

**COUNCIL ACTION FORM**

**SUBJECT: AMES HISTORICAL SOCIETY REQUEST TO AMEND 2011/12 BUDGET ALLOCATION**

**BACKGROUND:**

On February 26, 2013, the City Council referred a request from the Ames Historical Society to carry forward \$1,203.15 of its FY 2011/12 budget that was not drawn down. The request was dated December 17, 2012, and at the time of the request both the contract with the Ames Historical Society and the City accounting period had long been closed.

The Historical Society was awarded a contract in FY 2011/12 for \$16,000 to “pay for the expenses of rent, mortgage, and related occupancy costs necessary to provide the facilities to house the historical material, archives and artifacts.” An additional \$2,000 was awarded to accomplish the Mayors’ Recognition Project. **The contract specifies that no disbursements are to be made after June 30, 2012.** The Historical Society was subsequently awarded a contract for FY 2012/13 in the amount of \$16,000, largely for the same purposes.

In prior years, the organization had been making regular mortgage payments, which allowed them to quickly exhaust the City’s allocation for the year. However, in FY 2011/12 the mortgage was paid off. Therefore, the organization used the City funds toward other allowable occupancy expenses (e.g., utilities, communications, insurance). These expenses were spread throughout the year. The letter to the Council indicates that “some of these expenses were not incurred by the Society until the fourth quarter (April to June) of 2012, and our volunteer treasurer was not aware of the completion time frames involved.” The \$1,203.15 that was not drawn down remained in the Local Option Sales Tax fund.

City staff processes carry over budget items early in each fiscal year and the City Council approves them as the first budget amendment. With carryovers from the FY 2011/12 budget completed and the FY 2011/12 contract with the Ames Historical Society closed, the request of the Ames Historical Society cannot be granted. **However, if the Council would like to provide additional funding to the Historical Society, the FY 2012/13 budget could be amended and the contract with the group increased to provide additional funding.** The Historical Society would then need to make a claim for eligible expenses incurred after the contract was amended.

**ALTERNATIVES:**

1. Direct staff to include an additional \$1,203 allocation from the Local Option Sales Tax fund to the Ames Historical Society in the final amendment to the FY 2012/13 budget, and approve an amendment to the Ames Historical Society's FY 2012/13 grant contract to increase the grant award by the same amount.
2. Deny the request.

**MANAGER'S RECOMMENDED ACTION:**

Because this request comes so long after the contract period and the fiscal year, it is not possible to grant the Historical Society's request. Additionally, the FY 2011/12 contract clearly stated the deadline to make requests for drawdown. Should the Council desire to provide additional funds to the Historical Society, the best method available would be to amend the current FY 2012/13 contract to purchase additional services.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby directing staff to include an additional \$1,203 allocation from the Local Option Sales Tax fund to the Ames Historical Society in the final amendment to the FY 2012/13 budget, and approve an amendment to the Ames Historical Society's FY 2012/13 grant contract to increase the grant award by the same amount.

PKHS 2-15-13

Ames  
Historical  
Society  
AMES • IOWA

2012  
December 17, 2011

Honorable Mayor and Members of Ames City Council  
Ames City Hall  
515 Clark  
Ames, Iowa 50010

To the Mayor and Ames City Council:

I am writing on behalf of the Ames Historical Society, to request that the city council grant a "carry forward" that would allow us to access the final \$1203.15 of the 2012 grant agreement with the city. This amount is all for legitimate expenses under the contract, but was requested after the contract closing date; and city staff has informed us that it is too late to make a regular payment.

The failure to do a timely request for funds was caused by a change in our financial situation this year, which resulted in adjustments to the normal contract reimbursement cycle.


In previous years of our grant agreements with the city, the Society was making either rent or mortgage payments for the headquarters building at 416 Douglas. These reimbursable expenses were significant enough that each year's contract was completed in the first three quarters of the city's fiscal year.

In fiscal 2012, however, the building mortgage was paid off; so it was necessary for us to use other reimbursable building expenses to complete the contract. Some of these expenses were not incurred by the Society until the fourth quarter (April to June) of 2012, and our volunteer treasurer was not aware of the completion time frames involved.

We apologize for an inconvenience to the city, and have advised all involved personnel of the relevant contract requirements. All future requests will be made in accordance with those requirements.

Thank you for your consideration.

Sincerely,



Kathy Svec, Co-President

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