

YOUR CITY OF AMES 09/10 PROGRAM BUDGET

COUNCIL PERSON

Ann Campbell, Mayor

Ryan Doll

Matthew Goodman

Jami Larson

Riad Mahayni

Jim Popken

Dan Rice

WARD

At Large

3rd Ward

At Large

2nd Ward

4th Ward

At Large

1st Ward

TERM EXPIRES

12/31/09

12/31/09

12/31/11

12/31/11

12/31/11

12/31/09

12/31/09

CITY STAFF

Steve Schinker, City Manager

Bob Kindred, Assistant City Manager

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March 2009

Mayor and Ames City Council Members:

Attached for your review is the adopted budget for FY 2009-10. This budget represents expenditures totaling \$179,908,062 to fund the various services provided to our residents, businesses, and visitors.

In recent years when I presented you with my budget recommendations, I found it was important to identify the variety of challenges that had made this task extremely difficult. Some of these situations were influenced by internal circumstances, while others were impacted by external forces. This year is no different. The City staff members are very aware of the difficult economic times in which our nation finds itself. Consequently, we worked very hard to maintain the high quality of services that our citizens have come to expect and, at the same time, to mitigate the increase in property taxes that are required to finance those services provided for law enforcement, fire protection, parks and recreation, library, planning, and CyRide.

The budget also includes a temporary increase in service for the CyRide transit system. For the summer of 2009, CyRide will provide fare-free transit service for both the fixed route and Dial-A-Ride service. The new service will be funded with \$93,200 from the Local Option Sales Tax fund balance over FY 08/09 and FY 09/10. This is not expected to be a permanent increase in service; rather it is a program to introduce the use of transit to a wider group of users.

In terms of the major utilities that we operate, the challenge before us is more daunting. Some of our utility facilities are reaching the end of their life expectancy, others are in need of upgrades to meet new environmental regulations, and a few will be receiving upgrades to ensure that our customers' needs are met over the next twenty years. As a result of these situations, major expenditures are reflected in this budget that will impact user fees in our Electric, Water Pollution Control, and Water utilities over the next five years.

Since it is not possible in this letter to adequately address all of the important services reflected in this budget, I have attempted to highlight several of the important issues that are contained in this document.

PROPERTY TAX SUPPORT – \$.20 Tax Rate Reduction

The budget reflects a 1.85% reduction in our overall property tax rate from \$11.06 per \$1,000 of taxable valuation to \$10.86 per \$1,000 of taxable valuation. This tax rate decrease, coupled with a 3.4% increase in the state-mandated rollback, will result in additional taxes of approximately \$7.39 per year for every \$100,000 of taxable valuation for residential property, a reduction in tax obligation of approximately \$17.45 per year for every \$100,000 of taxable valuation for commercial property, and a reduction in tax obligation of approximately \$20.42 per year for every \$100,000 of taxable valuation for industrial property.

After two years of taxable valuation increases of less than two percent, new construction and changes in residential rollback resulted in an increase in taxable valuation of 4.6%.

LAW ENFORCEMENT ACTIVITIES

A significant initiative reflected in this budget involves a new partnership with Mary Greeley Medical Center (MGMC) to establish Emergency Medical Dispatch (EMD) capabilities within our Emergency Communications program. Currently, when an ambulance call is received by a Police Dispatcher, the call is immediately transferred to emergency room personnel at MGMC to continue communication with the requesting party until the paramedics arrive on the scene. Over the years, it has become increasingly difficult for MGMC to ensure that a qualified professional is available to provide this critical assistance.

The new partnership will result in our Police Dispatchers being trained and certified to maintain contact with a person calling for ambulance assistance until help arrives on the scene. With this additional medical training, the Dispatchers will be qualified to provide directions to the requesting party regarding such topics as rescue breathing, treatment for bleeding wounds, baby delivery, CPR, etc.

The incremental cost to provide this new service is estimated to be \$22,000 with a one-time cost of \$40,000 to purchase the necessary software. In discussing this new venture with the President of MGMC, it was determined that an equal sharing of the upfront and ongoing costs would be the most fair. Ultimately, a formal agreement between the City and MGMC must be worked out before we undertake this new responsibility.

Because of financial difficulties they are experiencing, the Ames Community School District officials have informed us that they will not be able to share the cost of the School Resource Officer for the spring/summer semesters, resulting in a loss of approximately \$18,000 to our budget. The budget assumes that the School District will restore their share of funding for this position beginning in the fall of 2009.

BUILDING SAFETY ACTIVITIES

Each year, we attempt to set construction-related permit fees at a level where our estimated revenues will cover our anticipated expenses for providing inspection activities. In past years, we have emphasized that our fees are substantially less than other cities in central Iowa and have asked the Council to gradually increase these fees by small percentages each year. Based on this past direction, minor fee increases would be expected in FY 2009-10.

Our data indicates that the difficult economy is affecting the construction industry in Ames. On one hand, we are projecting a slowdown in new construction activity that would normally yield the bulk of our revenue. On the other hand, we are experiencing a healthy number of smaller renovation projects that still require a significant amount of inspection time. However, rather than support a further increase in building related fees, I am recommending that the General Fund make up the revenue shortfall, currently projected to be approximately \$12,000 in FY 2009-10.

If this construction trend continues into the future, I may have to identify a different financial solution. However, given the fact the General Fund benefited in many years when permit revenues exceeded inspection expenditures, this financing strategy seems appropriate, at least on a short-term basis.

The downturn in the economy has not lessened our workload in regard to rental housing inspections. In fact, the number of rental units continues to increase. In order to support the current level of service, rental housing fee increases will range between 2.9% and 4.4% for FY 2008-09 and 3.8% to 5.7% in FY 2009-10.

TRAFFIC CONTROL ACTIVITIES

With our designation as a Metropolitan Planning Organization (MPO) in 2003, we realized the benefit of federal funding without having to compete with other cities from a much larger geographic area, but also gained the new responsibility for administering all of the federal rules and regulations that accompany this new status. Initially, we attempted to handle this new administrative workload by contracting it out. We have now reached a point where we believe there is a need for a full-time Transportation Planner. There will be no net cost to the City for this new position since it will be paid for from MPO planning funds and the elimination of two temporary positions already funded in previous budgets. The Transportation Planner will be responsible for the MPO administration and agency coordination as well as studying multimodal network issues involving traffic calming and safe routes.

In an effort to improve the quality of our traffic signals, this budget provides for replacement of eight loop detection systems. In addition, we have completed the replacement of the green and red incandescent bulbs in our traffic signals with the more energy efficient light emitting diode (LED) bulbs. These LED bulbs have saved \$43,000 to date. Over the next two years, we will focus our efforts on replacing the bulbs associated with the pedestrian signals.

CITY HALL SPACE NEEDS

As discussed in the current CIP, we have identified a need for the renovation of City Hall to better utilize available space. The capital improvement plan for City Hall Space Reuse includes the use of the General Fund for a portion of the funding. A combination of improved revenues and reduced expenses over the past two years has allowed for this use of General Fund balance. Even after utilizing \$600,000 for this project, we will maintain a projected FY 2009-10 General Fund balance of 23.6% of expenditures. The FY 2009-10 budget will show a deficit of \$600,000 due to the planned one-time use of the fund balance.

UTILITIES

Resource Recovery Utility – No Rate Increases

This utility is financed primarily from the sale of refuse derived fuel (RDF) from the Power Plant, tipping fees from the private haulers and individual customers, and tax subsidy from a per capita allocation to the governmental entities in Story County who rely on this facility. Because of the sound financial position of this fund, the tipping fee will remain at \$52.75 and the per capita allocation will stay at \$10.50. In FY 2009-10, the City's share of this operation will be \$423,475. The fund's financial position should improve even more next year as the G.O. bond debt will be retired.

Water Utility – 10% Rate Increase

Fox Engineering is currently assisting the staff in development of a long-range strategy to ensure that the needs of our water customers will be met over the next twenty years. The three options being considered to address our aging water treatment facility include renovation of the existing plant, construction of a new plant, or a combination of a partial renovation of the existing plant and construction of a new peaking facility that can be expanded as demand grows. While we are months away from seeking City Council direction as to a preferred option, it appears that a series of rate increases will be needed over the next five years to finance any project that is selected. To begin building up the balance to avoid even larger increases in future years, the FY 2009-10 budget reflects a 10% increase in our water rates.

A closer analysis of our Water and Water Pollution Control operations influenced a decision to redistribute costs based upon updated estimates of benefits to the respective utilities. Therefore, you will notice charges for laboratory services allocated to the Water Utility have increased from 20% to 35% of the total expenditures resulting in \$78,804 of additional costs to the Water Utility. At the same time, we are introducing the concept of allocating half of the meter costs, previously charged totally to the Water

Fund, to the Sewer Fund. This move will result in a reduction in expenditures of \$281,211 to the Water Fund.

Sanitary Sewer Utility – No Rate Increase

In FY 2008-09, the City Council implemented a sanitary sewer rate increase earlier than first projected in order to avoid a larger increase in FY 2009-10. While no rate increase is needed this year to cover our operating and capital improvement costs, it appears that a series of two increases will be required in the following two years to accomplish the installation of a disinfection system to further protect the quality of water in the Skunk River south of the city.

The two shifts in the allocation of costs between the Water and Sanitary Sewer Funds mentioned in the above section will result in a net increase in the cost to this utility of \$202,407.

We have shifted one FTE from Water Distribution to Sanitary Sewer Maintenance to accomplish more manhole inspections to prioritize repair of defects, to increase monitoring of pipe conditions, and to improve availability of our crews for securing frames and adjusting casting heights for accessibility. Our emphasis on contract sewer cleaning also has been increased to \$95,000 to reduce the number of citizen complaints.

Storm Sewer Utility – \$.40 Increase in Monthly Rate

The Environmental Protection Agency's (EPA) Phase II Storm Water Regulations require the City to become more active in education, public relations, capital improvements, and regulation of storm water quality. In order to fulfill the maintenance and inspection obligations required of these federal mandates, the budget includes a \$.40 increase in the monthly storm sewer fee from \$2.60 to \$3.00.

In FY 2008-09 and FY 2009-10, we have increased funding to televise and clean more locations in the storm water collection system. This new service level will help to ensure an effective system operation. In addition, we are utilizing a Watershed Improvement Resource Board (WIRB) grant to improve the College Creek drainage area and are introducing a new rain barrel subsidy program.

Staff is aware that the City Council would like to consider an alternate methodology for assigning costs, perhaps with a fee based on the amount of impervious land on a lot. It is our hope that new aerial maps will be available for us to evaluate this new methodology in FY 2009-10. However, much discussion is needed before a shift in fee philosophy is implemented. Houses of worship, schools, and other non-profit entities are normally hit very hard by this type of new fee structure. Customers impacted by higher storm sewer fees under a new rate structure will likely desire to provide input to the Mayor and Council regarding a new storm water fee structure.

Electric Utility – 5% Rate Increase

This budget reflects the implementation of the recommendations contained in the recently completed Power Supply Study that will impact our electric rates for the next three years. The heart of our long-term strategy to meet our customers' needs for the next twenty years is retaining and refurbishing our two base-load generating units. Along with an extensive list of CIP projects needed to maintain the future reliability of our power plant, the operating budget earmarks a significant amount of funds for improvements for ash handling, cooling towers, boiler grates, stack roof, anti-dust foaming system, and boiler repairs.

With recent clarification from the court system, we can move forward with our CIP projects related to reducing NOx from our emissions. Until improvements on both units are completed, we will need to purchase approximately \$4,250,000 worth of NOx allowances over the next two years. In addition, in

response to complaints from neighbors, we have included the purchase of a water truck in FY 2008-09 to help reduce fugitive dust leaving the coal yard.

The FY 2009-10 budget includes funding for a cost-of-service study and associated rate study. Given the amount of time needed to perform these analyses, it is probable that the proposed 5% rate increase will be needed before the studies are completed. Any rate structure adjustments recommended among customer classes would then be available in time for the future rate increases needed in FY 2010-11 and FY 2011-12.

LEASED HOUSING

Traditionally, we have funded the administration of the Section 8 Leased Housing program with the federal funding designated for administration of the program. As our costs have increased over the years, we no longer meet this objective and the FY 2008-09 and FY 2009-10 budgets both include drawdown of the Leased Housing Fund balance to pay for administration of the program. Over a two-year period, the shortfall is estimated to be \$79,098. Unfortunately, only \$16,895 of available balance will remain at the end of FY 2009-10. Beginning in FY 2010-11, we will either need to reduce administrative expenses in the Section 8 Leased Housing program or identify funding from other sources. City Council will need to decide if they desire to fund this program with other sources. Funding options would include drawdown of the Housing Assistance Fund or County-Wide Affordable Housing Fund, property tax revenue, or Local Option Sales Tax revenue.

CEMETERY

While the cemetery program is not operated as an enterprise fund, we do strive to make sure user revenues equal our expenditures for this operation. This budget accomplishes this goal since no property tax support is needed.

We are recommending a change in the allocation of the lot sale revenue. While the overall cost to the customer will not be increased, the revenue will be reallocated from 65% for operations and 35% for endowed care to 80% for operations and 20% for endowed care. This change is necessitated by a new law that does not allow the use of endowed care funds for capital improvements to the cemetery. With more monies available in our operating budget for improvements, the need for fee increases from our customers should be mitigated.

PARKS AND RECREATION

There is good news in the two programs administered by the Parks and Recreation Department. With nominal fee increases in the Ames/ISU Ice Arena and Homewood Golf Course operations, we are beginning to build up fund balances that will reflect \$135,911 and \$52,127 respectively. You will recall that in previous years we were fearful that the fund balances in these funds were falling below our target levels.

The FY 2008-09 budget anticipates Carr Pool being open through June 30, 2009, which is about the time we hope to open the new Furman Aquatics Center. Because we expect many people to delay buying season passes until they are sure when the new facility will open, we projecting less season passes being sold in this fiscal year. This situation will result in a net cost to the City in FY 2008-09 of \$63,000. However, we expect to make up this revenue shortfall in FY 2009-10 when more season passes will be sold due to the excitement of our new facility.

LEGAL SERVICES

Over the years, an increasing workload has made it difficult for two attorneys to meet the needs of their internal and external customers in a timely manner. Attempts were made to utilize a law student on a

temporary basis to handle simple prosecutions, thereby making more time available for our attorneys. This approach has not totally resolved the service issue for our departments. Therefore, this program reflects a new Assistant City Attorney position.

None of us can be sure what is ahead for us given the uncertain economic times in which we find ourselves. However, we can be sure that our department heads, along with all of their staff members, stand ready to assist our citizens through these difficult times.

I want to give special recognition to Duane Pitcher, Carol Collings, Sharon Hjortshoj, Sheila Lundt, and Bob Kindred for the countless hours they spent helping to create this program budget.

Sincerely,

Steve

Steven L. Schainker
City Manager

CITY COUNCIL GOALS/OBJECTIVES

Established January 12, 2008
To Be Accomplished by January 1, 2010

May 15, 2009 Status Report

REJUVENATE CAMPUSTOWN

○ **By January 2009 develop viable action steps to rejuvenate Campustown.**

Assigned:

The Mayor and City Manager will work with a small group of Campustown stakeholders to:

- 1) review the “Wilcox Class Study” as well as related studies; and
- 2) produce viable action steps for each stakeholder and report back to the City Council with recommendations.

This group should include:

- Iowa State University (ISU) Administration
- Mayor
- *Ex officio* Council Member
- Business/Chamber Representative(s)
- Two South Campus Area Neighborhood Association (SCAN) members
(one permanent resident and one student resident)

Status:

The Mayor and City Manager met with the ISU President and Vice President for Business and Finance to discuss Campustown on April 27, 2008. The ISU administrators indicated their strong support for the City Council goal of rejuvenating Campustown.

Discussions with the two major property owners (east and west of Welch Avenue) were conducted with the City Manager, Mayor, ISU President, and ISU Vice President to determine the property owners’ intentions regarding redeveloping Campustown.

The University engaged the services of the architectural firm, RDG, to determine the feasibility of developing the block west of Welch and south of Lincoln Way. The final report was shared with the public and City Council during a press conference at the Memorial Union.

The City Manager, along with Warren Madden, ISU Vice President for Business and Finance; Cathy Brown, ISU Facilities Planning and Management; Steve Osguthorpe, City of Ames Director of Planning and Housing; and Dan Culhane, Executive Director of Ames Chamber of Commerce, interviewed three companies that expressed interest in partnering with the City and University to renovate Campustown. These companies have experience working in campustown business districts (Ohio State, University of Michigan, Arizona State University, University of Chicago Circle, University of Illinois, and Indiana State University).

It appears the next step is to develop a Request for Proposal (RFP) to select a preferred developer to partner with on this effort. Cathy Brown is attempting to contact other

universities that have hired consultants for this type of work to see if we could use their format.

Other Action:

Campustown Court Park Renovation has been completed, including the addition of public access WiFi.

“GO GREEN” TO MINIMIZE IMPACT ON GLOBAL CLIMATE CHANGE

- **Build municipal buildings to a Leadership in Energy and Environmental Design (LEED) standard and take into account life cycle costing considerations when determining design/specifications.**

Assigned:

When reviewing future plans and specifications for City buildings, the City Council will make sure these standards are considered.

Status:

Design concepts for the CyRide expansion project and Furman Aquatics Center are already completed; the new standards will not be applied to these two projects.

- **Design program and initiatives for implementing Energy Star Ratings for commercial buildings.**

Assigned:

City staff will research the Energy Star Rating System and develop options for implementing this system for commercial buildings.

Status:

The staff learned that the Energy Star Rating System is a program developed by the Environmental Protection Agency (EPA). The EPA web site assists companies interested in meeting these guidelines and highlights projects that have met the requirements.

The Electric Utility’s Demand-Side Management Program has been modified to require Energy Star ratings in order to receive rebates for:

- appliances
- lighting (residential/commercial)
- residential new construction
- room air conditioners
- programmable thermostats

- **Promote Resource Recovery Plant and glass recycling through continuous educational efforts.**

Assigned:

The Resource Recovery Plant staff and the Public Relations Officer have developed a strategy to accomplish this task.

Status:

In addition to the traditional means of promoting the Resource Recovery Plant and glass recycling, the staff has instituted the following new techniques:

- developed a virtual tour through the Iowa Communications Network
- participated in the Electric Utility’s Open House and Energy Fair
- appeared before elementary and high school (Ames and Nevada) classes
- hosted tours for scouts, science classes, service clubs, etc.
- created a newsletter that is distributed during public presentations

- **Continue to increase promotion of demand-side management for the Electric Utility.**

Assigned:

The Electric Services staff and the Public Relations Officer will develop a promotional plan.

Status:

In February 2008, we initiated a comprehensive six-week ad campaign promoting our electric demand-side programs. Our efforts continue through the monthly utility bill stuffer “City Side”, public presentations by the “Energy Guy”, and commercial advertising.

- **Request Transit Board to evaluate free CyRide for all riders.**

Assigned:

The City Council passed a motion requesting action from the CyRide Board of Directors.

Status:

The CyRide Director completed a preliminary analysis regarding the impact of a “fare free” system on the operations and capital budgets and shared this information with the CyRide Board. The initial cost to the system will be \$1,300,000 with the ongoing operational costs as much as \$700,000 per year. The Director sought state and federal funding for three years to support a “fare free” system as a pilot program. Unfortunately, this grant proposal was turned down.

A second option of providing a “fare free” opportunity during the summer months was considered by the CyRide Board. The cost of this option was estimated at approximately \$165,000.

The City Council appropriated \$93,200 from Local Option Sales Tax funding for a one-time experiment for “fare-free” CyRide during the summer months of 2009.

- **Conduct a Global Warming Emissions Inventory of the existing City operations by utilizing the software offered by the International Council of Local Environmental Initiatives (ICLEI). Once the baseline is established, the City Council will establish carbon emissions reduction targets.**

Assigned:

The Director of Fleet Services was assigned the responsibility to master this software and prepare a baseline report to the City Council.

Status:

The Director of Fleet Services completed the global warming emissions inventory and presented the baseline data to the City Council on February 26, 2008.

On October 28, 2008, the Council reviewed the staff recommendations and approved a goal of reducing carbon dioxide levels in City operations, excluding utilities, by 15% by 2014. In order to accomplish this goal, operational changes and capital investments will need to be made over the next five years.

- **Create a Strategic Plan outlining goals and action steps for the City of Ames government to reduce carbon emissions.**

Assigned:

The Director of Fleet Services is leading an internal team made up of representatives from each department to create specific recommendations that will reduce the City’s production of carbon emissions.

Status:

The team has been selected and has met a number of times. The team is developing a plan to accomplish the goal, including ideas related to our fleet, buildings, and operations. Over the next five years, the related expenditures must be inserted into our capital and operations budgets.

The Council appropriated \$400,000 to the Capital Improvements Plan to assist departments in making physical changes to their buildings that will increase energy efficiency.

○ **Increase alternate fuel sources (other than Refuse Derived Fuel [RDF]) for Electric Utility.**

Assigned:

The Director of Electric Services is leading a staff team to develop an overall strategy to provide electric capacity for the next twenty years and related fuel sources.

Status:

Approximately 10% of the energy in our electric system currently comes from RDF from the burning of garbage in lieu of coal. Our goal is to increase energy from sources other than RDF by 10%.

To accomplish this goal, the City Council approved a contract with a number of other municipal utilities to create a new entity, IAMWind. It is expected that this new entity will partner with a private company that will construct a new wind farm. The City, along with the other municipal partners, will then purchase wind energy from the private company through a long-term contract. The City hopes to purchase 21.7 megawatts of wind energy from this new entity with ISU purchasing five of the 21.7 megawatts. This partnership is moving very slowly. With the tight economy, it appears identifying an interested private sector entity to build the anticipated wind farm will be difficult.

The City has contracted with Prairie Rivers RC & D to explore the feasibility of converting our RDF to bio-crude. We are awaiting their results.

As a final move to diversify our energy portfolio, we are currently seeking proposals from existing companies that are interested in providing energy (10 to 20 megawatts) from alternative fuel sources. We hope to have the proposals returned to the City in June 2009.

○ **Educate the public about the importance of reducing global warming pollution and what other similar sized communities are doing in terms of developing sustainability programs.**

Assigned:

The City Council indicated support for these tasks by earmarking \$20,000 from the FY 07/08 Contingency Account to accomplish these educational programs. At the December 13, 2008, Council retreat, staff was directed to survey other cities to determine what they are doing to promote sustainability. In addition, we are seeking information about what other organizations in Ames are doing to promote sustainability. It was also directed at this retreat that the City partner with Ames Home Builders, Board of Realtors, and A Mid-Iowa Organizing Strategy (AMOS) to create an Energy Star program awareness program.

Status:

AMOS utilized the \$5,000 approved by the City Council to coordinate a public forum in September 2008 to educate the public about global warming and provide practical strategies for reducing carbon emissions at home. The group hopes to continue their public education efforts.

After a long wait, a Neighborhood Intern was hired. One of the intern's many projects was to survey what other cities are doing to promote sustainability. Unfortunately, he recently resigned his temporary position with the City to work permanently for the City of Des Moines. We are in the process of attempting to hire another intern.

The City Manager met with AMOS representatives to determine their interest in promoting the Energy Star Program. The group indicated that they would prefer focusing on other projects at this time.

STRENGTHEN OUR NEIGHBORHOODS

○ Explore a City/ISU partnership to improve tenant/landlord relations.

Assigned:

The Mayor and City Manager will work with representatives from ISU Administration and Government of the Student Body (GSB) on this issue and report back to the City Council.

Status:

On September 4, 2008, the Mayor and City Manager met with Penny Rice, ISU representative who previously served as Director of the Landlord/Tenant Service, to obtain information on how the organization functions.

On September 16, 2008, the Mayor, City Manager, ISU Vice President for Student Affairs, and the GSB President met to discuss this service. The GSB President agreed their organization would develop a proposal for the City, ISU Administration, and the rental property owners to consider. It was agreed that the proposal will include the needs, services to be provided, and estimated costs.

On December 4, 2008, the GSB President presented a proposal to re-establish the Landlord/Tenant Service. It is estimated that the first year cost for this service will be \$130,000. Four parties (GSB, rental property owners, the City of Ames, and ISU administration) will need to support this effort.

Because of budget cuts at the University level, the GSB President reported he was dropping his request for funding this new venture. However, he thought the GSB would attempt, on their own, to create a service similar to the one in Iowa City that provides online information.

○ Focus Community Development Block Grant (CDBG) funds on improving neighborhoods.

Status:

On February 26, 2008, the City Council approved a CDBG program plan for FY 08/09 that called for expenditures of approximately \$650,000 that focus on improving neighborhoods, including a housing rehabilitation program.

○ Hold a workshop to discuss incentives for home improvements in established older neighborhoods.

Assigned:

Within the next year, the Mayor and City Council will schedule a workshop regarding this topic. In preparation for this meeting, City staff will prepare a report that will present various incentives (tax abatement, CDBG funding, grants, etc.).

Status:

No Action To Date

○ **Hold an annual neighborhood summit.**

Assigned:

The Mayor and City Council will convene this neighborhood association meeting.

Status:

A second neighborhood summit was held on October 21, 2008. It appeared from conversation at this meeting that the neighborhood representatives overall were happy with the support that the City is providing.

○ **Increase efforts to organize and support neighborhood associations.**

Assigned:

In FY 08/09, an intern will be hired to accomplish this initiative.

Status:

Funds for this part-time intern were approved in the Planning and Housing Department's budget for FY 08/09. The intern was hired in January 2009 to work on organizing new associations, create guidelines for associations, and communicate with neighborhoods about City projects or issues.

This intern recently resigned to take a job with the City of Des Moines. We are in the process of recruiting for a replacement.

○ **Explore the creation of Neighborhood Liaisons.**

Assigned:

Sheila Lundt, Assistant City Manager, was asked to approach the Breaking Down the Barriers group and Human Relations Commission to determine their interest in coordinating this new concept that would promote communications and interaction among neighbors.

Status:

Sheila explored the concept of Neighborhood Liaisons with both groups. The two groups were concerned with how to define an area for the Liaisons and how to determine what the Liaisons should do. They have agreed to work together on a concept slightly different than the Council had suggested. It was decided as a first step to organize social activities in neighborhoods ("Street & Greet") rather than identifying neighborhood contacts at this time.

Donated funds will be used to purchase a "Block Party Trailer" containing supplies to facilitate neighborhood gatherings.

PROMOTE "ONE COMMUNITY"

○ **Respond to recommendations from the Inclusive Community Task Force.**

Assigned:

The Mayor and City Council reviewed the recommendations in April 2008.

Status:

As a result of this work, community conversations were conducted which prompted the creation of a number of subcommittees that are working to implement the suggestions obtained through the conversations. A Volunteers In Service To America (VISTA) volunteer is assisting in the implementation of the recommendations.

○ **Request the Mayor’s Youth Committee explore hosting a “Junior Citizens” Academy.**

Assigned:

The Mayor will request that the Youth Committee help determine what topics would be of interest to this group so that City staff can develop a four to eight hour curriculum.

Status:

The Mayor has contacted the President of the Youth Committee and is awaiting his response.

○ **Continue to hold regular meetings with other governmental organizations in the City and County.**

Assigned:

The Mayor and City Council will continue to schedule meetings each year with the City of Gilbert, City of Nevada, the Ames Community School District, Gilbert School District, United Community School District, Ames Economic Development Commission/Chamber of Commerce, Smart Growth Alliance, Convention and Visitors Bureau, Government of the Student Body, Mary Greeley Medical Center, Boone County Board of Supervisors, and Story County Board of Supervisors to discuss and coordinate future plans.

Status:

One such retreat was held in 2008. At the December 13, 2008 City Council retreat, it was decided to hold this meeting once every year. The next meeting will be in the spring of 2010.

○ **Increase support for celebrating diversity.**

Assigned:

Further clarification is needed by the City Council to determine in what form this support will come.

Status:

No Action Taken to Date

“BRAND” AMES

○ **Determine whether a “branding” process should be implemented.**

Assigned:

This task will include an objective assessment from an outside source to explore the advantages Ames offers to people as they relate to other cities. If adopted, then all stakeholders would incorporate this brand identity into each other’s promotional elements (e.g., brochures and web pages). The Mayor and City Manager will meet with representatives of the Ames Economic Development Commission (AEDC), Chamber of Commerce, and Ames Convention and Visitors’ Bureau (ACVB) to ascertain if there is any interest in accomplishing this as a community-wide goal.

Status:

The Mayor and City Manager were invited to a meeting with representatives from the AEDC, Chamber of Commerce, ISU, and ACVB to determine if there was any interest in jointly participating in a “branding process”.

At this April 24, 2008 meeting, a consensus was reached to support a first step with communication experts from each of the organizations coming together to:

- improve linkages among the various web sites
- generate a list of positive elements of the community
- perform a communications audit to compare messages, format, etc. from each

- group and consider how they look to outsiders
- identify a smaller group that will recommend the next steps in the branding process

The communication experts have requested that an ISU class perform a communication and branding audit in the 2008 fall semester for the various community groups' public messages to determine where there is overlap or opportunities for common messages.

Dr. Linda Niehm's ISU marketing class presented their findings on December 18, 2008 in 2019 Morrill Hall.

During the discussion of the Public Information budget, the Council asked the Public Information Officer to contact firms that have expertise in branding communities and invite one to meet with the Council to educate them on this topic.

The City Council dropped this branding process at their most recent goal-setting session update.

DEFINE DESIRED GROWTH

- **Review the current Land Use Policy Plan (LUPP) so that the City Council and the community can better understand the background, history, and content of this plan.**

Assigned:

The Planning and Housing staff will coordinate a workshop with the Planning and Zoning Commission and developers to review the current LUPP.

Status:

On February 19, 2008, a workshop was held featuring a review of the existing goals and key elements of the current LUPP by Steve Osguthorpe, Director of Planning and Housing, and a historical review on how the current plan was created by Brian O'Connell, who served as the Director of Planning and Housing for the City when the plan was developed.

The Council will hold a joint workshop in June 2009 with the Planning and Zoning Commission to once again review the goals of the existing LUPP and the corresponding implementation policies.

- **Update Annexation Study.**

Assigned:

The City staff will first attempt to estimate the amount of time and cost to accomplish this task.

Status:

The City staff completed this update and presented it to the City Council and public on April 1, 2008.

- **Hold a workshop/roundtable on targeted residential growth, followed by reaffirmation or modifications to current strategy.**

Assigned:

Because of the interest expressed by the Fieldstone developers and by a number of developers who hope to build homes immediately north in the near future in the urban fringe area, this meeting should be held as soon as possible.

Status:

On April 1, 2008, the City staff presented the results of the updated Annexation Cost Study. In addition, a round-table discussion was held regarding the targeted growth strategy reflected in the LUPP.

o **Annex and develop a large-lot industrial park.**

Assigned:

The City Manager, along with appropriate staff, will develop recommendations for accomplishing this task.

Status:

The City Manager and the Ames Economic Development Commission (AEDC) Director, Dan Culhane, developed four possible scenarios for accomplishing this project. Two scenarios included a partnership with private developers where the City would finance the infrastructure improvements while the private sector purchased the land. The other two scenarios involve the City handling the total cost of the project.

On April 2, 2008, the City Manager and Dan Culhane met with the development community to gauge their support for these scenarios. As a result of this presentation, a committee was created to explore a model for accomplishing this project.

Committee members visited Lawrence, Kansas where an industrial park was successfully completed. In their model, the County purchased the land and contributed it to the project. They were paid back after the land was sold. The city paid for the installation of the infrastructure through Tax Increment Financing (TIF).

Estimates have been prepared for a three-phased development. According to the most recent estimates, the cost to the City could be approximately \$6,200,000 for public improvements.

On April 28, 2009, a conceptual plan for this large-lot industrial park was presented to the Council. The next step is to identify funding sources for the land and non-city utilities, as well as how to divide this project into smaller phases to make it more affordable.

o **Develop job creation action plan with area partners.**

Assigned:

The City Manager will convene a meeting with representatives from AEDC, ISU, and Des Moines Area Community College (DMACC) to request their assistance in developing a plan to create jobs in Ames and the surrounding areas for college graduates.

Status:

No action has been taken to date. Further clarification by the City Council of expectations for this job creation plan would be helpful. However, Dan Culhane, the Economic Development Commission Director, has created a five-year economic development strategy which calls for the creation of 1,000 new or retained jobs for 2007-2011.

City of Ames Honors

Ames Electric Services was one of 84 of the nation's more than 2,000 public power utilities to earn Reliable Public Power Provider™ (RP₃) recognition from the American Public Power Association (APPA) for providing consumers with the highest degree of reliable and safe electric service in 2008. The Reliable Public Power Provider designation is awarded based on proficiency in four key disciplines: reliability, safety, training, and system improvements.

The Water Pollution Control (WPC) Plant received a *Platinum-18 Peak Performance Award* from the National Association of Clean Water Agencies (NACWA). This award recognizes the facility and its staff for 18 consecutive years with 100% compliance with its discharge permit. In the 18+ years since the plant came online, it has met over 20,000 numerical limits without a single violation. According to NACWA's tracking, there are only two facilities in the country with longer compliance records.

In October 2007, Ames' water was voted "best tasting water in Iowa".

The City of Ames' Fire Department received an improvement in its fire department rating from the Insurance Services Office (ISO). ISO is a privately funded agency that sets fire insurance rates for many insurance companies. ISO rates communities on a scale of 1 to 10, with 1 being the best a community could obtain. The City of Ames has been rated a 4 for the past two decades. The new ISO rating for the City of Ames is a 3. There is no city in Iowa with an ISO rating higher than a 3.

The City received the Wellness Councils of America (WELCOA) Well Workplace Gold designation in September 2007. For 14 consecutive years, the City of Ames has been designated as a Well Workplace; building from bronze level to the first gold designation in 2000. Gold Well Workplaces are companies that have successfully built comprehensive worksite wellness initiatives and are demonstrating and documenting concrete outcomes.

Aaa Bond Rating for 2008, from Moody's Investors Service.

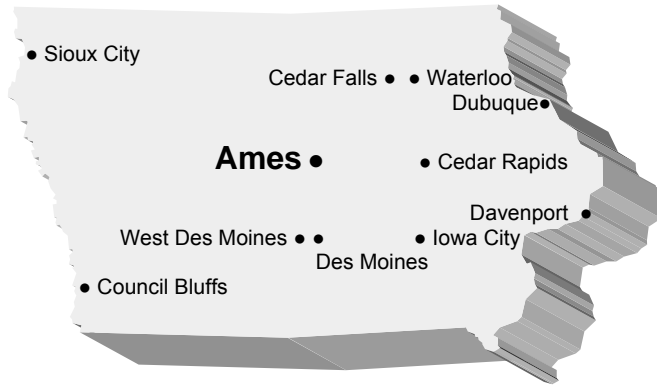
Certificate of Achievement for Excellence in Financial Reporting, Government Finance Officers Association. Every year since 1978/79.

Distinguished Budget Presentation Award, Government Finance Officers Association. Every year since 1986/87.

Tree City USA for 24 consecutive years.

THE AMES COMMUNITY – MISCELLANEOUS STATISTICS

How the town was named....Ames was laid out, owned and named by the Blair Land Company. The company's chief engineer, John I. Blair, met Oakes Ames, a State Representative from Massachusetts, in 1863 when Mr. Ames' interest in the expansion of the railroad brought him to the Midwest. A year later, the flat lowlands between the Skunk River and Squaw Creek were named "Ames".



Conveniently located....Near the crossroads of the nation, where I-35 and I-80 intersect, Ames is centrally located to all points. Interstate road systems place Ames just a few hours drive from Minneapolis, Kansas City, Omaha, Chicago and St. Louis. Des Moines, the state capital, is only 30 minutes away.

Date of Incorporation: 1869

Form of Government: Council – Manager

Fiscal Year: July 1 through June 30

Area: 24.23 square miles

POPULATION	
1970	39,505
1980	45,775
1990	47,198
1995	48,691
2000	50,731
Ames is the home of Iowa State University with a student population of about 25,000.	

SCHOOL ENROLLMENT	
1970	6,032
1980	5,031
1990	4,802
2000	4,754
2006	4,432
2007	4,351
2008	4,340

UTILITIES CUSTOMERS	
Electric	24,079
Water	16,462
Wastewater	16,377
Storm Sewer	24,647
Yard Meter/Irrigation	1,910

MISCELLANEOUS CENSUS INFORMATION		CLIMATE	
Median Age of Population	23.6 years	Average Winter Temperature	20.8 degrees
Median Household Income	\$ 36,042	Average Summer Temperature	71.8 degrees
		Average Annual Rainfall	33.4 inches
		Average Annual Snowfall	30.8 inches
Police Protection – One Station		Fire Protection – Three Stations	
51 Sworn Officers		39 Full-time Firefighters	
		Library – One Main	
		Bookmobile	

RANKED NATIONALLY AS A GREAT PLACE TO LIVE
Ranked 53 out of "100 Best Places To Live" according to <u>Money Magazine</u> (2008)
<i>Ranked sixth smartest city in America by <u>Forbes Magazine</u> for 7.23% of Ames' population having doctorates, 93% graduating from high school, and more than 46% having a bachelor's degree or higher (2008)</i>
Story County ranked #2 by CNNMoney.com for "Top Places to Live a Long Life", with a life expectancy of 81.02 years (2008)
<i><u>Mother Earth News</u> wrote that Ames is "one of the greatest places you've never heard of" due to the small-town feel with big-city amenities and its actions to make the city a greener and healthier place to live. (2008)</i>
Ames was listed as one of <u>Business Week's</u> 50 most kid-friendly small towns and suburbs in the U.S. based on low crime rates, cost of living, good schools, test scores, and culture. (2008)
<i>America's Promise Alliance and Capital One honored Ames as one of 100 communities that find unique and effective ways to ensure their young people receive the resources necessary to stay in school and succeed. (2008)</i>
Ames was chosen for "Tourism Community of the Year" by the Iowa Department of Economic Development. (2008)

BUDGET CALENDAR

State statute requires a municipality to certify its budget by March 15. This general schedule is followed each fiscal year in order to ensure that the March 15 deadline is met. A goal during the entire process is to encourage citizen involvement in the annual budget decision making process through public hearings and informational meetings.

SPRING

Resident Satisfaction Survey administered to 1,350 residents asking funding priorities, effectiveness of services, and preferred changes in emphasis/service levels. All results are reviewed with the City Council prior to the start of the budget process.

AUGUST SEPTEMBER

Departments prepare Capital Improvement (CIP) project information for the 5-year plan and begin preparation of amended 08/09 and proposed 09/10 operational budgets. Resident Satisfaction Survey results are presented to the City Council.

OCTOBER

October 7 – Public town budget meeting to receive input from residents for budget service levels and projects. The meeting is televised and the public can call in and e-mail questions.

NOVEMBER DECEMBER

November 25 – City Council budget meeting to review issues, priorities, and preferences in service levels for the 09/10 budget. Staff drafts 5-year CIP. PROBE meetings (Productive Review of Budget Entries) are conducted with Assistant City Managers, Finance Director, Budget Officer, and City departments. All revenues, operational program costs, and current year CIP adjustments are reviewed.

JANUARY

City Manager holds budget review meetings with departments. The City Manager's recommended draft budget document is prepared. **January 20 – CIP workshop** with City Council. **January 27 – Public hearing** for resident input on CIP.

FEBRUARY

January 30 and February 2, 4, 5, 10 – City Council reviews entire program budget with department heads in five (5) **public meetings** held on one afternoon and four evenings.

MARCH

March 3 – Final budget hearing and adoption of amended 08/09 budget and 09/10 budget. **State statute requires the budget be certified with the County Auditor by March 15.**

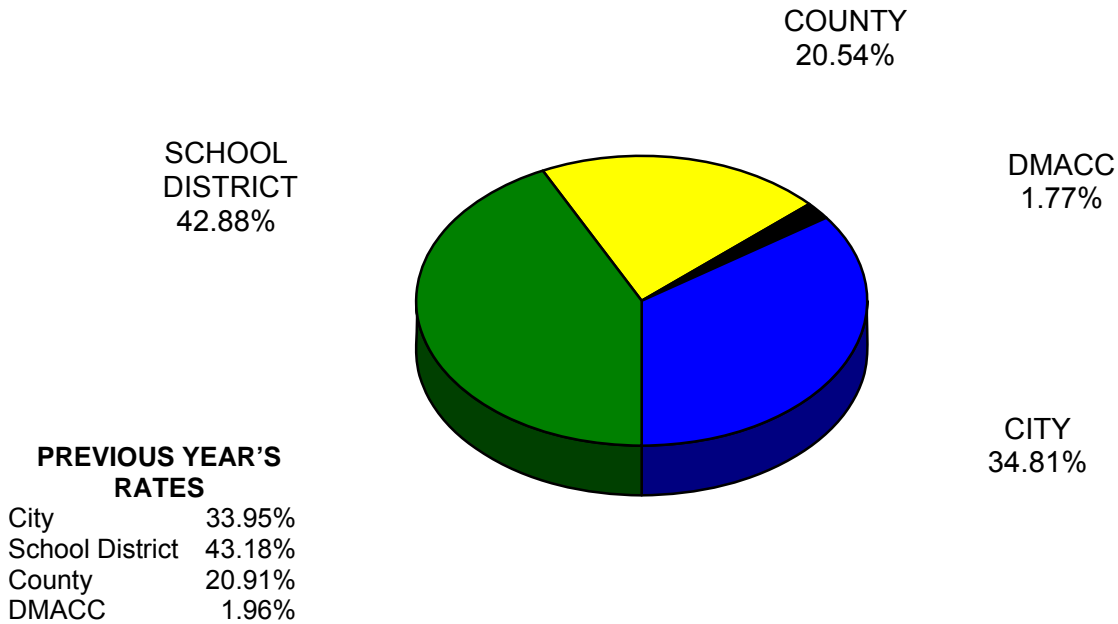
MAY

Departments review their budgeted revenues and expenses in May in order to make adjustments which will more accurately reflect the City's anticipated revenues and expenses for the fiscal year ending June 30. **After City Council review and approval, the amendments are submitted to the County Auditor by the end of May as required by State statute.**

PROPERTY TAXES

Property taxes are certified July 1 with the first half due on or before September 30 and the second half due on or before March 31. The first half taxes become delinquent on October 1 and the second half taxes become delinquent on April 1. There is a 1% per month penalty for delinquency. Taxes are collected by the County and distributed to the City in proportion of its levy to all levies.

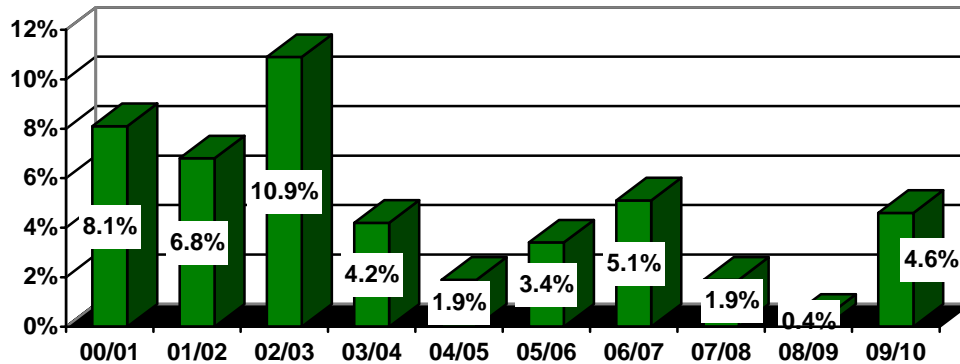
**BREAKDOWN OF PROPERTY TAXES PAID
2008/09 RATES**



City property taxes are about one-third of a resident's total property tax bill. The other taxing bodies are the School District, Story County, and the Des Moines Area Community College.

VALUATION GROWTH

VALUATION PERCENTAGE INCREASE 10 YEARS OF DATA



CITY OF AMES, IOWA

The 2009/10 budget is based on a 4.6% increase, or \$88,980,834 in additional taxable valuation for the City. The average valuation increase over the last ten years is 4.7%. The total valuation of \$2,030,775,716 is made up of the following components:

	Taxable Valuation	Percentage of Valuation	Change From Prior Year
Residential property	1,078,524,968	53.1%	7.6%
Commercial property	825,225,818	40.6%	1.2%
Industrial property	110,467,400	5.4%	2.8%
Utilities	9,474,071	0.5%	.7%
Utilities subject to excise	7,083,459	0.4%	1.5%
	2,030,775,716	100.0%	4.6%

FACTORS IMPACTING VALUATION GROWTH

Despite the downturn in the economy, Ames experienced moderate growth in taxable valuation for FY 09/10. The total change in taxable valuation of \$88,877,104 or 4.6% over the prior year included \$58,094,000 in new construction and \$7,752,000 in expiring exceptions. The increase in the rollback percentage on residential property from 44.0803% to 45.5893% and commercial property from 99.7312% to 100% resulted in a taxable valuation increase of \$36,621,894. Some of this increase was offset by a shifting in property classification from commercial to residential resulting in a reduction of taxable valuation of \$14,193,000 due to rollback difference. Change in valuations on existing property was basically flat overall with a total increase in valuation of \$733,325 across all property classifications.

GENERAL FUND ENDING BALANCE

The adopted ending General Fund budgeted balance for June 30, 2010 is \$6,003,682, or 23.6% of budgeted expenditures. The City’s General Fund balance policy calls for a balance of at least 20% of expenditures.

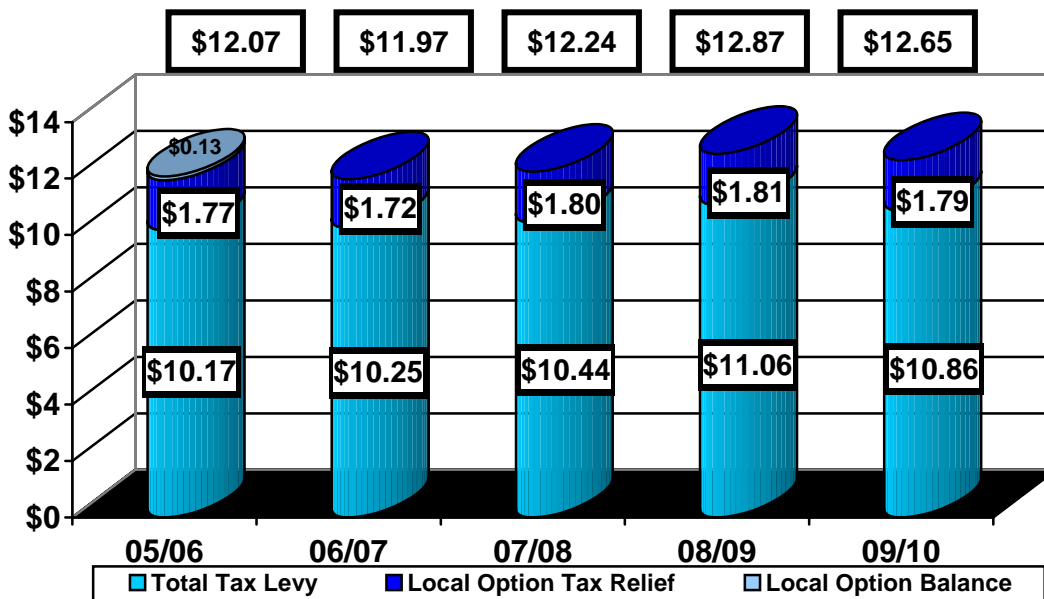
The City Council maintains this fund balance to help cover unexpected changes in expenses in revenues and to mitigate property tax rate increases in future years for capital improvements that have been identified in several pending long-range plans, including transportation, park and recreation facilities, annexation, and fire station location plans. These plans will also identify operational cost increases in addition to normal City growth from the physical expansion of Ames.

EMERGENCY RESERVE

In addition to fund balances, the City Council has for several years had a policy to annually budget a \$100,000 emergency reserve. These are discretionary funds over and above the general fund balance for use as designated by the City Council. This money is used for major projects which occur after the budget has been adopted. Due to budget restraints, only \$50,000 was approved for 2009/10. This is the eighth year Council has budgeted at the lower level.

LOCAL OPTION TAXES LOWER PROPERTY TAXES

EFFECT OF LOCAL OPTION TAX



LEVY/\$1,000 – CITY OF AMES, IOWA

On November 4, 1986, the citizens of Ames approved a Local Option Tax of 1% to be used 60% for property tax relief and 40% for community betterment. 60% of this tax will generate \$3,630,000 in 2009/10 which lowers the total tax levy by \$1.79. The chart illustrates the level the total levy would have to be if the Local Option Tax had not been approved. Adjusted local option tax revenues for FY 08/09 will be \$368,538 more than the budget amount due to a larger November settlement payment for FY 07/08. Local option tax revenues for FY 09/10 are projected to be 3.0% higher than the FY 08/09 Adopted.

CITY OF AMES, IOWA 2009/10 BUDGET FACTS

Property Valuation \$ 2,030,775,716

% Increase From 08/09 4.6%

LEVY REQUIRED	RATE PER \$1,000 VALUATION	AMOUNT	RATE CHANGE	%	AMOUNT CHANGE	%
General Fund Requirement	7.60169	15,437,328	(0.00344)	(0.05)	669,717	4.54
Less Local Option Property Tax Reduction	1.78749	3,630,000	0.02727	1.50	(106,103)	(3.01)
Net General Levy	5.81420	11,807,328	0.02383	0.41%	563,614	5.01
Trust and Agency Levy (Partial Police/Fire Benefits)	.47270	959,941	(0.2166)	(4.38)	0	0
Transit Levy	.62580	1,270,858	0.00251	0.40%	60,558	5.00
Total Before Debt Service	6.91270	14,038,127	0.00468	0.07	624,172	4.65
Debt Service Levy	3.94549	8,012,403	(0.20888)	(5.03)	(54,534)	(0.68)
Grand Total Tax Levy	10.85819	22,050,530	(0.20420)	(1.85)	569,638	2.65

Ag Levy - Valuation: \$1,189,756 x 3.00375 = \$3,574

STATE OF IOWA'S GENERAL TAX LEVY LIMIT

Iowa law limits a city's tax levy for the general fund to no more than \$8.10 per \$1,000 valuation in any tax year, except for specific levies authorized outside the limit. The City of Ames general fund levy for 2009/10 was \$5.81.

OF IOWA'S 11 LARGEST CITIES, AMES' LEVY RANKS 10TH

CITY	CENSUS	GENERAL LEVY PER \$1,000	TOTAL CITY TAX LEVY PER \$1,000	LEVY RANK	TOTAL CITY TAX LEVY PER CAPITA
Des Moines	198,682	\$ 8.10	\$ 16.58	5	\$ 490.24
Cedar Rapids	120,758	8.10	15.07	7	613.95
Davenport	98,359	8.10	15.58	6	567.18
Sioux City	85,013	8.10	18.71	1	440.90
Waterloo	68,747	8.10	18.37	2	531.02
Iowa City	62,220	8.10	17.72	4	698.84
Council Bluffs	58,268	8.10	18.09	3	633.46
Dubuque	57,686	8.10	9.97	11	324.71
Ames	50,731	5.79	11.06	10	423.34
West Des Moines	46,403	8.10	12.05	9	871.10
Cedar Falls	36,145	8.10	13.26	8	405.98
Average excluding Ames		8.10	15.54		557.74

Uses latest available tax rates - 08/09, and 2000 census.

CITY OF AMES, IOWA PROPERTY TAX COST OF SERVICES PER RESIDENCE 3-YEAR COMPARISON

	\$100,000 Home *		
	07/08	08/09	09/10
Streets/Traffic	128	131	128
Police Protection	109	106	108
Fire Protection	73	71	72
Recreation & Parks	42	59	60
Library	38	40	42
Transit	27	27	29
General Support Services	24	22	23
Planning	9	9	9
Resource Recovery	8	7	7
Storm Sewer	7	7	7
Animal Control	4	4	4
Inspections/Sanitation	3	3	3
Building and Grounds/Airport	3	2	3
	475	488	495
* Assessed Value	100,000	100,000	100,000
Rollback	45.5596	44.0803	45.5893
Taxable Value	45,560	44,080	45,589
Tax Rate per \$1000	10.43585	11.06239	10.85819
Calculated Tax	475	488	495

All categories reflect their applicable amounts for debt.

CITY OF AMES, IOWA
AUTHORIZED EMPLOYMENT LEVELS (F.T.E.)
 (Full-Time Equivalents)

	2007/08 Actual	2008/09 Adopted	2008/09 Adjusted	2009/10 Adopted
City Manager	9.25	9.25	9.25	9.25
Legal Services	5.75	6.00	6.00	7.00
Human Resources	7.25	7.25	7.25	7.25
Planning & Housing	10.50	10.50	10.50	10.50
Finance	39.75	40.75	40.75	40.75
Fleet Services/Facilities	8.50	8.50	9.50	9.50
Transit	73.70	75.70	75.70	75.70
Fire/Inspections	65.00	68.00	68.00	68.00
Police/Animal Ctrl/Parking Enforcement	74.40	74.65	74.65	74.65
Library	31.00	31.00	31.00	31.00
Parks/Recreation	20.50	20.50	20.50	20.50
Waste Water Treatment	22.50	22.50	22.50	22.50
Water	19.00	19.00	19.00	19.00
Electric	81.00	81.00	81.00	81.00
Public Works:				
Facilities	1.00	1.00	0	0
Administration	3.00	3.00	3.00	3.00
Traffic/Engineering	6.25	6.25	7.25	7.25
Streets	19.00	19.00	19.00	19.00
Engineering	12.00	12.00	12.00	12.00
Utility Maintenance	11.00	11.00	11.00	11.00
Resource Recovery	15.00	15.00	15.00	15.00
Grounds	5.00	5.00	5.00	5.00
Parking	1.75	1.75	1.75	1.75
Public Works Total	74.00	74.00	74.00	74.00
TOTAL	542.10	548.60	549.60	550.60

DEBT SERVICE COST ALLOCATION FOR 2009/2010 BUDGET

Valuation \$2,030,775,716

Use of Bond Proceeds	Allocated Debt Service	Debt Service Abatements	Property Tax Support	Rate Per \$1,000 Valuation
Fire Department Apparatus	\$ 141,901	\$ 35,475	\$ 106,426	0.05241
Fire Station 3	133,858		133,858	0.06591
Ice Arena	194,945		194,945	0.09600
Ada Hayden Heritage Park	431,944		431,944	0.21270
Resource Recovery/Landfill	439,875	124,875	315,000	0.15511
Aquatic Center	945,380		945,380	0.46553
Water Projects	332,468	332,468		
Urban Renewal – TIF	63,801	63,801		
Downtown Redevelopment	42,534		42,534	0.02094
Storm Sewer	303,263		303,263	0.14933
Streets	4,986,256		4,986,256	2.45535
Special Assessments	276,347	276,347		0.00000
2009/2010 CIP G.O. Bonds	1,218,165	165,368	1,052,797	0.51842
Total G. O. Debt	\$ 9,510,737	\$ 998,334	\$ 8,512,403	4.19170
Use of Fund Balance		500,000	(500,000)	-0.24621
Total Debt Service Cost	\$ 9,510,737	\$ 1,498,334	\$ 8,012,403	3.94549

FY 09/10 Debt Service Levy

\$ 8,012,403 3.94549

2009/2010 CIP G. O. Issue

Raw Well Water Loop Line *	\$ 400,000
SW Ames Stormwater Management	475,000
Arterial Street Pavement Improvements	468,000
Collector Street Pavement Improvements	1,000,000
CyRide Route Pavement Improvements	800,000
Concrete Pavement Improvements	1,625,000
Asphalt Pavement Improvement Program	500,000
Downtown Pavement Improvements	500,000

Planned TIF:

South Bell TIF ** 1,152,000

Carried Forward From 2008/2009 CIP:

Concrete Pavement Improvements	1,225,000
Asphalt Pavement Improvement Program	350,000
Collector Street Pavement Improvements	900,000
CyRide Route Pavement Improvements	900,000
Arterial Street Pavement Improvements	437,573
Downtown Pavement Improvements	700,000

Total Debt Issue **\$ 11,432,573**

Planned Issues Not Included From Prior Years

NE Area Shared Use Path	\$ 350,000
NE Area Commercial	950,000
	\$ 1,300,000

* Abated by Water Utility
 ** Abated by TIF Revenue

SUMMARY OF TOTAL REVENUES AND EXPENDITURES

ALL FUNDS - REVENUE SUMMARY

	2007/08 Actuals	2008/09 Adopted	2008/09 Adjusted	2009/10 Adopted	% Change From Adopted
Property Taxes	20,078,796	21,427,254	21,427,254	21,997,191	2.7
Utility Excise Tax	68,859	77,212	77,212	76,894	-.4
Local Option Sales Tax	5,890,772	5,873,162	6,241,700	6,050,000	3.0
Hotel/Motel Taxes	1,106,797	1,344,000	1,800,000	1,440,000	7.1
Other Taxes	7,066,428	7,294,374	8,118,912	7,566,894	3.7
Licenses & Permits	1,101,000	1,260,643	1,191,166	1,216,627	-3.5
Federal Grants	4,706,423	4,999,130	7,986,136	4,777,471	-4.4
State Road Use Taxes	4,346,879	4,301,989	4,373,042	4,590,784	6.7
Monies and Credits	12,514	15,000	12,500	12,500	-16.7
State Grants	3,051,912	4,433,866	5,554,127	4,306,639	-2.9
County Contributions	178,392	177,640	172,026	175,219	-1.4
Government Cont/Partic	3,508,018	3,880,901	3,718,775	3,938,208	1.5
Intergov'tmental Revenue	15,804,138	17,808,526	21,816,606	17,800,821	0.0
Utility Charges	58,871,290	63,666,802	62,598,077	67,208,116	5.6
Other Chgs for Services	8,625,978	8,683,990	8,672,329	9,105,460	4.9
Charges for Services	67,497,268	72,350,792	71,270,406	76,313,576	5.5
Fines, Forfeit & Penalty	824,316	758,650	783,200	783,900	3.3
Interest	3,859,262	2,750,060	2,820,600	2,342,400	-14.8
Other Uses of Money	850,394	771,995	730,247	755,740	-2.1
Use of Money & Property	4,709,656	3,522,055	3,550,847	3,098,140	-12.0
Proceeds from Bonds	9,559,781	23,520,573	8,355,000	12,732,573	-45.9
Other Misc. Revenues	4,800,524	1,851,614	2,334,677	1,445,834	-21.9
Miscellaneous Revenues	14,360,305	25,372,187	10,689,677	14,178,407	-44.1
Internal Services	11,516,461	11,785,903	12,089,577	12,730,518	8.0
Total Before Transfers	142,958,368	161,580,384	150,937,645	155,686,074	-3.6
Transfers	12,394,635	12,370,379	11,878,376	13,093,276	5.8
Grand Total Revenues	155,353,003	173,950,763	162,816,021	168,779,350	-3.0

ALL FUNDS - EXPENDITURES

	2007/08 Actuals	2008/09 Adopted	2008/09 Adjusted	2009/10 Adopted	% Change From Adopted
OPERATIONS					
Public Safety					
421 Law Enforcement	6,796,664	6,795,513	6,861,656	7,065,473	4.0
422 Fire Safety/Admin	4,820,809	5,002,708	4,955,470	5,139,933	2.7
423 Inspection/Building Safety	1,002,264	1,078,586	1,017,613	1,041,524	-3.4
424 Traffic Control	627,157	763,855	749,394	817,577	7.0
428 Other Community Protect	594,771	613,000	613,000	649,000	5.9
Total Public Safety	13,841,665	14,253,662	14,197,133	14,713,507	3.2
Utilities					
481 Resource Recovery	2,813,166	3,130,925	2,987,645	3,324,976	6.2
482 Water Utility	3,988,331	4,369,837	4,697,566	4,785,852	9.5
483 Storm Water Diversion	225,035	266,428	272,411	259,244	-2.7
484 Wastewater Disposal	2,936,627	3,045,895	3,029,276	3,295,634	8.2
485 Electric Operations	38,824,983	43,451,764	42,861,732	46,538,395	7.1
486 Utility Customer Service	1,296,268	1,323,124	1,332,367	1,424,978	7.7
Total Utilities	50,084,410	55,587,973	55,180,997	59,629,079	7.3
Transportation					
431 Street System	2,689,233	2,558,189	2,867,362	2,836,011	10.9
434 Public Parking	685,520	698,636	695,136	726,662	4.0
426 Transit System	6,389,107	6,590,312	6,772,423	7,167,276	8.8
438 Airport	126,904	104,833	127,887	109,092	4.1
Total Transportation	9,890,764	9,951,970	10,462,808	10,839,041	8.9
Community Enrichment					
451 Recreation/Administration	2,168,621	2,404,760	2,422,095	2,666,142	10.9
452 Parks	947,500	985,080	996,074	1,042,930	5.9
455 Library Services	2,957,448	3,141,982	3,138,126	3,252,792	3.5
456 Library Grants/Donations	193,935	94,807	324,494	265,590	180.1
441 Health & Sanitation	140,081	153,356	150,965	157,649	2.8
442 Animal Sheltering/Control	296,409	330,283	324,368	335,864	1.7
444 Human Services	893,702	956,522	1,038,251	1,019,988	6.6
445 Art Services/Agencies	111,551	127,529	158,549	150,480	18.0
461 Cemetery	119,920	116,372	125,529	128,391	10.3
462 Leased Housing	988,096	1,095,587	1,190,830	1,196,051	9.2
463 Affordable Housing	35,250	38,702	55,018	44,342	14.6
464 Comm. Dev. Block Grant	515,555	494,001	1,348,894	597,842	21.0
465 Economic Development	163,620	160,826	235,186	162,359	1.0
466 FEMA Disaster Activity	164,635		283,716		
467 Cable TV	93,858	99,990	84,896	114,720	14.7
Total Community Enrichment	9,790,181	10,199,797	11,876,991	11,135,140	9.2

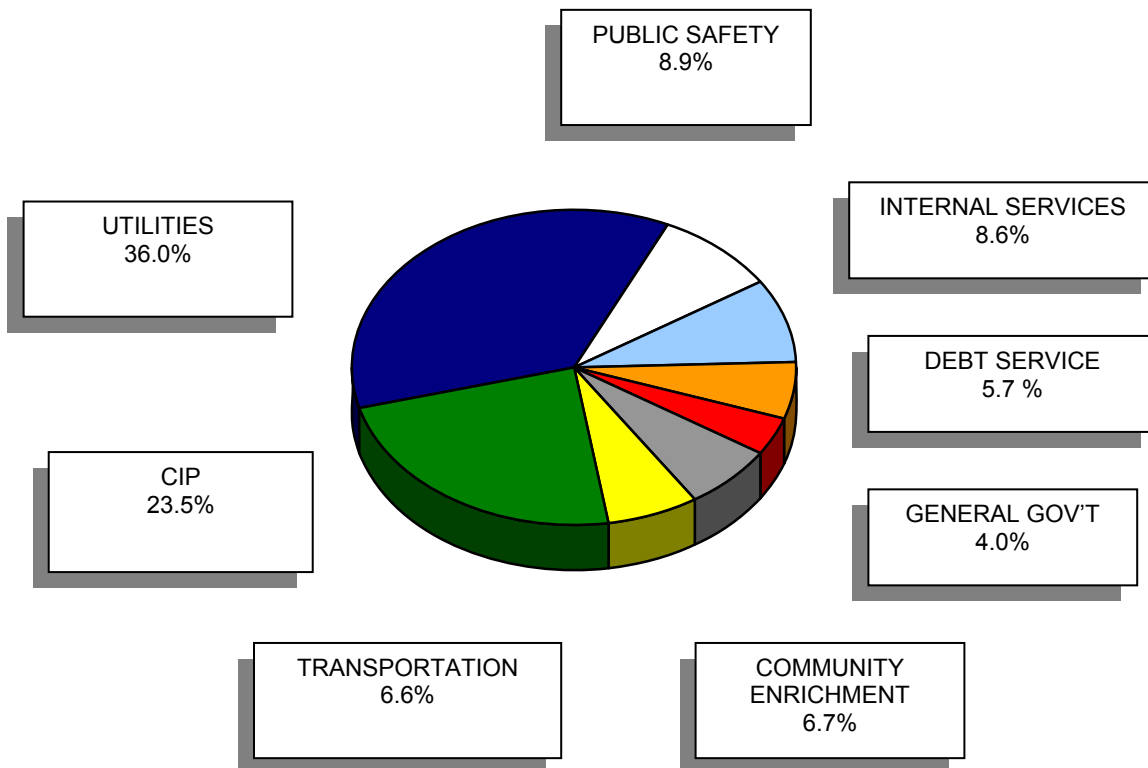
ALL FUNDS – EXPENDITURES, continued

	2007/08 Actuals	2008/09 Adopted	2008/09 Adjusted	2009/10 Adopted	% Change From Adopted
General Government					
410 City Council Spec. Alloc.	138,033	43,000	55,500	48,000	11.6
411 Legislative	419,091	394,783	406,998	450,547	14.1
412 City Council Contingency	31,674	50,000	71,439	50,000	0
413 Executive	561,022	562,199	556,287	580,003	3.2
414 Financial Services	1,132,004	1,181,594	1,187,488	1,232,715	4.3
415 Administrative Services	1,721,274	1,829,694	1,901,129	1,944,905	6.3
416 Public Works Admin/Engr	1,378,900	1,590,811	1,617,253	1,688,567	6.2
417 Merit Adjustment		183,126		191,838	4.8
418 Public Buildings	351,466	350,998	575,035	494,480	40.9
Total General Government	5,733,464	6,186,205	6,371,129	6,681,055	8.0
TOTAL OPERATIONS	89,340,484	96,179,607	98,089,058	102,997,822	7.1
CIP					
419 General Gov't CIP	25,724	50,000	1,250,169	1,436,228	2772.5
429 Public Safety CIP	438,204	2,620,675	3,364,639	1,385,913	-47.1
489 Utilities CIP	4,445,180	25,032,695	20,052,738	20,414,895	-18.5
439 Transportation CIP	10,834,530	11,900,410	15,322,925	15,021,000	26.2
459 Community Enrich CIP	2,882,835	7,065,800	10,144,315	555,400	-92.1
529 Internal Services CIP	20,433	97,500	65,563	205,000	110.3
TOTAL CIP	18,646,906	46,767,080	50,200,349	39,018,436	-16.6
DEBT SERVICE					
471 General Obligation Bonds	7,776,642	9,318,467	8,499,561	9,510,740	2.1
472 Electric Revenue Bonds	113,113	1,070,812			
478 Bond Costs	69,731		70,000		
Total Debt Service	7,959,486	10,389,279	8,569,561	9,510,740	-8.5
INTERNAL SERVICES					
511 Information Technology	1,477,439	2,016,720	1,893,330	2,032,155	.8
512 Telephone System	256,236	274,063	265,369	224,801	-18.0
513 Purchasing Services	374,757	403,701	402,229	429,613	6.4
521 Risk Administration	1,547,853	1,544,619	1,852,250	1,828,281	18.4
522 Health Ins Management	5,256,480	5,730,230	5,859,858	6,104,181	6.5
525 Fleet Maintenance Svcs	1,874,967	1,730,175	1,768,567	1,852,510	7.1
526 Fleet Acquisition & Disp.	789,314	1,495,489	2,312,392	1,787,676	19.5
Total Internal Services	11,577,046	13,194,997	14,353,995	14,259,217	8.1
Total Expenditures Before Transfers	127,523,922	166,530,963	171,212,963	165,786,215	-4

ALL FUNDS – EXPENDITURES, continued

	2007/08 Actuals	2008/09 Adopted	2008/09 Adjusted	2009/10 Adopted	% Change From Adopted
TRANSFERS					
598 Transfers	12,394,635	12,370,379	11,878,376	13,093,276	5.8
531 Hotel/Motel Pass Thru	790,253	960,000	1,285,714	1,028,571	7.1
Total Transfers	13,184,888	13,330,379	13,164,090	14,121,847	5.9
GRAND TOTAL EXPENDITURES	140,708,810	179,861,342	184,377,053	179,908,062	0

WHERE THE MONEY IS SPENT... 2009/10 ADOPTED

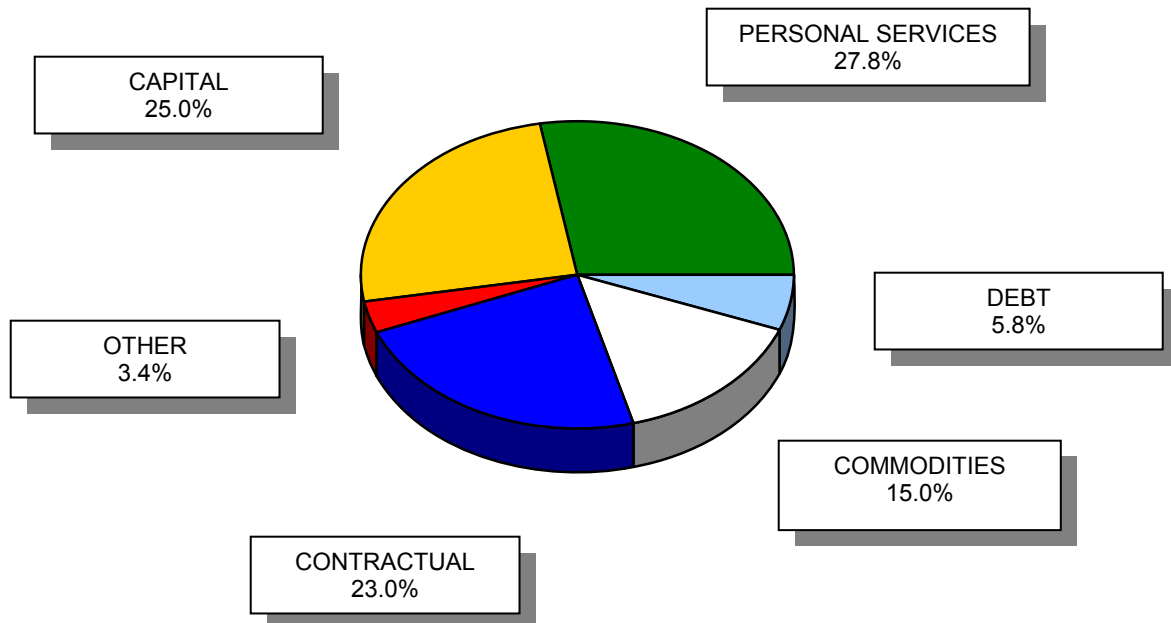


Excluding Transfers

ALL FUNDS - EXPENDITURES BY CATEGORY

	2007/08 Actuals	2008/09 Adopted	2008/09 Adjusted	2009/10 Adopted	% Change From Adopted
Personal Services	41,048,164	43,899,030	43,022,978	46,135,546	5.1
Contractual	38,094,082	37,992,773	38,250,789	38,140,562	.4
Commodities	19,061,752	23,961,176	24,534,956	24,892,800	3.9
Capital	16,614,580	45,139,505	51,482,426	41,464,467	-8.1
Debt	7,959,486	10,389,279	8,569,561	9,510,740	-8.5
Other (Refunds, Insurance Claims, etc.)	4,745,858	5,149,200	5,352,253	5,642,100	9.6
Transfers	13,184,888	13,330,379	13,164,090	14,121,847	5.9
Total Expenditures	140,708,810	179,861,342	184,377,053	179,908,062	0

BREAKDOWN BY MAJOR EXPENSE CATEGORY 2009/10 ADOPTED



Excluding Transfers

ELECTRIC RATE COMPARISON
For Rates in Effect January 2008
 By Ames Municipal Electric System

RESIDENTIAL RATE COMPARISON

	250 kWh	% *	500 kWh	% *	750 kWh	% *	1,000 kWh	% *
SUMMER								
Ames Electric Svcs.	\$ 27.40	-39%	\$ 50.74	-30%	\$ 73.47	-25%	\$ 96.19	-24%
Alliant Energy	39.62		68.67		92.91		124.66	
MidAmerican Energy	29.57		50.65		71.72		92.79	
Consumers Energy	63.75		97.00		130.25		163.50	
Midland Power Coop	46.50		73.00		99.50		126.00	
WINTER								
Ames Electric Svcs.	25.08	-42%	45.36	-35%	63.94	-33%	82.51	-31%
Alliant Energy	35.00		59.43		79.66		99.90	
MidAmerican Energy	28.95		49.40		69.84		90.29	
Consumers Energy	63.75		97.00		130.25		163.50	
Midland Power Coop	46.50		73.00		99.50		126.00	

COMMERCIAL/GENERAL SERVICE/INDUSTRIAL RATE COMPARISON

	7,500 kWh	% *	10,000 kWh 40KW	% *	12,500 kWh 50KW	% *	30,000 kWh 100 KW	% *
SUMMER								
Ames Electric Svcs.	\$ 687.45	-10%	\$ 898.20	-4%	\$ 1,119.85	-4%	\$ 2,450.60	-7%
Alliant Energy	778.88		1,047.92		1,309.90		2,793.96	
MidAmerican Energy	652.33		835.88		1,019.43		2,304.28	
Consumers Energy	800.80		1,097.60		1,352.40		3,136.00	
Midland Power Coop	815.00		780.00		975.00		2,340.00	
WINTER								
Ames Electric Svcs.	\$663.26	-22%	\$ 786.08	-7%	\$ 972.25	-7%	\$ 2,150.40	-10%
Alliant Energy	601.45		737.36		921.70		1,980.08	
MidAmerican Energy	608.53		773.08		937.63		2,089.48	
Consumers Energy	800.80		1,097.60		1,352.40		3,136.00	
Midland Power Coop	815.00		780.00		975.00		2,340.00	

* % indicates difference in A.M.E.S. rates compared to average of other four utilities.

NOTE: Some utilities also offer optional rates for electric heat, time-of-use, etc.

ENERGY COST ADJUSTMENT FOR 2008 RATE COMPARISON

SUMMER RATE PERIOD

	Residential	Commercial	Industrial		
Ames Electric Svcs.	\$0.01530	\$0.01530	\$0.01530	Ames Electric Svcs.	June, July, Aug, Sep
Alliant Energy	0.01570	0.01570	0.01570	Alliant Energy	June 16 - Sep 15
MidAmerican Energy	N/A	N/A	N/A	MidAmerican Energy	June, July, Aug, Sep
Consumers Energy	0.00000	0.00000	0.00000	Consumers Energy	N/A
Midland Power Coop	0.00541	N/A	N/A	Midland Power Coop	N/A

RESIDENTIAL WATER RATE COMPARISON
Iowa Cities of 10,000 and Over Population
Rates as of September 2007

With Softening

	Population Served	Minimum	600 cf	1,000 cf	10,000 cf	50,000 cf	100,000 cf
Ames	50,731	\$ 7.30	\$ 15.64	\$ 21.20	\$ 168.20	\$ 811.80	\$ 1,623.60
Ankeny	37,000	5.20	16.18	25.98	263.63	1,315.07	2,640.08
Boone	12,803	7.37	22.22	34.10	260.15	884.68	1,666.28
Cedar Rapids	125,000	4.56	12.30	17.46	136.30	637.84	1,253.01
Iowa City	62,649	6.41	21.36	33.32	245.47	1,119.35	2,213.12
Marshalltown	26,009	4.85	12.77	18.05	137.95	673.50	1,340.95
Newton	15,579	7.62	13.34	19.06	117.36	550.36	1,079.41
W. Des Moines	54,591	3.00	17.63	27.38	247.05	1,224.75	2,449.50
Ames Rank Among 21		10	10	14	15	12	11

With Other Treatment

	Population Served	Minimum	600 cf	1,000 cf	10,000 cf	50,000 cf	100,000 cf
Cedar Falls	35,000	\$ 6.83	\$ 10.67	\$ 13.23	\$ 59.28	\$ 253.98	\$ 495.64
Fort Dodge	28,026	8.06	14.06	21.26	149.16	632.41	1,168.66
Marion	26,294	6.11	9.22	13.36	106.02	493.27	962.07
Sioux City	82,000	7.19	15.95	24.71	185.52	730.02	1,409.53
Ames Rank Among 33		14	16	21	21 (tie)	18	16

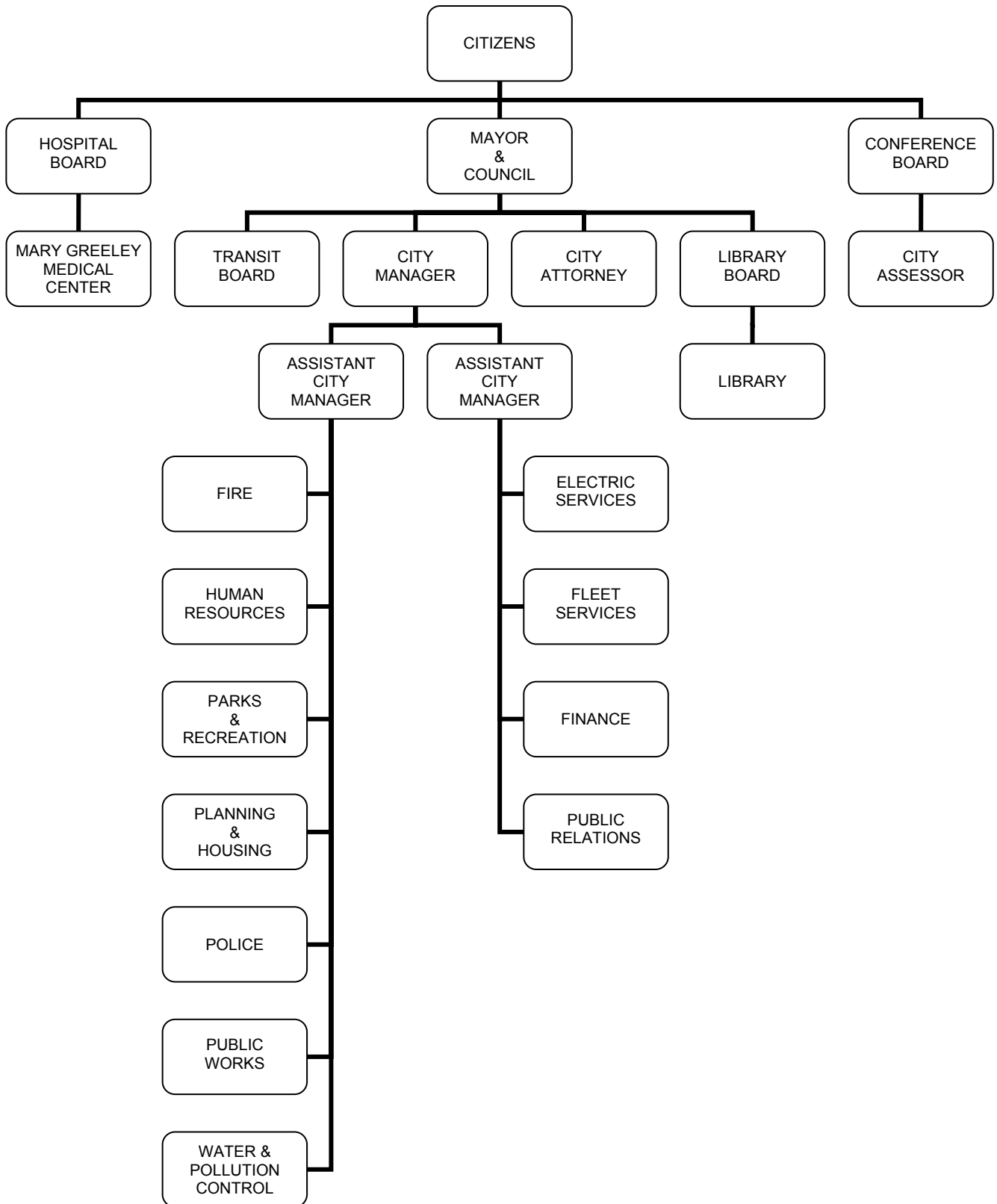
Range		\$ 0.00	\$ 6.00	\$ 9.16	\$ 59.28	\$ 253.98	\$ 495.64
	to	12.31	28.26	41.34	346.25	1,711.25	3,417.50
Median Rate		\$ 6.83	\$ 15.64	\$ 23.08	\$ 180.13	\$ 823.88	\$ 1,615.99
Ames, % of Median		106.9	100.0	91.9	93.4	98.5	100.5

RESIDENTIAL SEWER SERVICE CHARGE COMPARISON
Iowa Cities of 10,000 and Over Population
Rates as of September 2007

	Population Served	Minimum	600 cf	1,000 cf	10,000 cf	50,000 cf	100,000 cf
Ames	50,731	\$ 6.05	\$ 15.35	\$ 21.55	\$ 161.05	\$ 781.05	\$ 1,556.05
Ankeny	37,000	9.96	26.48	37.49	285.21	1,386.21	2,762.46
Boone	12,803	9.89	23.99	33.39	244.89	1,184.89	2,359.89
Cedar Falls	35,000	12.30	18.42	24.54	162.24	774.24	1,539.24
Cedar Rapids	125,000	9.88	15.36	20.84	144.14	692.14	1,377.14
Fort Dodge	28,026	10.27	13.26	19.24	153.57	750.57	1,496.82
Iowa City	62,649	7.76	26.76	41.96	383.96	1,903.96	3,803.96
Marshalltown	26,009	9.51	18.81	25.01	164.51	784.51	1,559.51
Newton	15,579	7.24	16.52	25.80	234.60	1,162.60	2,322.60
Sioux City	82,000	6.91	17.27	27.63	264.74	1,315.49	2,627.63
W. Des Moines	54,591	0.00	15.68	25.13	237.75	1,182.75	2,364.00
Ames Rank Among 35		23	26	25	28	27	26

Range		\$ 0.00	\$ 8.25	\$ 11.25	\$ 78.75	\$ 378.75	\$ 753.75
	to	14.00	29.60	48.58	485.98	2,430.00	4,859.98
Median Rate		\$ 7.00	\$ 16.97	\$ 25.01	\$ 191.69	\$ 936.59	\$ 1,842.21
Ames, % of Median		86.4	90.5	86.2	84.0	83.4	84.5

CITY OF AMES, IOWA ORGANIZATIONAL CHART



AMES CITY COUNCIL APPOINTEES

Name	Title	Phone Number
Steve Schainker	City Manager	515-239-5101
Doug Marek	City Attorney	515-239-5146

CITY OF AMES, IOWA, DEPARTMENT HEADS

Name	Department	Phone Number
Donald Kom	Electric	515-239-5171
Paul Hinderaker	Fleet Services	515-239-5520
Duane Pitcher	Finance	515-239-5113
Clint Petersen	Fire	515-239-5414
Julie Huisman	Human Resources	515-239-5199
Art Weeks	Library	515-239-5630
Nancy Carroll	Parks and Recreation	515-239-5350
Steve Osguthorpe	Planning & Housing	515-239-5400
Chuck Cychosz	Police	515-239-5130
John Joiner	Public Works	515-239-5162
Sheri Kyras	Transportation – CyRide	515-239-5563
John Dunn	Water & Pollution Control	515-239-5150



Mission Statement

We are caring people, providing quality programs
with exceptional service to a
community of progress.

We Value...

- Continuous improvement in our organization and our services.
- Innovation in problem solving.
- Employee participation in decision making.
- Personal and professional development.
- Each other as we work together to serve the community.

We Are...

- Proud to provide superior services to our community.
- Professional and objective as we address public concerns and needs.
- Fair, flexible, and helpful in our actions.
- Efficient and fiscally responsible.
- Proactive in reviewing and evaluating the type and focus of our services.

Caring People, Quality Programs, Exceptional Service