55	C	I	4	21,500			
BE40 - Raytheon/Beech Beechjet 400/T-1	B	I	44	16,100			
C25A - Cessna Citation CJ2	B	I	27	12,500			
PRM1 - Raytheon Premier 1/390 Premier 1	B	I	12	12,500			
AC90 - Gulfstream Commander	B	I	6	11,200			
BE9L - Beech King Air 90	B	I	27	10,950			
FA10 - Dassault Falcon/Mystère 10	B	I	2	10,760			
C25M - Cessna Citation M2	B	I	2	10,700			
C525 - Cessna CitationJet/CJ1	B	I	38	10,600			
E50P - Embraer Phenom 100	B	I	3	10,582			
PAY2 - Piper Cheyenne 2	B	I	445	9,540	12.8	42.7	36.7
PAY1 - Piper Cheyenne 1	B	I	9	9,000			
C510 - Cessna Citation Mustang	B	I	38	8,645			
C425 - Cessna 425 Corsair	B	I	2	8,600			
S3 - Lockheed Viking	No Data	No Data	2	52,540			
PAYE - Cheyenne	No Data	No Data	1	11,200			

Airplane Design Group III = Wingspan 118' to 79'

Airplane Design Group II = Wingspan 79' to 49'

Airplane Design Group I = Wingspan 49' or less

Report created on Fri Jul 13 13:52:00 EDT 2018

Sources: Traffic Flow Management System Counts (TFMSC), Aviation System Performance Metrics (ASPM)



Joel T.S. Greer, Mayor
Jessica Kinser, Administrator
Justin Nickel, Public Works Director
24 North Center Street
Marshalltown, IA 50158-4911
Tel - (641) 754-5734
Fax - (641) 754-5793

DEPARTMENT OF PUBLIC WORKS

October 17, 2018

**To: Mayor Joel T.S. Greer
Members of the City Council**

From: Justin Nickel
Director of Public Works

Re: Airport Hangar Size and Funding Discussion

In 2017, the airport used its accrued FAA entitlement funds for pavement maintenance on Runway 18-36, parallel taxiway and Runway end 36 connecting taxiway. The City was required to make pavement improvements before entitlement funds could be used for construction of a new hangar. Starting in federal fiscal year 2019 (October 1, 2018-September 30, 2019), the Marshalltown Municipal Airport will have \$595,000 of entitlement funds available if designed and constructed in multiple FAA fiscal years. Engineering staff have been planning for construction of a large hangar with the entitlement funds. Discussion with the City Council in 2017 centered on the need for a hangar larger than any currently at the airport and the need for a new terminal building.

The amount of available entitlement funds is not enough to fund a hangar of the desired size (100' x 120'). A summary table of options of costs and funding is attached for information. The current funds would allow for the construction of a hangar that is similar in size to the existing storage hangar (connected to the terminal building) but would not solve the current issue of needing a larger storage hangar.

If the City was to move forward with a 75' x 75' hangar the clear door width would be approximately 65' for a building of this size. The proposed 75' x 75' hangar would only be able to accommodate planes with a wing width of approximately 55' or less. The construction of at least a 75' x 75' hangar would allow more aircraft to be stored than can currently be stored with the existing buildings. The proposed hangar building would be built with a larger clear door height to allow aircraft with larger tail heights to be stored in the building that are not able to be stored in the existing buildings.

A rule of thumb is that when moving an aircraft into a building, at least 10' should be provided on each side of the wing to allow the airplane to be backed in the hangar building without any

City Council
Leon Lamer, Mike Gowdy, Sue Cahill, Al Hoop,
Gabe Isom, Bill Martin, Bethany Wirin



special assistance. If less than 10' is provided on each side of the wing, a wing walker must be provided on each side of the wing to monitor the movement of the aircraft. Anything less than a few feet of clearance from each wingtip is less than desirable.

The Marshalltown Municipal Airport is designed for FAA airplane design group II aircraft. Aircraft in this group have a maximum wing span of up to 79'. According to ACRP Report 113, Guidebook on General Aviation Facility Planning, approximately 83% of the aircraft in design group II do not exceed 75' in overall length. The maximum overall length of any aircraft in group II is no more than 100'.

A log of aircraft using the Marshalltown Municipal Airport has been obtained from FAA and is attached for reference. Included in this log is wing width information, approximate number of operations and overall aircraft length for your reference.

Recently surrounding airports have constructed large hangars as desired by the Marshalltown Municipal Airport. The Grinnell Regional Airport is currently constructing a 100' x 100' hangar with a 90' clear door width. The Ames Municipal Airport recently constructed a 120' x 95' hangar with an 80' clear door width. The Newton Municipal Airport constructed a 120' x 100' hangar with a 96' clear door opening and a terminal building. Without construction of a larger hangar space, it is currently not possible to store larger aircraft that come to the airport inside and protected from the weather. As a result, they are forced to relocate to another airport, even though their business is in Marshalltown.

The current CIP has \$50,000 allocated for design of the 75' x 75' hangar in FY 2019. The City is responsible for 10% match (\$5,000). The City has funds identified, but not borrowed to date, for construction in FY 2020 (also a 10% match). Design and construction of a hangar larger than 75' x 75' would require commitment of further funds.

The cost information lays out three options. The first option is the construction of 75' x 75' hangar. The second is for a 120' x 100' Hangar with a 100' clear door width which is preferred to allow for larger aircraft to be housed at Marshalltown Airport, either overnight or during inclement weather. The third option is for the 120' x 100' hangar with a terminal building. The amount of FAA entitlement funding remains the same with each option and the local share would need to increase to fund Option 2 or 3. If Option 2 or 3 were selected, the Council would be committing to borrowing the local share in the 2019 borrowing for construction in calendar year 2020.

City Council

Leon Lamer, Mike Gowdy, Sue Cahill, Al Hoop,
Gabe Isom, Bill Martin, Bethany Wirin



Project Funding Summary
 Hangar Improvements
 Marshalltown Municipal Airport
 October 4, 2018

	75' X 75' Hangar (Original CIP Budget)	100' x 120' Hangar (Preferred Hangar Development)	100' x 120' Hangar with Terminal Building (Preferred Hangar/Terminal Development)
Total Estimated Project Cost	<u>\$671,300.00</u>	<u>\$1,350,000.00</u>	<u>\$2,300,000.00</u>
Project Funding Summary (With FAA Entitlement and IDOT Funding)			
FAA Entitlement Funds	\$595,000.00	\$595,000.00	\$595,000.00
IDOT Funding (GAVI up to \$150,000 max)		\$0.00	\$150,000.00
IDOT Funding (AIP 80% State/20% Local)		\$160,000.00	\$145,000.00
Local Funding	<u>\$76,300.00</u>	<u>\$595,000.00</u>	<u>\$1,410,000.00</u>
Total Funding (With FAA Entitlement and IDOT Funding)	<u>\$671,300.00</u>	<u>\$1,350,000.00</u>	<u>\$2,300,000.00</u>
Project Funding Summary (With Only FAA Entitlement Funding)			
FAA Entitlement Funds	\$595,000.00	\$595,000.00	\$595,000.00
IDOT Funding (GAVI up to \$150,000 max)		\$0.00	\$0.00
IDOT Funding (AIP 80% State/20% Local)		\$0.00	\$0.00
Local Funding	<u>\$76,300.00</u>	<u>\$755,000.00</u>	<u>\$1,705,000.00</u>
Total Funding (With Only FAA Entitlement Funding)	<u>\$671,300.00</u>	<u>\$1,350,000.00</u>	<u>\$2,300,000.00</u>

TFMSC Report (Airport)

DRAFT

9-7-18

From 05/01/2013 To 04/31/2018 | Airport=MIW

Aircraft	Airplane Approach Category	Airplane Design Group	Total Operations	Max Takeoff Weight	Tail Height (ft)	Wing Width (ft)	Overall Length (ft)
C17 - Boeing Globemaster 3	B	IV	1	585,000			
GLF5 - Gulfstream V/G500	D	III	2	91,000	25.8	93.5	96.4
GLEX - Bombardier BD-700 Global Express	C	III	2	92,500	25.5	94.0	96.8
FA7X - Dassault Falcon F7X	B	III	16	70,000	25.7	86.0	76.1
CL60 - Bombardier Challenger 600/601/604	C	II	6	47,600	20.7	64.3	68.4
CL30 - Bombardier (Canadair) Challenger 300	C	II	4	38,900	20.3	63.8	68.6
GALX - IAI 1126 Galaxy/Gulfstream G200	C	II	9	35,500	21.4	58.1	62.3
LJ75 - Learjet 75	C	II	5	21,500	14.0	50.9	58.0
F900 - Dassault Falcon 900	B	II	100	45,503	24.8	63.4	66.3
F2TH - Dassault Falcon 2000	B	II	32	41,000	23.2	63.4	66.3
FA50 - Dassault Falcon/Mystère 50	B	II	253	39,700	22.9	61.8	60.8
C750 - Cessna Citation X	B	II	2	36,100	19.2	63.6	72.3
C680 - Cessna Citation Sovereign	B	II	2	30,300	19.2	63.1	61.8
C650 - Cessna III/VI/VII	B	II	7	22,000	16.8	53.5	55.4
C56X - Cessna Excel/XLS	B	II	28	20,200	17.2	56.4	52.5
E55P - Embraer Phenom 300	B	II	10	17,968	16.5	53.2	52.2
C25C - Cessna Citation CJ4	B	II	6	17,110	15.4	50.8	53.3
C560 - Cessna Citation V/Ultra/Encore	B	II	26	16,830	15.0	52.2	48.9
B350 - Beech Super King Air 350	B	II	41	15,000	14.4	57.9	46.7
BE30 - Raytheon 300 Super King Air	B	II	9	15,000	14.4	54.5	43.8
C550 - Cessna Citation II/Bravo	B	II	41	14,800	15.0	51.7	47.7
C25B - Cessna Citation CJ3	B	II	4	13,870	15.2	53.3	51.2
BE20 - Beech 200 Super King	B	II	25	12,500	15.0	54.5	43.9
BE9T - Beech F90 King Air	B	II	2	10,950	14.3	50.3	35.5
C441 - Cessna Conquest	B	II	3	9,925	13.2	49.3	39.0
PC12 - Pilatus PC-12	A	II	427	9,920	14.0	53.3	47.3
LJ35 - Bombardier Learjet 35/36	D	I	5	18,000			
H25B - BAe HS 125/700-800/Hawker 800	C	I	159	28,000	18.1	54.4	51.2
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PRM1 - Raytheon Premier 1/390 Premier 1	B	I	12	12,500			
AC90 - Gulfstream Commander	B	I	6	11,200			
BE9L - Beech King Air 90	B	I	27	10,950			
FA10 - Dassault Falcon/Mystère 10	B	I	2	10,760			
C25M - Cessna Citation M2	B	I	2	10,700			
C525 - Cessna CitationJet/CJ1	B	I	38	10,600			
E50P - Embraer Phenom 100	B	I	3	10,582			
PAY2 - Piper Cheyenne 2	B	I	445	9,540	12.8	42.7	36.7
PAY1 - Piper Cheyenne 1	B	I	9	9,000			
C510 - Cessna Citation Mustang	B	I	38	8,645			
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S3 - Lockheed Viking	No Data	No Data	2	52,540			
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Airplane Design Group III = Wingspan 118' to 79'

Airplane Design Group II = Wingspan 79' to 49'

Airplane Design Group I = Wingspan 49' or less

Report created on Fri Jul 13 13:52:00 EDT 2018

Sources: Traffic Flow Management System Counts (TFMSC), Aviation System Performance Metrics (ASPM)

MARSHALLTOWN

— I O W A —

City Administrator's Office

Joel Greer, Mayor
Jessica Kinser, Administrator
Shari L. Coughenour, Clerk
24 North Center Street
Marshalltown, IA 50158-4911
Tel - (641) 754-5799
Fax - (641) 754-5717

To: Mayor Greer and the City Council
From: Jessica Kinser, City Administrator
Date: October 18, 2018
RE: Sale of 12, 20 and 26 East State Street

We listed the three properties noted above individually utilizing the request for proposal process on October 9th, with bids due on October 17th at 12PM. Three bids were received, with an additional bid being submitted after the deadline. The three timely bids are included in your packet and break down by property as follows:

12 E. State	20 E. State	26 E. State
CGA		
	Merge	Merge
Mark Eaton	Mark Eaton	Mark Eaton

CGA is offering \$12,500 for 12 E. State, with the intentions to maintain it as a parking lot and to eventually construct a small building. The proposal is complete and will result in assessed value based on the current land and parking lot assessed value of \$40,450.

Merge Urban Development Group is proposing a lower level commercial/upper level residential project for 20 and 26 E. State. However, the bid is incomplete in that it does not provide a purchase price for the Council to consider, among other things.

Mark Eaton's proposal is to purchase all three lots on State Street, including the Senior Citizens Center Building. The proposal offers \$100,000 for not only the three State Street parcels but also the Police Station. The offer also provides multiple contingencies including changes to the City's tax abatement program, leasing of the Police Station, grant of the Senior Citizen Building insurance proceeds, and waiver of building permit fees. The proposal is also missing organizational information as part of the response.

Of the three timely bids, the only bid which the Council could consider moving forward with at this time is CGA's bid to purchase 12 E. State Street. Merge does not provide the necessary information to move forward, and Eaton's proposal is contingent on the Police Station, for which he can submit a separate proposal by November 8th at 1pm for the Council to consider at the November 12th meeting and public hearing regarding the sale of that property. Therefore I recommend either of the following options:

1. Accept CGA's proposal on 12 E. State Street; continue discussion with the other two bidders on 20 and 26 E. State.
2. Reject all bids and continue to hold the properties until the Downtown Master Plan is complete.

City Council
Susan Cahill, Michael Gowdy, Al Hoop,
Gabriel Isom, Leon Lamer, Bill Martin, Bethany Wirin



Proposal to acquire Parcel ID 8418-26-454-021

12 E. State Street

Marshalltown, IA

Below is our proposal to acquire the City public parking lot located at 12 E. State Street, Marshalltown Iowa, behind and to the west of the Cline Photo Building. Our proposal is organized line by line in accordance with the Request for Proposal Dated Oct 10, 2018 with a submittal date of 12 pm on October 17th.

1. Overview of Organization:

- a. CGA Properties, LLC., Suite 400, 16 E. Main St., Marshalltown, IA
- b. CGA Properties LLC. was established in 2015 to transition ownership of 2 properties in downtown Marshalltown to a new generation of local owners. The prior owner of the City Centre at 16 E. Main St. and the Northwestern Mutual building located at 14 E. Main St. was looking to sell, so a group of 5 individuals joined together to create CGA Properties, LLC. and entered into a contract to purchase both properties.
- c. The properties owned and managed by CGA Properties, LLC., consist of over 20,000 square feet of professional office space with over 16 separate local businesses and non-profit entities as tenants.
- d. CGA Properties LLC, was organized as a local Marshalltown, Iowa, real estate investment business.
- e. Not applicable
- f. CGA Properties, LLC., has no direct employees.
- g. CGA Properties, LLC., has a very strong equity position in their current properties and has very strong relationships with 2 local banking institutions. Letters of credit or recommendations can be obtained if needed.

2. Use of the Property:

- a. CGA Properties LLC., intends to maintain this existing parking lot as a parking lot for our tenant's employees. The 16 businesses and entities that are current tenants employ approximately 60 people. These businesses also desire to grow and that growth will bring additional parking demands. Prior to the July 19th, 2018, tornado this parking lot was one of the primary parking lots used by our tenant's employees.
- b. CGA Properties, LLC., also intends to construct a vehicle and office storage facility on the north side of the parcel. This facility could be approximately a 50 ft x 60 ft structure, please see the attached map. A facility such as this will allow one of our tenants to consolidate vehicle storage nearer to their downtown facility. Additional office storage will also be incorporated within the structure due to the potential loss of our current storage facility located in the 2nd floor of 20 E. Main St. The building located at 20 E. Main St. (Angel's Store) was damaged by the July 19th tornado and the owner appears to have abandoned the property and is not performing any repair work. He has rejected our offers to purchase the property from him so we can restore it. The mold within the building is so strong that one can not stand very long at the front door without being overcome. We are extremely concerned about the mold eventually migrating to the

second floor where our tenants keep their office files, records, and unused or seasonal equipment.

- c. We feel that if this public lot is lost as a parking lot it will have a negative effect on our current tenants and their ability to keep employees and grow employment. Reduced availability of parking will also have a negative effect on bringing additional tenants into a downtown professional office location.

3. Intended Improvements:

- a. Repair the current parking lot.
- b. Construct a building to be used for vehicle and office storage in the general area shown on the attached map.
- c. In the short time available for the preparation of this propose we have not had time to develop adequate dollar values for stated improvements.

4. Purchase Price:

- a. In the extremely short window being provided to develop proposals, we have not had time to identify fair market value of the 0.31 acres under consideration. At this point we would offer \$12,500 for this parcel until such time a more appropriate number can be established.

5. Contingencies:

- a. There are no contingencies to our offer. We are able to execute a purchase contract immediately with no additional negotiated incentives in excess of what is currently of record.

Please feel free to contact me if I did not adequately cover all of the items requested or if there are additional items desired to assist with clarifying our proposed plans.

We look forward to hearing from the City of Marshalltown and expanding our investment within our community.

Sincerely,



Matt Garber, PE, PLS

President

CGA Properties, LLC.

mgarber@cgaconsultants.com

641-752-6701





604 Clay Street // Cedar Falls, IA 50613
2 E. Mifflin Street #407 // Madison, WI 53703
305 East Court Avenue // Des Moines, IA 50309

October 17, 2018

City of Marshalltown
Attn: City Clerk
24 North Center Street
Marshalltown, IA 50158-4911

Re: Request for Proposal for Sale of 20 and 26 East State Street.

Dear Ms. Kinser,

In response to the Request for Proposal for Sale of 20 and 26 East State Street, please find our organization overview and use of property description below. We will follow up next week with additional project details outlined in the remaining portions of the RFP.

1. Organization Overview

Each project is designed to make a strong economic impact, and our team brings a unique edge to the project's potential. Merge Urban Development Group is a collaboration of three organizations: Slingshot Architecture, ECHO Development Group, and Lancaster Investments.

Slingshot Architecture's experience in urban revitalization and process to engage community informed the design's connectivity to people (pedestrians, bikers, bus riders, and drivers) and the existing urban fabric.

We have included references from communities like Marshalltown that have established relationships with ECHO Development Group. ECHO has proven to be a community-player that works with city staff to create equitable solutions. The third leg of the stool is Lancaster Investments. Lancaster exited its family business in 2012 and plans to redeploy the capital in real estate, specifically in Opportunity Zones. Together, we are a young team, driven to make a lasting social impact, with a visionary leader/mentor/financier.

Merge aligns with communities by incorporating affordability, walkability, retail partnerships, and long-term ownership into our plans.



604 Clay Street // Cedar Falls, IA 50613
2 E. Mifflin Street #407 // Madison, WI 53703
305 East Court Avenue // Des Moines, IA 50309

2. Use of Property

Specific aspects of our mixed-use proposal include:

- Upper Levels - Thoughtful market-rate residential unit mix, size, and efficiencies. The units in this proposal should draw people from all walks of life to enjoy downtown living and will enable service people, artists, and students to afford downtown living – a key determinant of a sustainable creative economy.
- Street Level - We will work within our existing relationships with retailers across the Midwest to occupy space in Marshalltown; our goal is 90% commercial occupancy within 12 months of c/o. We will also provide micro-retail spaces utilizing shared restrooms/infrastructure to support start up retailers looking for minimal initial build out expenses.
- Our business is organized to manage and retain ownership. It is in our best interest to scale in communities with development gaps. We are driven and financially capable of working with communities to solve their development needs beyond the first project.

3. Intended Improvements

This will be provided as a future supplement to this document.

4. Purchase Price

This will be provided as a future supplement to this document.

5. Contingencies

This will be provided as a future supplement to this document.



604 Clay Street // Cedar Falls, IA 50613
2 E. Mifflin Street #407 // Madison, WI 53703
305 East Court Avenue // Des Moines, IA 50309

Our team would appreciate the opportunity to provide additional project details next week and we are here to answer any questions in the mean-time. Once again, thank you for the opportunity to work in Marshalltown.

Sincerely,

Brent Dahlstrom

Dan Drendel

Jon Lancaster

Joy Hannemann

SUPPLEMENT FOR PROPOSAL

WHO WE ARE

Jon Lancaster – Lancaster Investments

- 1971 UNI Alumni, student-athlete
- Spent 40+ years owning and operating automotive dealerships in Madison, WI
- Sold in 2012 to Penske Automotive Group (\$100MM)
- Global speaker & panelist for successful business management philosophy: pay attention to definable financial disciplines, focus on innovation and technology, and lead by example through hard work and ethically based decision making



Brent Dahlstrom – ECHO Development Group

- 2007 UNI Alumni, Student-athlete
- Developed and owns over 1100 residential units in Iowa
- Awards
 - 2018 National Community Development Association - Audrey Nelson Community Development Achievement Award
 - 2018 Cedar Valley 20 Under 40
 - 2017 Iowa Finance Authority - Iowa Multifamily Housing Development Award
 - 2017 UNI Emerging Philanthropist Award

Joy Hannemann – Lancaster Investments

- 2010 UWEC Alumni, 2020 MBA Candidate Wisconsin School of Business
- Responsible for growth, profitability, and social impact of Lancaster holdings
- Active within Wisconsin's entire startup ecosystem including Rock River Capital Investment Advisory Committee, Wisconsin Tech Council Early-Stage Symposium Committee

Dan Drendel, AIA, LEED AP – Slingshot Architecture

- 2007 Master of Architecture, Illinois Institute of Technology, 2001 Bachelor of Science in Education, Southeast Missouri State University
- 2018 Des Moines 40 under 40
- AIA Iowa Board of Directors
- ULI Iowa Steering Committee
- One of three partners at Slingshot Architecture, leading design strategy for a team that has completed over 50 urban revitalization projects in midwest cities.

WHAT WE DO

Merge Urban Development Group

We partner with progressive communities to curate, build, and sustain urban areas for people.

Curate – we engage community to refine mixed-use development projects that connect and enhance the area’s existing assets. Every project is unique; designed to reflect the area’s history and its aspirations.

Build – our developments are built for long-term ownership. We pay special attention to designs that drive both affordability and environmental sustainability.

Sustain – we retain property management and leasing services in-house. This model allows us to enhance both the value and attention we provide our residents and retail tenants.

Built for People – finally, our mission is to create developments for people. We believe walkability is a simple and powerful determinant of public health, safety, affordability, and ultimately economic opportunity.

WHAT MERGE MEANS TO US

merge (*verb*) : to cause to combine, unite, or coalesce
: to blend gradually by stages that blur distinctions

In 2018, ECHO Development Group, Lancaster Investments, and Slingshot Architecture came together to identify sites and propose mixed-use developments in Qualified Opportunity Zones in the Midwest. Our individual team members brought experience in real estate, economic development, construction, city planning, space making, technology startups, small business, and public company acquisition. We merged this collective experience to envision how private capital could best serve areas of untapped potential.

Our logo incorporates a crosswalk to reflect both our walkability principles and our desire to encourage people to move around – meet unique individuals – find ways to work together.



LETTERS OF RECOMMENDATION

JAMES P. BROWN
MAYOR



DEPARTMENT OF COMMUNITY DEVELOPMENT

City of Cedar Falls
220 Clay Street
Cedar Falls, Iowa 50613
www.cedarfalls.com

Administration Division • Planning & Community Services Division
Phone: 319-273-8600 Fax: 319-273-8610

Engineering Division • Inspection Services Division
Phone: 319-268-5161 Fax: 319-268-5197

Water Reclamation Division
Phone: 319-273-8633 Fax: 319-273-8610

November 30, 2016

Dear Fellow Community Leaders,

As Mayor of Cedar Falls, Iowa, I am pleased to write a letter of support on behalf of Brent Dahlstrom and his prospective residential development within your community.

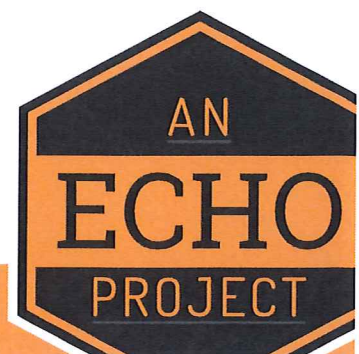
Mr. Dahlstrom has envisioned and successfully completed numerous large scale development projects (residential, commercial and retail) in the Cedar Falls and has been an active development partner with Cedar Falls. Mr. Dahlstrom and his team have repurposed already previously erected buildings, provided the City with quality built new construction and developed several quality subdivisions throughout our community. Mr. Dahlstrom's projects have been completed in a timely fashion and have met or exceeded the outlined expectations of all parties involved.

The interest of the entire community has been a focal point of his completed projects in Cedar Falls and has made a positive impact. As a whole, his professional attitude and attention to detail have made the development process successful for everyone related to the projects. Brent Dahlstrom and his team possess an outstanding professional track record and his development vision would be a welcomed addition to any community.

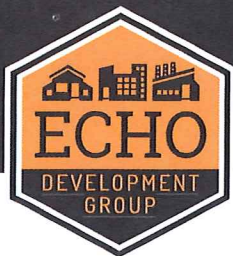
Sincerely,

A handwritten signature in black ink that reads "James P. Brown".

James P. Brown
Mayor



COMMUNITY DEVELOPMENT



LETTERS OF RECOMMENDATION

BOB SEYMOUR

INTERIM PLANNING & COMMUNITY SERVICES MANAGER



DEPARTMENT OF COMMUNITY DEVELOPMENT

City of Cedar Falls
220 Clay Street
Cedar Falls, Iowa 50613
www.cedarfalls.com

*Administration Division • Planning & Community Services Division
Phone: 319-273-8600 Fax: 319-273-8610*

*Engineering Division • Inspection Services Division
Phone: 319-268-5161 Fax: 319-268-5197*

*Water Reclamation Division
Phone: 319-273-8633 Fax: 319-273-8610*

November 30, 2016

To Whom It May Concern,

The purpose of this letter is to provide a positive recommendation and support for Brent Dahlstrom and his development team for community development projects.

The large-scale investment of both time and capital by Mr. Dahlstrom has resulted in many successfully completed projects throughout the Cedar Falls community. Mr. Dahlstrom and his team have continually demonstrated exceptional cooperation and a willingness to work with the City of Cedar Falls.

Additionally, his continued commitment to community growth represents his focused mission of completing quality projects in a timely manner. Mr. Dahlstrom and his team have repeatedly proven to be a great development partner for the City of Cedar Falls. Based upon his track record, Mr. Dahlstrom and his development team will promote successful business endeavors and the opportunity to create beneficial community based developmental projects.

Sincerely,

A handwritten signature in blue ink that reads "Bob Seymour".

Bob Seymour
Interim Planning & Community Services Manager

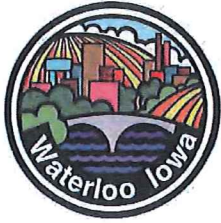


COMMUNITY DEVELOPMENT



LETTERS OF RECOMMENDATION

QUENTIN HART
MAYOR



CITY OF WATERLOO, IOWA

CITY HALL • 715 Mulberry Street • Waterloo, IA 50703 • (319) 291-4301 Fax (319) 291-4286

December 6, 2016

Dear Community Representatives:

I am pleased to recommend Brent Dahlstrom and his development team to your community.

Over the past years, the City of Waterloo and Mr. Dahlstrom's team have forged a great partnership, culminating in the completion of many different projects. He has continually demonstrated an investment in the City of Waterloo with a genuine care for the community.

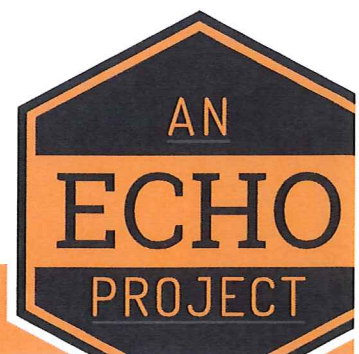
Based on completed, current, and future projects, Mr. Dahlstrom's team showcases a concentrated effort and commitment to project completion in a timely and professional manner. Their attention to detail and focus on providing a quality finished product has provided numerous projects our community can be proud of.

Based on our successful relationship with Mr. Dahlstrom, I would not hesitate to engage in a partnership with Mr. Dahlstrom and his team.

Sincerely,

A handwritten signature in black ink that reads "Quentin Hart".

Quentin Hart
Mayor



COMMUNITY DEVELOPMENT



LETTERS OF RECOMMENDATION

JAMES W. BRONNER
CITY ADMINISTRATOR



Dear City Representatives,

I am writing to express my support towards Brent Dahlstrom and his development team.

Brent and his team have continually shown a genuine interest in investing in the City of Waverly and the surrounding communities. In the past few years, Brent and his team have proven to be a valuable partner in looking at opportunities to help advance the City in new residential and commercial development.

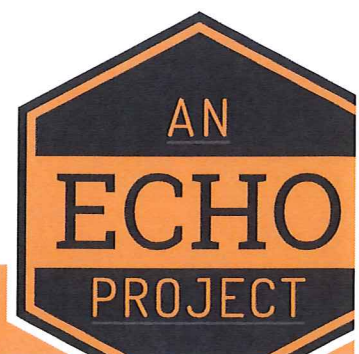
I have had the opportunity to witness the integrity and commitment to community development that Mr. Dahlstrom and his team possess. This commitment has been demonstrated through the overall vision, planning, and completion of projects. The efforts of Brent and his team to comply with and exceed all expectations set forth, displays their focused intent of bettering the communities they partner with for development projects.

I am pleased with the relationship that the City has with Brent Dahlstrom and would recommend him and his team to you as a possible developer in any of your future development needs throughout your community.

Sincerely,

A handwritten signature in blue ink, which appears to read "James W. Bronner", is written over the printed name.

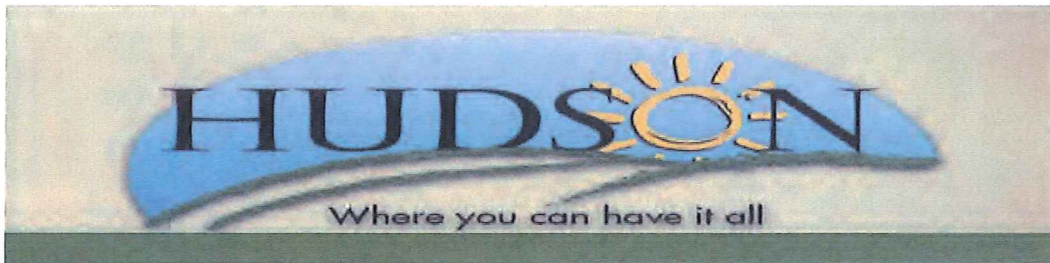
James W. Bronner
City Administrator
City of Waverly, Iowa





LETTERS OF RECOMMENDATION

GEORGE M. WESSEL
MAYOR - CITY OF HUDSON, IA



To: Interested Parties
April 20, 2018

Re: Echo Development

As Mayor of Hudson, Iowa, I have enjoyed working with Echo Development, and especially with Brent Dahlstrom and Cory Henke. Brent and Cory are very personable, and are genuinely interested in our community, focusing on improvements to our community through their various development initiatives.

Over the past number of months, we have worked with them on projects with include various tax incentive arrangements. During all these negotiations, they have focused with us on coming to financial arrangements that not only help them justify the developments, but also help the city in both the short-term and the long-term. Echo Development also shared in the cost of a contract with INRCOG to complete a formal Housing Assessment Study for Hudson, which was instrumental in qualifying them for state housing tax credits. The city of Hudson can use the study to assist any other developers over a three-year period for which the study remains valid.

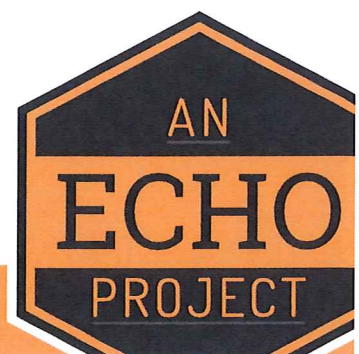
Current projects under way include four apartment buildings near downtown Hudson that will total 46 units, and an 85-lot residential subdivision in our far northern region just south of Highway 20.

If you have any questions, feel free to contact me.

Sincerely,

A handwritten signature in blue ink that reads "George M. Wessel".

George M. Wessel
Mayor - City of Hudson IA



PREVIOUS WORK

MASTER PLANNING



Projects

1. 5FIFTY5 MASTER PLAN // Des Moines, Iowa
2. RIVER PLACE MASTER PLAN // Cedar Falls, Iowa
3. BRIDGE DISTRICT MASTER PLAN // Des Moines, Iowa

PREVIOUS WORK

HIGH-RISE REUSE

1.



2.



Projects

1. FLEMING BUILDING // Des Moines, Iowa
2. LIBERTY BUILDING // Des Moines, Iowa

PREVIOUS WORK

LOW-RISE REUSE



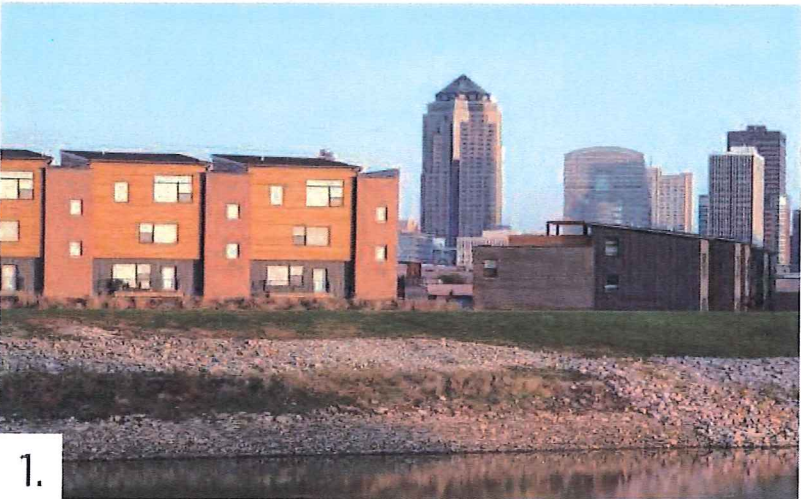
Projects

1. GREATER DES MOINES PARTNERSHIP // Des Moines, Iowa
2. 322 COURT // Des Moines, Iowa
3. PEACETREE BREWERY // Des Moines, Iowa
4. EXILE BREWERY // Des Moines, Iowa



PREVIOUS WORK

TOWNHOMES



1.



2.

Projects

1. 5FIFTY5 TOWNHOMES // Des Moines, Iowa
2. EAGLE VIEW TOWNHOMES // Des Moines, Iowa
3. BRIDGE DISTRICT TOWNHOMES // Des Moines, Iowa



3.

PREVIOUS WORK

NEW DEVELOPMENT



Projects

1. 4TH & COURT // Des Moines, Iowa
2. RIVER PLACE // Cedar Falls, Iowa
3. ART BLOCK // Waterloo, Iowa
4. E5W // Des Moines, Iowa
5. 6COM // Waterloo, Iowa
6. ARABELLA // Des Moines, Iowa
7. BALLYARD LOFTS // Des Moines, Iowa



Attn: City of Marshalltown, Iowa

Offer to purchase: All offers must be accepted as one complete package in whole.

22 N Center Street,
Marshalltown, IA 50158
aka Police Station

\$50,000, with new ADA compliant Elevator installed by the City as currently being promised to YSSMC; 10-year tax abatement; 10 yr, \$1/yr triple-net lease back to the City for office space (per TIF project outline); wave all building permit fees. Saving the city \$83,000 in expenses required to separate the utilities between the Police Station and City Hall. If the city does not want to use the building for office space, non-profits such as YSSMC will also be offered the use of the building. The City can sublease to YSSMC or other entities that will serve the best interest of Marshalltown community and residents.

AND

20 E State, 12 E State, and 26 E State, plus the alleyway between 12E & 20E,
Marshalltown, IA 50158
aka The Armory/Senior Citizens Center and adjacent parking lots.

\$50,000; 10-year tax abatement; City will grant the proceeds of the Insurance settlement (\$692,571.96) for restoration of the building; wave all building permit fees. I intend to restore both floors for use by their former tenants Senior Citizens Inc and NEI3A. If they do not wish to use the building I will offer it to other non-profits in the City.

Other Options:

Public non-profit

- Community wood working and art shop
- Community computer center
- Community event space, weddings, family reunions
- The CVB can promote the shuffle board courts
- ...

Total offer for both properties is \$100,000. This will pay for the new ADA elevator in the Police Station and save the City the expense of separating the utilities, saving the city \$183,000. The Insurance proceeds would have been largely spent to demolish the Armory so granting back the proceeds of the insurance settlement for restoration of a, soon to be, centennial building, costs the city nothing, and save approximately \$30K per year in lost revenue currently being spent funding the seniors utilities.

The Senior Center is saved, per the request of the 421+ people. The City is spending \$0 to put these two buildings back on the tax rolls. The City is saving \$30,000 annually in lost operating expenses on the Armory. At least two non-profits will have their home restored. The City will no longer be the landlord of these buildings. This project will serve the best interest of the Marshalltown community and residents.

Community pride is one of the biggest problems in Marshalltown. Accepting this offer would be a monumental step in restoring community pride – a key goal of the stake holders that comprise Vision Marshalltown.

Mark Eaton 10/17/2010

Mark Eaton

Date

Mark Eaton, 1007 S 10th Ave, Marshalltown, IA 50158 801-380-7935