

AGENDA
JOINT MEETING OF THE AMES CITY COUNCIL
AND PARKS & RECREATION COMMISSION
AND REGULAR MEETING OF THE AMES CITY COUNCIL
COUNCIL CHAMBERS - CITY HALL
JANUARY 14, 2014

NOTICE TO THE PUBLIC: The Mayor and City Council welcome comments from the public during discussion. If you wish to speak, please complete an orange card and hand it to the City Clerk. When your name is called, please step to the microphone, state your name for the record, and limit the time used to present your remarks in order that others may be given the opportunity to speak. The normal process on any particular agenda item is that the motion is placed on the floor, input is received from the audience, the Council is given an opportunity to comment on the issue or respond to the audience concerns, and the vote is taken. On ordinances, there is time provided for public input at the time of the first reading. **In consideration of all, if you have a cell phone, please turn it off or put it on silent ring.**

CALL TO ORDER: 6:00 p.m.

SPECIAL JOINT MEETING OF THE AMES CITY COUNCIL
AND PARKS & RECREATION COMMISSION

1. Indoor Recreational Aquatics Center:
 - a. Motion requesting Parks & Recreation Commission to explore options

ADJOURNMENT:

REGULAR MEETING OF AMES CITY COUNCIL*

*The Regular Meeting of the Ames City Council will immediately follow the Joint Meeting of the Ames City Council and Parks & Recreation Commission.

PROCLAMATION:

1. Proclamation for Ames' Sesquicentennial

CONSENT AGENDA: All items listed under the consent agenda will be enacted by one motion. There will be no separate discussion of these items unless a request is made prior to the time the Council members vote on the motion.

2. Motion approving payment of claims
3. Motion approving Minutes of Regular Meeting of December 17, 2013, and Special Meetings of December 30, 2013, and January 4, 2014
4. Motion approving appointment of Council Member Matthew Goodman as Mayor Pro Tem
5. Motion approving certification of civil service applicants
6. Motion approving Contract Change Orders for December 1-15 and December 16-31, 2013
7. Motion approving renewal of the following beer permits, wine permits, and liquor licenses:
 - a. Class C Liquor & Outdoor Service – Oddfellows, 823 Wheeler Street
 - b. Class C Liquor – Café Beau, 2504 Lincoln Way
 - c. Class C Beer & B Native Wine – Casey's General Store #2560, 3020 South Duff Avenue
 - d. Special Class C Liquor – Vesuvius Wood-Fired Pizza, 1620 South Kellogg
 - e. Class A Liquor – American Legion Ames Post #37, 225 Main Street
 - f. Class C Liquor & Outdoor Service – Chipotle Mexican Grill, 435 S. Duff Ave., Ste. 10
8. Resolution approving appointment of Council Member Chris Nelson to Ames Economic Development Commission Board of Directors
9. Resolution approving appointment of Council Members Amber Corrieri and Tim Gartin to Ames Convention and Visitors Bureau Board of Directors
10. Resolution approving appointment of Council Member Peter Orazem to Conference Board's Mini Board
11. Resolution approving appointment of Andrew Forbes to ASSET
12. Resolution approving applications for procurement cards for Council Members Gloria Betcher, Amber Corrieri, Tim Gartin, and Chris Nelson and setting transaction limits

13. Resolution approving certification of local government approval on behalf of local non-profit organizations receiving Emergency Shelter Grant funds
14. Resolution approving Remote Parking Agreement between City and Randall Corporation for 2520 Chamberlain Street
15. Resolution approving preliminary plans and specifications for 1200 Amp Switchgear for Vet Med Feeder Extension; setting January 29, 2014, as bid due date and February 11, 2014, as date of public hearing
16. Resolution approving preliminary plans and specifications for Tree Removal at site for New Water Treatment Plant; setting February 5, 2014, as bid due date and February 11, 2014, as date of public hearing
17. Resolution approving preliminary plans and specifications for 2013/14 Arterial Street Pavement Improvements - Lincoln Way (Thackeray Avenue to Hickory Drive); setting February 19, 2014, as bid due date and February 25, 2014, as date of public hearing
18. Resolution approving preliminary plans and specifications for 2012/13 Asphalt/Seal Coat Rehabilitation Program - Carroll Avenue (East 9th Street to East 13th Street); setting February 19, 2014, as bid due date and February 25, 2014, as date of public hearing
19. Resolution awarding contract for Ames Plant Area Substations Equipment Commissioning to L & S Electric, Inc., of Coon Rapids, Minnesota, in the amount of \$152,435
20. Resolution awarding contract for Unit No. 7 Coal Mill Parts to Alstom Power, Inc., of Windsor, Connecticut, in the amount of \$141,131.99 (inclusive of sales tax)
21. Resolution awarding contract for purchase of Unit No. 8 Steam Coil Air Heaters to Advanced Coil Technology, LLC, of Owatonna, Minnesota, in the amount of \$110,000 (plus applicable sales taxes to be paid directly by City to State of Iowa)
22. Resolution awarding a contract to WESCO Distribution of Des Moines, Iowa, for the purchase of Aluminum Cable in the amount of \$74,472, subject to metals adjustment at time of order
23. Underground Trenching for Electric Services (from January 1, 2014, through December 31, 2014):
 - a. Resolution approving renewal of Primary Contract with Ames Trenching & Excavating, Inc., of Ames, Iowa, in an amount not to exceed \$136,500
 - i. Resolution approving contract and bond
 - b. Resolution approving renewal of Secondary Contract with Communication Technologies, of Des Moines, Iowa, in an amount not to exceed \$58,500
 - i. Resolution approving contract and bond
24. Resolution approving Change Order No. 10 with A&P/The Samuels Group for the Library Renovation and Expansion Project in the amount of \$56,043
25. Resolution accepting completion of NCAH Pump Station and Wastewater Metering Improvements
26. Resolution accepting completion of Water Pollution Control Supervisory Control and Data Acquisition (SCADA) Phase II
27. Resolution accepting completion of 2008/09 Traffic Signal Program (Lincoln Way & Sheldon Avenue)
28. Resolution accepting completion of 2009/10 Traffic Signal Program (Lincoln Way & Ash Avenue)
29. Resolution accepting completion of 2010/11 Traffic Signal Program (28th Street & Grand Avenue)
30. Resolution accepting completion of 2010/11 Traffic Signal Program (Southeast 16th Street & South Dayton Avenue)
31. Resolution accepting completion of Trickling Filter Pump Station Check Valve Replacement project
32. Resolution approving Plat of Survey for 2121 Sunset Drive
33. Resolution approving partial completion of public improvements for Northridge Heights Subdivision, 16th Addition, and lessening amount of required financial security

PUBLIC FORUM: This is a time set aside for comments from the public on topics of City business other than those listed on this agenda. Please understand that the Council will not take any action

on your comments at this meeting due to requirements of the Open Meetings Law, but may do so at a future meeting. The Mayor and City Council welcome comments from the public; however, at no time is it appropriate to use profane, obscene, or slanderous language. **The Mayor may limit each speaker to five minutes.**

PERMITS, PETITIONS, AND COMMUNICATIONS:

- 34. Presentation of Ames' Sesquicentennial events/activities
- 35. Motion approving Special Class C Liquor License & Outdoor Service for Mangostinos, 604 East Lincoln Way
- 36. Motion approving 5-Day Class C Liquor License for Olde Main Brewing at CPMI Event Center, 2321 North Loop Drive
- 37. Motion approving permanent transfer of the Charlie Yoke's Class C Liquor License to 2518 Lincoln Way, pending issuance of Certificate of Occupancy
- 38. Motion approving encroachment permit for sign at AJ's Ultra Lounge, 2401 Chamberlain Street
- 39. Requests from Main Street Cultural District for January Dollar Days:
 - a. Resolution approving suspension of parking regulations and enforcement in Central Business District (CBD) from 8:00 a.m. to 6:00 p.m., Thursday, January 30, through Saturday, February 1
 - b. Motion approving Blanket Temporary Obstruction Permit for CBD sidewalks from 8:00 a.m. to 6:00 p.m., January 30 - February 1
 - c. Motion approving Blanket Vending Permit for entire CBD for January 30 - February 1
 - d. Resolution approving waiver of fee for Blanket Vending Permit
- 40. Staff Report on Ames Golf & Country Club request to be removed from Ames North Growth Area

HEARINGS:

- 41. Hearing on adoption, by reference, of 2012 Editions of International Building, Residential, Fire, Existing Building, Mechanical, Plumbing and Fuel Gas Codes:
 - a. First passage of ordinance to adopt Codes, with local edits
- 42. Hearing on Motor Repair for Power Plant:
 - a. Motion rejecting bid and directing staff to rebid project
 - b. Resolution approving preliminary plans and specifications; setting February 12, 2014, as bid due date and February 25, 2014, as date of public hearing
- 43. Hearing on 2013/14 CyRide Route Pavement Improvements Program #1 (Jewel Drive, Emerald Drive, Ken Maril Road, Duluth Street):
 - a. Resolution approving final plans and specifications and awarding contract to Manatt's, Inc. of Ames, Iowa, in the amount of \$970,614.68

ADMINISTRATION:

- 44. Resolution approving contract with VEISHEA, Inc., in the amount of \$8,000 for 2014 VEISHEA Pancake Feed
- 45. Resolution reallocating funding from FACES to Ames Human Relations Commission Sesquicentennial Display

LIBRARY:

- 46. Resolution extending the lease term with Midwest Centers, LP, for properties housing temporary library facilities at 620 Lincoln Way for August and September 2014
- 47. Resolution approving contract with Polaris Library System of Liverpool, New York, for Integrated Library System in the amount of \$131,431

FINANCE:

- 48. Resolution approving Comprehensive Annual Financial Report for year ending June 30, 2013

ORDINANCES:

- 49. Second passage of ordinance to add definition of *flashing yellow arrow* to *Municipal Code* Section 26.18(2)(k)

COUNCIL COMMENTS:

CLOSED SESSION:

50. Motion to hold closed session as provided by Section 21.5c, *Code of Iowa*, to discuss matters in litigation

ADJOURNMENT:

***Please note that this agenda may be changed up to 24 hours before the meeting time as provided by Section 21.4(2), *Code of Iowa*.**



To: Mayor Campbell and City Council

From: Alisa Frandsen, Parks & Recreation Commission Chairperson

Date: November 7, 2013

RE: Geitel Winakor Bequest and Indoor Aquatic Center

As you are aware, the Parks & Recreation Commission had recommended to City Council to utilize the Geitel Winakor bequest for the purchase and development of land in West Ames to be used for a community park. Since the owners of the land have decided not to sell at this time, the Commission discussed what to do with this donation. We reviewed and discussed the original seven projects that were a priority for the Commission. These projects are listed below:

- Outdoor Aquatic Center (accomplished)
- Gymnasiums (accomplished through Ames Community School District elementary school building project)
- Indoor Aquatic Center
- Community Park in Southeast Ames
- Community Park in Southwest Ames
- Community Park in West Ames
- Community Park in Northwest Ames

Given the declining state of Municipal Pool and the fact the Ames Community School District is moving forward with plans to build a competitive pool, the Commission feels pursuing an indoor aquatic center is a priority within the community. If Municipal Pool becomes inoperable, Parks & Recreation would not be able to conduct a majority of programs (i.e. swim lessons, open swim, etc.) in the School District's competitive pool since the minimum depth of water is six feet.

In light of this information, the Parks & Recreation Commission at its September meeting approved two recommendations for City Council consideration.

1. Recommend to use the Winakor bequest (\$1.8 million) to move forward with an indoor aquatic center.
2. Recommend that the City Council direct the Parks & Recreation Commission to initiate the exploration of a new indoor aquatic center which may ultimately result in a bond referendum.

Thank you for consideration of this request and supporting this effort!

REGULAR MEETING OF THE AMES CITY COUNCIL

AMES, IOWA

DECEMBER 17, 2013

The Regular Meeting of the Ames City Council was called to order by Mayor Ann Campbell at 7:00 p.m. on the 17th day of December, 2013, in the City Council Chambers in City Hall, 515 Clark Avenue. City Council Members present were Jeremy Davis, Matthew Goodman, Jami Larson, Peter Orazem, Victoria Szopinski, and Tom Wacha. *Ex officio* Member Alexandria Harvey was also present.

Mayor Campbell noted that the Council would be working from an Amended Agenda. Added, under Permits, Petitions, and Communications, was a 5-Day License for Olde Main Brewing Company at Reiman Gardens.

CONSENT AGENDA: Council Member Goodman asked to pull Item No. 14, the Plat of Survey for 2316, 2318, and 2330 Lincoln Way and 2335 Chamberlain Street. He indicated that he had a conflict of interest; therefore, needed to abstain from voting on the issue.

Moved by Goodman, seconded by Davis, to approve the following items on the Consent Agenda:

1. Motion approving payment of claims
2. Motion approving Minutes of Regular Meeting of December 10, 2013
3. Motion approving renewal of the following beer permits, wine permits, and liquor licenses:
 - a. Class C Beer - Casey's General Store #2298, 428 Lincoln Way
 - b. Class B Beer - Pizza Pit, 207 Welch Avenue Suite 201
 - c. Class C Liquor & Outdoor Service - Cazador, 3605 Lincoln Way
 - d. Class B Liquor - Quality Inn & Suites, 2601 E. 13th Street
4. RESOLUTION NO. 13-559 approving and adopting Supplement No. 2014-1 to *Municipal Code*
5. RESOLUTION NO. 13-560 approving appointment of Andrew Potter to fill vacancy on ASSET
6. RESOLUTION NO. 13-561 approving appointment of Nathan Joens to fill Student Tenant vacancy on Property Maintenance Appeals Board
7. RESOLUTION NO. 13-562 approving appointment of Beth Romer to fill vacancy on Public Art Commission
8. RESOLUTION NO. 13-563 approving designation of City representatives to Central Iowa Regional Transportation Planning Alliance (CIRTPA)
9. RESOLUTION NO. 13-564 approving preliminary plans and specifications for 2012/13 Traffic Signal Program (Lincoln Way and Hayward Avenue); setting January 22, 2014, as bid due date and January 28, 2014, as date of public hearing
10. RESOLUTION NO. 13-565 approving preliminary plans and specifications for 2013/14 Traffic Signal Program (Grand Avenue and 20th Street); setting January 22, 2014, as bid due date and January 28, 2014, as date of public hearing
11. RESOLUTION NO. 13-566 approving preliminary plans and specifications for 2013/14 Collector Street Pavement Improvements Program - Sheldon Avenue (Lincoln Way to Hyland); setting January 22, 2014, as bid due date and January 28, 2014, as date of public hearing
12. RESOLUTION NO. 13-567 approving preliminary plans and specifications for Furnishing Control Panels for Haber Road Substation; setting January 15, 2014, as bid due date and January 28, 2014, as date of public hearing
13. RESOLUTION NO. 13-568 awarding contract for purchase of six CyRide buses to Gillig Corporation of Hayward, California, in the amount of \$2,491,785
14. RESOLUTION NO. 13-570 accepting completion of 2009/10 Low-Point Drainage Improvements (Crystal Street)

15. RESOLUTION NO. 13-571 accepting completion of 2011/12 Asphalt Pavement Improvements (Barr Drive and Indian Grass Court)
Roll Call Vote: 6-0. Resolutions/Motions declared adopted/carried unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

PLAT OF SURVEY FOR 2316, 2318, AND 2330 LINCOLN WAY AND 2335 CHAMBERLAIN STREET: Moved by Davis, seconded by Orazem, to adopt RESOLUTION NO. 13-569 approving Plat of Survey for 2316, 2318, and 2330 Lincoln Way and 2335 Chamberlain Street (Gilbane Project)
Roll Call Vote: 5-0-1. Voting aye: Davis, Larson, Orazem, Szopinski, Wacha. Voting nay: None. Abstaining due to a conflict of interest: Goodman. Resolution declared adopted, signed by the Mayor, and hereby made a portion of these Minutes.

PUBLIC FORUM: No one spoke during this time.

MOSQUITO CONTROL PROGRAM: Parks and Recreation Director Keith Abraham introduced Joshua Thompson, newly promoted Parks and Facilities Superintendent, and Kellee Omled, newly hired Recreation Superintendent.

Director Abraham reminded the City Council members that they had referred correspondence from Iowa State Agronomy Professor Matthew Liebman wherein he expressed concerns about the City's Mosquito Control Program. Mr. Liebman's main issues were the time of day when the City begins mosquito fogging and the chemical being used.

Mr. Abraham provided the history of the Program, which dates back 40 years. He informed the Council about the Program, which implements the use of pesticides only when mosquito population numbers determine that it will be most effective. The Iowa State University (ISU) Entomology Department collects data from strategic areas of the City and makes the recommendations as to when the City should begin implementing control procedures.

According to Director Abraham, the City relies on two methods to control mosquitoes: larvicide and fogging. The applications are performed by staff who are licensed pesticide applicators through the Iowa Department of Agricultural Pesticide Bureau. Mosquito control is only done on City-owned property. Mr. Abraham noted that having a preventative program helps reduce the risk of disease, e.g., West Nile Virus, and increase the comfort of those using City parks. He also pointed out that the EPA has sanctioned the use of the chemical that is currently being used in the fogging operations.

It was reported by Mr. Abraham that one of the concerns expressed by Mr. Liebman was the use of the insecticide Mosquitomist One and its possible impact on humans, animals, and the environment. According to the ISU Entomology Department, Mosquitomist One has the least residual effect, but optimum efficacy, as any product currently on the market. Mr. Abraham reviewed the health hazard data. He pointed out that those warnings were written for the handlers (producing the chemical or applying it); they were not written for the bystanders or those in the park. The chemical has been registered for mosquito control; therefore, it has been determined that it will not cause unreasonable risk to human health or the environment. Bystandards are not affected by that chemical.

The application schedule for fogging and larviciding was explained by Director Abraham. He also listed the surrounding communities with mosquito control programs. The City's budget for FY 2015/15 includes \$10,103 for the Mosquito Control Program.

At the inquiry of Council Member Goodman, Director Abraham stated that if fogging were done after 10:30 p.m., no overtime costs would be incurred by the City. Mr. Abraham said that was not a concern because a student from the Entomology Department does the spraying and would not be paid overtime by the City. He noted, however, that it has been determined that that time of night is less effective as the mosquitoes are most active around dusk.

Council Member Orazem asked if the public were notified of the date and time of spraying. Mr. Abraham replied that the City does press releases to inform the public.

After being questioned by Council Member Wacha, Director Abraham said that he had had no additional conversations with Mr. Liebman; however, he will be following up with him after this meeting.

It was asked whether the City could use larvicide only and not fog. Mr. Abraham stated that the entomologist whom he had spoken with had stated that the only way to kill the mosquitoes that might be carrying the West Nile Virus is by fogging; larvicide alone would not do it.

Moved by Davis, seconded by Orazem, to direct staff to continue the Mosquito Control Program as it is currently performed and initiate a public education campaign to inform residents.

Vote on Motion: 5-1. Voting aye: Davis, Goodman, Larson, Orazem, Wacha. Voting nay: Szopinski. Motion declared carried.

COMMUNITY GARDENS: Director Abraham recalled that the City Council had referred to staff a request from David Hoffman that the City acquire property between Mesa Verde Place and Garfield for a community garden. He said there were several policy questions that the Council would need to answer, i.e., Should the City expand its financial commitment to provide community gardens? If so, what level of service should be provided? If so, where would the gardens be located?

Mr. Abraham reported that, in 1998, City-owned land was converted to community garden plots at the Squaw Creek Park located on South Maple. There are currently 39 garden plots at that location available for rent for \$20/year. Services provided by the City include spring and fall tilling, water, and mulch. Fencing is also provided on one side of each row of plots. The number of plots rented for the last five years was given by Mr. Abraham. He pointed out that not all of the plots have always been rented up until two years ago when the City began receiving more requests for the plots than it had available. It was also reported by Mr. Abraham that there are other community gardens available in the City: Trinity Christian Reformed Church (Food at First), Eastwood Community Garden, Beloit Garden, 13th Street Garden ("The Farm"), Iowa State University Village Garden, Iowa State University Organic Farm, School Gardens (High School, Middle School, Mitchell & Sawyer), and Mustard Seed Community Farm.

The Council was advised by Mr. Abraham that if it would like to expand the community gardens, staff believes that, rather than purchase more land to create gardens throughout the community, existing park land could accommodate that need. Staff had identified four neighborhood park locations in four quadrants of the City where additional potential garden

plots could be placed: Patio Homes West, Christofferson Park, Carr Park, and Lloyd Kurtz Park. Two of those parks have parking lots, and two have adequate on-street parking. Director Abraham provided the estimated costs to develop a portion of those Parks for community gardens. The total cost to provide water to the four additional areas would be approximately \$4,300. In addition, fenced-in garden space would increase the cost.

Mr. Abraham stated that the gardens in the four different parks would not be done all at once. As demand increases, the garden spaces would be developed.

Council Member Orazem noted that the original requesting party lives near Emma McCarthy Lee Park and asked why that Park was not one being recommended for a community garden. Mr. Abraham advised that parking is somewhat limited at that site and water is not readily available.

Council Member Goodman referenced the community garden program of the Ames Community School District (ACSD), specifically, at Kate Mitchell and Sawyer. He recommended that City staff reach out to the School District to see if it is willing to expand its program. It was Mr. Goodman's opinion that there would be benefits of cost-sharing. Director Abraham advised that staff would be very willing to talk with the School District.

Moved by Goodman, seconded by Orazem, to direct that community gardens be located in the parks located in Patio Homes West, Christofferson Park, Carr Park, and Lloyd Kurtz Park and that the costs associated with the creation of the gardens be included in the FY 2014/15 Operating Budget..

Vote on Motion: 6-0. Motion declared carried unanimously.

Moved by Goodman, seconded by Wacha, to direct staff to reach out to the ACSD to see if there was interest in expanding its community garden program, which would be an opportunity for cost-sharing and cooperation.

Vote on Motion: 6-0. Motion declared carried unanimously.

CHILDREN'S MEMORIAL PARK: It was noted by Director Abraham that the City Council had referred a request from Angie DeWaard that the City consider constructing a Children's Memorial Park. Her idea was for a quiet place in a new park or within an existing park for parents and families who have suffered the loss of a child to be able to reflect and find hope.

According to Mr. Abraham, the Parks and Recreation Commission discussed the concept at its Capital Improvements Plan workshop on December 5, 2013, and expressed support for the development of a children's memorial park within Moore Memorial Park. The project will be funded mainly through donations. Mr. Abraham pointed out that there are other parks in Ames that have memorial benches and trees, and that practice will continue even if and when Moore Memorial Park becomes the official children's memorial area. He also noted that the City currently has a Commemorative Tree Program, which will be expanded to include other memorials, such as bricks, stones, and plaques, as well as park bench memorials.

City Manager Schainker advised that if the Council agreed with the recommendation of the Parks and Recreation Commission, no action was required; staff will move ahead to formalize Moore Memorial Park containing a children's memorial area.

5-DAY CLASS C LIQUOR LICENSE FOR OLDE MAIN BREWING COMPANY AT REIMAN GARDENS: Moved by Davis, seconded by Larson, to approve a 5-Day (January 11-15, 2014) Class C Liquor License for Olde Main Brewing Company at Reiman Gardens, 1407 University Boulevard.

Vote on Motion: 6-0. Motion declared carried unanimously.

HEARING ON VACATION OF EASEMENTS LOCATED AT 3910 MARICOPA DRIVE:

Mayor Campbell opened the public hearing. No one wished to speak, and the hearing was closed.

Moved by Davis, seconded by Szopinski, to adopt RESOLUTION NO. 13-572 vacating the open space easement and storm water flowage easement located at 3910 Maricopa Drive.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Davis, seconded by Larson, to adopt RESOLUTION NO. 13-573 approving the Plat of Survey for 3910 Maricopa Drive.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

HEARINGS ON VACATING AND SALE OF HUTCHISON STREET RIGHT-OF-WAY: the Mayor opened the public hearings. After no one came forward to speak, the hearing was closed.

Moved by Davis, seconded by Orazem, to adopt RESOLUTION NO. 13-574 approving the vacation of the Hutchison right-of-way legally described as Block 4, Ontario Old Town Subdivision, except the West 10 feet.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Davis, seconded by Wacha, to adopt RESOLUTION NO. 13-575 approving conveyance of the Hutchison right-of-way legally described as Block 4, Ontario Old Town Subdivision, except the West 10 feet, as follows:

- a. North ½ to the property owner of 1401 Georgia Avenue (Anderson Business Enterprises)
- b. South ½ to the property owner of 1311 Georgia Avenue (Lowell D. Elwick and Norma J. Elwick)

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

BROWNFIELD/GRAYFIELD TAX CREDIT APPLICATION FOR SHELDON MUNN:

Moved by Davis, seconded by Wacha, to authorize the Mayor to sign a Letter of Support for sponsorship of the Brownfield Tax Credit application for the Sheldon Munn.

Vote on Motion: 6-0. Motion declared carried unanimously.

BROWNFIELD/GRAYFIELD TAX CREDIT APPLICATION: Moved by Davis, seconded by Orazem, to adopt RESOLUTION NO. 13-576 supporting the application of Kingland Systems to the IDEA for Brownfield/Grayfield Tax Credits.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

NORTHERN GROWTH: Assistant City Manager Bob Kindred explained that staff had been working diligently since the Council had given its direction to staff to attempt to get satisfactory Agreements pertaining to the City's expanding to the north.

Water Service Territory Agreement with Xenia Rural Water District. Mr. Kindred reminded the Council that the developers had been working privately with Xenia Rural Water for months to negotiate agreements whereby they would agree to pick up the costs privately to buy-out Xenia's service territory rights. He informed the Council that yesterday, the Xenia's Board of Directors approved agreements with the developers of Quarry Estates, Hunziker North, and Hunziker South. The developers had agreed to pay Xenia \$2,700/future customer who will be served by the City of Ames. The City has no obligation to compensate Xenia. As of yesterday afternoon, Xenia had approved agreements with the owners of Quarry Estates, Hunziker North, and Hunziker South. Xenia had also approved the format for an agreement with Athen; however, as of today, Xenia did not have a signed agreement from the Athen land; therefore, no application had been executed between those parties.

Assistant City Manager Kindred advised that Xenia and the City had also completed negotiations on a Service Territory Agreement that builds upon the developers' agreements. Mr. Kindred highlighted the key points of the Release of Service Territory Rights. According to Mr. Kindred, the City asked that the Agreement include all of the City's Northern Growth Area; however, in order to get an agreement approved by December 2013, Xenia staff felt it was vital to limit the agreement to only those areas for which they had signed developers' agreement. Mr. Kindred told the Council that Xenia would not make any provision for the remaining residential properties along Grant Avenue to utilize the \$2,700 buy-out of Xenia should those properties elect to hook up to City water. Xenia had indicated that those properties that are current Xenia customers would need to buy out their proportionate shares of the District's debt, which would be approximately \$20,000/customer. It was emphasized by Mr. Kindred that the City has no plans to require those homeowners to sever their ties with Xenia and connect to City water, whether they annex to the City or not. Therefore, there is no obligation for those owners to exercise the buy-out. Mr. Kindred emphasized that staff feels that it is important to reach an agreement establishing a process or formula whereby the remainder of the City's Northern Growth Area can be transferred to the City. Xenia staff had committed to continue working with the City to negotiate such an agreement and to take it to Xenia's Board and creditors for their approval.

Moved by Davis, seconded by Orazem, to adopt RESOLUTION NO. 13-577 approving the Water Service Territory Agreement with Xenia Rural Water District.

Roll Call Vote: 5-1. Voting aye: Davis, Larson, Orazem, Szopinski, Wacha. Voting nay; Goodman. Resolution declared adopted, signed by the Mayor, and hereby made a portion of these Minutes.

Pre-Annexation Agreements for Quarry Estates, Hunziker North, Hunziker South, Harold/Bette Frame property, Brian/Jamie Frame property, and Athen property. Assistant City Manager Kindred advised that staff had negotiated Pre-Annexation Agreements with five land owners along Grant Avenue. Signed Annexation Agreements had been received from the owners of Quarry Estates, Harold/Bette Frame, Brian/Jamie Frame, Hunziker North, and Hunziker South.

Mr. Kindred gave the history behind the Pre-Annexation Agreement with the owners of the Rose Prairie Subdivision. That Agreement listed various responsibilities of both parties associated with development of that land. It included the developer's commitment to pay the following:

- 37% of the cost of constructing Grant Avenue from the current city limits north to 190th Street
- \$185,000 as a prorated portion of the city's eventual cost to improve the Bloomington Road intersections with Grand Avenue and Grant Avenue
- Any buy-out amount due to a rural water provider
- A prorated portion of the City's costs for installation of the water and sanitary sewer mains serving this area.

It was stated by Mr. Kindred that, after annexation, the next step would be rezoning, and then subdivision. He emphasized that the subdivisions would be done in accordance with the City's Conservation Subdivision Ordinance.

Assistant City Manager Kindred pointed out that Rose Prairie was notably absent from the discussions. Even though it was annexed nearly three years ago, it has not yet entered into an agreement with Xenia to buy out the Rural Water Territory. Since the land appears to be changing owners again, the new owners will have to negotiate a buy-out agreement, and the Agreement with the City will then need to be revised.

Mr. Kindred announced that the Hunziker South parcel does not consist of enough land to come in due to adjacent owners who do not want to be annexed. He provided additional information about how Hunziker South could possibly be annexed as an 80/20, even if those adjacent property owners will not consent.

Also, Assistant City Manager Bob Kindred informed the Council that the Hunziker developers had decided not to approve the provision contained in the Annexation Agreement as it related to special assessments for Grant Avenue; specifically, the owners of the Hunziker North and South properties had stricken the provision in the Agreement pertaining to assessment waivers. Mr. Kindred reported that a legal analysis had been performed by City Attorney Judy Parks. Ms. Parks explained the provisions contained in Attachment C that provided for the process of allocation of costs to be done by special assessment. She cited the strict statutory process contained in the *Iowa Code* that must be followed to allow the Special Assessment process to be done by agreement. According to Ms. Parks, that is beneficial to the property owner as it allows the payments to be spread out over a period of year. The agreement may be negotiated. Some time ago, it had been determined that the paving of Grant Avenue would be paid for by special assessment shared by developers of the land adjacent to that road; therefore the Special Assessment Agreement for all properties being assessed needed to have identical terms and signed by all property owners of record. Ms. Parks indicated that the striking of that provision by the developers of Hunziker North and Hunziker South would place the special assessment process in flux.

Council Member Larson noted that the amount of the assessment is not known, and he understands why the developer might not want to forfeit their right to object to the assessment amount. He said he recalled that, at the request of the developer, staff had given a preliminary cost estimate of the cost of the road improvements. Mr. Larson suggested that estimate could be used as the cost to be used as the assessment amount with the percentages to be paid by each

developer remaining fixed. It was noted by City Manager Schainker that the project had not been bid yet, so the true cost of the road improvements was not known.

Chuck Winkleblack, 105 SE 16th Street, Ames, recalled that the Hunziker developers wanted to opt-out of the agreement from the very beginning, but had been told by staff that that would be too complicated and could not be done. Mr. Winkleblack advised that, for the Hunziker North and South parcels, the developer just wanted to pay for its share of the paving of the road; they wanted to bid their section themselves and have the work done. He said in order to be part of this project, Hunzikers have agreed to costs that had not been borne by other developers who should have paid for the improvements when their land was developed. Mr. Winkleblack referenced the Rose Prairie agreement, which the City is holding as the “gold standard,” noting that the original property owner had gone bankrupt, and the property was now on its fourth owner. Mr. Winkleblack said that he feels he is being “held hostage” by an agreement that he had nothing to do with. It was stated by Mr. Winkleblack that he just wanted to have a say in the assessment process.

Kurt Friedrich, 100 Sixth Street, Ames, noted that the City is a partner to this project. He pointed out that he would like to have some involvement in the bidding process and hopefully collaborate to get the best results possible. Mr. Friedrich said that staff had been very conservative in its estimate of the cost of the road, and he was willing to trust that that will happen. He wants this project to move forward.

At the inquiry of Council Member Orazem regarding terms of the Agreement, City Attorney Parks reiterated that the Special Assessment and Waiver needs to be done for the process to meet the requirements of the *Iowa Code*. Some terms, e.g., the provision for providing fire sprinklers within the residential units were included in the Rose Prairie Agreement, but are not included in the Annexation Agreements for Quarry Estates, the Frames, Hunziker North, or Hunziker South. Terms such as that could change, but the Assessment provision may not be different.

At the request of Mayor Campbell, City Attorney Parks outlined the City’s bidding process.

Mr. Winkleblack pointed out that the City was asking the developers to waive the right to protest the assessment, whatever it might be. There are many unknowns at this point; however, he felt that it was unfair to not allow the developers to be involved. He specified that easements will be needed; however, it is not known if those can even be received. The Hunzikers might have to dedicate some of its land to make the road happen if easements cannot be received.

Moved by Wacha, seconded by Orazem, to direct staff to work with the Hunzikers and Friedrichs to develop language that could be put into the main part of the agreement to mitigate concerns by them regarding Item 4 of Attachment C (Special Assessment Contract and Waiver). Vote on Motion: 4-2. Voting aye: Davis, Larson, Orazem, Wacha. Voting nay: Goodman, Szopinski. Motion declared carried.

SOUTH BELL TIF AGREEMENT: City Planner Charlie Kuester explained that the City and Dayton Park, LLC, entered into a Development Agreement on February 4, 2009, to establish an urban renewal area and tax increment financing (TIF) district for the construction of the Ames Community Development Park, 4th Addition. The development created 14 lots for industrial development and completed the connection of S. Bell Avenue between E. Lincoln Way and SE 16th Street. According to Mr. Kuester, the Agreement required the developer to construct a series

of speculative buildings. The first building was required within 18 months after the completion of public improvements. Subsequent speculative buildings were required to be constructed within 12 months of the occupancy of each prior building until the ten small lots are developed or the City's debt is paid in full.

According to Mr. Kuester, the first speculative building was completed at 615 S. Bell Avenue and occupied by Solum on July 23, 2012. The second speculative building was then to be completed and available by July 23, 2013. A site plan and Building Permit have been approved for the second speculative building to be located at 2812 Hyatt Circle; however, the building is not finished. At the inquiry of Council Member Goodman as to why this is just coming before the City Council, Planner Kuester advised that the City does not track completion of buildings. Mr. Goodman also asked when the industrial assessment would have taken effect. Mr. Kuester stated that the new industrial valuation would have been assessed on January 1, 2015.

Mr. Kuester further advised that the Agreement also required the developer to grant to the City a first lien mortgage in the amount of \$350,000 encumbering not less than 6.36 acres of the Subdivision to ensure the completion of the required speculative buildings. However, the mortgage was never granted, and the City is currently holding no financial security to ensure that the developer performs the terms of the Agreement. The developer was never asked for the mortgage, and subsequently, never gave the mortgage to the City.

The Council was advised by Mr. Kuester that the City had constructed the infrastructure, streets, sanitary sewer, and water mains up-front with the goal of paying those costs with the increased property tax revenue from the increased land and improvement values. Mr. Kuester reported that state administrative rules changed during the creation of this project to allow the undeveloped lots in industrial subdivisions to be taxed at agricultural rates rather than at industrial rates. Therefore, the City does not receive any increased incremental property tax revenue from the vacant industrial land until it is developed, which has caused a reduction of \$21,000/year in revenue to help repay the TIF debt. Currently, the developers pay total annual property taxes of approximately \$22 to \$108 per undeveloped lot even though they receive the additional value of the TIF-funded infrastructure.

Mr. Kuester explained options available to the City Council. He noted that there are two instances where the developer is not in compliance with the terms of the Development Agreement: (1) timing of the completion of the second speculative building and (2) not submitting the required financial security to the City. He asked for Council direction regarding how to address the compliance issues.

It was noted by Mr. Kuester that the developer had requested an extension to the time frame to complete the second speculative building. The developer had indicated that he was open to providing a Letter of Credit in lieu of the mortgage, but is opposed to any change to the taxable value of vacant land.

Council Member Goodman said it was a performance issue on the part of the developer, and it seemed fair to him that the developer should pay back, from January 1, 2015, what the assessment would have been had the building been built.

Chuck Winkleblack, 105 S. 16th Street, Ames, told the City Council that the mortgage was an oversight on the part of the developer. The developer had volunteered to provide a Letter of

Credit in the amount of \$350,000 in lieu of the mortgage; however, staff advised him to wait until after Council gives direction to staff on the issue. Mr. Winkleblack stated that it was his intention was to build the building in the spring. The demand was for housing, so the developer focused on housing, rather than a spec building. The Building Permit was for \$540,000 and it will likely be more than that; it would have a taxable value of \$11,300 at the current millage rate. He also noted that the City Assessor will put a partial value on the property as of January 1, 2014. Mr. Winkleblack alleged that the City would actually be out approximately \$5,000 in tax revenue.

Moved by Goodman, seconded by Szopinski, to direct staff to talk to the developer about getting compensation for them not building the building at its assessed value on January 1, 2014, when it is built.

After being questioned by Council Member Orazem, Council Member Goodman clarified that it is the lost tax revenue that he wanted as compensation to the City.

Planning and Housing Director Diekmann advised the Council that it would be better to direct staff to come up with a penalty in an amount certain for lack of performance.

Motion withdrawn.

Moved by Goodman, seconded by Szopinski, to direct that staff work with the developer to secure a Letter of Credit for future spec buildings and to secure a sum in the amount of the lost revenue.

Motion withdrawn.

Moved by Goodman, seconded by Orazem, to ask staff to work with the developer to get a LOC and ask that a penalty be assessed to the developer in the amount of \$12,000 for non-performance.

Council Member Goodman said he believes that the \$12,000 is larger than the net loss; however, he wants the additional due to the failure-to-perform issue.

Council Member Szopinski pointed out that there is no guarantee that the building will be done. She wants the City to be able to recoup the difference between what would have been assessed on a completed building and what will actually be received.

Vote on Motion: 4-2. Voting aye: Goodman, Orazem, Szopinski, Wacha. Voting nay: Davis, Larson. Motion declared carried.

Moved by Wacha, seconded by Larson, to grant a one-time extension for the second speculative building to be completed by June 1, 2014.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

ENGINEERING SERVICES AGREEMENT FOR DESIGN OF LIFT STATION IMPROVEMENTS: Moved by Davis, seconded by Wacha, to adopt RESOLUTION NO. 13-578 approving Engineering Services Agreement with HDR for design of Lift Station Improvements.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

ORDINANCE TO ADD DEFINITION OF FLASHING YELLOW ARROW TO MUNICIPAL CODE SECTION 26.18(2)(K): Moved by Davis, seconded by Larson, to pass on first reading an ordinance to add the definition of *flashing yellow arrow* to *Municipal Code* Section 26.18(2)(k). Roll Call Vote: 6-0. Motion declared carried unanimously.

ORDINANCE REZONING 3333 STANGE ROAD: Moved by Davis, seconded by Goodman, to pass on third reading and adopt ORDINANCE NO. 4166 rezoning 3333 Stange Road with the north portion of parcel from Agricultural (A) to Suburban Low-Density Residential (FS-RL) and south portion of parcel from Agricultural (A) to Suburban Medium-Density Residential (FS-RM). Roll Call Vote: 6-0. Ordinance declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

ORDINANCE ALLOWING CLUBHOUSES IN RESIDENTIAL HIGH-DENSITY ZONE: Moved by Goodman, seconded by Davis, to pass on third reading and adopt ORDINANCE NO. 4167 making a zoning text amendment to allow clubhouses in Residential High-Density Zone. Roll Call Vote: 6-0. Ordinance declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

COUNCIL COMMENTS: Mayor Campbell recognized the service of the four outgoing City Council members: Jeremy Davis, Jami Larson, Victoria Szopinski, and Tom Wacha. Each member reflected on their City Council experiences.

Moved by Goodman, seconded by Orazem, to refer to staff the letter from the Ames Foundation dated December 12, 2013, requesting that staff place the Ames 150 Anniversary on the January 14 Agenda as a discussion item.
Vote on Motion: 6-0. Motion declared carried unanimously.

ADJOURNMENT: Moved by Davis to adjourn the meeting at 9:18 p.m.

Diane Voss, City Clerk

Ann H. Campbell, Mayor

SPECIAL MEETING OF THE AMES CITY COUNCIL

AMES, IOWA

DECEMBER 30, 2013

The Special Meeting of the Ames City Council was called to order by Mayor Ann Campbell at 4:30 p.m. on the 30th day of December, 2013, in the City Council Chambers in City Hall, 515 Clark Avenue. City Council Members present were Jeremy Davis, Matthew Goodman, Jami Larson, Peter Orazem, and Tom Wacha. Council Member Victoria Szopinski and *Ex officio* Member Alexandria Harvey were absent.

NORTHERN GROWTH AREA - PRE-ANNEXATION AGREEMENTS: City Attorney Judy Parks summarized the actions taken by the City Council on December 17, 2013, regarding this issue. She advised that, between that date and today, the Pre-Annexation Agreements for Quarry Estates, Hunziker North, Hunziker South, two Frame properties, and the Athen property have been signed. Ms. Parks also stated that the Rural Water provider (Xenia) and the developers of all said properties had reached a buy-out agreement. The agreement between the City and Xenia Rural Water District relating to the Athen property may now be approved. City Attorney Parks suggested that the Water Service Territory Agreement with Xenia Rural Water District relating to the Athen property be approved on this date, subject to execution of the document by Xenia.

Moved by Davis, seconded by Larson, to adopt RESOLUTION 13-579 approving the Annexation Agreement for Quarry Estates.

Roll Call Vote: 4-1. Voting aye: Davis, Larson, Orazem, Wacha. Voting nay: Goodman. Resolution declared adopted, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Davis, seconded by Larson, to adopt RESOLUTION NO. 13-580 approving the Pre-Annexation Agreement for Hunziker North.

Roll Call Vote: 4-1. Voting aye: Davis, Larson, Orazem, Wacha. Voting nay: Goodman. Resolution declared adopted, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Davis, seconded by Larson, to adopt RESOLUTION NO. 13-581 approving the Pre-Annexation Agreement for Hunziker South.

Roll Call Vote: 4-1. Voting aye: Davis, Larson, Orazem, Wacha. Voting nay: Goodman. Resolution declared adopted, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Davis, seconded by Larson, to adopt RESOLUTION NO. 13-582 approving the Pre-annexation Agreement with Bette and Harold Frame.

Roll Call Vote: 4-1. Voting aye: Davis, Larson, Orazem, Wacha. Voting nay: Goodman. Resolution declared adopted, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Davis, seconded by Larson, to adopt RESOLUTION NO. 13-583 approving the Pre-Annexation Agreement with Jamie and Brian Frame.

Roll Call Vote: 4-1. Voting aye: Davis, Larson, Orazem, Wacha. Voting nay: Goodman. Resolution declared adopted, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Davis, seconded by Larson, to adopt RESOLUTION NO. 13-584 approving the Pre-annexation Agreement for the Athen property.

Roll Call Vote: 4-1. Voting aye: Davis, Larson, Orazem, Wacha. Voting nay: Goodman. Resolution declared adopted, signed by the Mayor, and hereby made a portion of these Minutes.

NORTHERN GROWTH AREA - ANNEXATION REQUESTS: Moved by Davis, seconded by Orazem, to adopt RESOLUTION 13-585 approving the Annexation request for Quarry Estates. Roll Call Vote: 4-1. Voting aye: Davis, Larson, Orazem, Wacha. Voting nay: Goodman. Resolution declared adopted, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Davis, seconded by Orazem, to adopt RESOLUTION NO. 13-586 approving the Annexation request for Hunziker North.

Roll Call Vote: 4-1. Voting aye: Davis, Larson, Orazem, Wacha. Voting nay: Goodman. Resolution declared adopted, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Davis, seconded by Orazem, to adopt RESOLUTION NO. 13-587 approving the Annexation request from Bette and Harold Frame.

Roll Call Vote: 4-1. Voting aye: Davis, Larson, Orazem, Wacha. Voting nay: Goodman. Resolution declared adopted, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Davis, seconded by Orazem, to adopt RESOLUTION NO. 13-588 approving the Annexation request from Jamie and Brian Frame.

Roll Call Vote: 4-1. Voting aye: Davis, Larson, Orazem, Wacha. Voting nay: Goodman. Resolution declared adopted, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Davis, seconded by Orazem, to adopt RESOLUTION NO. 13-589 approving the Annexation request for the Athen property.

Roll Call Vote: 4-1. Voting aye: Davis, Larson, Orazem, Wacha. Voting nay: Goodman. Resolution declared adopted, signed by the Mayor, and hereby made a portion of these Minutes.

NORTHERN GROWTH AREA - WATER SERVICE TERRITORY AGREEMENT WITH XENIA RURAL WATER DISTRICT RELATING TO ATHEN PROPERTY: Moved by Davis, seconded by Larson, to adopt RESOLUTION 13-590 approving the Water Service Territory Agreement with Xenia Rural Water District relating to Athen property, subject to execution of the documents by Xenia.

Roll Call Vote: 4-1. Voting aye: Davis, Larson, Orazem, Wacha. Voting nay: Goodman. Resolution declared adopted, signed by the Mayor, and hereby made a portion of these Minutes.

ADJOURNMENT: Moved by Davis to adjourn the meeting at 4:45 p.m.

Diane Voss, City Clerk

Ann H. Campbell, Mayor

MINUTES OF THE CITY COUNCIL RETREAT

AMES, IOWA

JANUARY 4, 2014

The Ames City Council was called to order by Mayor Ann Campbell at 8:33 a.m. on the 4th day of January, 2014, in the Parks and Recreation Office, 1500 Gateway Hills Park Drive. City Council Members present were Gloria Betcher, Amber Corrieri, Tim Gartin, Matthew Goodman, Chris Nelson, and Peter Orazem. City Manager Steven Schainker, City Attorney Judy Parks, Assistant City Manager Melissa Mundt, and Management Analyst Brian Phillips were also present. *Ex officio* Council Member Alexandria Harvey was absent.

WELCOME: Mayor Campbell welcomed the Council Members and staff. She introduced Donna Gilligan, who would facilitate the sessions. Ms. Gilligan provided an overview of the two sessions. The first session would serve as a way for the Council Members to understand the decision-making process and get to know each other. The next session to be held on January 11, 2014, will address the goals for the coming year.

DISCUSSION OF EXPECTATIONS: Ms. Gilligan asked the Council Members to state what they expected to get out of these sessions. The following comments were offered:

- Build more personal relationships
- Increase comfort so we can hit the ground running
- Gain understanding of individual strengths
- Figure out where we're going
- Establish trust and respect
- Find out what we think our greatest needs are as a city
- Find ways to develop an engaged and inclusive way to problem solve
- Empower each other to be who we are and capitalize on it
- Articulate our roles as we interact with the community
- Build courage and confidence to do our work
- We don't just pay lip service; we establish goals and commit to achieving them
- Build relationships so we can provide and receive constructive feedback
- Prepare for changes in social capital
- Establish each other as a support network
- We leave with a level of excitement/energy to do our work over the next two years

VIEWING OF "BRAIN POWER": Ms. Gilligan showed a short film, entitled "Brain Power." Following the film, Ms. Gilligan asked the Council Members to write down their reactions to the film. There was a discussion of how the principles shown applied to the City Council's work.

The meeting recessed at 9:55 a.m. and was called back to order at 10:07 a.m.

GETTING ACQUAINTED EXERCISE: Ms. Gilligan asked the Council Members and City staff present to introduce themselves and describe their family, occupation, hobbies, greatest accomplishment, and why they chose to serve on the City Council.

The meeting recessed at 10:40 a.m. and was called back to order at 10:50 a.m.

PERSONAL STYLE INVENTORY: Ms. Gilligan handed out a worksheet containing examples of different actions. The Council Members and City staff completed the worksheets and discussed the results with partners. The results were shared with the entire group.

The meeting recessed at 12:15 p.m. and was called back to order at 12:45 p.m.

EFFECTIVE DECISION-MAKING: Ms. Gilligan asked the Council Members to consider what makes for an effective decision-making body. Council Members were partnered together to discuss and report out what they had decided. Characteristics reported were:

- Supporting the process even when not all in the majority
- Not micro-managing
- Actually making a decision
- Searching for a broad perspective
- Respecting professional opinions of staff
- Making decisions impartially in pursuit of common community good
- Appropriate choices within the purview of the Council

Effective

- Prioritize
- Timely
- Forward looking
- Collaborating/Deliberative
- Fact-based
- Consistently predicable, but not mindless repetition
- Big picture, not micromanagement
- Truly local issues

Government vs. other decision making

- Public good
- Long term
- Transparent
- Open to all

Further discussion occurred as to why these characteristics were reported. Discussion occurred on the differences between being responsive and being responsible.

The meeting recessed at 2:45 p.m. and was called back to order at 2:55 p.m.

ROLE OF THE MAYOR, STAFF: Ms. Gilligan asked Mayor Campbell to describe what she thought the role of the Mayor was in meetings. Mr. Schainker was asked to describe the role of City staff.

CONCLUSION: Ms. Gilligan reviewed what occurred at the meeting and provided a brief overview of the next meeting. The next meeting will revolve around the Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis of the City. Ms. Gilligan asked to conduct a plus/delta review of the meeting:

Plus

Honest, forthright discussion
Personal style discussion was worthwhile
Discussion on effective meetings was helpful
Increasing comfort level
Role of Mayor/staff

Delta

Style exercise doesn't reveal our strengths
Spent too much time discussing the length of meetings

ADJOURNMENT: The meeting concluded at 4:10 p.m.

Diane R. Voss, City Clerk

Ann H. Campbell, Mayor

Brian Phillips, Recording Secretary

Staff Report

CIVIL SERVICE – IOWA CODE 400

January 14, 2014

BACKGROUND: The Civil Service Commission of the City of Ames is a special tribunal created under the *Code of Iowa*, Chapter 400, Civil Service. The purpose of the Commission shall be to conduct examinations and hear appeals in accordance with Chapter 400 of the Code. **Civil Service was established for the selection and advancement of employees on basis of knowledge, skills, and ability; to retain and separate employees on the basis of the adequacy of their performance; and to ensure equal employment opportunity. Their rules provide a personnel system that provides a fair balance between managerial needs and employee protections for the effective delivery of public services.** The federal civil service system was created in 1871, with state systems being established subsequently. In the City of Ames, the Human Resources Department holds primary responsibility to ensure the Civil Service Commission Policies and Procedures are followed.

Appointment of the Civil Service Commission: The Mayor, one year after each municipal election, with the approval of the City Council, shall appoint three Civil Service Commissioners, who hold staggered four year terms. Regular business meetings shall be held monthly, and shall be open to the public, except when authorized by law to be closed.

RECRUITMENT AND SELECTION: Recruitments at the City of Ames follow Civil Service procedures with respect to posting vacancies, establishing and evaluating qualifications, examinations, establishment of Civil Service lists for certification and selection of regular and temporary appointments. The hiring manager develops a recruitment plan with the guidance of Human Resources, and determines how the recruitment will be conducted in a manner to adhere to Civil Service Policies and Procedures, including what components shall constitute the Civil Service score. Guidelines are also provided for duration of entry level eligibility lists, appointment prior to certification, removal of names from certified lists, decertification, demotion or termination, lateral transfers, voluntary demotions, and abolishment of lists. Entry level lists expire one year after certification. Candidates on promotional lists hold preference for two years. The Civil Service can abolish an entry-level list with three or fewer eligible candidates.

HEARINGS: The other primary responsibility of the Civil Service Commission is to hold hearings. The Commission's role with respect to hearings implements the provisions of Chapter 400, *Code of Iowa*; and its rules shall be interpreted in a manner not in conflict with the provisions of the *Code of Iowa*. These hearings occur for various reasons but most often, they occur when an employee takes issue with disciplinary action. The employee may appeal the discipline through all steps of the grievance procedure and may ultimately request a hearing in front of the Civil Service Commission. The hearing itself is much like a court case, typically with the City Attorney or an Assistant City Attorney representing the position of the City, and another attorney representing the employee who filed the grievance. The Commission's decision may be appealed to the District Court per Section 400.27, *Code of Iowa*.

EMPLOYEES GOVERNED BY CIVIL SERVICE: The provisions of these rules and regulations shall apply to permanent full-time Police Officers and Firefighters and to all permanent full-time employees except: City Clerk, Chief Deputy City Clerk, Attorneys, City Treasurer, City Assessor, City Auditor, professional engineers licensed in the State of Iowa, City Manager and Assistant City Managers, the head and principal assistant of each department and division including the principal secretary to the City Manager, Mayor, and the principal secretary to each of the department heads.

ROLE OF THE CITY COUNCIL: The Commission, within 180 days after the beginning of each competitive examination for original appointment, certifies to the City Council a list of the names of those individuals who qualify with the highest standing as a result of each examination. The City Council is then asked in the Consent Agenda to approve the certified list. Once the certified list is approved, the department head can hire from this list.

MINUTES OF THE AMES CIVIL SERVICE COMMISSION

AMES, IOWA

DECEMBER 19, 2013

The Ames Civil Service Commission met in regular session at 8:15 a.m. on December 19, 2013, in the Council Chambers of City Hall, 515 Clark Avenue. Chair Adams was present. Because it was impractical for Commission Member Shaffer to be present in person, he was brought into the meeting telephonically. Commission Member Crum was absent.

APPROVAL OF MINUTES: Moved by Shaffer, seconded by Adams, to approve the minutes of the November 21, 2013, Civil Service Commission meeting as written.

Vote on Motion: 2-0. Motion declared carried unanimously.

CERTIFICATION OF ENTRY-LEVEL APPLICANTS: Moved by Shaffer, seconded by Adams, to certify the following individuals to the Ames City Council as entry-level applicants:

Power Plant Auxiliary Operator:	Chad Anderson	86
	Scott Hutzell	83
	Jesse Young	82
	Brian Frame	79
	Scott Martin	79
	Dillon Stradt	77
	Bret Loomeldorff	73
	Boyd Helton	70

Vote on Motion: 2-0. Motion declared carried unanimously.

COMMENTS: The next regularly scheduled Civil Service Commission meeting was set for January 23, 2014, at 8:15 a.m.

ADJOURNMENT: The meeting adjourned at 8:16 a.m.

Terry Adams, Chair

Jill Ripperger, Recording Secretary

Staff Report

Change Order Report to Council

January 14, 2014

The purpose of the Change Order Reports is to inform the City Council of all changes, approved by Department Heads and the City Manager, to contracts previously approved by City Council. These reports will also include any changes made to contracts, not originally awarded by City Council, that have exceeded the limit of \$50,000 or 20% of the original contract amount. Change Order Reports will be submitted at each regular City Council meeting when an increase or decrease to the original contract amount has occurred.

The City's current Purchasing Policies require Council approval for cumulative change order totals of \$50,000 or more, or for an amount exceeding 20% of the original contract price. The City Manager is authorized to approve change orders up to a cumulative total of \$50,000 or an amount up to 20% of the original contract, whichever is less. Department Heads have the authority to approve change orders up to a cumulative total of \$25,000 or an amount up to 20% of the original contract amount, whichever is less. After the City Council has approved a change order with a cumulative value of \$50,000 or more, the accrual of any subsequent change orders starts over following the same limits as stated above.

The Finance Department's Purchasing Division reviews all contract change orders, verifies signature authority, and adjusts encumbrances as applicable.

Following is an example of change order approval under the current policy:

Original contract amount:	\$500,000	
Change Order No. 1:	\$ 19,000	Approval by Department Head
Change Order No. 2:	\$ 29,000	Approval by City Manager (cumulative total of changes is now \$48,000)
Change Order No. 3:	\$ (5,000)	Approval by City Council (cumulative total of changes exceeds \$50,000)

Changes may then be administratively approved up to another cumulative total of \$50,000:

Change Order No. 4:	\$ 28,000	Approval by City Manager
Change Order No. 5:	\$(18,000)	Approval by City Manager (the cumulative total of changes in this second "accrual" is now \$48,000)
Change Order No. 6:	\$ 5,000	Approval by City Council (the cumulative total of changes in the second "accrual" is now \$51,000)



REPORT OF CONTRACT CHANGE ORDERS

Period:	<input checked="" type="checkbox"/> 1 st – 15 th
	<input type="checkbox"/> 16 th – End of Month
Month & Year:	December 2013
For City Council Date:	January 14, 2014

Department	General Description of Contract	Contract Change No.	Original Contract Amount	Contractor/ Vendor	Total of Prior Change Orders	Amount this Change Order	Change Approved By	Purchasing Contact (Buyer)
Ames Public Library	Ames Public Library Wood Window Restoration Project	2	\$125,860.00	Scott Petersen Construction, Inc.	\$38,250.00	\$4,750.00	L. Carey	MA
Ames Public Library	Ames Public Library Renovation & Expansion - Abatement Work	6	\$49,659.00	Abatement Specialties, LLC	\$38,428.00	\$6,258.00	L. Carey	MA
Public Works	2012/13 Downtown Street Pavement Improvements (Clark & Gilchrist)	2	\$551,295.70	Con-Struct, Inc.	\$1,920.00	\$24,178.48	B. Kindred	MA
Public Works	2011/12 Collector Street Pavement Improvements (Ridgewood)	3	\$495,400.00	Con-Struct, Inc.	\$6,981.00	\$16,032.26	J. Joiner	MA
Ames Public Library	Ames Public Library - Restoration and Expansion	9	\$12,543,350.00	A & P / Samuals	\$158,131.00	\$19,541.00	L. Carey	MA
Electric Services	Substation Electrical Materials Bid No. 1 69kV Switches	1	\$52,552.84	Hamby-Young	\$0	\$0	D. Kom	CB

Department	General Description of Contract	Contract Change No.	Original Contract Amount	Contractor/ Vendor	Total of Prior Change Orders	Amount this Change Order	Change Approved By	Purchasing Contact (Buyer)
Public Works	2011/12 Shared Use Path Sytem Expansion (Skunk River Trail/HYSC - SE 16 th Sreet)	2	\$252,409.75	Con-Struct, Inc.	\$2,615.40	\$-(8,508.23)	J. Joiner	MA
Electric Services	Ames Plant Substations Improvements	1	\$632,472.96	Harold K. Scholz Company	\$0	\$7,809.00	D. Kom	CB
Transit	CyRide Bus Facility Expansion	24	\$4,489,000.00	Henkel Construction Company	\$358,556.94	\$12,163.96	S. Kyras	MA
Transit	CyRide Bus Facility Expansion	25	\$4,489,000.00	Henkel Construction Company	\$370,720.90	\$4,169.24	S. Kyras	MA
Transit	CyRide Bus Facility Expansion	26	\$4,489,000.00	Henkel Construction Company	\$374,890.14`	\$12,007.20	M. Mundt	MA
Transit	CyRide Bus Facility Expansion	27	\$4,489,000.00	Henkel Construction Company	\$386,897.34	\$-(1,713.29)	M. Mundt	MA
Transit	CyRide Bus Facility Expansion	28	\$4,489,000.00	Henkel Construction Company	\$385,184.05	\$0	M. Mundt	MA
Transit	CyRide Bus Facility Expansion	29	\$4,489,000.00	Henkel Construction Company	\$385,184.05	\$-(2,244.00)	M. Mundt	MA
Transit	CyRide Bus Facility Expansion	30	\$4,489,000.00	Henkel Construction Company	\$382,940.05	\$14,609.79	M. Mundt	MA

Department	General Description of Contract	Contract Change No.	Original Contract Amount	Contractor/ Vendor	Total of Prior Change Orders	Amount this Change Order	Change Approved By	Purchasing Contact (Buyer)
Public Works	Toronto Area Water Main Replacement	2	\$298,735.47	J & K Contracting LLC	\$17,511.18	\$-(5,266.25)	J. Joiner	MA
Public Works	2012/13 Shared Use Path Maintenance (Bloomington)	1	\$67,614.45	Manatt's Inc.	\$0	\$7,744.24	T. Warner	MA
Public Works	2012/13 Arterial Street Pavement Improvements (State Avenue)	1	\$1,143,124.09	Manatt's Inc.	\$0	\$-(11,193.00)	J. Joiner	MA



REPORT OF CONTRACT CHANGE ORDERS

Period:	<input type="checkbox"/>	1 st – 15 th
	<input checked="" type="checkbox"/>	16 th – End of Month
Month & Year:	December 2013	
For City Council Date:	January 14, 2014	

Department	General Description of Contract	Contract Change No.	Original Contract Amount	Contractor/ Vendor	Total of Prior Change Orders	Amount this Change Order	Change Approved By	Purchasing Contact (Buyer)
Public Works	2012/13 CyRide Route Paving Improvements #2 (Todd Drive)	1	\$201,992.08	Manatt's Inc.	\$0	\$1,501.17	T. Warner	MA
Transit	CyRide Bus Facility Expansion	32	\$4,489,000.00	Henkel Construction Company	\$439,962.00	\$30,393.97	M. Mundt	MA
Transit	CyRide Bus Facility Expansion	33	\$4,489,000.00	Henkel Construction Company	\$470,356.05	\$0	M. Mundt	MA
Transit	CyRide Bus Facility Expansion	34	\$4,489,000.00	Henkel Construction Company	\$470,356.05	\$5,564.80	M. Mundt	MA
Public Works	Ames Southeast Entryway Project [STP-ES-0155 (659)-81-85]	2	\$343,416.00	Soil-Tek	\$3,924.00	\$-(2,990.00)	J. Joiner	MA
Public Works	2011/12 Downtown Street Pavement Improvements (Douglas Avenue)	3	\$1,215,016.00	Con-Struct, Inc.	\$14,134.81	\$18,375.00	B. Kindred	MA

Department	General Description of Contract	Contract Change No.	Original Contract Amount	Contractor/ Vendor	Total of Prior Change Orders	Amount this Change Order	Change Approved By	Purchasing Contact (Buyer)
Public Works	2012/13 Water System Improvements Water Main Replacement #3 (Center Ave)	1	\$118,078.00	Ames Trenching & Excavating, Inc.	\$0	\$11,674.66	T. Warner	MA
Public Works	2012/13 Water System Improvements (Water Main Replacement)	1	\$154,686.00	Ames Trenching & Excavating, Inc.	\$0	\$-(1,833.00)	T. Warner	MA
Public Works	2012/13 Asphalt/Seal Coat Reconstruction & 2012/13 Water Main Replacement	2	\$957,521.70	Manatt's Inc.	\$1,200.00	\$5,274.50	T. Warner	MA
Ames Public Library	Phase II Library Architectural Contract	4	\$1,527,325.00	Meyer Scherer & Rockcastle Ltd.	\$28,783.00	\$10,743.50	M. Mundt	MA
Public Works	Engineering Services Agreement for 2013/14 Concrete Street Pavement Improvements (Lynn Avenue and Knapp Street)	1	\$66,875.00	Veenstra & Kimm Inc.	\$0	\$2,500.00	E. Cowles	MA

To: Mayor and City Council

From: Jessica D. Spoden, Assistant City Attorney

Date: January 10, 2014

Subject: Explanation of Liquor Licensing Requirements - Items 7, 35, 36, & 37

The State of Iowa establishes a process for businesses to become licensed for sale of alcoholic beverages at both the retail and wholesale level. These licenses are subject to approval by a local authority, which is the city council when the license is in an incorporated city. The process for an establishment to obtain a new liquor license includes: first, filing an online application with the Iowa Alcoholic Beverages Division (ABD); second, the state notifies the City Clerk of the application; third, city staff determines whether the owner is in good moral standing by requesting a criminal history background check; fourth, city staff verifies the legal status of the business and other premise requirements. Upon the review of all requirements by city staff, the license is placed on a city council agenda for final approval. Once approved, that will be communicated to the State, which will issue the license.

Most new liquor licenses are valid for a period of one year. However, some special events require short term licenses which follow the same process. Also, licenses can be temporarily or permanently transferred to a new location. The transfer premises must meet the same requirements as the originally licensed premises. For new or short term licenses, the City Council can rely on city staff's review of the application.

Each establishment must renew their liquor license on an annual basis, based on the approval date of the original license. First, the business applies online to request the renewal. Second, the City Clerk is notified of the request and forwards the request to various departments who review the request and note any issues with the premise. The police department, through a designated officer, reviews the following criteria as related to the business: calls for service, liquor license violation data, general compliance with ABD regulations, and cooperation with local law enforcement. After review, the officer writes a recommendation to the City Council to either approve or deny the renewal request. The City Council makes a final decision to either approve or deny the request at a scheduled City Council meeting.

Denial of any new license or renewal request is eligible for appeal to the Iowa ABD.

*Caring People
Quality Programs
Exceptional Service*

7 a-f

TO: Mayor Ann Campbell and Ames City Council Members

FROM: Lieutenant Jeff Brinkley – Ames Police Department

DATE: January 6, 2014

SUBJECT: Beer Permits & Liquor License Renewal Reference City Council Agenda
January 14, 2014

The Council agenda for February 14, 2014, includes beer permits and liquor license renewals for:

- Class C Liquor & Outdoor Service – Oddfellows, 823 Wheeler St
- Class C Liquor – Café Beau, 2504 Lincoln Way
- Special Class C Liquor – Vesuvius Wood-Fired Pizza, 1620 S Kellogg Ave
- Class A Liquor – American Legion Post #37, 225 Main St
- Class C Liquor & Outdoor Service – Chipotle Mexican Grill, 425 S Duff Ave
- Class C Beer & B Native Wine – Casey’s #2560, 3020 S Duff Ave

A routine check of police records for the past twelve months found no violations for Oddfellows, Café Beau, Vesuvius, American Legion, or Chipotle. The Police Department would recommend renewal of these five licenses.

Casey’s was cited for sales of alcohol to a minor during a police compliance check on November 2, 2013. They have since passed a follow-up compliance check. We are continuing to monitor their compliance. We would recommend renewal at this time.

To: City Council Members

From: Ann H. Campbell, Mayor

Date: January 10, 2014

Subject: Council Appointment to Ames Economic Development Commission (AEDC) Board of Directors

With Tom Wacha's term on Council ending on December 31, 2013, it will be necessary to appoint a council member to fill his position on the AEDC Board of Directors (which expires June 15, 2015). Council Member Orazem's term on the board will expire on June 30, 2014.

At this time, I recommend that the Council approve the appointment of Chris Nelson to fill Tom Wacha's unexpired term on the Ames Economic Development Commission Board of Directors. Once Council Member Orazem's term expires at the end of June, I will request that the Council approve Gloria Betcher's appointment to serve a two-year term.

AHC/jlr



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MEMO

9

To: City Council Members

From: Ann H. Campbell, Mayor

Date: January 10, 2014

Subject: Council Appointments to Ames Convention and Visitors Bureau (ACVB) Board of Directors

With both Jeremy Davis's and Victoria Szopinski's terms on Council expiring on December 31, 2013, it will be necessary to appoint two council members to fill their positions on the ACVB Board of Directors.

For the purpose of maintaining a staggering of the term expiration dates, I recommend that the Council approve the appointment of Tim Gartin for one year and Amber Corrieri for two years to the Ames Convention and Visitors Bureau Board of Directors with terms effective immediately.



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MEMO

10

To: City Council Members

From: Ann H. Campbell, Mayor

Date: January 10, 2014

Subject: Council Appointment to Mini Board of the Conference Board

A council member needs to be appointed to the Mini Board to serve as the City's representative. Therefore, I recommend that the City Council approve the appointment of Peter Orazem to serve in this capacity.

AHC/jlr



To: City Council Members

From: Ann H. Campbell, Mayor

Date: January 10, 2014

Subject: Appointment of Volunteer to ASSET

In the spring of 2013, the Department of Human Services (DHS) indicated that it no longer desired to appoint volunteers to ASSET, since funding from the DHS was not provided directly to the human services agencies. After considerable discussion, this revision to ASSET's Policies and Procedures was recommended. ASSET volunteers approved the amendment, with the City Council approving that revision to the Policies and Procedures at its September 10, 2013, meeting.

Going forward, Section III(A) of the Policies and Procedures will require the City, County, United Way, and ISU's Government of the Student Body (GSB) to appoint five volunteers (instead of four) as voting team members. Therefore, this change does not reduce the number of volunteers, but does remove the need for DHS to find volunteers for ASSET.

With that said, the City Council will need to approve the appointment of an additional City volunteer to serve on its behalf. Therefore, I request that the Council approve the appointment of Andrew Forbes (formerly a DHS volunteer) to ASSET. This will bring the City's total voting membership of the team to five volunteers.

AHC/jlr

COUNCIL ACTION FORM

SUBJECT: PROCUREMENT CARDS FOR NEW CITY COUNCIL MEMBERS

BACKGROUND:

On February 26, 2002, City Council approved a procurement card (p-card) program to facilitate payment for small purchases and travel expenses. Policies and procedures for the program are part of the City purchasing policies approved by City Council. All cardholders attend training on the related policies and procedures prior to being issued a card.

Procurement card applications for employees are approved by the applicant's department head. Applications for elected City officials are to be approved by City Council and applications for new City Council members Betcher, Corrieri, Gartin and Nelson have been submitted, and they attended the required training session on December 2, 2013. The proposed accounts will have a single purchase limit of \$2,000, a daily spend limit of \$3,000, and a monthly billing cycle limit of \$5,000.

ALTERNATIVES:

1. Approve applications for procurement cards for City Council members Betcher, Corrieri, Gartin and Nelson and set the spend limits at \$2,000 per transaction, \$3,000 per day, and \$5,000 per monthly billing cycle.
2. Have Council Members Betcher, Corrieri, Gartin and Nelson use their personal accounts rather than procurement card for travel and related expenses, and request reimbursement in accordance with applicable City policies.

MANAGER'S RECOMMENDED ACTION:

The procurement card program is intended to facilitate payment for small purchases and travel expenses. Applications for new City Council members Betcher, Corrieri, Gartin and Nelson have been submitted, and they attended the required training session.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving applications for procurement cards for City Council members Betcher, Corrieri, Gartin and Nelson, and setting the spend limits as indicated above.

COUNCIL ACTION FORM

SUBJECT: CERTIFICATION OF LOCAL GOVERNMENT APPROVAL ON BEHALF OF LOCAL NONPROFIT ORGANIZATIONS RECEIVING EMERGENCY SHELTER GRANT (ESG) FUNDS

BACKGROUND:

In order for two local non-profit agencies, Youth and Shelter Services (YSS) and the Assault Care Center Extending Shelter and Support (ACCESS), to receive their award allocations of Federal Emergency Shelter Grant (ESG) funding, the City must sign a "Certification of Local Government Approval" signifying that the Council understands and agrees to allow these non-profit agencies to receive federal funds directly through the State of Iowa's Iowa Finance Authority (IFA).

Additionally, these certifications confirm that local governments are electing for IFA to administer these grant funds on behalf of the non-profit organizations. For the calendar year beginning January 1, 2014, YSS will be receiving \$128,330 for Story, Boone, Marshall and Polk counties, and ACCESS will be receiving \$60,000 for Story, Boone, Greene, Marshall and Tama counties.

In order to facilitate these agencies' receipt of these shelter grants, the Mayor must sign the attached "Certification of Local Government Approval" for both YSS and ACCESS.

ALTERNATIVES:

1. The City Council can authorize the Mayor to sign the Certifications of Local Government Approval.
2. The City Council can choose to not authorize the Mayor to sign the Certifications of Local Government Approval.

MANAGER'S RECOMMENDED ACTION:

Receiving ESG grant funds administered through the Iowa Finance Authority is very important in helping these agencies provide much needed services for homeless youth and for homeless families with children in our community.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1. This action will authorize the Mayor to sign the Certifications of Local Government Approval for the Iowa Finance Authority to administer the ESG program on behalf of YSS and ACCESS.



IOWA FINANCE
AUTHORITY

CERTIFICATION OF LOCAL GOVERNMENT APPROVAL

**FOR NONPROFIT ORGANIZATIONS
RECEIVING IOWA STATEWIDE EMERGENCY SOLUTIONS
GRANT (ESG) FUNDS**

I, Mayor Ann H. Campbell *(name and title)*,

duly authorized to act on behalf of City of Ames, Iowa

(name of jurisdiction), hereby approve the following project(s) proposed by _____

Youth and Shelter Services (YSS) *(name of nonprofit)*,

which is (are) to be located in the City of Ames, Iowa

(name(s) of jurisdiction(s)).

By: _____
Signature and Date

Ann H. Campbell
Printed Name of Signatory Local Official

Mayor
Title



IOWA FINANCE
AUTHORITY

CERTIFICATION OF LOCAL GOVERNMENT APPROVAL

**FOR NONPROFIT ORGANIZATIONS
RECEIVING IOWA STATEWIDE EMERGENCY SOLUTIONS
GRANT (ESG) FUNDS**

I, Mayor Ann H. Campbell *(name and title)*,

duly authorized to act on behalf of City of Ames, Iowa

(name of jurisdiction), hereby approve the following project(s) proposed by Assault

Care Center Extending Shelter & Support (ACCESS) *(name of nonprofit)*,

which is (are) to be located in the City of Ames, Iowa

(name(s) of jurisdiction(s)).

By: _____
Signature and Date

Ann H. Campbell
Printed Name of Signatory Local Official

Mayor
Title

COUNCIL ACTION FORM

SUBJECT: REMOTE PARKING AGREEMENT FOR 2520 CHAMBERLAIN STREET

BACKGROUND:

On November 12, 2013, City Council reviewed a request to allow remote parking for all parking spaces required for a new mixed use development located at 2520 Chamberlain Street. The proposed building will include approximately 3,500 square feet of commercial space, as well as eight apartment units with a total of 40 bedrooms. **Due to the small size of the lot, the applicant proposed to locate all eight required parking spaces off site within a parking lot located to the north (across the street) of the site at 2515 Chamberlain Street and 133 Welch Avenue.** (See Attachment A, Location Map.)

No parking is required for the proposed commercial space on the first floor. The required minimum parking for the residential use is one parking space per residential unit regardless of the number of bedrooms. Therefore, a total of 8 parking spaces are required for the remote parking agreement. Of those 8 required spaces, one must be designed and installed as a van accessible space to meet accessibility requirements.

City Council approved the request for remote parking for the property, subject to the remote parking site being modified by the applicant so that the following occurs: 1) the existing utility box is relocated to meet the minimum two-way drive aisle dimension at the entrance of the parking lot; 2) additional wall pack lighting is installed by the applicant to eliminate a safety concern for residential parking; and 3) the applicant replants appropriate shrub and groundcover within existing planters.

Based on Council's direction, staff has drafted the attached agreement for Council approval. (See Attachment B, signed remote parking agreement.)

ALTERNATIVES:

1. The City Council can approve the attached Remote Parking Agreement for 2520 Chamberlain Street.
2. The City Council can deny the attached Remote Parking Agreement for 2520 Chamberlain Street.
3. The City Council can refer this item to staff or the applicant for further information.

MANAGER'S RECOMMENDED ACTION:

Based on previous direction by Council related to remote parking for the property at 2520 Chamberlain Street, it is the recommendation of the City Manager that City Council approve Alternative #1, thereby approving the attached remote parking agreement for this property.

ATTACHMENT A Location Map



Location Map
Subject Site : 2520 Chamberlain Street
Remote Parking : 2515 Chamberlain Street/133 Welch Ave.

0 30 60 120 Feet



DO NOT WRITE IN THE SPACE ABOVE THIS LINE; RESERVED FOR RECORDER

Prepared by: Jessica D. Spoden, City of Ames Legal Department, 515 Clark Avenue, Ames, IA 50010 (Phone: 515-239-5146)

Return to: Ames City Clerk, P. O. Box 811, Ames, IA 50010

REMOTE PARKING AGREEMENT

December 16, 2013

THIS AGREEMENT is made December 16, 2013 between **City of Ames** (hereafter "City") and **Randall Corporation** (hereafter "Randall").

Recitals

1. Randall recognizes that they are required to provide sufficient parking for the tenants that will be occupying the new building site located at 2520 Chamberlain Street.
2. The City desires to provide for accommodation of the parking needs by permitting Randall to use a remote site for the required parking.

IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN, IT IS AGREED:

1. Ownership of Real Estate

Scott E. Randall, Randall Corporation, is the owner of real estate located in Story County and locally known as 2520 Chamberlain Street, Ames, Iowa 50010.

Scott E. Randall, Randall Corporation, is the owners of real estate located in Story County and locally known as 2515 Chamberlain Street, Ames, Iowa 50010.

Scott E. Randall, Randall Corporation, is the owners of real estate located in Story County and locally known as 131-135 Welch Avenue, Ames, Iowa 50010.

Randall intends to use spaces from the 2515 Chamberlain Street and 131–135 Welch commercial sites to meet the parking requirement for the new building at 2520 Chamberlain Street by execution of a Remote Parking Easement. The shared parking located at 2515 Chamberlain Street and 131–135 Welch Avenue is located north of 2520 Chamberlain Street across Chamberlain Street. This shared parking lot is 75 feet from the new building site and is approximately 470 feet of walking distance away.

The remote parking location is a shared parking lot between two properties. The properties have single-story commercial buildings with no residential units; therefore, no parking is required by the Zoning Code for the commercial uses. The required minimum parking for the residential use is one parking space per residential unit regardless of the number of bedrooms. Therefore, a total of 8 parking spaces are required. Of those 8 required spaces, one must be designed and installed as a van accessible space to meet accessibility requirements.

2. Conveyance and Description of Easement.

- a. Scott and Jane Randall hereby grant to Randall Corporation a perpetual easement, as evidenced by a recorded Remote Parking Easement, for the exclusive use of eight (8) parking spaces located on the premises of 2515 Chamberlain Street and 131–135 Welch Avenue, as shown on Attachment “A” (hereafter “Parking Area”), to meet the off-street parking space requirements of the City of Ames zoning regulations pertaining to the property located at 2520 Chamberlain Street. Exclusive use shall mean that the tenants of the aforementioned properties, as the case may be, its tenants, customers, and invitees shall have the exclusive right to use and enjoy the Parking Area. The location of the Parking Area may be modified from time to time by mutual agreement of the parties to adjust for changing circumstances and use of the remaining parking area. If the parties desire to modify this Agreement, the Parties will give the City of Ames written notice ten (10) days prior to recording an amendment to the Agreement.
- b. Neither property owner shall allow its tenants, customers, employees, agents, members, or invitees to impede ingress or egress to the Parking Area by their tenants, customers, employees, agents, members and invitees.

3. Conditions. A parking lot plan shall be submitted for the remote parking site located at 2515 Chamberlain and 131–135 Welch and shall conform to all zoning requirements. Randall agrees to complete the following modifications to the Remote Parking Area prior to use of the site as described on the approved Minor Site Plan for 2520 Chamberlain:

- a. The existing utility box is relocated to meet the minimum two-way drive aisle dimension at the entrance of the parking lot.

- b. Additional wall pack lighting is installed by the applicant to eliminate a safety concern for residential parking.
- c. The applicant re-plants appropriate shrub and ground cover within existing planters.

- 4. Maintenance.** Randall will maintain the Parking Area, including snow removal.
- 5. Liability and Insurance.** Randall agrees to obtain and maintain liability insurance insuring its respective interest in the easement and to share equally in any such liability, except for such liability as may be caused by the negligence or intentional acts of either party, in which case that party shall bear the entire liability.
- 6. Termination of Agreement.** If Randall desires to terminate the Agreement, prior to termination Randall shall provide sufficient alternative parking approved by the City and shall give the City of Ames written notice ten (10) days prior to recording the termination of this Agreement.
- 7. Nature of the Agreement.** This Agreement and the easements granted shall be permanent, shall run with the land, and shall be binding upon the parties' heirs, successors, and assigns.

CITY OF AMES, IOWA

By _____
Ann H. Campbell, Mayor

Attest _____
Diane R. Voss, City Clerk

RANDALL CORPORATION

By Scott E. Randall
Scott E. Randall, President

By Scott E. Randall
Scott E. Randall, Secretary

STATE OF IOWA, COUNTY OF STORY, ss:

On this ____ day of _____, 2013, before me, a Notary Public in and for the State of Iowa, personally appeared Ann H. Campbell and Diane R. Voss, to me personally known and who, by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Ames, Iowa; that the seal affixed to the foregoing instrument is the corporate seal of the corporation; and that the instrument was signed and sealed on behalf of the corporation, by authority of its City Council, as contained in Resolution No. _____ adopted by the City Council on the _____ day of _____, 20____, and that Ann H. Campbell and Diane R. Voss acknowledged the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the corporation, by it voluntarily executed.

STATE OF IOWA, COUNTY OF STORY, ss:

This instrument was acknowledged before me on the 19 day of December, 2013, by Scott E. Randall, President and Secretary of Randall Corporation.

Patti Boon
Notary Public in and for the State of Iowa



Notary Public in and for the State of Iowa

**ATTACHMENT A
Location Map**



Location Map
Subject Site : 2520 Chamberlain Street
Remote Parking : 2515 Chamberlain Street/133 Welch Ave.



0 30 60 120 Feet

COUNCIL ACTION FORM

SUBJECT: VET MED SUBSTATION FEEDERS EXTENSION – 1200 AMP SWITCHGEAR

BACKGROUND:

The expansion of the Vet Med Substation completed in FY 2010/11 provided additional substation capacity for growth in the Research Park south of Highway 30 and along South 16th Street. In order to provide capacity to these growing areas and to improve system reliability, feeder extensions are also needed to fully utilize the added substation capacity.

This project will add a new underground feeder south to the Research Park. This portion of the project is for the purchase of a 1200 Amp Switchgear. The Engineer’s estimate of the cost of this switchgear is \$20,000. It is necessary to specify and order this switchgear ahead of construction bidding due to the long lead time for this piece of equipment. Upon City Council approval and receipt of favorable bids, the switchgear will be ordered. In the near future, Council will also be asked to approve additional materials and approval of plans and specifications for the construction phase.

The approved FY2013/14 CIP for Electric Services includes \$300,000 for materials and construction of this project. To date the project budget has the following items encumbered:

\$300,000.00	Amount budgeted for project
<u>\$20,000.00</u>	Estimated cost for 1200 amp switchgear – this item (pending Council approval of plans and specifications for this agenda item)
\$280,000.00	Amount available to complete project (purchase of additional materials and construction phase)

ALTERNATIVES:

1. Approve preliminary plans and specifications for the 1200 Amp Switchgear for the Vet Med Feeder Extension, and set January 29, 2014 as the bid due date and February 11, 2014 as the date of public hearing and award of contract.
2. Do not approve the plans and specifications at this time.

MANAGER'S RECOMMENDED ACTION:

This project is necessary to extend feeder capacity from the Vet Med Substation to the Research Park. This will provide capacity for new load growth and improve reliability to the Research Park and surrounding areas. To meet the project timetable, the switchgear must be ordered in advance of scheduling the installation.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.

COUNCIL ACTION FORM

SUBJECT: AMES WATER TREATMENT PLANT TREE REMOVAL PROJECT

BACKGROUND:

The City of Ames is planning to construct a new water treatment plant and associated pipe infrastructure to interconnect the new water plant site with the existing site. The project will involve construction of new pipeline facilities through forested areas adjacent to the Skunk River. The first step in the piping project is to create two clear paths by clearing trees and brush so the construction can occur. All tree removal required by the other construction contracts has been combined into a single clearing and grubbing contract.

This work is on a critical path to enable the piping construction to occur in 2014. Tree removal must take place during a critical window from October 15 to April 15 to avoid potential impacts to the endangered Indiana Brown Bat. A habitat assessment was performed by Griggs Environmental Strategies, Inc., which concluded the Ames Water Treatment Plant project would have minimal negative effects on the Indiana Bat habitat, and the City's consultant has provided a design that avoids trees identified as potential roosting locations for the bats. However, staff still desires to complete the tree removal during the critical window to avoid any possible concern over impacting a threatened species.

FOX Engineering has prepared plans and specifications for the Water Treatment Plant Tree Removal Project. The estimated cost for this project is as follows:

Tree Removal Project	\$65,635
Contingency, 5%	\$ 3,282
<hr/>	
Total Project Cost	\$68,917

Engineering expenses are included in the large design contract with FOX Engineering and are not broken out separately. This work was not specifically called out in the Capital Improvements Plan, but is included in the \$183,000 budgeted in the current year's CIP to be paid out of the Water Fund.

ALTERNATIVES:

1. Issue preliminary approval of plans and specifications for the Water Treatment Plant Tree Removal Project and issue a notice to bidders setting February 5, 2014 as the bid due date and February 11, 2014 as the date of public hearing.

2. Do not issue preliminary approval of plans and specifications and a notice to bidders at this time. This would negatively impact the overall Water Treatment Plant construction schedule.

MANAGER'S RECOMMENDED ACTION:

The tree removal project is necessary in order to subsequently construct the new water treatment plant and associated pipe infrastructure to connect with existing systems. The work is part of the overall critical path schedule to begin major construction activities in 2014.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby issuing preliminary approval of plans and specifications for the Water Treatment Plant Tree Removal Project, and issuing a notice to bidders setting February 5, 2014 as the bid due date and February 11, 2014 as the date of public hearing.

COUNCIL ACTION FORM

SUBJECT: 2013/14 ARTERIAL STREET PAVEMENT IMPROVEMENTS (LINCOLN WAY – THACKERAY AVENUE TO HICKORY DRIVE)

BACKGROUND:

This annual program is for reconstruction or rehabilitation of arterial streets to restore structural integrity, serviceability, and rideability. Locations are chosen in accordance with the most current street condition inventory.

The 2013/14 project location is Lincoln Way from Thackeray Avenue to Hickory Drive. The work involves a mill and overlay of the existing pavement, removal of sections of the existing median, and installation of an eight-inch sidewalk on the north side of Lincoln Way between North Dakota Avenue and Hickory Drive. Staff contacted the adjacent property owners regarding the installation of sidewalk in the area and there were no objections. The property owners also understand their responsibility for routine and long-term maintenance of the sidewalk.

Staff has completed plans and specifications for the Lincoln Way project with estimated construction costs of \$765,887. Engineering and construction administration are estimated at \$130,000, bringing total estimated project costs to \$895,887.

This program is shown in the 2013/14 Capital Improvements Plan with funding in the amount of \$825,000 from General Obligation Bonds. Additional funding will come from project savings in the 12/13 Collector Street Pavement Improvements project in the amount of \$489,239. This brings total available funding to \$1,314,239.

ALTERNATIVES:

1. Approve the 2013/14 Arterial Street Pavement Improvements (Lincoln Way – Thackeray Avenue to Hickory Drive) by establishing February 19, 2014 as the date of letting and February 25, 2014 as the date for report of bids.
2. Do not proceed with the project at this time.

MANAGER'S RECOMMENDED ACTION:

By approving this project now, it will be possible to restore the structural integrity of the designated streets with construction to be completed during Iowa State University's 2014 summer session. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.

COUNCIL ACTION FORM

SUBJECT: 2012/2013 ASPHALT/SEAL COAT STREET REHABILITATION PROGRAM (CARROLL AVENUE – EAST 9TH TO EAST 13TH STREETS)

BACKGROUND:

This is an annual program for removal of built-up seal coat from streets with asphalt surface, as well as asphalt resurfacing of various streets. This program restores surface texture, corrects structural deficiencies, removes built-up seal coat, and prevents deterioration of various streets. This resurfacing process results in better riding surfaces, increased safety with improved surface texture, and increased life expectancy of streets. Built-up seal coat on streets causes excessive crown, which results in vehicles dragging at driveway entrances. Complete removal of this built-up seal coat allows for repairs to curbs and gutters and placement of a new asphalt surface.

The location for seal coat removal/asphalt reconstruction in this contract is Carroll Avenue from East 9th Street to East 13th Street. Locations that have been awarded in the program by Council in a separate contract include South Wilmoth Street (Lincoln Way to Morningside Street), Morningside Street, Hilltop Road, and Tripp Street (South Wilmoth to Hilltop Road). Work on those other locations was initiated during 2013.

Programmed funding and projected expenses are summarized below:

	<u>Expenses</u>	<u>Funding</u>
G.O. Bonds		\$ 620,500
Road Use Tax		\$ 650,000
S. Wilmoth Area (awarded amount)	\$ 645,685	
Carroll Avenue (estimated - this contract)	\$ 292,975	
Engineering (overall program estimate)	<u>\$ 140,000</u>	<u> </u>
Totals	\$1,078,660	\$1,270,500

Remaining funds from this program will be used on additional roadway improvement projects.

ALTERNATIVES:

1. Approve the 2012/13 Asphalt/Seal Coat Street Rehabilitation (Carroll Avenue – E. 9th to E. 13th Streets) by establishing February 19, 2014, as the date of letting and February 25, 2014, as the date for report of bids.

2. Do not approve this project.

MANAGER'S RECOMMENDED ACTION:

By approving these plans and specifications, it will be possible to improve this section of deteriorated pavement for our citizens.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.

COUNCIL ACTION FORM

SUBJECT: AWARD OF CONTRACT FOR AMES PLANT AREA SUBSTATIONS EQUIPMENT COMMISSIONING

BACKGROUND:

Two separately budgeted Capital Improvement Plan projects will occur at the Ames Plant electric substation. One is for the Ames Plant Switchyard, which includes the replacement of 69kV switchyard relay and controls, breakers and associated equipment. The other is at the adjoining Ames Plant Distribution Substation, which includes switchgear replacement and a feeder.

This contract will supply the testing services needed to commission the new electrical substation facilities installed as a part of this project. This includes testing of all 69kV switches, instrument transformers, breakers, power transformers and relays, as well as switches, breaker and relays within the substation.

On November 8, 2013, a request for proposal (RFP) document was issued to eight firms for proposals. The RFP was advertised on the Current Bid Opportunities section of the Purchasing webpage and was also sent to one plan room. On December 11, 2013, staff received competitive proposals from three firms.

These proposals were then evaluated by a staff committee composed of an electrical engineer, the electrical engineering manager and a technical services technician. The committee members independently evaluated and scored all three proposals based on price, offeror's technical proposal and references.

Based on the matrix, the averaged scores were as follows:

OFFERORS	AVERAGE SCORE	PRICE
L & S Electric Inc., Coon Rapids, MN	908	\$152,435.00
Shermco Industries Inc., Des Moines, IA	648	\$174,000.00
KJWW Engineering Inc., Chicago, IL	622	\$229,800.00

Each score was based on a scale of 1 to 10. Overall, 1,000 possible points were available cumulatively for each company that responded.

Based on the average scores and a unanimous decision by the evaluation committee, it is recommended that this contract be awarded to L & S Electric Inc., Coon Rapids, MN, for \$152,435. There was no specific engineer's estimate on this portion of the project.

The approved FY2013/14 CIP for Electric Services includes \$1,700,000 for engineering, materials and construction under the Ames Plant 69kV Switchyard Relay and Control Replacement project, with Iowa State University contributing an estimated \$319,600 to the cost.

To date the Ames Plant Switchyard project budget has the following items encumbered:

\$1,700,000.00	Amount Budgeted for Project
\$122,700.00	Encumbered Engineering for Ames Plant Switchyard (Approved by City Council on April 24, 2012.)
\$39,500.00	Contract Change Order to Engineering for Ames Plant Switchyard (Approved administratively on October 8, 2013)
\$56,377.25	Actual cost for SF6 circuit breakers (Awarded on July 13, 2013)
\$122,868.40*	Actual cost for electrical materials (Awarded by City Council on July 23, 2013) *This amount includes applicable sales taxes to be paid directly by Ames to the State of Iowa.
\$198,469.55	Actual cost for Ames Plant Substation control panels (Awarded by City Council on September 10, 2013)
\$372,460.40	Actual cost for materials installation phase for the Ames Plant Switchyard Project (Awarded by City Council on September 24, 2013)
\$7,809.00	Contract Change Order No. 1 to materials installation phase for the Ames Plant Switchyard Project (Approved administratively on December 5, 2013)
\$125,000.00	Estimated cost for Control Panels for Haber Road Substation (Council approved plans and specifications to issue bids on December 17, 2013)
\$152,435.00	Award of contract to L & S Electric, Inc., Coon Rapids, MN, for the Ames Plant Area Equipment Commissioning (This Council Action)
<u>\$1,222,619.60</u>	Total committed to Date
\$477,380.40	Balance available to complete project (Relay and Controls equipment and installation at the Dayton and Stange substations.)

ALTERNATIVES:

1. Award a contract to L & S Electric, Inc., Coon Rapids, MN, for the Ames Plant Area Equipment Commissioning in the amount of \$152,435.
2. Reject all proposals and direct staff to re-issue the Requests for Proposal.

MANAGER'S RECOMMENDED ACTION:

This contract is necessary to complete the projects at the Ames Plant substation. This project will help move customer loads off the Power Plant bus and help to limit exposure of the Power Plant bus to distribution faults, thereby improving Power Plant reliability. By installing modern, programmable relays and updated controls in these locations, long-term reliability can be improved by eliminating the obsolete and maintenance-intensive electromechanical relays and the aged, lengthy control circuits that are no longer accessible for repair.

These projects are necessary for Electric Services to continue providing safe, reliable, service to the customers in the City.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.

COUNCIL ACTION FORM

SUBJECT: POWER PLANT UNIT #7 COAL MILL PARTS

BACKGROUND:

This purchase is for mill parts needed for planned mill rebuilds associated with routine maintenance and inventory replenishment for the Power Plant's Unit #7 coal mills. This equipment is used for pulverizing coal into a powder used as fuel in the Unit's Boiler.

A total of two mills provide coal for Unit #7, and both must be operating for the Plant to be fully operational. If they are not kept in operation, the Power Plant may need to purchase electricity or start up one or both diesel-fired peaking units in order to supplement generating capacity. This would also require suspension of burning refuse-derived fuel (RDF). Having these mills out of operation would likely lead to significantly higher production costs and greater land-filling of the county's garbage. Additionally, coal that is poorly ground also leads to inefficiency, unstable fire and increases in the potential for flameouts.

In November, 2013 the original equipment manufacturer's field engineer spent two days reviewing plant operation of these coal mills and inspecting the mills internally. The engineer strongly recommended that the coal mills be rebuilt in the very near future to continue safe operation. The internal components are worn to the point that fine coal is accumulating in the worn parts. Coal accumulation in the mill can cause localized hot spots and the mill can catch fire or, in a worst case situation, explode. The parts being procured are the parts recommended for replacement by the field engineer. **The existing running coal mill components will not last until the plant's conversion to natural gas in 2016.**

Many of the parts have a long lead time and are being ordered now so that they are on hand for the next maintenance outages, which are planned for late spring 2014 and fall 2014.

On November 18, 2013, an invitation to bid document was issued to five firms. The invitation was advertised on the Current Bid Opportunities section of the Purchasing webpage, and was also sent to one plan room.

On December 4, 2013, one bid was received as shown on the attached report labeled Attachment A. Staff has reviewed and concluded that the bid submitted by Alstom Power, Inc., Windsor, CT, is acceptable. Subsequently, Staff determined that not all of the parts listed are needed at this time. As a result, the list has been revised as shown on Attachment B. The bid document included the provision *"The City reserves the right to award this contract in whole or by line item. Therefore, each line item must be bid as a standalone price."* This provision enabled

staff to make this revision. **Based on the revisions, the total dollar amount for the parts needed is \$141,131.99**, which is also shown on Attachment B.

Alstom Power is a very large international company, and is the original equipment manufacturer (OEM) for the coal mills and the replacement parts that need to be ordered. Since these are parts from the original manufacturer, staff believes that the parts will meet our performance needs. In addition, Alstom Power is a reputable provider and its representatives have historically provided excellent service to the City.

Funding is available from the approved FY 2013/14 Electric Production operating budget for Unit #7 Boiler Pulverizer parts, which contains \$175,000 for parts.

ALTERNATIVES:

1. Award a contract to Alstom Power, Inc., Windsor, CT, for the purchase of Unit #7 Coal Mill Parts in the amount of \$141,131.99 (inclusive of sales-tax)
2. Reject the single bid received and direct staff to delay purchase of these replacement parts.

MANAGER'S RECOMMENDED ACTION:

The purchase of these mill parts in advance of major maintenance work will reduce the risks of delays on planned mill rebuilds, and will also help reduce downtime due to unplanned mill equipment failures. Having a coal mill fail and remain down for an extended period of time would increase the risk of incurring significant cost for purchased power, particularly during peak times.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.



**2014-109 MILL PARTS FOR UNIT 7 BID
SUMMARY**

			BIDDER:	
			Alstom Power, Inc. Windsor, CT	
Description	Alstom Part #	Qty	Unit Price	Total
Inner Core (with inspection door)	RW-1034	2	\$2,408.75	\$4,817.50
Inner Cone Drum Section	RW-1033	2	\$2,823.00	\$5,646.00
Deflector Ring	MP-7658A	2	\$1,083.68	\$2,167.36
Separator Body (Stationary & Removable Section)	RQ-581	2	\$62,130.00	\$124,260.00
Bullring Assembly	RQ-943	2	\$7,993.13	\$15,986.26
Bowl Extension Ring	RQ-946A	2	\$1,895.00	\$3,790.00
Restriction Angle	RQ847	2	\$578.00	\$1,156.00
Bowl Wear Plate	RQ-916	2	\$688.00	\$1,376.00
Seal Washers	MP-7454A	60	\$2.32	\$139.20
Mill Side Liner	RQ-664N	6	\$479.00	\$2,874.00
Mill Side Liner	RQ-665N	6	\$509.43	\$3,056.58
Mill Side Liner	RQ-666N	6	\$460.23	\$2,761.38
Mill Side Liner	RQ-667N	6	\$421.28	\$2,527.68
Mill Side Deflector	RQ-689N	6	\$140.43	\$842.58
Separator Body Liner	RQ-681N	6	\$288.03	\$1,728.18
Separator Body Liner	RQ-686N	6	\$299.30	\$1,795.80
Separator Bottom Liner	RQ-585A	12	\$202.95	\$2,435.40
Converter Head Turning Vane	RQ-568	2	\$602.70	\$1,205.40
Inlet Elbow Shaft	MP-7989-E	2	\$998.35	\$1,996.70
Inlet Elbow Wear Liners	MP-7988-E	4	\$257.28	\$1,029.12
Groove Pin - damper	MP-7965D	6	\$6.97	\$41.82
Primary Riffle Elements		4	\$1,903.43	\$7,613.72
Secondary Riffle Elements		8	\$1,084.45	\$8,675.60
Whizzer Blade	EX-1518	6	\$114.80	\$688.80
Return Air Block Off	RQ-879	1	\$690.00	\$690.00
Return Air Block Off Liner	RQ-878	1	\$386.00	\$386.00
11" Orifice; 9 1/8" Dia.	3A2000A	1	\$846.00	\$846.00
11" Orifice; 9 3/4" Dia.	2A9722A	1	\$831.00	\$831.00
11" Orifice; 11" Dia.	2A9720A	2	\$533.00	\$1,066.00
11" Orifice; 9 3/8" Dia.	2A9724A	1	\$845.00	\$845.00
11" Orifice; 9 1/2" Dia.	2A9723A	1	\$854.85	\$854.85
11" Orifice; 9 5/8" Dia.	3A-5104A	1	\$855.00	\$855.00
11" Orifice; 9" Dia.	2A9726A	1	\$853.83	\$853.83
90 Degree 11"R; X=0"; Y=11"	3A-2609-A	4	\$2,321.00	\$9,284.00
90 Degree 11"R; X=13"; Y=2'-0"	3A-5102-A	4	\$2,949.00	\$11,796.00
90 Degree 2'-9"R 0" EXT	2A-3343-A	11	\$3,039.00	\$33,429.00
90 Degree 2'-9"R 2 1/2" EXT	2A-6243-A	2	\$3,372.00	\$6,744.00
90 Degree 2'-9"R 12 1/2" EXT	2A-6467-A	2	\$3,488.00	\$6,976.00
90 Degree 2'-9"R 14 1/2" EXT	2A-6337-A	1	\$3,518.00	\$3,518.00
60 Degree 2'-9"R 0"	2A-6333-A	1	\$3,264.00	\$3,264.00
50 Degree 2'-9"R 0"	2A-3340-A	2	\$2,969.00	\$5,938.00
45 Degree 2'-9"R 0"	2A-6463-A	4	\$2,723.00	\$10,892.00
40 Degree 2'-9"R 0"	2A-3339-A	2	\$2,777.00	\$5,554.00
40 Degree 2'-9"R 3 1/2"	3A-5103-A	2	\$2,825.00	\$5,650.00
30 Degree 2'-9"R 0"	2A-3338-A	19	\$2,328.00	\$44,232.00
25 Degree 2'-9"R 0"	2A-4697-A	2	\$2,658.00	\$5,316.00
20 Degree 2'-9"R 0"	2A-3336-A	3	\$2,303.00	\$6,909.00
10 Degree 2'-9"R 0"	2A-3335-A	1	\$2,378.00	\$2,378.00
10 Degree 2'-9"R 8"	2A-7963-A	1	\$2,793.00	\$2,793.00

Sub-total:	\$370,511.76
7% Sales Tax:	\$25,935.82
Freight:	\$12,967.91
OVERALL:	\$409,415.49



**2014-109 MILL PARTS FOR UNIT 7 REVISED
BID SUMMARY**

			BIDDER:	
			Alstom Power, Inc. Windsor, CT	
Description	Alstom Part #	Qty	Unit Price	Total
Inner Core (with inspection door)	RW-1034	2	\$2,408.75	\$4,817.50
Inner Cone Drum Section	RW-1033	2	\$2,823.00	\$5,646.00
Deflector Ring	MP-7658A	2	\$1,083.68	\$2,167.36
Separator Body (Stationary & Removable Section)	RQ-581	0	\$62,130.00	\$0.00
Bullring Assembly	RQ-943	1	\$7,993.13	\$7,993.13
Bowl Extension Ring	RQ-946A	0	\$1,895.00	\$0.00
Restriction Angle	RQ847	0	\$578.00	\$0.00
Bowl Wear Plate	RQ-916	2	\$688.00	\$1,376.00
Seal Washers	MP-7454A	60	\$2.32	\$139.20
Mill Side Liner	RQ-664N	0	\$479.00	\$0.00
Mill Side Liner	RQ-665N	0	\$509.43	\$0.00
Mill Side Liner	RQ-666N	0	\$460.23	\$0.00
Mill Side Liner	RQ-667N	1	\$421.28	\$421.28
Mill Side Deflector	RQ-689N	0	\$140.43	\$0.00
Separator Body Liner	RQ-681N	0	\$288.03	\$0.00
Separator Body Liner	RQ-686N	0	\$299.30	\$0.00
Separator Bottom Liner	RQ-585A	0	\$202.95	\$0.00
Converter Head Turning Vane	RQ-568	2	\$602.70	\$1,205.40
Inlet Elbow Shaft	MP-7989-E	2	\$998.35	\$1,996.70
Inlet Elbow Wear Liners	MP-7988-E	4	\$257.28	\$1,029.12
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Primary Riffle Elements		4	\$1,903.43	\$7,613.72
Secondary Riffle Elements		8	\$1,084.45	\$8,675.60
Whizzer Blade	EX-1518	0	\$114.80	\$0.00
Return Air Block Off	RQ-879	1	\$690.00	\$690.00
Return Air Block Off Liner	RQ-878	1	\$386.00	\$386.00
11" Orifice; 9 1/8" Dia.	3A2000A	1	\$846.00	\$846.00
11" Orifice; 9 3/4" Dia.	2A9722A	1	\$831.00	\$831.00
11" Orifice; 11" Dia.	2A9720A	2	\$533.00	\$1,066.00
11" Orifice; 9 3/8" Dia.	2A9724A	1	\$845.00	\$845.00
11" Orifice; 9 1/2" Dia.	2A9723A	1	\$854.85	\$854.85
11" Orifice; 9 5/8" Dia.	3A-5104A	1	\$855.00	\$855.00
11" Orifice; 9" Dia.	2A9726A	1	\$853.83	\$853.83
90 Degree 11"R; X=0"; Y=11"	3A-2609-A	1	\$2,321.00	\$2,321.00
90 Degree 11"R; X=13"; Y=2'-0"	3A-5102-A	1	\$2,949.00	\$2,949.00
90 Degree 2'-9"R 0" EXT	2A-3343-A	1	\$3,039.00	\$3,039.00
90 Degree 2'-9"R 2 1/2" EXT	2A-6243-A	1	\$3,372.00	\$3,372.00
90 Degree 2'-9"R 12 1/2" EXT	2A-6467-A	1	\$3,488.00	\$3,488.00
90 Degree 2'-9"R 14 1/2" EXT	2A-6337-A	1	\$3,518.00	\$3,518.00
60 Degree 2'-9"R 0"	2A-6333-A	1	\$3,264.00	\$3,264.00
50 Degree 2'-9"R 0"	2A-3340-A	2	\$2,969.00	\$5,938.00
45 Degree 2'-9"R 0"	2A-6463-A	4	\$2,723.00	\$10,892.00
40 Degree 2'-9"R 0"	2A-3339-A	2	\$2,777.00	\$5,554.00
40 Degree 2'-9"R 3 1/2"	3A-5103-A	2	\$2,825.00	\$5,650.00
30 Degree 2'-9"R 0"	2A-3338-A	4	\$2,328.00	\$9,312.00
25 Degree 2'-9"R 0"	2A-4697-A	1	\$2,658.00	\$2,658.00
20 Degree 2'-9"R 0"	2A-3336-A	1	\$2,303.00	\$2,303.00
10 Degree 2'-9"R 0"	2A-3335-A	1	\$2,378.00	\$2,378.00
10 Degree 2'-9"R 8"	2A-7963-A	1	\$2,793.00	\$2,793.00

Sub-total:	\$119,779.51
7% Sales Tax:	\$8,384.57
Freight:	\$12,967.91
OVERALL:	\$141,131.99

COUNCIL ACTION FORM

SUBJECT: POWER PLANT UNIT #8 STEAM COIL AIR HEATER

BACKGROUND:

Steam coil air heaters are used to heat the incoming combustion air at the City's Power Plant. This bid is for the purchase of a complete steam coil assembly that will directly replace an existing air heater on the Unit #8 boiler.

On November 15, 2013, an invitation to bid document was issued to fourteen firms. The invitation was advertised on the Current Bid Opportunities section of the Purchasing webpage, and was also sent to two plan rooms.

On December 4, 2013, five bids were received as shown on the attached report.

Staff has reviewed the bids and concluded that the apparent low bid submitted by Advanced Coil Technology, LLC, Owatonna, MN, in the amount of \$110,000 is acceptable. This vendor is not licensed to collect sales taxes for the State of Iowa, so the City will pay applicable Iowa Sales Taxes directly to the State of Iowa.

Funding is available in the approved FY2013/14 Electric Production operating budget.

ALTERNATIVES:

1. Award a contract to Advanced Coil Technology, LLC, Owatonna, MN, for the purchase of Unit #8 Steam Coil Air Heaters in the amount of \$110,000, with applicable sales taxes to be paid directly by the City to the State of Iowa.
2. Reject all bids and delay the purchase of Unit 8 steam coil air heaters.

MANAGER'S RECOMMENDED ACTION:

The purchase of this assembly is critical because the original boiler design requires heated air to improve combustion, and the recommended bid compares very favorably to the other bids received.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.



2014-103 UNIT 8 STEAM COIL AIR HEATER BID SUMMARY

BIDDERS	Lump Sum Price for Complete Steam Coil Assembly as Specified	Sales Tax	Non Taxable Freight	Overall Total	Evaluated Total* (Less Applicable Sales Tax)
Advanced Coil Technology, LLC Owatonna, MN	\$110,000.00		\$1,200.00	\$111,200.00	\$111,200.00
Affiliated Steam Equipment Co. Davenport, IA	\$127,827.00	\$8,947.89		\$136,774.89	\$127,827.00
Pingel Exchanger Service, Inc. Pevely, MO	\$153,111.00	\$10,717.77	\$600.00	\$164,428.77	\$153,711.00
Surefin Coils, LLC Fort Mill, SC	\$159,464.00			\$159,464.00	\$159,464.00
Pinnacle Air Pollution Control, Inc. Valencia, PA	\$173,000.00		\$1,400.00	\$174,400.00	\$174,400.00

* This column included since three of the bidder's are not licensed to collect Iowa sales tax.

COUNCIL ACTION FORM

SUBJECT: ALUMINUM CABLE PURCHASE FOR ELECTRIC SERVICES

BACKGROUND:

This bid is for the purchase of 30,000 feet of aluminum underground cable, which will be used to replenish inventory for the Electric Services Department. This cable is kept on hand in order to ensure availability of cable and to replace failed cable quickly. Typically, this cable is used to provide service for commercial and residential applications. The cable is also needed to meet the anticipated needs of Electric Services for new construction and maintenance.

On December 30, 2013, a request for quotation (RFQ) document was issued to forty-one firms. The RFQ was advertised on the Current Bid Opportunities section of the Purchasing webpage.

On January 7, 2014, two bids were received as shown below:

BIDDER	BID PRICE
WESCO Distribution Des Moines, IA	\$74,472.00
RESCO Ankeny, IA	\$77,527.92

Staff has reviewed the bids and concluded that the apparent low bid in the amount of \$74,472 (inclusive of Iowa sales tax) submitted by WESCO Distribution, Des Moines, Iowa, is acceptable.

The City Council should note that due to the metal content of this product, both bidders attached a metal escalation/de-escalation clause due to the volatile market for metal, which may adjust the price on the day the cable is ordered. While this is not an ideal situation for the City, inclusion of that clause is needed in order to secure a cable purchase contract.

ALTERNATIVES:

1. Award a contract to WESCO Distribution, Des Moines, Iowa, for the purchase of 30,000 feet of aluminum cable, in the amount of \$74,472 (inclusive of Iowa sales tax), subject to a metals adjustment at time of order.
2. Reject all bids and attempt to purchase aluminum cable on an as needed basis.

MANAGER'S RECOMMENDED ACTION:

It is important to purchase aluminum cable at the lowest possible cost with minimal risk to the City. It is also imperative to have cable available to meet customer needs.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.

COUNCIL ACTION FORM

**SUBJECT: ELECTRIC SERVICES UNDERGROUND TRENCHING CONTRACT
RENEWAL**

BACKGROUND:

This contract consists of a contractor furnishing all equipment, tools, labor, and materials not supplied by Electric Services for excavating, trenching, directional-boring and backfilling for installation of conduits, ground sleeves, box pads, vaults, handholes, and other appurtenances. This consists of emergency service, as well as regularly planned repairs and services.

On February 26, 2013, City Council awarded (1) the **primary contract** for the 2013 Underground Trenching Contract for Electric Services to Ames Trenching & Excavating, Ames, IA, for hourly rates and unit prices bid, in an amount not-to-exceed \$136,500; and (2) the **secondary contract** for the 2013 Underground Trenching Contract for Electric Services to Communication Technologies, Des Moines, IA, for hourly rates and unit prices bid, in an amount not-to-exceed \$58,500.

Each contract has an option for the City to renew in one-year increments for up to four additional years. This option includes a rate provision which increases rates at fixed percentages above the previous fiscal year contracted rates at time of renewal. **The fixed rates for 2014 include labor, equipment and tools increases of 5% for Ames Trenching & Excavating, Inc. and 3% for Communication Technologies, LLC. These increases are in accordance with the contract terms initially established.** Council should note that is the first out of four possible renewals.

The approved FY 2013/14 operating budget for Underground System Improvements contains \$1,152,400. Trenching and excavation services are included in this amount. The trenching and excavation services covered by this contract would also be used for the relocation of Electric Services facilities to clear sites for Public Works roadway improvement projects. Funds have been designated in various CIP projects for those relocation activities.

ALTERNATIVES:

1. a. Approve the **primary contract** renewal with Ames Trenching & Excavating, Ames, IA, for Underground Trenching Contract for Electric Services, for the one-year period from January 1, 2014, through December 31, 2014, and approve the contract and bond. Work will be scheduled on an as needed basis and payments will be based on for hourly rates and unit prices bid on actual

work performed. Total work in 2014 shall be an amount not to exceed \$136,500.

- b. Approve the **secondary contract** renewal with Communication Technologies, Des Moines, IA, for Underground Trenching Contract for Electric Services, for the one-year period from January 1, 2014, through December 31, 2014, and approve the contract and bond. Work will be scheduled on an as needed basis and payments will be based on for hourly rates and unit prices bid on actual work performed. Total work in 2014 shall be an amount not to exceed \$58,500.
2. Do not renew the agreements and instruct staff to seek new competitive bids, and to purchase underground trenching services in the meantime on an as-needed basis.

MANAGER'S RECOMMENDED ACTION:

These services are necessary to provide trenching and excavation for new construction, maintenance, and emergency repair activities for Electric Services. These contracts establish rates for service and provide for guaranteed availability, thereby setting in place known rates for service and helping to control costs.

Having two contractors under bid allows the City to assign work to the secondary contractor if the primary contractor is busy and is unable to meet required project deadlines. This should reduce delays to project schedules.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.



**IFB 2013-086 Underground Trenching Contract
for Electric Services 2014 Rates**

Bidder:		Ames Trenching & Excavating, Inc., Ames, IA			
Description	Est. # Units	Labor	Materials	Labor & Materials	Extended Price
Trenching - Normal Depth	2000	\$10.50		\$10.50	\$21,000.00
Trenching - Extra Depth	400	\$12.60		\$12.60	\$5,040.00
Trenching -Shallow Depth	250	\$7.35		\$7.35	\$1,837.50
Install 1" Flex Duct in Trench	250	\$1.05		\$1.05	\$262.50
Install 2" PVC Duct in Trench	2000	\$1.58		\$1.58	\$3,160.00
Install 4" PVC Duct in Trench	1000	\$2.10		\$2.10	\$2,100.00
Install 6" PVC Duct in Trench	400	\$3.15		\$3.15	\$1,260.00
Concrete Encasement of Duct	500	\$31.50		\$31.50	\$15,750.00
Directional Bore 2" Flex Duct	1000	\$15.75		\$15.75	\$15,750.00
Directional Bore 4" Flex Duct	1000	\$26.25		\$26.25	\$26,250.00
Directional Bore 6" Flex Duct	1000	\$42.00		\$42.00	\$42,000.00
Install Small Enclosure	20	\$236.25		\$236.25	\$4,725.00
Install Medium Enclosure	8	\$262.50		\$262.50	\$2,100.00
Install Large Enclosure	4	\$315.00		\$315.00	\$1,260.00
Install Enclosure w/ Above Grade Lid	20	\$236.25		\$236.25	\$4,725.00
Install Switchgear Boxpad	6	\$735.00		\$735.00	\$4,410.00
Install 1-ph Primary Enclosure	6	\$367.50		\$367.50	\$2,205.00
Install 3-ph Primary Enclosure	12	\$378.00		\$378.00	\$4,536.00
Install 1-ph FG Transformer Pad	20	\$367.50		\$367.50	\$7,350.00
Install 3-ph Conc Pad (6'x6')	6	\$3,675.00		\$3,675.00	\$22,050.00
Install 3-ph Conc Pad (9'x9')	2	\$4,725.00		\$4,725.00	\$9,450.00
Concrete Removal (Cu Yd)	25	\$73.50		\$73.50	\$1,837.50
Concrete Installation (Cu Yd)	25	\$210.00		\$210.00	\$5,250.00
Bollard Installation	8	\$420.00		\$420.00	\$3,360.00
Pothole for Buried Utilities	100	\$157.50		\$157.50	\$15,750.00
Grass Seed and 1 Watering	20	\$210.00		\$210.00	\$4,200.00

OVERALL PRICE: \$227,618.50

MATERIALS: Cost plus 20%

MISC. RATES:	
SUBSISTENCE:	\$ 0 per day
TRAVEL:	\$ 0 per day
MILEAGE:	\$ 0 per day
PROMPT PAYMENT DISCOUNT::	0%

PROPOSED PRICE INCREASES FOR RENEWAL PERIODS:	
LABOR RATES:	5% per year
EQUIPMENT & TOOLS:	5% per year

EQUIPMENT & TOOLS:			
Description	Per Hour	Per Day	
580 Backhoe	\$105.00	\$840.00	
Mini Excavator	\$105.00	\$840.00	
Mustang 2054	\$99.75	\$798.00	
Vactron	\$152.25	\$1,218.00	
CX210 Trackhoe	\$154.35	\$1,234.80	
950D Cat Endloader	\$154.35	\$1,234.80	
Tandem Dump truck	\$99.75	\$798.00	
Shoring Box	\$105.00	\$840.00	
Hoe Tamper	\$131.25	\$1,050.00	
Hoe Breaker	\$126.00	\$1,050.00	
Skid Loader	\$126.00	\$1,008.00	
Labor	\$47.25	\$378.00	



**IFB 2013-086 Underground Trenching
Contract for Electric Services 2014 Rates**

Bidder:		Communication Technologies, LLC., Des Moines IA			
Description	Est. # Units	Labor	Materials	Labor & Materials	Extended Price
Trenching - Normal Depth	2000	\$4.12	\$0.26	\$4.38	\$8,760.00
Trenching - Extra Depth	400	\$5.41		\$5.41	\$2,164.00
Trenching -Shallow Depth	250	\$3.09	\$0.26	\$3.35	\$837.50
Install 1" Flex Duct in Trench	250	\$0.52		\$0.52	\$130.00
Install 2" PVC Duct in Trench	2000	\$0.52		\$0.52	\$1,040.00
Install 4" PVC Duct in Trench	1000	\$1.03		\$1.03	\$1,030.00
Install 6" PVC Duct in Trench	400	\$1.55		\$1.55	\$620.00
Concrete Encasement of Duct	500	\$77.25	\$154.50	\$231.75	\$115,875.00
Directional Bore 2" Flex Duct	1000	\$8.76		\$8.76	\$8,760.00
Directional Bore 4" Flex Duct	1000	\$12.36		\$12.36	\$12,360.00
Directional Bore 6" Flex Duct	1000	\$13.91		\$13.91	\$13,910.00
Install Small Enclosure	20	\$206.00	\$25.75	\$231.75	\$4,635.00
Install Medium Enclosure	8	\$257.50	\$25.75	\$283.25	\$2,266.00
Install Large Enclosure	4	\$334.75	\$51.50	\$386.25	\$1,545.00
Install Enclosure w/ Above Grade Lid	20	\$437.75	\$51.50	\$489.25	\$9,785.00
Install Switchgear Boxpad	6	\$849.75	\$51.50	\$901.25	\$5,407.50
Install 1-ph Primary Enclosure	6	\$412.00	\$77.25	\$489.25	\$2,935.50
Install 3-ph Primary Enclosure	12	\$489.25	\$51.50	\$540.75	\$6,489.00
Install 1-ph FG Transformer Pad	20	\$412.00	\$51.50	\$463.50	\$9,270.00
Install 3-ph Conc Pad (6'x6')	6	\$2,060.00	\$509.85	\$2,569.85	\$15,419.10
Install 3-ph Conc Pad (9'x9')	2	\$3,090.00	\$818.85	\$3,908.85	\$7,817.70
Concrete Removal (Cu Yd)	25	\$283.25		\$283.25	\$7,081.25
Concrete Installation (Cu Yd)	25	\$375.95	\$154.50	\$530.45	\$13,261.25
Bollard Installation	8	\$309.00	\$77.25	\$386.25	\$3,090.00
Pothole for Buried Utilities	100	\$9.27	\$1.03	\$10.30	\$1,030.00
Grass Seed and 1 Watering	20	\$169.95		\$169.95	\$3,399.00
OVERALL PRICE:		\$258,917.80			
MATERIALS:		Cost plus 20%			
MISC. RATES:					
SUBSISTENCE:		\$ 0 per day			
TRAVEL:		\$ 0 per day			
MILEAGE:		\$ 0 per day			
PROMPT PAYMENT DISCOUNT:		0%			
PROPOSED PRICE INCREASES FOR RENEWAL PERIODS:					
LABOR RATES:		3% per year			
EQUIPMENT & TOOLS:		3% per year			

Description	Per Hour
Supervisor	\$66.95
Equipment Operator	\$56.65
Aerial Lineman	\$56.65
Laborer	\$46.35
Flag Person	\$36.05
Truck Driver	\$36.05
1-Ton Truck	\$25.75
2 Ton Truck with Dump	\$30.90
Bucket Truck	\$46.35
Case Backhoe	\$66.95
Tractor with Box Blade	\$36.05
Trench Compactor	\$30.90
SE130 Samsung Track.	\$97.85
65 HP Rubber Tire	\$51.50
600 Vermeer Trencher	\$61.80
Cat D-3 Dozer	\$77.25
Road Bore Rig (small)	\$77.25
Road Bore Rig (medium)	\$103.00
Road Bore Rig (large)	\$128.75
Air Compressor	\$25.75
Water Pump	\$15.45
Generator	\$20.60
Jackhammer	\$20.60
Reel Trailer	\$20.60
Equipment Trailer	\$25.75
Concrete Saw	\$25.75
Sod Cutter	\$30.90
Tandem Haul Truck	\$77.25
Hydro Seeder (seed not in)	\$51.50
Hydrovac	\$66.95
Cable Pulling Equip.	\$51.50

COUNCIL ACTION FORM

**SUBJECT: LIBRARY RENOVATION AND EXPANSION PROJECT
CHANGE ORDER NO. 10 WITH A&P/SAMUELS GROUP**

BACKGROUND:

The City Council is being asked to approve Library Renovation and Expansion Project Change Order #10 with A&P/The Samuels Group. This request includes the following items for a total increase in the contract sum of \$56,043.

- 1) Add \$4,433 to create a passageway for book trucks through a load-bearing wall in the Volunteer Services Area.
- 2) Add \$2,713 for additional plywood backing for artwork in the entry vestibule, ductwork revisions to meet LEED requirements, and exit sign revisions in the north stairway to meet code requirements.
- 3) Add \$15,729 for new window and column enclosures in the Automated Materials Handling (AMH) Room, a new sink in Technical Services Storage Room, and additional power and data receptacles in study rooms.
- 4) Add \$24,054 for flooring revision, additional power and data receptacles, additional wireless access points, and column wrap at Smyles Bench in the Youth Services area.
- 5) Add \$2,213 for additional steel for structural support of the vestibule curtain wall.
- 6) Add \$6,901 for additional demolition, backfilling, grading, and excavation for utility work in alley.

A summary of the Samuels Group's contract to date appears below.

Original Contract Sum	\$ 12,543,350
Net changes authorized by Change Orders #1-9	\$ 177,672
Contract Sum after processing Change Order #9	\$ 12,721,022
Contract Sum increase by approval of Change Order #10	\$ 56,043
New Contract Sum including Change Order #10	\$ 12,777,065

After processing Change Order #9, the allowance reserved for potential change orders was \$822,328. With approval of Change Order #10, the Samuels Group's change order allowance will be \$766,285. The Library Board of Trustees considered this request at a special meeting on January 9, 2014, and adopted a resolution recommending Council approval of Change Order #10 in the amount of \$56,043.

ALTERNATIVES:

1. Approve Change Order #10 with A&P/Samuels Group, A Joint Venture, to allow for changes to a load-bearing wall in Volunteer Services; additional plywood wall backing, duct revisions, and exit sign revisions in the lobby; new window and column enclosures in the AMH room, a sink in the Technical Services storage room, and receptacles in study rooms; flooring revisions, additional receptacles, wireless access points, and a column wrap in the Youth Services Area; additional steel to support the glass curtain wall in the vestibule; and additional demolition, backfilling, grading and excavation for utility work in the alley, all for an increase in the contract sum of \$56,043.
2. Do not approve Change Order #10.

MANAGER'S RECOMMENDED ACTION:

Change Order #10 addresses miscellaneous issues that have arisen during the course of the Library's Renovation and Expansion Project. All the requests appear to be reasonable. The structural changes described in items 1, 2, 5, and 6 resulted from new information gained, complications encountered, engineers' specifications, or code requirements that must be met. Items 3 and 4 pertain to interior features that will accommodate equipment needed in staff work areas and will provide suitable flooring, power, data, and wireless access in areas where the floor plan was altered to increase the amount of space to be used by the public.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the Library's General Contractor Change Order #10 with A&P/Samuels Group, A Joint Venture, in the amount of \$56,043.

COUNCIL ACTION FORM

SUBJECT: PUMP STATION AND WASTEWATER METERING IMPROVEMENTS – NATIONAL CENTERS FOR ANIMAL HEALTH

BACKGROUND:

This project undertook a renovation and modernization of the drinking water booster pump station and wastewater metering system serving the United States Department of Agriculture's National Centers for Animal Health (NCAH). **Since these improvements solely benefit the NCAH, the NCAH agreed to reimburse the City for 100% of the project costs.**

This project was originally identified in the FY 10/11 Capital Improvements Plan in the amount of \$425,000. After initial design review with NCAH staff and the design consultant, a number of code and design changes were necessary. The project budget was increased to \$934,000 in the FY 11/12 mid-year adjustments.

On February 14, 2012, Council approved a contract with C.L. Carroll Company for the construction of the NCAH Pump Station and Wastewater Metering Improvements project in the amount of \$860,000. Bid prices came in approximately 12% over the engineer's estimate, and Council authorized an increase in the budget to \$1,016,862.15 at the time of the contract award.

All work associated with this project was satisfactorily completed by the contractor as of December 12, 2013. Five change orders were issued totaling \$35,571 to complete the project as originally intended. The final construction cost for the project was \$895,571. An Engineer's Certification of Completion is attached. The NCAH has already completed its reimbursement to the City.

ALTERNATIVES:

1. Accept completion of construction of the NCAH Pump Station and Wastewater Metering Improvements project and authorize final payment and release of retainage to C.L. Carroll Company in the amount of \$35,599.
2. Do not accept completion of the NCAH Pump Station and Wastewater Metering Improvements project at this time.

MANAGER'S RECOMMENDED ACTION:

C.L. Carroll Company has completed construction of the NCAH Pump Station and Wastewater Metering Improvements project to staff's satisfaction. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.



Stanley Consultants INC.

CELEBRATING
100
Years
ENGINEERING A BETTER WORLD

December 13, 2013

Matt Hawes
Environmental Engineer I
Water & Pollution Control Department, Water Plant
300 E. 5th Street, Bldg. 1
Ames, Iowa 50010

RECEIVED
DEC 17 '13
WATER & POLLUTION
CONTROL DEPT.

Dear Mr. Hawes:

Subject: NCAH Pump Station Renovation – Final Acceptance and Certification of Completion

Based on the OWNER occupying the site and operating the facility, in addition to inspections by the OWNER and Stanley Consultants, Inc., I hereby certify that the above-referenced project has been completed in accordance with the plans and specifications. We recommend acceptance of the project by the OWNER.

Sincerely,

Stanley Consultants, Inc.

Edwin R. Slattery, P.E.
Project Manager

ERS:jmr \dsm-fs1\projects_f\2254304\Active\04\01\20131213ltr_HawesCertCompletion.docx

COUNCIL ACTION FORM

SUBJECT: WATER POLLUTION CONTROL FACILITY SCADA PHASE II

BACKGROUND:

This project included a number of improvements to the Water Pollution Control Facility's Supervisory Control And Data Acquisition (SCADA) system.

This project for construction of the Water Pollution Control (WPC) Facility SCADA Phase II project was originally shown in the FY 09/10 Capital Improvements Plan with a budget of \$450,000. After taking bids, it was determined that that amount was insufficient to cover both design and construction costs. Savings from other projects were then identified, which allowed this project budget to be adjusted to \$496,782. On May 24, 2011, Council awarded this contract to Automatic Systems Company of Ames, Iowa in the amount of \$412,250.

The project was substantially completed on December 12, 2012. The original contract included up to 80 hours of contractor call-back time to make modifications requested by the City. Following completion of the original project tasks, Staff negotiated with Automatic Systems Company to utilize those call-back hours to assist the City in replacing the WPC Facility's SCADA server and work stations. For this reason, the contract has remained open to date. All construction activity has now been completed by the contractor to staff's satisfaction. An Engineer's Certification of Completion is attached.

Four change orders, totaling \$24,079, were required to complete the work as originally intended, resulting in a final construction cost of \$436,329.

ALTERNATIVES:

1. Accept completion of the WPCF SCADA Phase II project and release retainage to Automatic Systems Company in the amount of \$21,816.45; and accept December 12, 2012 as the start date of the project's two-year warranty.
2. Do not accept completion of the WPCF SCADA Phase II project at this time.

MANAGER'S RECOMMENDED ACTION:

All work related to the WPCF SCADA Phase II project has been completed by Automatic Systems Company to staff's satisfaction.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.



Barr Engineering Company
4700 West 77th Street • Minneapolis, MN 55435-4803
Phone: 952-832-2600 • Fax: 952-832-2601 • www.barr.com

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January 2, 2014

City of Ames
Water and Pollution Control Department
Attn: Mr. Matt Hawes
300 East Fifth Street, Building 1
Ames, IA 50010-9337

Re: City of Ames, Iowa
Water and Pollution Control Department
Water Pollution Control Facility
Contract between the City of Ames
and Automatic Systems Co.
SCADA Improvements Phase II

Dear Mr. Hawes,

In response to the inquiry regarding the completion of the supervisory control and data acquisition system (SCADA), Phase II improvement project at the Water Pollution Control Facility, it is our opinion that the project is substantially complete as of December 12, 2012.

Upon confirmation that the final tax certificates and related information have been received by the City, and are in order, the recommendation is that the project be considered complete.

If you have questions, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul E. Kaeding". The signature is written over the typed name and title below it.

Paul E. Kaeding, PE
Barr Engineering Co.

ITEM# 27
DATE: 01-14-14

COUNCIL ACTION FORM

SUBJECT: 2008/09 TRAFFIC SIGNAL REPLACEMENT PROGRAM (LINCOLN WAY & SHELDON AVENUE)

BACKGROUND:

This project included the removal and salvage of existing traffic signal facilities at this intersection, along with the installation of new traffic signal poles, cabinet, radar based vehicle-bike detection, Americans with Disabilities Act (ADA) vibrotactial pedestrian push-buttons, ADA compliant pedestrian ramps, and required pavement markings. This project brought this traffic signal system into compliance with existing local, state, and federal requirements.

On October 23, 2012, City Council awarded this contract to KWS, Inc. of Cedar Falls, Iowa, in the amount of \$185,983.50. Construction was completed in the amount of \$200,451.66. Engineering costs were estimated in the amount of \$21,388.80, bringing total project costs to \$221,840.46.

This project was included in the 2008/09 Capital Improvements Plan (CIP) with funding in the amount of \$175,000 from Road Use Tax and \$50,000 from a Traffic Safety Improvement Grant program for eligible items only. Total project funding was in the amount of \$225,000. Project savings estimated in the amount of \$3,159.54 will be returned to the Road Use Tax Fund.

CONTRACTOR PERFORMANCE:

KWS, Inc. began work on the Lincoln Way and Sheldon Avenue traffic signal replacement project on May 13, 2013, as scheduled. Minor setbacks relating to utility conflicts, pedestrian facility design, and weather impeded the completion of the project by nearly 10 working days. The new traffic signals were put into service on June 27, 2013, and were considered substantially complete by the scheduled completion date of July 19, 2013.

On July 1, 2013, City staff began inspections of the installed portions of the traffic signals and noticed several items were not installed per the manufacturer's recommendations or in the manner specified in the project plans. Additionally, several tasks were not completed to the workmanship standards we expect in order to ensure the quality and reliability of these improvements for years to come.

On July 3, 2013, a list of issues relating to the project's completion was sent to the project manager, and a meeting to discuss these issues was requested. In this meeting, the contractor was provided with clear expectations of the safety, quality, and reliability

of work that must be achieved before final acceptance. Over the course of four months following this meeting, City staff spent several hours communicating remaining issues, re-inspecting, training, and assisting the contractor in completing the project. On November 8, 2013, all punch list items were finished.

Liquidated damages, as specified in the contract, are \$400 per calendar day. Because the project was considered substantially complete and a meeting with the contractor to discuss the remaining issues and possible solutions had taken place, liquidated damages were not assessed following the scheduled completion date of July 19, 2013. However, on October 18, 2013, staff found that the contractor was not resolving the remaining issues in a timely manner and drafted a letter to the contractor stating that liquidated damages would be assessed if the remaining issues were not resolved within 30 days. Following that letter, the contractor resolved these issues on November 8, 2013.

Given the difficult experience and extended amount of staff time involved with inspecting, training, and assisting the contractor in completing this project, careful consideration will be given regarding whether or not to award future projects to this company.

ALTERNATIVES:

1. Accept the 2008/09 Traffic Signal Replacement Program (Lincoln Way & Ash Avenue) as completed by KWS, Inc. of Cedar Falls, Iowa, in the amount of \$200,451.66.
2. Direct staff to pursue modifications to the project.

MANAGER'S RECOMMENDED ACTION:

After lengthy efforts to assure that this project was installed in an acceptable manner and in accordance with the City's specifications, the work has now been completed.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.

ITEM# 28
DATE: 01-14-14

COUNCIL ACTION FORM

SUBJECT: 2009/10 TRAFFIC SIGNAL REPLACEMENT PROGRAM (LINCOLN WAY & ASH AVENUE)

BACKGROUND:

This project included removal and salvage of the existing traffic signal facilities at Lincoln Way and Ash Avenue, and installation of new traffic signal poles, cabinet, radar based vehicle-bike detection, Americans with Disabilities Act (ADA) vibrotactial pedestrian push-buttons, ADA compliant pedestrian ramps, and required pavement markings. This project brought this traffic signal system into compliance with existing local, state, and federal requirements.

On October 23, 2012, City Council awarded the contract to KWS, Inc. of Cedar Falls, Iowa, in the amount of \$160,919.23. Construction was completed in the amount of \$165,600.51. Engineering costs were estimated in the amount of \$11,509.91, bringing total project costs to \$177,110.42.

This project was included in the 2009/10 Capital Improvements Plan with funding in the amount of \$175,000 from Road Use Tax and \$50,000 from a Traffic Safety Improvement Grant program for eligible items only. Total project funding was in the amount of \$225,000. Project savings estimated in the amount of \$47,889.58 will be used cover project overages in the 2010/11 Traffic Signal Program that totaled \$12,690.26. This leaves a savings of \$35,199.32 to be returned to the Road Use Tax Fund.

CONTRACTOR PERFORMANCE:

KWS, Inc. began work on the Lincoln Way and Ash Avenue traffic signal replacement project on May 13, 2013, as scheduled. Minor setbacks relating to utility conflicts, pedestrian facility design, and weather impeded the completion of the project by nearly 10 working days. The new traffic signals were put into service on June 27, 2013, and were considered substantially complete by the scheduled completion date of July 19, 2013.

On July 1, 2013, our City staff began inspections of the installed portions of the traffic signals and noticed several items were not installed per the manufacturer's recommendations or in the manner specified in the project plans. Additionally, several tasks were not completed to the workmanship standards we expect in order to ensure the quality and reliability of these improvements for years to come.

On July 3, 2013, a list of issues related to the project's completion was sent to the project manager, and a meeting to discuss these issues was requested. In this meeting, the contractor was provided with clear expectations of the safety, quality, and reliability of work that must be achieved before final acceptance. Over the course of four months following this meeting, City staff spent several hours communicating remaining issues, re-inspecting, training, and assisting the contractor in completing the project. On November 8, 2013, all punch list items were finished.

Liquidated damages, as specified in the contract, are \$400 per calendar day. Because the project was considered substantially complete and a meeting with the contractor to discuss the remaining issues and possible solutions had taken place, liquidated damages were not assessed following the scheduled completion date of July 19, 2013. However, on October 18, 2013, we found the contractor was not resolving the remaining issues in a timely manner and drafted a letter to the contractor stating liquidated damages would be assessed if the remaining issues were not resolved within 30 days. Following this letter, the contractor resolved these issues on November 8, 2013.

Given the difficult experience and extended amount of staff time involved with inspecting, training, and assisting the contractor with completing the project, careful consideration will be given regarding whether or not to award future projects to this company.

ALTERNATIVES:

1. Accept the 2009/10 Traffic Signal Replacement Program (Lincoln Way & Ash Avenue) as completed by KWS, Inc. of Cedar Falls, Iowa, in the amount of \$165,600.51.
2. Direct staff to pursue modifications to the project.

MANAGER'S RECOMMENDED ACTION:

After lengthy efforts to assure that this project was installed in an acceptable manner and in accordance with the City's specifications, the work has now been completed.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.

ITEM# 29
DATE: 01-14-14

COUNCIL ACTION FORM

SUBJECT: 2010/11 TRAFFIC SIGNAL REPLACEMENT PROGRAM (28TH STREET/GRAND AVENUE)

BACKGROUND:

This project included the removal and salvage of existing traffic signal facilities, and installation of new traffic signal poles, cabinet, radar based vehicle-bike detection, Americans with Disabilities Act (ADA) vibrotactial pedestrian push-buttons, ADA compliant pedestrian ramps, and required pavement markings.

On October 23, 2012, City Council awarded this contract to Baker Electric of Des Moines, Iowa, in the amount of \$160,872.83. Construction has now been completed in the amount of \$166,632.52. Engineering costs are estimated in the amount of \$11,261.75, bringing total project costs to \$177,894.27.

This project was included in the 2010/11 Capital Improvements Plan with funding in the amount of \$40,000 from Road Use Tax and \$155,000 from a Traffic Safety Improvement Grant program for eligible items only. The total cost of grant eligible items came to \$131,529.22. Therefore, available funding for this project came to \$171,529.22. The additional \$6,365.05 needed to cover project costs will come from savings shown in the 2009/10 Traffic Signal Program.

ALTERNATIVES:

1. Accept the 2010/11 Traffic Signal Replacement Program (28th Street & Grand Avenue) as completed by Baker Electric of Des Moines, Iowa, in the amount of \$166,632.52.
2. Direct staff to pursue modifications to the project.

MANAGER'S RECOMMENDED ACTION:

This project has now been completed in accordance with the awarded contract.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.

ITEM# 30
DATE: 01-14-14

COUNCIL ACTION FORM

SUBJECT: 2010/11 TRAFFIC SIGNAL REPLACEMENT PROGRAM (S.E. 16TH STREET & S. DAYTON AVENUE)

BACKGROUND:

This project included removal and salvage of the existing traffic signal facilities, and installation of new traffic signal poles, cabinet, radar based vehicle-bike detection, Americans with Disabilities Act (ADA) vibrotactial pedestrian push-buttons, ADA compliant pedestrian ramps, and required pavement markings.

On October 23, 2012, City Council awarded this contract to Baker Electric of Des Moines, Iowa, in the amount of \$157,573.72. Construction has now been completed in the amount of \$159,285.00. Engineering costs were estimated in the amount of \$7,040.21, bringing total project costs to \$166,325.21. This project was included in the 2010/11 Capital Improvements Plan with funding in the amount of \$160,000 from Road Use Tax. The additional \$6,325.21 needed to cover project costs will come from savings shown in the 2009/10 Traffic Signal Program.

ALTERNATIVES:

1. Accept the 2010/11 Traffic Signal Replacement Program (SE 16th Street & S Dayton Avenue) as completed by Baker Electric of Des Moines, Iowa, in the amount of \$159,285.00.
2. Direct staff to pursue modifications to the project.

MANAGER'S RECOMMENDED ACTION:

This project has now been completed in accordance with the awarded contract.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.

COUNCIL ACTION FORM

**SUBJECT: FINAL COMPLETION OF WATER POLLUTION CONTROL FACILITY
TRICKLING FILTER PUMP STATION CHECK VALVE REPLACEMENT**

BACKGROUND:

On September 10, 2013, Council awarded a contract to replace check valves in the Water Pollution Control Facility's trickling filter pump station to Story Construction in the amount of \$62,900. The FY 13/14 Capital Improvements Plan included \$70,000 for this work.

All work under this contract has now been completed. The substantial completion date required by the contract is March 31, 2014, but work was completed early. There were no change orders on the project. A copy of the engineer's statement of completion is attached.

ALTERNATIVES:

1. Approve completion and authorize final payment, in accordance with the contract, to Story Construction for replacement of check valves in the trickling filter pump station.
2. Do not accept completion of the replacement of check valves in the trickling filter pump station.

MANAGER'S RECOMMENDED ACTION:

Work for the project has been completed in accordance with plans and specifications.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving completion and authorizing final payment to Story Construction for this project.



ENGINEER'S STATEMENT OF COMPLETION

Trickling Filter Pump Station Check Valve Replacement Project
Contract No. 2014-033

Engineer: Ames Water and Pollution Control Department

Contractor: Story Construction

I hereby state that the replacement of the check valves in the Trickling Filter Pump Station has been satisfactorily completed in general compliance with the terms, conditions, and stipulations of said contract.

The work was completed on December 17, 2013.

I further state that the total amount due the contractor for the fulfillment of said contract is \$62,900.00.

Kris Evans, Ph.D., P.E., Environmental Engineer
Water and Pollution Control Department

Date: 1/7/14

COUNCIL ACTION FORM

SUBJECT: PLAT OF SURVEY FOR 2121 SUNSET DRIVE

BACKGROUND:

Subdivision regulations for the City of Ames are included in Chapter 23 of the Ames Municipal Code. This Subdivision Code includes the process for creating or modifying property boundaries, and specifies whether any improvements are required in conjunction with the platting of property. The City also uses the Subdivision Code as means of reviewing the status of conveyance parcels, which are non-conforming lots created through a private conveyance of land, to determine if the lot is indeed a buildable lot. A Plat of Survey is a single-step review within Section 23.308 for City Council approval of minor activities, such as boundary line adjustments and conformance determination of conveyance parcels.

The property at 2121 Sunset Drive is the site of the Delta Tau Delta fraternity. (See Location Map – Attachment A) The property is comprised of five platted lots which are being consolidated into one platted lot. Delta Tau Delta intends to build a new fraternity building on the site. City Council approval will be required to demolish an existing or former Greek house in that neighborhood. The owner will submit that proposal at a later time.

The owner has agreed to provide two public utility easements along the east and west property lines where utilities currently exist. (See Proposed Plat of Survey – Attachment B) The easement documents, which do not require City Council approval, will be provided before the Plat of Survey is recorded.

ALTERNATIVES:

1. The City Council can adopt a resolution approving the proposed plat of survey.
2. The City Council can deny the proposed plat of survey if the Council finds that the requirements for plats of survey as described in Section 23.308 have not been satisfied.
3. The City Council can refer this back to staff and/or the owner for additional information.

CITY MANAGER'S RECOMMENDED ACTION:

Staff has determined that the proposed plat of survey satisfies all code requirements pursuant to 23.308(4)(c), and has rendered a preliminary decision to approve the proposed plat of survey.

Therefore, it is the recommendation of the City Manager that the City Council accept Alternative #1, thereby adopting the resolution approving the proposed plat of survey subject to receipt of the signed public utility easements.

Approval of the resolution will allow the applicant to prepare the official plat of survey, and the Planning & Housing Director to review and sign the plat of survey confirming that it fully conforms to all conditions of approval. Once signed by the Planning & Housing Director, the prepared plat of survey may then be signed by the surveyor and recorded in the office of the County Recorder.

SUBJECT: PLAT OF SURVEY FOR 2121 SUNSET DRIVE

Application for a proposed plat of survey has been submitted for:

- Conveyance parcel (per Section 23.307)
- Boundary line adjustment (per Section 23.309)
- Re-plat to correct error (per Section 23.310)
- Auditor's plat (per Code of Iowa Section 354.15)

The site is located at:

Owner: Gamma Pi of Delta Tau Delta
Street Address: 2121 Sunset Drive

Assessor's Parcel #: 0909227030

Legal Description: Lots 1, 2, 3, 4, & 5 Zentmire's Subdivision

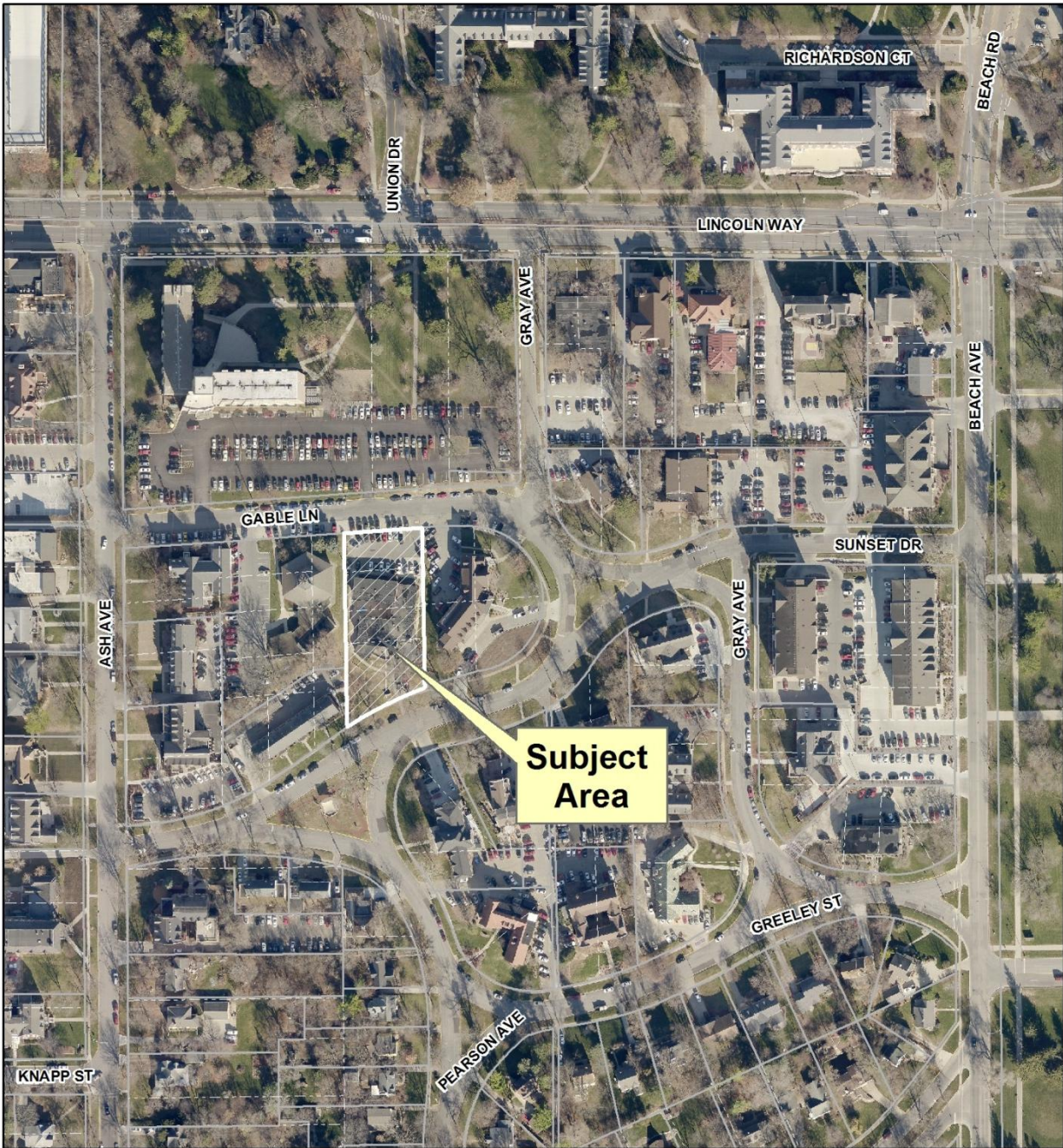
Public Improvements:

The preliminary decision of the Planning Director finds that approval requires all public improvements associated with and required for the proposed plat of survey be:

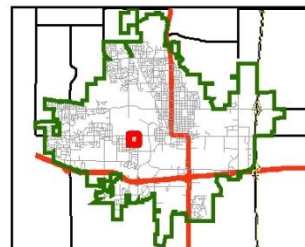
- Installed prior to creation and recordation of the official plat of survey and prior to issuance of zoning or building permits.
- Delayed, subject to an improvement guarantee as described in Section 23.409.
- Not Applicable.

Note: The official plat of survey is not recognized as a binding plat of survey for permitting purposes until a copy of the signed and recorded plat of survey is filed with the Ames City Clerk's office and a digital image in Adobe PDF format has been submitted to the Planning & Housing Department.

**ATTACHMENT A
LOCATION MAP**

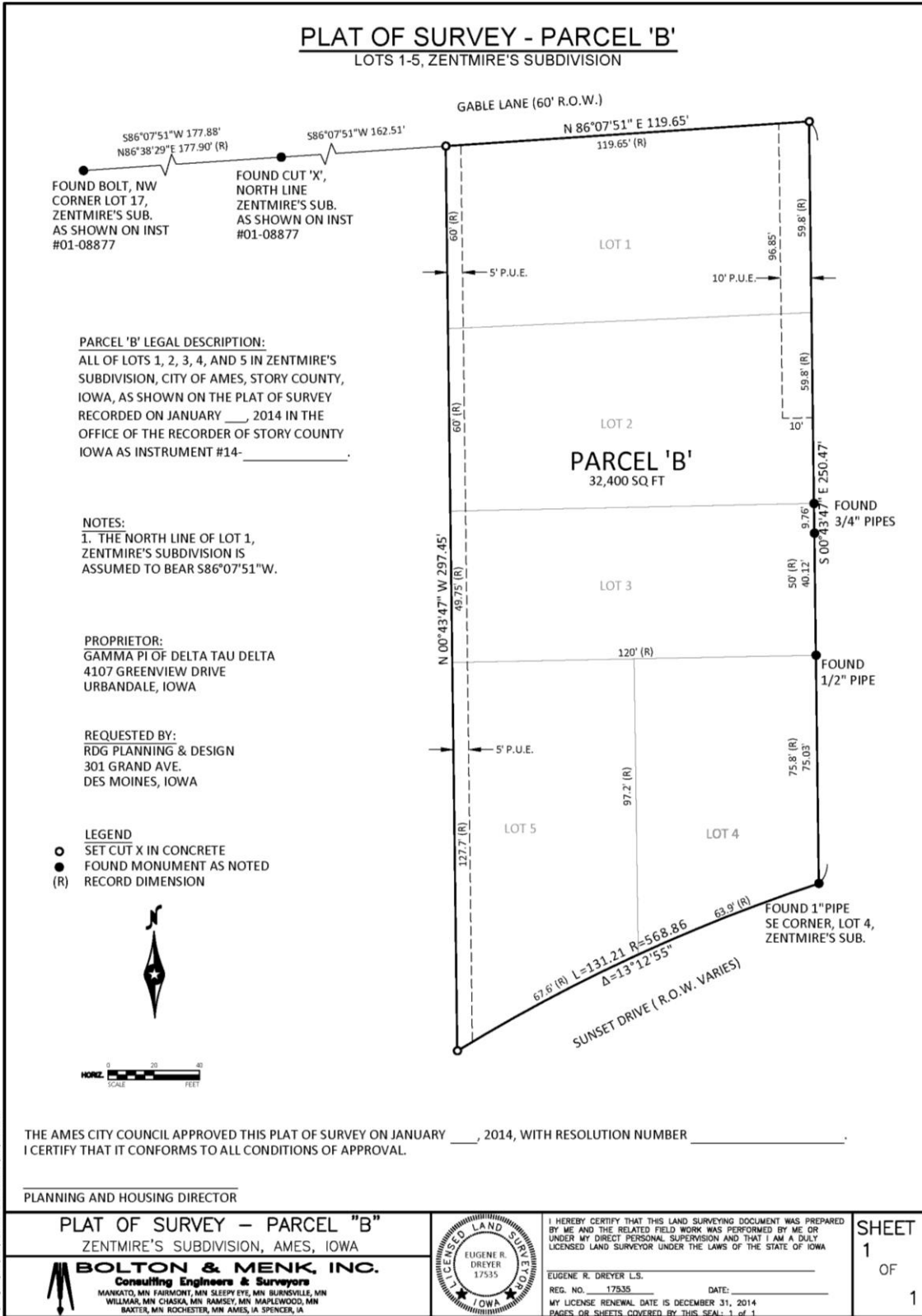


**Location Map
2121 Sunset Drive**



ATTACHMENT B PROPOSED PLAT OF SURVEY

PREPARED BY: EUGENE DREYER BOLTON & MENK, INC. 2730 FORD PO BOX 668 STREET AMES, IA (515) 233-6100





December 12, 2013

Honorable Mayor and Council Members
City of Ames
Ames, Iowa 50010

Ladies and Gentlemen:

I hereby certify that the utilities, curb and gutter, and base asphalt paving required as a condition for approval of the final plat of **Northridge Heights, 16th Addition** have been completed in an acceptable manner by **Ames Trenching & Excavating of Ames, IA and Manatts, Inc. of Ames, IA**. The above-mentioned improvements have been inspected by the Engineering Division of the Public Works Department of the City of Ames, Iowa and found to meet City specifications and standards.

As a result of this certification, it is recommended that the financial security for public improvements on file with the City for this subdivision be set at **\$66,465**. The remaining work covered by this financial security includes the asphalt surfacing, street lighting, pedestrian ramps, and erosion control.

Sincerely,

John C. Joiner, P.E.
Director

JJ/jc

cc: Finance, Contractor, Construction Supervisor, PW Senior Clerk, Planning & Housing,
Subdivision file

Description	Unit	Quantity
Class 13 Excavation	CY	93000
Sub-grade Preparation	SY	5710
Sanitary Sewer Main, 8"	LF	1459
Sanitary Sewer Stub, 4"	EA	25
15" RCP, CL III	LF	607
18" Storm Sewer, CL III	LF	108
18" Gasketed RCP, CL III	LF	59
18" Storm Sewer (In 24" Steel Casing, Tunneled in Place)	LF	140
18" Storm Sewer Unclassified	LF	460
24" RCP, CL III	LF	366
36" RCP, CL III	LF	1292
42" RCP, CL III	LF	70
18" RCP Apron	EA	1
18" Unclassified Apron	EA	1
42" RCP Apron	EA	1
Subdrain, Perforated, 4"	LF	1934
Footing Drain Collector, 6"	LF	519
Footing Drain Cleanout, 6"	EA	3
Subdrain Outlets	EA	4
Storm Sewer Service Stub, PVC, 1.5"	EA	25
8" Water Main	LF	1268
12" Water Main	LF	360
8", 11.25 Degree MJ Bend	EA	6
8", 22.5 Degree MJ Bend	EA	5
12"x8" MJ Cross	EA	1
Water Service Stub, 1"	EA	25
Valve, MJ, Gate, 8"	EA	2
Valve, MJ, Gate, 12"	EA	2
Hydrant and Hydrant Run	EA	4
Remove and Relocate Temporary Hydrant and Hydrant Run	EA	1
Remove Temporary Hydrant and Hydrant Run	EA	2
Manhole, SW-301, 48"	EA	6
Manhole, SW-301, 48" (Storm)	EA	3
Manhole, SW-401, 60"	EA	1
Manhole, SW-401, 72"	EA	2
Manhole, SW-401, 84"	EA	1
Intake, SW-501	EA	5
Intake, SW-503	EA	8
Intake, SW-505	EA	1
Intake, SW-506	EA	1
30" PCC Curb and Gutter	LF	2950
Pavement, HMA, 8"	SY	2935

Pavement, HMA, 9.5"	SY	1300
Sidewalk PCC, 6"	SY	50
Detectible Warning	SF	90
Conventional Seeding, Fertilizing, and Mulching	AC	35
Filter Sock	LF	3500
Silt Fence-Install, Maint. & Removal	LF	3500
Stabilized Construction Entrance	EA	2
Rip Rap, Class D	TN	70
Erosion Control Mulching, Conventional	AC	35
Inlet Protection Device-Install, Maint. & Removal	EA	16

Applicant

Name of Applicant:	<u>Louis Pederaza</u>		
Name of Business (DBA):	<u>Mangostinos</u>		
Address of Premises:	<u>604 east lincoln way</u>		
City:	<u>Ames</u>	County:	<u>Story</u> Zip: <u>50010</u>
Business Phone:	<u>(515) 233-3371</u>		
Mailing Address:	<u>604 east lincoln way</u>		
City:	<u>Ames</u>	State:	<u>IA</u> Zip: <u>50010</u>

Contact Person

Name:	<u>Louis</u>		
Phone:	<u>(515) 233-3371</u>	Email Address:	

Classification: Special Class C Liquor License (BW) (Beer/Wine)Term: 12 monthsEffective Date: 01/10/2014Expiration Date: 01/09/2015

Privileges:

Outdoor Service
Special Class C Liquor License (BW) (Beer/Wine)
Sunday Sales

Status of Business

BusinessType:	<u>Sole Proprietorship</u>		
Corporate ID Number:		Federal Employer ID #	

Ownership**Louis Pederaza**First Name: LouisLast Name: PederazaCity: AmesState: IowaZip: 50010Position owner% of Ownership 100.00 %

U.S. Citizen

Insurance Company Information

Insurance Company:	<u>Founders Insurance Company</u>		
Policy Effective Date:	<u>01/10/2014</u>	Policy Expiration Date:	<u>01/10/2015</u>
Bond Effective Continuously:		Dram Cancel Date:	
Outdoor Service Effective Date:		Outdoor Service Expiration Date:	
Temp Transfer Effective Date:		Temp Transfer Expiration Date:	

Applicant

Name of Applicant:	<u>LJPS, Inc.</u>		
Name of Business (DBA):	<u>Olde Main Brewing Company</u>		
Address of Premises:	<u>2321 North Loop Drive</u>		
City: <u>Ames</u>	County: <u>Story</u>	Zip: <u>50010</u>	
Business Phone:	<u>(515) 232-0553</u>		
Mailing Address:	<u>PO Box 1928</u>		
City: <u>Ames</u>	State: <u>IA</u>	Zip: <u>50010</u>	

Contact Person

Name:	<u>Matt Sinnwell</u>		
Phone:	<u>(505) 400-5981</u>	Email Address:	<u>mattombc@gmail.com</u>

Classification: Class C Liquor License (LC) (Commercial)

Term: 5 days

Effective Date: 01/18/2014

Expiration Date: 01/22/2014

Privileges:

Class C Liquor License (LC) (Commercial)

Status of Business

BusinessType:	<u>Privately Held Corporation</u>		
Corporate ID Number:	<u>286196</u>	Federal Employer ID #	<u>77-0613629</u>

Ownership

Daniel Griffen

First Name: Daniel

Last Name: Griffen

City: Potomac

State: Maryland

Zip: 24854

Position Owner

% of Ownership 25.00 %

U.S. Citizen

Scott Griffen

First Name: Scott

Last Name: Griffen

City: Ames

State: Iowa

Zip: 50010

Position Owner

% of Ownership 50.00 %

U.S. Citizen

Susan Griffen

First Name: Susan

Last Name: Griffen

City: Potomac

State: Maryland

Zip: 24854

Position Owner

% of Ownership 25.00 %

U.S. Citizen

Insurance Company Information

Insurance Company: Founders Insurance Company

Policy Effective Date: 01/18/2014

Policy Expiration Date: 01/23/2014

Bond Effective Continuously:

Dram Cancel Date:

Outdoor Service Effective Date:

Outdoor Service Expiration Date:

Temp Transfer Effective Date:

Temp Transfer Expiration Date:

Applicant

Name of Applicant:	<u>Burgers Ink LLC</u>		
Name of Business (DBA):	<u>Charlie Yoke's</u>		
Address of Premises:	<u>2518 Lincoln Way</u>		
City: <u>Ames</u>	County: <u>Story</u>	Zip: <u>50014</u>	
Business Phone:	<u>(515) 292-3328</u>		
Mailing Address:	<u>2518 Lincoln Way</u>		
City: <u>Ames</u>	State: <u>IA</u>	Zip: <u>50014</u>	

Contact Person

Name:	<u>Jason Crimmins</u>		
Phone:	<u>(515) 450-9688</u>	Email Address:	<u>charlieyokes@gmail.com</u>

Classification: Class C Liquor License (LC) (Commercial)Term: 12 monthsEffective Date: 01/14/2014

Expiration Date:

Privileges:

Class C Liquor License (LC) (Commercial)**Status of Business**

BusinessType:	<u>Limited Liability Company</u>		
Corporate ID Number:	<u>437709</u>	Federal Employer ID #	<u>45-5412828</u>

Ownership**Jason Crimmins**First Name: JasonLast Name: CrimminsCity: AmesState: IowaZip: 50014Position Owner% of Ownership 50.00 %

U.S. Citizen

Michael RobertsFirst Name: MichaelLast Name: RobertsCity: BooneState: IowaZip: 50036Position Owner% of Ownership 50.00 %

U.S. Citizen

Insurance Company Information

Insurance Company: Illinois Casualty Co

Policy Effective Date: 01/14/2014

Policy Expiration Date: 02/11/2014

Bond Effective Continuously:

Dram Cancel Date:

Outdoor Service Effective Date:

Outdoor Service Expiration Date:

Temp Transfer Effective Date:

Temp Transfer Expiration Date:

ITEM # 38
DATE: 01-14-14

COUNCIL ACTION FORM

SUBJECT: ENCROACHMENT PERMIT FOR SIGN AT 2401 CHAMBERLAIN STREET

BACKGROUND:

The owner of the building at 2401 Chamberlain Street, Ravinder Singh, has requested an encroachment permit to allow a sign to occupy City right-of-way. The proposed sign is 16.67 square feet, and should not impair the operation of the road way or sidewalk.

The requirements of Section 22.3 of the *Municipal Code* have been met with the submittal of a hold-harmless agreement signed by the property owner, and a certificate of liability insurance coverage which protects the City in case of an accident. The fee for this permit was calculated at \$25, and that amount has been received by the City Clerk's Office.

ALTERNATIVES:

1. Approve the encroachment request for 2401 Chamberlain Street.
2. Deny the request.

MANAGER'S RECOMMENDED ACTION:

This encroachment will not unnecessarily impede the public's use of this right of way.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby granting the encroachment permit for the sign.

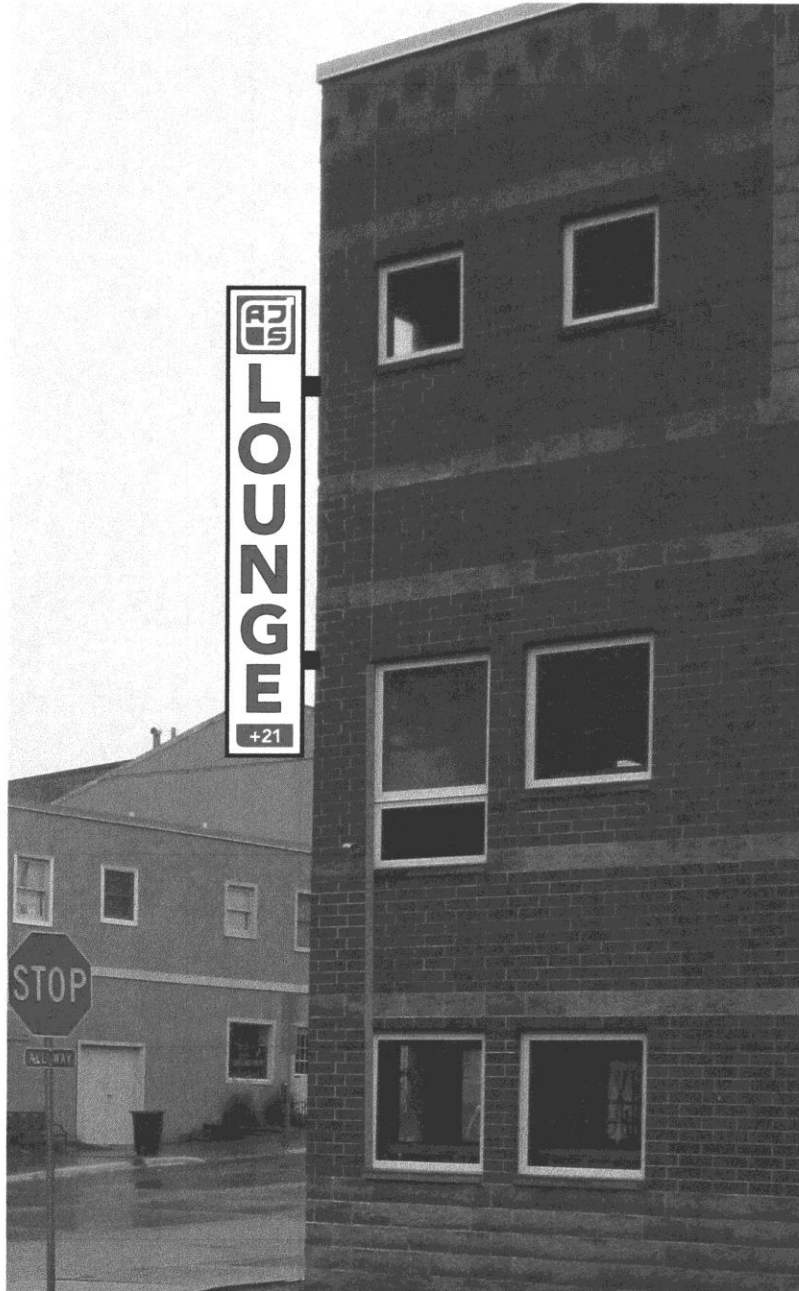


client: _____
phone: _____
contact: Scott Tanner
ph/fax: 232-4738 / 232-2202

proof accepted

CUSTOMER INITIALS

First Class SIGNS
720 E. Lincoln Way Ames, Iowa 50010



- 20" x 10' aluminum cabinet
- 2 sided
- LED channel letters mounted on both sides

This design is property of First Class SIGNS, and is not to be reproduced or copied without the express written consent of First Class SIGNS.

THE COLORS REPRESENTED IN THIS PRINT MAY NOT MATCH THE PMS CHIP, VINYL, OR PAINT EXACTLY.

If not returned within 30 days from date, we reserve the right to charge for creative time involved in development.

COUNCIL ACTION FORM

**SUBJECT: MAIN STREET CULTURAL DISTRICT REQUESTS FOR JANUARY
DOLLAR DAYS**

BACKGROUND:

The Main Street Cultural District (MSCD) is planning to host its annual Dollar Days sidewalk sales from January 30 through February 1, 2014. MSCD has made the following requests of the City Council:

- a. Waiver of parking meter fees and enforcement in the Central Business District (CBD) from 8:00 a.m. to 6:00 p.m., Thursday, January 30, through Saturday, February 1 (**a loss of approximately \$2,700 to the Parking Fund**)
- b. Blanket Temporary Obstruction Permit for CBD sidewalks from 8:00 a.m. to 6:00 p.m., January 30 – February 1
- c. Blanket Vending Permit for entire CBD for January 30 – February 1
- d. Waiver of fee for Blanket Vending Permit

ALTERNATIVES:

1. The City Council can approve the January Dollar Days requests as submitted by the Main Street Cultural District
2. The City Council can deny these requests.

MANAGER'S RECOMMENDED ACTION:

The MSCD sidewalk sale is a successful event held twice a year. Since these events bring shoppers to the MSCD, these requests further the goal to support the downtown business district..

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the January Dollar Days requests as submitted by the MSCD.



January 2, 2014

Mayor and City Council
City of Ames
515 Clark Ave
Ames, IA 50010

Dear Honorable Mayor Campbell and City Council,

The Main Street Cultural District is planning to hold its annual Downtown Dollar Days sale from Thursday, January 30 through Saturday, February 1. Dollar Days is a semi-annual event designed to promote shopping in the Cultural District. In past years, this event has proven to be a successful sale for the many businesses who participate. At this time, MSCD requests the council to consider three specific requests:

1. The MSCD requests a district wide waiver of parking fees all day beginning Thursday, January 30 through Saturday, February 1 to help attract additional patrons downtown.
2. The MSCD requests a temporary obstruction permit for the entire Central Business District (CBD) to allow businesses to use the sidewalk in front of their stores to sell and display merchandise. MSCD requests the permit for January 30 through February 1.
3. The MSCD requests a Blanket Vending Permit for the entire CBD. MSCD requests the permit for January 30 through February 1 and further request the vending permit fee be waived.

Thank you for your consideration of these requests and continued support of the Main Street Cultural District. We look forward to seeing you at the end of January for the Dollar Days sale.

Sincerely,

A handwritten signature in black ink that reads "Cari Hague".

Cari Hague
Executive Director
Main Street Cultural District

Cc: Jeff Benson

Staff Report

**Ames Golf and Country Club Request to be Removed
from the Ames Northern Growth Area**

January 14, 2014

BACKGROUND

The Ames Golf and Country Club (AGCC) has requested that the AGCC be removed from the Northern Growth Area (see location in Attachment 1). The AGCC is outside of the City of Ames, but abuts the City along AGCC's eastern border and is within the Ames Northern Growth Area designation. AGCC has an Ames Urban Fringe Plan designation of Rural Transition Residential Area. **AGCC desires to develop a rural residential subdivision in the future on approximately 20 acres of their 155 acre property.** Mr. Larry Curtis' request on behalf of the AGCC (Attachment 2) was referred to staff by the City Council on October 29, 2013 for a staff report to Council.

AGCC seeks clarification of the Land Use Policy Plan designation and the Ames Urban Fringe Plan related to long term development interests of the City and their desire to proceed with a subdivision without annexation. This report provides background on the Allowable Growth Areas of Ames and the Ames Urban Fringe Plan, how these policies currently apply to the Ames Golf and Country Club, and what options the City Council may consider regarding their request.

The City of Ames manages growth through a combination of subdivision and land use controls. The Land Use Policy Plan (LUPP) provides policy direction on future growth and expansion of corporate boundaries. Additionally, the LUPP incorporates the Ames Urban Fringe Plan (AUF) to coordinate development within 2 miles of the City. The AUF is accompanied by a cooperative 28E Implementation Agreement between Ames, Gilbert, and Story County. The AUF contains a shared common vision of development that incorporates land use controls as well as applicability of subdivision requirements. The chief project-level development control for the City is application of its Subdivision Code (Chapter 23) to the 2-mile fringe area as authorized by the Code of Iowa.

Land Use Policy Plan:

Chapter 6 of the LUPP identifies the three Allowable Growth Areas of the City: North, Northwest, and Southwest. (See Attachment 3 for an excerpt of the map.) Growth areas are intended to direct the policy of the City on planning for new residential development and provision of services. **The LUPP assumes that land within Growth Areas will eventually be annexed into the City to meet the City's projected population growth and will be served by Ames infrastructure. The North Growth area includes a development policy requiring that subdivision review include protection of the Ada Hayden Heritage Park and lake watershed.** Additionally, it is a non-incentivized growth area that requires development to bear the costs of infrastructure needed to provide for City services.

Prior to 2010, the City's Growth Areas comprised only the Northwest and Southwest. Following a request by the Rose Prairie developers for annexation, the City initiated a review of the Allowable Growth Areas and, in 2010, added an area north and west of Ada Hayden Heritage Park. This North Growth Area extended from George Washington Carver Avenue in the west to the H. P. Jensen Subdivision (around Alta Vista Court) in the east.

In early 2013, the City Council again amended the North Growth Area to include the Athen property on the west side of George Washington Carver Avenue to allow for annexation of that land.

Any modification to Northern Growth Area boundaries would be processed as a LUPP Amendment that requires a Planning and Zoning Commission recommendation and a resolution by the City Council.

Ames Urban Fringe Plan:

The Ames Urban Fringe (AUF) is the area within 2 miles of the City limits. The Ames Urban Fringe Plan and 28E Implementation Agreement were adopted by Ames, Gilbert, and Story County to provide consistency in land use decisions, provide expectations to landowners, and describe processes for approval of development in the Ames fringe. The plan was initially developed in 2006. **Additionally, the City has limited its annexation powers to be consistent with the AUF in that a site must be designated Urban Service area prior to its annexation to the City.** The AUF may be amended as allowed for in the 28E Implementation Agreement and is treated in the same manner as a LUPP Amendment.

The AUF identifies three broad classes of land use to meet its shared goals. Each class has a description of what type of development is allowed and whether annexation into either Ames or Gilbert is expected prior to development during the expected life of the AUF (to 2030). (See Attachment 4 for an excerpt of the map.) The classifications also set the stage for subdivision improvement expectations.

These land use classes are described as follows:

- ***Rural Service and Agricultural Conservation:*** These are areas where development must be consistent with the goal of preserving agricultural production land. **There is no expectation of annexation into Ames.**

Within these areas, the City has waived its review of subdivisions in favor of Story County development regulations. Story County staff will provide information of rezoning and subdivisions to City staff for review and comment, but if the proposal is consistent with the AUF, **no approval or action by the City Council is necessary.**

- ***Rural/Urban Transitional:*** These are areas where development is possible during the life of the AUF. Annexation is possible, depending on proximity to the City.

Rural/Urban Transitional is further divided into Rural Transitional Residential and Priority Transitional Residential.

- Rural Transitional Residential (includes the Ames Golf and Country Club): This designation is less likely than Priority Transitional Residential to be annexed into the City. The AUF allows for densities between 3.75 and 1.00 dwelling units per acre. **The infrastructure requirements of the City subdivision ordinance (Design and Improvement Standards) apply unless waived by the City Council**
- Priority Transitional Residential: Areas with this designation are adjacent to the City limits. While annexation is likely within the life of the Plan, development can occur prior to annexation. **However, development is expected to meet a minimum of 3.75 units per acre and provide infrastructure equivalent to City services.**

To date, no development has occurred in a Priority Transitional Residential Area. Developers have sought (and the City Council has approved) changes to the AUF to designate portions of the Priority Transitional Area to Urban Residential and subsequent annexation (e. g., Rose Prairie and Athen).

- Urban Service and Urban Residential: These are areas that are adjacent to the City limits and are expected to be annexed prior to development. There may be an instance when a subdivision in the Urban Residential Areas is recommended prior to annexation, but it would be a rare case and would likely come with stringent conditions. **After annexation, full development is allowed at City densities (no less than 3.75 dwelling units per acre) and with full City services.**

Ames Subdivision Regulations:

The Northern Growth Area includes our extended subdivision review to all land within two miles of the Ames city limits. **Much of the Northern Growth Area is subject to Conservation Subdivision requirements to protect the Ada Hayden Lake watershed, and the Subdivision Code requires the installation of all utilities when a parcel of land is divided.** The Conservation Subdivision requirement is intended to protect Ada Hayden Lake from excessive surface and ground water contaminants, chiefly phosphorus and nitrogen, and to allow as much stormwater as possible to be absorbed into the ground close to where the rain falls.

When a request for a subdivision outside of the City is received, it generally includes a request for a waiver of City subdivision requirements (e.g. water, sewer, streets, sidewalks). In accordance with City policy, a request for waivers to the Design and Improvements Standards is not presented to the City Council unless and until the owner of the subject property presents covenants to the City, signed and ready for recording.

At a minimum, the City requires these three covenants that bind the owner and all subsequent owners of the subdivision to do the following:

- Seek voluntary annexation whenever the City Council asks them to do so.
- Pay any costs associated with the buyout of rural water service territory associated with a future annexation.
- Waive objections to any special assessment necessary to bring City infrastructure and services to their property in association with future annexation.

The City has obtained and recorded these covenants for approximately a dozen developments in the fringe of Ames. To date, the City Council has not yet sought annexation of any of those developments, since they are not yet adjacent to the City limits and are therefore ineligible for annexation.

REQUEST OF AMES GOLF AND COUNTRY CLUB

Ames Golf and Country Club lies within the Northern Growth Area of Ames and is classified as a Rural Transitional Residential Area in the Ames Urban Fringe Plan. These two different classifications are potentially in opposition of each other due to the expectation of eventual annexation for properties versus the potential allowance of rural development prior to annexation.

The Ames Golf and Country Club is willing to develop in a fashion similar to other nearby rural developments outside of the City. AGCC is proposing low-density residential development along portions of the perimeter of the golf course. Single-family housing is proposed along George Washington Carver Avenue and 190th Street, and townhomes are proposed along George Washington Carver Avenue for a total of potentially 25 units.

The AGCC partner developer (Bella Homes) is willing to sign the typical covenants to obtain waivers of City infrastructure requirements and submit a preliminary plat consistent with the City's Conservation Subdivision requirements. **These waivers would include allowing for Xenia water service and some method of septic treatment systems rather than a centralized sewer system.** The preliminary plat would be subject to City Council approval. If this was approved, development would then proceed outside of the City.

STAFF COMMENTS:

City Council is being asked to clarify the policy intent for the Northern Growth Area in relation to the AGCC property. **Staff would note that, beyond the policy issue of rural subdivision, there would still remain technical issues related to water and sewer services at the time of subdivision.**

In response to AGCC's request, Council appears to have the following three options:

Option #1: The City Council may articulate an interest to maintain the Northern Growth Area Designation for the AGCC property, express its expectation that all development will conform to urban infrastructure requirements of the Subdivision Code, and state an intent to not allow for rural subdivisions with waivers at this time.

This option is the most consistent with past City policy to not allow for new development without annexing to the City. The most significant example of this policy involved the proposed Rose Prairie development.

If Council chooses this option then no referral is warranted.

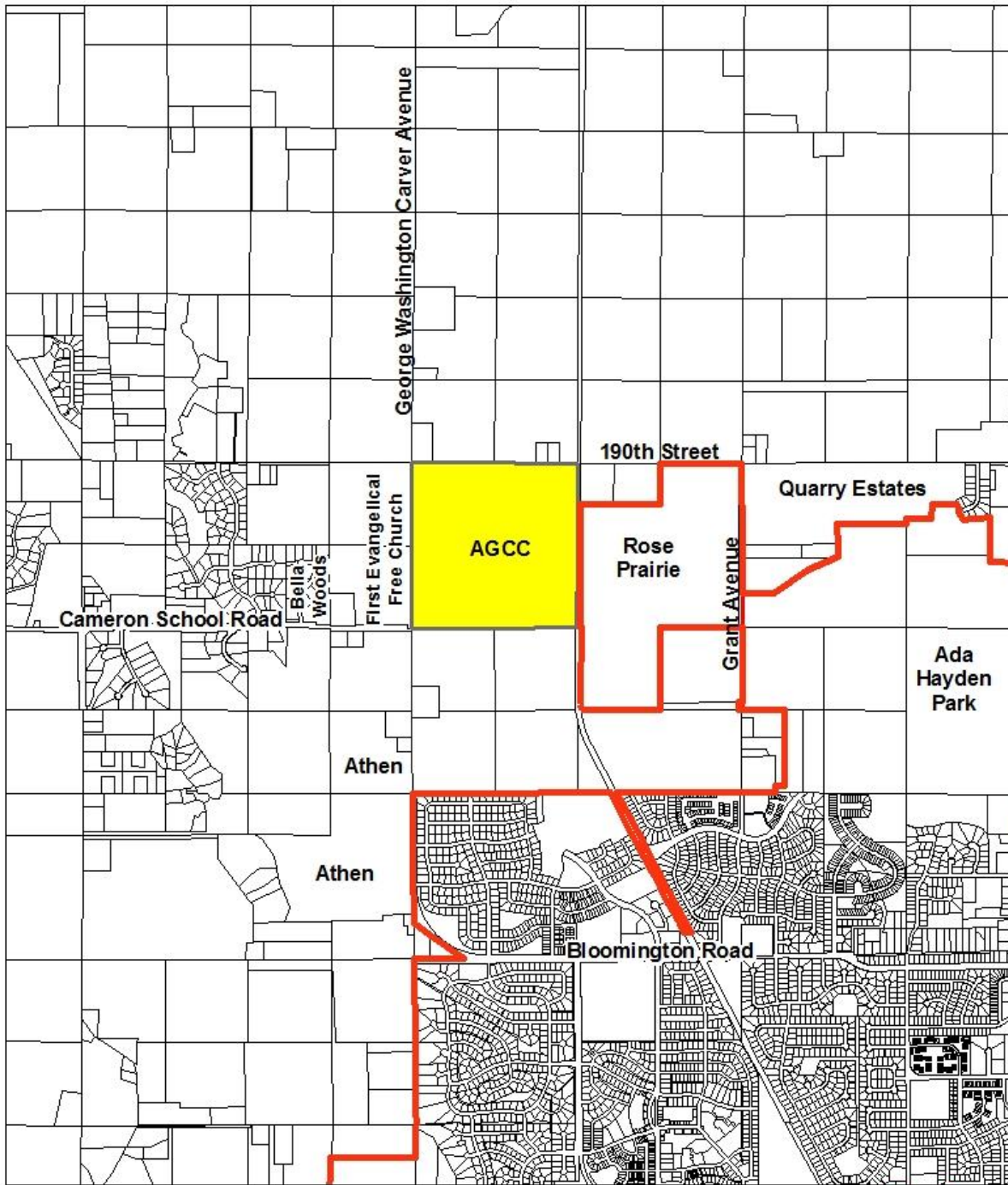
Option #2: City Council may find there is a policy balance between maintaining the Northern Growth Area Designation with its objectives in relation to AGCC and willingness to consider a potential rural subdivision in the near term without annexation that is consistent with the Rural Transitional Residential Area classification of the AUF.

If Council chooses this option then no referral is required. Under this option, Council would be indicating its willingness to consider the possibility of development of a rural subdivision in this area prior to annexation. With this option, the next step would be for AGCC to submit a Preliminary Plat, covenants, and a request for waivers to City subdivision requirements

Option #3: City Council may identify an interest in amending the LUPP to remove the Northern Growth Area Designation conflict with the Ames Urban Fringe Plan land use classification of Rural Transitional Residential Area.



If Council chooses this option then it will refer to staff the processing of a LUPP Amendment. A rural subdivision would then be processed and still be required to provide the typical covenants and be subject to Council approval of the preliminary plat.

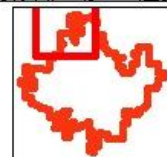
ATTACHMENT 1: AMES GOLF AND COUNTRY CLUB LOCATION



0 1,000 2,000
Feet

Legend

-  Ames City Boundary
-  Ames Golf and Country Club



ATTACHMENT 2: LETTER FROM AMES GOLF AND COUNTRY CLUB

10/29/2013

Around dais

PASLEY AND SINGER LAW FIRM, L.L.P.

— ESTABLISHED 1906 —

JOHN L. TIMMONS
JANE M. MATHISON
LARRY R. CURTIS
FRANKLIN J. FEILMEYER
—
JOHN A. TILLO*

*ALSO LICENSED IN ILLINOIS

323 SIXTH STREET
P.O. BOX 664
AMES, IOWA 50010-0664
TELEPHONE: (515) 232-4732
FAX: (515) 232-4756

SENDER'S EMAIL:
LCURTIS@SINGERLAW.COM

C. H. PASLEY (1876-1952)
R. G. PASLEY (1915-2007)
W. A. SINGER (1917-2011)
C. A. PASLEY (RETIRED)
S. A. HDLM (RETIRED)
SCOTT L. HIPPEN (RETIRED)

October 29, 2013

Mayor Ann Campbell and
Ames City Council
515 Clark Avenue
Ames, IA 50010

Re: Removal from Northern Growth Area,
City of Ames, Iowa

Dear Mayor Campbell and Ames City Council

On behalf of the Ames Golf and Country Club, we request removal of the Ames Golf and Country Club property from the City of Ames' Northern Growth Area. It is the intention of the Ames Golf and Country Club to develop property as proposed under the Story County Zoning and Subdivision regulation subject to the City's requirements as have been imposed on other developments in the close proximity of the Ames Golf and Country Club, namely those of the Evangelical Free Church and Bella Woods Subdivision.

Your attention to this matter is greatly appreciated.

Yours very truly,

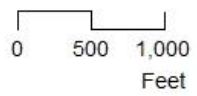
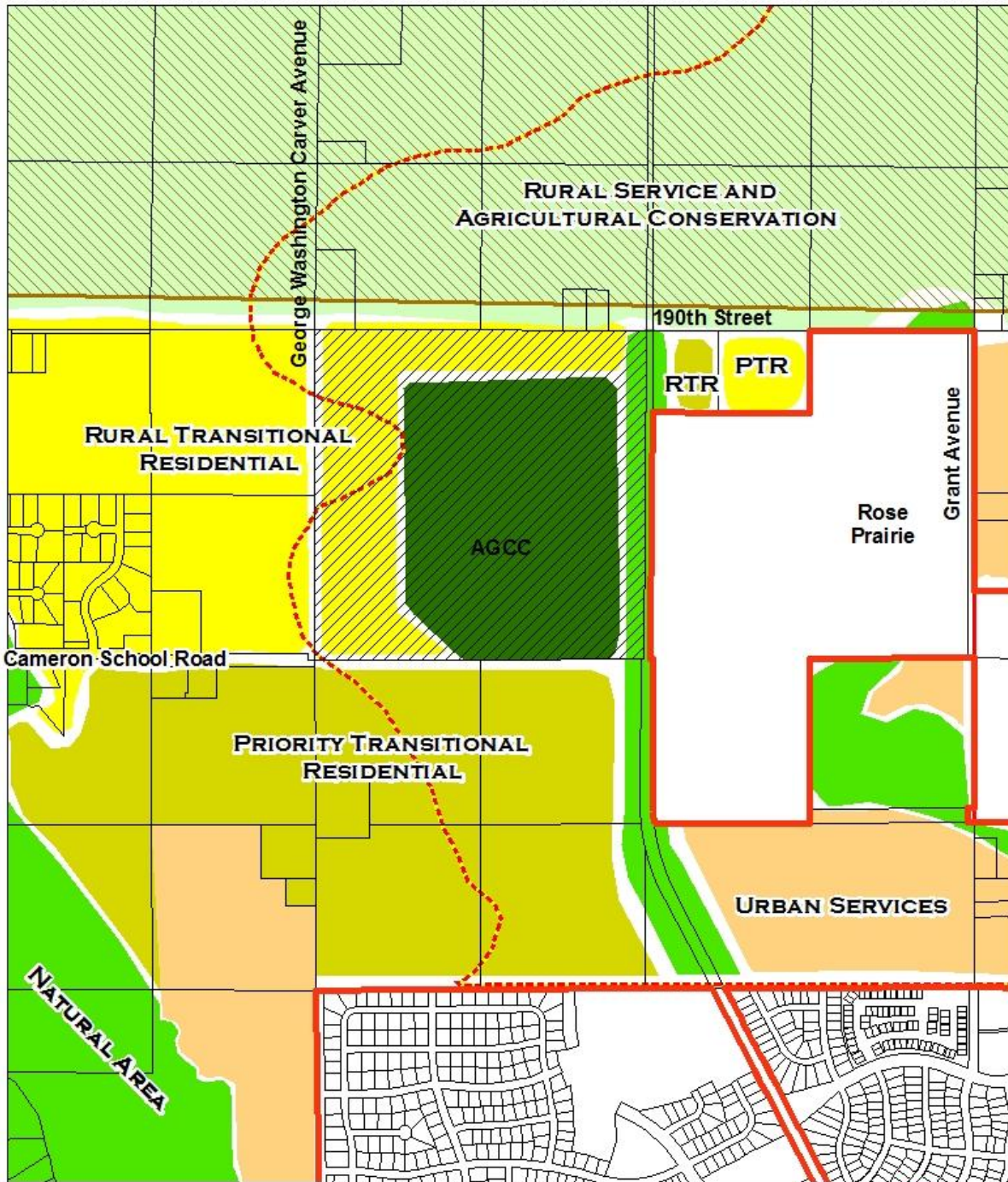


Larry R. Curtis
For the Ames Golf and Country Club

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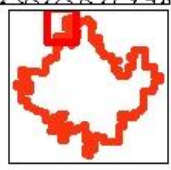
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ATTACHMENT 3: AMES URBAN FRINGE PLAN (EXCERPT)

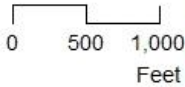
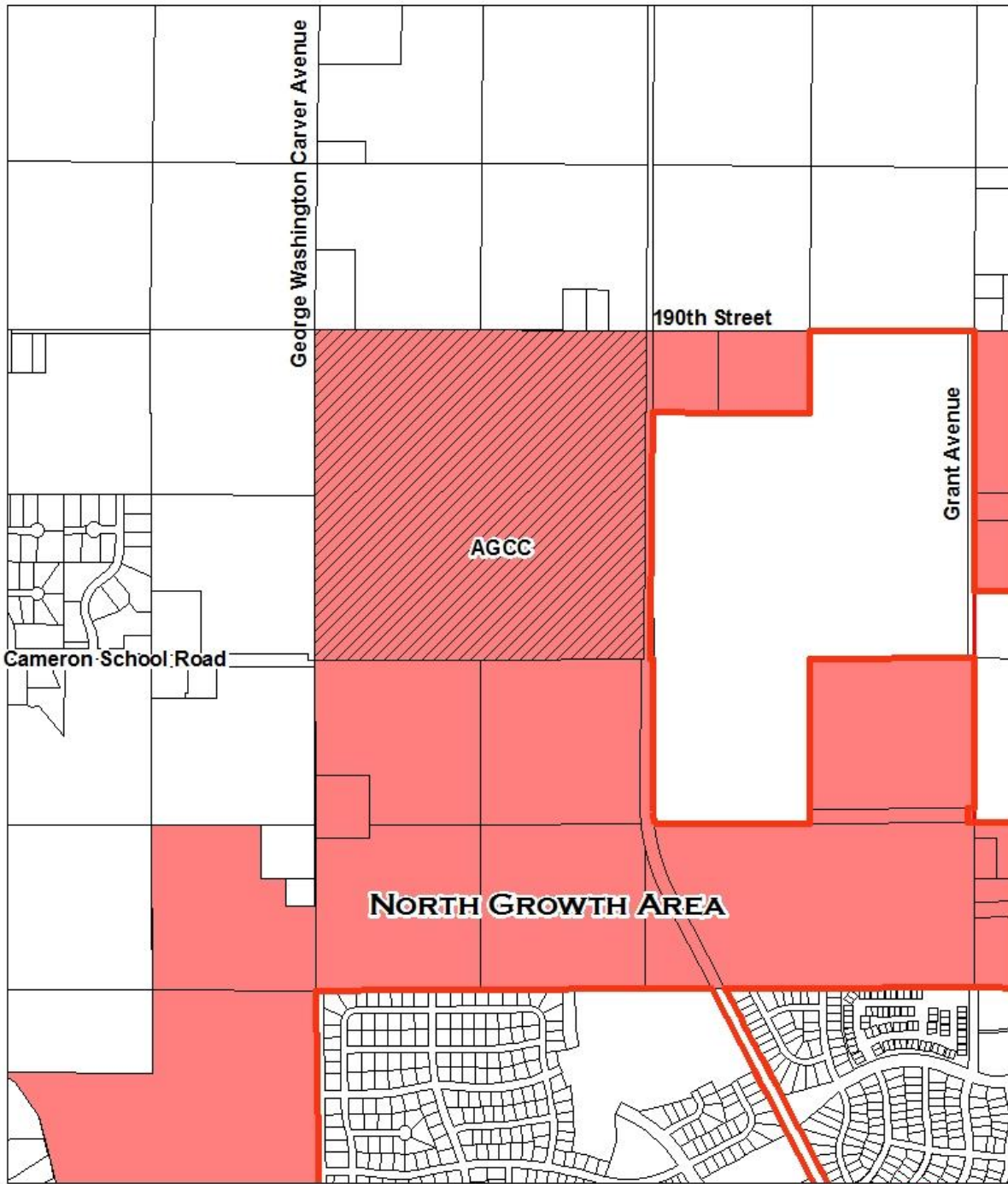


Legend



-  Ames City Boundary
-  Ames Golf and Country Club
-  Watershed Protection Area

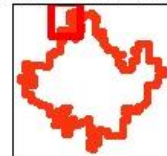


ATTACHMENT 4: LAND USE POLICY PLAN (EXCERPT)



Legend

-  Ames City Boundary
-  Ames Golf and Country Club



COUNCIL ACTION FORM**SUBJECT: 2012 CONSTRUCTION CODE UPDATES****BACKGROUND:**

Updates to a number of nationally recognized codes are adopted on three-year cycles. The codes up for update at this time include the following:

- International Building Code (IBC)
- International Residential Code (IRC)
- International Existing Buildings Code (IEBC)
- International Mechanical Code (IMC)
- International Fuel Gas Code (IFGC)
- Uniform Plumbing Code (UPC)
- International Fire Code (IFC)

These codes are utilized to provide the requirements, consistency and guidance as the City's Inspection Division reviews and inspects projects within the City. During the last adoption cycle Council approved the 2009 codes.

The first step in the code adoption process is an in depth review of the 2012 codes by Inspections staff. Inspections staff reviews not only the 2012 code books, but also reference materials that describe the significant changes between the 2009 and 2012 versions of the code. Research is also conducted with staff from other Iowa jurisdictions to understand their process and any stumbling blocks that they encountered along the way. Once a thorough review is complete, the process moves on to the Building Board of Appeals.

The Building Board of Appeals is a seven member board appointed by the Mayor with approval of the City Council. Each member is qualified by experience and training in matters pertaining to building construction. The membership of the Board consists of the following professionals:

- Licensed Architect
- Professional Engineer
- General Contractor
- Homebuilder
- Licensed Journeyman or Master Electrician, or Electrical Contractor
- Licensed Journeyman or Master Plumber, or Plumbing Contractor
- Licensed Master HVAC Technician, or Mechanical Contractor

The Building Board of Appeals is tasked with reviewing proposed text amendments to Ames *Municipal Code*, Chapter 5, Building, Electrical, Mechanical and Plumbing Code and Chapter 8, Fire Code. Proposed text amendments are reviewed by the Board at a public hearing before forwarding their recommendation to the City Council.

The Building Board of Appeals held a public hearing on September 9th to consider changes to the seven codes shown above, as well as to the International Energy Conservation Code (IECC). However, for reasons explained below, the Board ultimately chose not to recommend changes to the IECC at this time.

The Building Board of Appeals also recommended to the City Council the adoption of the revisions to Ames *Municipal Code* Chapters 5 and 8.

Typically, the adoption process follows the State of Iowa adoption process. This allows the City of Ames to follow the State of Iowa's lead where appropriate. The State of Iowa has not yet adopted the 2012 codes. Staff understands that their adoption process may occur during the spring of 2014.

Ames *Municipal Code* Chapter 5 references the State of Iowa for energy standards, rather than adopting the International Energy Conservation Code (IECC) locally. At the end of the September 9th Building Board of Appeals meeting, the Board questioned a portion of the IECC. At that time, however, a motion was made to adopt the IECC locally.

The Inspection Division subsequently received a letter from Brad Heemstra, representing the Ames Home Builders Association, asking that the City not adopt the 2012 IECC and remove that section out of the International Residential Code (IRC) allowing the continued use of the State of Iowa adopted 2009 IECC. Inspections staff had an opportunity to review this request and to contact other jurisdictions that have moved forward with the 2012 code adoption process (Des Moines and Ankeny). Both jurisdictions chose to exempt the 2012 IECC standards from the IRC and will follow the State of Iowa's lead with the 2012 IECC adoption process. Ames *Municipal Code* Chapter 5 is already following the State of Iowa for energy conservation, so this is not a change.

With this modified understanding, Inspections staff requested another public hearing with the Building Board of Appeals on October 7th to discuss the IECC and the IRC. **The Building Board of Appeals made a motion to recommend that the City Council amend the 2012 IRC by removing energy conservation, which would allow our customers to continue to utilize the same requirements as are currently utilized.**

Inspections staff also hosted a 2012 Code Adoption meeting on September 23. All contractors who have done business with the Inspection Division within the past year were notified by e-mail of the meeting, which was attended by eight of our local contractors. Presentations were given by Inspections staff followed by a discussion of the 2012 codes.

As staff was preparing to take the 2012 codes to the City Council, staff had an opportunity to review the 2012 International Fire Code (IFC) further. We had originally revised Ames *Municipal Code* Chapter 8 to remove portions of IFC Chapter 11, *Construction Requirements for Existing Buildings*, to accurately reflect our current inspection process and our priority to inspect new construction and alterations. The additional review concluded that the City of Ames should make an additional revision to Chapter 8, thereby not removing those portions of the IFC, to make sure that the City of Ames will not be less strict than the State when the State of Iowa adopts the 2012 International Fire Code. The Building Board of Appeals met on December 2nd and made a motion to approve the amended version of Chapter 8, recommending approval to the City Council.

SIGNIFICANT CHANGES

The following is an overview of each of the proposed 2012 Codes and the significant changes from the adopted 2009 Codes:

International Building Code (IBC): The majority of changes to the IBC are for the purposes of clarification and grouping all of the definitions into Chapter 2 instead of some in Chapter 2 and some at the beginning of other chapters. The following are the more significant changes to the IBC:

- Care facilities for five or fewer persons receiving care that are within a single-family dwelling are permitted to comply with the International Residential Code (IRC) provided the building is protected by an automatic sprinkler system. Prior to the 2012, a sprinkler system was not required for these situations.
- The 2009 IBC required windows in houses and apartment buildings to not allow passage of a four-inch sphere if the window was more than 72-inches above the exterior finished grade and if the lowest part of clear opening of the window was less than 24-inches above the interior finished floor. The 72-inch dimension is the same, but the interior dimension has been increased to 36-inches. It stays at 24-inches in the IRC.
- Automatic sprinkler systems will be required in Factory occupancies exceeding 2,500 square feet that are used to manufacture upholstered furniture or mattresses, Mercantile occupancies exceeding 5,000 square feet that display and sale upholstered furniture or mattresses, and Storage occupancies exceeding 2,500 square feet used for the storage of upholstered furniture or mattresses,
- Carbon monoxide alarms will be required in Institutional and Residential occupancies that have a fuel-burning appliance or in a building which has an attached garage.

International Residential Code (IRC): The majority of the changes in the IRC were for clarification and reorganization. The following are the significant changes:

- Self-closing devices are now required on doors between the garage and the dwelling unit.
- Safety glazing is required at the bottom of stairs where the bottom exposed edge is greater than 36 inches (previously it was 60 inches).
- The code now recognizes "wireless smoke alarms".

International Existing Buildings Code (IEBC): There are no significant changes in the 2012 IEBC.

International Mechanical Code (IMC): The significant change in the 2012 IMC is as follows:

- Clarified that membrane penetrations of fire rated assemblies by duct systems constructed entirely of minimum No. 26 gauge steel shall be allowed without installation of radiation dampers.

International Fuel Gas Code (IFGC): There are no significant changes in the 2012 IFGC.

Uniform Plumbing Code (UPC): A transition from the 2009 to the 2012 version of the Uniform Plumbing Code brings relatively minor changes. There has been some reorganization of the body of the code and some modernization of the standards. The following is a list of the more significant changes:

- Addition of standards for pressure sealed doors in bathtub and whirlpool enclosures.
- New provisions allowing for the installation of barrier free showers.

- Clarification of the limitation of temperature and backflow protection requirements for bathtub and whirlpool faucets.
- Clarification of waste outlet size and material for tubs.
- Now provides a standard for the installation of emergency eyewash and shower equipment without drains.
- Clarification has been added for the calculation of the required number of plumbing fixtures.
- Added requirements for providing make-up air where gravity vented appliances can be affected by exhaust fans or other ventilation systems.
- Clarification of requirements for clearances for the servicing of appliances.
- Added guidance for appliance vent termination in relationship to openings in adjacent buildings.
- Clarification for gas vent terminations to bring the UPC in alignment with the NFPA 54.
- An update to allow for new methods of joining pipe materials and new fitting types for various water and drainage pipe materials.
- Minor modifications regarding pressure regulators and testing of systems with the addition of new safety requirements for the purging of gas systems with clarification of when purging to the outdoors is required.
- Can now substitute a service valve for the Post Indicator Valve (PIV) for an automatic fire sprinkler system under certain circumstances, if approved by the Fire Inspector.
- Eliminated the use of an air admittance valve on island sinks. Must use a UPC approved island vent.
- Eliminated the requirement for a main stack at least as large as the required building sewer.

International Fire Code (IFC): The 2012 International Fire Code has been completely reorganized into seven parts. The following are the significant changes:

- All definitions have been moved from specific chapters to Chapter 2.
- The requirements limit the area of roof gardens, require the use of roof assemblies designed for severe fire exposures and provide for the installation of a standpipe connection. It sets forth requirements for establishing a maintenance plan for the vegetation installed on rooftop gardens or landscaped roofs.
- The installation of traffic-calming devices on fire apparatus access roads are prohibited unless the devices are approved by the fire-code official. Each jurisdiction has its own traffic pattern emergency response challenges; this requirement ensures the fire department is part of this decision-making process.
- The 2012 IFC provides for the proper installation of photovoltaic (PV) systems and addresses the potential hazards to firefighters by requiring compliance with the provisions of the International Building Code and Section 690 of NFPA 70, identification of PV circuits and disconnects, location of conductors to reduce potential trip hazards and with the creation of pathways where firefighters can perform manual ventilation operations on roofs.
- The 2012 IFC contains requirements for carbon-monoxide alarms in all new residential (Group R) and institutional (Group I) occupancies (and in Section 1103.9 for existing residential and institutional occupancies). These provisions were added to the code to be consistent with the requirements to include carbon-monoxide detectors in all new construction of one- and two-family dwellings that had been added to the 2009 edition of the International Residential Code. Carbon-monoxide alarms are only required when the Group R or I occupancy contains a fuel-burning appliance or has an attached garage.
- Where general-use exit signs are required in Group R-1 occupancies, low-level exit signs must also be provided in the means of egress serving the guest rooms.

- The 2012 IFC has been clarified by removing the word "alterations." This word is used as a trigger point for the International Existing Building Code and defined specifically. The clarification removes potential confusion.
- The 2012 IFC establishes an inspection frequency for fire-escape stairs and balconies on existing buildings.
- The 2012 IFC addresses all LP-gas cylinder exchange stations and provides safety requirements for the operation of exchanges, including security of the cylinders, restricted access to cylinders, warning signs and posting of emergency contact information.
- The 2012 IFC contains provisions regulating automated LP-gas cylinder-exchange stations. The requirements limit access to one cylinder at a time, restrict how return cylinders can be put into the cage, require classified electrical equipment, allow manual override only by authorized persons and require regular safety inspections of the equipment.

ALTERNATIVES:

1. Set the public hearing for January 14, 2014, to review the proposed changes to the Ames *Municipal Code*, Chapter 5 and Chapter 8, and the proposal to adopt the 2012 editions of the International Building Code (IBC), International Residential Code (IRC), International Existing Building Code (IEBC), International Mechanical Code (IMC), International Fuel Gas Code (IFGC), Uniform Plumbing Code (UPC) and the International Fire Code (IFC) with local amendments.
2. Direct staff to work with the Building Board of Appeals to develop further local amendments to the recommended codes.

MANAGER'S RECOMMENDED ACTION:

The Building Board of Appeals has reviewed the proposed code updates and is recommending approval to the City Council. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby setting a public hearing on these code updates for January 14, 2014.

ORDINANCE NO.

AN ORDINANCE TO AMEND THE MUNICIPAL CODE OF THE CITY OF AMES, IOWA, BY REPEALING CHAPTER 5 AND ENACTING A NEW CHAPTER 5 THEREOF, FOR THE PURPOSE OF ADOPTING BY REFERENCE THE 2012 EDITIONS OF THE INTERNATIONAL CODES WITH LOCAL EDITS; REPEALING ANY AND ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT TO THE EXTENT OF SUCH CONFLICT; AND ESTABLISHING AN EFFECTIVE DATE.

BE IT ENACTED, by the City Council for the City of Ames, Iowa, that:

Section One. The Municipal Code of the City of Ames, Iowa shall be and the same is hereby amended by enacting a new Chapter 5 as follows:

**“CHAPTER 5
Building, Electrical, Mechanical and Plumbing Code**

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DIVISION I
ADOPTION AND ADMINISTRATION

Sec. 5.100. TITLE & ADOPTION.

These regulations shall be known as the Building Code of the City of Ames, hereinafter referred to as “this code.”

(1) **Scope.** The provisions of this code shall apply to the construction, alteration, movement, enlargement, replacement, repair, equipment, use and occupancy, location, maintenance, removal and demolition of every building or structure or any appurtenances connected or attached to such buildings or structures.

(2) **Intent.** The purpose of this code is to establish the minimum requirements to safeguard the public health, safety and general welfare through structural strength, means of egress facilities, stability, sanitation, adequate light and ventilation, energy conservation, and safety to life and property from fire and other hazards attributed to the built environment and to provide safety to fire fighters and emergency responders during emergency operations.

(3) **Referenced codes.** The codes listed in the following Sections and referenced elsewhere in this code shall be considered part of the requirements of this code to the prescribed extent of each such reference. Provisions in the appendices of all referenced codes and standards shall not apply unless specifically adopted.

(4) **Adoption.**

(a) The International Building Code, 2012 Edition, (IBC), except for the deletion of Chapters 1 and 27, and

(b) The International Residential Code, 2012 Edition, (IRC), except for the deletion of Chapter 1, Scope and Administration; Part VII - Plumbing; and Part VIII - Electrical; and with the addition of appendix G; are hereby adopted and designated, together with and subject to the additions, deletions and modifications hereinafter stated, plus the ordinances pertaining to plumbing, electrical and mechanical matters, as the Building Code of the City.

(5) **Buildings.** The provisions of the 2012 International Building Code (IBC), as adopted and amended in this municipal code chapter, shall apply to the construction, alteration, movement ,enlargement, replacement, repair, equipment, use and occupancy, location, maintenance, removal and demolition of every building or structure or any appurtenances connected or attached to such buildings or structures.

(6) **Residential Buildings.** The provisions of the 2012 International Residential Code for One- and Two family Dwellings (IRC), as adopted and amended in this municipal code chapter, shall apply to the construction, alteration, movement, enlargement, replacement, repair, equipment, use and occupancy, location, removal and demolition of detached one- and two-family dwellings and townhouses not more than three stories above-grade in height with a separate means of egress and their accessory structures.

(7) **Accessibility.** The provisions of Chapter 11 of the 2012 International Building Code, and by reference, American National Standards Institute (ANSI) Standard A117.1-2009, entitled Accessible and Usable Buildings and Facilities, 2009 edition, as adopted in this code, shall apply to the design and construction of all public and private buildings intended for use by the general public, and multiple-unit dwellings with four or more units, including site elements and features.

Exception:

(a) This standard does not apply to single family dwellings or apartment buildings with less than four individual dwelling units.

(b) Any building or facility which is in compliance with the applicable requirements of State of Iowa Code Chapter 103A.7, and Administrative Rule 661-Chapter 302 shall be considered in compliance with this code.

(8) **Energy.** The provisions of the State of Iowa Building Code Section 103A.8A, Energy Conservation Requirements, and Administrative Rule 661-Chapter 303 shall govern the design and construction of buildings for energy efficiency.

(9) **Existing Buildings.**

The provisions of the 2012 International Existing Building Code (IEBC), as adopted and amended in this code, shall be an acceptable code compliance standard for repair, alteration, change of occupancy, addition, and relocation of existing buildings.

(10) **Fire prevention.** The provisions of the 2012 International Fire Code (IFC), as adopted and amended in Chapter 8 of the Ames Municipal Code, shall apply to matters affecting or relating to structures, processes and premises from the hazard of fire and explosion arising from the storage, handling or use of structures, materials or devices; from conditions hazardous to life, property or public welfare in the occupancy of structures or premises; and from the construction, extension, repair, alteration or removal of fire suppression and alarm systems or fire hazards in the structure or on the premises from occupancy or operation.

(11) **Electrical.** The National Electrical Code, 2011 edition, published by the National Fire Protection Association, One Batterymarch Park, Quincy, Massachusetts, and as adopted by the Iowa Electrical Examining Board, is hereby adopted as the electrical code of the City of Ames and shall govern electrical work and installations in the City of Ames, except for such specific, higher standards and requirements as have been or may from time to time be enacted by the City of Ames.

(Ord. No. 4110, 05-08-12)

(12) **Mechanical.** The provisions of the 2012 International Mechanical Code (IMC), as adopted and amended in this code, shall apply to the installation, alteration, repair and replacement of mechanical systems, including equipment, appliances, fixtures, fittings and/or appurtenances, including ventilating, heating, cooling, air-conditioning and refrigeration systems, incinerators and other energy-related systems.

Exception: one and two family dwellings shall comply with the International Residential Code.

(13) **Plumbing.** The provisions of the 2012 Uniform Plumbing Code (UPC), except for the deletion of Chapter 16 and 17; and with the addition of Appendix A, Appendix B, Appendix C (at the discretion of the AHJ), and Appendix D, are hereby adopted and designated, together with and subject to the additions, deletions, and modifications hereinafter stated in the amendments to this code, shall apply to the installation, alteration, repair and replacement of plumbing systems, including equipment, appliances, fixtures, fittings and appurtenances, all aspects of a medical gas system, and fuel gas piping.

(14) **Gas.** The provisions of the 2012 International Fuel Gas Code (IFGC), as adopted and amended in this code, shall apply to the installation of gas piping from the point of delivery, gas appliances and related accessories as covered in this code. These requirements apply to gas piping systems extending from the point of delivery to the inlet connections of appliances and the installation and operation of residential and commercial gas appliances and related accessories. **Exception:** one and two family dwellings shall comply with the International Residential Code.

(15) **Elevators.** Design review, construction inspections, and periodic maintenance inspections of elevators are all within the scope of authority of the Elevator Safety Board, as detailed in State of Iowa Code Chapter 89A, Elevators, and 875 - Chapter 72, and such work shall comply with those standards and procedures.

(16) **Factory built structures.** The provisions of Iowa Code Section 103A.10 (3) and the administrative rules of the U.S. Department of Housing and Urban Development (HUD) shall be acceptable standards for new units moved into the City. A current HUD label, third party inspection certificate, and proof of compliance with Iowa Codes Section 103A.59, Certification of Manufactured Home Installers, and Iowa Administrative Rule 661 - Chapter 372, Licensing of Manufactured Housing Retailers, Manufacturers and Distributors shall be accepted in lieu of local inspections. Footings, foundations, electrical, mechanical, and plumbing work performed in conjunction with the placement of such factory built structures are subject to permits and inspections as provided in this chapter. Building permit fees for factory built structures are subject to permits and inspections as provided in this chapter. Building permit fees for factory built structures shall be based upon the same square foot construction cost valuations as similar site built structures.

Sec. 5.101. APPLICABILITY.

Where, in any specific case, different sections of this code specify different materials, methods of construction or other requirements, the most restrictive shall govern. Where there is a conflict between a general requirement and a specific requirement, the specific requirement shall be applicable.

(1) **Other laws.** The provisions of this code shall not be deemed to nullify any provisions of local, state or federal law.

(2) **Application of references.** References to chapter or section numbers, or to provisions not specifically identified by number, shall be construed to refer to such chapter, section or provision of this code.

(3) **Referenced codes and standards.** The codes and standards referenced in this code shall be considered part of the requirements of this code to the prescribed extent of each such reference. Where differences occur between provisions of this code and referenced codes and standards, the provisions of this code shall apply.

(4) **Partial invalidity.** In the event that any part or provision of this code is held to be illegal or void, this shall not have the effect of making void or illegal any of the other parts or provisions.

(5) **Existing structures.** The legal occupancy of any structure existing on the date of adoption of this code shall be permitted to continue without change, except as is specifically covered in this code, the International Fire Code, or as is deemed necessary by the Building Official for the general safety and welfare of the occupants and the public.

Sec. 5.102. INSPECTION DIVISION.

The Inspection Division of the Fire Department is hereby created and the official in charge thereof shall be known as the Building Official. The Building Official shall be appointed by the Fire Chief.

(1) **Building Official or designees.** Where the term Building Official appears in this Code, it shall also be understood, within context, to include actions performed by inspectors and other members of Inspection Division staff under the direction and authority of the Building Official.

(2) **Inspectors and other staff.** In accordance with the prescribed procedures of this jurisdiction and with the concurrence of the appointing authority, the Building Official shall have the authority to appoint the related technical officers, inspectors, plan examiners and other employees. Such employees shall have powers as delegated by the Building Official.

(3) **Duties and powers of the Building Official.** The Building Official is hereby authorized and directed to enforce the provisions of this code. The Building Official shall have the authority to render interpretations of this code and to adopt policies and procedures in order to clarify the application of its provisions. Such interpretations, policies and procedures shall be in compliance with the intent and purpose of this code. Such policies and procedures shall not have the effect of waiving requirements specifically provided for in this code.

(4) **Applications and permits.** The Building Official shall receive applications, review construction documents and issue permits for the erection, and alteration, demolition and moving of buildings and structures, inspect the premises for which such permits have been issued and enforce compliance with the provisions of this code.

(5) **Notices and orders.** The Building Official shall issue all necessary notices or orders to ensure compliance with this code.

(6) **Inspections.** The Building Official shall make all of the required inspections, or the Building Official shall have the authority to accept reports of inspection by approved agencies or individuals. Reports of such inspections shall be in writing and be certified by a responsible officer of such approved agency or by the responsible individual. The Building Official is authorized to engage such expert opinion as deemed necessary to report upon unusual technical issues that arise, subject to the approval of the appointing authority.

(7) **Identification.** The Building Official shall carry proper identification when inspecting structures or premises in the performance of duties under this code.

(8) **Right of entry.** Where it is necessary to make an inspection to enforce the provisions of this code, or where the Building Official has reasonable cause to believe that there exists in a structure or upon a premises a condition which is contrary to or in violation of this code which makes the structure or premises unsafe, dangerous or hazardous, the Building Official is authorized to enter the structure or premises at reasonable times to inspect or to perform the duties imposed by this code, provided that if such structure or premises be occupied that credentials

be presented to the occupant and entry requested. If such structure or premises is unoccupied, the Building Official shall first make a reasonable effort to locate the owner or other person having charge or control of the structure or premises and request entry. If entry is refused, the Building Official shall have recourse to the remedies provided by law to secure entry.

(9) **Inspection Division records.** The Building Official shall keep official records of applications received, permits and certificates issued, fees collected, reports of inspections, and notices and orders issued. Such records shall be retained for the period required for retention of public records.

(10) **Liability.** The Building Official, member of the board of appeals or employee charged with the enforcement of this code, while acting for the jurisdiction in good faith and without malice in the discharge of the duties required by this code or other pertinent law or ordinance, shall not thereby be rendered liable personally and is hereby relieved from personal liability for any damage accruing to persons or property as a result of any act or by reason of an act or omission in the discharge of official duties. Any suit instituted against an officer or employee because of an act performed by that officer or employee in the lawful discharge of duties and under the provisions of this code shall be defended by legal representative of the jurisdiction until the final termination of the proceedings. The Building Official or any subordinate shall not be liable for cost in any action, suit or proceeding that is instituted in pursuance of the provisions of this code.

(11) **Approved materials and equipment.** Materials, equipment and devices approved by the Building Official shall be constructed and installed in accordance with such approval.

(12) **Used materials and equipment.** The use of used materials which meet the requirements of this code for new materials is permitted. Used equipment and devices shall not be reused unless approved by the Building Official.

(13) **Modifications.** Wherever there are practical difficulties involved in carrying out the provisions of this code, the Building Official shall have the authority to grant modifications for individual cases, upon application of the owner or owner's representative, provided the Building Official shall first find that special individual reason makes the strict letter of this code impractical and the modification is in compliance with the intent and purpose of this code and that such modification does not lessen health, accessibility, life and fire safety, or structural requirements. The details of action granting modifications shall be recorded and entered in the files of the Inspection Division.

(14) **Alternative materials, design and methods of construction and equipment.** The provisions of this code are not intended to prevent the installation of any material or to prohibit any design or method of construction not specifically prescribed by this code, provided that any such alternative has been approved. An alternative material, design or method of construction shall be approved where the Building Official finds that the proposed design is satisfactory and complies with the intent of the provisions of this code, and that the material, method or work offered is, for the purpose intended, at least the equivalent of that prescribed in this code in quality, strength, effectiveness, fire resistance, durability and safety.

(15) **Research reports.** Supporting data, where necessary to assist in the approval of materials or assemblies not specifically provided for in this code, shall consist of valid research reports from approved sources.

(16) **Tests.** Whenever there is insufficient evidence of compliance with the provisions of this code, or evidence that a material or method does not conform to the requirements of this code, or in order to substantiate claims for alternative materials or methods, the Building Official shall have the authority to require tests as evidence of compliance to be made at no expense to the jurisdiction. Test methods shall be as specified in this code or by other recognized test standards. In the absence of recognized and accepted test methods, the Building Official shall approve the testing procedures. Tests shall be performed by an approved agency. Reports of such tests shall be retained by the Building Official for the period required for retention of public records.

Sec. 5.103. PERMITS REQUIRED.

Any owner or authorized agent who intends to construct, enlarge, alter, repair, move, demolish, or change the occupancy of a building or structure, or to erect, install, enlarge, alter, repair, remove, convert or replace any electrical, gas, mechanical or plumbing system, the installation of which is regulated by this code, or to cause any such work to be done, shall first make application to the Building Official and obtain the required permit. It is a violation to construct, enlarge, alter, repair, move, demolish, or change the occupancy of a building or structure, or

to erect, install, enlarge, alter, repair, remove, convert or replace any electrical, gas, mechanical or plumbing system, without having first obtained the required permit.

(1) **Contractor registration required.** Each person, firm, or corporation performing work that requires a building, electrical, mechanical, or plumbing permit must possess a valid State Division of Labor registration number when required, and provide proof of same to the Inspection Division prior to permit issuance.

Exceptions:

(a) A homeowner performing work on his/her primary place of residence.

(b) A building owner or tenant performing work on his/her building/place of business.

(2) **Contractor insurance required.** Each person, firm, or corporation performing work that requires a building, electrical, mechanical, or plumbing permit must possess current Contractor's Commercial General Liability Insurance in an amount not less than \$500,000 combined single limit, and shall provide proof of coverage to the Inspection Division prior to permit issuance. For electrical, plumbing, and HVAC contractors, possession of a State of Iowa contractor license shall serve as evidence of adequate insurance coverage.

Exceptions:

(a) A homeowner performing work on his/her primary place of residence.

(b) A building owner or tenant performing work on his/her building/place of business.

(3) **Contractor licenses and registration required.** Permits shall not be issued to persons or companies who are not licensed by the State of Iowa and registered with the City of Ames, except as specifically exempted in this code. Permitted electrical, mechanical, and plumbing work must be performed by licensed persons, except as specifically exempted in other sections of this code.

(4) **Homeowner permit required.** Contractor license and registration is not required for alteration or repair work performed on a single family dwelling or accessory structure when the person performing the alteration or repair work is the owner of record and occupies the dwelling as his/her primary residence. An owner-occupant is required to obtain a homeowner building, electrical, mechanical, or plumbing permit for all such work performed, and the work must be inspected for compliance with this code. The scope of work authorized by a homeowner permit is limited by specific provisions in the electrical, mechanical, and plumbing licensing sections of this code.

(5) **Compliance with other codes.**

Exemptions from permit requirements of this code shall not be deemed to grant authorization for any work to be done in violation of this code. All work requires separate building, electrical, mechanical or plumbing permits, unless specifically exempted elsewhere in this code. Each building owner, contractor, or project manager is responsible to request clarification of permit requirements from the Inspection Division before doing any work on any building.

(6) **Emergency Repairs.** Where equipment replacements or repairs must be performed in an emergency situation, and a permit is required for the work, the permit application shall be submitted to the Building Official within the next business day.

(7) **Application for permit.** To obtain a permit, the applicant shall first file an application in writing on a form furnished by the Inspection Division for that purpose. Such application shall:

(a) Identify and describe the work to be covered by the permit.

(b) Describe the land on which the proposed work is to be done by street address or similar description that will identify and locate the proposed building or work.

(c) Indicate the proposed use of the building.

(d) Be accompanied by construction plans and documents as required in Section 5.110.

(e) State the total construction cost of the proposed work for building permits - including labor and materials.

(f) Be signed by the building owner, applicant, or the applicant's authorized agent.

(g) Provide other information as required by the Building Official.

(8) **Action on application.** The Building Official shall examine permit applications within a reasonable time after filing. The Building Official may reject applications if the form or other submitted documents do not comply with this code. If rejected, the Building Official will inform the applicant of the reason. If approved, the permit shall be promptly issued.

(9) **Time limitation of application.**

If no work occurs on a permitted project within 365 days after issuance, the project shall be viewed as abandoned, and a new permit must be issued to restart the project. Except, the Building Official may grant one or more 90 day extensions for unusual circumstances, upon receipt of a written request.

(10) **Validity of permit.** The issuance or granting of a permit shall not be construed to be a permit for, or an approval of, any violation of any of the provisions of this code or of any other ordinance of the jurisdiction. Permits presuming to give authority to violate or cancel the provisions of this code or other ordinances of the jurisdiction shall not be valid. The issuance of a permit based on construction documents and other data shall not prevent the Building Official from requiring the correction of errors in the construction documents and other data. The Building Official is authorized to prevent occupancy or use of a structure where in violation of this code.

(11) **Expiration.** Every permit issued shall expire unless the work authorized is completed within 365 days after issuance. If the work is not completed within 365 days, the building official may issue a permit extension. A permit extension fee, in an amount equal to one half the original permit fee, or \$25.00, whichever is greater, may be invoiced to the permit holder. The permit holder shall be given a minimum 30 day advance written notice of impending permit expiration and imposition of extension fee.

Exception: Permit extension fees may be waived for major commercial, industrial, and other projects subject to approval of the Building Official.

(12) **Suspension or revocation.** The Building Official is authorized to suspend or revoke a permit issued under the provisions of this code wherever the permit is issued in error or on the basis of incorrect, inaccurate or incomplete information, or in violation of any provisions of this code.

Sec. 5.104. BUILDING PERMITS NOT REQUIRED. No building permit is required for:

(1) Residential single family kitchen and bath and basement remodels when no sheetrock or lath and plaster is removed from a single contiguous area greater than 32 square feet, and when no new plumbing or electrical fixtures are installed in different locations than those replaced, and when no new walls, wall framing, openings, structural alterations or wall furring on the interior face of exterior walls occurs.

(2) Residential or commercial door and window replacements when rough openings are not enlarged in width.

(3) One-story detached accessory structures used as tool and storage sheds, playhouses and similar uses, provided the floor area does not exceed 120 square feet.

(4) Fences..

(5) Retaining walls that are not more than 4 feet in height above the lowest adjacent grade, unless supporting a surcharge or impounding Class I, II or IIIA liquids.

(6) Sidewalks and driveways.

(7) Painting, papering, tiling, carpeting, cabinets, counter tops and similar finish work.

(8) Temporary motion picture, television and theater stage sets and scenery.

(9) Prefabricated swimming pools accessory to a Group R-3 occupancy that are less than 24 inches deep, do not exceed 5,000 gallons and are installed entirely above ground.

(10) Shade cloth structures constructed for nursery or agricultural purposes, not including service systems.

(11) Swings and other playground equipment.

(12) Awnings.

(13) Nonfixed and movable fixtures, cases, racks, counters and partitions not over 5 feet 9 inches in height.

(14) Repairs. Application or notice to the Building Official is not required for ordinary minor repairs to structures. Except that such repairs shall not include the cutting away of any wall, partition or portion thereof, the removal or cutting of any structural beam or load-bearing support, or the removal or change of any required means of egress, or rearrangement of parts of a structure affecting the egress requirements; nor shall ordinary repairs include addition to, alteration of, replacement or relocation of any standpipe, water supply, sewer, drainage, drain leader, gas, soil, waste, vent or similar piping, electric wiring or mechanical or other work affecting public health or general safety.

(15) Replacement of siding.

- (16) Replacement of shingles or other roof covering.

Sec. 5.105. ELECTRICAL PERMITS NOT REQUIRED. No electrical permit is required for:

- (1) **Repairs and maintenance:** Minor repair work, including the replacement of lamps and fuses, or the connection of approved portable electrical equipment to approved permanently installed receptacles, or for simple replacement of electrical fixtures such as wall plugs, and light fixtures.

- (2) **Radio and television transmitting stations:** The provisions of this code shall not apply to electrical equipment used for radio and television transmissions, but do apply to equipment and wiring for a power supply and the installations of towers and antennas.

- (3) **Temporary testing systems:** A permit shall not be required for the installation of any temporary system required for the testing or servicing of electrical equipment or apparatus.

- (4) **Electric utilities:** The installation, alteration or repair of electrical equipment installed by or for the City of Ames Electric Department, or other licensed or franchised electric utility company in the generation, transmission, distribution, or metering of electricity.

- (5) **Manufacturing processes:** Moveable process equipment which is independent of the building structure, is subject to being moved, rearranged, and replaced by equipment manufacturers and staff maintenance personnel. In such instances, permits and inspections are required only for the alteration of the building's electrical supply wiring to the point of connection to the equipment.

- (6) **Electrical manufacturing:** Work involved in the manufacturing, testing, servicing, altering or repairing of electrical equipment.

- (7) **Elevators:** Work involved in the installation, repairing, remodeling or maintenance of elevators, dumbwaiters or escalators. Except: electrical equipment for supplying current to the control panel of elevators, dumbwaiters or escalators does require permits and inspections.

Sec. 5.106. GAS SYSTEM PERMITS NOT REQUIRED. No gas system plumbing or mechanical permit is required:

- (1) Portable heating appliances.

- (2) Replacement of any minor part that does not alter approval of equipment or make such equipment unsafe.

Sec. 5.107. MECHANICAL PERMITS NOT REQUIRED. No mechanical permit is required:

- (1) Portable heating appliances.

- (2) Portable ventilation equipment.

- (3) Portable cooling unit.

- (4) Steam, hot or chilled water piping within any heating or cooling equipment regulated by this code.

- (5) Repair or replacement of any part that does not alter its approval or make it unsafe.

- (6) Portable evaporative coolers.

Sec. 5.108. PLUMBING PERMITS NOT REQUIRED. No plumbing permit is required:

- (1) For the stopping of leaks in drains, water, soil, waste or vent pipe, provided however, that if any concealed trap, drain pipe, water, soil, waste or vent pipe becomes defective and it becomes necessary to remove and replace the same with new material, such work shall be considered as new work and a permit shall be obtained and inspection made as provided in this code.

- (2) For the clearing of stoppages or the repairing of leaks in pipes, valves or fixtures and the removal and reinstallation of water closets, provided such repairs do not involve or require the replacement or rearrangement of valves, pipes or fixtures.

Sec. 5.109. PUBLIC SERVICE AGENCIES EXEMPT FROM SOME PERMITS.

A permit shall not be required for the installation, alteration or repair of generation, transmission, distribution or metering or other related equipment that is under the ownership and control of public service agencies by established right. Such agencies include Ames Electric Utility; Alliant Natural Gas Utility; Ames Water Department; Ames Public Works Department; franchised telecommunications companies. Such exemption includes all equipment,

lines, and facilities specific to the energy or product produced, processed, conveyed or conducted. Such exemption does not include permanent buildings that house or contain such systems. All buildings constructed, altered, repaired, or removed are subject to the typical plan review, permit, inspection and approval process as described elsewhere in this code.

Sec. 5.110. SUBMITTAL DOCUMENTS.

Construction documents, shall be submitted in one or more sets with each building permit application. Construction documents shall be prepared by a registered design professional where required by the statutes of the State of Iowa. Where special conditions exist, the Building Official is authorized to require additional construction documents to be prepared by a registered design professional.

Exception: The Building Official is authorized to waive the submission of construction documents and other data not required to be prepared by a registered design professional, if it is found that the nature of the proposed work is such that submittal and review of such construction documents is not necessary to obtain code compliance.

(1) **Information on construction documents.** Construction documents shall be dimensioned and drawn to scale upon suitable material. Construction documents shall be of sufficient clarity to indicate the location, nature and extent of the work proposed and show in detail that it will conform to the provisions of this code and relevant laws, ordinances, rules and regulations, as determined by the Building Official.

(2) **Fire protection system shop drawings.** Shop drawings for the fire protection system(s) shall be submitted to indicate conformance with this code and the project construction documents and shall be approved prior to the start of system installation. Shop drawings shall contain all information as required by the referenced installation standards in the 2012 IBC Chapter 9, Fire Protection Systems.

(3) **Means of egress.** The construction documents shall show in sufficient detail that the location, construction, size and arrangement of all portions of the means of egress are in compliance with the provisions of this code.

(4) **Exterior wall envelope.** Construction documents for all buildings shall describe the exterior wall envelope in sufficient detail to demonstrate compliance with this code.

(5) **Site plan.** The construction documents submitted with the permit application shall be accompanied by a site plan showing to scale the size and location of new construction and existing structures on the site, distances from lot lines and, as applicable, flood hazard areas, floodways, and design flood elevations; and it shall be drawn in accordance with an accurate boundary line survey. The Building Official is authorized to waive or modify the requirement for a site plan when the application for permit is for interior alteration or repair or when otherwise warranted.

(6) **Examination of documents.** The Building Official shall examine or cause to be examined the construction plans and documents to determine whether the construction indicated and described is in accordance with the requirements of this code.

(7) **Previous approvals.** This code shall not require changes in the approved construction documents, methods, materials, or designated occupancy of a structure for which a permit has been issued, and construction of which has been commenced within 365 days after the effective date of this code and has not been abandoned.

(8) **Phased approval.** The Building Official is authorized to issue a permit for the construction of foundations or any other part of a building or structure before the construction documents for the entire building or structure have been submitted, provided that adequate information and detailed statements have been filed complying with pertinent requirements of this code. The holder of such permit for the foundation or other parts of a building or structure may proceed with construction at the holder's risk. The City can provide no assurance that a permit for the remainder of the structure will be granted, unless the balance of the plans submitted are determined in compliance with this Code.

(9) **Design professional in responsible charge.** When it is required that documents be prepared by a registered design professional, the owner shall engage a registered design professional for the project. The registered design professional shall be responsible for reviewing and coordinating submittal documents prepared by others, including phased and deferred submittal items, for compatibility with the design of the building. Where structural observation is required by IBC Chapter 17, Structural Tests and Special Inspections, the individual or firms performing the structural observations and reporting shall be identified.

(10) **Deferred submittals.** For the purposes of this section, deferred submittals are defined as those portions of the design that are not submitted at the time of the application and that are to be submitted to the Building Official within a specified period. Deferral of any submittal items shall have the prior approval of the Building Official. The deferred submittal items shall not be installed until the design and submittal documents have been approved by the Building Official.

(11) **Amended construction documents.** Work shall be installed in accordance with the approved construction documents. Any changes made during construction must be reviewed, inspected and approved by the Building Official.

(12) **Retention of construction documents.** One set of approved construction documents shall be retained by the Building Official in accord with the City of Ames Record Retention Policy.

(13) An Iowa licensed architect or engineer shall determine footing size and structural design for residential structures supported by post and beam construction and having a common roof with the house.

Sec. 5.111. TEMPORARY STRUCTURES AND USES

(1) **General.** The Building Official is authorized to issue a permit for temporary structures. Such permits shall be limited as to time of service, but shall not be permitted for more than 180 days. The Building Official is authorized to grant extensions for demonstrated cause.

(2) **Conformance.** Temporary structures shall conform to the structural strength, fire safety, means of egress, accessibility, light, ventilation and sanitary requirements of this code as necessary to ensure public health, safety and general welfare.

(3) **Temporary power.** The Building Official is authorized to approve temporary power in part of an electric installation before such installation has been fully completed and approved. The part approved shall comply with the applicable requirements for temporary lighting, heat or power of this code.

(4) **Termination of approval.** The Building Official is authorized to terminate such permit for a temporary structure and to order the temporary structure or use to be discontinued for due cause.

Sec. 5.112. FEES

(1) **Payment of fees.** A permit shall not be valid until the required fees have been paid. **Exception:** the City may invoice permit applicants for permit and inspection fees, as a customer convenience. In such instances, permits shall be considered valid immediately following permit application review and approval. This customer courtesy may be revoked if payment for billed permit fees is not received within 60 days of receipt of notice to the customer. In such instance, cash payments will be subsequently required in accord with this section.

(2) **Schedule of permit fees.** Fees for each permit type shall be paid as required, in accordance with the schedules as established by the City Council in the following referenced Ames Municipal Code Sections:

Building permit fees.

Appendix L, Ames Municipal Code

Electrical permit fees.

Appendix U, Ames Municipal Code

Mechanical permit fees.

Appendix U, Ames Municipal Code

Plumbing permit fees.

Appendix U, Ames Municipal Code

(3) **Building permit valuations.** The applicant for a building permit shall provide an estimated permit value at time of application. The term 'permit value' or 'permit valuation' means the actual cost of construction, including all materials and labor for all building, electrical, gas, mechanical, and plumbing equipment and permanent building systems. If, in the opinion of the Building Official, the valuation is underestimated on the application, the submitted permit valuation shall not be accepted unless the applicant can show verifiable project

documents, estimates, or signed contracts to substantiate the submittal. Final building permit valuation shall be determined by the Building Official.

(4) **City assessor valuations to be used.** The Building Official shall use average square foot building construction costs as provided by the Ames City Assessor when calculating building permit fees for new residential and commercial buildings, additions, and extensive interior renovations, in absence of more specific data. Such average square foot costs are base valuations for typical buildings of good quality. Buildings of higher quality will be valued at appropriately higher valuations. Square foot costs are adjusted periodically to reflect changes in material and labor costs, as reported by the Ames City Assessor.

(5) **Appeal of building permit valuation.** A request to appeal the Building Official's determination of building permit valuation may be filed with the Building Official for cause. Such request must be in writing, and contain a factual basis for review. Such appeals will be reviewed by the Building Official and may also include review by the City Assessor to assure consistency, accuracy, and fairness. If it is found the Building Official erred in the determination of building permit valuation, appropriate adjustment will be made to the permit valuation and the permit fee.

(6) **Work commencing before permit issuance - penalty fees.** Any person who commences any work on a building, structure, electrical, gas, mechanical or plumbing system before obtaining the necessary permits may be subject to a fee established by the Building Official that shall be in addition to the required permit fees. A penalty fee equal to the amount of the permit fee may be added for any work that commences prior to permit approval, i.e., the permit fee may be doubled for such building, electrical, mechanical, or plumbing work that occurs prior to permit issuance. Additional fees may also be charged for actual costs of inspections, project research, site visits, and meetings required to obtain code compliance prior to the point of actual permit approval. Such penalties do not prevent the Division from also issuing separate municipal infraction citations for each violation of this section.

(7) **Related fees.** The payment of permit fees for construction, alteration, removal or demolition work done in connection with the work authorized the permit shall not relieve the applicant or holder of the permit from the payment of other fees that are prescribed elsewhere in this Code.

(8) **Refunds.** The Building Official is authorized to establish a refund policy. Deductions from approved refunds shall be made for the actual costs of services rendered in association with the project up to the date of refund request. Actual costs include, but may not be limited to, plan reviews performed, permits issued, and inspections made by the Inspection Division.

Sec. 5.113. BUILDING INSPECTIONS

(1) **Building inspections.** Work for which a permit is required shall be subject to inspection by the Building Official and such construction or work shall remain accessible and exposed for inspection purposes until approved. Approval as a result of an inspection shall not be construed to be an approval of a violation of the provisions of this code or of other ordinances of the jurisdiction. Inspections presuming to give authority to violate or cancel the provisions of this code or of other ordinances of the jurisdiction shall not be valid. It shall be the duty of the permit applicant to cause the work to remain accessible and exposed for inspection purposes. Neither the Building Official nor the jurisdiction shall be liable for expense entailed in the removal or replacement of any material required to allow inspection.

(2) **Preliminary inspection.** Before issuing a permit, the Building Official is authorized to examine or cause to be examined buildings, structures and sites for which an application has been filed.

(3) **Required inspections.** The Building Official shall make inspections of the following as necessary to assure compliance with this Code.

(4) **Footing and foundation inspection.** Footing and foundation inspections shall be made after excavations for footings are complete and any required reinforcing steel is in place, and before concrete is poured. For concrete foundations, required forms shall be in place prior to inspection. Concrete shall be on the job, except where concrete is ready mixed in accordance with ASTM C 94.,

(5) **Concrete slab, under-floor, and groundwork inspection.** Concrete slab and under-floor inspections shall be made after in-slab or under-floor reinforcing steel and building service equipment, conduit, piping accessories and other ancillary equipment items are in place, but before any concrete is placed or floor sheathing installed, including the subfloor.

(6) **Lowest floor elevation.** In flood hazard areas, upon placement of the lowest floor, including the basement, and prior to further vertical construction, the finish floor elevation certificate shall be submitted to the Building Official.

(7) **Framing and rough-in inspection.** Framing and rough-in electrical, mechanical, and plumbing inspections shall be made after the roof deck, all framing, fireblocking and bracing are in place and all work which is to be concealed is in place.

(8) **Lath and gypsum board inspection.** Inspection of lath and gypsum board that is part of a fire-resistance rated or shear assembly shall be made after lath and gypsum board, interior and exterior, is in place, but before any plastering is applied or gypsum board joints and fasteners are taped and finished.

(9) **Fire-resistant penetrations.** Protection of joints and penetrations in fire-resistance-rated assemblies shall not be concealed from view until inspected and approved.

(10) **Energy efficiency.** Inspections shall be made to determine compliance with the State of Iowa Energy Code.

(11) **Other inspections.** In addition to the inspections specified above, the Building Official is authorized to make or require other inspections of any construction work to obtain compliance with this code.

(12) **Special inspections.** For special inspections, see IBC Chapter 17.

(13) **Final inspection.** The final inspection shall be made after all work required by the building permit is completed.

(14) **Inspection agencies.** The Building Official is authorized to accept reports of approved inspection agencies.

(15) **Inspection requests.** It shall be the duty of the building permit holder or designee to notify the Building Official when work is ready for inspection. It shall be the duty of the permit holder or designee to provide access and means for inspection of such work. Regardless of notification by the permit holder or designee, the Building Official is authorized to make any inspection required by this code at any time during normal business hours throughout the duration of the project.

(16) **Approval required.** Work shall not be done beyond the point indicated in each inspection without first obtaining the approval of the Building Official. Any work that does not comply shall be corrected and such work shall not be covered or concealed until approved by the Building Official.

Sec. 5.114. ELECTRICAL INSPECTIONS.

(1) **Electrical inspections.** The Building Official shall make inspections of the following as necessary to assure compliance with this Code.

(2) **Underground inspection.** Underground inspection shall be made after trenches or ditches are excavated and before any backfill is put in place.

(3) **Rough-in inspection.** Rough-in inspection shall be made after the roof, framing, fireblocking, firestopping, draftstopping and bracing is in place and all electrical distribution conductors are roughed-in, and prior to the installation of wall or ceiling membranes.

(4) **Final inspection.** Final inspection shall be made after the building is complete, all electrical fixtures are in place and properly connected, and the structure is ready for occupancy.

(5) **Other inspections.** In addition to the inspections specified above, the Building Official is authorized to make or require other inspections of any construction work to obtain compliance with this code.

(6) **Inspection agencies.** The Building Official is authorized to accept reports of approved inspection agencies.

(7) **Inspection requests.** It shall be the duty of the electrical permit holder or designee to notify the Building Official when work is ready for inspection. It shall be the duty of the permit holder or designee to provide access and means for inspection of such work. Regardless of notification by the permit holder or designee, the Building Official is authorized to make any inspection required by this code at any time during normal business hours throughout the duration of the project.

(8) **Approval required.** Work shall not be done beyond the point indicated in each inspection without first obtaining the approval of the Building Official. Any work that does not comply shall be corrected and such work shall not be covered or concealed until approved by the Building Official.

Sec. 5.115. MECHANICAL INSPECTIONS.

(1) **Mechanical inspections.** The Building Official shall make inspections of the following as necessary to assure compliance with this Code.

(2) **Underground inspection.** Underground inspection shall be made after trenches or ditches are excavated and bedded, piping installed, and before backfill is put in place. When excavated soil contains rocks, broken concrete, frozen chunks and other rubble that would damage or break the piping or cause corrosive action, clean backfill shall be on the job site.

(3) **Rough-in inspection.** Rough-in inspection shall be made after the roof, framing, fireblocking and bracing are in place and all ducting and other components to be concealed are complete, and prior to the installation of wall or ceiling membranes.

(4) **Final inspection.** Final inspection shall be made upon completion of the mechanical system. Exception: Ground-source heat pump loop systems tested in accordance with Section IMC 1208.1.1 shall be permitted to be backfilled prior to inspection.

(5) **Other inspections.** In addition to the inspections specified above, the Building Official is authorized to make or require other inspections of any construction work to obtain compliance with this code.

(6) **Inspection agencies.** The Building Official is authorized to accept reports of approved inspection agencies.

(7) **Inspection requests.** It shall be the duty of the mechanical permit holder or designee to notify the Building Official when work is ready for inspection. It shall be the duty of the permit holder or designee to provide access and means for inspection of such work. Regardless of notification by the permit holder or designee, the Building Official is authorized to make any inspection required by this code at any time during normal business hours throughout the duration of the project.

(8) **Approval required.** Work shall not be done beyond the point indicated in each inspection without first obtaining the approval of the Building Official. Any work that does not comply shall be corrected and such work shall not be covered or concealed until approved by the Building Official.

Sec. 5.116. PLUMBING INSPECTIONS.

(1) **Plumbing inspections.** The Building Official shall make inspections of the following as necessary to assure compliance with this Code.

(2) **Underground inspection.** Underground inspection shall be made after trenches or ditches are excavated and bedded, piping installed, and before any backfill is put in place.

(3) **Rough-in inspection.** Rough-in inspection shall be made after the roof, framing, fireblocking, firestopping, draftstopping and bracing is in place and all sanitary, storm and water distribution piping is roughed-in, and prior to the installation of wall or ceiling membranes.

(4) **Final inspection.** Final inspection shall be made after the building is complete, all plumbing fixtures are in place and properly connected, and the structure is ready for occupancy.

(5) **Other inspections.** In addition to the inspections specified above, the Building Official is authorized to make or require other inspections of any construction work to obtain compliance with this code.

(6) **Inspection agencies.** The Building Official is authorized to accept reports of approved inspection agencies.

(7) **Inspection requests.** It shall be the duty of the plumbing permit holder or designee to notify the Building Official when work is ready for inspection. It shall be the duty of the permit holder or designee to provide access and means for inspection of such work. Regardless of notification by the permit holder or designee, the Building Official is authorized to make any inspection required by this code at any time during normal business hours throughout the duration of the project.

(8) **Approval required.** Work shall not be done beyond the point indicated in each inspection without first obtaining the approval of the Building Official. Any work that does not comply shall be corrected and such work shall not be covered or concealed until approved by the Building Official.

Sec. 5.117. CERTIFICATE OF OCCUPANCY

(1) **Use and occupancy.** No building or structure shall be used or occupied, and no change in the existing occupancy classification of a building or structure or portion thereof shall be made until the Building

Official has issued a Certificate of Occupancy (C.O.), or until final inspection and approval has been given for minor projects. Issuance of a C.O. or other final approval shall not be construed as approval of a violation of this code.

(2) **Certificate issued.** After the Building Official inspects the building or structure and finds no violations of this code, a C.O. shall be issued that contains the following:

- (a) The building permit number.
- (b) The address of the structure.
- (c) The name and address of the owner.
- (d) A description of that portion of the structure for which the certificate is issued.
- (e) A statement that the described portion of the structure has received final

inspections and may be occupied.

- (f) The signature of the Building Official.
- (g) The occupancy type as defined in the IBC.
- (h) The type of construction as defined in the IBC.
- (i) The occupant load,
- (j) If an automatic sprinkler system is provided, whether the sprinkler system is required.
- (k) Any special stipulations or conditions.

(3) **Temporary occupancy.** The Building Official is authorized to issue a temporary certificate of occupancy (T.C.O.) before the completion of all work, if it is concluded the incomplete work items present no hazard to occupants or the general public. A fee may be charged for issuance of a T.C.O.

(4) **Revocation.** The Building Official is authorized to suspend or revoke a C.O. or other approval wherever it is found the C.O. or other approval is issued in error, or on the basis of incorrect information received, or where it is determined the project, or portion thereof, is in violation of this code.

(5) **Connection of service utilities.** No person shall make connections from a utility, source of energy, fuel or power to any building or system for which a permit is required, unless approved by the Building Official.

(6) **Temporary connection.** The Building Official shall have the authority to authorize temporary connection of the building or system to the utility source of energy, fuel or power.

(7) **Authority to disconnect service utilities.** The Building Official shall have the authority to authorize disconnection of utility service to the building, structure or system regulated by this code in case of emergency where necessary to eliminate an immediate hazard to life or property. The Building Official shall notify the serving utility, and wherever possible the owner and occupant of the building, structure or service system of the decision to disconnect prior to taking such action. If not notified prior to disconnecting, the owner or occupant of the building, structure or service system shall be notified in writing, as soon as practical thereafter.

(Ord. 4044, 9-28-10)

DIVISION II **AMENDMENTS TO ADOPTED CODES**

Sec. 5.200. BUILDINGS.

The provisions of the 2012 International Building Code (IBC), are amended with the deletion of Chapters 1 and 27; and the revision of the following text as stated:

(1) **Section 717.6.2 Membrane Penetrations** is amended by adding the following exception: **Exception;** Duct systems constructed entirely of minimum 0.0187 inch thick steel (No. 26 gauge) shall be allowed without installation of radiation dampers.

(2) **Section 1007.2 Continuity and components.** The first paragraph is amended to read: Each required accessible means of egress shall be continuous to a public way, shall be hard-surfaced, and shall consist of one or more of the following components.

(3) **Section 1027.5 Access to a public way** is amended to read: The exit discharge shall provide a direct, hard-surfaced, and unobstructed access to a public way.

(4) **Section 1808.1 Foundations, General** is amended by adding the following text as stated:
Concrete footings for new buildings shall have a minimum of one #4 reinforcing bar or bare copper conductor 20 feet in length installed for use as a concrete-encased electrode

(5) **Section 1809.5 Frost Protection.** The first sentence is amended to read as follows: Except where otherwise protected from frost, foundations, permanent supports of buildings and structures, and all exterior landings shall be protected from frost by one or more of the following methods:

(6) **Section 1809.5 Frost Protection is further amended by deleting Exception 2** and inserting the following in lieu thereof: Area of 900 square feet or less for light-frame construction or 400 square feet or less for other than light-frame construction: and

(7) Chapter 18 of the IBC is amended by deleting **Table 1809.7** and inserting the following table with footnotes in lieu of:

Number of Floors Supported by the Foundations*	1	2	3
Thickness of Foundation Walls (inches) Concrete	8	8	10
Thickness of Foundation Walls (inches) Concrete Block	8	8	12
Width of Footing (inches)	16	16	18
Thickness of Footing (inches)	8	8	12
Minimum Depth of Foundation Below Grade	42	42	42

*Foundations may support a roof in addition to the stipulated number of floors. Foundations supporting roofs only shall be as required for supporting one floor.

*Spread footings shall have a minimum of 2 - #4 continuous horizontal reinforcement bars.

*Foundation walls shall have a minimum of #4 reinforcement bars 18" on center each way.

*All buildings shall have perimeter footings to 42" below finished grade.

*Trench footings are allowed as a continuous 8" pass trench for single story wood frame structures with spans not exceeding 16 feet. The trench must be 42" below finished grade and have at least two #4 horizon reinforcement bars. Bars must tie into abutting adjacent structures.

(8) **Section 2308.6 Foundation plates or sills** is amended by replacing "and not spaced more than 6 feet apart" with "and spaced not more than 4 feet apart"

Sec. 5.201. RESIDENTIAL BUILDINGS.

The provisions of the 2012 International Residential Code for One- and Two-family Dwellings (IRC), are amended by deleting Chapter 1, Scope and Administration; Part VII - Plumbing; and Part VIII - Electrical; and adding appendix G; and revising the following text as stated:

(1) **Section R301.2.1.1** Design Criteria, Table R301.2(1), Climatic and Geographical Design Criteria is amended to include the following local values:

Ground Snow Load (lbs)	25
Wind Speed (mph)	90
Topographic Effects	No
Seismic Design Category	A
Weathering	Severe
Frost Line Depth (inches)	42
Termite	Moderate to Heavy
Winter Design Temp (F.)	- 5
Ice Shield Underlayment Required	Yes
Flood Hazards	See FEMA Maps
Air Freezing Index	1896
Mean Annual Temperature (F.)	48.2

(2) **Section R302.1 Exterior Walls, Fire-Resistant Construction.** Add exception #6: Walls of detached garages and accessory structures greater than or equal to 3 feet from a property line.

(3) **Section R302.2 Townhouses** is amended by deleting the Exception.

(4) **Section R311.3.2 Floor elevations for other exterior doors** is amended by deleting the exception and inserting the following in lieu thereof:

Exception: A landing is not required where a stairway of three or fewer risers is located on the exterior side of the door, provided the door does not swing over the stairway.

(5) **Section R311.7.8.2 Continuity** is amended by adding Exception 3:

(3) Handrails may be interrupted at the point of transition from handrail to guardrail on stairways open on both sides at the bottom of a flight of stairs.

(6) **Section R313.1 Townhouse automatic fire sprinkler systems** is amended by deleting the text of that section and inserting the following in lieu thereof: Automatic residential sprinkler systems shall not be required in townhouses.

(7) **Section R313.2 One- and Two-family dwellings automatic fire systems** is amended by deleting the text of that section and inserting the following in lieu thereof: Automatic residential fire sprinkler systems shall not be required in one- and two-family dwellings.

(8) **Section R314.3.1 Alterations, repairs and additions is amended by deleting** “When alterations, repairs or additions requiring a permit occur, or”.

(9) **Section R315.3, Where required in existing dwellings.** Delete text and replace with “ When one or more sleeping rooms are added or created in an existing dwelling that has an attached garage or within which a fuel-burning appliance exists, carbon monoxide alarms shall be required outside each separate sleeping area and in the immediate vicinity of bedrooms, and on every story of the dwelling. Carbon monoxide alarms shall be hard-wired, interconnected, and shall have battery backup.”

(10) **Section R315.4 Alarm requirements** is deleted.

(11) **Section R403.1 General** is amended by adding the following text to the end of the section: Where concrete footings are used in new one- and two-family dwellings, an approved concrete encased electrode shall be provided in the vicinity of the panel for each residential electrical service. The electrode shall be accessible and connected to at least twenty feet of #4 reinforcing rod by a minimum of two wire ties.

(12) **Section R403.1.4.1 Frost Protection** is amended by deleting Exception 1 and Exception 3 and inserting the following in lieu thereof:

(a) Protection of freestanding accessory structures with an area of 900 square feet or less, of light-framed construction, with an eave height of 10 feet or less shall not be required.

(13) **Section R403.1.6 Foundation Anchorage** is amended by deleting “maximum of 6 feet” and inserting in lieu thereof “maximum of 4 feet”.

(14) **Section R404.1.2.2, Reinforcement for foundation walls** is amended by adding the following to the end of the section: Minimum reinforcement for concrete foundation walls shall be #4 bars at 18” on center, each way.

(15) Chapter 4 of the International Residential Code is amended to allow for footings of buildings with Type V wood framed construction of three stories or less to be designed to meet, at a minimum, the prescriptive standards of the following table.

Number of floors supported by foundations*	1	2	3
Thickness of foundation walls (inches) concrete	8	8	10
Thickness of foundation walls (inches) concrete block	8	8	12
Width of footing (inches)	16	16	18
Thickness of footing (inches)	8	8	12
Minimum depth of footing below grade	42	42	42

*Foundations may support a roof in addition to the stipulated number of floors. Foundations supporting roofs only shall be as required for supporting one floor. All other structures shall have footings and foundations engineered to meet the requirements of Chapter 4 of the IRC. All buildings shall have perimeter footings to 42" below grade, and such footings shall be designed to withstand all forces placed upon them as per Chapter 4 of the IRC or engineering to show equivalency.

*Trench footings are allowed as a continuous 8" single pass trench for a single story wood frame structure with spans not exceeding 16 feet. The trench must be 42" deep and have at least two (2) horizontal rods fixed in place and tied into the existing structure. Soil bearing capacity shall be a minimum of 2000 psf.

*Spread Footings shall have two evenly spaced #4 continuous reinforcing rods. For alterations and additions, reinforcing rods shall be tied into the existing footings.

*Concrete foundation walls shall be reinforced with a minimum of # 4 bars at 18 inches on center each way.

(16) **Section R501.3 Fire protection of floors** is deleted.

(17) **Section G2415.3(404.3) Prohibited Locations** is deleted and the following text is inserted in lieu thereof:

Piping shall not be installed in or through a ducted supply, return or exhaust, or a clothes chute, chimney or gas vent, dumbwaiter or elevator shaft.

Sec. 5.202. ACCESSIBILITY. Reserved.

Sec. 5.203. ENERGY. Reserved.

Sec. 5.204. EXISTING BUILDINGS. Reserved.

Sec. 5.205. ELECTRICAL.

The provisions of the National Electrical Code (NEC), 2011 edition, are hereby amended as follows:

(1) Section 334.10 of the said National Electric Code is amended by deleting Subsection (3) therefrom and inserting in lieu thereof a new Subsection (3): All other structures shall be wired using other methods as allowed by the NEC.

(2) Add the following exceptions to Article 210.8 Ground-Fault Circuit-Interrupter Protection for Personnel (A)(2):

(a) Exception No. 1 to (2): Receptacles that are not readily accessible.

(b) Exception No. 2 to (2): A single receptacle or a duplex receptacle for two appliances located within dedicated space for each appliance that, in normal use, is not easily moved from one place to another, and that is cord-and-plug connected in accordance with 400.7(A)(6), (A)(7), or (A)(8).

(c) Receptacles installed under the exceptions to 210.8(A)(2) shall not be considered as meeting the requirements of 210.52(G).

(3) Add the following exceptions to Article 210.8 Ground-Fault Circuit-Interrupter Protection for Personnel (A)(5):

(a) Exception No. 2 to (5): Receptacles that are not readily accessible.

(b) Exception No. 3 to (5): A single receptacle or a duplex receptacle for two appliances located within dedicated space for each appliance that, in normal use, is not easily moved from one place to another and that is cord-and-plug connected in accordance with 400.7(A)(6), (A)(7), or (A)(8).

(c) Receptacles installed under the exceptions to 210.8(A)(5) shall not be considered as meeting the requirements of 210.52(G).

(Ord. No. 4110, 05-08-12)

Sec. 5.206. MECHANICAL.

The provisions of the 2012 International Mechanical Code (IMC), are amended as follows:

(1) **Section 607.6.2 Membrane Penetrations** is amended by adding the following exception: **Exception;** Duct systems constructed entirely of minimum 0.0187 inch thick steel (No. 26 gauge) shall be allowed without installation of radiation dampers.

Sec. 5.207. GAS.

The provisions of the 2012 International Fuel Gas Code (IFGC), are amended as follows:

(1) **Section 404.3 Prohibited Locations** is deleted and the following text is inserted in lieu thereof: Piping shall not be installed in or through a circulating air duct, clothes chute, chimney or gas vent, ventilating duct, dumbwaiter or elevator shaft.

Sec. 5.208. PLUMBING.

The provisions of the 2012 Uniform Plumbing Code (UPC), are amended with the deletion of Chapter 16; and with the addition of Appendix A, Appendix B, Appendix C (at the discretion of the AHJ), and Appendix D, and the revision of the following text as stated:

- (1) Add new section **101.11.6 Building Demolition** stating:

Whenever a structure or building is to be demolished, before demolition begins the following must be completed:

- (a) Building sewer capped at curb line with a manufactured plug.
- (b) Foundation line capped at curb line with a manufactured plug.
- (c) Water service capped or plugged at main.
- (d) Plumbing inspector sign-off on demolition sheet given to contractor before demolition permit

is issued.

- (2) Add new section **101.11.7 Annexed Building** stating:

When a structure or building is on land that has been or is being annexed into the City of Ames and connection to the public water or sewer system is requested for that building or structure, the City may require that its plumbing system be inspected to determine whether the system has adequate sewer venting and backflow prevention to protect the public water system, and to determine if it is otherwise free from hazards to those exposed or potentially exposed to that system. Based on that inspection, if it is determined that a cross connection or other hazard exists, then the Building Official shall determine what corrective action is needed to eliminate the hazard(s) and the owner shall complete the corrective action before connection to City services is allowed.

- (3) **Section 411.1 Water Closet Bowls** is amended to state:

All water closet bowls shall be of the elongated type with open front seats except in dwelling units and motel and hotel rooms. In nurseries, schools and other similar places where plumbing fixtures are provided for the use of children under six (6) years of age, water closets shall be of a size and height suitable for children's use. All water closets shall be equipped with seats as required below.

- (4) **Section 418.3 Location of Floor Drains is amended** by adding subsection 418.3.(4) as follows:

In all buildings, a three-inch (3") floor drain shall be located on the lowest floor level and where the water meter is located. A three-inch (3") or larger floor drain shall be located in same room where a reduced pressure principle backflow prevention assembly is installed that discharges water. A two-inch (2") or larger floor drain shall be provided in the same room the water heater is located on the lowest floor level.

Exception: Existing water heaters and water meters unless relocated.

- (5) **Section 422.3 Fixture Requirements for Special Occupancies** is amended by replacing the last sentence and inserting the following in lieu thereof:

In food establishments the fixture requirements may be determined by the statutes and regulations of the State of Iowa. The following requirements apply to food establishments, bars and night clubs:

(a) Bars, taverns and nightclubs shall be provided with a three (3) compartment glass washing sink and a drain board with hot and cold running water. The sink shall have an indirect waste with an air gap to a floor sink with a 3" trap.

(b) A restaurant shall have either a three (3) compartment ware washing sink or an automatic dish washing machine of commercial type, including a booster heater along with a two-compartment sink.

(c) A hand-washing sink with hot and cold running water shall be installed in each food preparation area in restaurants and behind each bar area of bars, taverns and nightclubs.

(d) A mop/utility sink shall be required with hot and cold running water in each restaurant, bar, tavern or nightclub, for mop and waste water. The mop/utility sink shall not be used as a hand-washing sink.

- (6) Further amend UPC Chapter 4 by adding **Section 423.0**

All single-family dwellings shall be provided with a two-inch (2") future vent stubbed to the basement level. Such vent shall be capped in the floor joist area for future use and labeled or marked as such.

- (7) **Table 422.1 Minimum Plumbing Facilities** is amended by adding the following:

With prior approval, Authority Having Jurisdiction may allow use of Chapter 29 of the 2012 International Building Code.

(8) **Section 603 Cross-Connection Control** is amended as follows:

(a) **Section 603.2 Approval of Devices or Assemblies** is amended by deleting the last sentence and inserting the following in lieu thereof: "Testing shall be performed by a registered backflow assembly tester approved by the Authority Having Jurisdiction" and by adding: "A completed test report form shall be sent to the AHJ no later than ten working days after the test."

(b) **Section 603.4.2 Testing** is amended to read: The premise owner or responsible person shall have the backflow prevention assembly tested by a registered backflow assembly tester at the time of installation, repair, or relocation, and not less than on an annual schedule thereafter, or more often where required by the Authority Having Jurisdiction. The Authority Having Jurisdiction may establish the annual schedule.

(c) **Section 603.0 Cross-Connection Control** is further amended by adding after the last numbered section a new **section 603.10** as follows:

(i) Purpose. The purpose of these containment regulations is:

a. to protect the City of Ames Public Water Supply (PWS) from the possibility of contamination or pollution by containing within the customer's internal distribution system(s) or the customer's private water system(s) such contaminants or pollutants that could backflow into the PWS; and

b. to provide for the maintenance of a continuing program of containment that will systematically and effectively prevent the contamination or pollution of the PWS.

(ii) Definitions. As used in this section:

a. **Approved Backflow Prevention Assembly For Containment** means: A backflow prevention assembly which is approved by the University of Southern California - Foundation for Cross-Connection Control and Hydraulic Research. The backflow prevention assembly must also be listed by the International Association of Plumbing and Mechanical Officials, or by the American Society of Sanitary Engineering. The approval and listing requirements do not apply to an air gap used as an approved backflow prevention assembly for containment.

b. **Auxiliary Water Supply** means: Any source of water that is available to the customer over which the City of Ames water utility does not have sanitary control to reduce pollution, contamination, or other conditions that make that source of water unacceptable as a potable water supply, such as,

1. a public or private water supply other than the City of Ames water utility,

2. public or private wells, or

3. lakes, naturally-fed ponds, storm water basins, and flowing waters (rivers, creeks, etc.) from which water is drawn.

c. **Available to the Customer** means: The water utility customer has authority to use, or direct the use of, the auxiliary water supply by virtue of ownership, contract, or other arrangement for control.

d. **Backflow** means: The undesirable reversal of flow into the public water distribution system.

e. **Backflow Prevention Assembly** means: An assembly or means to prevent backflow.

1. **Air Gap** means: This is a physical break between the PWS and the customer's water system. The air gap is to create an unobstructed vertical distance between the opening of any pipe or faucet conveying water to a tank, plumbing fixture, receptor, or other assembly and the flood level of the receptacle. The air gap shall conform to the requirements of UPC **Table 603.3.1 Minimum Airgaps for Water Distribution.**

2. **Reduced-Pressure Principle Backflow Prevention Assembly (RP)** means: The RP consists of two independently acting check valves together with a hydraulically operating, mechanically independent pressure differential relief valve located between the check valves. These units are located between two tightly closing resilient-seated valves as an assembly, and equipped with properly located resilient-seated test shutoffs.

3. Double Check Valve Assembly (DC) means: The DC consists of two internally loaded check valves, either spring loaded or internally weighted, installed as a unit between two tightly closing resilient-seated shutoff valves with properly located resilient-seated test shutoffs.

f. Commercial/Industrial Fluid means: Any liquid, gas, or solution that is a chemical, biological, or other substance in a form, quantity, or concentration that would constitute a hazard (health or non-health) if introduced into the public water supply, such as, but not limited to

1. polluted or contaminated waters;
2. all types of process and used waters (waters which originated from the public water supply but may have deteriorated in sanitary quality);
3. chemicals in fluid form;
4. plating acids and alkalis;
5. circulated cooling waters (except for those solely used for air conditioning);
6. oils, gases, caustic and acid solutions;
7. other liquid and gaseous fluids used industrially, agriculturally, commercially, or for other non-domestic purposes.

g. Commercial/Industrial Fluid System means: Any system used by the water utility customer to store or utilize any commercial/industrial fluid in a manner that may constitute a hazard (health or non-health) to the public water supply, such as, but not limited to

1. car washes,
2. microbreweries,
3. chlorinators,
4. clean-in-place systems,
5. bulk fluid storage with remote dispensing (motor oil, antifreeze, etc.), and
6. injection molding with integral heating and cooling. However, commercial/industrial fluid systems do not include:

1. fuel gas (propane or natural gas) systems;
2. air conditioning, cooling, refrigeration, and similar systems using only Freon or similar refrigerants;
3. sanitary sewer, rainwater, or storm sewer lines; and
4. boilers.

h. Containment means: A method of backflow prevention which requires the installation of a backflow prevention assembly at the water service connection.

i. Contamination means: An impairment of a potable water supply by the introduction or admission of any foreign substance that degrades the quality of the water and creates a health hazard.

j. Cross-Connection means: An actual or potential connection between any part of a potable water system and any other environment containing other substances in a manner that, under any circumstances, would allow such substances to enter the potable water system.

k. Hazard, Degree of means: The rating of a cross-connection or service connection which indicates if it has the potential to cause contamination or pollution. The term is derived from an evaluation of the potential risk to public health and the adverse effect of the hazard upon the potable water system.

1. Hazard - Health means: A hazard upon the PWS involving any substance that, if introduced in the potable water supply, could cause death, illness, spread disease, or have a high probability of causing such effects.

2. Hazard - Non-health means: A hazard upon the PWS involving any substance that generally would not be a health hazard but, if introduced into the PWS, could cause a nuisance by introducing color, taste or odor, or would alter the quality of the PWS physically, chemically, or biologically.

1. Permanent Swimming Pool means: A pool or tub with a capacity of 1,000 gallons or more of chemically treated water that has a filtration system with a pump and rigidly supported

walls/sides. Above-ground movable pools and tubs that meet the above criteria shall be deemed “permanent swimming pools.”

m. Pollution means: The presence of any foreign substance in water that impairs, alters, or degrades its quality but does not constitute a health hazard.

n. Registered Backflow Prevention Assembly Technician (Technician) means: A person who is registered by the State of Iowa to test or repair backflow prevention assemblies and report on the condition of those assemblies.

o. Service Connection means: The terminal end of the pipe connected to, directly or indirectly, the City of Ames water main; that is, the point of delivery to the customer's water system. If a meter is installed at the end of the service connection, then the service connection shall mean the downstream end of the meter. Service connections shall also include, but not be limited to, a temporary water service connection from a fire hydrant and all other temporary or emergency water service connections from the public water system.

p. Thermal Expansion means: Volumetric increase of water due to heating resulting in increased pressure in a closed system.

(iii) Administrative Authority

a. The Administrative Authority is the Ames City Council acting through such persons or departments as the City Council shall designate.

b. The Administrative Authority shall have the right to enter, with the consent of the customer or upon the basis of a suitable warrant issued by a court of appropriate jurisdiction, any property to determine if the conditions for a partial or total exemption have been satisfied or if a backflow prevention assembly has been properly installed for containment.

1. All backflow prevention assemblies shall be available for City inspection within a short notice by the Administrative Authority. Short notice is considered to be less than 24 hours.

2. The entrance to the property to determine if the conditions for a partial or total exemption have been satisfied will not be necessary if the customer has properly installed, tested, and maintained an approved RP or air gap on every and all service connections serving the customer's premises.

c. The Administrative Authority may collect fees for the administration of this program.

d. The Administrative Authority shall maintain records of containment hazard surveys, and of the installation, testing, and repair of all backflow prevention assemblies installed for containment purposes

(iv) Where Containment Is Required

a. An RP or air gap is required for containment for every direct or indirect service connection unless such connection:

1. qualifies for a total or partial exemption; or
2. supplies a fire protection system.

b. A DC may be installed for containment in place of an RP or air gap when a partial exemption is granted.

c. A partial exemption shall be granted only if all of the following conditions precedent are met.

1. The entire facilities are within the scope and applicability of the plumbing regulations of the City of Ames, Iowa.

2. All water uses are protected by the “isolation” provisions of Chapter 6 of the Uniform Plumbing Code.

3. There are no auxiliary water supplies.

4. There are no solar heating systems.

5. There are no permanent swimming pools.

6. There are no commercial/industrial fluid systems.

7. The entire facilities and all pertinent circumstances and conditions are fully accessible for inspection by representatives of the City's Water and Pollution Control Department.

d. No backflow prevention assembly is required for containment when a total exemption is granted.

e. A total exemption shall be granted when a partial exemption has been granted and all of the following conditions precedent are met.

1. There is only one service connection, not including services for fire protection systems.

2. The facility is less than four stories above grade.

f. Failure of the Administrative Authority to notify a customer that they do not qualify for an exemption and that they shall install backflow prevention assemblies for containment shall in no way relieve a customer of the responsibility to comply with all requirements of these regulations.

g. The Director of the City of Ames Water and Pollution Control Department may require installation of an air gap, by and at the customer's sole expense, at the service connection where records indicate a history of threat to the public water supply system because of inappropriate handling of health hazard substances or actual backflow into the PWS.

(v) New Service Connections

a. Plans shall be submitted to the Administrative Authority for review on all new service connections in order to determine if a partial or total exemption shall be granted.

b. The Administrative Authority shall require the installation of the appropriate backflow prevention assembly for containment before the initiation of water service.

(vi) Fire Protection Systems

a. A backflow prevention assembly to be used in a fire protection system shall meet the requirements of Factory Mutual Research Corporation (FM) and Underwriters Laboratory (UL) and the requirements of the fire code and the building code of the City of Ames, in addition to the requirements of paragraph (ii)a. Assemblies sized smaller than 2-1/2 inches which have not been tested by FM and listed by UL may be allowed if approved by the City of Ames Fire Department Chief.

b. An RP shall be installed on all new and existing fire protection systems which the Administrative Authority determines to have any of the following:

1. Interconnections with auxiliary supplies such as reservoirs, rivers, ponds, wells, mills, or other industrial water systems; or

2. Use of antifreeze or other additives in the fire protection system unless an RP is used to isolate the loop or branch containing antifreeze or other additives when a DC is installed at the service connection; or

3. Any other facility, connection, or condition which may cause contamination

c. A DC will be required for all other fire protection systems. The DC shall be required on all new systems at the time of installation and on existing systems at the time that they are modified.

(vii) Portable Tanks. Portable tanks and vessels shall be filled through a properly installed and maintained backflow prevention assembly or vacuum breaker.

(viii) Installation of Backflow Prevention Assemblies

a. All backflow prevention assemblies for containment shall be installed so that they are accessible for testing as stated in the UPC at **Section 603.4.3** thereof. The installation shall also provide the same clearances as called for the water meter in the City of Ames Municipal Code, Section 28.205.(5).

b. No backflow prevention assembly for containment shall be installed in a place where it would create a safety hazard such as, but not limited to, over an electrical panel or above ceiling level.

c. The required backflow prevention assemblies for containment shall be installed in horizontal plumbing immediately following the meter or as close to that location as deemed practical by the Administrative Authority

unless approved in writing by the Administrative Authority. In any case, it shall be located upstream of any branch piping. Installation at this point does not eliminate the responsibility of the customer to protect the water supply system from contamination or pollution between the backflow prevention assembly and the water main, and to protect the water supply system from contamination or pollution within the premises.

d. RPs for containment shall be installed so as to be protected from flooding.

e. RPs for containment shall not be installed in underground vaults or pits.

f. All backflow prevention assemblies for containment shall be protected from freezing. Assemblies used for seasonal services may be removed in lieu of being protected from freezing; however, the assemblies must be reinstalled and tested by a technician prior to the service being reactivated.

g. If hot water is used within the water system, thermal expansion shall be provided for when installing a backflow prevention assembly for containment.

h. Provisions shall be made to convey the discharge of water from RPs to a suitable drain.

i. If interruption of water service during testing and repair of backflow assemblies for containment is unacceptable to the customer, another backflow prevention assembly for containment, sized to handle the temporary water flow needed during the time of test or repair, shall be installed in parallel piping.

(ix) Removal of Backflow Prevention Assemblies

a. Approval must be obtained from the Administrative Authority before a backflow prevention assembly for containment is removed, relocated, or replaced.

b. The use of an assembly may be discontinued and the assembly removed from service upon presentation of sufficient evidence that the customer qualifies for an exemption.

c. An assembly may be relocated following confirmation by the Administrative Authority that the relocation will continue to provide the required protection and satisfy installation requirements. A test will be required following the relocation of the assembly.

d. An assembly may be removed and replaced, provided the water use is discontinued until the replacement assembly is installed.

e. An assembly may be removed to protect it from freezing provided that

1. water use is discontinued until the assembly is reinstalled and tested; and

2. the Administrative Authority is notified in writing within five days of the removal.

(x) Testing of Backflow Prevention Assemblies

a. Testing of backflow prevention assemblies for containment shall be performed by a registered backflow prevention assembly technician (technician). The costs of required tests shall be borne by the customer.

b. Backflow prevention assemblies for containment shall be tested and inspected upon installation and at least annually thereafter.

c. Backflow prevention assemblies for containment which are in place, but have been out of service for more than three months, shall be tested before being put back into operation. Backflow prevention assemblies for containment used in seasonal applications shall be tested before being put into operation each season.

d. Before being placed back into service, any backflow prevention assembly for containment which fails a test shall be repaired or replaced. In the case when a reported value is less than the minimum, the Director of the City of Ames Water and Pollution Control Department may approve temporary restoration of service before repairs are completed. Backflow prevention assemblies for containment shall be retested by a technician immediately after repair or replacement.

e. When water service has been terminated for non-compliance, the backflow prevention assembly for containment shall be repaired or replaced and then tested prior to the resumption of water service.

f. When warranted, the Administrative Authority may require backflow prevention assemblies for containment to be tested at any time in addition to the annual testing requirement. Examples of this include, but are not limited to, assemblies with a history of repeated failures or assemblies that have been subjected to fire, flood, or other unusual environmental conditions.

g. The technician shall report the results of all inspections and tests of a backflow prevention assembly for containment to the customer and to the Administrative Authority on the form provided by the Administrative Authority within ten working days of the test. The technician shall immediately report to the Administrative Authority when and where a test indicates that an assembly fails to perform and no immediate repair is done to make the assembly function properly.

h. The Administrative Authority may periodically verify test procedures and results.

(xi) Repair of Backflow Prevention Assemblies For Containment

a. All repairs to backflow prevention assemblies for containment shall be performed by technicians.

b. The technician shall not change the design, material, or operational characteristics of a backflow prevention assembly for containment during repair or maintenance and shall use only original manufacturer replacement parts or equivalent parts approved by the University of Southern California - Foundation for Cross-Connection Control and Hydraulic Research.

c. The repaired assembly must be tested after each repair and pass the test before being placed back into service.

d. The technician shall report the repair of a backflow prevention assembly for containment to the customer and to the Administrative Authority within ten working days of the repair. The report shall include the list of materials or replacement parts used and subsequent tests.

(xii) Backflow Incidents

a. The customer shall immediately notify the Administrative Authority when the customer becomes aware that backflow has occurred in the building, property, or private water system receiving water service.

b. The Administrative Authority may order that water service be temporarily shut off when backflow occurs in a customer's building, property, or private water system. Such shut off is to protect the system from further contamination or pollution and to allow time for locating and mitigating the cause and extent of the contamination or pollution.

(xiii) Existing Backflow Prevention Assemblies For Containment

a. All backflow prevention assemblies for containment installed prior to November 1, 1996, that do not meet the requirements of these regulations but were approved testable assemblies for the purpose described herein at the time of installation and that have been properly installed and maintained, shall, except for the testing, inspection, and maintenance requirements under Section (x) and Section (xi), be excluded from the requirements of these rules so long as the Administrative Authority is assured that they will satisfactorily protect the PWS. Whenever the existing assembly for containment is moved from the present location, requires replacement, or when the use of the service area protected by the assembly changes so that the Administrative Authority determines that the customer no longer qualifies for a partial exemption, the unit shall be replaced by an approved backflow prevention assembly for containment meeting the requirements of these regulations.

(xiv) Customer Non-compliance

a. In case of non-compliance with these regulations, the Administrative Authority shall notify the customer to comply within ten working days. In the event of failure or upon refusal of the customer to comply as ordered, the Administrative Authority may, after notice and reasonable opportunity for hearing, terminate water service. Non-compliance includes, but is not limited to, the following:

1. Refusal to allow the Administrative Authority access to the property to determine if the conditions for a partial or total exemption have been satisfied, except when an RP or air gap is properly installed for containment and properly maintained

2. Providing inadequate backflow prevention

3. Failure to install a backflow prevention assembly for containment which has been required by the Administrative Authority

4. Failure to test, maintain, or properly repair a backflow prevention assembly for containment as required by the Administrative Authority

5. Failure to comply with the requirements of these regulations

6. Refusal to replace a faulty backflow prevention assembly

7. Removal of a backflow prevention assembly for containment which has been required by the Administrative Authority except for seasonal removal as in Section (viii) f

8. Bypassing of a backflow prevention assembly for containment which has been required by the Administrative Authority

9. Failure to report a backflow incident

10. Direct connection between the PWS and a sewer line

11. A situation which presents an immediate health hazard to the PWS

b. For conditions 7, 8, 9, 10, and 11, the Administrative Authority will take the following steps.

1. Make a reasonable effort to advise the customer of intent to terminate water service.

2. Terminate water service and lock service valve. The water service will remain inactive until correction of the violation has been approved by the Administrative Authority.

(xv) COMMITTEE OF ADJUSTMENT There is hereby established the Containment Committee of Adjustment.

a. The Committee shall consist of three members as follows: the Building Official of the City or that official's designee; the Director of Water and Pollution Control or the Director's designee; and a representative of the Building Board of Appeals, selected from among the members of that Board by majority vote of the Board's members.

b. The said Committee of Adjustment shall have the following powers.

1. To hear and decide appeals that allege an error in any decision or determination made in the administration and enforcement of Section 5.208(8)(c) of the Municipal Code of the City of Ames, Iowa

2. To authorize, in specific cases, such exemption from the requirements of Section 5.208(8)(c) of the Municipal Code of the City of Ames, Iowa, as will not be contrary to the laws of the State of Iowa, when due to special circumstances not of the property owner's own creation, a strict literal interpretation of Section 5.208(8)(c) would result in undue expenses to the property owner in view of an alternative measure agreed to by the property owner that will not be contrary to the public interest

(xvi) Presumptive Exemptions The following water uses shall generally be presumed exempt from the containment requirements of Section 5.208(8)(c): water closets, lavatories, bath tubs, showers, water softeners, single-faucet water treatment units, boilers, sinks, irrigation systems, clothes washers, dishwashers, pre-rinse stations, garden hose connections, drinking fountains, urinals, carbonators/beverage dispensers, garbage disposals, ice makers, cleaning chemical dispensers, and private fire hydrants. However, when warranted by the facts and circumstances of a particular situation, the Administrative Authority, with notice and opportunity to be heard extended to the property owners, may apply to the Containment Committee of Adjustment for a determination that containment measures are required under such facts and circumstances.

(9) **Section 603.5.8 Water-Cooled Equipment** is amended to read:

Water-cooled compressors, degreasers, or any other water-cooled equipment shall be protected by a listed IAPMO reduced pressure principle backflow prevention assembly.

(10) **Section 603.5.10 Steam or Hot Water Boilers** is amended to read:

Potable water make up connections to boilers, sterilizers, chillers, commercial clothes washers, or water heaters for radiant heat, shall have a reduced pressure type backflow prevention assembly.

(11) **Section 604.1 Pipe, Tube, and Fittings** is amended by adding the following:

The following type of pipe and fittings are allowed in the interior/exterior of a building or structure:

Interior

Above concrete floor (lowest level)

- (a) soft copper (Type K, L, M)
- (b) rigid copper (Type K, L, M)
- (c) brass
- (d) cross linked polyethylene (PEX) (as approved by Chapter 14 of the Uniform Plumbing Code),
- (e) ductile iron (four (4) inch or larger).
- (f) CPVC

Below concrete floor (lowest level)

- (a) soft copper (type K) (approved flared or compression fittings only)
- (b) PEX(as approved byChapter14 of the Uniform Plumbing Code)
- (c) Polyethylene, IPS 200 p.s.i. SLDR-7, PE3408
- (d) ductile iron (four (4) inch or larger) with flanged mechanical joints.
- (e) C-900 PVC DR 14 (fire line).

Exterior

- (a) PEX(as approved by Chapter14 of the Uniform Plumbing Code),and which meets manufacturer's specifications.
- (b) Soft copper (Type K) (approved flared or compression fittings only)
- (c) Brass
- (d) Ductile iron (flanged mechanical joint) (bolts shall be teflon coated)
- (e) PVC meeting AWWA C-900 standards, DR14 for fire lines and Dr18 for non-fire lines.
- (f) Polyethylene, IPS 200 p.s.i. SLDR-7, PE3408

Note: Polyethylene, PEX and PVC C-900 shall have a 14-gauge solid copper tracer wire with a blue jacket. The tracer wire will start at the water main and terminate at a weatherproof junction box. The junction box shall be accessible and be labeled to identify junction box "tracer wire". The tracer wire shall then continue from the junction box and terminate at the water meter. The wire shall run from the main and be exposed at the curb box. The junction box shall be located next to water meter remote on the exterior of the building or structure.

(12) **Section 604.2 Copper Tube** is deleted.

(13) **Section 604.5 Cast-Iron Fittings** is deleted.

(14) **Section 604.6 Malleable Iron Fittings** is deleted.

(15) **Section 605.0 Joints and Connections** is amended by adding new subsections 606.0.1 through 606.0.13 as follows:

Sec. 605.0.1. Curb Stops shall be of the quarter turn ball valve type with the grip joint ends.

Sec. 605.0.2. The polyethylene to copper adaptor coupling, located at least two (2) feet from the outside footing, shall be a Ford Meter Box Co. C26-44-G (1") or equivalent.

Sec. 605.0.3. All threaded taps on the main shall be at least 24 inches apart and shall be at least $\frac{3}{4}$ inch in size. If more than one tap is made for a service line, the taps will be staggered on the pipe. No more than three (3) threaded taps shall be made for a service connected to a 4-inch or larger main. Maximum threaded tap size for a 4 inch main is $\frac{3}{4}$ inch. All taps will be made in the top half of the water main, but not more than 45" above the horizontal plane. All services having two (2) taps or more shall be combined through a brass wye pipe connection. The maximum length of service from the main to the wye shall be four (4) feet. The following table lists appropriate number of taps for different service sizes.

Service Size Taps

1 inch = two $\frac{3}{4}$ inch or one 1 inch

1¼ inch = two 1 inch

1½ inch = two 1 inch

Sec. 605.0.4. Service saddles allowed on four (4) inch or larger water mains when water service is ¾", 1", 1¼", and 1½" shall be a Smith-Blair, or equivalent, #317, #357, #372, #393 or #397. The saddles shall have a stainless steel strap with two bolts wide minimum. The bolts or nuts shall be either stainless steel or blue coated. When tapping a four (4) inch or larger main for water services for a two (2) inch or larger water service, the Smith-Blair, or equivalent stainless steel full wrap around saddle, #238, #239, #264, or #265 shall be used. The bolts and nuts shall be either stainless steel or blue coated. Any water service that is larger than a two(2) inch shall require a tapping valve and sleeve at the main or private main. The Post Indicator Valve (PIV) for fire line shall not serve as the water service valve after the main. All tapping valve sleeves shall meet the Urban Standard Specifications as follows:

(1) Valve: Tapping valve conforming to ANSI/AWWA C509.

(2) Sleeve:

(a) Minimum 14 gauge

(b) Stainless steel, ASTM A240, Type 304

(c) Working pressure 200 psi.

(d) Must fully surround pipe

(e) Approved sleeves

(i) Cascade Water Works Manufacturing Company, Style CST-EX

(ii) PowerSeal Pipeline Products Corporation, Model 3490AS

(iii) JCM Industries, Inc. Model JCM 432

(iv) Approved equal

(3) Gasket:

(a) To completely surround pipe

(b) Minimum thickness 0.125 inch

(c) Material: nitrile rubber.

(4) Outlet Flange:

(a) Stainless steel, ASTM A240, Type 304

(b) ANSI B 16.1, 125 pound pattern

(5) Bolts: Stainless steel, ASTM A240, Type 304

Sec. 605.0.5. In the event a curb box is set in any location where a concrete or asphalt surface is to be placed, a sleeve shall be placed around the cap to allow for expansion and contraction.

Sec. 605.0.6. In a new subdivision the water service line shall be installed at the center of the property unless otherwise approved by the Administrative Authority.

Sec. 605.0.7. There shall be a curb cock in every service connection to the main. It shall be located on the property line or as close as possible thereto and in alleys within one foot of the alley line, except two (2) inch and larger, which shall have a street valve box over the valve at the water main. The curb cock to be used for services from three-fourths (¾) inch to two (2) inches shall be the style known as Mueller Mark II Oriseal or Ford Ball Valve with 90° curb cock, or equal, provided with T handle and extension rod keyed and locked to curb cock and shall be the same diameter as the pipe served. The curb cock shall be kept in an operative condition at all times.

Sec. 605.0.8. The curb cock shall be covered by a curb box of the Western pattern No. 100, or equal, extending to the curb grade. In cases where the surface of the ground is higher than the curb grade to the extent that the curb box will not extend sufficiently to be in plain view, then the curb box shall be extended to the ground surface. Whenever a water service is renewed the curb box shall be brought to the curb grade or present natural ground level and moved to the property line. In placing the curb cock in position, care must be exercised to provide against settlement of the curb box, by providing a base of brick, stone or concrete block set on solid earth for support. A support shall be placed across the ditch and wired to the curb box near the top to keep it in a vertical position while filling the ditch.

Sec. 605.0.9. A corporation cock of either a Mueller or Ford make, or its equivalent, shall be inserted in every tap one and one half inch or less in diameter made in the water main. The connection to the main shall be made by a regulation corporation cock and copper service with a compression joint if the pipe is plastic SIDR-7 200 P 3408. All connections to the water main shall be adequately looped to prevent breakage from ditch settlement.

Sec. 605.0.10. A service valve shall be installed immediately following a two (2) inch or larger tap on all take offs from the water main or private main.

Sec. 605.0.11. Where a single water service line provides service to a new duplex or is split for any other reason, the service line shall be at least one inch in diameter. Where an existing structure is to be converted to a duplex a 1" equivalent service may be provided by a separate tap. The new service lines shall be divided by a wye at the property line. Existing 1" services may be split inside the building so long as shut-offs are available in a common area. Separate curb boxes shall be installed, and separate ¾ inch service lines shall be run to the individual customer units.

Sec. 605.0.12. Sprinkler systems used for fire protection may be permitted to be attached to the water mains by registered plumbing contractors by direct connection without meters under the direction and supervision of the City. No open connection can be incorporated in the system, and there shall be no valves except the service valve at the main unless a post indicator valve (PIV) is required by the Fire Inspector.. One and two family residential sprinkler lines shall be metered through the single meter. The property owner or tenant shall promptly report to the City any seal which has been broken for the closing of the system. A detailed drawing of the sprinkler system shall be filed with the City and free access to the building shall be granted the City for inspection purposes. No charge will be made for water used for fire purposes through a sprinkler system. The fire line shall be a minimum four (4) inch diameter with a shut-off valve installed after the tap into the main. When required, the PIV shall be a minimum of forty (40) feet from the building or at a location determined by the fire inspector.

Exception: The fire line may be smaller than 4" in size if hydraulic calculations by the fire sprinkler company show that a 4" would not be required.

Sec. 605.0.13. Where required, a post indicator valve (PIV) must be set at 36" above final grade. The termination flange, inside the building, shall not be more than twelve (12) inches above finished floor level and be set at a true vertical position. When entering through a wall, the termination flange shall not be more than twelve (12) inches from the wall and set in a true horizontal position. The fire line shall have a two hundred (200) pound pressure test done for a minimum of two (2) hours without losing any pressure. The fire line shall be tested from the tap at the main to the termination flange with the PIV open and the curb box closed. No fire line static pressure test shall be started after 1:30 p.m., Monday through Friday.

A certified fire sprinkler installer may install the backflow device to the sprinkler system for containment. The termination flange, inside the building, from horizontal to the vertical position or from horizontal to the horizontal position traveling through an exterior wall or floor, shall have no smaller than ¾ inch galvanized or equivalent all-thread rod used between said flanges to keep fire line termination stable. The fire line located in the trench may use mega-lug type supports, however, a concrete thrust block shall be in front of fire line traveling from horizontal to vertical prior to the termination flange. Only PVC C-900 DR 14, and ductile iron shall be used for the fire line service. The joints shall have bolted flanged fittings. The tapping valve, PIV, and all other fittings and pipe shall be marked to withstand 200 p.s.i. Before requesting a Bac-T test, the fire line shall be flushed thoroughly by the plumbing contractor. The contractor shall request, from the Inspection Division, a Bac-T test form, complete the form and return it to the Inspection Division. Utility Maintenance Division will collect the sample for testing. If the fire line passes Bac-T test, the Inspection Division will contact the plumbing contractor. The termination flange shall have a two (2) inch ball valve to properly flush the fire line.

(a) If the fire line and water service are on one line, the domestic water service shall have the take off so that the domestic service will have a curb stop and stop box at the property line. If a PIV is required, the domestic service will branch off prior to the PIV and have a curb stop and stop box adjacent to the PIV. The take off for the water service shall be either brass, ductile iron, C-900 PVC DR14, or copper to the curb box.

(b) The curb stop and stop box may be installed at another location with prior approval of the Inspections Division and the Water and Pollution Control Department.

(16) **Section 608.5 Drains** is amended by deleting "of galvanized steel" and replacing "the outside of the building" with "a properly drained surface".

(17) **Section 609.1 Installation** is amended by deleting the last two sentences in the section and inserting the following in lieu thereof:

All water service lines shall be installed at least five feet below finish grade. If the water service cannot be buried below frost depth at any point, the trench shall be lined with 1 ½" thick "Blue Board" insulation or equivalent as approved by the Administrative Authority. Sand backfill material shall then be placed to a depth of one foot above the top of pipe, then 1 ½" "Blue Board" or equivalent will be installed so that the entire trench width and length in the area needing protection against freezing is insulated and then backfilled. The insulation shall be at least five (5) feet in depth.

(18) **Section 609.5 Unions** is amended by adding the following to the end of the section:

Exception: water heaters and boilers.

(19) **Section 609.10 Water Hammer** is amended by adding:

Exception: Single family dwelling units.

(20) **Section 610.1 Size, Size of Potable Water Piping**, is amended by deleting the words "each water meter and" from the first sentence and adding "Water meter sizing shall be determined by the Water Meter Division" to the end of the section.

(21) **Section 610.8(6) Size of Meter and Building Supply Pipe Using Table 610.4** is amended by deleting the last sentence and inserting the following in lieu thereof:

No building water service line shall be less than one (1) inch diameter.

(22) Amend **Table 610.4 Fixture Unit Table for Determining Water Pipe and Meter Sizes** is amended by deleting the language in footnote 2 and inserting the following in lieu thereof:
Replace "Building supply, three-quarter(3/4) inch nominal size minimum." With "Building supply, one (1) inch nominal size minimum."

(23) **Section 701.1 Drainage Piping** is amended to read as follows:

Drainage pipe and fittings used inside a new building or an existing building for underground shall be copper (type L), brass, ABS (schedule 40), PVC (schedule 40) or cast iron.

Exception: Galvanized may be used on a sewage ejector system when the discharge line is three (3) inch or larger. The galvanized shall only be piped no more than four (4) feet out of pit.

Above ground piping shall be the same as underground except that ABS and PVC pipe may be coextruded and copper tube and fittings may be type M for commercial and structures that are more than a one and two-family dwelling. A one and two-family dwelling may use type DWV copper tube.

(24) **Table 702.1 Drainage Fixtures Unit Values (DFU)** is amended by adding the following to footnote #8:

Public use shall be any building or structure that is not a dwelling unit. Fraternities and sororities are not classified by this section as a dwelling unit.

(25) **Section 703.1 Minimum Size, Size of Drainage Piping**, is amended by adding the following at the end of the section:

No underground drainage piping or vent shall be less than two (2) inches inside diameter.

(26) **Section 704.3 Commercial Dishwashing Machines and Sinks** is amended by adding "At the discretion of the Plumbing Inspector and Sanitarian" at the beginning of the section.

(27) **Section 704.3 Commercial Dishwashing Machines and Sinks** is further amended by adding the following to the end of the section:

or shall be discharged by an airgap indirect waste to a properly sized floor sink.

(28) **Section 705.0.1** is added

No molded rubber coupling (Fernco Coupling or equivalent) shall be used on any sanitary sewer or storm sewer. Appropriate stainless steel shielded molded rubber couplings may be used as connections when connecting sanitary or storm sewers. Single band shielded couplings (no hub clamps) are not allowed on any exterior building sanitary sewer, or storm sewer.

(29) **Section 710.9 Alarm** is amended by adding the following exception to the end of the section:

Exception: When only discharging a lavatory sink, a general sink, or a floor drain into a sewage ejector receiving tank, dual pumps in public use occupancy will not be required.

(30) **Section 717.1 General, Size of Building Sewers**, is amended to read as follows:

The minimum size of any building sewer shall be determined on the basis of the total number of fixture units drained by such sewer, in accordance with Table 717.1 Maximum/Minimum Fixture Unit Loading on Building

Sewer Piping. No building sewer shall be smaller than four (4) inches. The building sewer shall not be smaller than the building drain.

In unusual circumstances, with prior approval from the plumbing inspector, a sewage ejector may discharge the building sewer to the public sewer manhole when the public main is too shallow to allow the building sewer discharge to flow by gravity. The pipe material to be used shall be Polyethylene (P.E.) Two (2) inch SDR 7, 3408. The 2" line shall at all times be a minimum of five (5) feet deep or be blue-boarded. The sewage ejector shall be vented with a minimum two (2) inch pipe. The ejector pumps shall comply with section 710.9

(31) **Section 718.2 Support** is amended to read as follows:

Building sewer pipe made of cast iron, copper, or extra strength vitrified clay shall be laid on a firm bed. Pipe consisting of Schedule 40 PVC/ABS, PVC SDR 23.5/35 and PVC truss pipe shall be enveloped on bottom, sides and top with a minimum of four (4) inches of either one (1) inch clean or 3/8" minus crushed rock, 3/8" washed chip or "pea gravel". After enveloping the pipe, the remainder of the ditch may be filled once the inspection is complete.

(32) **Section 718.3 Protection from Damage** is amended to read as follows:

No building drain or sewer shall be closer than two (2) feet from the building structure or footing that is not made out of cast iron, Schedule 40 PVC, or Type "L" copper. At no point shall the building sewer be less than five (5) feet in depth on new construction or when replacing existing sewers. If less than five (5) feet in depth, the trench shall be lined with 1 1/2" thick blue-board insulation. The insulation of the sides shall be at least five (5) feet below finished grade with a cap over the two sides.

One (1) inch clean 3/8" minus, 3/8" washed chips, and pea gravel rock shall be placed on the bottom, sides and top of pipe whenever any type of PVC is used. Whenever cast iron is used sand may take the place of the one (1) inch rock. Whenever possible, the building sewer shall be at a depth of nine (9) feet below street grade from the main to the property line on new construction. Whenever possible on a duplex or single-family dwelling, the building sewer shall not be located under a driveway.

(33) **Section 719.6 Manholes** is amended by deleting the second paragraph.

(34) **Section 801.3 Bar and Fountain Sink Traps** is amended to read as follows:

Sinks (except hand sinks) in a bar, nightclub, tavern, or soda fountain shall drain to an approved and properly trapped and vented floor sink through an approved airgap or airbreak. The floor sink, drain line, trap, and strainer inlet shall be at least three (3) inch pipe size. The developed length from the fixture outlet to the floor sink shall not exceed five (5) feet.

(35) **Section 807.4 Domestic Dishwashing Machine** is amended to read as follows:

No domestic dishwashing machine shall be directly connected to a drainage system or food waste disposer without the use of an approved dishwasher air gap fitting on the discharge side of the dishwashing machine, or without looping the discharge line of the dishwasher as high as possible near the flood level of the kitchen sink where the waste disposer is connected. The looped discharge line of the dishwasher shall be supported or strapped. Listed air gap fittings shall be installed with the flood level (FL) marking at or above the flood level of the sink or drainboard, whichever is higher.

(36) **Section 901.0 General, Vents**, is amended by adding new sub-section 901.0.1

Section 901.0.1 All single-family or two-family dwelling units with a basement shall be provided with a two (2) inch future vent. The future vent shall be combined with other vents or terminate through the roof. Such vent shall be capped in the floor joist area of the basement for future use. The two (2) inch vent is for a future basement bathroom or other approved fixtures.

(37) **Section 902.2 Bars, Soda Fountains, and Counter, Vents Not Required**, is amended to read as follows:

Sinks (except hand sinks) in a bar, nightclub, tavern, or soda fountain shall drain to an approved and properly trapped and vented floor sink through an approved airgap or airbreak. The floor sink, its drain line, trap, and strainer inlet shall be at least three (3) inch pipe size. The developed length from the fixture outlet to the floor sink shall not exceed five (5) feet.

(38) **Section 903.1 Applicable Standards, Materials**, is amended to read as follows:

Drainage and vent pipe and fitting used inside a new building or an existing building for underground shall be copper (Type L), brass, ABS (Schedule 40), PVC (Schedule 40) and cast iron.

Exception: Galvanized may be used on a sewage ejector system when the discharge line is three (3) inch or larger. The galvanized shall be piped no more than four (4) feet out of pit.

Above ground piping shall be the same as underground except that coextruded PVC and ABS may be used, and copper tube and fittings may be Type M for commercial and structures that are more than a one and two-family dwelling. One and two-family dwellings may use type DWV copper tube.

(39) **Section 903.2.1 Underground, Copper Tubing**, is amended to read as follows:

Copper tube for underground drainage and vent piping shall have a weight of not less than that of copper drainage tube type L.

(40) **Section 903.2.2 Aboveground, Copper Tubing**, is amended to read as follows:

Copper tube for aboveground drainage and vent piping shall have a weight of not less than that of copper drainage tube type M.

Exception: Single-family and two-family dwellings may use copper tube type DWV.

(41) **Section 904.1 Size, Size of Vents**, is amended to read as follows:

The size of vent piping shall be determined from its length and the total number of fixture units connected thereto, as set forth in Table 702.1 Drainage Fixture Unit Values (DFU). The diameter of an individual vent above ground shall not be less than one and one-fourth (1 ¼) inches, or less than two (2) inches for underground, nor less than one-half (½) the diameter of the drain to which it is connected.

Exception: A water closet shall be vented with a vent no smaller than a two (2) inch inside diameter pipe.

(42) **Section 906.7 Frost or Snow Closure, Vent Termination**, is amended to read as follows:

Change two (2) inches to three (3) inches and ten (10) inches to twelve (12) inches and remove reference to mm.

(43) **Section 908.2 Horizontal Wet Venting for Bathroom Groups**, is amended by deleting the first sentence and inserting the following in lieu thereof: Water closets, bathtubs, showers and floor drains within one bathroom group located on the same floor level and for private use shall be permitted to be vented by a wet vent.

(44) **Section 908.3 Batteries of Fixtures (Battery Venting)** and subsections are added

Section 908.3.1A maximum of eight (8) floor-outlet water closets, showers, bathtubs, or floor drains connected in battery on a horizontal branch drain shall be permitted to be battery-vented. The drain from each fixture being battery-vented shall connect horizontally to the horizontal wet-vented drain branch. The horizontal wet-vented branch drain shall be considered as a vent extending from the downstream fixture drain connection to the most upstream fixture connection.

Section 908.3.2 Back-outlet water closets having carriers conforming to Section 402.4 Wall-Hung Fixtures shall be permitted to be battery-vented provided they connect horizontally to the horizontal wet-vented section.

Section 908.3.3 Trap arm lengths for fixtures shall not exceed those as indicated in amended Table 1002.2 Horizontal Lengths of Trap Arms (See (45) above).

Section 908.3.4 A battery vent shall be connected to the horizontal wet-vented branch drain between the two (2) most upstream fixture drains.

Section 908.3.5 The entire length of the wet-vented section of the horizontal branch drain shall be uniformly sized for the total drainage discharge connected thereto as per Table 703.2 Maximum Unit Loading and Maximum Length of Drainage and Vent Piping. The maximum slope of the horizontal drain shall be three-eighths (3/8) inch (10 mm) per foot (300 mm).

Section 908.3.6 A relief vent shall be provided on each wet vented horizontal branch drain below the uppermost floor. The relief vent shall connect to the horizontal branch drain between the stack and the first upstream fixture drain.

Section 908.3.7 Battery vents and relief vent connections shall be taken off vertically from the top of the horizontal drain. Battery vents and relief vents shall not be used as vertical wet vents.

Section 908.3.8 Lavatories and drinking fountains shall be permitted to connect horizontally to the horizontal wet-vented branch drain provided that they are located on the same floor as the battery-vented fixtures and each is provided with either an individual or common vent.

Section 908.3.9 Batteries of more than eight (8) battery vented fixtures shall have a separate battery vent for each group of eight (8) or less fixtures, and the horizontal branch drain in each group shall be sized for the total drainage into the branch, including all upstream branches and the fixtures within the particular group.

Section 908.3.10 All battery vents and relief vents shall be sized according to Section 904.0, but shall be not less than one-half (1/2) the area of the drain pipe that they serve and shall comply with Section 905.0

(45) **Table 1002.2 Horizontal Lengths of Trap Arms** is amended to read as follows:

Maximum Allowable Horizontal Length Of Trap Arms

1-1/4"	5' 0"
1-1/2"	6' 0"
2"	8' 0"
3"	12' 0"
4" and larger	13' 0"

The developed length between the trap of a water closet or similar fixture (measured from the top of the closet flange to the inner edge of the vent) and its vent shall not exceed six feet.

(46) **Section 1101.2 Storm Water Drainage to Sanitary Sewer Prohibited** is amended by adding the following:

Whenever such connection or arrangement is found to exist in violation of the ordinances of this city and Chapter 5, whereby surface water runoff, subsoil or footing drainage is discharged or diverted into the sanitary sewer system, the inspector shall issue a written notice to the owner to cause such to be abated by ordering a connection to a public storm main or collector line.

(47) **Section 1101.3 Material Uses** is amended to read as follows:

Rainwater piping placed within the interior of a building to two (2) feet out of building or footings shall be cast iron, brass, copper (Type M), Schedule 40 PVC or Schedule 40 ABS DWV. Schedule 40 PVC and ABS pipe installed within a duct or plenums shall be insulated with an insulation having a flame-spread index of not more than 25 and a smoke index of not more than 50.

Rainwater piping placed outside a building shall be cast iron, brass, copper (Type M), Schedule 40 PVC or Schedule 40 ABS DWV, reinforced concrete pipe (RCP), vitrified clay pipe (VCP), SDR 23.5 PVC, SDR 35 PVC, PVC truss pipe, PVC A2000 pipe, and corrugated high-density polyethylene (P.E.)

SDR 23.5 PVC, SDR 35 PVC, schedule 40 PVC or Schedule 40 ABS, PVC truss, PVC A2000, and corrugated polyethylene pipe outside a building shall be enveloped with four (4) inches of crushed rock, either one (1) inch clean or 3/8" minus 3/8" washed chips, or "pea gravel", on the top, bottom and sides.

The storm water sewer may be connected to the City storm main at intakes, manholes, or connected directly into the storm main. Whenever a direct connection is made to the storm main, the connection shall be made by a clamping saddle or a fitting with a sealant that makes the joints water and root proof.

If the storm sewer is one-half (1/2) or more of the size of the storm main, a manhole shall be required at the point of connection to the storm main. All manholes shall meet the Iowa Statewide Urban Standards.

All direct taps into the storm main shall be installed on the top one-half (1/2) of the main.

The storm sewer shall have a cleanout installed every one hundred (100) feet and every change of direction exceeding 135°. In place of a cleanout every one hundred (100) feet, a manhole shall be placed every three hundred (300) feet (manhole shall meet Des Moines Urban Standards).

No Fernco coupling or no-hub clamp shall be used on the storm sewer or main.

Exception: When converting to PVC truss pipe or clay pipe, a Fernco stainless steel shielded coupling shall be used on storm sewer.

(48) **Section 1101.5.1 Discharge, Subsoil Drains**, is amended to read as follows:

The subsoil drains may be allowed to discharge to a pond, or waterway if approved by the Building Official. If not allowed by the Building Official, the subsoil drain shall be discharged to a storm main.

Regardless, the gravity line shall have a backwater valve.

In existing buildings, if granted permission by the plumbing inspector, the perimeter tile may flow by gravity to a storm main, intake, or manhole if there is at least ten (10) feet vertical height difference between the perimeter tile and the storm main, intake, or manhole.

(49) **Section 1101.5.2 Sump, Subsoil Drains**, is amended by replacing "fifteen (15) gpm" with "17 gpm with a seventeen (17) foot head" and adding the following to the end of the section:

The sump pumpline may be either Schedule 40 PVC or Schedule 80 PVC pipe.

The fittings shall be either schedule 80 PVC deep socket or schedule 40 deep socket pressure fittings. The sump pump line may also be 1 ½" polyethylene (PE) SDR 9, 3408. The PE joints shall be made with ribbed insert fittings secured by stainless steel clamps. The sump line shall be buried no less than five (5) feet in depth from finished grade. If this depth cannot be maintained, the sides and top of pipe wall shall be covered with 1 ½" blue board insulation. The sides of the insulation shall be at least five (5) feet in depth. When the sump line is discharged into a storm manhole, intake, or storm main that is not five (5) feet below final surface grade, a quarter (¼) of an inch hole shall be drilled into the bottom portion of the horizontal 90°elbow before pipe is placed in the vertical position.

If two sump lines are combined together, the sump line shall be a two (2) inch line to the storm main, intake, or manhole. The sump pump shall have an electrical outlet within reach of the manufacturer's cord.

No foundation drain service line shall be discharged onto property, someone else's property, or into the building drain or building sewer. No floor drain, clothes washer, or any other plumbing fixture shall be discharged into the foundation sump pit.

Every sump pit in an elevator shaft shall meet the rules and regulations of the State of Iowa Elevator Inspector. No hydraulic elevator sump shall be discharged into a storm or sanitary sewer.

(50) **Section 1101.5.3 Splash Blocks** is deleted.

(51) **Section 1102.1.1 Conductors, Materials**, is amended to read as follows:

The inside conductors installed above ground level shall be of seamless copper water tube, Type K, L, or M; Schedule 40 copper pipe or Schedule 40 copper alloy pipe; service weight cast-iron soil pipe or hubless cast-iron soil pipe; or Schedule 40 ABS or Schedule 40 PVC Plastic pipe.

(52) **Section 1102.3 Underground Building Storm Drains** is amended by adding the following:

Rainwater piping placed underground within the interior of a building to two (2) feet out of building or footings shall be cast iron, brass, seamless copper water tube (type K, L, or M), Schedule 40 PVC or Schedule 40 ABS DWV.

(53) **Section 1102.3 Underground Building Storm Drains** is further amended by adding the following:

Rainwater piping placed outside a building shall be cast iron, brass, copper (Type M), Schedule 40 PVC or Schedule 40 ABS DWV, reinforced concrete pipe (RCP), vitrified clay pipe (VCP), SDR 23.5 PVC, SDR 35 PVC, PVC truss pipe, PVC A2000 pipe, and corrugated high-density polyethylene (P.E.)

SDR 23.5 PVC, SDR 35 PVC, schedule 40 PVC or Schedule 40 ABS, PVC truss, PVC A2000, and corrugated polyethylene pipe outside a building shall be enveloped with four (4) inches of crushed rock, either one (1) inch clean or 3/8" minus 3/8" washed chips, or "pea gravel", on the top, bottom and sides.

(54) **Tables 1101.7 Sizing of Horizontal Rainwater Piping, 1101.11 Sizing of Roof Drains, Leaders, and Vertical Rainwater Piping, and 1106.3 Size of Gutters** are amended by adding the following note to the end of each table:

Rainfall rates for the City of Ames shall be based at three and one-half (3 ½) inches of rain per hour.

(55) **Section 1302.0 Medical Gas and Vacuum Piping Systems—Installation Requirements** is amended by adding the following at the end of the section:

Applicant must provide a certificate to the Inspection Division from an architect or engineer that the facility, as built, meets the requirements of Chapter 13 UPC.

(56) **Section D1.1 General, Roof Drainage**, of Appendix D UPC is amended to read as follows:

The maximum rainfall rate for the City of Ames shall be based on three and one-half (3 ½) inches in Table D1.1 Maximum Rates of Rainfall for Various Cities for design.

(Ord. 4044, 9-28-10)

DIVISION III
CONTRACTOR AND TRADE LICENSES

Sec. 5.300. BUILDING CONTRACTOR REGISTRATION.

(1) **Contractor registration required.** Each person, firm, or corporation performing work requiring a building, electrical, mechanical, plumbing, or sign permit must possess a valid State Division of Labor registration number and provide proof of same to the Inspection Division prior to permit issuance. For electrical, plumbing, and HVAC contractors, possession of a State of Iowa contractor license shall serve as evidence of registration with the Division of Labor.

(2) **Contractor insurance required.**

All persons, firms, or corporations performing work that requires a building permit must possess current Contractor's Commercial General Liability insurance in not less than \$500,000.00 combined single limit, and provide proof of coverage to the Inspection Division prior to permit issuance. For electrical, plumbing, and HVAC contractors, possession of a State of Iowa contractor license shall serve as evidence of adequate insurance coverage.

Sec. 5.301. CITY ELECTRICAL CONTRACTOR REGISTRATION AND STATE LICENSING.

Before doing any electrical work governed by this code in the City of Ames, an electrical contractor must register with the City of Ames Inspection Division as an electrical contractor on a form provided by the Division.

(1) **Conditions for Registration.** An electrical contractor must hold a valid State of Iowa license as an electrical contractor.

(2) **Information to be provided.** An applicant for electrical contractor registration under this section shall provide the following information:

(a) Copy of possession of current State license;

(b) Name, mailing address, email address, phone number of the principal of the registered firm or corporation; and

(c) The names and State license classifications of all employees who may be working on projects in the City of Ames.

(3) **Registration not Transferable.** Contractor registration is not transferable to any other person, firm or corporation.

Sec. 5.302. STATE ELECTRICIAN LICENSE CATEGORIES.

(1) **Apprentice electrician.** An apprentice electrician is a person who holds an apprentice electrician license issued by the State of Iowa.

(2) **Journeyman electrician.** A journeyman electrician is a person who holds a journeyman electrician license issued by the State of Iowa.

(3) **Master electrician.** A master electrician is a person who holds a master electrician license issued by the State of Iowa.

(4) **Electrical Contractor.** An electrical contractor is a person, firm or corporation that holds an electrical contractor license issued by the State of Iowa.

Sec. 5.303. STATE ELECTRICIAN LICENSE REQUIRED.

(1) Where this code requires electrical work to be performed by a licensed person, such person must hold and have in their immediate possession, a valid Electricians license issued by the State of Iowa that authorizes the work being performed.

Sec. 5.304. EXEMPTIONS.

(1) No license or registration shall be required for minor repair work, including the replacement of lamps and fuses, or the connection of approved portable electrical equipment to approved permanently installed receptacles, or for simple replacement of electrical fixtures such as wall plugs, and light fixtures, in single family dwellings when the person performing the repair work is the owner of the structure, and has his or her primary place of residence there.

(2) No license or registration shall be required for a mobile home dealer or the employee of a mobile home dealer to perform electrical connections in a mobile home space or within ten feet of such space, located in a mobile home park, all within the meaning and intent of Section 103A.52 Code of Iowa. The requirements for permits and inspections remain in effect, and the mobile home dealer shall pay the permit and inspection fees.

Sec. 5.305. CITY PLUMBING CONTRACTOR REGISTRATION AND STATE LICENSING.

Before doing any plumbing work governed by this code in the City of Ames, a plumbing contractor must register with the City of Ames Inspection Division as a plumbing contractor on a form provided by the Division.

(1) **Conditions for Registration.** A plumbing contractor must hold a valid State of Iowa license as a plumbing contractor.

(2) Information to be provided. An applicant for plumbing contractor registration under this section shall provide the following information:

(a) Copy of possession of current State license;

(b) Name, mailing address, email address, phone number of the principal of the registered firm or corporation; and

(c) The names and State license classifications of all employees who may be working on projects in the City of Ames.

(3) **Registration not Transferable.** Contractor registration is not transferable to any other person, firm or corporation.

Sec. 5.306. STATE PLUMBERS LICENSE CATEGORIES.

(1) **Apprentice plumber.** An apprentice plumber is a person who holds an apprentice plumber license issued by the State of Iowa.

(2) **Journeyman plumber.** A journeyman plumber is a person who holds a journeyman plumber license issued by the State of Iowa.

(3) **Master plumber.** A master plumber is a person who holds a master plumbers license issued by the State of Iowa.

(4) **Plumbing contractor.** A plumbing contractor is a person, firm or corporation that holds a plumbing contractor license issued by the State of Iowa.

Sec. 5.307. STATE PLUMBERS LICENSES REQUIRED.

(1) Where this code requires plumbing work to be performed by a licensed person, such person must hold and have in their immediate possession, a valid Plumbers license issued by the State of Iowa that authorizes the work being performed.

Sec. 5.308. EXEMPTIONS.

(1) No license or registration shall be required for plumbing work to be performed on a single family residential structure when the person performing the plumbing work is the owner of the structure, and has his/her primary place of residence there.

(2) No license or registration procedure shall be required for a mobile home dealer or employee of a mobile home dealer to perform water, gas, or utility service connections in a mobile home space or within ten feet of such space, located in a mobile home park, all within the meaning and intent of Section 103A.52 Code of Iowa. The requirements for permits and inspections remain in effect, and the mobile home dealer shall pay the permit and inspection fees. No homeowners or mobile home dealer will be allowed to tap a water main, sanitary or storm main or repair nor be allowed to install a building sanitary sewer, water service, foundation drain, or a storm sewer or make repair of such.

Sec. 5.309. CITY MECHANICAL HVAC CONTRACTOR REGISTRATION AND STATE LICENSING.

Before doing any heating, ventilation, air conditioning, or ducted heating work governed by this code, in the City of Ames, an HVAC contractor must register with the City of Ames Inspection Division as an HVAC contractor on a form provided by the Division.

(1) Conditions for Registration. An HVAC contractor must hold a valid State of Iowa license as an HVAC contractor.

(2) Information to be provided. An applicant for HVAC contractor registration under this section shall provide the following information:

(a) Copy of possession of current State license;

(b) Name, mailing address, email address, phone number of the principal of the registered firm or corporation; and

(c) The names and State license classifications of all employees who may be working on projects in the City of Ames.

(3) Registration not Transferable. Contractor registration is not transferable to any other person, firm or corporation.

Sec. 5.310. STATE HVAC MECHANICAL LICENSE CATEGORIES.

(1) **HVAC Mechanical Apprentice.** An HVAC mechanical apprentice is a person who holds an HVAC mechanical apprentice license issued by the State of Iowa.

(2) **HVAC Mechanical Journeyman.** An HVAC mechanical journeyman is a person who holds an HVAC mechanical journeyman license issued by the State of Iowa.

(3) **HVAC Mechanical Master.** An HVAC mechanical master is a person who holds an HVAC mechanical master license issued by the State of Iowa.

(4) **HVAC Mechanical Contractor.** An HVAC mechanical contractor is a person, firm or corporation that holds an HVAC mechanical contractor license issued by the State of Iowa.

Sec. 5.311. STATE HVAC MECHANICAL LICENSES REQUIRED.

(1) Where this code requires mechanical work to be performed by a licensed person, such person must hold and have in their immediate possession, a valid HVAC license issued by the State of Iowa that authorizes the work being performed.

Sec. 5.312. EXEMPTIONS.

(1) No such license or registration procedure shall be required for mechanical work to be performed on a single family residential structure when the person performing the mechanical work is the owner of the structure, and has his/her primary place of residence there.

(2) No license or registration procedure shall be required for a mobile home dealer or employee of a mobile home dealer to perform water, gas, or utility service connections in a mobile home space or within ten feet of such space, located in a mobile home park, all within the meaning and intent of Section 103A.52 Code of Iowa. The requirements for permits and inspections remain in effect, and the mobile home dealer shall pay the permit and inspection fees. No homeowners or mobile home dealer will be allowed to tap a water main, sanitary or storm main or repair nor be allowed to install a building sanitary sewer, water service, foundation drain, or a storm sewer or make repair of such.

(Ord. 4044, 9-28-10)

DIVISION IV
DANGEROUS BUILDINGS

Sec. 5.400. TITLE AND ADOPTION.

These regulations shall be known as the Dangerous Building Code of the City of Ames, hereinafter referred to as "this code".

(1) Scope. The provisions of this code shall apply to the use and occupancy, repair, maintenance, removal and demolition of every building or structure or any appurtenances connected with or attached to such buildings or structures, including all electrical, mechanical, plumbing, and fire alarm and suppression equipment and systems. Buildings and structures may be declared dangerous based upon unsafe conditions found in any one or more of these building systems.

(2) Intent. The purpose of this code is to establish the minimum standards of structural strength and stability, means of egress, health and sanitation, light and ventilation, necessary to safeguard the public health, safety and general welfare from fire and other hazards, and to provide safety to fire fighters, police, and other emergency responders during routine and emergency operations.

(3) Referenced codes. The codes adopted by reference in Section 5.100 of the City of Ames Building, Electrical, Mechanical and Plumbing Code shall be used as the minimum standards to be followed under this chapter.

Sec. 5.401. DEFINITIONS.

The following words when used in this chapter shall have the meanings:

(1) *Abatement* means the repair, modification, stoppage, removal or demolition of that which causes or constitutes a public nuisance.

(2) *Building Official* means the City official designated to administer and enforce the provisions of this code, or designee.

(3) *Dangerous building*. For the purpose of this code, any building, shed, garage, fence, or structure which has any or all of the conditions or defects hereinafter described shall be deemed to be a dangerous building, provided that such conditions or defects exist to the extent that the life, health, property or safety of the public or its occupants are endangered:

(a) Whenever any door, aisle, passageway, stairway or other means of exit is not of sufficient width or size or is not so arranged as to provide safe and adequate means of exit in case of fire or panic.

(b) Whenever the walking surface of any aisle, passageway, stairway or other means of exit is so warped, worn, loose, torn or otherwise unsafe as to not provide safe and adequate means of exit in case of fire or panic.

(c) Whenever the stress in any materials, member or portion thereof, due to all dead and live loads, is more than one and one half times the working stress or stresses allowed in the Building Code for new buildings of similar structure, purpose or location.

(d) Whenever any portion thereof has been damaged by fire, earthquake, wind, flood or by any other cause, to such an extent that the structural strength or stability thereof is materially less than it was before such catastrophe and is less than the minimum requirements of the Building Code for new buildings of similar structure, purpose or location.

(e) Whenever any portion or member or appurtenance thereof is likely to fail, or to become detached or dislodged, or to collapse and thereby injure persons or damage property.

(f) Whenever any portion of a building, or any member, appurtenance or ornamentation on the exterior thereof is not of sufficient strength or stability, or is not so anchored, attached or fastened in place so as to be capable of resisting a wind pressure of one half of that specified in the Building Code for new buildings of similar structure, purpose or location without exceeding the working stresses permitted in the Building Code for such buildings.

(g) Whenever any portion thereof has wracked, warped, buckled or settled to such an extent that walls or other structural portions have materially less resistance to winds or earthquakes than is required in the case of similar new construction.

(h) Whenever the building or structure, or any portion thereof, because of

- (i) dilapidation, deterioration or decay;
- (ii) faulty construction;
- (iii) the removal, movement or instability of any portion of the ground necessary for the purpose of supporting such building;
- (iv) the deterioration, decay or inadequacy of its foundation; or
- (v) any other cause, is likely to partially or completely collapse.

(i) Whenever, for any reason, the building or structure, or any portion thereof, is manifestly unsafe for the purpose for which it is being used.

(j) Whenever the exterior walls or other vertical structural members list, lean or buckle to such an extent that a plumb line passing through the center of gravity does not fall inside

the middle one third of the base.

(k) Whenever the building or structure, exclusive of the foundation, shows 33 percent or more damage or deterioration of its supporting member or members, or 50 percent damage or deterioration of its nonsupporting members, enclosing or outside walls or coverings.

(l) Whenever the building or structure has been so damaged by fire, wind, earthquake or flood, or has become so dilapidated or deteriorated as to become

- (i) an attractive nuisance to children;
- (ii) a harbor for vagrants, criminals or immoral persons; or as to
- (iii) enable persons to resort thereto for the purpose of committing

unlawful or immoral acts.

(m) Whenever any building or structure has been constructed, exists or is maintained in violation of any specific requirement or prohibition applicable to such building or structure provided by the building regulations of this city, as specified in the City of Ames Municipal Code Chapter 5, Building, Electrical, Mechanical and Plumbing Code, or City of Ames Municipal Code Chapter 13, Rental Housing Code, or of any law or ordinance of this state or city relating to the condition, location or structure of buildings.

(n) Whenever any building or structure which, whether or not erected in accordance with all applicable laws and ordinances, has in any non-supporting part, member or portion less than 50 percent, or in any supporting part, member or portion less than 66 percent of the:

- (i) strength,
- (ii) fire-resisting qualities or characteristics, or
- (iii) weather-resisting qualities or characteristics required by law in

the case of a newly constructed building of like area, height and occupancy in the same location.

(o) Whenever a building or structure, used or intended to be used for dwelling purposes, because of inadequate maintenance, dilapidation, decay, damage, faulty construction or arrangement, inadequate light, air or sanitation facilities, or otherwise, is determined to be unsanitary, unfit for human habitation or in such a condition that is likely to cause sickness or disease.

(p) Whenever any building or structure, because of obsolescence, dilapidated condition, deterioration, damage, inadequate exits, lack of sufficient fire-resistive construction, faulty electric wiring, gas connections or heating apparatus, or other cause, is determined to be a fire hazard.

(q) Whenever any building or structure is in such a condition as to constitute a public nuisance known to the common law, or in equity jurisprudence.

(r) Whenever any portion of a building or structure remains on a site after the demolition or destruction of the building or structure or whenever any building or structure is abandoned for a period in excess of six months so as to constitute such building or portion thereof an attractive nuisance or hazard to the public.

(4) *Imminently dangerous structure* is any building, shed, fence or other man-made structure which, is in danger of imminent collapse of all or any part of such structure and is thereby an imminent danger to the health and safety of the general public or adjacent property.

(5) *Owner* means any person, agent, operator, firm or corporation having a legal or equitable interest in the property; or recorded in the official records of the state, county or municipality as holding title to the property; or otherwise having control of the property, including the guardian of the estate of any such person, and the executor or administrator of the estate of such person if ordered to take possession of real property by a court; or a trustee.

(6) *Property* means any real property, premises, structure or location on which a dangerous building is alleged to exist.

(7) *Public nuisance* means any fence, wall, shed, deck, house, garage, building, structure or any part of any of the aforesaid; or any tree, pole, smokestack; or any excavation, hole, pit basement, cellar, sidewalk subspace, dock, wharf or landing dock; or any lot, land, yard, premises or locations which in its entirety, or in any part thereof, by reason of the condition in which the same is found or permitted to be or remain, shall or may endanger the health, safety, life, limb or property, or cause any hurt, harm, inconvenience, discomfort, damage or injury to any one or more individuals in the City, in any one or more of the following particulars:

- community.
- (a) By reason of being a menace, threat and/or hazard to the general health and safety of the community.
 - (b) By reason of being a fire hazard.
 - (c) By reason of being unsafe for occupancy, or use on, in, upon, about or around the aforesaid property.
 - (d) Is an imminently dangerous structure.
 - (e) By reason of the existence of any condition set forth in Section 5.401(3) of this code.

(8) *Summary abatement* means abatement of the dangerous building by the City, or a contractor employed by the City, by removal, repair, or other acts without prior notice to the owner, agent, or occupant of the property.

Sec. 5.402. AUTHORITY.

(1) City Officials. The Building Official, City Sanitarian, Fire Inspector, or their designees are authorized to conduct inspections and take any other actions to carry out and enforce the provisions of this chapter relating to dangerous buildings.

(2) Abatement. All buildings or portions thereof which are, on inspection, determined to be dangerous, as provided in subsection 5.401(3) above, are hereby declared to be public nuisances and shall be abated by repair, rehabilitation, vacation, securing against entry, demolition or removal.

(3) Summary Abatement. Where it has been determined that a structure is imminently dangerous the City may proceed by Summary Abatement.

(4) Failure to Obey Notice. If any person, firm, or corporation shall refuse to comply with a notice issued by the Building Official in regard to a dangerous structure, the Building Official may cause the person to be prosecuted or institute actions to abate the building as a public nuisance by securing against entry, initiating repair or initiating demolition.

Sec. 5.403. PROCEDURE TO REMEDY.

Whenever the Building Official or other inspector determines that any structure is dangerous the Building Official shall:

(1) Post Notice. Cause to be posted in a conspicuous place on the structure a notice which shall read substantially as follows: "Danger - Unsafe or Unfit Structure."

(2) Serve Notice. Cause to be served upon the owner thereof and the occupants, if any, a written notice which shall contain:

(a) The street address and a legal description sufficient for identification of the premises upon which the structure is located;

(b) A statement that the Building Official has found the structure to be a dangerous structure with a description of the conditions found to render the structure dangerous under the provisions of Section 5.401(3);

(c) A statement that the structure must be vacated by all occupants within a specified time, which shall be reasonable under the circumstances;

(d) A statement of the corrective action to be taken as determined by the Building Official including a time for commencing and completing such corrective action. Corrective action may include repair, removal, demolition, or other abatement, as determined by the Building Official. All repair or modification or demolition work ordered shall be commenced within a reasonable time as determined by the Building Official. When required action is repair, such work shall be completed within a reasonable time as determined by the Building Official. Requests for time extensions shall be submitted in writing to the Building Official.

(e) A statement that the Building Official may require the owner to obtain structural, or other appropriate evaluations and reports to be prepared by a structural engineer or other appropriately licensed persons for use in developing a complete and detailed corrective action plan. The notice shall set a date for submittal of such professional evaluations and reports. If the owner is unwilling or unable to obtain such required evaluations and reports, the Building Official may contract

with qualified persons and invoice the building owner to recover costs for such services, or assess the costs against the property in the manner of a special assessment

(f) A statement that if the required repair, modification or demolition work is not commenced or completed within the time specified, the City may cause the structure to be abated or demolished and assess all costs thereof.

(g) A statement that the Building Official will report the failure of the owner to repair, modify or demolish the structure to the Building Board of Appeals (as established in Municipal Code Chapter 5 Division VI, hereinafter referred to as "the Board"), City Manager, and City Council; and

(i) that the Board will conduct a public hearing on the report and may direct the Building Official to proceed with demolition of the structure or abatement of the dangerous condition and assessment of costs in accord with procedures set forth in this code, and

(ii) that the owner may file written objections with the Building Official, and appear at the public hearing and be heard orally in relation to the matter at the time of the public hearing before the Board.

(h) A statement that the owner has the right to request a hearing by the Board to appeal the notice.

(i) A statement that any person who is the record owner of the premises, location or structure at the time an order pursuant to this Ordinance is issued and served upon him, shall be responsible for complying with that order, and liable for any costs incurred by the City therewith, notwithstanding the fact that the Building Official conveys his interests in the property to another after such order was issued and served.

(3) Form of Notice. Such notice may be in the form of an ordinance, or by certified mail, or by personal service to the property owner as shown by the records of the city assessor and to the occupants, if any, and shall state the time within which action is required. However, in an emergency, the city may perform any action which may be required under this section without prior notice, as a Summary Abatement and assess costs.

(4) File Notice. The Building Official shall file a copy of such written notice with the county recorder.

Sec. 5.404. ABATEMENT BY OWNER; TIME FOR COMPLIANCE.

(1) Duties. The owner or occupant of a Dangerous Building who has been served notice under Section 5.403 shall:

(a) Promptly take action to make the dangerous building as safe, secure, and free from danger to others as is possible pending repair or demolition.

(b) Within fifteen (15) days after date of the notice file with the Building Official a written statement of intent to comply which includes plans detailing the repairs or demolition to be done, and includes a completion date.

(c) Obtain approval from the Building Official of the repair or demolition plans submitted.

(d) Within a reasonable time after filing a statement of intent and receiving approval, commence actual repairs or modification in accord with the statement of intent.

(2) Time Extensions. Extensions of time may be granted as follows:

(a) The owner may request one extension of time from the Building Official for the owner to abate the dangerous conditions by demolition or to make required repairs, provided such extension is limited to a specific time period.

(b) If the owner has been granted one extension of time by the Building Official, any additional request for an extension of time shall be taken as an appeal to the Building Board.

Sec. 5.405. APPEAL PROCEDURES.

(1) Manner. The owner or occupant of the property who has been served with a notice pursuant to this Code that a dangerous building exists and that it must be abated or repaired as set forth in the Building Official's notice may make a written request to the Building Official for a hearing before the Building Board. This request shall be made within fifteen (15) days after the date of such notice.

(2) Grounds. A request for a hearing shall be based on one or more of the following grounds:

- (a) That the Building Official erred in the determination that a building is dangerous; or
- (b) where the Building Official rejects or refuses to approve the mode or manner of construction and/or material to be used in the repair or abatement of the building; or
- (c) where it is asserted that the true intent of this code has been incorrectly interpreted; or
- (d) where it is asserted that the provision of this code do not fully apply; or
- (e) that specific proposed alternative actions will remove or eliminate the condition such that it no longer endangers the health, safety, life, limb or property, or causes any hurt, harm, inconvenience, discomfort, damage or injury to any one or more individuals in the City; or
- (f) additional time for compliance is sought and one extension of time has already been granted by the Building Official.

(3) Date. The Building Official shall, within fifteen (15) days after receipt of such a written request, set a date for a hearing by the Board. The hearing shall be held as soon as practicable following receipt by the Building Official of the written request and at least seven (7) days notice of the hearing shall be given to the individual who made the written request for the hearing.

(4) Authority of Board. The hearing shall be heard and conducted by the Board. When acting on a dangerous building appeal, the Board may uphold the notice as issued, or amend or modify the notice, or extend the time for compliance with the notice by such time limit as the majority of the Board may determine, all in accord with the scope of authority as follows:

(a) In determining whether a building is dangerous, the Board shall consider whether a building or structure has any or all of the conditions set forth in Sec. 5.401(3) of this code to the extent that the life, health, property, or safety of the public or its occupants, are endangered

(b) In considering alternative methods of compliance, the Board may approve any alternate if it finds that the proposal is satisfactory and that the material, method or work offered is, for the purpose intended, at least the equivalent of that prescribed in this code in quality, strength, effectiveness, fire resistance, durability and safety; and that application of such alternative will eliminate or remove all of the conditions identified as dangerous, as set forth in Sec. 5.401(3) of this code.

(c) In considering alternative methods of compliance, the Board may require that sufficient evidence or proof be submitted to substantiate any claim that may be made regarding the use of alternative methods or materials.

(d) The Board shall have no authority to waive the requirements of this code.

(e) In considering interpretations of the Code, the Board shall follow the intent, spirit and purpose of the code.

(f) The Board shall have no authority relative to interpretation of the procedural provisions of this code.

(g) A decision of the Board to vary the application of any provision of this Code or to modify an order of the Building Official shall specify in what manner such variation or modification is made, the conditions upon which it is made, and the reasons therefore.

(h) The Board may find that the Building Official erred in the determination that a dangerous building exists. To make this finding, the Board must conclude the building has none of the conditions or defects described in Section 5. 401(3) of this Code, to the extent that the life, health, property or safety of the public or the building occupants are endangered.

(i) When an owner has applied for an extension of time, the Board may grant one extension of time to comply with an order to repair or modify or demolish a structure when the owner affirmatively shows the financial ability to perform the work; and the work cannot practicably be completed within the time provided. Such extension shall be for a reasonable period of time generally not to exceed ninety (90) days for repairs or modifications and generally not to exceed sixty (60) days for demolition, except when extraordinary circumstances can be shown, the Board may exceed these general time periods.

(5) No Defense. It shall not be a defense to the determination that a dangerous building exists that the structure is boarded up or otherwise enclosed.

Sec. 5.406 DEMOLITION OR ABATEMENT BY CITY.

(1) When the owner fails to commence or complete the required repairs, removal or demolition within the specified time period and does not timely appeal, the Building Official shall report the owner's failure to the Board, City Manager, and City Council.

(2) The Board shall then hold a hearing and may, by majority vote of approval, authorize the Building Official to demolish the structure, or may take other abatement action as deemed appropriate, including the granting of a stay pursuant to Section 5.407.

(3) Following Board action, the Building Official shall file a certified copy of the Board's decision with the county recorder, and shall issue a notice of intent to demolish or abate to the owner of the structure.

Sec. 5.407. STAY OF DEMOLITION OR ABATEMENT.

(1) The owner may request a delay in the demolition or abatement of a structure at the time of hearing on the Building Official's recommendation for Board action approving demolition or abatement. Such request shall be made in writing. The Board may grant such request when in its opinion it is practical, economical and structurally possible to rehabilitate the structure to comply with this code, and the owner complies with the following conditions.

(2) No stay granted shall be effective, however, unless and until such person signs a written agreement with the city wherein the owner agrees:

(a) To make all of the necessary repairs consistent with the approved plans within a time limit to be determined by the Board; and

(b) To grant the city the right to award a contract and to enter in and upon such premises for the purposes of demolishing same upon the failure of the person to complete all required repairs within the agreed time limit; and

(c) To reimburse the City for its actual costs incurred in inspection and administration expenses until the structure is brought into compliance with the original notice, through repair or demolition; and

(d) To file with the city a corporate surety performance bond, a cashier's check, a certified check drawn on an Ames bank or credit union, a letter of credit from an Ames bank or credit union, or other surety approvable by the City, in an amount sufficient to pay the estimated cost of demolition or abatement as determined by the Building Official, and to assure payment of the reimbursement of costs to the City. The surety shall be conditioned upon performance of the repairs within the agreed time period, together with any subsequent written time extensions thereto, and conditioned upon payment of the City's reimbursement as same shall become due. Upon such owner's failure to make all of the repairs in a manner acceptable to the city within the agreed time period, together with written extensions thereto, the Building Official may proceed to demolish or abate the structure.

(3) The proceeds of the surety given pursuant to this Section shall be applied by the City first against any unpaid reimbursement and then against the assessment for demolition.

Sec. 5.408. ACCESS FOR DEMOLITION OR ABATEMENT – PENALTIES.

The owner of the structure who has received notice of the intent of the Building Official to demolish or abate, shall give entry and free access to the property to the Building Official and all other persons acting on behalf of the City.

Any owner who refuses, impedes, interferes with or hinders or obstructs entry by such agent pursuant to a notice shall be subject to enforcement actions which may include arrest and prosecution for Interference with Official Acts, or other civil or criminal charges.

Sec. 5.409. GRADING OF PREMISES AFTER DEMOLITION.

Whenever the premises is demolished, whether carried out by the owner or by the Building Official, such demolition shall include the filling of the excavation on which the demolished structure was located in such manner as to eliminate all potential danger to the public health, safety, or welfare arising from such excavation. This includes, but is not limited to the removal of the entire basement including walls, floor, footings, and foundations; cisterns or wells; accessory buildings and structures; abandoned utility services: water, sewer, gas, and electric.

Sec. 5.410. EXTERMINATION PROCEDURE BEFORE DEMOLITION OR ABATEMENT.

Demolition or abatement shall be preceded by an inspection of the premises by the Building Official to determine whether or not extermination procedures are necessary. If the premises are found to be infested, appropriate extermination to prevent the spread of rats, insects, or other vermin to adjoining or other areas or properties shall be instituted before demolition, as appropriate. The costs for such actions shall be included in the final assessment against the property and/or the owner.

Sec. 5.411. DEMOLITION OR ABATEMENT CONTRACT.

The Building Official shall commence demolition as follows:

- (1) Pursuant to the Board's decision to proceed with demolition or abatement, the City shall award a contract in accordance with the City's purchasing policies, for that work.
- (2) A contract for demolition ordered by the Building Official or other designated City official in response to an emergency condition shall be approved by the City Manager.

Sec. 5.412. REMOVAL OF POSTED NOTICE AND ENTRY ON POSTED PREMISES PROHIBITED.

(1) No person shall deface, cover, obliterate, or remove the notice posted pursuant to this Code from any structure which has been so posted by the Building Official as unsafe or unfit. The Building Official shall remove such posted notice when the defect or defects which caused the posted notice have been eliminated, or when the demolition or removal of the structure is commenced.

(2) No such structure shall again be occupied or used until such posted notice is removed by the Building Official. No persons shall enter a posted building except with the express permission of the Building Official. This provision shall not apply to emergency fire, medical or police personnel responses.

Sec. 5.413. SERVICE BY PUBLIC UTILITIES.

(1) It is unlawful for any public utility corporation or company to furnish gas or electrical service to any structure which has been posted as unsafe or unfit after the Building Official has notified the public utility of the posting, and the date by which services shall be discontinued. The utility service shall not be restored to a posted structure until notice, authorizing the restoration of such service is received from the Building Official by the utility corporation or company. The Building Official may authorize temporary or limited restoration of service to be used in connection with the renovation, repair or remodeling of the structure to enable compliance with the provisions of this title.

Sec. 5.414. SUMMARY ABATEMENT OF IMMINENTLY DANGEROUS STRUCTURES.

(1) Whenever a complaint is made to the Building Official or the Building Official otherwise becomes aware of the existence of an imminently dangerous structure the Building Official shall promptly inspect such structure. Should the Building Official find that an imminently dangerous structure exists, and that the public health, safety or welfare may be in immediate danger, then summary abatement may commence and the Building Official may promptly cause the structure or any portion of it, to be demolished, removed or abated.

(2) When a summary abatement is used, notice to the owner, agent or occupant of the property is not required prior to abatement. Following summary abatement, the Building Official shall cause written notice to be served promptly to the owner describing the action taken to abate the imminently dangerous structure.

Sec. 5.415. COST OF ABATEMENT; LOW INCOME, ELDERLY PERSONS.

(1) Policy. Notwithstanding the other provisions of this code, the cost of abating a dangerous building may be waived for low income and elderly persons, if upon application it appears to the Building Official that the conditions set forth in subsection (2) are met.

(2) Eligibility. To be eligible for waiver of abatement costs a person must be classified as "low income", defined as having household income of not more than 50% of the Story County median income.

(3) Other eligibility requirements. Additionally, all persons wishing to qualify for waiver or nuisance abatement costs must:

- (a) Furnish proof of the income requirements as set forth above in the manner and form designated by the Building Official; and
- (b) Must own, or be in the process of purchasing the property from which the nuisance is abated; and
- (c) The property from which the nuisance is abated must be their primary residence.
- (4) Official Notice. The abatement of the dangerous building in question must have been required by the Building Official and the person requesting the waiver of costs must have been officially notified by the Building Official to remove the same.
- (5) Application. Applications for waiver of abatement costs shall be filed with the Building Official on forms supplied by the City. All information required to be given on such form shall be supplied and verified by the applicant.
- (6) Amount. The Building Official shall have authority to waive up to \$1,000 per calendar year, for any one parcel of real property or any one person. Requests for waiver in excess of that granted by the Building Official shall be subject to approval of the City Council.

Sec. 5.416. SEVERABILITY.

If any section, subsection, sentence, clause, phrase or portion of this code is for any reason held to be invalid or unconstitutional by the final decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this code. The City Council declares that it would have adopted this code and each section, subsection, sentence, clause, phrase, or portion thereof, despite the fact that any one or more section, subsection, sentence, clause, phrase, or portion would be declared invalid or unconstitutional.

(Ord. 3986; 03-03-09)

DIVISION V
PENALTIES AND ENFORCEMENT

Sec. 5.500. VIOLATIONS.

Any violation of any provision of Chapter 5, Building Code, or any model code adopted in Chapter 5, is hereby declared a municipal infraction, and a public nuisance.

Sec. 5.501. MUNICIPAL INFRACTION CITATION.

Any violation of any provision of Chapter 5 is punishable by a penalty of \$500 for a first offense, and a penalty of \$750 for a second offense, and \$1,000 for each succeeding offense.

Sec. 5.502. NUISANCE ABATEMENT.

Any violation of any provision of Chapter 5 may be abated as a Public Nuisance, in the manner that public nuisances are now or may hereafter be commonly abated, in accord with provisions of the State Code of Iowa.

Sec. 5.503. STOP WORK ORDERS.

Any work being performed in violation of any provision of Chapter 5 may be ordered immediately stopped, in accord with provisions of this code.

DIVISION VI
MEANS OF APPEAL

Sec. 5.600. BUILDING BOARD OF APPEALS

There is established a Building Board of Appeals to hear appeals of persons in matters of building construction, safety and code compliance within the scope of the building, electrical, mechanical, and plumbing codes as adopted by the City of Ames.

Sec. 5.601. APPEAL APPLICATION.

Any person directly affected by a decision of the Building Official or a notice or order issued under this code shall have the right to appeal. That appeal shall be heard by the Building Board of Appeals. An appeal shall be made in writing and be filed no later than twenty (20) days after the date of the notice or order. An application for appeal shall be based on a claim that:

- (1) the true intent of this Code or the rules legally adopted hereunder have been incorrectly interpreted, or
- (2) the provisions of this Code do not fully apply, or
- (3) the requirements of this Code are adequately satisfied by other means, and the specific proposed alternative action will increase the degree of general code compliance of the specific system or the building and premises, or
- (4) there are specific fixed conditions that make strict compliance with this Code impracticable, or
- (5) required actions cannot be completed within the time limit specified by the Building Official

Sec. 5.602. BOARD MEMBERSHIP AND APPOINTMENT.

(1) The Board shall consist of seven members who are qualified by experience and training to pass on matters pertaining to building construction and who are not employees of the City of Ames. The Building Official shall be an ex-officio member but shall have no vote on any matter before the Board. (2) Board members shall be appointed by the Mayor with the approval of the City Council. The term of office shall be for three (3) years, except for the terms of office for the Board when initially established. The Mayor may prescribe a shorter than a full term of appointment in order to stagger terms. No member who has served two (2) full consecutive terms is eligible for reappointment.

- (3) Membership shall consist of:
- 1 licensed architect
 - 1 professional engineer
 - 1 general contractor
 - 1 homebuilder
 - 1 licensed journeyman or master electrician, or electrical contractor
 - 1 licensed journeyman or master plumber, or plumbing contractor
 - 1 licensed master hvac technician, or mechanical contractor

Sec. 5.603. BOARD CHAIRPERSON.

The Board shall annually elect one of its members to serve as chairperson.

Sec. 5.604. CONFLICT OF INTEREST.

A member shall not hear an appeal in which the member or immediate family member has a personal, professional or financial interest.

Sec. 5.605. BOARD RECORDS.

The Building Official shall designate a qualified person to serve as secretary to the Board. The secretary shall file a detailed record of all proceedings in the offices of the Inspection Division and the City Clerk.

Sec. 5.606. MEMBER COMPENSATION.

Members shall receive no compensation.

Sec. 5.607. MEETING SCHEDULE.

The Board shall meet upon notice from the Building Official within 20 days of the filing of an appeal, or at stated periodic dates. An appellant may waive a timely hearing by filing a written waiver explaining the cause for seeking a delay.

Sec. 5.608. OPEN MEETINGS.

The Board shall adopt and make available to the public, procedures under which hearings will be conducted.

Sec. 5.609. BOARD AUTHORITY.

The Board has authority to affirm, modify or reverse the decision of the Building Official.

Sec. 5.610. ACTION ON BOARD DECISION.

The Building Official shall take prompt action in accordance with the decision of the Board.

Sec. 5.611. STAY OF ENFORCEMENT.

Appeal of a notice and order (other than an Imminent Danger notice) shall stay enforcement of the notice and order until the appeal is heard by the Board.

Sec. 5.612. CODE AMENDMENTS.

- (1) Authority - The Board of Appeals may recommend revisions to this Code.
- (2) General - The model codes adopted in this chapter shall be retained in their entirety, unless compelling factual evidence indicates that deviation from them is necessary to accomplish the objective of the codes. Local geographic and climatic conditions, for example, require local modification of structural design parameters, and are included in this code.
- (3) Process - Proposed revisions are subject to public hearing and action at the Board level, followed by Council discussion, public hearing, and action.

DIVISION VII – Reserved

**DIVISION VIII
BUILDING MOVING**

Sec. 5.801. STRUCTURE DEFINED.

The term "structure" as used in this division means any house, building, or other structure eight (8) feet or more in width, which is to be moved from one location to another upon, along, across, over, or near any street, avenue, alley, highway, sidewalk, or other public ground of the city.
(Code 1956, Sec. 46-1; Ord. No. 3194, Sec. 1, 9-24-92)

Sec. 5.802. "HOUSE MOVER" DEFINED.

The term "house mover" as used in this chapter means a person who has been issued a valid license to move structures.
(Code 1956, Sec. 46-2; Ord. No. 3194, Sec. 1, 9-24-92)

Sec. 5.803. LICENSE REQUIRED.

No person shall engage in the business of moving structures within the city without first obtaining a license therefore, as hereinafter provided.
(Code 1956, Sec. 46-3; Ord. No. 3194, Sec. 1, 9-24-92)

Sec. 5.804. APPLICATION FOR LICENSE REQUIRED.

Any person, intending to carry on the business of house mover in the city shall file in the office of the city manager an application in writing upon forms furnished by the city, and among other things such application shall state:

- (1) The name and address of the applicant.
- (2) The person who will have charge of work done, qualifications and experience as such, and that the person has knowledge of the provisions of this Code and the city ordinances relating thereto.
- (3) The applicant agrees to reimburse the city or others for all costs incurred in the moving of structures under the provisions of the license and permit issued therefore.

Sec. 5.805. BOND.

The applicant must, before the license shall be issued, file with the city clerk a corporate surety bond executed to the city in the amount of two thousand, five hundred dollars (\$2,500.00) with sureties approved by the city clerk, conditioned that all work done under such license shall be done in a good, competent manner and in accordance with the ordinances of the city relating thereto and that the applicant or a surety will pay to the city or any person injured all damages for injuries to persons or property caused by the negligence, fault or mismanagement of said applicant, or due to any other cause, in doing any work under said license or any permit issued for such work, and will pay to the city any cost or expense incurred in repairing or restoring any pavement, curbs, sidewalks, electric facilities or other public works injured and of restoring such works to its previous condition.
(Code 1956, Sec. 46-5; Ord. No. 3194, Sec. 1, 9-24-92)

Sec. 5.806. INSURANCE REQUIRED.

Applicant shall procure and maintain, for the duration of the license period, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the function for which the license is issued. Applicant shall furnish the City of Ames with certificates of insurance evidencing the following coverages:

(1) Comprehensive General Liability with limits of no less than \$1,000,000 combined single limits per occurrence for bodily injury, personal injury and property damage.

(2) Automobile Liability with limits of no less than \$1,000,000 combined single limits per occurrence for bodily injury, personal injury and property damage.

(3) Worker's Compensation and Employee's Liability as required by the laws of the State of Iowa. The certificate must be on file in the office of the City Clerk, City of Ames before a license shall be issued.
(Code 1956, Sec. 46-6; Ord. No. 3043, Sec. 1, 4-11-89; Ord. No. 3194, Sec. 1, 9-24-92)

Sec. 5.807. ISSUANCE OF LICENSE.

Upon approval of the application for a license, the filing and approval of the bond and certificate of insurance set forth herein, and the payment of the license fee, the city clerk shall issue a license to the applicant as a house mover.
(Code 1956, Sec. 46-7; Ord. No. 3194, Sec. 1, 9-24-92)

Sec. 5.808. LICENSE FEE; EXPIRATION; TRANSFERABILITY.

A fee for a license as a house mover shall be set by the city clerk to cover costs of administration and issuance. The license shall expire on the first day of January next ensuing after issuance therefore. The license shall not be transferable.
(Code 1956, Sec. 46-8; Ord. No. 3194, Sec. 1, 9-24-92)

Sec. 5.809. REVOCATION OF LICENSE.

Any licensed house mover who shall, in any application for a permit, make any untrue or false statements, or who shall be guilty of a violation of this chapter, or who shall be guilty of acts of negligence in the conduct of the business, shall upon such finding have the license revoked by the city council.
(Code 1956, Sec. 46-17; Ord. No. 3194, Sec. 1, 9-24-92)

Sec. 5.810. PERMIT REQUIRED.

No person shall move any structure upon, across or over any street, avenue, alley, highway, sidewalk or public ground of the city, or raise, lower or move any structure within twenty (20) feet of any public sidewalk, without first obtaining a permit therefore from the city manager as herein provided.
(Code 1956, Sec. 46-9; Ord. No. 3194, Sec. 1, 9-24-92)

Sec. 5.811. APPLICATION FOR PERMIT.

All applications for a permit as herein required shall be in writing on forms furnished by the city, filed in the office of the city manager, and among other things, shall state:

- (1) The name and license number of the house mover.

- (2) The present and proposed location of the structure to be moved together with the name and address of the owner thereof.
 - (3) The building permit number as issued for the structure in the proposed location.
 - (4) A description of the structure to be moved, with the size, maximum height when loaded and ready to be moved and the maximum width of the structure in the direction of travel.
 - (5) The route over which the structure is to be moved.
 - (6) The day and hour of the day when the structure will first be moved into the limits of the public way and the approximate length of time the structure will be within said limits.
 - (7) Whether any, and what electric lines, telephone or telegraph wire, cables or guys will have to be cut or moved or will be interfered with and the locations thereof.
 - (8) What railway tracks, if any, will be crossed, their location, and the day and approximate hour when such crossing will be made.
 - (9) Whether any street structures will be removed or interfered with, including sidewalks, curbing, fire hydrants, and street signs and signals.
 - (10) What shade trees, if any, will require trimming and the location of the property and name of property owner thereof and whether consent for such trimming has been obtained from such owners.
 - (11) A description of the type of moving equipment to be used.
 - (12) Said application shall state that all work will be done in strict accordance with the provisions of this chapter and under the direction and supervision of the city manager.
- (Code 1956, Sec. 46-10; Ord. No. 3194, Sec. 1, 9-24-92)

Sec. 5.812. PERMITS TO UNLICENSED APPLICANTS AUTHORIZED.

The city manager may issue moving permits for structures to persons, whether licensed or not, when the maximum width of such structure along the line of travel does not exceed fourteen (14) feet, and when they may be moved on rubber tired vehicles or trucks in such a manner as will not substantially interfere with traffic, damage any street structure or trees, require the removal of any electric, telephone or telegraph wires, or damage any street pavements or sidewalks. Before issuing such a permit the city manager shall designate the route to be followed and the date and time when such moving shall take place, and shall supervise the operation of moving thereof.

(Code 1956, Sec. 46-13; Ord. No. 3194, Sec. 1, 9-24-92)

Sec. 5.813. PERMIT FEES.

The City Council shall establish and charge reasonable fees to cover the costs of issuing house moving permits. Additionally, the city manager may charge the house mover for the costs of special services rendered by police units, utility or street crews or any special city expense caused by the moving of a house or building.

(Code 1956, Sec. 46-19; Ord. No. 3194, Sec. 1, 9-24-92)

Sec. 5.814. COMPLIANCE WITH BUILDING, ZONING, OTHER ORDINANCES.

No moving permit shall be issued unless the structure, if moved to a new location in the city, will comply with the zoning, building code and all other ordinances of the city.

(Code 1956, Sec. 46-11; Ord. No. 3194, Sec. 1, 9-24-92)

Sec. 5.815. OBSTRUCTING STREETS REGULATED.

No moving permit shall be issued to move any structure over the paved streets, avenues or highways of the city when the maximum width of such structure in the direction of travel shall occupy more than two (2) feet less than the total width of paving between curbs, and no structure shall be allowed to obstruct the free passage of any street, avenue or highway for a greater length of time than set forth in the permit issued therefore, except in case of unavoidable delay and through no fault or negligence on the part of the permit holder, the city manager may grant such extension of time as is reasonable.

(Code 1956, Sec. 46-12; Ord. No. 3194, Sec. 1, 9-24-92)

Sec. 5.816. MOVING OVER RAILWAY TRACKS.

No permit shall be issued for the moving of any structure across the tracks of any railway or street railway until the mover thereof shall have given the superintendent of such railway or street railway companies not less than twenty-four (24) hours notice before such crossing of the tracks is to be made and satisfactory arrangements for such crossing have been made and the city manager advised in detail of such arrangements.
(Code 1956, Sec. 46-14; Ord. No. 3194, Sec. 1, 9-24-92)

Sec. 5.817. CONSENT TO MOVE WIRES, CABLES REQUIRED.

No permit shall be issued for the moving of any structure which requires the removal of electric, telephone or telegraph wires or cables until not less than twenty-four (24) hours notice has been given of the time and place such removal is desired and the consent of the electric department of the city and/or the telephone or telegraph company has been secured for such removal and the city manager advised of such satisfactory arrangements.
(Code 1956, Sec. 46-15; Ord. No. 3194, Sec. 1, 9-24-92)

Sec. 5.818. ISSUANCE, CONTENTS OF PERMITS; DENIAL.

When an application has been made for a moving permit as provided herein and is approved by the city manager, the city manager shall, after being presented with a receipt for payment of the permit fee by the house mover to the city clerk, issue to the applicant a permit, in duplicate, numbered in consecutive order, one copy being furnished the applicant and a record thereof retained in the manager's office. Such permit shall contain the name and address of the person to whom issued, the route to be followed, and the time of starting and completing the moving operation within public ways, an abstract of the information and agreements contained in the application, and such regulations, conditions, and instructions as the city manager may deem necessary to protect public and private property and secure compliance with the provisions of this chapter. Such permit shall not take effect, and the work shall not be commenced until the time therein stated and shall at all times be under the supervision and control of the city manager or the manager's designee. The city manager may deny an application for a permit when it is necessary to protect public or private property; or public safety; or to secure compliance with this Code or the laws of the State of Iowa.
(Code 1956, Sec. 46-16; Ord. No. 2163, Sec. 2, 10-18-66; Ord. No. 3194, Sec. 1, 9-24-92)

Sec. 5.819. AUTHORITY TO REQUIRE PLANKING OF STREETS.

When in the judgment of the city manager it is necessary to protect streets or street improvements, the city manager may require the house mover to properly and adequately plank such streets and all rollers, trucks or other devices used in conveying and moving same shall run upon and rest upon such planks at all times.
(Code 1956, Sec. 46-18; Ord. No. 3194, Sec. 1, 9-24-92)

DIVISION IX
Noxious Weeds

Sec. 5.901. WEED ORDINANCE.

(1) **Words and Terms Defined**

(a) Noxious Weeds: Primary and secondary classes of weeds as defined by Iowa Code

Section 317.1A.

(b) Weed Official: Person designated by the city manager to enforce this section.

(2) **Nuisance Declared; Penalty**

(a) It shall be a public nuisance for any owner or person in the possession or control of any land to allow any noxious weeds to grow thereon.

(b) Duty To Cut Noxious Weeds: Each owner and each person in the possession or control of any land shall cut or otherwise destroy, in whatever manner prescribed by the weed official, all noxious weeds thereon and shall keep said lands free of such growth.

(c) Interference With Weed Official: No persons shall interfere with the weed official or any appointed assistant while engaged in the enforcement of this chapter.
(Ord. No. 4114, 6-12-12)

.”

Section Two. All ordinances, or parts of ordinances, in conflict herewith are hereby repealed to the extent of such conflict, if any.

Section Three. This ordinance shall be in full force and effect from and after its passage and publication as required by law.

Passed this _____ day of _____, _____.

Diane R. Voss, City Clerk

Ann H. Campbell, Mayor

ORDINANCE NO.

AN ORDINANCE TO AMEND THE MUNICIPAL CODE OF THE CITY OF AMES, IOWA, BY REPEALING CHAPTER 8 AND ENACTING A NEW CHAPTER 8 THEREOF, FOR THE PURPOSE OF ADOPTING BY REFERENCE THE 2012 EDITIONS OF THE INTERNATIONAL CODES WITH LOCAL EDITS; REPEALING ANY AND ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT TO THE EXTENT OF SUCH CONFLICT; AND ESTABLISHING AN EFFECTIVE DATE.

BE IT ENACTED, by the City Council for the City of Ames, Iowa, that:

Section One. The Municipal Code of the City of Ames, Iowa shall be and the same is hereby amended by enacting a new Chapter 8 as follows:

“

CHAPTER 8

FIRE CODE

DIVISION I
ADOPTION

Sec. 8.101. INTERNATIONAL FIRE CODE ADOPTED.

The 2012 Edition of the International Fire Code (IFC) as published by the International Code Council, including Appendix Chapters B, Fire Flow; D, Fire Apparatus Access Road; and E, Hazard Categories; is hereby adopted by the City of Ames, Iowa, for the purpose of prescribing regulations pertaining to conditions hazardous to life from fire and explosives, together with the deletion, additions and modifications hereinafter stated.

DIVISION II
AMENDMENTS, ADDITIONS AND DELETIONS

Sec. 8.201. PERMITS.

Delete Section 105 of the International Fire Code relating to permits, except, and add the following text:

Section 105.7.1 Automatic fire-extinguishing systems. A construction permit is required for installation of or modification to an automatic fire-extinguishing system. Maintenance performed in accordance with this code is not considered a modification and does not require a permit.

Section 105.7.6 Fire alarm and detection systems and related equipment. A construction permit is required for installations of or modification to fire alarm and detection systems and related equipment. Maintenance performed in accordance with this code is not considered a modification and does not require a permit.

Sec. 8.202. AMENDMENTS

- (1) Amend **Section 104.8 Modifications**, by deleting the text and inserting the following in lieu

thereof: Whenever there are practical difficulties involved in carrying out the provisions of this code, the *fire chief* shall have the authority to grant modifications for individual cases, provided the *fire chief* shall first find that special individual reason makes the strict letter of this code impractical and the modification is in compliance with the intent and purpose of this code and that such modification does not lessen health, life and fire safety requirements. The details of action granting modifications shall be recorded and entered in the files of the fire department.

- (2) Amend **Section 307.4.3 Portable Outdoor Fireplaces**, by deleting the exception and inserting the following in lieu thereof:

Recreational fires are permitted in approved containers, such as chimineas, contained fire pit/ring, screened devices. Such fires shall be located more than 15 feet from any structure, including decks, porches, roofs, garages, sheds, and fences. The immediate area within 15 feet of the fire shall be clear of combustible materials, such as weeds, shrubs, and furniture.

- (3) Amend **Section 308.1.4 Open-flame cooking devices**, by deleting the text and inserting the following in lieu thereof:

Charcoal burners and other open-flame cooking devices shall not be operated or located on combustible balconies or within 10 feet of combustible construction. Exceptions: Such devices are permitted in (1) one and two family dwellings; and (2) where buildings, balconies and decks are protected by an automatic sprinkler system.

- (4) Amend **Section 503.2.4, Turning radius**, by deleting the text and inserting the following in lieu thereof:

Radius. The inside turning radius of a 20 foot wide fire apparatus road shall be a minimum of 20 feet, and the outside turning radius of such road or lane shall be a minimum of 50 feet.

- (5) Amend **Section 503.4, Obstruction of fire apparatus access roads**, by deleting the text and inserting the following in lieu thereof:

Where fire apparatus access roads are established and are signed or marked as required by the fire chief, parking or obstructing in any manner of those roads shall be prohibited. The fire chief, traffic engineer and police chief or their representatives are authorized to enforce this subsection by the issuance of citations, or removal and impoundment of the obstructions, or both. Exception: Attended vehicles may be stopped in a fire apparatus access road for loading and unloading.

- (6) Amend **Section 506.1 Where required**, by deleting the text and inserting the following in lieu thereof:

Knox® brand key boxes are required for new buildings equipped with monitored fire alarms, sprinkler systems, or as otherwise ordered by the fire code official. Key boxes shall be installed in an approved location and shall contain keys to gain necessary access for life-saving or fire-fighting purposes.

- (7) Amend **Section 903.4, Sprinkler system monitoring and alarms**, by adding the following exception:

Water supply valves that are locked in the open position.

- (8) Amend **Section 903.4.2, Alarms**, by inserting the following text:

Approved audible devices shall be connected to every automatic sprinkler system. Such sprinkler water-flow alarm devices shall be activated by water flow equivalent to the flow of a single sprinkler of the smallest orifice size installed in the system. Alarm devices shall be provided on the exterior of the building in an approved location and can be required on the interior of the building in an approved location. Where a fire alarm system is installed, actuation of the automatic sprinkler system shall actuate the building fire alarm system.

- (9) Amend **Section 905, Standpipe systems**, by adding the following general provision:

The requirements of this section shall be at the discretion of the fire chief.

- (10) Amend **Chapter 11, Construction Requirements for Existing Buildings**, by adding the following to the end of this chapter:

Compliance with the provisions of this Chapter shall be completed within a time schedule approved by the fire chief.

- (11) Add the following local provision:

ZONING DISTRICTS IN WHICH STORAGE OF FLAMMABLE OR COMBUSTIBLE LIQUIDS IN BURIED OR UNDERGROUND TANKS IS PROHIBITED.

Installation of underground flammable or combustible liquid storage tanks is prohibited in the following zoning districts: RL, RM, RH, RLP, UCRM, FS-RL, FS-RM, F-PRD, S-SMD and S-HM Zoning Districts. The fire chief, or designees, will have the authority to alter or allow installations in prohibited zones after the consideration of

special features including but not limited to topographical conditions, nature of occupancy and proximity to buildings, capacity of proposed tanks, and degree of fire protection to be provided and available. Any installation shall be in compliance with state and local codes. This section shall not apply to underground heating oil installations.

(12) Add the following local provision:

ZONING DISTRICTS IN WHICH STORAGE OF FLAMMABLE OR COMBUSTIBLE LIQUIDS IN OUTSIDE ABOVE GROUND TANKS IS PROHIBITED.

The limits in which the storage of flammable or combustible liquids is restricted are hereby established as follows: RL, RM, RH, RLP, UCRM, FS-RL, FS-RM, F-PRD, S-SMD and S-HM Zoning Districts. The fire chief, or designees, will have the authority to alter or allow installations in prohibited zones after the consideration of special features including but not limited to topographical conditions, nature of occupancy, proximity to buildings, capacity of proposed tanks and degree of fire protection to be provided and available. Any installation shall be in compliance with state and local codes. This section shall not apply to heating oil installations.

(41) Add the following local provision:

ZONING DISTRICT RESTRICTIONS ON STORAGE OF MORE THAN 100LBS LIQUEFIED PETROLEUM GASES.

The limits in which storage of liquefied petroleum gas is restricted, are hereby established as follows: RL, RM, RH, RLP, UCRM, FS-RL, FS-RM, F-PRD, S-SMD and S-HM Zoning Districts. The fire chief, or designees, will have the authority to alter or allow installations in prohibited zones after the consideration of special features including but not limited to topographical conditions, nature of occupancy and proximity to buildings, capacity of proposed tanks, and degree of fire protection to be provided and available. Any installation shall be in compliance with state and local codes.

**DIVISION III
SPRINKLER SYSTEM RETROFIT**

Sec. 8.301 EXISTING BUILDINGS TO HAVE SPRINKLER SYSTEMS.

(1) The following terms as used in this article shall have the meaning respectively ascribed to them in this section.

Automatic Sprinkler System. An automatic sprinkler system within the meaning of this section shall consist of piping designed in accordance with fire protection engineering standards, that includes a suitable water supply, and which is activated by heat or the products of combustion, to discharge water over the fire area.

Fire Chief means the Fire Chief of the Ames Fire Department or said Fire Chief's designee.

High-Rise buildings shall mean buildings having occupied floors located more than 75 feet above the lowest level of fire department vehicle access.

(2) **Retrofit Requirements.** The following existing buildings shall be retrofitted with an automatic sprinkler system in accordance with Section 403.2 of the 2003 International Building Code and Section 903 of the 2003 International Fire Code.

(a) Existing high-rise buildings having occupied floors located more than 75 feet above the lowest level of fire department vehicle access.

(b) **Institutions.** Buildings housing more than 16 persons on a twenty-four hour basis to be cared for or provided a supervised environment because of their physical or mental condition, including hospitals, nursing homes, and assisted living facilities.

(c) **Dormitories.** A building in which sleeping accommodations are provided for more than 16 persons, who are not related by marriage or consanguinity, in one room or a series of closely associated rooms, with or without meals, including fraternity and sorority houses, barracks, and dormitories.

(3) Each and every existing building that comes within the scope of this section shall be retrofitted as aforesaid not later than October 1, 2011.

(4) Should a facility be unable to meet the prescribed date of October 1, 2011, the owners can

request up to two extensions. Requests for extension will be heard by the Building Board of Appeals.

(a) A first request for extension must be brought to the Building Board of Appeals prior to October 1, 2010. If granted an extension for three years, the implementation period would end on October 1, 2014.

(b) Should a facility be unable to meet the extended compliance date of October 1, 2014, a second request for extension must be brought to the Building Board of Appeals prior to October 1, 2013. If granted an extension for two years, the implementation period would end on October 1, 2016.

(5) In order to grant an extension, the Board must find all of the following five criteria have been met:

(a) The owners have made a compelling case that they cannot be Code compliant by the prescribed ordinance date.

(b) The owner's request for extension is based upon financial need.

(c) The owners have made substantial and unsuccessful efforts to acquire necessary funds.

(d) Complete and thorough cost estimates, construction plans, and Code compliant sprinkler system designs have been developed.

(e) The owners have a viable plan for compliance if an extension is granted.

DIVISION IV OPEN BURNING

Sec. 8.401 OPEN BURNING.

(1) Prohibition.

The burning of garbage, refuse, leaves, landscape waste and all other combustible materials is prohibited except as specifically permitted by the fire chief as provided in the following exceptions.

EXCEPTIONS:

(a) Landscape waste.

Landscape waste produced in clearing, grubbing and construction operations may be burned on site at such locations and under such conditions as are granted advance written approval of the fire chief or designee. No building materials, trade wastes, rubber tires, material left from demolition of any structure, landscape waste originating from a different location nor any other material may be mixed with the landscape waste when burned. Gasoline shall not be used to ignite landscape waste

(b) Open burning on public or private property.

Open burning of prairies, pastures, fields, yards and road ditches may occur at such locations and under such conditions as are granted advance written approval of the fire chief or designee.

(c) Training Fires.

Fires set for the purpose of training of public or industrial employees in fire fighting methods are permitted at such locations and under such conditions as are granted in advance written approval of the fire chief or designee. When structures are to be burned as part of the training, advance written approval must also be obtained from the State of Iowa Department of Natural Resources.

(d) Storm damaged trees.

Downed and damaged trees, limbs, and brush may be burned, immediately following severe storm events, at such locations and under such conditions as are granted advance approval by the fire chief, public works director, and City Manager, as part of a declared public emergency. The site authorized and designated for such burning shall not be located in a residential area.

(2) General Conditions for Open Burning.

(a) Fire Chief may prohibit. The Fire Chief may prohibit any or all open burning when atmospheric conditions or local circumstances make such fires hazardous or a nuisance.

(b) Attendance of Open Fires. Open fires shall be constantly attended by an adult person until such fire is extinguished. This person shall have a hose connected to the water supply, or other fire

extinguishing equipment readily available for use.

(c) **Offensive Smoke and Odors.** Upon receipt of a complaint regarding the smoke or odors from open fires, the fire chief's designee shall investigate and have the discretion to have the fire extinguished.

DIVISION V
BUILDING CODE BOARD OF APPEALS

Sec. 8.501. BUILDING BOARD OF APPEALS HAS JURISDICTION.

The provisions of Section 108.1 of the IFC notwithstanding, the Ames Building Board of Appeals as established and constituted under the ordinances of the City of Ames shall have jurisdiction to determine the suitability of alternative materials and types of construction and to provide for reasonable interpretations of the provisions of this Fire Code, except those relating to open burning.

The Ames Building Board of Appeals is authorized to grant two year extensions for the implementation period for sprinkler systems as defined in Section 8.301.

When so acting, the Fire Chief may designate an individual knowledgeable in fire safety to render professional advice to the Board on matters related to the Fire Code.

The Building Board of Appeals, when acting pursuant to this subsection, shall have authority to review and make recommendations on any and all proposed changes to this chapter of the Code. Recommendations shall be forwarded to the City Council for final action.

DIVISION VI
PENALTY

Sec. 8.601 PENALTIES FOR OFFENSES PERTAINING TO THE FIRE CODE.

A violation of any provision of Chapter 8, Fire Code, shall be a municipal infraction punishable by a penalty of \$500 for a person's first violation thereof, and a penalty of \$750 for each repeat violation.

(Ord. No. 3196, Sec. 1, 8-24-92; Ord. No. 3497, Sec. 5, 8-25-98; Ord. No. 3196, Sec. 1, 8-24-92; Ord. No. 3218, Sec. 2, 3-23-93; Ord. No. 3491, Sec. 1, 7-14-98; Ord. No. 3789, 7-27-04; Ord. No. 3924, 06-26-07; Ord. No. 4045, 9-28-10)

.”

Section Two. All ordinances, or parts of ordinances, in conflict herewith are hereby repealed to the extent of such conflict, if any.

Section Three. This ordinance shall be in full force and effect from and after its passage and publication as required by law.

Passed this _____ day of _____, _____.

Diane R. Voss, City Clerk

Ann H. Campbell, Mayor

COUNCIL ACTION FORM

SUBJECT: MOTOR REPAIR CONTRACT FOR POWER PLANT

BACKGROUND:

Electric Services' two coal-fired, high-pressure steam turbine electric generating units located at the Power Plant. These units are referred to as Units No. 7 and 8. These units require regular professional maintenance and repair. This consists of regularly planned repairs and services during scheduled outages, as well as emergency service. The repair of these generating units requires professional trade crafts such as boilermakers, electricians/control technicians, steam/pipe fitters, and millwrights, to list a few. The units operate under environmental conditions with high heat and high pressure.

Due to these operational conditions, numerous motors are necessary to safely and reliably operate the Power Plant. All of this equipment must be professionally maintained, serviced, adjusted, repaired, and rebuilt. Rather than bid and get prices for this work multiple times per year with the inconsistency of work and quality as different vendors participate, this work is outsourced on an annual renewable contract basis.

This contract is to provide motor maintenance services for the period from award date through June 30, 2014. The contract includes a provision that would allow the City to renew the contract for up to four additional one-year terms. On November 12, 2013, City Council approved preliminary plans and specifications for this work.

Bid documents were issued to six potential bidders. The bid was advertised on the Current Bid Opportunities section of the Purchasing webpage, and a Legal Notice was published in the Ames Tribune. The bid was also sent to one plan room.

On December 18, 2013, one bid with hourly rates were received as shown on the attached report.

Staff reviewed the bid submitted by Electrical Engineering and Equipment Co., Windsor Heights, IA, and determined that it was non-responsive because they did not include a proposed price increase percentage for renewal periods with their bid. Since this is a renewable contract, the percentages are a mandatory requirement because they provide a cap on any cost increases for each renewal year.

Since the only bid received was non-responsive, staff recommends rebidding.

Council should note that, on this rebid, the contract period will be changed to award date to December 31, 2014 (calendar term) in lieu of a fiscal year term. It will still include the provision that would allow the City to renew the contract for up to four additional one-year terms.

ALTERNATIVES:

1. a. Reject the bid received and direct staff to rebid this contract.
 - b. Approve the preliminary plans and specifications for the reissuance of the Motor Repair Contract for Power Plant and set February 12, 2014, as the bid due date and February 25, 2014, as the date of hearing and award of contract.
2. Award the Motor Repair Contract for Power Plant to Electrical Engineering and Equipment Co., Windsor Heights, IA, for hourly rates and unit prices bid, in an amount not-to-exceed \$94,000. **This contract will only be valid from award date thru June 30, 2014. It will then need to be bid for the next contract term.**
3. Reject the bid received, do not rebid, and direct staff to purchase motor repair services on an as-needed basis.

MANAGER'S RECOMMENDED ACTION:

This contract is desirable in order to properly maintain motors at the Power Plant and to carry out emergency and scheduled repairs resulting from equipment failures. The lone bid received, however, has been determined to be non-responsive.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above, thereby rejecting the bid received and initiating rebidding of this contract.



**IFB 2014-038 Motor Repair Contract
for Power Plant Bid Summary**

**Electrical Engineering and Equipment Co.
Windsor Heights, IA**

IN SHOP S.T.	\$66.30
IN SHOP O.T.	\$99.45
IN SHOP D.T	\$132.60
INSHOP SOLID STATE REPAIR	\$80.75
IN SHOP BALANCING, first hour	\$110.50
IN SHOP PRESSWORK	\$80.75
OUTSIDE S.T.	\$80.75
OUTSIDE O.T.	\$121.13
OUTSIDE D.T.	\$161.50
ON SITE SOLID STATE REPAIR, TROUBLE SHOOTING, PM'S	\$80.75
OT	\$121.13
DT	\$161.50
ON SITE VIBRATION ANALYSIS AND BALANCING	\$80.75
OT	\$121.13
DT	\$161.50
Mileage	\$0.94

COUNCIL ACTION FORM

**SUBJECT: 2013/14 CYRIDE ROUTE PAVEMENT IMPROVEMENTS PROGRAM #1
(JEWEL DRIVE, EMERALD DRIVE, KEN MARIL ROAD, DULUTH STREET)**

BACKGROUND:

This is the annual program for pavement improvements to streets that are or were bus routes. These streets were originally designed and built for lighter residential traffic. With these streets designated as bus routes, accelerated deterioration of the street pavement occurred. Pavement improvements will now improve these street sections to carry the projected traffic volumes.

The work within this project involves a mill and overlay of the existing pavement. The 2013/14 locations included in this project (Program #1) are Jewel Drive (Kate Mitchell School to Garnet Drive), Emerald Drive (Ken Maril Road to Jewel Drive), Ken Maril Road (South Duff Avenue to end of road) and Duluth Street. These locations were prioritized, based on condition and funding availability, as shown in the 2013/14 Capital Improvements Plan (CIP). A future project (Program #2) will include sections on Garnet Drive (Garden Road to Jewel Drive), Garden Road, and Viola Mae Avenue, as prioritized according to remaining available funding.

On January 8, 2014, bids on this project were received as follows:

Engineers Estimate	\$1,002,384.00
Manatt's, Inc.	\$ 970,614.68

Engineering and construction administration for the program is estimated at \$150,000 bringing total estimated costs to \$1,120,614.68 This program is financed through the 2013/14 CIP in the amount of \$2,000,000 from General Obligation Bonds and \$50,000 from the Electric Utility Fund.

ALTERNATIVES:

- 1a. Accept the report of bids for the 2013/14 CyRide Route Pavement Improvements #1 (Jewel Drive, Emerald Drive, Ken Maril Road, Duluth Street).
- b. Approve the final plans and specifications for this project.
- c. Award the 2013/14 CyRide Route Pavement Improvements #1 (Jewel Drive, Emerald Drive, Ken Maril Road, Duluth Street) to Manatt's, Inc. of Ames, Iowa, in the amount of \$970,614.68.

2. Do not proceed with the project at this time.

MANAGER'S RECOMMENDED ACTION:

These streets, which are primarily on a CyRide route, suffer from significant deterioration. By approving this project, the structural integrity of the designated streets will be restored during the 2014 construction season.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.

COUNCIL ACTION FORM

SUBJECT: **CONTRACT TO FUND 2014 VEISHEA PANCAKE FEED**

BACKGROUND:

The City Council contracts with various outside entities to fund activities that benefit the community. For the past several years, the Council has supported the VEISHEA Midnight Pancake Feeds. The 2013/14 City Budget includes an \$8,000 allocation for the VEISHEA Pancake Feed. However, the City Council requested additional information about VEISHEA's budget before it would consider approving a contract authorizing that spending.

At the December 10, 2013, City Council meeting, City staff provided additional background information regarding VEISHEA's budget, and representatives of VEISHEA, Inc. were available to answer questions. At that meeting, Council directed staff to prepare a contract in the amount of \$8,000 to fund the VEISHEA Pancake Feed, with the condition that VEISHEA charge no more than \$2.00 per person for participation in the event. The contract has been prepared and now requires approval.

ALTERNATIVES:

1. Approve a contract with VEISHEA, Inc. in the amount of \$8,000 for the 2014 VEISHEA Pancake Feed, with the condition that patrons not be charged more than \$2.00 per person for participation in the event.
2. Do not approve a contract with VEISHEA.

MANAGER'S RECOMMENDED ACTION:

Staff has prepared a contract with VEISHEA, Inc. based on the City Council's direction and the funding has been conditioned on VEISHEA charging no more than \$2.00 per participant. VEISHEA representatives have signed and returned the contract.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving a contract with VEISHEA, Inc. in the amount of \$8,000 for the 2014 VEISHEA Pancake Feed, with the condition that patrons not be charged more than \$2.00 per person for participation in the event.

CONTRACT FOR SERVICES

THIS AGREEMENT, made and entered into the ___ day of _____, 2014, by and between the **CITY OF AMES, IOWA**, a municipal corporation organized and existing pursuant to the laws of the State of Iowa (hereinafter sometimes called "City") and **VEISHEA, Inc.** (a nonprofit entity organized and existing pursuant to the laws of the State of Iowa and hereinafter called "Provider");

WITNESSETH THAT:

WHEREAS, the City of Ames has, by its City Council acting in open and regular session, determined that certain services and facilities to be provided to the City of Ames and its citizens by Provider, such services and facilities being hereinafter described and set out, should be purchased in accordance with the terms of a written agreement as hereinafter set out, in accordance with all applicable Federal, State, and Local laws or regulations;

NOW, THEREFORE, the parties hereto have agreed and do agree as follows:

I PURPOSE

The purpose of this Agreement is to procure for the City of Ames and its citizens certain services and facilities as hereinafter described and set out; to establish the methods, procedures, terms and conditions governing payment by the City of Ames for such services; and, to establish other duties, responsibilities, terms and conditions mutually undertaken and agreed to by the parties hereto in consideration of the services to be performed and monies paid.

II SCOPE OF SERVICES

A. For an amount not to exceed **\$8,000**, the City agrees to purchase the Provider's services and facilities as generally described in the Provider's 2013/14 application. This description shall be made a part of this Agreement.

B. The Provider's application proposal is modified as described in the box below:

<p>Provider shall conduct or cause to be conducted an alcohol-free pancake feed during the late night hours of VEISHEA weekend 2014. Patrons of the pancake feed shall not be charged more than \$2.00 per person for participation in the event.</p>
--

III METHOD OF PAYMENT

A. All payments to be made by the City of Ames pursuant to this Agreement shall be reimbursement for actual costs incurred by Provider in providing services required by Section II above. Any alternate payment arrangements must be approved by the City Council.

B. The City will disburse payment monthly on requisition of Provider.

C. Requisitions for disbursement shall be made in such form and in accordance with such procedures as the Director of Finance for the City shall prescribe. Said form shall include but not be limited to an itemization of the nature and amount of costs for which reimbursement is requested, and must be filled out completely.

D. The maximum total amount payable by the City of Ames under this agreement is detailed in the SCOPE OF SERVICES (Part II of this contract), and no greater amount shall be paid.

E. All unobligated amounts disbursed to the Provider shall be repaid to the City as of the effective date of termination of this agreement. The Provider shall repay to the City any disbursed funds for which documentation of actual expenses is not provided.

F. The Provider shall requisition for funds no more frequently than once per month. If Provider wishes to request disbursement of funds on other than a monthly basis, the Provider must submit a request in writing to be approved by the City Manager's Office. Failure to request reimbursement in a timely manner shall be grounds for termination of this agreement. In no case will a disbursement request be accepted for reimbursement after July 15th of the following fiscal year.

IV FINANCIAL ACCOUNTING AND ADMINISTRATION

A. All monies disbursed under this Agreement shall be accounted for by the accrual method of accounting.

B. Monies disbursed to Provider by the City will be deposited by Provider in an account under the Provider's name. All checks drawn on the said account shall bear a memorandum line on which the drawer shall note the nature of the costs for which the check is drawn in payment, and the program(s) of service.

C. All costs for which reimbursement is claimed shall be supported by documentation evidencing in proper detail the nature and propriety of the charges. All checks or other accounting documents pertaining in whole or in part to this Agreement shall be clearly identified as such and readily accessible for examination and audit by the City or its authorized representative.

D. All records shall be maintained in accordance with procedures and requirements established by the City Finance Director, and the City Finance Director may, prior to any disbursement under this Agreement, conduct a pre-audit of record keeping and financial accounting procedures of the Provider for the purpose of determining changes and modifications necessary with respect to accounting for funds made available hereunder. All records and documents required by this Agreement shall be maintained for a period of three (3) years following final disbursement by the City.

E. At such time and in such form as the City may require, there shall be furnished to the City such statements, records, reports, data, and information as the City may require with respect to the use made of monies disbursed hereunder.

F. At any time during normal business hours, and as often as the City may deem necessary, there shall be made available to the City for examination all records with respect to all matters covered by this Agreement and Provider will permit the City to audit, examine, and make excerpts or transcripts from such records.

G. The Provider must submit a final report to the City within thirty (30) days of the submission of the final requisition for reimbursement or the concluding date of this contract, whichever is earlier. The final report shall describe, at minimum, the services and facilities provided under the contract, an accounting of the number of individuals to whom services or facilities were provided, and any supporting documentation to substantiate these descriptions. Failure to submit a final report as required may result in any funds awarded to the Provider through subsequent contracts being held in sequestration until the final report is complete.

**V
DURATION**

This Agreement shall be in full force and effect from and after _____, 2014, until June 30, 2014. The City Council may terminate this Agreement by giving written notice to the Provider at least sixty (60) days before the effective date of such termination. From and after the effective date of termination, no further disbursement under this Agreement shall be made by the City. Any money disbursed to the Provider and unencumbered or unspent as of the effective date of termination, shall be repaid to the City.

**VI
DISCRIMINATION PROHIBITED**

In accordance with Chapter 14 of the Municipal Code, no person shall, on the grounds of age, race, color, creed, religion, national origin, disability, sexual orientation, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this Agreement.

IN WITNESS WHEREOF the parties hereto have, by their authorized representatives, set their hand and seal as of the date first above written.

CITY OF AMES, IOWA

ATTEST:

BY _____
Ann Campbell, Mayor

Diane Voss, City Clerk

Organization Name

BY _____
Authorized Representative

COUNCIL ACTION FORM

SUBJECT: HUMAN RELATIONS COMMISSION REQUESTS TO REALLOCATE FUNDS FROM FACES TO DISPLAY ON AMES CIVIL RIGHTS HISTORY

BACKGROUND:

The Ames Human Relation Commission (AHRC) is developing a display to celebrate the Ames Sesquicentennial and the 50th Anniversary of the Civil Rights Act of 1964. AHRC is researching local history to make an indoor, portable display that will showcase the history of civil rights in Ames, as well as provide national and state context to showcase persons from the community who have had an impact on advancing civil rights locally and nationally. The display will be available to the community.

The display will debut at the Ames Chamber of Commerce Annual Dinner on January 30, 2014. The dinner is the kick off of the year long sesquicentennial celebration. The display will be made of professional products that are durable and designed for transporting. AHRC estimates it will need a maximum of \$1,500 to produce the display. Originally, AHRC had \$5,000 set aside for FACES. However, the event was cancelled this year as AHRC has been refocusing its efforts to reach out to the community in more targeted ways. This display will be part of those efforts to reach out to the community regarding civil rights and to inform the community about the Ames Human Relations Commission.

ALTERNATIVES:

1. Authorize the transfer of funds in the City Council's Special Allocations program from FACES to the Human Relations Commission's display program in an amount not to exceed \$1,500 for the new display. This action will result in \$3,500 being returned to the Local Option Fund balance.
2. Deny the request from the AHRC to reallocate the funds for the display.

MANAGER'S RECOMMENDED ACTION:

The use of these excess funds to create an educational display will serve to promote the mission of the Ames Human Relation Commission.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby reallocating funds from FACES 2013 to the AHRC history of civil rights display in an amount not to exceed \$1,500.

COUNCIL ACTION FORM

SUBJECT: EXTENSION OF LEASE WITH MIDWEST CENTERS FOR TEMPORARY LIBRARY SPACES AT 620 LINCOLN WAY (LINCOLN CENTER) FOR LIBRARY RENOVATION AND EXPANSION PROJECT

BACKGROUND:

On September 25, 2012, the City Council held a public hearing and approved an agreement to lease premises owned by Midwest Centers, LP for occupancy by the Ames Public Library during completion of the Library Renovation and Expansion Project. The premises are located at 620 Lincoln Way and were leased for the 21-month period from November 1, 2012 to July 31, 2014. The Library collection, public service areas, and most staff workspaces are currently housed at Lincoln Center.

At the time the lease was executed, it was hoped that the permanent Library facility could be re-opened as early as July 2014, but it was contemplated that the timeline could be subject to change. To that end, the terms of the Lincoln Center lease state that "The Tenant may, at its option, extend the term of this lease on a month-to-month basis for up to 12 additional months with the same base rent and under the same terms and conditions as the Original Term."

The general contractor now expects substantial completion of the Library Renovation and Expansion Project toward the end of July. Delivery and installation of furniture and equipment is being scheduled during the month of July. Systems testing and the move back to Douglas Avenue are now anticipated to take place in the month of August. Library staff has determined that, even if the collection and other accoutrements can be relocated in August, additional time will be needed to sell or dispose of leftover furniture and shelving and to fully vacate the leased space.

The Library Board of Trustees considered the most recent timeline in November and December. On December 18, 2013, the Board adopted a resolution recommending that the City Council exercise its option to extend the lease term with Midwest Centers, LP for the properties at 620 Lincoln Way for two additional months at the **current lease rate of \$14,300 per month** to allow time for the relocation of library operations, furniture, and equipment in conjunction with completion of the Library Renovation and Expansion Project. The \$28,600 cost of the two-month extension can be covered out of the building project contingency fund, which remained at \$1,049,704 as of December 31, 2013.

ALTERNATIVES:

1. Extend the lease with Midwest Centers, LP, for the premises at 620 Lincoln Way for the months of August and September 2014 at the rate of \$14,300 per month.
2. Take no action, thereby requiring the library to completely vacate the premises at 620 Lincoln Way by July 31, 2014.

MANAGER'S RECOMMENDED ACTION:

The Library building at 515 Douglas Avenue was vacated in December 2012 so that contractors could begin work on the Library Renovation and Expansion Project. At the time the lease was executed, it was anticipated that the permanent Library would be re-opened in July 2014. However, construction, delivery, and equipment installation dates for a project of this scale are subject to change. Therefore, at this time it is best to provide an additional two months to allow moving of the collection and sale or disposal of leftover items. There is a possibility that additional lease extension may be need to be considered should any delays to the project arise.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.

COUNCIL ACTION FORM

SUBJECT: CONTRACT FOR INTEGRATED LIBRARY SYSTEM SOFTWARE

BACKGROUND:

A user-friendly integrated library system (online catalog) with a modern discovery layer has been researched as part of planning to meet patron and staff needs for the renewed Library. Staff recognized that existing search options in the online catalog were outdated.

Initially, research was done into available add-ons for the Library's current integrated library system (ILS). When considering the add-on options, staff realized that adding a modern discovery layer to the current online catalog would be as time-consuming as migration to a new, full-featured ILS. The Library Board then gave staff direction to move forward with a Request for Proposals (RFP) from vendors for a new ILS. The goal is to provide a better customer experience and improve staff efficiency.

On November 22, 2013, five companies submitted proposals in response to the RFP issued in October 2013. The proposals were independently evaluated by five members of the Library staff and scored by the City's Purchasing staff. Scoring was based on the Library's systems requirements, compatibility with existing third-party products, function of modules (acquisitions, cataloging, circulation, inventory, public access catalog, and home delivery), vendor information, and overall cost of ownership. The Polaris Library Systems proposal received the highest rating from each independent evaluator and received the highest cumulative score, both with and without pricing. The evaluation matrix is attached.

On December 19, 2013, the Library Board of Trustees reviewed this information and unanimously adopted a resolution authorizing the Library Director to work with representatives of Polaris to negotiate the terms of an agreement for ILS purchase and migration. A letter of intent was also sent to Polaris representatives on December 20, 2013, so that Ames Public Library could be added to Polaris's installation schedule.

The details of the purchase and migration have been finalized and the contract has been approved by the City Attorney. Upon review of the particulars during a special session held January 9, 2014, the Library Board adopted a resolution recommending that the City Council award a contract for purchase of the Polaris Integrated Library System from Polaris Library Systems of Liverpool, New York, in the amount of \$131,431.

Funding for the project is available from private donations for the renovation project. The Library originally had requested funding through the City's Capital

Improvement Program process for 2015/16. However, private donations for the renovation project are now being utilized and have freed the dollars originally designated in the CIP for other important public improvements.

ALTERNATIVES:

1. Award the contract for purchase of the Polaris Integrated Library System to Polaris Library Systems of Liverpool, New York, in the amount of \$131,431.
2. Do not award the contract.

MANAGER'S RECOMMENDED ACTION:

Staff resources and time will be at a premium when the Library moves back into the renewed and expanded permanent facility. A modern, flexible ILS and online public catalog will allow staff to use time more efficiently and provide a modern interface for customers to access materials. Funds are available from private donations to the renovation project to cover the purchase.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby awarding the contract for purchase of the Polaris Integrated Library System to Polaris Library Systems of Liverpool, New York, in the amount of \$131,431.

EVALUATION MATRIX TOTALS
(WITHOUT PRICING)

Request for Proposal No. 2014-093

Integrated Library System

Evaluator	Polaris Library Systems	Sirsi Dynix Symphony	The Library Corporation	Innovative Interfaces	Auto-Graphics
1	63.60	49.00	37.20	42.60	36.60
2	69.60	50.60	47.20	40.80	48.80
3	64.80	52.00	53.00	44.00	47.20
4	61.60	49.00	47.20	52.00	39.00
5	55.20	47.80	51.40	47.20	43.80
TOTALS:	314.80	248.40	236.00	226.60	215.40

EVALUATION MATRIX TOTALS (WITH PRICING)

Request for Proposal No. 2014-093

Integrated Library System

Evaluator	Polaris Library Systems	Sirsi Dynix Symphony	The Library Corporation	Innovative Interfaces	Auto-Graphics
1	63.60	49.00	37.20	42.60	36.60
2	69.60	50.60	47.20	40.80	48.80
3	64.80	52.00	53.00	44.00	47.20
4	61.60	49.00	47.20	52.00	39.00
5	55.20	47.80	51.40	47.20	43.80
Pricing Score	70.00	50.96	58.66	59.57	39.34
TOTALS:	384.80	299.36	294.66	286.17	254.74

COUNCIL ACTION FORM

SUBJECT: COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2013

BACKGROUND:

The City of Ames is required by the Code of Iowa to publish a complete set of audited financial statements presented in conformity with generally accepted accounting principles. These financial statements, referred to as the comprehensive annual financial report (CAFR), serve many purposes including the following:

- Provide information needed for both financial decision making and the assessment of financial stewardship
- Lend insight into the financial health of the City
- Preserve public and investor trust through financial transparency
- Demonstrate compliance with public decisions concerning the raising and spending of public monies
- Demonstrate the extent to which operating objectives are met efficiently and effectively, using all resources available for that purpose, and whether the City can continue to do so
- Demonstrate compliance with finance-related legal and contractual provisions

The CAFR is made up of many sections and contains a lot of information that may seem confusing even to those who are familiar with private sector accounting regulations. The main difference between private sector accounting and governmental accounting is the use of fund accounting. Fund accounting is a tool used by governments to organize and present data about financial resources to demonstrate how certain resources have been segregated for specific activities or objectives in accordance with special regulations, restrictions, or limitations. The constraints on how financial resources can be used are either imposed externally by grantors and creditors, or are imposed internally through the budget adopted by the City Council.

Governmental accounting regulations require that the statements contained in the CAFR use methods of accounting that do not completely match the way that the City accounts for transactions in the accounting software, which is done on a budget basis. Therefore, the City only produces this financial report on an annual basis, due to the extensive amount of time it takes to close out the year and make needed accruals of expenses to the appropriate fiscal year.

The following is a list of the different CAFR sections and a summary of the information contained in those sections:

1. Introductory section
 - a. Letter of transmittal -
 - i. Formally transmits the audited financial statements
 - ii. Gives a profile of the City
 - iii. Assesses the City's economic condition
 - iv. Presents awards for quality in financial management
 - b. Organizational chart
 - c. List of elected and appointed officials
2. Financial section
 - a. Independent external auditor's report
 - b. Management's discussion and analysis
 - i. Shows financial highlights for the fiscal year
 - ii. Describes the sections of the CAFR
 - iii. Gives a two-year financial analysis
 - iv. Discusses upcoming economic factors
 - c. Basic financial statements
 - i. Government-wide financial statements - presents all funds of the City (except the fiduciary funds, which cannot be spent)
 - ii. Governmental fund financial statements with reconciliations to the government-wide financial statements
 - iii. Proprietary fund financial statements
 - iv. Fiduciary fund financial statements
 - v. Notes to the financial statements
 - d. Required supplementary information
 - i. Funding progress of certain benefit plans
 - ii. Budgetary comparison - demonstrates legal compliance with State regulations
 - e. Combining statements for non-major funds shown in the aggregate in the basic financial statements
3. Statistical section
 - a. Information on financial trends
 - b. Information on revenue capacity
 - c. Information on debt capacity
 - d. Demographic and economic information
 - e. Operating information
4. Compliance section
 - a. Auditor's report on compliance with *Government Auditing Standards*
 - b. Auditor's report on compliance with OMB Circular A-133 relating to the spending of Federal funds
 - c. A list of Federal funds spent
 - d. Auditor's report on findings and questioned costs

Eide Bailly LLP, Certified Public Accountants, has audited the City's financial statements for the year ended June 30, 2013, and expressed their opinion on these statements based on their audit. In the auditor's opinion, the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the

business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2013, 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.

The auditor's report is an unmodified, or "clean," opinion with no material weaknesses identified, no significant deficiencies noted, and no noncompliance material to the financial statements noted. There were also no recommendations for improvement included in the report.

Also included with the report is the management letter that discloses any findings, difficulties in performing the audit, misstatements, disagreements with management, or other issues that came up during the audit.

ALTERNATIVES:

1. Accept the Comprehensive Annual Financial Report as presented.
2. Request further information.

MANAGER'S RECOMMENDED ACTION:

The City is required by state law to have an annual audit of its financial statements. The City Council needs to accept the audited financial statements so they can be submitted to the state and other users of the CAFR.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby accepting the Comprehensive Annual Financial Report as presented.



December 19, 2013

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ames, Iowa, (City) for the year ended June 30, 2013. We did not audit the financial statements of the Mary Greeley Medical Center (presented as an enterprise fund) or the financial statements of the component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Mary Greeley Medical Center and the component unit is based solely on the reports of the other auditors. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 9, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No significant new accounting policies were adopted, and the application of existing policies was not changed during the year ended June 30, 2013. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

Management's estimate of other postemployment benefits liability is based on a calculation of actuarially determined contributions for health insurance benefits. We evaluated the key factors and assumptions used to develop other postemployment benefits liability in determining that they are reasonable in relation to the financial statements taken as a whole.

To the Honorable Mayor and
Members of the City Council
City of Ames, Iowa
Page 2

Management's estimate of the incurred but not reported health, workers' compensation, liability, and long-term disability insurance liabilities are based on third-party administrator calculations and estimates. We evaluated the key factors and assumptions used to develop the incurred but not reported liabilities in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no such misstatements noted in performing the audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 19, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

To the Honorable Mayor and
Members of the City Council
City of Ames, Iowa
Page 3

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Mayor, City Council, and management of the City of Ames, Iowa, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

EIDE BAILLY LLP

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



CITY OF
Ames™



City of Ames, Iowa
Comprehensive Annual Financial Report
For the Fiscal Year Ended
June 30, 2013

The theme for this year's CAFR is the city's sesquicentennial celebration. Various pictures and photographs from our vibrant history fill the pages as we usher in 150 years of Ames living. Special thanks to the Ames Historical Society and the Ames Public Library for many of the photographs and information about the city.

1864

year the City of Ames was established

58,965

current population of the City of Ames

636

population of the City of Ames in 1870

CITY OF AMES, IOWA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2013

Prepared by:
Department of Finance
Accounting Division



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

**City of Ames
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June 30, 2013**

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INTRODUCTORY SECTION

JUDGE & RODGERS BAKERY



North side of Onondaga between Douglas and Kellogg, looking west. In three-story Odd Fellows Building can be seen the sign for Judge & Rodgers Bakery. Surveyors are seen in street locating streetcar tracks laid in 1907. Beyond Kellogg corner is livery stable operated by Frank Morris. Very little development beyond stable, just an occasional residence.



December 20, 2013

To the Honorable Mayor, City Council Members, and Citizens of the City of Ames, Iowa:

The City of Ames, Iowa (City) is required by the Code of Iowa to publish a complete set of audited financial statements presented in conformity with generally accepted accounting principles. Pursuant to these requirements, the Comprehensive Annual Financial Report (CAFR) of the City for the fiscal year ended June 30, 2013, is hereby submitted.

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.

Eide Bailly LLP, a firm of licensed certified public accountants, has issued an unqualified (“clean”) opinion on the City’s financial statements for the year ended June 30, 2013. The independent auditor’s report is presented as the first component of the financial section in this report.

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. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the City of Ames

The City was incorporated in 1864 under the laws of the State of Iowa, later amended in July 1975 under the Home Rule City Act. The City is located in central Iowa, 30 miles north of Des Moines. Ames is the eighth largest city in Iowa and serves a population of 58,965, according to the 2010 census. The City is empowered to levy a property tax on real property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City operates under a mayor-council form of government with an appointed manager. Policy making and legislative authority are vested in the governing council consisting of the mayor and six other council members. The council members serve four-year staggered terms with three council members elected every two years. The mayor is elected for a four-year term. Four of the council members are elected by district. The mayor and the two remaining council members are elected at large.

The City provides a full range of services, including police and fire protection; snow removal; construction and maintenance of highways, streets, and other infrastructure; recreational and cultural activities; library services; community development; electric, water, and sewer systems; parking lot facilities; resource recovery; a municipal airport; transit services; and a municipal hospital. The City is also financially accountable for a legally separate hospital foundation reported separately within the City's financial statements. Additional information on the hospital foundation can be found in the notes to the financial statements (see note I(B)).

The annual budget serves as the foundation for the City's financial planning and control and is prepared by function. The City Manager is responsible for developing a budget proposal for presentation to the City Council in January and February of each year. The City Council is then required to hold public hearings on the proposed budget and adopt a final budget no later than March 15 for the fiscal year beginning the following July 1. Any amendments to the budget must be prepared and adopted in the same manner as the original budget.

Local economy

The City is supported by a diverse economy, which relies on both the private and public sectors. The City is home to several large governmental agencies including Iowa State University, Iowa Department of Transportation, the USDA National Animal Disease Center and National Veterinary Services Laboratories, and a U.S. Department of Energy research lab. The University and other government employers add significant local economic stability that has resulted in an unemployment rate that has been below the national and state averages for the past thirty years. In September 2013, the U.S. Bureau of Labor Statistics reported that the Ames metropolitan statistical area (MSA) ranked as the 5th lowest unemployment rate in the nation at 3.0%, well below the national rate of 7.0% and Iowa rate of 4.6%. The Ames MSA unemployment number reflects strong growth in employment with the addition of 1,800 jobs between October 2012 and October 2013. The City has also experienced steady growth in population with population increasing from 50,731 in the 2000 census to 58,965 in 2010, a 16 percent increase over the ten years.

Ames has continued steady, moderate, and sustainable growth in both population and property valuation. The taxable valuation for property in Ames grew 3.8% from January 2011 to January 2012. Iowa State University had another record enrollment with 33,241 students for the fall 2013 semester, an increase of 2,201 students. The American Institute for Economic Research ranked Ames as second "Best College Town" in the latest edition of its College Destinations Index.

The City's economic development efforts continue to be targeted toward companies that desire a highly-educated workforce with specialization in areas such as veterinary medicine, bio-fuels, and agricultural research. The *VentureBeat* 2013 study of the 100 Smartest Cities in America named Ames as number five on the list.

The technology sector continued to expand in Ames as WebFilings, LLC completed a new 51,000 square foot office facility in the Iowa State University Research Park. Construction is well underway on a 60,000 square foot addition as part of a project that will add 700 new full-time jobs and move the WebFilings corporate headquarters to Ames.

The retail and service sectors have also seen continued growth as Mary Greeley Medical Center, an Ames-based, regional hospital, is near completion on a \$129 million expansion and renovation of the Ames facility. The North Grand Mall completed a \$30 million project that will expand and reconfigure 150,000 square feet of retail space. Construction is also underway on a new Dodge/Chrysler/Jeep dealership in the expanding South Dayton commercial area, and the Duff Avenue commercial district continues to redevelop with the addition of Sports Authority and PetCo retail stores, both new to the Ames market. City Council took action to provide tax increment financing assistance to a major redevelopment in the Campustown business district. Kingland Systems will begin a project for a 75,000 square foot structure that will provide office space for their expanding workforce as well as retail space at street level.

Long-term financial planning and major initiatives

The CyRide transit facility expansion project is near completion and will provide more storage for buses, flood protection, and increased ceiling height to accommodate the height of hybrid buses.

The \$20 million expansion and renovation project for the Ames Public Library is well underway. Demolition is complete and the building has been closed in so work can continue during the winter months. Construction is expected to be complete in 2014.

The City Council took steps to annex property to the north of the City for residential growth and to the east of the City for commercial and industrial expansion. These projects will provide for several years of incremental growth at the current tax rate.

City Council agreed to convert the electric utility's primary form of fuel from coal to natural gas. The utility will begin a series of projects to convert the plant and add a natural gas pipeline.

City Council approved the addition of a referendum to the ballot in March 2014, which would approve the issuance of \$18 million in bonds to renovate existing convention space and expand convention flat space. This would be a jointly-funded project with Iowa State University.

Relevant financial policies

The City Council has adopted a comprehensive set of budget and fiscal policies, including financial management, general revenue management, user fee cost recovery goals, enterprise fund fees and rates, grant funding, revenue distribution, investments, fund balance designations and reserves, capital improvement management, and capital improvement financing and debt management.

The ending fund balance level established for the General Fund is 20% of operating expenditures. The City met the minimum fund balance requirement for the General Fund and adhered to all other financial policies established by the City Council.

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 CAFR for the fiscal year ended June 30, 2012. This is the 34th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current CAFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2013. To qualify for this award, the City's budget document had to be judged proficient as a policy document, an operations guide, a financial plan, and a communication device. This is the 26th consecutive year the City has received this award.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff in the Finance Department. We wish to thank all of the City departments for their assistance in providing data necessary for this report. Credit is also due the Mayor and members of the City Council for their interest and support of our efforts in conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Steven L. Schainker
City Manager



Duane R. Pitcher, CPA, CPFO
Director of Finance



Government Finance Officers Association

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

Presented to

**City of Ames
Iowa**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

**City of Ames
Organizational Chart
June 30, 2013**



City of Ames
List of Elected and Appointed Officials
June 30, 2013

Elected Officials:

Mayor	Ann Campbell
Council Member – Ward One	Thomas Wacha
Council Member – Ward Two	Jami Larson
Council Member – Ward Three	Jeremy Davis
Council Member – Ward Four	Victoria Szopinski
Council Member – At Large	Matthew Goodman
Council Member – At Large	Peter Orazem

Council – Appointed Officials:

City Manager	Steven Schainker
City Attorney	Judy Parks

City Manager-Appointed / Council-Approved Official:

City Clerk	Diane Voss
------------	------------

City Manager-Appointed Officials:

Assistant City Manager	Bob Kindred
Assistant City Manager	Melissa Mundt
City Treasurer	Roger Wisecup II
Director of Electric Utility	Don Kom
Director of Finance	Duane Pitcher
Director of Fleet Services	Paul Hinderaker
Director of Human Resources	Julie Huisman
Director of Parks and Recreation	Vacant
Director of Planning and Housing	Vacant
Director of Public Works	John Joiner
Director of Water and Pollution Control	John Dunn
Fire Chief	Shawn Bayouth
Police Chief	Chuck Cychosz

Other Officials:

Director of Transportation	Sheri Kyras
Library Director	Vacant

Hospital Administration:

President / Chief Executive Officer	Brian Dieter
Vice President / Chief Financial Officer	Michael Tretina

FINANCIAL SECTION

BRIEF POLICE HISTORY



Town Marshall William A. Ricketts, pictured left, affectionately known as “Big Bill,” was a one-person police force from 1896 to 1903, when the Ames population was 2,400. Ricketts spent his time corralling brawlers, chastising bootleggers, and nabbing thieves. Terry Bird, pictured lower right checks damage to office communications after City Hall was bombed on May, 22, 1970.



Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Ames, 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 unit, each major fund, and the aggregate remaining fund information of the City of Ames, Iowa (City) as of and for the year ended June 30, 2013, 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 the Mary Greeley Medical Center (presented as an enterprise fund), which is both a major fund and 59 percent, 53 percent, and 67 percent, respectively, of the assets, net position, and revenues of the business-type activities. We did not audit the financial statements of the component unit, which represents 100 percent of the assets, net position, and revenues of the component unit. Those 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 the Mary Greeley Medical Center and the component unit, is based solely 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 Audit 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 component unit 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 unit, each major fund, and the aggregate remaining fund information of the City of Ames, Iowa, as of June 30, 2013, 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, as 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 inquiries, 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's financial statements. The introductory section, combining nonmajor fund financial statements, 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements.

The combining nonmajor fund financial statements 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 and individual nonmajor fund financial statements 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 a report dated December 19, 2013 on our consideration of the City of Ames, Iowa'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 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 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 of Ames, Iowa's internal control over financial reporting and compliance.

The image shows a handwritten signature in cursive script that reads "Eric Sully LLP". The signature is written in black ink and is positioned above the typed name and date.

Dubuque, Iowa
December 19, 2013

Management's Discussion and Analysis

As management of the City of Ames (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2013. 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.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$687,641,616 (*net position*). Of this amount, \$290,000,517 represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$38,741,355, primarily due to increases in utility rates, activities at Mary Greeley Medical Center (the hospital), and improved market conditions, which increased the hospital's investment income.
- As of the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$58,929,664, an increase of \$22,755,633 in comparison with the prior year. Approximately 12.27% of this amount (\$7,233,251) is available for spending at the government's discretion (*unassigned fund balance*). The increase in fund balance is largely due to unspent proceeds of general obligation bonds issued for the library renovation and expansion and various other capital projects.
- At the end of the current fiscal year, unrestricted fund balance (*the total of the committed, assigned, and unassigned components of fund balance*) for the General Fund was \$8,285,395, or approximately 32.01% of total General Fund expenditures.
- The City's total long-term outstanding debt increased by \$34,960,615 during the current fiscal year because of the library and hospital renovation and expansion projects and various other capital projects.
- Within the City's business-type activities, revenues exceeded expenses by \$38,002,459. The City policy is to set rates that fund operational expenses of business-type activities and most capital improvements. The increase in net position represents funds accumulated for planned future capital expenses, including the current renovation and expansion of the hospital.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) the notes to financial statements. This report also includes other supplementary information intended to furnish additional detail to support 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's finances, in a manner similar to private-sector business.

The *statement of net position* presents financial information on all of the City's assets and liabilities, with the difference 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 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 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 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 include general government, public safety, public works, health and social services, culture and recreation, and community and economic development. The business-type activities of the City include the hospital, electric, sewer, water, transit, storm sewer, parking, resource recovery, an ice arena, and a golf course.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate medical center foundation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 24-26 of this report.

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, 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 can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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 assessing 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 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 maintains 24 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, capital projects fund, and debt service fund, all of which are considered to be major funds. Data from the other 21 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its general, capital projects, debt service, special revenue, and enterprise funds according to the Code of Iowa. A budgetary comparison schedule has been provided as required supplementary information to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 27-30 of this report.

Proprietary Funds. The City 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 uses enterprise funds to account for its hospital, electric, sewer, water, transit, storm sewer, parking, resource recovery, ice arena, and golf course. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for fleet services, information services, risk management, and health insurance. Because these services benefit both the governmental and business-type functions, they have been apportioned accordingly in the government-wide financial statements.

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 hospital, electric, sewer, water, and transit, all of which are considered to be major funds of the City. Data from the other five enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor enterprise funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report. Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic proprietary fund financial statements can be found on pages 31-35 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains one type of fiduciary fund. Two agency funds report resources held by the City in a custodial capacity for individuals, private organizations, and other governments.

The fiduciary fund financial statements can be found on page 36 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37-78 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's obligation to provide other post-employment benefits to its employees and budgetary comparisons. Required supplementary information can be found on pages 80-83 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, internal service funds, and agency funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 87-105 of this report.

Government-wide Overall Financial Analysis

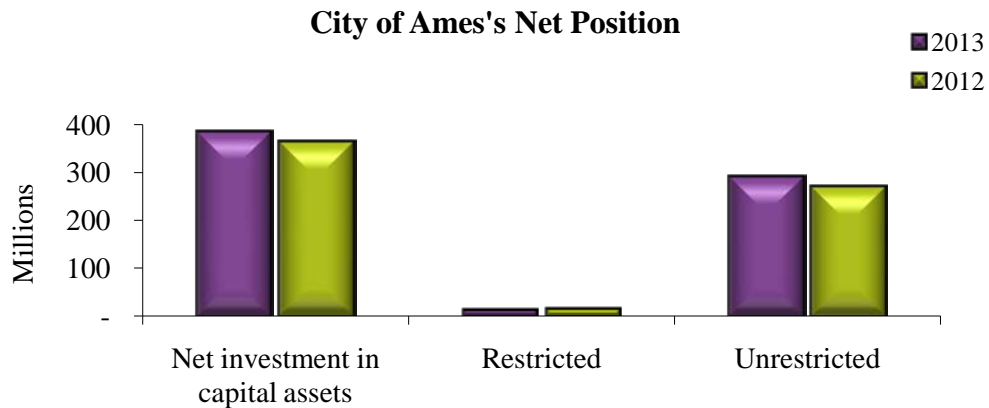
As noted earlier, net position, over time, may serve as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$687,641,616 at the close of the most recent fiscal year.

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 97,117,591	\$ 72,026,981	\$ 358,517,810	\$ 345,463,467	\$ 455,635,401	\$ 417,490,448
Net capital assets	148,328,646	146,656,958	329,090,485	282,936,411	477,419,131	429,593,369
Total assets	<u>245,446,237</u>	<u>218,683,939</u>	<u>687,608,295</u>	<u>628,399,878</u>	<u>933,054,532</u>	<u>847,083,817</u>
Long-term liabilities outstanding	70,033,374	45,904,796	114,203,269	102,606,842	184,236,643	148,511,638
Other liabilities	29,831,456	27,936,632	31,344,817	21,735,286	61,176,273	49,671,918
Total liabilities	<u>99,864,830</u>	<u>73,841,428</u>	<u>145,548,086</u>	<u>124,342,128</u>	<u>245,412,916</u>	<u>198,183,556</u>
Net position:						
Net investment in capital assets	112,305,532	111,810,541	272,253,133	251,498,597	384,558,665	363,309,138
Restricted	12,081,140	12,052,215	1,001,294	2,814,032	13,082,434	14,866,247
Unrestricted	21,194,735	20,979,755	268,805,782	249,745,121	290,000,517	270,724,876
Total net position	<u>\$ 145,581,407</u>	<u>\$ 144,842,511</u>	<u>\$ 542,060,209</u>	<u>\$ 504,057,750</u>	<u>\$ 687,641,616</u>	<u>\$ 648,900,261</u>

The largest portion of the City's net position (55.92%) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure) less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

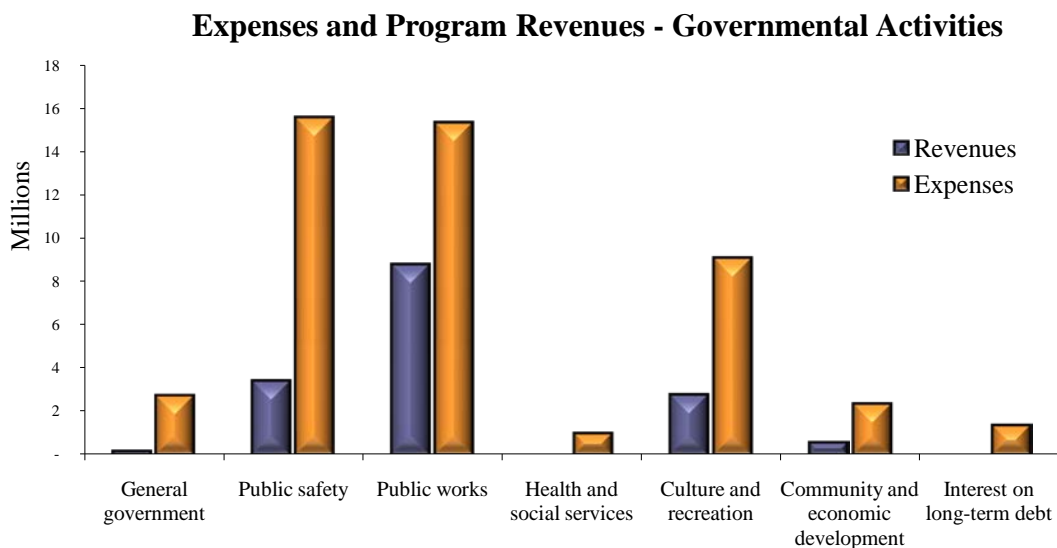
An additional portion of the City's net position (\$13,082,434, or 1.90%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$290,000,517 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.



Governmental Activities. During the current fiscal year, net position for governmental activities increased \$738,896 from the prior fiscal year for an ending balance of \$145,581,407. Taxes are the largest source of governmental revenue with property taxes of \$23,913,389 and local option sales taxes of \$6,655,355 in 2013. The \$428,094 increase in property tax collections in 2013 over 2012 is due to increased taxable valuation with a slightly lower tax rate than the prior year. Hotel/motel tax increased \$241,891 over 2012 because of more hotel stays in the City.

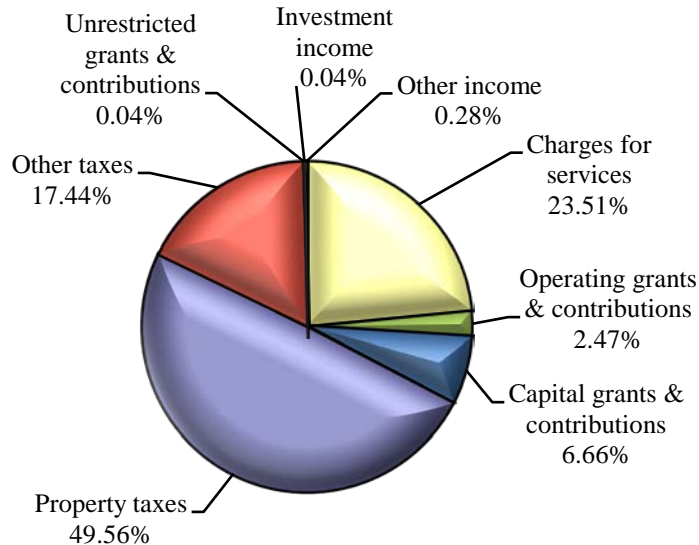
Governmental activities expenses increased \$726,728 from 2012, or 1.55%. The two functions with the greatest increase were public safety and public works. Public safety expenses increased \$444,516, primarily due to increases in salaries and benefits of police and fire personnel. One of the larger factors contributing to an increase in public works expenses was an increase in weather events over the previous year.



City of Ames's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues						
Charges for services	\$ 11,342,934	\$ 11,623,655	\$ 259,691,807	\$ 254,657,674	\$ 271,034,741	\$ 266,281,329
Operating grants & contributions	1,192,687	1,091,752	2,723,226	2,751,186	3,915,913	3,842,938
Capital grants & contributions	3,211,001	4,985,082	8,604,246	8,991,024	11,815,247	13,976,106
General revenues						
Property taxes	23,913,389	23,485,295	-	-	23,913,389	23,485,295
Other taxes	8,415,817	8,453,725	-	-	8,415,817	8,453,725
Unrestricted grants & contributions	17,726	17,040	-	-	17,726	17,040
Investment earnings	18,067	436,302	13,003,757	4,197,199	13,021,824	4,633,501
Other	136,155	441,881	75,852	5,164,193	212,007	5,606,074
Total revenues	48,247,776	50,534,732	284,098,888	275,761,276	332,346,664	326,296,008
Expenses:						
General government	2,755,166	2,559,365	-	-	2,755,166	2,559,365
Public safety	15,589,369	15,144,853	-	-	15,589,369	15,144,853
Public works	15,352,458	14,938,688	-	-	15,352,458	14,938,688
Health & social services	1,005,458	1,159,849	-	-	1,005,458	1,159,849
Culture & recreation	9,082,953	8,818,851	-	-	9,082,953	8,818,851
Community & economic development	2,366,904	2,875,118	-	-	2,366,904	2,875,118
Interest on long-term debt	1,369,323	1,298,010	-	-	1,369,323	1,298,010
Mary Greeley Medical Center	-	-	160,369,431	155,374,830	160,369,431	155,374,830
Electric	-	-	52,411,173	50,159,375	52,411,173	50,159,375
Sewer	-	-	9,122,173	7,956,963	9,122,173	7,956,963
Water	-	-	6,856,515	6,630,919	6,856,515	6,630,919
Transit	-	-	10,629,183	10,002,499	10,629,183	10,002,499
Storm Sewer	-	-	655,522	918,495	655,522	918,495
Parking Lot	-	-	846,825	767,154	846,825	767,154
Resource Recovery	-	-	4,375,362	4,184,929	4,375,362	4,184,929
Ames/ISU Ice Arena	-	-	606,215	521,670	606,215	521,670
Homewood Golf Course	-	-	211,279	232,689	211,279	232,689
Total expenses	47,521,631	46,794,734	246,083,678	236,749,523	293,605,309	283,544,257
Increase in net position before transfers	726,145	3,739,998	38,015,210	39,011,753	38,741,355	42,751,751
Transfers	12,751	(223,314)	(12,751)	223,314	-	-
Increase in net position	738,896	3,516,684	38,002,459	39,235,067	38,741,355	42,751,751
Net position - beginning	144,842,511	141,325,827	504,057,750	464,822,683	648,900,261	606,148,510
Net position - ending	\$ 145,581,407	\$ 144,842,511	\$ 542,060,209	\$ 504,057,750	\$ 687,641,616	\$ 648,900,261

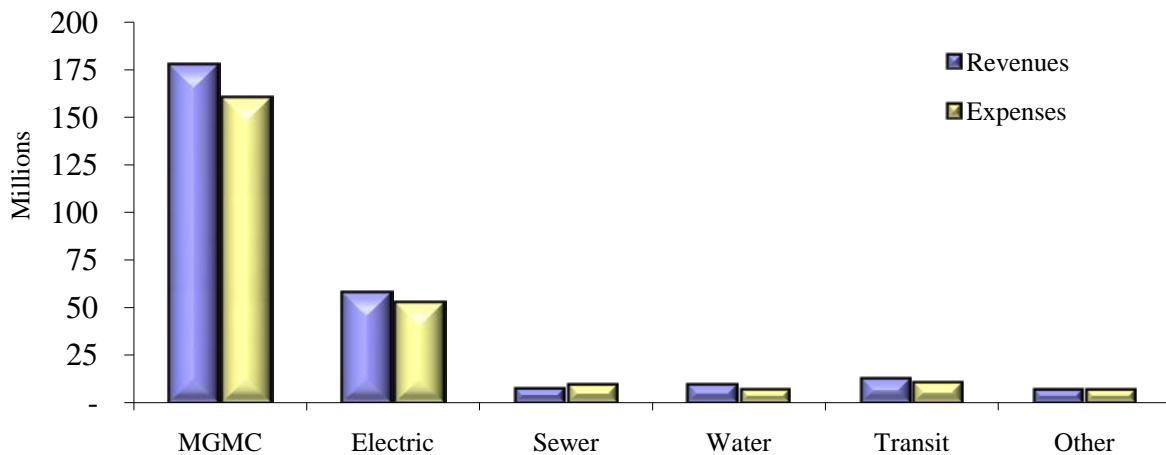
Revenues by Source - Governmental Activities



Business-type Activities. Business-type activities increased net position by \$38,002,459, accounting for 98.09% of the City's growth in net position at June 30, 2013. This is approximately \$1.2 million lower than the increase in net position for business-type activities in the prior fiscal year. Some of the larger differences between the two years include higher contributions in 2012 for the now-completed transit intermodal facility (\$3 million), a large gain on disposal of capital assets for the sale of a hospital outpatient facility in 2012 (\$3.7 million), and an increase in hospital investment income due to improved market conditions (\$9.3 million).

The expenses of the business-type activities increased \$9,334,155, or 3.94%. Approximately \$5 million of this is from hospital salary and benefit increases due to both wage increases and an increase in staff numbers. Electric expenses were up approximately \$2.3 million over 2012 because of increases in the cost of fuel and purchased power, and because of an overhaul of a steam turbine. Sewer expenses increased almost \$1.2 million because of aging assets in need of repair.

Expenses and Program Revenues - Business-type Activities



Financial Analysis of Governmental Funds

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

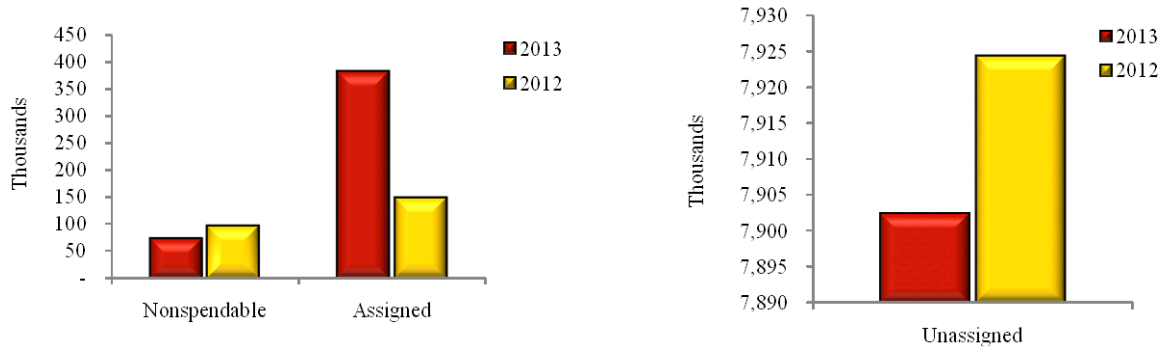
Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance that has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

The City's governmental funds reported combined fund balances of \$58,929,664 at June 30, 2013, an increase of \$22,755,633 in comparison with the prior year. Approximately 12.27% of this amount (\$7,233,251) constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is 1) not in spendable form (\$187,903); 2) legally

required to be maintained intact (\$1,905,419); 3) restricted for particular purposes (\$47,672,976); 4) committed for particular purposes (\$1,547,185); or 5) assigned for particular purposes (\$382,930).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$7,902,465, while total fund balance increased \$190,668 to \$8,359,018. The ending fund balance is 32.30% of the fiscal year expenditures, exceeding the City's goal of 20% of expenditures.

Components of Fund Balance General Fund

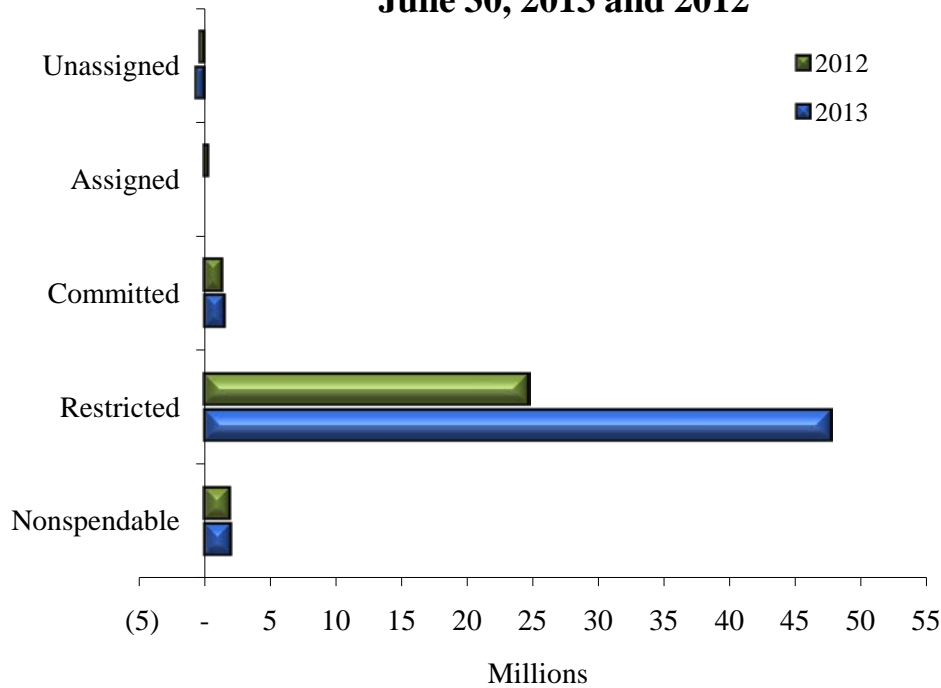


The Capital Projects Fund had an increase of \$22,775,988 in fund balance during the fiscal year, which put the overall fund balance at \$32,162,906. The fund balance had a large increase because bonds that were planned to be issued in early fiscal year 2014 were issued at the end of 2013 to provide funds needed for the library renovation and expansion project. Since the bonds were issued late in the fiscal year, a majority of the proceeds remain unspent at the end of the year.

The Debt Service Fund's fund balance decreased by \$398,716 during 2013. Debt service payments were slightly higher than the prior year due to the higher amount of debt outstanding. The timing of bond issuances and expenditures has allowed the City to maintain a fund balance in debt service in excess of \$1.2 million. The fund balance will be used to help equalize the debt service property tax levy over the term of the current five-year capital improvement plan.

The fund balances of other governmental funds increased by \$187,693 over 2012. The Road Use Tax Fund had a \$586,998 increase in fund balance, however, this was approximately \$750,000 lower than the previous year's increase due to an increase in weather events. The FEMA fund decreased by \$292,675 because of claims that were submitted but not yet processed. The remainder of the other governmental funds had insignificant changes.

**Other Governmental Funds
Components of Fund Balance
June 30, 2013 and 2012**



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

The combined net position of the enterprise funds at June 30, 2013, totaled \$535,858,598, of which 49.01% (\$262,604,171) is unrestricted. This is a \$38,157,913, or 7.67%, increase over the net position in 2012. The net position of the internal service funds is \$19,298,162, a \$148,125 decrease from the 2012 net position. Unrestricted net position accounts for \$12,152,877 (62.97%) of the total internal service fund net position balance.

Approximately \$30 million of the total increase in net position is attributable to the hospital. Even though operating income was down from 2012, a large increase in investment income due to favorable market conditions and an increase in capital contributions made up a large part of this increase. The net position in the transit fund increased by \$3.5 million, primarily because of grants for the CyRide facility expansion.

Significant changes in the internal service funds include higher costs for the health insurance fund due to an increase in the cost of medical and pharmacy claims. Investment income was down, as with all of the other funds, and the gain on disposal of capital assets was lower than in 2012.

General Fund Budgetary Highlights

Original Budget Compared to Final Budget. There were two amendments to the City's 2012-2013 budget. The first amendment was passed in March 2013 to reflect carryovers of capital project expenditures. The second was passed in May to more accurately reflect year-end expenditures and revenues.

The primary sources of variation in the General Fund budget include: 1) a delay in the start of the City Hall renovation project; 2) hotel/motel taxes \$250,000 more than expected due to an increase in hotel stays; 3) salary savings due to turnover and open positions; and 4) a delay in purchases in capital.

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2013, amounts to \$477,419,131 (net of accumulated depreciation), an increase of \$47,825,762, or 11.13%, above the 2012 investment in capital assets. The investment in capital assets includes land, buildings, infrastructure, plant and distribution systems, machinery, and equipment.

Some of the major capital asset additions include:

- \$3.2 million construction in progress for the library renovation and expansion
- \$2.1 million construction in progress for the new water plant
- \$6.2 million construction in progress for the electric utility's 161 kV interconnection project
- \$1.7 million construction in progress for the transit facility expansion
- \$3.5 million in new transit buses including two new articulated buses
- \$33 million construction in progress for the hospital renovation and expansion

Additional information on the City's capital assets can be found in note IV(E) on pages 55-56 of this report.

City of Ames's Capital Assets (net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 11,576,058	\$ 11,053,028	\$ 11,719,187	\$ 11,458,618	\$ 23,295,245	\$ 22,511,646
Other nondepreciable assets	4,173,152	4,143,817	-	-	4,173,152	4,143,817
Depreciable assets	124,765,276	130,113,006	245,850,640	247,247,035	370,615,916	377,360,041
Construction in progress	7,814,160	1,347,107	71,520,658	24,230,758	79,334,818	25,577,865
Total	<u>\$ 148,328,646</u>	<u>\$ 146,656,958</u>	<u>\$ 329,090,485</u>	<u>\$ 282,936,411</u>	<u>\$ 477,419,131</u>	<u>\$ 429,593,369</u>

Long-term Debt. At the end of the current fiscal year, the City had \$161,879,591 in outstanding bonded debt. Of this amount, \$72,308,392 is debt backed by the full faith and credit of the government and \$89,571,199 is revenue bonds issued by proprietary funds.

City of Ames's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation bonds, net	\$ 67,647,632	\$ 43,633,557	\$ 4,660,760	\$ 2,203,850	\$ 72,308,392	\$ 45,837,407
Revenue bonds	-	-	89,571,199	83,391,700	89,571,199	83,391,700
Loans payable	-	-	4,167,950	535,182	4,167,950	535,182
Notes payable	-	-	1,611,285	2,933,922	1,611,285	2,933,922
Total	<u>\$ 67,647,632</u>	<u>\$ 43,633,557</u>	<u>\$ 100,011,194</u>	<u>\$ 89,064,654</u>	<u>\$ 167,658,826</u>	<u>\$ 132,698,211</u>

The City's total debt increased by \$34,960,615 (26.35%) during the current fiscal year. The bonds issued consist of \$11.5 million for the hospital renovation and expansion, \$17.6 million for the library renovation and expansion, and the remainder for various other capital projects.

The City maintains a Aaa rating from Moody's Investor Services on all of its general obligation debt.

State statutes limit the amount of general obligation debt an Iowa city may issue to five percent (5%) of the actual assessed valuation at January 1, 2011, related to the 2012-2013 fiscal year. The current debt limitation for the City is \$174,277,177. A portion of the outstanding general obligation debt is abated by revenue sources other than the property tax levy. Additional information on the City's long-term debt can be found in note IV(K) on pages 65-73 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following economic factors currently affect the City and were considered in developing the 2013-2014 fiscal year budget:

- An unemployment rate for the City of 3.9% for calendar year 2012, slightly lower than the prior year's rate of 4.1%; and lower than the 2012 rate for the State of Iowa (5.2%) and the nation (8.1%)
- A 6% increase in water rates, as part of a series of water rate increases, to fund the new water treatment plant
- A 9% increase in sanitary sewer rates to correct deficiencies in the City's collection system and fund improvements at the aging Water Pollution Control facility
- An overall property tax rate increase of \$0.14 per \$1,000 of taxable valuation to fund an increase in contributions to the Municipal Fire and Police Retirement System of Iowa and the increased debt service payments for the library renovation and expansion
- An 8% increase in health insurance costs, which the fund balance in the self-insured health insurance fund will help to absorb

Requests for Information. This financial report is designed to provide a general overview of the City'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 Director of Finance, 515 Clark Avenue, Ames, Iowa, 50010.

Basic Financial Statements

City of Ames
Statement of Net Position
June 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 34,452,817	\$ 55,741,533	\$ 90,194,350	\$ 438,739
Investments	39,346,079	20,395,565	59,741,644	-
Taxes receivable	73,441	-	73,441	-
Special assessments receivable	239,656	-	239,656	-
Accrued interest receivable	178,458	145,790	324,248	-
Accounts receivable, net	259,838	27,356,347	27,616,185	84
Pledges receivable, net	-	-	-	2,637,426
Intergovernmental receivable	3,607,195	3,944,459	7,551,654	-
Loans receivable	36,921	-	36,921	-
Internal balances	(8,515,609)	8,515,609	-	-
Inventories	215,823	8,649,801	8,865,624	-
Assets held for resale	550,770	-	550,770	-
Prepaid items	112,320	2,453,098	2,565,418	-
Restricted current assets:				
Cash and cash equivalents	-	585	585	-
Investments	-	24,065,889	24,065,889	-
Accrued interest receivable	-	698,507	698,507	-
Total current assets	70,557,709	151,967,183	222,524,892	3,076,249
Noncurrent assets:				
Investments	-	21,002,640	21,002,640	10,984,602
Succeeding year taxes receivable	25,199,952	-	25,199,952	-
Long-term loans receivable	45,460	-	45,460	-
Long-term special assessments receivable	772,396	-	772,396	-
Deferred debt issuance costs	542,074	979,065	1,521,139	-
Other assets	-	8,274,841	8,274,841	-
Non-depreciable assets	23,563,370	83,239,845	106,803,215	-
Depreciable assets, net of accumulated depreciation	124,765,276	245,850,640	370,615,916	-
Restricted noncurrent assets:				
Long-term investments	-	176,294,081	176,294,081	-
Total noncurrent assets	174,888,528	535,641,112	710,529,640	10,984,602
Total assets	245,446,237	687,608,295	933,054,532	14,060,851

The notes to the financial statements are an integral part of this statement.

City of Ames
Statement of Net Position (continued)
June 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
LIABILITIES				
Current liabilities:				
Accounts payable	2,557,535	17,181,522	19,739,057	192,001
Accrued payroll	230,201	3,446,033	3,676,234	-
Accrued compensated absences	154,114	505,012	659,126	-
Accrued interest payable	151,377	202,839	354,216	-
Retainage payable	330,132	7,949,254	8,279,386	-
Customer deposits	106,343	887,300	993,643	-
Intergovernmental payable	94,527	250,208	344,735	-
Claims payable	743,632	1,058,601	1,802,233	-
Loans payable	-	288,048	288,048	-
Notes payable	-	1,317,319	1,317,319	-
Bonds payable, net	7,839,561	3,224,608	11,064,169	-
Unearned revenue	417,757	5,230	422,987	-
Accrued landfill post-closure costs	-	16,062	16,062	-
Total current liabilities	12,625,179	36,332,036	48,957,215	192,001
Noncurrent liabilities:				
Accrued compensated absences	1,769,598	10,464,871	12,234,469	-
Accrued other post-employment benefits	462,030	3,005,571	3,467,601	-
Claims payable	-	363,830	363,830	-
Loans payable	-	3,879,902	3,879,902	-
Notes payable	-	293,966	293,966	-
Bonds payable, net	59,808,071	91,007,351	150,815,422	-
Succeeding year unearned revenue	25,199,952	-	25,199,952	-
Accrued landfill post-closure costs	-	200,559	200,559	-
Total noncurrent liabilities	87,239,651	109,216,050	196,455,701	-
Total liabilities	99,864,830	145,548,086	245,412,916	192,001
NET POSITION				
Net investment in capital assets	112,305,532	272,253,133	384,558,665	-
Restricted:				
Expendable for:				
Debt service	1,260,206	1,001,294	2,261,500	-
Capital projects	4,244,956	-	4,244,956	-
Law enforcement	66,507	-	66,507	-
Employee benefits	1,196,062	-	1,196,062	-
Library services	816,910	-	816,910	-
Aquatic center	89,093	-	89,093	-
Parks	1,764,206	-	1,764,206	-
Community welfare	4,508	-	4,508	-
Housing services	584,081	-	584,081	-
Economic development	149,192	-	149,192	-
Mary Greeley Medical Center	-	-	-	9,910,882
Non-expendable for:				
Perpetual care	905,419	-	905,419	-
Aquatic center	1,000,000	-	1,000,000	-
Bliss Cancer Endowment Fund	-	-	-	250,672
Unrestricted	21,194,735	268,805,782	290,000,517	3,707,296
Total net position	\$ 145,581,407	\$ 542,060,209	\$ 687,641,616	\$ 13,868,850

The notes to the financial statements are an integral part of this statement.

City of Ames
Statement of Activities
For the Year Ended June 30, 2013

Functions / Programs:	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 2,755,166	\$ 130,627	\$ 48,051	\$ -	\$ (2,576,488)	\$ -	\$ (2,576,488)	\$ -
Public safety	15,589,369	3,194,059	227,595	-	(12,167,715)	-	(12,167,715)	-
Public works	15,352,458	6,026,315	92,099	2,649,943	(6,584,101)	-	(6,584,101)	-
Health and social services	1,005,458	-	19,247	-	(986,211)	-	(986,211)	-
Culture and recreation	9,082,953	1,980,793	247,231	561,058	(6,293,871)	-	(6,293,871)	-
Community and economic development	2,366,904	11,140	558,464	-	(1,797,300)	-	(1,797,300)	-
Interest	1,369,323	-	-	-	(1,369,323)	-	(1,369,323)	-
Total governmental activities	47,521,631	11,342,934	1,192,687	3,211,001	(31,775,009)	-	(31,775,009)	-
Business-type activities:								
Mary Greeley Medical Center	160,369,431	175,011,409	38,142	2,490,000	-	17,170,120	17,170,120	-
Electric	52,411,173	57,353,200	87,175	-	-	5,029,202	5,029,202	-
Sewer	9,122,173	6,648,263	-	383,040	-	(2,090,870)	(2,090,870)	-
Water	6,856,515	9,125,922	-	494,960	-	2,764,367	2,764,367	-
Transit	10,629,183	5,108,154	2,325,582	5,216,246	-	2,020,799	2,020,799	-
Storm sewer	655,522	1,136,621	-	-	-	481,099	481,099	-
Parking	846,825	883,899	-	-	-	37,074	37,074	-
Resource recovery	4,375,362	3,731,936	272,327	-	-	(371,099)	(371,099)	-
Ice arena	606,215	471,760	-	20,000	-	(114,455)	(114,455)	-
Golf course	211,279	220,643	-	-	-	9,364	9,364	-
Total business-type activities	246,083,678	259,691,807	2,723,226	8,604,246	-	24,935,601	24,935,601	-
Total primary government	\$ 293,605,309	\$ 271,034,741	\$ 3,915,913	\$ 11,815,247	(31,775,009)	24,935,601	(6,839,408)	-
Component unit:								
Mary Greeley Medical Center Foundation	\$ 3,441,911	\$ -	\$ 1,673,568	\$ -	-	-	-	(1,768,343)
General revenues:								
Property taxes					23,913,389	-	23,913,389	-
Sales taxes					6,655,355	-	6,655,355	-
Hotel / motel taxes					1,760,462	-	1,760,462	-
Unrestricted grants and contributions					17,726	-	17,726	-
Investment income					18,067	13,003,757	13,021,824	834,646
Other income					120,071	40,761	160,832	-
Gain on disposal of capital assets					16,084	35,091	51,175	-
Transfers					12,751	(12,751)	-	-
Total general revenues and transfers					32,513,905	13,066,858	45,580,763	834,646
Change in net position					738,896	38,002,459	38,741,355	(933,697)
Net position, beginning					144,842,511	504,057,750	648,900,261	14,802,547
Net position, ending					\$ 145,581,407	\$ 542,060,209	\$ 687,641,616	\$ 13,868,850

The notes to the financial statements are an integral part of this statement.

**City of Ames
Balance Sheet
Governmental Funds
June 30, 2013**

	General	Capital Projects	Debt Service	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 5,654,422	\$ 5,618,288	\$ 958,038	\$ 12,025,648	\$ 24,256,396
Investments	1,596,330	30,296,736	271,841	4,287,957	36,452,864
Taxes receivable	44,469	-	24,134	4,838	73,441
Special assessments receivable	-	239,656	-	-	239,656
Accrued interest receivable	59,072	60,560	6,193	14,991	140,816
Accounts receivable, net	225,831	6,198	-	10,879	242,908
Intergovernmental receivable	45,233	616,190	-	2,913,713	3,575,136
Loans receivable	-	-	-	36,921	36,921
Due from other funds	1,465,563	170,679	-	374,504	2,010,746
Inventories	44,833	-	-	96,796	141,629
Property held for resale	-	-	-	550,770	550,770
Prepaid items	28,790	15,800	-	1,684	46,274
Succeeding year taxes receivable	15,098,244	-	8,353,471	1,748,237	25,199,952
Long-term loans receivable	-	-	-	45,460	45,460
Long-term special assessments receivable	-	772,396	-	-	772,396
Total assets	<u>\$ 24,262,787</u>	<u>\$ 37,796,503</u>	<u>\$ 9,613,677</u>	<u>\$ 22,112,398</u>	<u>\$ 93,785,365</u>
LIABILITIES					
Accounts payable	\$ 265,800	\$ 1,381,310	\$ -	\$ 202,706	\$ 1,849,816
Accrued payroll	145,180	8,372	-	60,020	213,572
Retainage payable	5,111	282,640	-	40,076	327,827
Customer deposits	6,906	-	-	99,437	106,343
Intergovernmental payable	49,583	-	-	6,948	56,531
Due to other funds	317,023	2,936,789	-	1,666,258	4,920,070
Deferred revenue	15,922	1,024,486	-	1,141,182	2,181,590
Succeeding year deferred revenue	15,098,244	-	8,353,471	1,748,237	25,199,952
Total liabilities	<u>15,903,769</u>	<u>5,633,597</u>	<u>8,353,471</u>	<u>4,964,864</u>	<u>34,855,701</u>
FUND BALANCES (DEFICITS)					
Nonspendable	73,623	15,800	-	2,003,899	2,093,322
Restricted	-	32,147,106	1,260,206	14,265,664	47,672,976
Committed	-	-	-	1,547,185	1,547,185
Assigned	382,930	-	-	-	382,930
Unassigned	7,902,465	-	-	(669,214)	7,233,251
Total fund balances (deficits)	<u>8,359,018</u>	<u>32,162,906</u>	<u>1,260,206</u>	<u>17,147,534</u>	<u>58,929,664</u>
Total liabilities and fund balances (deficits)	<u>\$ 24,262,787</u>	<u>\$ 37,796,503</u>	<u>\$ 9,613,677</u>	<u>\$ 22,112,398</u>	<u>\$ 93,785,365</u>

The notes to the financial statements are an integral part of this statement.

City of Ames
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2013

Amounts reported for governmental activities in the statement of net position (page 25) are different because:

Fund balance - total governmental funds (page 27)	\$ 58,929,664
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	141,183,361
Issuance costs on long-term liabilities are deferred and amortized over the life of the debt.	542,074
Revenues not collected within 60 days of the end of the fiscal year are not available to pay for current period expenditures and, therefore, are deferred:	
Hotel/motel tax	142,722
Special assessments	772,396
Other revenues	906,524
Internal service funds are used by management to charge the costs of fleet management, information services, risk management, and health insurance to individual funds. The assets and liabilities of internal service funds are split between the governmental and business-type activities in the statement of net position.	13,096,551
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
General obligation bonds payable	(65,894,891)
Interest payable on general obligation bonds	(151,377)
Deferred charges on general obligation bonds refunded	3,318
Unamortized premiums on the issuance of general obligation bonds	(1,756,059)
Accrued compensated absences	(1,769,816)
Net other post-employment benefits payable	(423,060)
Net position of governmental activities	\$ 145,581,407

The notes to the financial statements are an integral part of this statement.

City of Ames
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

	General	Capital Projects	Debt Service	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 14,480,917	\$ -	\$ 7,857,304	\$ 9,981,447	\$ 32,319,668
Special assessments	-	306,761	-	-	306,761
Licenses and permits	1,707,463	-	-	-	1,707,463
Intergovernmental	333,906	1,573,847	48,051	7,128,724	9,084,528
Charges for services	3,280,825	-	-	17,753	3,298,578
Fines and forfeitures	111,014	-	-	-	111,014
Investment income	35,045	37,511	2,060	(4,501)	70,115
Miscellaneous	496,238	50,597	-	672,798	1,219,633
Total revenues	<u>20,445,408</u>	<u>1,968,716</u>	<u>7,907,415</u>	<u>17,796,221</u>	<u>48,117,760</u>
EXPENDITURES					
Current:					
General government	2,358,407	440,895	14,556	92,633	2,906,491
Public safety	15,108,227	-	-	179,539	15,287,766
Public works	1,130,420	-	-	4,258,412	5,388,832
Health and social services	-	-	-	1,005,458	1,005,458
Culture and recreation	6,679,718	-	-	409,176	7,088,894
Community and economic development	604,997	-	-	1,758,786	2,363,783
Debt service:					
Principal	-	-	9,713,723	-	9,713,723
Interest and fiscal charges	-	-	1,440,738	-	1,440,738
Capital outlay	-	10,091,166	-	3,880,887	13,972,053
Total expenditures	<u>25,881,769</u>	<u>10,532,061</u>	<u>11,169,017</u>	<u>11,584,891</u>	<u>59,167,738</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,436,361)</u>	<u>(8,563,345)</u>	<u>(3,261,602)</u>	<u>6,211,330</u>	<u>(11,049,978)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	7,801,245	180,415	613,576	100,153	8,695,389
Transfers out	(2,174,216)	(496,759)	-	(6,123,790)	(8,794,765)
General obligation bonds issued	-	30,455,000	-	-	30,455,000
Premium on general obligation bonds	-	1,200,677	102,097	-	1,302,774
Refunding bonds issued	-	-	2,090,000	-	2,090,000
Premium on refunding bonds	-	-	57,213	-	57,213
Total other financing sources (uses)	<u>5,627,029</u>	<u>31,339,333</u>	<u>2,862,886</u>	<u>(6,023,637)</u>	<u>33,805,611</u>
Net change in fund balances	190,668	22,775,988	(398,716)	187,693	22,755,633
Fund balances, beginning	<u>8,168,350</u>	<u>9,386,918</u>	<u>1,658,922</u>	<u>16,959,841</u>	<u>36,174,031</u>
Fund balances, ending	<u>\$ 8,359,018</u>	<u>\$ 32,162,906</u>	<u>\$ 1,260,206</u>	<u>\$ 17,147,534</u>	<u>\$ 58,929,664</u>

The notes to the financial statements are an integral part of this statement.

City of Ames
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2013

Amounts reported for governmental activities in the statement of activities (page 26) are different because:

Net changes in fund balances - total governmental funds (page 29)	\$ 22,755,633
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Hotel/motel tax	9,538
Special assessments	(267,758)
Other revenues	379,061

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	10,647,388
Disposals	(990,410)
Depreciation expense	(7,955,502)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Current year debt issuance costs	374,432
Amortization of debt issuance costs	(47,141)
Current year premium on issuance of bonds	(1,359,987)
Amortization of bond premiums	166,622
Amortization of deferred charges on refunding debt	586
Proceeds from issuance of bonds	(32,545,000)
Principal payments	9,713,723
Interest payments	(48,652)

Some expenses 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.

Decrease to accrued compensated absences	56,341
Increase to accrued other post-employment benefits	(157,307)

The internal service funds are used by management to charge the costs of fleet management, information services, risk management, and health insurance to individual funds. The net revenue of certain activities of internal service funds is reported with both governmental and business-type activities.

	7,329
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Changes in net position of governmental activities	\$ 738,896
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The notes to the financial statements are an integral part of this statement.

**City of Ames
Statement of Net Position
Proprietary Funds
June 30, 2013**

	Business-type Activities						Governmental Activities	
	Mary Greeley Medical Center	Electric	Sewer	Water	Transit	Other Enterprise Funds	Totals	Internal Service Funds
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 29,579,209	\$ 5,018,923	\$ 3,465,635	\$ 9,850,830	\$ 2,374,069	\$ 4,395,441	\$ 54,684,107	\$ 11,253,847
Investments	-	14,397,468	983,532	2,795,155	673,575	1,246,857	20,096,587	3,192,193
Accrued interest receivable	-	69,301	13,214	33,286	9,555	16,599	141,955	41,477
Accounts receivable, net	18,750,151	6,419,408	696,694	1,052,598	25,613	411,492	27,355,956	17,321
Due from other funds	-	83,442	716,862	746,242	4,503	1,834,719	3,385,768	405,158
Intergovernmental receivable	-	1,449,729	48,759	4,143	2,024,629	417,199	3,944,459	32,059
Inventories	3,501,073	4,620,147	-	238,713	257,789	32,079	8,649,801	74,194
Prepaid items	2,414,693	773	140	32,060	1,850	3,295	2,452,811	66,333
Restricted current assets:								
Cash and cash equivalents	-	-	585	-	-	-	585	-
Investments	24,065,889	-	-	-	-	-	24,065,889	-
Interest receivable	698,507	-	-	-	-	-	698,507	-
Total current assets	79,009,522	32,059,191	5,925,421	14,753,027	5,371,583	8,357,681	145,476,425	15,082,582
Noncurrent assets:								
Investments	-	21,002,640	-	-	-	-	21,002,640	-
Deferred debt issuance costs, net	921,502	-	11,739	19,969	-	25,855	979,065	-
Other assets	8,274,841	-	-	-	-	-	8,274,841	-
Capital assets:								
Land	4,807,769	1,845,789	1,910,222	1,478,593	41,500	1,635,314	11,719,187	-
Land improvements	1,324,260	-	-	-	157,621	1,604,852	3,086,733	299,798
Plant and distribution systems	-	171,302,019	73,091,116	57,837,707	-	-	302,230,842	-
Buildings	111,774,798	-	-	-	20,447,954	12,994,762	145,217,514	551,493
Equipment	115,282,993	-	-	-	22,979,537	6,686,155	144,948,685	15,271,112
Construction in progress	48,381,623	17,004,514	1,415,570	3,028,962	1,689,989	-	71,520,658	-
Less accumulated depreciation	(137,339,138)	(118,461,358)	(43,452,924)	(22,746,135)	(14,488,080)	(13,145,499)	(349,633,134)	(8,977,118)
Restricted noncurrent assets:								
Investments	176,294,081	-	-	-	-	-	176,294,081	-
Total noncurrent assets	329,722,729	92,693,604	32,975,723	39,619,096	30,828,521	9,801,439	535,641,112	7,145,285
Total assets	408,732,251	124,752,795	38,901,144	54,372,123	36,200,104	18,159,120	681,117,537	22,227,867

The notes to the financial statements are an integral part of this statement.

City of Ames
Statement of Net Position (continued)
Proprietary Funds
June 30, 2013

	Business-type Activities						Governmental	
	Mary Greeley Medical Center	Electric	Sewer	Water	Transit	Other Enterprise Funds	Totals	Internal Service Funds
LIABILITIES								
Current liabilities:								
Accounts payable	9,116,527	4,687,871	998,857	465,479	1,695,347	132,242	17,096,323	792,918
Accrued payroll	3,155,219	117,328	5,321	21,846	125,999	20,320	3,446,033	16,629
Accrued compensated absences	426,232	35,490	7,929	10,852	17,609	6,749	504,861	6,780
Due to other funds	-	447,740	136,200	159,022	21,289	93,533	857,784	23,818
Claims payable	-	-	-	-	-	-	-	1,802,233
Retainage payable	7,237,438	483,818	94,092	60,056	67,742	6,108	7,949,254	2,305
Customer deposits	-	887,300	-	-	-	-	887,300	-
Accrued interest	164,138	26,811	1,414	7,769	-	2,707	202,839	-
Loans payable	-	-	128,000	-	17,500	142,548	288,048	-
Notes payable	1,317,319	-	-	-	-	-	1,317,319	-
Intergovernmental payable	-	113,936	5,395	23,917	56,093	50,867	250,208	37,996
Accrued landfill post-closure costs	-	-	-	-	-	16,062	16,062	-
Bonds payable, net	2,755,000	-	53,702	310,826	-	105,080	3,224,608	-
Unearned revenue	-	-	-	-	-	5,230	5,230	57,809
Total current liabilities	<u>24,171,873</u>	<u>6,800,294</u>	<u>1,430,910</u>	<u>1,059,767</u>	<u>2,001,579</u>	<u>581,446</u>	<u>36,045,869</u>	<u>2,740,488</u>
Noncurrent liabilities:								
Accrued compensated absences	9,084,838	626,801	150,746	193,385	288,720	118,159	10,462,649	149,489
Post-employment benefits	2,644,625	154,432	42,212	48,316	70,982	44,246	3,004,813	39,728
Claims payable	363,830	-	-	-	-	-	363,830	-
Loans payable	-	-	288,070	3,372,549	35,000	184,283	3,879,902	-
Notes payable	293,966	-	-	-	-	-	293,966	-
Accrued landfill post-closure costs	-	-	-	-	-	200,559	200,559	-
Bonds payable, net	86,816,199	-	604,291	2,310,985	-	1,275,876	91,007,351	-
Total noncurrent liabilities	<u>99,203,458</u>	<u>781,233</u>	<u>1,085,319</u>	<u>5,925,235</u>	<u>394,702</u>	<u>1,823,123</u>	<u>109,213,070</u>	<u>189,217</u>
Total liabilities	<u>123,375,331</u>	<u>7,581,527</u>	<u>2,516,229</u>	<u>6,985,002</u>	<u>2,396,281</u>	<u>2,404,569</u>	<u>145,258,939</u>	<u>2,929,705</u>
NET POSITION								
Net investment in capital assets	93,622,687	71,690,964	32,525,145	34,250,519	30,776,021	9,387,797	272,253,133	7,145,285
Restricted for debt service	1,000,709	-	585	-	-	-	1,001,294	-
Unrestricted	190,733,524	45,480,304	3,859,185	13,136,602	3,027,802	6,366,754	262,604,171	12,152,877
Total net position	<u>\$ 285,356,920</u>	<u>\$ 117,171,268</u>	<u>\$ 36,384,915</u>	<u>\$ 47,387,121</u>	<u>\$ 33,803,823</u>	<u>\$ 15,754,551</u>	<u>535,858,598</u>	<u>\$ 19,298,162</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time							<u>6,201,611</u>	
Net assets of business-type activities							<u>\$ 542,060,209</u>	

The notes to the financial statements are an integral part of this statement.

City of Ames
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2013

	Business-type Activities						Governmental	
	Mary Greeley Medical Center	Electric	Sewer	Water	Transit	Other Enterprise Funds	Totals	Internal Service Funds
Operating revenues:								
Charges for services	\$ 175,011,409	\$ 57,353,200	\$ 6,648,263	\$ 9,125,922	\$ 5,108,154	\$ 6,444,859	\$ 259,691,807	\$ 14,425,199
Operating expenses:								
Cost of goods and services	119,053,999	47,802,645	6,775,914	5,198,065	6,899,481	5,862,293	191,592,397	13,651,622
Administration	26,492,626	1,062,207	307,765	349,897	1,541,769	272,533	30,026,797	-
Depreciation	13,840,382	3,463,395	2,011,252	1,200,465	2,142,870	547,717	23,206,081	1,040,038
Total operating expenses	159,387,007	52,328,247	9,094,931	6,748,427	10,584,120	6,682,543	244,825,275	14,691,660
Operating income (loss)	15,624,402	5,024,953	(2,446,668)	2,377,495	(5,475,966)	(237,684)	14,866,532	(266,461)
Non-operating revenues (expenses):								
Intergovernmental	38,142	-	-	-	2,325,582	-	2,363,724	-
Reimbursements	-	87,175	-	-	-	272,327	359,502	-
Investment income	13,054,827	(49,896)	(4,444)	4,828	(854)	(704)	13,003,757	(6,909)
Interest expense	(931,456)	-	(13,424)	(92,608)	-	(11,627)	(1,049,115)	-
Gain (loss) on disposal of capital assets	(50,968)	(2,866)	-	-	35,091	-	(18,743)	13,118
Miscellaneous	-	36,801	-	3,960	-	-	40,761	-
Total non-operating revenues (expenses)	12,110,545	71,214	(17,868)	(83,820)	2,359,819	259,996	14,699,886	6,209
Income (loss) before capital contributions and transfers	27,734,947	5,096,167	(2,464,536)	2,293,675	(3,116,147)	22,312	29,566,418	(260,252)
Capital contributions	2,490,000	-	383,040	494,960	5,216,246	20,000	8,604,246	-
Transfers in	-	-	-	-	1,465,939	472,862	1,938,801	112,127
Transfers out	-	(1,926,800)	(12,376)	(12,376)	-	-	(1,951,552)	-
Change in net position	30,224,947	3,169,367	(2,093,872)	2,776,259	3,566,038	515,174	38,157,913	(148,125)
Net position, beginning	255,131,973	114,001,901	38,478,787	44,610,862	30,237,785	15,239,377	487,730,725	19,446,287
Net position, ending	<u>\$ 285,356,920</u>	<u>\$ 117,171,268</u>	<u>\$ 36,384,915</u>	<u>\$ 47,387,121</u>	<u>\$ 33,803,823</u>	<u>\$ 15,754,551</u>	<u>\$ 500,499,842</u>	<u>\$ 19,298,162</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds							(155,454)	
Change in net position of business-type activities							<u>\$ 38,002,459</u>	

The notes to the financial statements are an integral part of this statement.

City of Ames
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2013

	Business-type Activities						Governmental	
	Mary Greeley Medical Center	Electric	Sewer	Water	Transit	Other Enterprise Funds	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from customers	\$ 167,761,540	\$ 57,573,268	\$ 5,947,763	\$ 8,547,573	\$ 4,207,942	\$ 4,826,333	\$ 248,864,419	\$ 14,370,462
Other receipts	8,076,725	-	-	-	-	-	8,076,725	-
Payments to suppliers	(63,488,648)	(34,758,880)	(3,247,788)	(1,865,670)	(1,091,477)	(2,974,908)	(107,427,371)	(10,928,029)
Payments to employees	(80,483,119)	(9,181,903)	(2,280,319)	(2,399,892)	(5,877,290)	(2,381,533)	(102,604,056)	(1,964,496)
Payments to other funds for services provided	-	(1,958,608)	(1,236,858)	(1,091,126)	(466,862)	(875,737)	(5,629,191)	(541,705)
Net cash provided by (used for) operating activities	31,866,498	11,673,877	(817,202)	3,190,885	(3,227,687)	(1,405,845)	41,280,526	936,232
CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES								
Operating grants	38,142	-	-	-	2,325,582	-	2,363,724	-
Reimbursements	-	87,175	-	-	-	272,327	359,502	-
Proceeds from sale of non-capital assets	-	36,801	-	3,960	-	-	40,761	-
Transfers in	-	-	-	-	1,465,939	472,862	1,938,801	112,127
Transfers out	-	(1,926,800)	(12,376)	(12,376)	-	-	(1,951,552)	-
Net cash provided by (used for) non-capital financing activities	38,142	(1,802,824)	(12,376)	(8,416)	3,791,521	745,189	2,751,236	112,127
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Acquisition and construction of capital assets	(40,028,159)	(11,416,675)	(1,343,479)	(2,832,347)	(6,063,618)	(207,890)	(61,892,168)	(1,178,051)
Proceeds from the sale of capital assets	221,795	-	-	-	35,490	-	257,285	180,919
Proceeds from issuance of bonds	25,933,366	-	698,890	703,940	-	1,355,101	28,691,297	-
Principal paid on capital debt	(19,605,000)	-	(49,820)	(291,457)	-	-	(19,946,277)	-
Interest paid on capital debt	(3,682,094)	-	(11,807)	(97,088)	-	-	(3,790,989)	-
Principal paid on notes payable	(1,538,837)	-	-	-	-	-	(1,538,837)	-
Proceeds from loans	-	-	416,070	3,372,549	-	-	3,788,619	-
Principal paid on loans	-	-	-	-	(17,500)	(138,351)	(155,851)	-
Interest paid on loans	-	-	(3,019)	-	-	(8,920)	(11,939)	-
Capital contributions	2,490,000	-	383,040	456,960	5,216,246	20,000	8,566,246	-
Net provided by (used for) capital and related financing activities	(36,208,929)	(11,416,675)	89,875	1,312,557	(829,382)	1,019,940	(46,032,614)	(997,132)
CASH FLOWS FROM INVESTING ACTIVITIES								
Purchase of investments	(133,061,027)	(28,798,295)	-	-	-	-	(161,859,322)	-
Reclassification of investments	17,507,686	(1,423,136)	(983,532)	(2,795,155)	(673,575)	(1,246,857)	10,385,431	(3,192,193)
Proceeds from sale of investments	124,994,683	29,295,655	-	-	-	-	154,290,338	-
Interest on investments	8,335,578	202,459	(1,229)	(3,343)	(248)	(2,111)	8,531,106	(4,546)
Net cash provided by (used for) investing activities	17,776,920	(723,317)	(984,761)	(2,798,498)	(673,823)	(1,248,968)	11,347,553	(3,196,739)
Net increase (decrease) in cash and cash equivalents	13,472,631	(2,268,939)	(1,724,464)	1,696,528	(939,371)	(889,684)	9,346,701	(3,145,512)
Cash and cash equivalents, beginning	16,106,578	7,287,862	5,190,684	8,154,302	3,313,440	5,285,125	45,337,991	14,399,359
Cash and cash equivalents, ending	29,579,209	5,018,923	3,466,220	9,850,830	2,374,069	4,395,441	54,684,692	11,253,847
Less: amount reported in restricted assets	-	-	585	-	-	-	585	-
Cash and cash equivalents, ending - statement of net position	\$ 29,579,209	\$ 5,018,923	\$ 3,465,635	\$ 9,850,830	\$ 2,374,069	\$ 4,395,441	\$ 54,684,107	\$ 11,253,847

The notes to the financial statements are an integral part of this statement.

City of Ames
Statement of Cash Flows (continued)
Proprietary Funds
For the Year Ended June 30, 2013

	Business-type Activities						Governmental	
	Mary Greeley Medical Center	Electric	Sewer	Water	Transit	Other Enterprise Funds	Totals	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:								
Operating income (loss)	\$ 15,624,402	\$ 5,024,953	\$ (2,446,668)	\$ 2,377,495	\$ (5,475,966)	\$ (237,684)	\$ 14,866,532	\$ (266,461)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:								
Depreciation expense	13,840,382	3,463,395	2,011,252	1,200,465	2,142,870	547,717	23,206,081	1,040,038
(Increase) decrease in accounts receivable	2,971,079	1,473,485	20,404	14,474	66,509	101,597	4,647,548	17,176
(Increase) decrease in due from other funds	-	3,684	(680,326)	(591,601)	5,760	(1,766,080)	(3,028,563)	(54,983)
(Increase) decrease in intergovernmental receivable	-	(1,236,294)	(40,578)	(1,222)	(972,481)	46,327	(2,204,248)	(22,540)
(Increase) decrease in inventories	(335,618)	148,125	-	(49,749)	125,105	(11,198)	(123,335)	(800)
(Increase) decrease in prepaid items	(419,520)	(673)	2,100	(31,616)	(1,850)	(1,973)	(453,532)	373
Increase (decrease) in accounts payable	(810,888)	2,374,695	235,578	209,244	1,229,438	(52,858)	3,185,209	(192,210)
Increase (decrease) in accrued payroll	388,427	(15,962)	(4,521)	7,741	5,547	1,964	383,196	2,247
Increase (decrease) in accrued compensated absences	307,179	(3,073)	11,342	19,331	13,726	7,539	356,044	(1,119)
Increase (decrease) in due to other funds	-	93,734	(1,695)	32,306	2,759	23,383	150,487	(4,315)
Increase (decrease) in claims payable	75,547	-	-	-	-	-	75,547	391,758
Increase (decrease) in retainage payable	-	311,712	60,732	(10,679)	(292,929)	(2,838)	65,998	2,305
Increase (decrease) in customer deposits	-	(20,807)	-	-	-	-	(20,807)	-
Increase (decrease) in accrued interest on customer deposits	-	(4,423)	-	-	-	-	(4,423)	-
Increase (decrease) in intergovernmental payable	-	3,904	(517)	(3,269)	(102,568)	(12,115)	(114,565)	4,381
Increase (decrease) in accrued landfill post-closure costs	-	-	-	-	-	(65,706)	(65,706)	-
Increase (decrease) in unearned revenue	-	-	-	-	-	(370)	(370)	5,610
Increase (decrease) in post-employment benefits	225,508	57,422	15,695	17,965	26,393	16,450	359,433	14,772
Total adjustments	16,242,096	6,648,924	1,629,466	813,390	2,248,279	(1,168,161)	26,413,994	1,202,693
Net cash provided by (used for) operating activities	\$ 31,866,498	\$ 11,673,877	\$ (817,202)	\$ 3,190,885	\$ (3,227,687)	\$ (1,405,845)	\$ 41,280,526	\$ 936,232
Schedule of non-cash capital and related financing activities:								
Unrealized increase in the fair value of investments	\$ 5,903,870	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,903,870	\$ -
Capital asset contributions	-	-	-	38,000	-	-	38,000	-
Capital asset trade ins	-	-	-	-	-	-	-	10,612
Total non-cash capital and related financing activities	\$ 5,903,870	\$ -	\$ -	\$ 38,000	\$ -	\$ -	\$ 5,941,870	\$ 10,612

The notes to the financial statements are an integral part of this statement.

City of Ames
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2013

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 260,417
Investments	67,561
Total assets	\$ 327,978
 LIABILITIES	
Accounts payable	\$ 22,317
Due to other governments	305,661
Total liabilities	\$ 327,978

The notes to the financial statements are an integral part of this statement.

City of Ames
Notes to the Financial Statements
June 30, 2013

I. Summary of significant accounting policies

A. Description of government-wide 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 non-fiduciary activities of the primary government and its component unit. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Reporting entity

The City of Ames, Iowa (City) was incorporated in 1869 under the laws of the State of Iowa, later amended in July 1975 under the Home Rule City Act. The City is a municipal corporation governed by an elected mayor and six-member governing council. The accompanying financial statements present the government and its component unit, for which the City is considered to be financially accountable. The discretely presented component unit is reported as a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The City operates a non-profit municipal hospital, Mary Greeley Medical Center (hospital). A separately-elected board of trustees governs the hospital's daily operations. The powers of the trustees are established by City ordinance, which limits both the separate legal standing and fiscal independence of the hospital. The hospital is reported as an enterprise fund. Financial statements for the hospital are available at Mary Greeley Medical Center, 1111 Duff Avenue, Ames, Iowa, 50010.

Discretely presented component unit. The Mary Greeley Medical Center Foundation (foundation) is a legally separate component unit of the hospital. A majority of resources, and income thereon, that the foundation holds and invests are restricted to the activities of the hospital by the donors. The foundation's financial statements are available at Mary Greeley Medical Center, 1111 Duff Avenue, Ames, Iowa, 50010.

C. Basis of presentation - government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and certain internal service funds, while business-type activities incorporate data from the government's enterprise funds and the remaining portion of the internal service funds. Separate financial statements are provided for governmental funds, proprietary

City of Ames
Notes to the Financial Statements
June 30, 2013

I. Summary of significant accounting policies (continued)

C. Basis of presentation - government-wide financial statements (continued)

funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the City has one discretely presented component unit. While it is not considered to be a major component unit, it is nevertheless shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the business-type functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of presentation - fund financial statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

The *Capital Projects Fund* accounts for the acquisition and construction of the City's capital facilities, other than those financed by proprietary funds.

The *Debt Service Fund* is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

The City reports the following major enterprise funds:

The *Mary Greeley Medical Center Fund* accounts for the operation of a municipally-owned, full-service medical care hospital.

City of Ames
Notes to the Financial Statements
June 30, 2013

I. Summary of significant accounting policies (continued)

D. Basis of presentation - fund financial statements (continued)

The *Electric Fund* accounts for the operation of a municipally-owned electric plant, which generates and distributes electrical power to residents of the City and some contiguous areas.

The *Sewer Fund* accounts for the activities related to the operation of a sanitary distribution system and the sewer treatment plant.

The *Water Fund* accounts for the operation of the City-owned water plant, which provides water services to residents of the City and some contiguous areas.

The *Transit Fund* accounts for the City's transit services.

Additionally, the City reports the following fund types:

Internal service funds account for the fleet services, information services, risk management, and health insurance for City employees. These services are provided to other departments and agencies of the City on a cost-reimbursement basis.

Agency funds account for payroll tax withholdings and employee flexible benefits collected by the City on behalf of individuals, private organizations, and other governments.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as a transfer in the governmental activities column. Similarly, balances between

City of Ames
Notes to the Financial Statements
June 30, 2013

I. Summary of significant accounting policies (continued)

D. Basis of presentation - fund financial statements (continued)

the funds included in business-type activities are eliminated so that only the net amount is included as a transfer in the business-type activities column.

E. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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 met.

The 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 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 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable within the current fiscal period is considered to be revenue of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred, all other eligibility requirements have been met, and the

City of Ames
Notes to the Financial Statements
June 30, 2013

I. Summary of significant accounting policies (continued)

E. Measurement focus and basis of accounting (continued)

amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency funds have no measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities.

F. Budgetary information

1. Budgetary basis of accounting

State law mandates that annual budgets for funds other than agency and internal service funds be certified to the County Auditor no later than March 15 preceding the fiscal year beginning July 1.

The review and adoption of an annual budget is handled in accordance with state laws, as there is no City ordinance governing the budget process. Preliminary review of all operating budget requests is conducted by the City Manager at a City government function level. A five-year capital improvements plan is prepared annually, and the first-year portion of the plan is considered as the capital improvements projects budget for the annual budget. The City Manager's budget, considered as a plan of financial operation along with proposed sources of revenues, is presented to the City Council at least six weeks prior to certification. The Council holds hearings with the City Manager, Budget Officer, department heads, and boards and commissions, as well as the public prior to adopting the budget.

Amendments to the budget are considered twice a year only if revenue sources are available (i.e., unanticipated revenues or budget surpluses). There can be no additional levy of property taxes. The actual amendment process, as prescribed by state law, is identical to the procedures followed for the original budget, including certification. The budgeted amounts presented in the required supplementary information reflect the original and the revised budget.

Budgets are monitored throughout the fiscal year by function, especially by major classifications such as personnel, capital, contractual, and commodities expenditures. Special revenue funds are budgeted at the aggregate fund level. Monthly reports are prepared by function, and major deviations by classification within a function must be approved by the City Manager. The legal level of control (the level on which expenditures may not legally exceed appropriations) is the function level for all

City of Ames
Notes to the Financial Statements
June 30, 2013

I. Summary of significant accounting policies (continued)

F. Budgetary information (continued)

1. Budgetary basis of accounting (continued)

budgeted funds in total. The budgetary comparison and related disclosures are reported as required supplementary information.

The City prepares its budget on the basis of accounting principles generally accepted in the United States of America, except that the enterprise funds do not budget depreciation expense and do budget for debt service expenditures and capital outlay. Internal service funds are not budgeted.

Appropriations in all budgeted funds lapse at the end of the fiscal year, even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to ensure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances are re-appropriated and become part of the subsequent year's budget.

2. Excess of expenditures over appropriations

For the year ended June 30, 2013, there were no expenditures that exceeded appropriations.

G. Assets, liabilities, and net position/fund balance

1. Cash and cash equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

Investments of the City are reported at fair value (generally based on quoted market prices).

City of Ames
Notes to the Financial Statements
June 30, 2013

I. Summary of significant accounting policies (continued)

G. Assets, liabilities, and net position/fund balance (continued)

3. Inventories and prepaid items

Inventories are maintained on a perpetual basis. Materials, supplies, medical supplies, and drugs are priced at an average cost, while coal is stated at the lower of cost (first-in, first-out) or market. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. Houses held for resale are priced at cost.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, traffic signals, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed. The amount of interest capitalized depends on the specific circumstances. No interest expense was included as part of the cost of capital assets under construction in connection with the hospital construction projects.

City of Ames
Notes to the Financial Statements
June 30, 2013

I. Summary of significant accounting policies (continued)

G. Assets, liabilities, and net position/fund balance (continued)

4. Capital assets (continued)

Land, public art, the library collection, and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Capital Asset Class</u>	<u>Life (yrs)</u>
Buildings	25-45
Improvements	20-40
Machinery and equipment	3-50
General infrastructure	15-50
Plant and distribution system	25-50

5. Net position flow assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position.

6. Fund balance flow assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

City of Ames
Notes to the Financial Statements
June 30, 2013

I. Summary of significant accounting policies (continued)

G. Assets, liabilities, and net position/fund balance (continued)

7. Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has authorized the Finance Director to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

H. Revenues and expenditures/expenses

1. Program revenues

Amounts reported as *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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues.

City of Ames
Notes to the Financial Statements
June 30, 2013

I. Summary of significant accounting policies (continued)

H. Revenues and expenditures/expenses (continued)

2. *Property taxes*

Property taxes attach as an enforceable lien on real property and are levied on July 1 prior to the fiscal year for which they are to be collected. The tax levy is divided into two billings with one half due September 30th and the other half due March 31.

3. *Net patient service revenue*

Net patient service revenue of the hospital is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered. Retroactive adjustments under reimbursement agreements with third-party payers are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

4. *Compensated absences*

Vacation and compensatory time

The City's policy permits employees to accumulate earned but unused vacation and compensatory time benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements.

Sick leave

Accumulated sick leave in excess of 720 hours may be paid out at 25% of the accumulated hours upon retirement only.

5. *Proprietary funds operating and non-operating revenues and expenses*

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* 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 enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and

City of Ames
Notes to the Financial Statements
June 30, 2013

I. Summary of significant accounting policies (continued)

H. Revenues and expenditures/expenses (continued)

5. Proprietary fund operating and non-operating revenues and expenses (continued)

expenses not meeting this definition are reported as non-operating revenues and expenses.

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position of governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that, "Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds." The details of this \$141,183,361 are as follows:

Land	\$ 11,576,058
Land improvements	1,384,118
Public art collection	494,719
Library collection	2,294,314
Construction in progress	7,814,160
Buildings	11,547,154
Less: accumulated depreciation	(6,185,694)
Equipment	4,394,761
Less: accumulated depreciation	(2,238,282)
Infrastructure	199,957,506
Less: accumulated depreciation	(89,855,453)
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position in governmental activities</i>	\$ 141,183,361

Another element of that reconciliation explains, "Internal service funds are used by management to charge the costs of fleet management, information services, risk management, and health insurance to individual funds. The assets and liabilities of internal service funds are included in the governmental activities in the statement of net position."

City of Ames
Notes to the Financial Statements
June 30, 2013

II. Reconciliation of government-wide and fund financial statements (continued)

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position (continued)

The details of this \$13,096,551 are as follows:

Net position of the internal service funds	\$ 19,298,162
Less: Internal payable representing charges in excess of cost to business-type activities - prior years	(6,357,065)
Less: Internal payable representing charges in excess of cost to business-type activities - current year	155,454
	\$ 13,096,551

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation states that, "The internal service funds are used by management to charge the costs of fleet management, information services, risk management, and health insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities." The details of this \$7,329 are as follows:

Change in net position of the internal service funds	\$ (148,125)
Plus: loss from charges to business-type activities	155,454
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ 7,329

III. Stewardship, compliance, and accountability

A. Violations of legal or contractual provisions

As stated in Note I(F)(2), *Excess of expenditures over appropriations*, there were no budgetary violations that occurred in the fiscal year ended June 30, 2013.

City of Ames
Notes to the Financial Statements
June 30, 2013

III. Stewardship, compliance, and accountability (continued)

B. Deficit fund equity

At June 30, 2013, the FEMA fund, a nonmajor special revenue fund, had a deficit fund balance of \$601,131 due to uncollected grant revenue. The revenue will be collected in fiscal year 2013-2014 when all FEMA claims are processed and settled.

Also at June 30, 2013, the TIF fund, a nonmajor special revenue fund, had a deficit fund balance of \$68,083. The incremental property tax revenue will increase in future years to offset the transfers to the Debt Service Fund and reverse the deficit.

IV. Detailed notes on all activities and funds

A. Cash deposits with financial institutions

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of June 30, 2013, the City's deposits were entirely covered by federal depository insurance or collateralized in accordance with Chapter 12c of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds. The amount of pledged collateral is based on an approved method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using this method report the adequacy of their pooled collateral covering uninsured deposits to the State Treasurer, who does not confirm the information with the City. Because of the inability to measure the exact amounts of collateral pledged for the City under this method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer enforces strict standards of financial stability for each depository that collateralizes public deposits.

B. Investments

The following table identifies the investment types that are authorized for the City by its investment policy. The hospital is guided in the selection of security investments by Chapters 12b and 12c of the Code of Iowa and policy, as approved by the board of trustees. The City's investment policy classifies certificates of deposit (CDs) as investments and all CDs purchased by the City are non-negotiable. However, under generally accepted accounting principles (GAAP), non-negotiable CDs are cash deposits instead of investments. The table also identifies certain provisions of the investment policy that address interest rate risk, credit risk, and concentration of credit risk.

City of Ames
Notes to the Financial Statements
June 30, 2013

IV. Detailed notes on all activities and funds (continued)

B. Investments (continued)

<u>Authorized Investment Type</u>	<u>Maximum Maturity for Operating Funds (Days)</u>	<u>Maximum Maturity for Non-operating Funds (Years)</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury obligations	397	7	n/a	n/a
U.S. Agency securities	397	7	n/a	n/a
Certificates of deposit	397	7	n/a	n/a
Prime banker's acceptances	270	270 days	10%	5%
Commercial paper	270	270 days	10%	5%
Repurchase agreements	397	7	n/a	n/a
Joint investment trusts	397	7	n/a	n/a
Warrants of improvement certificates of a levee or drainage district	397	7	n/a	n/a
Mutual funds	n/a	n/a	n/a	n/a
U.S. Treasury notes	17 years	n/a	n/a	n/a
Corporate debt securities	n/a	30	n/a	5%

At June 30, 2013, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>
Commercial paper	\$ 7,990,120	11/08/13 - 11/15/13
U.S. Agency coupon securities	130,630,245	09/09/13 - 01/01/55
U.S. Agency pass-through securities	66,022	08/01/13 - 10/01/14
U.S. Treasury notes	4,856,631	03/31/16 - 02/15/31
Municipal bonds	27,238,319	10/01/13 - 11/15/35
Mutual funds	110,390,478	n/a
	<u>\$ 281,171,815</u>	

Interest rate risk. One of the ways that the City manages exposure to interest rate risk is by purchasing a combination of short- and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Investments are purchased with the intent to hold until maturity.

City of Ames
Notes to the Financial Statements
June 30, 2013

IV. Detailed notes on all activities and funds (continued)

B. Investments (continued)

The following provides information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations:

Investment Type	Fair Value	Remaining Maturity			
		12 Months or Less	13 - 24 Months	25-60 Months	More Than 60 Months
Commercial paper	\$ 7,990,120	\$ 7,990,120	\$ -	\$ -	\$ -
U.S. Agency coupon securities	130,630,245	10,332,874	13,222,599	58,202,299	48,872,473
U.S. Agency pass-through securities	66,022	40,018	26,004	-	-
U.S. Treasury notes	4,856,631	-	-	314,673	4,541,958
Municipal bonds	27,238,319	2,847,317	1,168,262	9,639,197	13,583,543
Mutual funds	110,390,478	110,390,478	-	-	-
	<u>\$281,171,815</u>	<u>\$131,600,807</u>	<u>\$ 14,416,865</u>	<u>\$ 68,156,169</u>	<u>\$ 66,997,974</u>

The City's investments include the federal agency pass-through securities (\$66,022), which are subject to early payment in a period of changing interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates.

Credit risk. The City will minimize credit risk by using the following measures:

1. Limiting investments to those authorized by the investment policy,
2. Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with whom the City will do business,
3. Diversifying the investment portfolio by agency and issuer so that potential losses on individual securities can be minimized, and
4. Holding a minimum of 5% of the total portfolio in highly-marketable, short-term treasuries, checking accounts with interest, government pooled accounts, or a combination of all three.

City of Ames
Notes to the Financial Statements
June 30, 2013

IV. Detailed notes on all activities and funds (continued)

B. Investments (continued)

The following shows the actual ratings as of June 30, 2013, for each investment type:

Investment Type	Fair Value	Rating
Commercial paper	\$ 7,990,120	A1 / P1
U.S. Agency coupon securities	130,630,245	AAA
U.S. Agency pass-through securities	66,022	AAA
U.S. Treasury notes	4,856,631	AAA
Municipal bonds	27,238,319	Baa to Aaa
Mutual funds	110,390,478	n/a
	<u>\$ 281,171,815</u>	

Concentration of credit risk. The City's investment policy provides limitations on the amount that can be invested in any one issuer, which is approved by City Council. Investments in any one issuer that represent 5% or more of total City investments are as follows:

Issuer	Investment Type	Amount	Percent of Portfolio
Federal National Mortgage Association	U.S. agency securities	\$ 48,426,503	17.22%
Federal Home Loan Mortgage Co.	U.S. agency securities	37,748,255	13.43%
Federal Home Loan Bank	U.S. agency securities	21,430,168	7.62%
Federal Farm Credit	U.S. agency securities	17,678,770	6.29%

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 following outlines the requirements in the City's investment policy to limit the exposure to custodial credit risk for deposits or investments:

1. All trades, where applicable, will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts,
2. City investment officials shall be bonded to protect loss of public funds against possible embezzlement and/or malfeasance, and

**City of Ames
Notes to the Financial Statements
June 30, 2013**

IV. Detailed notes on all activities and funds (continued)

B. Investments (continued)

3. The Investment Officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. The internal controls shall address the following points:
 - a. Control of collusion,
 - b. Separation of transaction authority from accounting and record keeping,
 - c. Custodial safekeeping,
 - d. Delivery versus payment,
 - e. Clear delegation of authority, and
 - f. Confirmation of transactions for investments and wire transfers.

As of June 30, 2013, the City's investments in the following were held by the same third-party custodian that was used by the City to buy the securities and evidenced by safekeeping receipts:

Issuer	Investment Type	Amount
Federal National Mortgage Association	U.S. agency securities	\$ 48,426,503
Federal Home Loan Mortgage Co.	U.S. agency securities	37,748,255
Federal Home Loan Bank	U.S. agency securities	21,430,168
Federal Farm Credit	U.S. agency securities	17,678,770
ING	Commercial paper	4,994,500
Angelsea LLC	Commercial paper	2,995,620

Foreign currency risk. As of June 30, 2013, the City had no exposure to foreign currency rate risk.

The City has a written investment policy, approved by the City Council, available for review in the offices of the City Clerk and the City Treasurer. This policy addresses the different areas of risk.

City of Ames
Notes to the Financial Statements
June 30, 2013

IV. Detailed notes on all activities and funds (continued)

C. Foundation investments

The foundation follows Financial Accounting Standards Board (FASB) standards. As such, adoption of Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures*, was not required by the foundation and, accordingly, no such disclosures are presented here.

The following is a detail of the foundation's investments at June 30, 2013:

<u>Investment Type</u>	<u>Fair Value</u>
Equity mutual funds	\$ 9,745,936
Corporate debt securities	<u>1,238,666</u>
	<u>\$ 10,984,602</u>

D. Receivables

All utility and hospital accounts receivable are shown net of an allowance for uncollectible accounts. Property tax receivable is shown at a gross amount since they are assessed to the property and collectible upon sale of the property.

City of Ames
Notes to the Financial Statements
June 30, 2013

IV. Detailed notes on all activities and funds (continued)

E. Capital assets

Capital asset activity for the fiscal year ended June 30, 2013, is as follows:

Governmental activities:

	Balance June 30, 2012	Increases	Decreases	Balance June 30, 2013
<i>Non-depreciable capital assets:</i>				
Land	\$ 11,053,028	\$ 523,030	\$ -	\$ 11,576,058
Land improvements	1,384,118	-	-	1,384,118
Public art collection	494,719	-	-	494,719
Library collection	2,264,980	320,399	(291,064)	2,294,315
Construction in progress	1,347,107	6,836,563	(369,510)	7,814,160
Total non-depreciable capital assets	<u>16,543,952</u>	<u>7,679,992</u>	<u>(660,574)</u>	<u>23,563,370</u>
<i>Depreciable capital assets:</i>				
Buildings	14,601,051	-	(2,502,404)	12,098,647
Equipment	19,094,713	1,390,605	(725,750)	19,759,568
Infrastructure	197,014,974	3,134,964	-	200,149,938
	<u>230,710,738</u>	<u>4,525,569</u>	<u>(3,228,154)</u>	<u>232,008,153</u>
<i>Less accumulated depreciation:</i>				
Buildings	8,183,798	334,568	(1,816,028)	6,702,338
Equipment	9,685,377	1,352,880	(534,367)	10,503,890
Infrastructure	82,728,557	7,308,092	-	90,036,649
	<u>100,597,732</u>	<u>8,995,540</u>	<u>(2,350,395)</u>	<u>107,242,877</u>
Total depreciable capital assets	<u>130,113,006</u>	<u>(4,469,971)</u>	<u>(877,759)</u>	<u>124,765,276</u>
Total capital assets	<u>\$ 146,656,958</u>	<u>\$ 3,210,021</u>	<u>\$ (1,538,333)</u>	<u>\$ 148,328,646</u>

Depreciation expense was charged to functions of the governmental activities of the primary government as follows:

General government	\$ 266,089
Public safety	545,240
Public works	6,999,510
Culture and recreation	1,177,061
Community and economic development	7,640
Total depreciation expense - governmental activities	<u>\$ 8,995,540</u>

City of Ames
Notes to the Financial Statements
June 30, 2013

IV. Detailed notes on all activities and funds (continued)

E. Capital assets (continued)

Business-type activities:

	Balance June 30, 2012	Increases	Decreases	Balance June 30, 2013
Non-depreciable capital assets:				
Land	\$ 11,458,618	\$ 260,569	\$ -	\$ 11,719,187
Construction in progress	24,230,758	48,738,308	(1,448,408)	71,520,658
Total non-depreciable capital assets	<u>35,689,376</u>	<u>48,998,877</u>	<u>(1,448,408)</u>	<u>83,239,845</u>
Depreciable capital assets:				
Plant and distribution systems	296,087,915	6,197,165	(54,238)	302,230,842
Buildings	140,401,984	4,861,941	(46,411)	145,217,514
Equipment	135,813,435	10,975,318	(1,826,398)	144,962,355
Improvements	3,035,442	51,291	-	3,086,733
	<u>575,338,776</u>	<u>22,085,715</u>	<u>(1,927,047)</u>	<u>595,497,444</u>
Less accumulated depreciation:				
Plant and distribution systems	178,036,678	6,675,112	(51,372)	184,660,418
Buildings	61,519,061	5,035,562	(46,411)	66,508,212
Equipment	86,677,491	11,387,388	(1,553,235)	96,511,644
Improvements	1,858,511	108,019	-	1,966,530
	<u>328,091,741</u>	<u>23,206,081</u>	<u>(1,651,018)</u>	<u>349,646,804</u>
Total depreciable capital assets	<u>247,247,035</u>	<u>(1,120,366)</u>	<u>(276,029)</u>	<u>245,850,640</u>
Total capital assets	<u>\$ 282,936,411</u>	<u>\$ 47,878,511</u>	<u>\$ (1,724,437)</u>	<u>\$ 329,090,485</u>

F. Pension obligations

Iowa Public Employees Retirement System (IPERS)

Plan description. The City participates in the IPERS, a cost-sharing, multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement, disability, and death benefits to eligible members and beneficiaries. State statutes authorize the State to establish and amend all plan provisions. The State issues a publicly available financial report, which includes financial statements and required supplementary information. This may be obtained either at www.ipers.org or by written request to IPERS, P.O. Box 9117, Des Moines, IA, 50306-9117.

Funding policy. Iowa state law requires participating employers and members to contribute to IPERS. The Iowa Legislature and the Governor determine the positions of employment in each membership class and the benefits provided. Most members (96%) are regular members. The other 4% are special service members who work in public safety jobs.

City of Ames
Notes to the Financial Statements
June 30, 2013

IV. Detailed notes on all activities and funds (continued)

F. Pension obligations (continued)

IPERS sets the regular member contribution rates using an annual actuarial valuation, which is a snapshot of IPERS's finances; however, the combined employer and member rate may not change by more than 1.0 percentage point each year. Rates for special service members are actuarially determined each year.

During the fiscal year ended June 30, 2013, regular members contributed 5.78% and the City contributed 8.67% of covered wages. Rates for the fiscal year beginning July 1, 2013, are 5.95% for regular members and 8.93% for the City. Emergency responder members contributed 6.84%, and the hospital contributed 10.27% of covered wages for the fiscal year ended June 30, 2013. As of July 1, 2013, the rates for emergency responders decreased to 6.76% for the members and 10.14% for the hospital. The City's total contributions to IPERS for the years ended June 30, 2013, 2012, and 2011 were \$6,862,042, \$6,211,558, and \$5,240,892, respectively, and were equal to 100 percent of the required contributions for each year.

Municipal Fire and Police Retirement System of Iowa (MFPRSI)

Plan description. The City also participates in the MFPRSI, which provides retirement, disability, and death benefits for firefighters and police officers. MFPRSI was created under Chapter 411 of the Code of Iowa, effective January 1, 1992, to replace the fire and police retirement systems in 49 cities in Iowa. It is a cost-sharing, multiple-employer defined benefit pension plan. A board of nine voting and four non-voting members is the policy-making body for the system. MFPRSI issues publicly available financial reports, which include financial statements and required supplementary information for the plan. The reports may be obtained by contacting MFPRSI at 7155 Lake Drive, Suite 201, West Des Moines, IA, 50266.

Funding policy. The contribution rate structure is established by Chapter 411 of the Code of Iowa. The member contribution rate, currently at 9.40%, is set by state statute. The rate for the City is established each year by the board of trustees following the completion of an annual actuarial valuation. The City's rate for the fiscal year ended June 30, 2013, was 26.12%. As of July 1, 2013, the rate is 30.12%. The City's total contributions to MFPRSI for the years ended June 30, 2013, 2012, and 2011 were \$1,758,163, \$1,630,807, and \$1,253,345, respectively, and were equal to 100 percent of the required contributions for each year.

Ames Municipal Utility Retirement Plan

Plan description. The Ames Municipal Retirement Plan (utility plan) was created by resolution of the City Council and is administered by the City. It is a single-employer,

City of Ames
Notes to the Financial Statements
June 30, 2013

IV. Detailed notes on all activities and funds (continued)

F. Pension obligations (continued)

defined contribution plan for employees who regularly receive more than 10% of his or her compensation from a utility fund of the City. The City Council has authorization to amend plan provisions and contribution rates. An eleven-member board monitors, reviews, and evaluates on a continuing basis, the performance of the utility plan. The board submits a written report of its findings and recommendations at least once each fiscal year. These reports may be obtained at the City's offices.

Summary of significant accounting policies - basis of accounting and valuation of investments. The utility plan uses the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with terms of the plan. All plan investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price on the City's balance sheet date. Securities without an established market value are reported at estimated fair value.

Funding policy. Participants contribute 5.40%, and the City contributes 7.93% of eligible compensation. Participants may also make voluntary, unmatched contributions up to 10% of the participant's annual compensation. Participant contributions were \$471,466, and City contributions were \$692,356 for the fiscal year ended June 30, 2013.

G. Other post-employment benefit (OPEB) obligations

City of Ames General Employees' Other Post-employment Benefits Plan

Plan description. The City and hospital provide health and dental care benefits for retired employees and their beneficiaries through a single-employer, defined benefit plan. The hospital also provides a life insurance benefit. The City has the authority to establish and amend benefit provisions of the plan.

Funding policy. Participants must be at least 55 years old, have been employed by the City for the preceding four years, and be enrolled in a sponsored insurance plan at the time of retirement. Benefits terminate upon attaining Medicare eligibility.

The contribution requirements of the City are established and may be amended by the City. Plan members are currently not required to contribute. The City funds on a pay-as-you-go basis.

City of Ames
Notes to the Financial Statements
June 30, 2013

IV. Detailed notes on all activities and funds (continued)

G. Other post-employment benefit (OPEB) (continued)

Annual OPEB cost and net OPEB obligation. The net OPEB obligation as of June 30, 2013, is determined as follows:

	City	MGMC	Total
Annual required contribution (ARC)	\$ 254,000	\$ 375,334	\$ 629,334
Interest on net OPEB obligation	23,000	120,956	143,956
Adjustment to annual required contribution	(20,000)	(92,061)	(112,061)
Annual OPEB cost	257,000	404,229	661,229
Contributions and payments made	49,004	(178,721)	(129,717)
Increase (decrease) in net OPEB obligation	306,004	225,508	531,512
Net OPEB obligation - beginning	516,972	2,419,117	2,936,089
Net OPEB obligation - ending	<u>\$ 822,976</u>	<u>\$2,644,625</u>	<u>\$3,467,601</u>

The City's annual OPEB cost, percentage of OPEB cost contributed, and net post-employment benefit obligation for the plan for the current fiscal year and two most recent fiscal years is as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	\$ 661,229	19.62%	\$3,467,601
June 30, 2012	572,142	85.89%	2,936,089
June 30, 2011	614,595	5.96%	2,855,343

Funded status and funding progress. As of July 1, 2012 (July 1, 2011 for the hospital), the most recent actuarial valuation date, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$ 5,876,864
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 5,876,864</u>
Funded ratio (actuarial value of plan assets / AAL)	0.00%
Covered payroll (annual payroll of active employees covered by the plan)	\$ 90,590,827
UAAL as a percentage of covered payroll	6.49%

City of Ames
Notes to the Financial Statements
June 30, 2013

IV. Detailed notes on all activities and funds (continued)

G. Other post-employment benefit (OPEB) (continued)

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These actuarially-determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented immediately following the financial statements as required supplementary information, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial methods and assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the type of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial calculations of the OPEB plan reflect a long-term perspective. Consistent with this perspective, actuarial valuations use actuarial methods and assumptions that include techniques that are designed to reduce the effects of short-term volatility in the actuarial accrued liabilities and the actuarial value of the assets.

The ARC for the City was determined as part of the July 1, 2012 actuarial valuation using the following methods and assumptions:

Actuarial cost method	Projected unit credit
Amortization method	Level percentage of payroll, open
Amortization period	30 years
Inflation rate	3.5%
Asset valuation method	n/a - OPEB obligation not funded
Investment return	4.5%
Projected salary increases	3.5%
Cost of living adjustments	3.0%
Healthcare cost trend rate	9.0% initial rate, reduced annually by 0.5% to an ultimate rate of 5.0%

The ARC for the hospital was determined as part of the July 1, 2011 actuarial valuation using the following methods and assumptions:

Actuarial cost method	Projected unit credit
Amortization method	Level percentage of payroll, open
Amortization period	30 years
Inflation rate	3.0%
Asset valuation method	n/a - OPEB obligation not funded

City of Ames
Notes to the Financial Statements
June 30, 2013

IV. Detailed notes on all activities and funds (continued)

G. Other post-employment benefit (OPEB) (continued)

Investment return	5.0%
Projected salary increases	4.0%
Post-retirement benefit increases	9.0%, reduced annually by 0.5% to an ultimate rate of 5.0%
Healthcare cost trend rate	9.0%, reduced annually by 0.5% to an ultimate rate of 5.0%

H. Construction and other significant commitments

Construction commitments. As of June 30, 2013, the City's commitments with contractors were as follows:

Project	Spent to Date	Remaining Commitment
Streets	\$ 3,600,140	\$ 1,562,218
Water	228,793	175,602
Sewer	316,877	2,087,605
Storm Sewer	121,187	67,983
Electric	5,096,059	4,107,617
Airport	243,161	1,013,582
Library Renovation	2,044,894	10,562,511
City Hall Renovation	247,435	534,980
Transit Expansion	1,287,105	3,288,885
	<u>\$13,185,651</u>	<u>\$23,400,983</u>

All of the remaining commitment amounts above were encumbered at year end. As discussed earlier in note I(F)(1), budgetary information - budgetary basis of accounting, the encumbrances and related appropriations lapse at the end of the year but are re-appropriated and become part of the subsequent year's budget because performance under the executory contract is expected in the next year.

Encumbrances. As discussed in note I(F)(1), budgetary information - budgetary basis of accounting, encumbrance accounting is utilized to the extent necessary to ensure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year was as follows:

City of Ames
Notes to the Financial Statements
June 30, 2013

IV. Detailed notes on all activities and funds (continued)

H. Construction and other significant commitments (continued)

General fund	\$ 783,500
Capital projects fund	17,009,068
Nonmajor governmental funds	550,604
Electric	7,317,927
Water	6,953,722
Sewer	3,365,104
Transit	4,595,943
Nonmajor business-type funds	288,164
	<u>\$40,864,032</u>

I. Risk Management

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City uses the risk management internal service fund to account for and finance risks for workers' compensation, general liability, and property damage. The risk management fund provides workers' compensation coverage for all City employees and funds the deductible for general liability insurance. Commercial insurance is purchased for all other risks of loss.

Risk management fund. All funds of the City participate in the workers' compensation insurance program and make payments to the risk management fund based on a charge against employee payroll. The charge is calculated based on past claims experience of City departments. The risk management fund pays all workers' compensation claims, claim reserves, the deductible for general liability insurance, and administrative costs from its revenues, and holds excess revenues for reserve against future claims.

The City is a member of the Iowa Communities Assurance Pool (ICAP), as allowed by the Code of Iowa. ICAP is a local government, risk-sharing pool whose members include various governmental entities throughout the state of Iowa. It was formed for the purpose of managing and funding third-party liability claims against its members. It 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.

ICAP'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 exhausts

City of Ames
Notes to the Financial Statements
June 30, 2013

IV. Detailed notes on all activities and funds (continued)

I. Risk management (continued)

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. As of June 30, 2013, settled claims have not exceeded the risk pool or reinsurance coverage since the pool's inception.

The City also carries commercial insurance purchased from other insurers for property (buildings and content) and boiler and machinery coverage. The City assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Changes in the balance of claims liabilities during the years ended June 30, 2013 and 2012 were as follows:

	2013	2012
Liability - July 1	\$ 764,175	\$ 239,512
Claims incurred & claims adjustments	857,588	974,498
Claims payments	(563,162)	(449,835)
Liability - June 30	\$ 1,058,601	\$ 764,175

Health insurance fund. The City maintains a separate internal service fund to account for health benefits. The City carries excess health insurance through the risk pool of Blue Cross/Blue Shield of Iowa in the amount of \$125,000 for specific claims each year and 125% of aggregate claims. The estimated liability for probable losses as recorded in the health benefits fund was:

	2013	2012
Liability - July 1	\$ 646,300	\$ 695,439
Claims incurred & claims adjustments	6,163,803	5,786,406
Claims payments	(6,066,471)	(5,835,545)
Liability - June 30	\$ 743,632	\$ 646,300

The hospital carries professional liability insurance on a claims-made policy. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured. The hospital has accrued \$245,604 as an estimate for professional liability claims that were incurred but not reported as of June 30, 2013.

City of Ames
Notes to the Financial Statements
June 30, 2013

IV. Detailed notes on all activities and funds (continued)

I. Risk management (continued)

The hospital is self-insured for health care coverage of employees and covered dependents and carries stop-loss insurance coverage, which assumes liability for claims in excess of \$175,000 per individual claim and 120% aggregate of expected paid claims. Accrued costs related to health care coverage amounted to \$1,016,728 at June 30, 2013.

The hospital is self-insured for workers' compensation coverage of employees, and carries stop-loss insurance coverage, which assumes liability for claims in excess of \$475,000 per occurrence. Accrued costs related to workers' compensation coverage were \$148,380 at June 30, 2013.

Changes in the balance of the hospital's accrued claims for professional liabilities, health care, and workers' compensation coverage for the years ended June 30, 2013 and 2012 were as follows:

	Professional Liability		Health Insurance	
	2013	2012	2013	2012
Liability - July 1	\$ 220,084	\$ 229,424	\$ 969,844	\$ 953,654
Claims incurred & claims adjustments	33,858	(7,089)	8,365,463	7,472,641
Claims payments	(8,338)	(2,251)	(8,318,579)	(7,456,451)
Liability - June 30	\$ 245,604	\$ 220,084	\$1,016,728	\$ 969,844

	Workers' Compensation	
	2013	2012
Liability - July 1	\$ 122,560	\$ 155,329
Claims incurred & claims adjustments	261,446	152,920
Claims payments	(235,626)	(185,689)
Liability - June 30	\$ 148,380	\$ 122,560

J. Lease obligations

Operating leases. The City leases a parking lot in Campustown for public parking. A three-year lease extension was approved, beginning in May 2012. The City also leases office space, which serves as the primary office for the Information Technology division. The current lease for office space expires in October 2013, but has been extended to October 2015. There is no option to renew either lease when they expire. Rent expense for these leases during the fiscal year ended June 30, 2013, was \$32,302.

City of Ames
Notes to the Financial Statements
June 30, 2013

IV. Detailed notes on all activities and funds (continued)

J. Lease obligations (continued)

The hospital leases various equipment for use in the medical center. Rent expense for these leases was \$1,573,000 for the fiscal year ended June 30, 2013.

The future minimum lease payments for the City and hospital are as follows:

Year Ending June 30,	Total Rent
2014	\$ 922,137
2015	488,191
2016	44,890
2017	-
2018	-
	\$ 1,455,218

K. Long-term liabilities

General obligation bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and equipment. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds are generally issued with maturities ranging from 10 to 20 years. Debt service on general obligation bonds is paid from the debt service fund. General obligation bonds outstanding at June 30, 2013 are as follows:

City of Ames
Notes to the Financial Statements
June 30, 2013

IV. Detailed notes on all activities and funds (continued)

K. Long-term liabilities (continued)

Governmental activities					
General Obligation Bonds	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding June 30, 2013
Corporate purpose	2006	\$ 5,285,000	4.000 %	2018	\$ 2,570,000
Corporate purpose	2007	9,130,000	3.75-4.150	2019	5,369,891
Corporate purpose	2008	5,855,000	3.75-4.150	2020	3,790,000
Corporate purpose	2009	11,165,000	2.00-3.500	2021	8,050,000
Corporate purpose	2010	6,690,000	2.00-2.500	2022	5,275,000
Refunding	2011	5,980,000	2.00-3.350	2021	3,440,000
Corporate purpose	2011	6,675,000	1.00-2.400	2023	5,600,000
Corporate purpose	2012	11,325,000	1.50-3.000	2032	10,580,000
Corporate purpose/refunding	2013	21,220,000	2.00-3.125	2032	21,220,000
		<u>\$ 83,325,000</u>			<u>\$ 65,894,891</u>

Business-type activities					
General Obligation Bonds	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding June 30, 2013
Corporate purpose	2007	\$ 500,000	2.00-3.35 %	2021	\$ 290,109
Corporate purpose	2008	2,500,000	1.00-2.40	2023	1,645,000
Corporate purpose	2012	1,335,000	1.50-3.00	2024	1,235,000
Corporate purpose	2013	1,320,000	2.00-3.00	2025	1,320,000
		<u>\$ 5,655,000</u>			<u>\$ 4,490,109</u>

On August 28, 2012, the City issued \$12,660,000 of general obligation, corporate purpose bonds to be used for improvements to streets, water, and sanitary sewer lines; flood mitigation projects; rehabilitation of City parks; replacement of a bicycle/pedestrian bridge damaged by flooding; and expansion of the library. Maturity dates on the bonds range from June 1, 2013 to June 1, 2022. Debt service payments are scheduled to be paid semi-annually in amounts that range from \$300,650 to \$1,153,750. Bonds due after June 1, 2020 will be subject to call prior to maturity at the option of the City.

On May 14, 2013, the City issued \$20,450,000 of general obligation, corporate purpose bonds. These bonds will be used for improvements to streets and solid waste disposal facilities, and for expansion of the library. Maturity dates on the bonds range from June

**City of Ames
Notes to the Financial Statements
June 30, 2013**

IV. Detailed notes on all activities and funds (continued)

K. Long-term liabilities (continued)

1, 2014 to June 1, 2032. Debt service payments are scheduled to be paid semi-annually and range from \$903,250 to \$2,696,597. Bonds due after June 1, 2021 will be subject to call prior to maturity at the option of the City.

Also on May 14, 2013, the City issued \$2,090,000 of general obligation, refunding bonds. The proceeds from the current refunding were used to refund \$2,130,000 of outstanding 2004 and 2005 bonds, which had interest rates ranging from 3.25% to 3.55%. The net carrying value of the old debt exceeded the reacquisition price by \$7,994. This amount is netted against the new debt and amortized over the life of the refunded debt. The refunding was undertaken to reduce total future debt service payments by \$108,211 over four years and to obtain an economic gain of \$103,932.

Revenue bonds

The City also issues revenue bonds, where the City pledges income derived from certain assets or programs to pay the debt service. Revenue bonds outstanding as of June 30, 2013 are as follows:

Mary Greeley Medical Center:

Revenue Bonds	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding June 30, 2013
Hospital improvement	2011	\$65,000,000	3.00-5.625 %	2036	\$64,540,000
Hospital improvement and refunding	2012	<u>26,000,000</u>	2.07	2027	<u>24,545,000</u>
		<u>\$91,000,000</u>			<u>\$89,085,000</u>

On November 20, 2012, the hospital issued \$26,000,000 of revenue bonds to refund the 2003 revenue bonds and to provide additional financing to expand and remodel portions of the existing medical facility. Maturity dates on the bonds range from December 15, 2012 to June 15, 2027. Debt service payments are scheduled to be paid semi-annually in amounts that range from \$498,852 to \$2,785,989. The hospital pledged to the owners of the bonds all of its rights, title, and interest in and to the net revenues from the hospital on a parity basis with the 2011 bonds, and funds held under the indenture, in order to secure the payment of the bonds.

\$14,500,000 of the 2012 revenue bond proceeds was used to advance refund \$17,690,000 of the 2003 bonds, which had interest rates ranging from 3.50% to 5.00%. The difference

City of Ames
Notes to the Financial Statements
June 30, 2013

IV. Detailed notes on all activities and funds (continued)

K. Long-term liabilities (continued)

between the reacquisition price and the net carrying value of the old debt was \$185,583. This amount is netted against the new debt and amortized over the life of the refunding debt. The refunding was undertaken to reduce total future debt service payments by \$2,889,199 and to obtain an economic gain of \$1,647,091.

The hospital has pledged future net revenue to repay the 2011 and 2012 revenue bonds with original borrowings of \$65,000,000 and \$26,000,000, respectively. Net revenue is defined in the bond indenture of trust dated October 1, 2011, and in the supplemental master trust indenture dated November 1, 2012, as operating revenue, less operating expenses plus depreciation. The purpose of the 2011 and 2012 bonds is to refund the 2003 bonds and to finance the expansion and renovation of the medical facility. The bonds are payable solely from net revenues and are payable through 2036 and 2027, respectively. The total principal and interest remaining to be paid on the bonds as of June 30, 2013, is \$147,871,198. Principal and interest paid during the fiscal year ended June 30, 2013, was 5,597,094 and net revenue for the same period, as defined above, was \$29,464,784.

Under the indenture of trust, the hospital is responsible for all payments of principal, interest, and related expenses of the bonds, and certain funds are required to be maintained by the trustee for interest and principal payments. The hospital is required to comply with various covenants (primarily the debt service coverage ratio, days cash on hand, and the capitalization ratio) and meet certain operating and financial tests. Monthly deposits of one-sixth of the next semi-annual interest payment and one-twelfth of the next annual principal maturity must be made into debt service reserve funds.

Landfill post-closure costs

The City stopped accepting solid waste at its landfill effective June 30, 1992, and has since been closed. 100% of the capacity of the landfill has been used.

Federal and state laws and regulations establish landfill closure and post-closure care requirements. The state specifies financial assurance requirements in the Code of Iowa enumerating various allowable financial assurance mechanisms to meet the costs of closure and post-closure care. The City satisfies this requirement with the rating on its most recent bond issues.

The liability for post-closure care costs is based on the landfill capacity used to date with no remaining life. The estimated liability for post-closure care costs is \$216,621 at June 30, 2013, with a current portion of \$16,062.

City of Ames
Notes to the Financial Statements
June 30, 2013

IV. Detailed notes on all activities and funds (continued)

K. Long-term liabilities (continued)

The City's written landfill post-closure plan includes estimates of costs of all equipment and services required to monitor and maintain the closed landfill. There is a potential for changes in estimates as a result of inflation or deflation, changes in technology, or changes in applicable laws or regulations. Unanticipated future inflation costs and costs that might arise from changes in post-closure requirements may require adjustment of the liability in future years.

Loans payable

The City has a Solid Waste Alternatives Program loan from the Iowa Department of Natural Resources to fund a non-ferrous metal recovery system at the Resource Recovery Plant. The original amount of the loan was \$825,000, payable through July 2015, at three percent interest. The balance of the loan on June 30, 2013 was \$326,831.

Transit has an Amoco capital match revolving loan from the Iowa Department of Transportation for the final design and construction of the intermodal facility. The original amount of the loan was \$87,500, payable through December 2015, at zero percent interest. The balance of the loan on June 30, 2013 was \$52,500.

At June 30, 2013, there were four outstanding contracts between the Iowa Department of Economic Development and some city businesses for Community Economic Betterment Account loans. Although the loans bear the name of the City, the City has no obligation for such debt beyond the resources provided by the business entity upon whose behalf it is issued. Accordingly, the loans are not reported as a liability in the financial statements.

The City has entered into a water revenue loan and disbursement agreement anticipation project note with the Iowa Finance Authority (IFA) for an amount not to exceed \$11,425,000. The funds will be used to pay the costs to plan and design a new water treatment plant. The loan bears interest at 0% with no initiation or servicing fee, and the principal is payable three years from the project note date of February 9, 2012. It is the intent of City staff to roll the planning and design loan into a state revolving fund construction loan after the project has been bid and actual construction costs are known. Repayment of the construction loan will be made with revenues in the water fund. As of June 30, 2013, the City had borrowed \$3,372,549.

Revenue capital loan notes

The City also has a revenue capital loan note agreement with the IFA in an amount not to exceed \$3,121,000. The funds will be used to pay for a new ultraviolet light disinfection system for the Water Pollution Control Plant, which is required under the terms of the

City of Ames
Notes to the Financial Statements
June 30, 2013

IV. Detailed notes on all activities and funds (continued)

K. Long-term liabilities (continued)

discharge permit for the facility. The loan bears interest at 1.75% per annum plus a servicing fee of 0.25% per annum. A loan initiation fee of \$15,605 (0.50%) was withheld from the proceeds and added to the amount owed by the City. Repayment of the loan will come from the sewer fund. The balance of the loan was \$416,070, and the City had \$2,704,930 of capital loan notes available as of June 30, 2013.

The capital loan note agreement requires the sewer utility to produce revenues to meet the operation and maintenance expenses of the facility and to maintain net revenues at a level not less than 110% of the amount of principal and interest on the revenue bond and any other obligations secured by a pledge of the net revenues falling due in the same year. In the fiscal year ended June 30, 2013, the sewer fund had net revenues of \$(435,416) and the amount of principal and interest due was \$3,019. Due to aging facilities, repair costs were higher this fiscal year than in previous years. A rate increase and updated facilities will ensure a sufficient amount of net revenues in the future.

Legal debt margin. State statutes limit the amount of general obligation debt an Iowa city may issue to five percent (5%) of the actual assessed valuation at January 1, 2011, related to the 2012-2013 fiscal year. At June 30, 2013, the outstanding debt of \$70,385,000 is below the limit of \$174,277,177, leaving a debt margin of over \$103 million.

Changes in long-term liabilities. Changes in the City's long-term liabilities for the fiscal year ended June 30, 2013, are as follows:

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Due Within One Year
<i>Governmental activities:</i>					
Bonds payable:					
General obligation bonds	\$ 43,063,614	\$ 32,545,000	\$ (9,713,723)	\$ 65,894,891	\$ 7,671,776
Premiums	580,669	1,359,987	(184,597)	1,756,059	167,732
Deferred charges on refunding	(10,726)	7,994	(586)	(3,318)	53
Total bonds payable	43,633,557	33,912,981	(9,898,906)	67,647,632	7,839,561
Compensated absences	1,981,006	2,649,814	(2,707,108)	1,923,712	154,114
Other post-employment benefits	290,233	171,797	-	462,030	-
Governmental activities long-term debt	<u>\$ 45,904,796</u>	<u>\$ 36,734,592</u>	<u>\$ (12,606,014)</u>	<u>\$ 70,033,374</u>	<u>\$ 7,993,675</u>

The liabilities for compensated absences and other post-employment benefits are generally liquidated by the General Fund.

City of Ames
Notes to the Financial Statements
June 30, 2013

IV. Detailed notes on all activities and funds (continued)

K. Long-term liabilities (continued)

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Due Within One Year
<i>Business-type activities:</i>					
Bonds payable:					
Revenue bonds	\$ 82,690,000	\$ 26,000,000	\$ (19,605,000)	\$ 89,085,000	\$ 2,755,000
Premiums	900,984	-	(248,980)	652,004	-
Unamortized deferred loss	(199,284)	(185,583)	219,062	(165,805)	-
Total revenue bonds	<u>83,391,700</u>	<u>25,814,417</u>	<u>(19,634,918)</u>	<u>89,571,199</u>	<u>2,755,000</u>
General obligation bonds	2,176,386	2,655,000	(341,277)	4,490,109	453,224
Premiums	27,464	154,491	(11,304)	170,651	16,384
Total general obligation bonds	<u>2,203,850</u>	<u>2,809,491</u>	<u>(352,581)</u>	<u>4,660,760</u>	<u>469,608</u>
Total bonds payable	<u>85,595,550</u>	<u>28,623,908</u>	<u>(19,987,499)</u>	<u>94,231,959</u>	<u>3,224,608</u>
Compensated absences	10,614,005	2,805,723	(2,449,845)	10,969,883	505,012
Loans payable	535,182	3,372,549	(155,851)	3,751,880	160,048
Capital loan notes payable	-	416,070	-	416,070	128,000
Notes payable	2,933,922	216,200	(1,538,837)	1,611,285	1,317,319
Other post-employment benefits	2,645,856	359,715	-	3,005,571	-
Landfill post-closure costs	282,327	-	(65,706)	216,621	16,062
Business-type activities long-term debt	<u>\$ 102,606,842</u>	<u>\$ 35,794,165</u>	<u>\$ (24,197,738)</u>	<u>\$ 114,203,269</u>	<u>\$ 5,351,049</u>

The debt service requirements for the City's bonds are as follows:

Governmental activities:

Year Ending June 30,	General Obligation Bonds	
	Principal	Interest
2014	\$ 7,671,776	\$ 1,815,014
2015	6,589,829	1,633,427
2016	6,252,882	1,468,638
2017	6,430,935	1,307,811
2018	6,258,598	1,132,028
2019-2023	21,515,871	3,296,550
2024-2028	6,680,000	1,200,550
2029-2033	4,495,000	346,550
Total	<u>\$ 65,894,891</u>	<u>\$ 12,200,568</u>

City of Ames
Notes to the Financial Statements
June 30, 2013

IV. Detailed notes on all activities and funds (continued)

K. Long-term liabilities (continued)

Business-type activities:

Year Ending June 30,	General Obligation Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2014	\$ 453,224	\$ 142,586	\$ 2,755,000	\$ 3,869,900
2015	460,171	129,001	2,825,000	3,803,608
2016	472,118	115,029	2,890,000	3,735,480
2017	494,065	100,599	2,960,000	3,665,621
2018	506,402	84,110	3,030,000	3,593,734
2019-2023	1,729,129	193,180	16,290,000	16,839,163
2024-2028	375,000	15,000	19,230,000	13,397,166
2029-2033	-	-	22,510,000	8,109,125
2034-2038	-	-	16,595,000	1,772,400
Total	<u>\$ 4,490,109</u>	<u>\$ 779,505</u>	<u>\$ 89,085,000</u>	<u>\$ 58,786,197</u>

Year Ending June 30,	Loans		Capital Loan Notes	
	Principal	Interest	Principal	Interest
2014	\$ 160,048	\$ 8,211	\$ 128,000	\$ 8,041
2015	3,536,922	3,886	131,000	5,449
2016	54,910	-	134,000	2,829
2017	-	-	23,070	149
2018	-	-	-	-
2019-2023	-	-	-	-
Total	<u>\$ 3,751,880</u>	<u>\$ 12,097</u>	<u>\$ 416,070</u>	<u>\$ 16,468</u>

Year Ending June 30,	Notes	
	Principal	Interest
2014	\$ 1,317,319	\$ 31,188
2015	185,142	2,307
2016	108,824	558
2017	-	-
2018	-	-
2019-2023	-	-
Total	<u>\$ 1,611,285</u>	<u>\$ 34,053</u>

City of Ames
Notes to the Financial Statements
June 30, 2013

IV. Detailed notes on all activities and funds (continued)

K. Long-term liabilities (continued)

Year Ending June 30,	Total Business - Type Activities		Total Primary Government Debt	
	Principal	Interest	Principal	Interest
2014	\$ 4,813,591	\$ 4,059,926	\$ 12,485,367	\$ 5,874,940
2015	7,138,235	3,944,251	13,728,064	5,577,678
2016	3,659,852	3,853,896	9,912,734	5,322,534
2017	3,477,135	3,766,369	9,908,070	5,074,180
2018	3,536,402	3,677,844	9,795,000	4,809,872
2019-2023	18,019,129	17,032,343	39,535,000	20,328,893
2024-2028	19,605,000	13,412,166	26,285,000	14,612,716
2029-2033	22,510,000	8,109,125	27,005,000	8,455,675
2034-2038	16,595,000	1,772,400	16,595,000	1,772,400
Total	<u>\$ 99,354,344</u>	<u>\$ 59,628,320</u>	<u>\$ 165,249,235</u>	<u>\$ 71,828,888</u>

L. Fund balance

Minimum fund balance policy. The City establishes and maintains fund balance levels based on evaluation of each individual fund. The minimum fund balance is set at a level that is considered necessary to maintain the City's credit worthiness and to adequately provide for:

1. Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy,
2. Contingencies for unseen operating or capital needs, and
3. Cash flow requirements.

In addition to the designations noted above, fund balance levels will be sufficient to meet funding requirements for projects approved in prior years that are carried forward into the new year; debt service reserve requirements; reserves for encumbrances; and other reserves or designations required by contractual obligations, state law, or generally accepted accounting principles.

The minimum fund balance level for the general fund is 20% of operating expenditures.

City of Ames
Notes to the Financial Statements
June 30, 2013

IV. Detailed notes on all activities and funds (continued)

L. Fund balance (continued)

The details for the City's fund balances are as follows:

	General	Capital Projects	Debt Service	Special Revenues	Permanent Funds	Total
Nonspendable:						
Inventory	\$ 44,833	\$ -	\$ -	\$ 96,796	\$ -	\$ 141,629
Prepaid items	28,790	15,800	-	1,684	-	46,274
Perpetual care principal	-	-	-	-	905,419	905,419
Aquatic center endowment	-	-	-	-	1,000,000	1,000,000
Total nonspendable fund balance	<u>73,623</u>	<u>15,800</u>	<u>-</u>	<u>98,480</u>	<u>1,905,419</u>	<u>2,093,322</u>
Restricted:						
Debt service	-	229,619	1,260,206	-	-	1,489,825
Aquatic center	-	-	-	-	89,093	89,093
Airport construction	-	262,568	-	-	-	262,568
Other construction	-	46,202	-	3,722,368	-	3,768,570
Environment and economic betterment	-	-	-	5,684,501	-	5,684,501
General obligation bond projects	-	31,608,717	-	-	-	31,608,717
Housing assistance	-	-	-	584,081	-	584,081
Public safety	-	-	-	254,624	-	254,624
Public safety pension	-	-	-	1,196,062	-	1,196,062
Library	-	-	-	816,910	-	816,910
Parks and recreation	-	-	-	1,764,206	-	1,764,206
Project Share	-	-	-	4,508	-	4,508
Public art	-	-	-	119	-	119
Developers' projects	-	-	-	149,192	-	149,192
Total restricted fund balance	<u>-</u>	<u>32,147,106</u>	<u>1,260,206</u>	<u>14,176,571</u>	<u>89,093</u>	<u>47,672,976</u>
Committed:						
Bike trails	-	-	-	17,054	-	17,054
Parks and recreation	-	-	-	78,745	-	78,745
Housing assistance	-	-	-	773,238	-	773,238
Library	-	-	-	91,885	-	91,885
Green energy projects	-	-	-	4,907	-	4,907
Environment and economic betterment	-	-	-	581,356	-	581,356
Total committed fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,547,185</u>	<u>-</u>	<u>1,547,185</u>
Assigned:						
Administration	40,500	-	-	-	-	40,500
Economic development	1,125	-	-	-	-	1,125
Flood mitigation	5,667	-	-	-	-	5,667
Facilities	248,386	-	-	-	-	248,386
Parks and recreation	65,855	-	-	-	-	65,855
Airport	12,382	-	-	-	-	12,382
Cemetery	9,015	-	-	-	-	9,015
Total assigned fund balance	<u>382,930</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>382,930</u>
Unassigned	7,902,465	-	-	(669,214)	-	7,233,251
Total fund balance	<u>\$ 8,359,018</u>	<u>\$ 32,162,906</u>	<u>\$ 1,260,206</u>	<u>\$ 15,153,022</u>	<u>\$ 1,994,512</u>	<u>\$ 58,929,664</u>

City of Ames
Notes to the Financial Statements
June 30, 2013

IV. Detailed notes on all activities and funds (continued)

M. Interfund receivables and payables

The composition of interfund balances as of June 30, 2013, is as follows:

Receivable fund	Payable fund				
	General Fund	Capital Projects	Electric	Sewer	Water
Major funds:					
General fund	\$ -	\$ 205,779	\$ 246,644	\$ 45,843	\$ 50,325
Capital projects	99,006	-	-	9,443	2,660
Electric	-	-	-	39,804	43,426
Sewer	852	669,017	28,510	-	18,114
Water	-	688,360	39,261	2,123	-
Transit	4,503	-	-	-	-
Nonmajor funds:					
Permanent	17,634	-	-	-	-
Special revenue	30,966	2,606	-	7,593	7,593
Enterprise	18,015	1,369,216	61,976	-	-
Internal service	146,047	1,811	71,349	31,394	36,904
Total	<u>\$ 317,023</u>	<u>\$2,936,789</u>	<u>\$ 447,740</u>	<u>\$ 136,200</u>	<u>\$ 159,022</u>

Receivable fund	Payable fund				
	Transit	Nonmajor Special Revenue Funds	Nonmajor Enterprise Funds	Internal Service Funds	Total
Major funds:					
General fund	\$ 17,036	\$ 836,719	\$ 45,845	\$ 17,372	\$1,465,563
Capital projects	-	59,169	401	-	170,679
Electric	-	212	-	-	83,442
Sewer	-	-	369	-	716,862
Water	-	16,011	487	-	746,242
Transit	-	-	-	-	4,503
Nonmajor funds:					
Permanent	-	-	-	-	17,634
Special revenue	-	296,292	7,593	4,227	356,870
Enterprise	-	385,512	-	-	1,834,719
Internal service	4,253	72,343	38,838	2,219	405,158
Total	<u>\$ 21,289</u>	<u>\$1,666,258</u>	<u>\$ 93,533</u>	<u>\$ 23,818</u>	<u>\$5,801,672</u>

City of Ames
Notes to the Financial Statements
June 30, 2013

IV. Detailed notes on all activities and funds (continued)

M. Interfund receivables and payables (continued)

The outstanding balances between funds result mainly from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur.

N. Interfund transfers

The composition of interfund transfers for the year ended June 30, 2013, is as follows:

Transfers in	Transfers out						Total
	General Fund	Capital Projects	Electric	Sewer	Water	Nonmajor Special Revenue Funds	
Major funds:							
General fund	\$ -	\$ -	\$1,926,800	\$ -	\$ -	\$5,874,445	\$ 7,801,245
Capital projects	180,415	-	-	-	-	-	180,415
Debt service	-	496,759	-	-	-	116,817	613,576
Transit	1,465,939	-	-	-	-	-	1,465,939
Nonmajor funds:							
Special revenue	-	-	-	-	-	100,153	100,153
Enterprise	452,862	-	-	-	-	20,000	472,862
Internal service	75,000	-	-	12,376	12,376	12,375	112,127
Total	<u>\$2,174,216</u>	<u>\$ 496,759</u>	<u>\$1,926,800</u>	<u>\$ 12,376</u>	<u>\$ 12,376</u>	<u>\$6,123,790</u>	<u>\$10,746,317</u>

Interfund transfers are authorized in the City budget and usually involve transfers from the fund receiving the revenue to the fund through which the authorized expenditure is to be made. For example, the road use tax funds are received into the special revenue fund and are transferred to the capital projects fund where the funds will be spent.

O. Donor-restricted endowment

Earnings from the investment of the Furman Aquatic Center endowment of \$89,093 at June 30, 2013, are shown as restricted net position. These funds can be used at the aquatic center to minimize the City's ongoing operational costs, to fund future repairs and enhancements, and to replace equipment. Chapter 540A of the Code of Iowa permits the City to appropriate an amount of net appreciation as the City determines, in good faith, while considering the duration and preservation of the endowment fund, the purposes of the City and the fund, general economic conditions, the possible effect of inflation or deflation, the expected total return from income and the appreciation of investments, other resources of the City, and the investment policy of the City.

City of Ames
Notes to the Financial Statements
June 30, 2013

IV. Detailed notes on all activities and funds (continued)

P. Contingencies

The City's Legal Department reported to management that, as of June 30, 2013, claims and lawsuits were on file against the City. The Legal Department estimates that the portion of these potential claims and lawsuits not covered by insurance would not materially affect the financial position of the City. The City has authority to levy additional taxes outside the regular limit to cover cases resulting in an uninsured judgment.

The City participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act, as amended. Accordingly, the City's compliance with applicable grant requirements will be established at a future date. The amount of expenditures that may be disallowed by the granting agencies cannot be determined at this time, although the City anticipates such amounts, if any, will be immaterial.

As a provider of health care services, the hospital has agreements with third-party payers that provide for payment of services at amounts different from established rates. The basis for payment varies by payer and includes prospectively-determined rates per discharge, discounts from established charges, and retroactively-determined, cost-based rates. Approximately 95 percent of gross patient charges determined at established rates resulted from patients covered by these third-party reimbursement programs for the fiscal year ended June 30, 2013. Changes have been and may be made in certain programs, which could have a material adverse impact on the financial condition of the hospital in future years.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in exclusion from government health care program participation, together with the imposition of significant fines and penalties, as well as significant repayment for past reimbursement for patient services received. While the hospital is subject to similar regulatory reviews, management believes that the outcome of any such regulatory review will not have a material adverse effect on the hospital's financial position.

City of Ames
Notes to the Financial Statements
June 30, 2013

IV. Detailed notes on all activities and funds (continued)

Q. Joint venture

The hospital has a joint venture with McFarland Clinic, P.C. to form Health Ventures of Central Iowa, LLC (Health Ventures), of which it owns 50%. A joint venture also exists with Garner Dialysis, LLC, which is owned 40% by the hospital. The hospital uses the equity method of accounting for joint ventures in which it has the ability to exercise significant influence over operating and financial policies of the investee. Financial statements of the joint ventures are available at Mary Greeley Medical Center, 1111 Duff Avenue, Ames, IA 50010.

R. Related party transactions

The hospital's board of trustees approved the guarantee of certain debt on behalf of the Health Ventures joint venture mentioned above. The hospital's guaranteed portion of the debt is approximately \$178,000, and the hospital can only be required to perform on the guarantee in the event of nonpayment by Health Ventures. Management evaluates the hospital's exposure to loss at each balance sheet date and provides accruals for such as deemed necessary. No accrual was deemed necessary as of June 30, 2013.

S. Subsequent Events

In November 2013, the City received an additional \$1,215,034 in loan proceeds from IFA for the new water treatment plant per the water revenue loan and disbursement agreement anticipation note. This brings the total amount outstanding to \$4,587,583 as of the date of this report.

Also in November 2013, the City received \$459,203 in loan proceeds from IFA for the ultraviolet light disinfection system at the water pollution control plant per the revenue capital loan note agreement. The total amount outstanding as of the date of this report is \$875,273.

REQUIRED SUPPLEMENTARY INFORMATION

STEAM WAGON POPCORN

POPCORN

Let everyone now eat Pop-corn, who never ate before, and those who always eat, now eat the more, and buy it of the Old Man at the

Steam Wagon

Cor. of Douglas and Main Street

POPCORN

Sign which hung on Ben Young's popcorn wagon which was parked at the corner of Douglas Avenue and Main Street from 1913 through March, 1939. Photo is from an advertisement in the "Ames High Spirit," (May) 1913.



City of Ames
Schedule of Funding Progress
General Employees' Other Post-employment Benefits Plan

FY	City Actuarial Valuation Date	Hospital Actuarial Valuation Date	Actuarial Accrued Liability (AAL) -				Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
			Actuarial Value of Assets (a)	Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)				
2013	07/01/12	07/01/11	-	\$ 5,876,864	\$ 5,876,864	0.00%	\$90,590,827	6.49%	
2012	07/01/10	07/01/11	-	5,065,864	5,065,864	0.00%	82,680,630	6.13%	
2011	07/01/10	07/01/09	-	5,302,219	5,302,219	0.00%	81,335,406	6.52%	

City of Ames
Budgetary Comparison Schedule
Governmental and Proprietary Funds
For the Fiscal Year Ended June 30, 2013

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Original Budget	Final Budget	Variance - Actual to Final
Revenues and other financing sources:						
Taxes levied on property	\$ 23,812,139	\$ -	\$ 23,812,139	\$ 23,952,198	\$ 23,952,198	\$ (140,059)
Delinquent property taxes	2,714	-	2,714	-	-	2,714
TIF revenues	180	-	180	228	228	(48)
Other City taxes	8,504,633	-	8,504,633	8,590,022	8,240,871	263,762
Licenses and permits	1,699,377	21,566	1,720,943	1,467,153	1,560,478	160,465
Use of money and property	292,221	13,637,460	13,929,681	12,668,621	10,682,414	3,247,267
Intergovernmental	9,084,529	11,964,454	21,048,983	25,748,160	34,841,572	(13,792,589)
Charges for services	3,287,454	253,812,274	257,099,728	254,228,696	259,968,301	(2,868,573)
Special assessments	335,049	-	335,049	220,000	320,000	15,049
Miscellaneous	1,155,030	4,800,705	5,955,735	1,154,446	2,386,296	3,569,439
Other financing sources	47,506,803	6,652,871	54,159,674	31,177,668	50,533,578	3,626,096
Total revenues and other financing sources	95,680,129	290,889,330	386,569,459	359,207,192	392,485,936	(5,916,477)
Expenditures and other financing uses:						
General government	2,568,037	-	2,568,037	2,425,341	2,592,976	24,939
Public safety	15,118,661	-	15,118,661	15,683,560	15,621,408	502,747
Public works	5,977,310	-	5,977,310	5,930,123	6,300,191	322,881
Health and social services	986,409	-	986,409	1,170,587	1,169,237	182,828
Culture and recreation	6,951,688	-	6,951,688	7,174,706	7,267,418	315,730
Community and economic development	3,182,916	-	3,182,916	2,751,170	3,512,653	329,737
Debt service	11,604,634	-	11,604,634	9,704,178	11,604,634	-
Capital outlay	13,282,146	-	13,282,146	22,711,364	35,757,147	22,475,001
Total governmental expenditures	59,671,801	-	59,671,801	67,551,029	83,825,664	24,153,863
Business-type expenditures	-	263,870,542	263,870,542	272,650,957	296,655,999	32,785,457
Total expenditures and other financing uses	59,671,801	263,870,542	323,542,343	340,201,986	380,481,663	56,939,320
Other financing uses	10,596,021	3,230,651	13,826,672	13,600,168	13,991,551	164,879
Total expenditures, other financing uses, and transfers out	70,267,822	267,101,193	337,369,015	353,802,154	394,473,214	57,104,199
Excess revenues and other financing sources over (under) expenditures, other financing uses, and transfers out	25,412,307	23,788,137	49,200,444	5,405,038	(1,987,278)	51,187,722
Fund balances, beginning	39,950,498	462,301,363	502,251,861	454,082,193	502,251,861	-
Fund balances, ending	\$ 65,362,805	\$ 486,089,500	\$ 551,452,305	\$ 459,487,231	\$ 500,264,583	\$ 51,187,722

The notes to the required supplementary information are an integral part of this schedule.

City of Ames
Budgetary Comparison Schedule
Budget to GAAP Reconciliation
For the Fiscal Year Ended June 30, 2013

	Governmental Funds			Proprietary Funds		
	Budget Basis	Adjustments	Modified Accrual Basis	Budget Basis	Adjustments	Accrual Basis
Revenues and other financing sources	\$ 95,680,129	\$ (4,962,162)	\$ 90,717,967	\$ 290,889,330	\$ (4,851,641)	\$ 286,037,689
Expenditures and other financing uses	70,267,822	(2,305,488)	67,962,334	267,101,193	(19,221,417)	247,879,776
Excess revenues and other financing sources over expenditures and other financing uses	25,412,307	(2,656,674)	22,755,633	23,788,137	14,369,776	38,157,913
Fund balances, beginning	39,950,498	(3,776,467)	36,174,031	462,301,363	35,399,322	497,700,685
Fund balances, ending	<u>\$ 65,362,805</u>	<u>\$ (6,433,141)</u>	<u>\$ 58,929,664</u>	<u>\$ 486,089,500</u>	<u>\$ 49,769,098</u>	<u>\$ 535,858,598</u>

The notes to the required supplementary information are an integral part of this schedule.

City of Ames
Notes to the Required Supplementary Information
June 30, 2013

I. Budgetary Information

The budgetary comparison is presented as required supplementary information in accordance with Governmental Accounting Standards Board (GASB) Statement 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 modified accrual basis of accounting and follows the public notice and hearing requirements. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the budget basis and appropriations lapse at the end of the fiscal year.

Formal and legal budgetary control is based upon nine major classes of expenditures, referred to as functions, not by fund or fund type. The nine functions are general government, public safety, public works, health and social services, culture and recreation, community and economic development, debt service, capital projects, and business-type activities. Expenditures of functions required to be budgeted include expenditures for the General Fund, special revenue funds, the Debt Service Fund, the Capital Projects Fund, and the enterprise funds. Although the budget document presents function expenditures by fund, the legal level of control is at the aggregated function level, not by fund.

Two budget amendments during the fiscal year increased budgeted expenditures by \$40,671,060. These amendments are reflected in the final budget amounts.

SUPPLEMENTARY INFORMATION

AMES JUNIOR HIGH SCHOOL



The older part of the building (the 2/3 shown at the left) was built in 1881 as the first brick schoolhouse in Ames and served as the only school for all Ames children in the 1880s and 1890s. The part to the right was added and provided four additional classrooms. This building stood on the west side of Clark Avenue between Fifth and Sixth streets.

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

Local Option Tax Fund - to account for the funds generated by the voter-approved 1% local option sales tax. Sixty percent is used for property tax relief and forty percent is for community betterment.

Hotel/Motel Tax Fund - to account for funds generated through the imposition of a hotel/motel tax. Proceeds are used for community betterment and economic development.

Road Use Tax Fund - to account for the City's share of state gasoline taxes received on a per capita basis. Funds are required to be used for a purpose related to the construction or maintenance of public streets.

Bike Licenses Fund - to account for funds generated by the sale of bike licenses to be used for bike trails and maps.

Police Forfeiture and Grants Fund - to account for funds generated from the forfeiture of property as a result of criminal activities and for government grants received for law enforcement costs.

Housing Assistance Fund - to account for grant-funded housing assistance programs.

TIF Fund - to account for tax-increment financing revenues on abated debt.

Employee Benefit Property Tax Fund - to account for tax revenues used to pay the City's share of selected employee benefits.

Police and Fire 411 Fund - to account for the funds remaining from the transition to Municipal Fire and Police Retirement System of Iowa (MFPRSI). Funds may only be used to offset City contributions to MFPRSI.

Parks and Recreation Programs Fund - to account for revenues used for specific park and recreation programs and improvements.

Library Donations, Project Share, Police and Fire Donations, Animal Shelter Donations, and Public Art Donations Funds - to account for donations to be used for specific purposes and activities.

Community Development Block Grant (CDBG) Fund - to account for funds received from the U.S. Department of Housing and Urban Development to be used according to the CDBG program.

Nonmajor Governmental Funds

Special Revenue Funds

Developers' Projects Fund - to account for funds received from developers to be used for City infrastructure.

Economic Development and Loans Fund - to account for funds from block grants and funds to be loaned to businesses to increase development in the City.

Federal Emergency Management Agency (FEMA) Fund - to account for funds related to the flood in 2010.

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

Perpetual Care Fund - to account for principal amounts received for perpetual care. The investment earnings are recorded in the General Fund and are used to maintain the cemetery.

Furman Aquatic Center Endowment Fund - to account for a donation to cover future operating expenditures, fund future repairs and enhancements, and to replace equipment at the aquatic center.

**City of Ames
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013**

	Permanent Funds			Total Nonmajor Governmental Funds
	Nonmajor Special Revenue Funds	Perpetual Care	Furman Aquatic Center Endowment	
ASSETS				
Cash and cash equivalents	\$ 11,171,812	\$ 7,915	\$ 845,921	\$ 12,025,648
Investments	3,168,418	879,510	240,029	4,287,957
Taxes receivable	4,838	-	-	4,838
Accrued interest receivable	11,848	-	3,143	14,991
Accounts receivable, net	10,519	360	-	10,879
Intergovernmental receivable	2,913,713	-	-	2,913,713
Loans receivable	36,921	-	-	36,921
Due from other funds	356,870	17,634	-	374,504
Inventories	96,796	-	-	96,796
Property held for resale	550,770	-	-	550,770
Prepaid items	1,684	-	-	1,684
Succeeding year taxes receivable	1,748,237	-	-	1,748,237
Long-term loans receivable	45,460	-	-	45,460
Total assets	\$ 20,117,886	\$ 905,419	\$ 1,089,093	\$ 22,112,398
LIABILITIES				
Accounts payable	\$ 202,706	\$ -	\$ -	\$ 202,706
Accrued payroll	60,020	-	-	60,020
Retainage payable	40,076	-	-	40,076
Customer deposits	99,437	-	-	99,437
Intergovernmental payable	6,948	-	-	6,948
Due to other funds	1,666,258	-	-	1,666,258
Deferred revenue	1,141,182	-	-	1,141,182
Succeeding year unearned revenue	1,748,237	-	-	1,748,237
Total liabilities	4,964,864	-	-	4,964,864
FUND BALANCES (DEFICITS)				
Nonspendable	98,480	905,419	1,000,000	2,003,899
Restricted	14,176,571	-	89,093	14,265,664
Committed	1,547,185	-	-	1,547,185
Assigned	-	-	-	-
Unassigned	(669,214)	-	-	(669,214)
Total fund balances (deficits)	15,153,022	905,419	1,089,093	17,147,534
Total liabilities and fund balances (deficits)	\$ 20,117,886	\$ 905,419	\$ 1,089,093	\$ 22,112,398

City of Ames
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2013

	<u>Permanent Funds</u>			
	Nonmajor Special Revenue Funds	Perpetual Care	Furman Aquatic Center Endowment	
REVENUES				
Taxes	\$ 9,981,447	\$ -	\$ -	\$ 9,981,447
Intergovernmental	7,128,724	-	-	7,128,724
Charges for services	3,050	14,703	-	17,753
Investment income	(3,913)	-	(588)	(4,501)
Miscellaneous	672,798	-	-	672,798
Total revenues	<u>17,782,106</u>	<u>14,703</u>	<u>(588)</u>	<u>17,796,221</u>
EXPENDITURES				
Current:				
General government	92,633	-	-	92,633
Public safety	179,539	-	-	179,539
Public works	4,258,412	-	-	4,258,412
Health and social services	1,005,458	-	-	1,005,458
Culture and recreation	409,176	-	-	409,176
Community and economic development	1,758,786	-	-	1,758,786
Capital outlay	3,880,887	-	-	3,880,887
Total expenditures	<u>11,584,891</u>	<u>-</u>	<u>-</u>	<u>11,584,891</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,197,215</u>	<u>14,703</u>	<u>(588)</u>	<u>6,211,330</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	100,153	-	-	100,153
Transfers out	(6,123,790)	-	-	(6,123,790)
Total other financing sources (uses)	<u>(6,023,637)</u>	<u>-</u>	<u>-</u>	<u>(6,023,637)</u>
Net change in fund balance	173,578	14,703	(588)	187,693
Fund balances, beginning	<u>14,979,444</u>	<u>890,716</u>	<u>1,089,681</u>	<u>16,959,841</u>
Fund balances, ending	<u>\$ 15,153,022</u>	<u>\$ 905,419</u>	<u>\$ 1,089,093</u>	<u>\$ 17,147,534</u>

**City of Ames
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2013**

	Local Option Tax	Hotel/ Motel Tax	Road Use Tax	Bike Licenses	Police Forfeiture & Grants	Housing Assistance	TIF	Employee Benefit Property Tax	Police & Fire 411	Parks & Recreation Programs
ASSETS										
Cash and cash equivalents	\$ 3,901,869	\$ 307,423	\$ 2,705,314	\$ 13,285	\$ 49,309	\$ 360,202	\$ -	\$ -	\$ 929,813	\$ 1,432,771
Investments	1,107,148	87,231	767,627	3,769	13,991	102,206	-	-	263,833	406,546
Taxes receivable	-	-	-	-	-	-	-	4,838	-	-
Accrued interest receivable	-	-	-	-	-	-	-	-	3,482	5,311
Accounts receivable, net	937	-	-	-	1,646	1,950	-	-	-	-
Intergovernmental receivable	1,120,947	499,029	483,797	-	5,738	-	-	-	-	-
Loans receivable	-	-	-	-	-	7,124	-	-	-	-
Due from other funds	7,974	-	50,804	-	166	294,615	-	-	-	-
Inventories	-	-	96,796	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	1,684	-	-	-	-	-	-	-
Succeeding year taxes receivable	-	-	-	-	-	-	-	1,748,237	-	-
Long-term loans receivable	-	-	-	-	-	7,352	-	-	-	-
Total assets	\$ 6,138,875	\$ 893,683	\$ 4,106,022	\$ 17,054	\$ 70,850	\$ 773,449	\$ -	\$ 1,753,075	\$ 1,197,128	\$ 1,844,628
LIABILITIES										
Accounts payable	\$ 73,464	\$ 43,806	\$ 80,647	\$ -	\$ 987	\$ -	\$ 236	\$ -	\$ -	\$ -
Accrued payroll	4,254	-	52,675	-	490	5	-	-	-	-
Retainage payable	18,465	-	21,611	-	-	-	-	-	-	-
Customer deposits	-	-	-	-	-	-	-	-	-	-
Intergovernmental payable	6,888	-	-	-	-	-	-	-	-	-
Due to other funds	663,854	-	129,328	-	1,054	206	67,847	4,838	1,066	1,677
Deferred revenue	38,297	499,029	913	-	1,812	-	-	-	-	-
Succeeding year unearned revenue	-	-	-	-	-	-	-	1,748,237	-	-
Total liabilities	805,222	542,835	285,174	-	4,343	211	68,083	1,753,075	1,066	1,677
FUND BALANCES (DEFICITS)										
Nonspendable	-	-	98,480	-	-	-	-	-	-	-
Restricted	5,333,653	350,848	3,722,368	-	66,507	-	-	-	1,196,062	1,764,206
Committed	-	-	-	17,054	-	773,238	-	-	-	78,745
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(68,083)	-	-	-
Total fund balances (deficits)	5,333,653	350,848	3,820,848	17,054	66,507	773,238	(68,083)	-	1,196,062	1,842,951
Total liabilities and fund balances (deficits)	\$ 6,138,875	\$ 893,683	\$ 4,106,022	\$ 17,054	\$ 70,850	\$ 773,449	\$ -	\$ 1,753,075	\$ 1,197,128	\$ 1,844,628

City of Ames
Combining Balance Sheet (continued)
Nonmajor Special Revenue Funds
June 30, 2013

	Library Donations	Project Share	Police & Fire Donations	CDBG	Animal Shelter Donations	Public Art Donations	Developers' Projects	Economic Development & Loans	FEMA	Total Nonmajor Special Revenue Funds
ASSETS										
Cash and cash equivalents	\$ 705,654	\$ 6,950	\$ 1,229	\$ 2,271	\$ 145,018	\$ 93	\$ 194,790	\$ 415,821	\$ -	\$ 11,171,812
Investments	200,228	1,972	349	644	41,149	26	53,710	117,989	-	3,168,418
Taxes receivable	-	-	-	-	-	-	-	-	-	4,838
Accrued interest receivable	2,386	-	-	-	540	-	129	-	-	11,848
Accounts receivable, net	-	705	-	-	940	-	-	4,341	-	10,519
Intergovernmental receivable	-	-	-	8,287	-	-	-	-	795,915	2,913,713
Loans receivable	-	-	-	4,263	-	-	-	25,534	-	36,921
Due from other funds	3,311	-	-	-	-	-	-	-	-	356,870
Inventories	-	-	-	-	-	-	-	-	-	96,796
Property held for resale	-	-	-	550,770	-	-	-	-	-	550,770
Prepaid items	-	-	-	-	-	-	-	-	-	1,684
Succeeding year taxes receivable	-	-	-	-	-	-	-	-	-	1,748,237
Long-term loans receivable	-	-	-	20,437	-	-	-	17,671	-	45,460
Total assets	\$ 911,579	\$ 9,627	\$ 1,578	\$ 586,672	\$ 187,647	\$ 119	\$ 248,629	\$ 581,356	\$ 795,915	\$ 20,117,886
LIABILITIES										
Accounts payable	\$ 532	\$ -	\$ -	\$ 1,986	\$ 1,048	\$ -	\$ -	\$ -	\$ -	\$ 202,706
Accrued payroll	2,252	-	-	344	-	-	-	-	-	60,020
Retainage payable	-	-	-	-	-	-	-	-	-	40,076
Customer deposits	-	-	-	-	-	-	99,437	-	-	99,437
Intergovernmental payable	-	-	-	-	60	-	-	-	-	6,948
Due to other funds	-	212	-	261	-	-	-	-	795,915	1,666,258
Deferred revenue	-	-	-	-	-	-	-	-	601,131	1,141,182
Succeeding year unearned revenue	-	-	-	-	-	-	-	-	-	1,748,237
Total liabilities	2,784	212	-	2,591	1,108	-	99,437	-	1,397,046	4,964,864
FUND BALANCES (DEFICITS)										
Nonspendable	-	-	-	-	-	-	-	-	-	98,480
Restricted	816,910	4,508	1,578	584,081	186,539	119	149,192	-	-	14,176,571
Committed	91,885	4,907	-	-	-	-	-	581,356	-	1,547,185
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	(601,131)	(669,214)
Total fund balances (deficits)	908,795	9,415	1,578	584,081	186,539	119	149,192	581,356	(601,131)	15,153,022
Total liabilities and fund balances (deficits)	\$ 911,579	\$ 9,627	\$ 1,578	\$ 586,672	\$ 187,647	\$ 119	\$ 248,629	\$ 581,356	\$ 795,915	\$ 20,117,886

City of Ames
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2013

	Local Option Tax	Hotel/ Motel Tax	Road Use Tax	Bike Licenses	Police Forfeiture & Grants	Housing Assistance	TIF	Employee Benefit Property Tax	Police & Fire 411	Parks & Recreation Programs
REVENUES										
Taxes	\$ 6,655,355	\$ 1,750,924	\$ -	\$ -	\$ -	\$ -	\$ 180	\$ 1,574,988	\$ -	\$ -
Intergovernmental	381,621	-	5,717,206	-	163,919	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	3,050
Investment income	-	-	-	-	-	-	(375)	-	(1,148)	(877)
Miscellaneous	-	-	-	-	14,176	-	-	-	-	71,448
Total revenues	7,036,976	1,750,924	5,717,206	-	178,095	-	(195)	1,574,988	(1,148)	73,621
EXPENDITURES										
Current:										
General government	-	-	79,946	-	-	-	-	-	12,687	-
Public safety	-	-	-	-	169,113	-	-	-	-	-
Public works	-	-	4,258,412	-	-	-	-	-	-	-
Health and social services	986,409	-	-	-	-	-	-	-	-	-
Culture and recreation	295,353	-	-	-	-	-	-	-	-	24,626
Community and economic development	29,450	1,464,538	-	-	-	32,498	-	-	-	-
Capital outlay	1,706,323	-	779,475	-	-	-	-	-	-	-
Total expenditures	3,017,535	1,464,538	5,117,833	-	169,113	32,498	-	-	12,687	24,626
Excess (deficiency) of revenues over (under) expenditures	4,019,441	286,386	599,373	-	8,982	(32,498)	(195)	1,574,988	(13,835)	48,995
OTHER FINANCING SOURCES (USES)										
Transfers in	100,153	-	-	-	-	-	-	-	-	-
Transfers out	(4,013,213)	(250,382)	(12,375)	-	-	-	(116,817)	(1,574,988)	(156,015)	-
Total other financing sources (uses)	(3,913,060)	(250,382)	(12,375)	-	-	-	(116,817)	(1,574,988)	(156,015)	-
Net change in fund balances	106,381	36,004	586,998	-	8,982	(32,498)	(117,012)	-	(169,850)	48,995
Fund balances, beginning	5,227,272	314,844	3,233,850	17,054	57,525	805,736	48,929	-	1,365,912	1,793,956
Fund balances, ending	\$ 5,333,653	\$ 350,848	\$ 3,820,848	\$ 17,054	\$ 66,507	\$ 773,238	\$ (68,083)	\$ -	\$ 1,196,062	\$ 1,842,951

City of Ames
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2013

	Library Donations	Project Share	Police & Fire Donations	CDBG	Animal Shelter Donations	Public Art Donations	Developers' Projects	Economic Development & Loans	FEMA	Total Nonmajor Special Revenue Funds
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,981,447
Intergovernmental	11,722	-	-	558,464	-	-	-	-	295,792	7,128,724
Charges for services	-	-	-	-	-	-	-	-	-	3,050
Investment income	(1,429)	-	-	-	(55)	(5)	(24)	-	-	(3,913)
Miscellaneous	522,502	19,247	110	766	22,724	92	-	21,733	-	672,798
Total revenues	532,795	19,247	110	559,230	22,669	87	(24)	21,733	295,792	17,782,106
EXPENDITURES										
Current:										
General government	-	-	-	-	-	-	-	-	-	92,633
Public safety	-	-	-	-	10,426	-	-	-	-	179,539
Public works	-	-	-	-	-	-	-	-	-	4,258,412
Health and social services	-	19,049	-	-	-	-	-	-	-	1,005,458
Culture and recreation	89,184	-	-	-	-	13	-	-	-	409,176
Community and economic development	-	-	-	214,800	-	-	-	17,500	-	1,758,786
Capital outlay	458,013	-	-	348,609	-	-	-	-	588,467	3,880,887
Total expenditures	547,197	19,049	-	563,409	10,426	13	-	17,500	588,467	11,584,891
Excess (deficiency) of revenues over (under) expenditures	(14,402)	198	110	(4,179)	12,243	74	(24)	4,233	(292,675)	6,197,215
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	-	-	-	-	-	100,153
Transfers out	-	-	-	-	-	-	-	-	-	(6,123,790)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	(6,023,637)
Net change in fund balances	(14,402)	198	110	(4,179)	12,243	74	(24)	4,233	(292,675)	173,578
Fund balances, beginning	923,197	9,217	1,468	588,260	174,296	45	149,216	577,123	(308,456)	14,979,444
Fund balances, ending	\$ 908,795	\$ 9,415	\$ 1,578	\$ 584,081	\$ 186,539	\$ 119	\$ 149,192	\$ 581,356	\$ (601,131)	\$ 15,153,022

Nonmajor Enterprise Funds

Enterprise funds are used to report activities for which a fee is charged to external users for goods or services.

Storm Sewer Utility Fund - to account for the fees paid by customers of the electric utility for the maintenance of the City's storm sewer system.

Parking Lot Fund - to account for the operation of parking meters on streets and in designated parking lots.

Resource Recovery Fund - to account for the operation of the City-owned resource recovery plant.

Ames/Iowa State University (ISU) Ice Arena Fund - to account for the operations of a recreational ice facility, which is jointly owned by the City and ISU.

Homewood Golf Course Fund - to account for the operations of a nine-hole golf course.

City of Ames
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2013

	Storm Sewer Utility	Parking	Resource Recovery	Ames / ISU Ice Arena	Homewood Golf Course	Total Nonmajor Enterprise Funds
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 1,339,319	\$ 332,379	\$ 2,203,136	\$ 421,780	\$ 98,827	\$ 4,395,441
Investments	380,029	94,227	625,107	119,537	27,957	1,246,857
Accrued interest receivable	5,003	1,247	8,350	1,643	356	16,599
Accounts receivable, net	127,853	2,598	272,160	8,881	-	411,492
Due from other funds	404,913	18,015	1,411,791	-	-	1,834,719
Intergovernmental receivable	14,457	135	394,755	7,852	-	417,199
Inventories	-	24,750	-	4,866	2,463	32,079
Prepaid items	-	1,262	2,033	-	-	3,295
Total current assets	<u>2,271,574</u>	<u>474,613</u>	<u>4,917,332</u>	<u>564,559</u>	<u>129,603</u>	<u>8,357,681</u>
Noncurrent assets:						
Deferred debt issuance costs, net	-	-	25,855	-	-	25,855
Capital assets:						
Land	-	910,547	531,517	-	193,250	1,635,314
Land improvements	569,854	647,228	196,611	63,578	127,581	1,604,852
Buildings	-	-	11,219,649	1,688,110	87,003	12,994,762
Equipment	8,390	56,130	6,479,219	142,416	-	6,686,155
Less accumulated depreciation	(180,512)	(583,524)	(11,442,068)	(806,689)	(132,706)	(13,145,499)
Total noncurrent assets	<u>397,732</u>	<u>1,030,381</u>	<u>7,010,783</u>	<u>1,087,415</u>	<u>275,128</u>	<u>9,801,439</u>
Total assets	<u>2,669,306</u>	<u>1,504,994</u>	<u>11,928,115</u>	<u>1,651,974</u>	<u>404,731</u>	<u>18,159,120</u>
LIABILITIES						
Current liabilities:						
Accounts payable	28,024	9,321	75,759	13,739	5,399	132,242
Accrued payroll	2,013	8,476	1,733	2,636	5,462	20,320
Accrued compensated absences	622	1,709	3,520	649	249	6,749
Due to other funds	11,090	26,122	52,764	1,258	2,299	93,533
Retainage payable	6,108	-	-	-	-	6,108
Accrued interest	-	-	2,707	-	-	2,707
Loans payable - current	-	-	142,548	-	-	142,548
Intergovernmental payable	655	-	49,444	96	672	50,867
Accrued landfill post-closure costs	-	-	16,062	-	-	16,062
Bonds payable, net	-	-	105,080	-	-	105,080
Unearned revenue	-	5,230	-	-	-	5,230
Total current liabilities	<u>48,512</u>	<u>50,858</u>	<u>449,617</u>	<u>18,378</u>	<u>14,081</u>	<u>581,446</u>
Noncurrent liabilities:						
Accrued compensated absences	8,872	26,976	70,936	8,537	2,838	118,159
Post-employment benefits	5,860	8,363	26,796	1,794	1,433	44,246
Loans payable	-	-	184,283	-	-	184,283
Accrued landfill post-closure costs	-	-	200,559	-	-	200,559
Bonds payable, net	-	-	1,275,876	-	-	1,275,876
Total noncurrent liabilities	<u>14,732</u>	<u>35,339</u>	<u>1,758,450</u>	<u>10,331</u>	<u>4,271</u>	<u>1,823,123</u>
Total liabilities	<u>63,244</u>	<u>86,197</u>	<u>2,208,067</u>	<u>28,709</u>	<u>18,352</u>	<u>2,404,569</u>
NET POSITION						
Net investment in capital assets	397,732	1,030,381	6,597,141	1,087,415	275,128	9,387,797
Unrestricted	2,208,330	388,416	3,122,907	535,850	111,251	6,366,754
Total net position	<u>\$ 2,606,062</u>	<u>\$ 1,418,797</u>	<u>\$ 9,720,048</u>	<u>\$ 1,623,265</u>	<u>\$ 386,379</u>	<u>\$15,754,551</u>

City of Ames
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2013

	Storm Sewer	Parking	Resource Recovery	Ames / ISU Ice Arena	Homewood Golf Course	Total Nonmajor Enterprise Funds
Operating revenues:						
Charges for services	\$ 1,136,621	\$ 883,899	\$ 3,731,936	\$ 471,760	\$ 220,643	\$ 6,444,859
Operating expenses:						
Cost of goods and services	641,326	769,834	3,712,419	534,824	203,890	5,862,293
Administration	1,880	63,433	207,220	-	-	272,533
Depreciation	12,640	12,289	443,589	71,137	8,062	547,717
Total operating expenses	655,846	845,556	4,363,228	605,961	211,952	6,682,543
Operating income (loss)	480,775	38,343	(631,292)	(134,201)	8,691	(237,684)
Non-operating revenues (expenses):						
Reimbursements	-	-	272,327	-	-	272,327
Investment income	(526)	(87)	357	(425)	(23)	(704)
Interest expense	-	-	(11,627)	-	-	(11,627)
Total non-operating revenues (expenses)	(526)	(87)	261,057	(425)	(23)	259,996
Income (loss) before capital contributions and transfers	480,249	38,256	(370,235)	(134,626)	8,668	22,312
Capital contributions	-	-	-	20,000	-	20,000
Transfers in	-	-	452,862	20,000	-	472,862
Change in net position	480,249	38,256	82,627	(94,626)	8,668	515,174
Net position, beginning	2,125,813	1,380,541	9,637,421	1,717,891	377,711	15,239,377
Net position, ending	<u>\$ 2,606,062</u>	<u>\$ 1,418,797</u>	<u>\$ 9,720,048</u>	<u>\$ 1,623,265</u>	<u>\$ 386,379</u>	<u>\$15,754,551</u>

City of Ames
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2013

	Storm Sewer Utility	Parking	Resource Recovery	Ames / ISU Ice Arena	Homewood Golf Course	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 746,834	\$ 868,333	\$ 2,517,063	\$ 470,625	\$ 223,478	\$ 4,826,333
Payments to suppliers	(299,999)	(147,577)	(2,185,141)	(279,418)	(62,773)	(2,974,908)
Payments to employees	(250,633)	(534,712)	(1,264,750)	(219,399)	(112,039)	(2,381,533)
Payments to other funds for services provided	(79,132)	(135,987)	(592,649)	(39,437)	(28,532)	(875,737)
Net cash provided by (used for) operating activities	<u>117,070</u>	<u>50,057</u>	<u>(1,525,477)</u>	<u>(67,629)</u>	<u>20,134</u>	<u>(1,405,845)</u>
CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES						
Reimbursements	-	-	272,327	-	-	272,327
Transfers in	-	-	452,862	20,000	-	472,862
Net cash provided by (used for) non-capital financing activities	<u>-</u>	<u>-</u>	<u>725,189</u>	<u>20,000</u>	<u>-</u>	<u>745,189</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(43,476)	-	(164,414)	-	-	(207,890)
Proceeds from issuance of bonds	-	-	1,355,101	-	-	1,355,101
Principal paid on loans	-	-	(138,351)	-	-	(138,351)
Interest paid on loans	-	-	(8,920)	-	-	(8,920)
Capital contributions	-	-	-	20,000	-	20,000
Net cash provided by (used for) capital and related financing activities	<u>(43,476)</u>	<u>-</u>	<u>1,043,416</u>	<u>20,000</u>	<u>-</u>	<u>1,019,940</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Reclassification of investments	(380,029)	(94,227)	(625,107)	(119,537)	(27,957)	(1,246,857)
Interest on investments	(620)	(142)	(1,061)	(255)	(33)	(2,111)
Net cash provided by (used for) investing activities	<u>(380,649)</u>	<u>(94,369)</u>	<u>(626,168)</u>	<u>(119,792)</u>	<u>(27,990)</u>	<u>(1,248,968)</u>
Net increase (decrease) in cash and cash equivalents	(307,055)	(44,312)	(383,040)	(147,421)	(7,856)	(889,684)
Cash and cash equivalents, beginning	1,646,374	376,691	2,586,176	569,201	106,683	5,285,125
Cash and cash equivalents, ending	<u>\$ 1,339,319</u>	<u>\$ 332,379</u>	<u>\$ 2,203,136</u>	<u>\$ 421,780</u>	<u>\$ 98,827</u>	<u>\$ 4,395,441</u>

City of Ames
Combining Statement of Cash Flows (continued)
Nonmajor Enterprise Funds
For the Year Ended June 30, 2013

	Storm Sewer Utility	Parking	Resource Recovery	Ames / ISU Ice Arena	Homewood Golf Course	Total Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ 480,775	\$ 38,343	\$ (631,292)	\$ (134,201)	\$ 8,691	\$ (237,684)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation expense	12,640	12,289	443,589	71,137	8,062	547,717
(Increase) decrease in accounts receivable	(6,584)	2,846	103,303	(803)	2,835	101,597
(Increase) decrease in due from other funds	(400,180)	(18,015)	(1,347,885)	-	-	(1,766,080)
(Increase) decrease in intergovernmental receivable	16,977	(27)	29,709	(332)	-	46,327
(Increase) decrease in inventories	-	(12,647)	-	1,102	347	(11,198)
(Increase) decrease in prepaid items	-	-	(1,973)	-	-	(1,973)
Increase (decrease) in accounts payable	3,744	5,132	(60,644)	(333)	(757)	(52,858)
Increase (decrease) in accrued payroll	1,351	(185)	(923)	540	1,181	1,964
Increase (decrease) in accrued compensated absences	(243)	8,038	1,375	(640)	(991)	7,539
Increase (decrease) in due to other funds	1,211	11,544	10,291	(31)	368	23,383
Increase (decrease) in retainage payable	4,929	-	(3,102)	(4,665)	-	(2,838)
Increase (decrease) in intergovernmental payable	271	-	(12,182)	(70)	(134)	(12,115)
Increase (decrease) in accrued landfill post-closure costs	-	-	(65,706)	-	-	(65,706)
Increase (decrease) in unearned revenue	-	(370)	-	-	-	(370)
Increase (decrease) in post-employment benefits	2,179	3,109	9,963	667	532	16,450
Total adjustments	(363,705)	11,714	(894,185)	66,572	11,443	(1,168,161)
Net cash provided by (used for) operating activities	\$ 117,070	\$ 50,057	\$ (1,525,477)	\$ (67,629)	\$ 20,134	\$ (1,405,845)

Internal Service Funds

Internal service funds are used to account for services provided to other departments or agencies of the government, or to other governments on a cost-reimbursement basis.

Fleet Services Fund - to account for capital equipment other than those accounted for in other funds. A central garage is used and appropriate charges are made to other City departments for maintenance and replacement.

Information Technology Fund - to account for all information technology services provided to City departments.

Risk Management Fund - to account for the self-insured workers' compensation insurance and all other insurance premiums and claims payments, other than for health insurance.

Health Insurance Fund - to account for self-insured health insurance claims payments and stop-loss premiums.

City of Ames
Combining Statement of Net Position
Internal Service Funds
June 30, 2013

	Fleet Services	Information Technology	Risk Management	Health Insurance	Total Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 5,533,887	\$ 2,113,098	\$ 1,057,426	\$ 2,549,436	\$11,253,847
Investments	1,570,230	599,587	298,978	723,398	3,192,193
Accrued interest receivable	20,679	7,531	3,835	9,432	41,477
Accounts receivable, net	16,910	20	391	-	17,321
Due from other funds	283,743	121,415	-	-	405,158
Intergovernmental receivable	17,220	14,839	-	-	32,059
Inventories	74,194	-	-	-	74,194
Prepaid items	5,563	60,419	287	64	66,333
Total current assets	<u>7,522,426</u>	<u>2,916,909</u>	<u>1,360,917</u>	<u>3,282,330</u>	<u>15,082,582</u>
Noncurrent assets:					
Capital assets:					
Land improvements	107,365	192,433	-	-	299,798
Buildings	551,493	-	-	-	551,493
Equipment	13,166,768	2,090,674	13,670	-	15,271,112
Less accumulated depreciation	(7,160,057)	(1,803,391)	(13,670)	-	(8,977,118)
Total noncurrent assets	<u>6,665,569</u>	<u>479,716</u>	<u>-</u>	<u>-</u>	<u>7,145,285</u>
Total assets	<u>14,187,995</u>	<u>3,396,625</u>	<u>1,360,917</u>	<u>3,282,330</u>	<u>22,227,867</u>
LIABILITIES					
Current liabilities:					
Accounts payable	30,881	9,552	85,199	667,286	792,918
Accrued payroll	15,236	1,317	-	76	16,629
Accrued compensated absences	2,087	4,246	151	296	6,780
Due to other funds	9,706	5,662	381	8,069	23,818
Retainage payable	2,305	-	-	-	2,305
Claims payable	-	-	1,058,601	743,632	1,802,233
Intergovernmental payable	36,563	-	-	1,433	37,996
Unearned revenue	-	57,809	-	-	57,809
Total current liabilities	<u>96,778</u>	<u>78,586</u>	<u>1,144,332</u>	<u>1,420,792</u>	<u>2,740,488</u>
Noncurrent liabilities:					
Accrued compensated absences	56,859	85,710	2,222	4,698	149,489
Post-employment benefits	19,990	17,111	758	1,869	39,728
Total noncurrent liabilities	<u>76,849</u>	<u>102,821</u>	<u>2,980</u>	<u>6,567</u>	<u>189,217</u>
Total liabilities	<u>173,627</u>	<u>181,407</u>	<u>1,147,312</u>	<u>1,427,359</u>	<u>2,929,705</u>
NET POSITION					
Net investment in capital assets	6,665,569	479,716	-	-	7,145,285
Unrestricted	7,348,799	2,735,502	213,605	1,854,971	12,152,877
Total net position	<u>\$ 14,014,368</u>	<u>\$ 3,215,218</u>	<u>\$ 213,605</u>	<u>\$ 1,854,971</u>	<u>\$ 19,298,162</u>

City of Ames
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2013

	Fleet Services	Information Technology	Risk Management	Health Insurance	Total Internal Service Funds
Operating revenues:					
Charges for services	\$ 3,368,360	\$ 2,250,451	\$ 2,209,191	\$ 6,597,197	\$ 14,425,199
Operating expenses:					
Cost of goods and services	2,356,676	1,998,874	2,311,095	6,984,977	13,651,622
Depreciation	856,641	183,397	-	-	1,040,038
Total operating expenses	3,213,317	2,182,271	2,311,095	6,984,977	14,691,660
Operating income (loss)	155,043	68,180	(101,904)	(387,780)	(266,461)
Non-operating revenues (expenses):					
Investment income	(3,076)	(1,549)	576	(2,860)	(6,909)
Gain (loss) on disposal of capital assets	16,084	(2,966)	-	-	13,118
Total non-operating revenues (expenses)	13,008	(4,515)	576	(2,860)	6,209
Income (loss) before transfers	168,051	63,665	(101,328)	(390,640)	(260,252)
Transfers in	37,127	75,000	-	-	112,127
Change in net position	205,178	138,665	(101,328)	(390,640)	(148,125)
Net position, beginning	13,809,190	3,076,553	314,933	2,245,611	19,446,287
Net position, ending	\$ 14,014,368	\$ 3,215,218	\$ 213,605	\$ 1,854,971	\$ 19,298,162

City of Ames
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2013

	Fleet Services	Information Technology	Risk Management	Health Insurance	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 3,334,023	\$ 2,230,442	\$ 2,208,800	\$ 6,597,197	\$14,370,462
Payments to suppliers	(1,358,711)	(833,083)	(1,953,750)	(6,782,485)	(10,928,029)
Payments to employees	(763,401)	(935,423)	(108,643)	(157,029)	(1,964,496)
Payments to other funds for services provided	(257,106)	(259,608)	(6,508)	(18,483)	(541,705)
Net cash provided by (used for) operating activities	<u>954,805</u>	<u>202,328</u>	<u>139,899</u>	<u>(360,800)</u>	<u>936,232</u>
CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers in	37,127	75,000	-	-	112,127
Net cash provided by (used for) non-capital financing activities	<u>37,127</u>	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>112,127</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(992,711)	(185,340)	-	-	(1,178,051)
Proceeds from the sale of capital assets	180,814	105	-	-	180,919
Net provided by (used for) capital and related financing activities	<u>(811,897)</u>	<u>(185,235)</u>	<u>-</u>	<u>-</u>	<u>(997,132)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Reclassification of investments	(1,570,230)	(599,587)	(298,978)	(723,398)	(3,192,193)
Interest on investments	(2,617)	(958)	412	(1,383)	(4,546)
Net cash provided by (used for) investing activities	<u>(1,572,847)</u>	<u>(600,545)</u>	<u>(298,566)</u>	<u>(724,781)</u>	<u>(3,196,739)</u>
Net increase (decrease) in cash and cash equivalents	(1,392,812)	(508,452)	(158,667)	(1,085,581)	(3,145,512)
Cash and cash equivalents, beginning	6,926,699	2,621,550	1,216,093	3,635,017	14,399,359
Cash and cash equivalents, ending	<u>\$ 5,533,887</u>	<u>\$ 2,113,098</u>	<u>\$ 1,057,426</u>	<u>\$ 2,549,436</u>	<u>\$ 11,253,847</u>

City of Ames
Combining Statement of Cash Flows (continued)
Internal Service Funds
For the Year Ended June 30, 2013

	Fleet Services	Information Technology	Risk Management	Health Insurance	Total Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ 155,043	\$ 68,180	\$ (101,904)	\$ (387,780)	\$ (266,461)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation expense	856,641	183,397	-	-	1,040,038
(Increase) decrease in accounts receivable	17,587	(20)	(391)	-	17,176
(Increase) decrease in due from other funds	(39,722)	(15,261)	-	-	(54,983)
(Increase) decrease in intergovernmental receivable	(12,202)	(10,338)	-	-	(22,540)
(Increase) decrease in inventories	(800)	-	-	-	(800)
(Increase) decrease in prepaid items	1,708	(2,884)	(287)	1,836	373
Increase (decrease) in accounts payable	(35,061)	(41,043)	(51,906)	(64,200)	(192,210)
Increase (decrease) in accrued payroll	3,212	(1,041)	-	76	2,247
Increase (decrease) in accrued compensated absences	(5,759)	5,412	(166)	(606)	(1,119)
Increase (decrease) in due to other funds	1,472	3,954	(155)	(9,586)	(4,315)
Increase (decrease) in retainage payable	2,305	-	-	-	2,305
Increase (decrease) in claims payable	-	-	294,426	97,332	391,758
Increase (decrease) in intergovernmental payable	2,948	-	-	1,433	4,381
Increase (decrease) in unearned revenue	-	5,610	-	-	5,610
Increase (decrease) in post-employment benefits	7,433	6,362	282	695	14,772
Total adjustments	799,762	134,148	241,803	26,980	1,202,693
Net cash provided by (used for) operating activities	<u>\$ 954,805</u>	<u>\$ 202,328</u>	<u>\$ 139,899</u>	<u>\$ (360,800)</u>	<u>\$ 936,232</u>
Schedule of non-cash capital and related financing activities:					
Capital asset trade ins	<u>\$ 10,612</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,612</u>

Fiduciary Funds

Agency Funds

Agency funds are used to account for short-term custodial collections on resources on behalf of another individual, entity, or government.

Payroll Clearing Fund - to hold payroll taxes withheld from employees until they are paid to the appropriate authorities.

Flex Benefits Fund - to hold Section 125 flex benefits withheld from employees.

City of Ames
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2013

	Payroll Clearing	Flex Benefits	Total
ASSETS			
Cash and cash equivalents	\$ 238,100	\$ 22,317	\$ 260,417
Investments	67,561	-	67,561
Total assets	<u>\$ 305,661</u>	<u>\$ 22,317</u>	<u>\$ 327,978</u>
LIABILITIES			
Accounts payable	\$ -	\$ 22,317	\$ 22,317
Due to other governments	305,661	-	305,661
Total liabilities	<u>\$ 305,661</u>	<u>\$ 22,317</u>	<u>\$ 327,978</u>

City of Ames
Combining Statement of Changes in Assets and Liabilities
Agency Funds
June 30, 2013

	Total Agency Funds			
	Balance 07/01/12	Additions	Deductions	
ASSETS				
Cash and cash equivalents	\$ 310,990	\$25,783,902	\$25,834,475	\$ 260,417
Investments	-	67,561	-	67,561
Accounts receivable, net	-	1,310	1,310	-
Total assets	<u>\$ 310,990</u>	<u>\$25,852,773</u>	<u>\$25,835,785</u>	<u>\$ 327,978</u>

LIABILITIES				
Accounts payable	\$ 21,441	\$10,857,887	\$10,857,011	\$ 22,317
Due to other governments	289,549	15,595,083	15,578,971	305,661
Total liabilities	<u>\$ 310,990</u>	<u>\$26,452,970</u>	<u>\$26,435,982</u>	<u>\$ 327,978</u>

	Payroll Clearing Fund			
	Balance 07/01/12	Additions	Deductions	
ASSETS				
Cash and cash equivalents	\$ 296,775	\$24,973,110	\$25,031,785	\$ 238,100
Investments	-	67,561	-	67,561
Accounts receivable, net	-	1,310	1,310	-
Total assets	<u>\$ 296,775</u>	<u>\$25,041,981</u>	<u>\$25,033,095</u>	<u>\$ 305,661</u>

LIABILITIES				
Accounts payable	\$ 7,226	\$10,053,164	\$10,060,390	\$ -
Due to other governments	289,549	15,595,083	15,578,971	305,661
Total liabilities	<u>\$ 296,775</u>	<u>\$25,648,247</u>	<u>\$25,639,361</u>	<u>\$ 305,661</u>

	Flexible Benefits Fund			
	Balance 07/01/12	Additions	Deductions	
ASSETS				
Cash and cash equivalents	\$ 14,215	\$ 810,792	\$ 802,690	\$ 22,317
LIABILITIES				
Accounts payable	<u>\$ 14,215</u>	<u>\$ 804,723</u>	<u>\$ 796,621</u>	<u>\$ 22,317</u>

STATISTICAL SECTION

THE ARLINGTON HOTEL



Looking north up Douglas Avenue from the northwest corner of Onondaga in 1907. Tilden Grocery has people standing in front. O. K. Barbershop (5 chairs) with downstairs entrance is shown on left. Arlington Hotel (formerly West House) is in the center beyond Tilden's and the newspaper office

STATISTICAL SECTION

This part of the City's 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 government's overall financial health.

Contents	Page
Financial Trends	108
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	113
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	
Debt Capacity	117
<i>These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	122
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	124
<i>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.</i>	

City of Ames
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$ 72,431,317	\$ 77,768,887	\$ 87,975,194	\$ 90,093,683	\$ 95,550,370	\$ 101,940,741	\$ 115,002,627	\$ 110,348,921	\$ 111,810,541	\$ 112,305,532
Restricted	5,392,715	6,091,644	5,767,706	6,680,663	12,523,636	9,681,837	14,864,552	15,338,746	20,794,194	12,081,140
Unrestricted	15,729,109	15,250,250	18,116,572	22,301,202	19,525,162	20,852,226	10,530,303	15,638,160	12,237,776	21,194,735
Total governmental activities	93,553,141	99,110,781	111,859,472	119,075,548	127,599,168	132,474,804	140,397,482	141,325,827	144,842,511	145,581,407
Business-type activities										
Net investment in capital assets	177,602,171	194,461,923	209,874,031	224,440,404	226,464,780	233,486,481	239,942,242	243,495,813	251,498,597	272,253,133
Restricted	2,021,178	1,903,958	1,840,838	1,695,740	1,582,837	1,559,234	2,717,216	2,708,889	2,814,032	1,001,294
Unrestricted	113,464,680	114,424,423	121,916,198	136,557,327	147,185,413	143,372,402	169,009,627	218,617,981	249,745,121	268,805,782
Total business-type activities	293,088,029	310,790,304	333,631,067	362,693,471	375,233,030	378,418,117	411,669,085	464,822,683	504,057,750	542,060,209
Primary government										
Net investment in capital assets	250,033,488	272,230,810	297,849,225	314,534,087	322,015,150	335,427,222	354,944,869	353,844,734	363,309,138	384,558,665
Restricted	7,413,893	7,995,602	7,608,544	8,376,403	14,106,473	11,241,071	17,581,768	18,047,635	23,608,226	13,082,434
Unrestricted	129,193,789	129,674,673	140,032,770	158,858,529	166,710,575	164,224,628	179,539,930	234,256,141	261,982,897	290,000,517
Total primary government	\$ 386,641,170	\$ 409,901,085	\$ 445,490,539	\$ 481,769,019	\$ 502,832,198	\$ 510,892,921	\$ 552,066,567	\$ 606,148,510	\$ 648,900,261	\$ 687,641,616

City of Ames
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities:										
General government	\$ 2,853,720	\$ 2,485,193	\$ 2,206,713	\$ 2,281,674	\$ 2,417,083	\$ 2,518,339	\$ 2,492,116	\$ 2,629,067	\$ 2,559,365	\$ 2,755,166
Public safety	10,160,215	10,857,504	11,588,247	11,992,224	13,102,633	13,011,464	13,133,701	14,281,351	15,144,853	15,589,369
Public works	8,968,386	9,348,746	9,763,569	10,185,328	11,675,389	13,090,595	13,780,841	16,339,571	14,938,688	15,352,458
Health and social services	917,209	909,454	951,645	982,108	1,034,327	1,159,050	1,151,848	1,250,292	1,159,849	1,005,458
Culture and recreation	5,268,507	5,435,218	5,667,626	6,147,047	6,591,544	6,668,942	7,043,477	7,703,519	8,818,851	9,082,953
Community and economic development	2,612,198	2,447,892	2,743,874	3,404,127	3,219,621	3,850,712	3,042,375	4,262,698	2,875,118	2,366,904
Capital projects	364,871	1,788,341	732,402	41,834	-	-	-	-	-	-
Interest	1,635,493	1,589,465	1,548,265	1,532,782	1,537,842	1,571,257	1,471,758	1,469,661	1,298,010	1,369,323
Total governmental activities	<u>32,780,599</u>	<u>34,861,813</u>	<u>35,202,341</u>	<u>36,567,124</u>	<u>39,578,439</u>	<u>41,870,359</u>	<u>42,116,116</u>	<u>47,936,159</u>	<u>46,794,734</u>	<u>47,521,631</u>
Business-type activities:										
Mary Greeley Medical Center	97,429,390	111,220,658	122,828,311	135,819,426	145,581,895	153,741,531	146,809,782	146,292,855	155,374,830	160,369,431
Electric	32,052,383	35,167,126	38,388,459	40,398,204	43,727,636	39,716,298	41,642,821	48,241,832	50,159,375	52,411,173
Sewer	5,103,253	5,387,364	5,326,905	6,069,860	5,979,526	6,485,535	6,923,605	6,719,787	7,956,963	9,122,173
Water	5,097,617	5,088,878	5,468,343	5,811,849	6,054,928	6,514,499	6,827,194	7,099,299	6,630,919	6,856,515
Transit	5,885,535	5,983,230	6,280,501	6,911,902	7,597,860	7,685,829	8,682,833	10,010,387	10,002,499	10,629,183
Storm sewer	385,303	375,498	473,286	474,425	458,119	1,080,705	782,489	917,771	918,495	655,522
Parking lot	799,523	808,289	777,261	828,138	856,518	766,381	819,988	805,253	767,154	846,825
Resource recovery	3,215,617	3,353,518	3,424,317	3,887,199	3,636,402	3,914,713	3,855,039	4,310,188	4,184,929	4,375,362
Ice arena	471,392	460,759	469,884	432,532	480,418	511,334	565,303	526,660	521,670	606,215
Golf course	205,478	202,407	226,069	224,749	217,964	218,708	218,021	230,698	232,689	211,279
Total business-type activities	<u>150,645,491</u>	<u>168,047,727</u>	<u>183,663,336</u>	<u>200,858,284</u>	<u>214,591,266</u>	<u>220,635,533</u>	<u>217,127,075</u>	<u>225,154,730</u>	<u>236,749,523</u>	<u>246,083,678</u>
Total expenses	<u>183,426,090</u>	<u>202,909,540</u>	<u>218,865,677</u>	<u>237,425,408</u>	<u>254,169,705</u>	<u>262,505,892</u>	<u>259,243,191</u>	<u>273,090,889</u>	<u>283,544,257</u>	<u>293,605,309</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	1,480,807	1,131,802	717,309	816,844	837,787	1,367,765	1,308,062	1,404,478	118,459	130,627
Public safety	2,149,361	2,233,090	2,156,638	2,201,516	2,356,887	2,387,020	2,371,581	2,571,060	2,864,844	3,194,059
Public works	4,388,186	4,393,060	4,474,526	4,443,497	4,461,876	5,181,523	5,865,263	5,231,237	6,601,518	6,026,315
Culture and recreation	1,122,537	1,042,181	1,027,906	1,020,870	1,066,913	1,059,095	1,326,197	1,490,008	2,031,204	1,980,793
Other activities	17,707	49,490	41,488	217,915	197,556	73,674	34,005	24,163	7,630	11,140
Operating grants and contributions	2,568,666	2,150,390	2,745,231	2,595,245	3,545,354	2,437,772	2,524,027	2,758,176	1,091,752	1,192,687
Capital grants and contributions	3,340,218	4,672,565	4,847,202	3,231,618	6,119,361	2,901,619	6,256,045	4,742,929	4,985,082	3,211,001
Total governmental activities	<u>15,067,482</u>	<u>15,672,578</u>	<u>16,010,300</u>	<u>14,527,505</u>	<u>18,585,734</u>	<u>15,408,468</u>	<u>19,685,180</u>	<u>18,222,051</u>	<u>17,700,489</u>	<u>15,746,622</u>

City of Ames
Changes in Net Position (continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-type activities:										
Charges for services										
Mary Greeley Medical Center	104,597,269	122,552,271	129,658,158	145,181,175	152,684,036	156,095,243	156,880,212	160,115,058	171,389,850	175,011,409
Electric	34,729,308	36,677,050	42,256,054	46,307,158	47,973,171	50,432,375	50,113,108	57,545,144	57,195,559	57,353,200
Sewer	4,276,063	4,190,238	4,607,890	4,760,282	4,811,331	5,126,681	5,171,859	5,402,162	6,188,602	6,648,263
Water	6,123,857	5,885,844	6,260,700	6,394,051	6,474,046	6,742,803	7,516,283	7,650,007	8,824,494	9,125,922
Transit	3,172,940	2,745,924	3,454,757	3,793,525	4,079,218	4,507,801	4,626,529	5,588,406	4,828,097	5,108,154
Storm sewer	415,082	433,885	647,138	676,692	828,644	878,597	984,077	957,122	1,155,583	1,136,621
Parking lot	835,781	715,634	776,341	685,500	860,255	792,023	762,746	872,625	779,976	883,899
Resource recovery	3,124,654	3,925,447	4,191,902	4,072,777	3,813,799	3,444,001	3,676,954	4,374,268	3,583,946	3,731,936
Ice arena	398,281	379,783	373,698	389,163	417,715	444,671	433,628	472,015	475,743	471,760
Golf course	208,336	214,051	212,116	198,124	215,923	234,701	246,357	220,388	235,824	220,643
Operating grants and contributions	1,771,872	508,639	1,252,304	1,665,682	2,721,873	2,681,074	2,922,399	2,567,137	2,751,186	2,723,226
Capital grants and contributions	2,332,603	3,040,686	4,967,908	1,724,159	3,290,701	1,345,340	5,819,635	5,541,433	8,991,024	8,604,246
Total business-type activities	161,986,046	181,269,452	198,658,966	215,848,288	228,170,712	232,725,310	239,153,787	251,305,765	266,399,884	271,019,279
Total program revenues	177,053,528	196,942,030	214,669,266	230,375,793	246,756,446	248,133,778	258,838,967	269,527,816	284,100,373	286,765,901
Net (expense) / revenue										
Governmental activities	(17,713,117)	(19,189,235)	(19,192,041)	(22,039,619)	(20,992,705)	(26,461,891)	(22,430,936)	(29,714,108)	(29,094,245)	(31,775,009)
Business-type activities	11,340,555	13,221,725	14,995,630	14,990,004	13,579,446	12,089,777	22,026,712	26,151,035	29,650,361	24,935,601
Total net (expense) / revenue	(6,372,562)	(5,967,510)	(4,196,411)	(7,049,615)	(7,413,259)	(14,372,114)	(404,224)	(3,563,073)	556,116	(6,839,408)
General revenues										
Governmental activities:										
Taxes										
Property taxes	17,062,313	17,728,215	18,475,771	19,313,838	20,147,655	21,436,807	22,215,888	22,821,388	23,485,295	23,913,389
Sales taxes	5,243,506	5,221,245	5,321,048	5,983,409	5,890,362	6,246,630	5,954,773	6,117,664	6,935,154	6,655,355
Hotel / motel taxes	760,168	854,246	1,127,307	1,298,009	1,106,797	1,822,205	1,142,162	1,416,830	1,518,571	1,760,462
Unrestricted grants and contribution:	48,413	31,045	14,945	15,573	20,676	15,842	15,842	15,990	17,040	17,726
Investment income	489,786	828,277	1,404,140	2,074,008	2,058,452	1,508,776	673,003	499,004	436,302	18,067
Other income	308,156	703	-	-	-	-	-	-	314,699	120,071
Gain (loss) on disposal of assets	-	-	-	-	-	-	-	-	127,182	16,084
Transfers	225,888	83,144	35,964	231,849	292,383	307,267	351,946	(228,423)	(223,314)	12,751
Total governmental activities	24,138,230	24,746,875	26,379,175	28,916,686	29,516,325	31,337,527	30,353,614	30,642,453	32,610,929	32,513,905
Business-type activities:										
Investment income	5,200,766	4,363,765	7,881,097	14,184,748	(750,318)	(8,598,734)	11,575,051	17,372,875	4,197,199	13,003,757
Other income	-	-	-	-	-	-	-	-	-	40,761
Gain (loss) on disposal of assets	(246,848)	199,929	-	119,501	2,814	1,311	1,151	18,421	5,164,193	35,091
Special item	-	-	-	-	-	-	-	9,382,844	-	-
Transfers	(225,888)	(83,144)	(35,964)	(231,849)	(292,383)	(307,267)	(351,946)	228,423	223,314	(12,751)
Total business-type activities	4,728,030	4,480,550	7,845,133	14,072,400	(1,039,887)	(8,904,690)	11,224,256	27,002,563	9,584,706	13,066,858
Total primary government	28,866,260	29,227,425	34,224,308	42,989,086	28,476,438	22,432,837	41,577,870	57,645,016	42,195,635	45,580,763
Change in net position										
Governmental activities	6,425,113	5,557,640	7,187,134	6,877,067	8,523,620	4,875,636	7,922,678	928,345	3,516,684	738,896
Business-type activities	16,068,585	17,702,275	22,840,763	29,062,404	12,539,559	3,185,087	33,250,968	53,153,598	39,235,067	38,002,459
Total change in net position	\$ 22,493,698	\$ 23,259,915	\$ 30,027,897	\$ 35,939,471	\$ 21,063,179	\$ 8,060,723	\$ 41,173,646	\$ 54,081,943	\$ 42,751,751	\$ 38,741,355

City of Ames
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General fund										
Reserved	\$ 119,344	\$ 189,955	\$ 173,039	\$ 256,946	\$ 276,068	\$ 190,599	\$ -	\$ -	\$ -	\$ -
Unreserved	4,987,655	5,417,003	5,646,663	6,289,199	6,377,565	6,933,392	-	-	-	-
Nonspendable	-	-	-	-	-	-	68,171	97,918	96,235	73,623
Assigned	-	-	-	-	-	-	74,962	124,097	147,752	382,930
Unassigned	-	-	-	-	-	-	7,248,755	7,751,289	7,924,363	7,902,465
Total general fund	<u>\$ 5,106,999</u>	<u>\$ 5,606,958</u>	<u>\$ 5,819,702</u>	<u>\$ 6,546,145</u>	<u>\$ 6,653,633</u>	<u>\$ 7,123,991</u>	<u>\$ 7,391,888</u>	<u>\$ 7,973,304</u>	<u>\$ 8,168,350</u>	<u>\$ 8,359,018</u>
All other governmental funds										
Reserved	\$ 6,934,080	\$ 6,758,486	\$ 7,175,778	\$ 7,619,673	\$ 14,663,188	\$ 11,630,104	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Capital projects fund	-	-	-	2,110,682	-	-	-	-	-	-
Nonmajor special revenue funds	8,360,430	9,139,295	9,847,667	11,867,770	12,239,249	10,376,299	-	-	-	-
Nonspendable	-	-	-	-	-	-	2,063,375	1,999,501	1,976,152	2,019,699
Restricted	-	-	-	-	-	-	17,214,109	16,940,269	24,621,403	47,672,976
Committed	-	-	-	-	-	-	6,239,090	5,577,769	1,399,913	1,547,185
Assigned	-	-	-	-	-	-	678,764	1,259,956	316,669	-
Unassigned	-	-	-	-	-	-	-	(470,818)	(308,456)	(669,214)
Total all other governmental funds	<u>\$ 15,294,510</u>	<u>\$ 15,897,781</u>	<u>\$ 17,023,445</u>	<u>\$ 21,598,125</u>	<u>\$ 26,902,437</u>	<u>\$ 22,006,403</u>	<u>\$ 26,195,338</u>	<u>\$ 25,306,677</u>	<u>\$ 28,005,681</u>	<u>\$ 50,570,646</u>

Note: GASB Statement 54 was implemented in 2010. Prior to 2010, fund balance information in the GASB 54 format is not readily available.

City of Ames
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
REVENUES										
Taxes	\$ 23,065,987	\$ 23,803,706	\$ 24,924,126	\$ 26,595,256	\$ 27,144,814	\$ 29,505,642	\$ 29,312,823	\$ 30,355,882	\$ 31,908,563	\$ 32,319,668
Special assessments	309,133	253,868	321,523	139,570	117,218	136,817	301,709	238,106	217,885	306,761
Licenses and permits	1,123,645	1,162,071	973,003	983,238	1,083,017	1,071,936	1,068,920	1,138,714	1,327,206	1,707,463
Intergovernmental	6,719,372	7,811,093	7,835,417	8,728,084	8,260,076	7,889,894	11,276,398	11,408,113	9,098,425	9,084,528
Charges for services	2,802,740	2,861,229	2,913,616	3,207,138	3,396,848	3,451,677	3,643,428	3,969,212	4,039,097	3,298,578
Fines and forfeitures	149,005	165,243	180,453	191,626	186,848	214,672	180,059	196,748	214,641	111,014
Investment income	667,644	884,551	1,360,294	1,725,443	1,824,426	1,345,607	664,464	635,176	320,693	70,115
Miscellaneous	1,294,378	853,681	426,886	421,027	3,365,417	875,643	412,881	476,659	3,027,255	1,219,633
Total revenues	36,131,904	37,795,442	38,935,318	41,991,382	45,378,664	44,491,888	46,860,682	48,418,610	50,153,765	48,117,760
EXPENDITURES										
Current:										
General government	2,049,786	1,960,966	2,168,130	2,145,983	2,207,062	2,293,741	2,286,774	2,398,630	2,405,265	2,906,491
Public safety	10,147,229	10,803,854	11,669,410	11,896,964	12,927,372	12,917,525	13,250,208	14,252,764	14,938,537	15,287,766
Public works	4,390,191	4,418,888	4,504,535	4,756,831	5,117,634	5,499,791	5,980,354	5,463,593	5,538,204	5,388,832
Health and social services	918,839	909,947	953,620	982,063	1,033,776	1,159,726	1,156,893	1,252,377	1,159,849	1,005,458
Culture and recreation	5,191,331	5,254,306	5,487,868	5,900,650	6,160,922	6,327,050	6,685,162	6,869,276	7,224,794	7,088,894
Community and economic development	2,600,483	2,437,266	2,748,939	3,404,221	3,217,968	3,851,231	3,053,279	4,266,580	2,870,859	2,363,783
Debt service:										
Principal	5,483,308	5,307,272	7,283,105	5,740,028	5,630,919	6,109,953	6,483,396	5,741,838	7,385,280	9,713,723
Interest and fiscal charges	1,632,709	1,614,899	1,581,581	1,557,501	1,620,271	1,681,184	1,595,367	1,595,755	1,389,368	1,440,738
Capital outlay	9,561,512	10,184,911	6,602,090	6,265,482	11,463,042	15,349,040	13,676,401	12,643,534	10,884,449	13,972,053
Total expenditures	41,975,388	42,892,309	42,999,278	42,649,723	49,378,966	55,189,241	54,167,834	54,484,347	53,796,605	59,167,738
Excess (deficiency) of revenues over (under) expenditures	(5,843,484)	(5,096,867)	(4,063,960)	(658,341)	(4,000,302)	(10,697,353)	(7,307,152)	(6,065,737)	(3,642,840)	(11,049,978)
OTHER FINANCING SOURCES (USES)										
Transfers in	6,699,116	6,080,627	6,514,877	7,076,994	8,384,379	7,413,364	8,546,195	7,625,145	8,476,754	8,695,389
Transfers out	(6,549,870)	(5,970,723)	(6,478,217)	(6,814,625)	(8,101,641)	(7,107,780)	(8,194,249)	(7,484,112)	(8,627,749)	(8,794,765)
Capital transfers out	-	-	(162,957)	-	-	-	-	-	-	-
General obligation bonds issued	6,555,000	6,030,000	5,495,000	5,285,000	9,059,781	5,825,000	11,165,000	6,690,000	6,675,000	30,455,000
Premium on general obligation bonds	42,916	60,193	33,665	73,086	69,583	85,108	247,038	197,459	12,885	1,302,774
Refunding bonds issued	-	-	-	-	-	6,995,000	-	5,980,000	-	2,090,000
Premiums on refunding bonds	-	-	-	-	-	210,985	-	-	-	57,213
Payment to refunded bond escrow	-	-	-	-	-	(7,150,000)	-	(7,250,000)	-	-
Total other financing sources (uses)	6,747,162	6,200,097	5,402,368	5,620,455	9,412,102	6,271,677	11,763,984	5,758,492	6,536,890	33,805,611
Net change in fund balances	\$ 903,678	\$ 1,103,230	\$ 1,338,408	\$ 4,962,114	\$ 5,411,800	\$ (4,425,676)	\$ 4,456,832	\$ (307,245)	\$ 2,894,050	\$ 22,755,633
Debt service as a percentage of noncapital expenditures	23.4%	22.2%	26.5%	20.8%	19.8%	19.5%	19.6%	15.9%	19.2%	23.0%

City of Ames
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Residential Property	Commercial Property	Industrial Property	Utilities	Less: Military Tax Exemption	Total Taxable Value	Total Direct Tax Rate	Estimated Actual Assessed Value	Taxable Value as a Percentage of Estimated Actual Assessed Value
2004	\$ 758,652,072	\$ 858,404,884	\$ 79,460,930	\$ 18,617,645	\$ 3,044,688	\$1,712,090,843	9.6763	\$2,429,777,471	70.46%
2005	812,554,188	833,418,402	84,967,190	16,598,600	2,965,052	1,744,573,328	9.9487	2,616,823,544	66.67%
2006	865,439,973	835,027,560	91,023,260	15,430,574	2,894,676	1,804,026,691	10.1661	2,746,981,177	65.67%
2007	932,834,583	842,294,846	108,536,430	15,836,321	2,912,270	1,896,589,910	10.2519	3,003,950,459	63.14%
2008	988,802,548	832,616,846	99,794,440	14,985,782	2,888,194	1,933,311,422	10.4359	3,120,176,952	61.96%
2009	1,005,587,549	815,275,464	107,483,480	16,390,291	2,941,902	1,941,794,882	11.0624	3,224,629,664	60.22%
2010	1,081,452,054	825,225,818	110,467,400	16,557,530	2,927,086	2,030,775,716	10.8582	3,327,852,693	61.02%
2011	1,145,943,933	834,382,923	132,671,800	16,025,529	2,849,302	2,126,174,883	10.8458	3,431,600,584	61.96%
2012	1,203,280,867	821,428,238	129,708,000	16,640,931	2,797,446	2,168,260,590	10.8437	3,453,383,950	62.79%
2013	1,274,315,462	817,189,995	132,577,960	18,490,587	2,727,070	2,239,846,934	10.7213	3,485,543,532	64.26%

Source: Story County Auditor

**City of Ames
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

Fiscal Year	City Direct Rates				Total Direct Tax Rate ³	Overlapping Rates ¹			Total Direct & Overlapping Rates
	General ²	Public Transit	Employee Benefits	Debt Service		Ames School District ⁴	Consoli- dated County ⁵	Area Vocational ⁶	
2004	5.14763	0.52435	0.35921	3.64508	9.67627	13.80200	6.08392	0.58184	30.14403
2005	5.23802	0.53054	0.53695	3.64317	9.94868	13.80403	6.25618	0.59856	30.60745
2006	5.27509	0.56436	0.65229	3.67436	10.16610	13.72848	6.32840	0.68408	30.90706
2007	5.33473	0.56956	0.68478	3.66283	10.25190	13.74398	6.46794	0.68688	31.15070
2008	5.48631	0.59171	0.67178	3.68605	10.43585	13.27297	6.42527	0.60276	30.73685
2009	5.79037	0.62329	0.49436	4.15437	11.06239	13.62557	6.52666	0.56386	31.77848
2010	5.81420	0.62580	0.47270	3.94549	10.85819	13.58764	6.67330	0.56778	31.68691
2011	6.14501	0.61862	0.51112	3.57104	10.84579	14.65339	6.57299	0.56008	32.63225
2012	6.00441	0.63491	0.67239	3.53194	10.84365	14.51772	6.34859	0.59018	32.30014
2013	5.83418	0.65737	0.70627	3.52343	10.72125	14.47262	6.58192	0.58466	32.36045

¹ Overlapping rates are those of local and county governments that may apply to property owners within the City of Ames. Not all overlapping rates apply to all Ames property taxpayers.

² State law limits the maximum tax rate for the general fund to \$8.10 per thousand dollars of assessed valuation.

³ City Council sets the rate.

⁴ School district board of education sets the rate.

⁵ Story County board of supervisors, the county and city's assessors board, county agricultural extension board, and county hospital board set the rate.

⁶ Area community college sets the rate.

Source: Story County Auditor

**City of Ames
Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Campus Investors IS, LLC	\$ 48,098,010	1	2.15%			
Barilla America, Inc.	36,199,000	2	1.62%	\$ 24,732,600	2	1.44%
Jensen Development Corporation	33,076,100	3	1.48%			
Iowa State University Research	30,786,100	4	1.37%	10,399,020	6	0.61%
Campus Crest at Ames, LLC	28,168,375	5	1.26%			
University West Property	27,617,600	6	1.23%			
Haverkamp Properties, Inc.	25,828,300	7	1.15%			
North Grand Mall Partners, LLC	24,535,400	8	1.10%	26,374,000	1	1.54%
Clinic Building Co., Inc.	22,055,300	9	0.98%	15,981,000	3	0.93%
Wessex, LLC	21,078,800	10	0.94%			
SUH Iowa State, LLC				13,670,000	4	0.80%
Midwest Centers				11,930,000	5	0.70%
MHE Assoc., LLC/KAE Ames, LLC				8,653,000	7	0.51%
IES Utilities, Inc.				8,361,176	8	0.49%
SUSA Holding of Story County, Inc.				8,180,000	9	0.48%
FHS Ames 1, LP				8,054,000	10	0.47%
	<u>\$ 297,442,985</u>		<u>13.28%</u>	<u>\$ 136,334,796</u>		<u>7.97%</u>

Source: Story County Auditor

**City of Ames
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Tax Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2004	\$ 16,618,895	\$ 16,608,297	99.94%	\$ 52,567	\$ 16,660,864	100.25%
2005	17,401,486	17,370,482	99.82%	10	17,370,492	99.82%
2006	18,344,342	18,189,338	99.16%	2,044	18,191,382	99.17%
2007	19,446,934	19,022,332	97.82%	2,254	19,024,586	97.83%
2008	20,178,912	19,862,565	98.43%	224	19,862,789	98.43%
2009	21,484,466	21,125,479	98.33%	8,062	21,133,541	98.37%
2010	22,054,085	21,908,298	99.34%	152	21,908,450	99.34%
2011	23,064,211	22,546,083	97.75%	3,546	22,549,629	97.77%
2012	23,516,201	23,211,397	98.70%	5,943	23,217,340	98.73%
2013	24,018,714	23,574,257	98.15%	-	23,574,257	98.15%

Sources: Story County Auditor and City Finance Department

City of Ames
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities	Business-type Activities				Total Outstanding Debt	Percentage of Personal Income ²	Population ³	Per Capita
	General Obligation Bonds ¹	General Obligation Bonds ¹	Revenue Bonds ¹	Notes Payable	Loans Payable				
2004	\$38,032,603	\$ 3,106,577	\$33,637,655	\$ 1,575,450	\$ -	\$76,352,285	7.77%	52,037	1,467
2005	38,792,473	2,483,467	30,431,556	907,121	-	72,614,617	7.32%	52,554	1,382
2006	37,012,177	1,903,542	27,109,533	283,825	-	66,309,077	5.56%	52,599	1,261
2007	36,599,694	1,326,941	23,717,255	27,865	-	61,671,755	5.04%	54,012	1,142
2008	40,083,868	1,355,644	22,582,909	-	-	64,022,421	5.08%	55,599	1,152
2009	39,883,464	3,329,193	21,516,866	3,197,834	-	67,927,357	5.17%	56,510	1,202
2010	44,714,741	2,673,753	20,421,954	5,813,116	726,804	74,350,368	5.65%	56,657	1,312
2011	44,448,603	2,442,080	19,077,870	4,395,970	683,896	71,048,419	5.56%	58,965	1,205
2012	43,633,557	2,203,850	83,391,700	2,933,922	535,182	132,698,211	9.63%	58,965	2,250
2013	67,647,632	4,660,760	89,571,199	1,611,285	4,167,950	167,658,826	11.76%	58,965	2,843

¹ Presented net of original issuance discounts and premiums and deferred charges.

² Personal income is presented on page 119.

³ United States Census Bureau

Note: Prior year amounts have been restated to reflect premiums, discounts, and deferred charges.

City of Ames
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds¹	Less: Amounts Available in Debt Service Fund²	Total	Percentage of Estimated Actual Taxable Value of Property³	Per Capita⁴
2004	\$41,139,180	\$ 1,715,319	\$39,423,861	1.62%	758
2005	41,275,940	1,439,613	39,836,327	1.52%	758
2006	38,915,719	1,275,590	37,640,129	1.37%	716
2007	37,926,635	1,107,194	36,819,441	1.23%	682
2008	41,439,512	1,423,410	40,016,102	1.28%	720
2009	43,212,657	1,990,754	41,221,903	1.28%	729
2010	47,388,494	2,467,664	44,920,830	1.35%	793
2011	46,890,683	1,942,412	44,948,271	1.31%	762
2012	45,837,407	1,658,922	44,178,485	1.28%	749
2013	72,308,392	1,260,206	71,048,186	2.04%	1,205

¹ General bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums and deferred charges.

² Amount restricted for debt service payments.

³ See page 110 for property value data.

⁴ See page 119 for population data.

Note: Prior year general obligation bond amounts were restated to include deferred charges.

City of Ames
Direct and Overlapping Governmental Activities Debt
As of June 30, 2013

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to Primary Government
Debt repaid with property taxes:			
Ames Community School District	\$25,595,000	97.99%	\$ 25,080,541
Gilbert Community School District	22,001,490	49.03%	10,787,331
Des Moines Area Community College (1)	66,390,000	6.04%	4,009,956
Nevada Community School District	8,885,000	0.12%	10,662
Story County	8,548,636	60.18%	5,144,569
Other debt:			
Ames Community School District revenue bonds	2,687,679	97.99%	2,633,657
Gilbert Community School District revenue bonds	8,900,000	49.03%	4,363,670
Des Moines Area Community College revenue bonds	3,385,000	6.04%	204,454
Des Moines Area Community College capital leases	67,355	6.04%	4,068
Nevada Community School District revenue bonds	10,465,000	0.12%	12,558
Subtotal, overlapping debt			<u>52,251,466</u>
City direct debt			<u>67,647,632</u>
Total direct and overlapping debt			<u><u>\$ 119,899,098</u></u>

Source: Debt outstanding provided by each governmental unit. Applicable percentages calculated based on assessed value data from the Story County Auditor.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers 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 Ames
Legal Debt Margin
June 30, 2013**

Legal debt margin for the fiscal year ended June 30, 2013:

Assessed value	\$ 3,485,543,532
Debt limit (5% of actual value)	\$ 174,277,177
Debt applicable to limit:	
General obligation bonds	70,385,000
Legal debt margin	\$ 103,892,177
Percentage of net debt margin available	59.61%
Percentage of net debt margin exhausted	40.39%

Year	Debt Limit	Outstanding Debt	Percentage of Net Debt Margin Available
2013	\$ 174,277,177	\$ 70,385,000	59.61%
2012	172,669,198	45,240,000	73.80%
2011	171,580,029	46,185,000	73.08%
2010	166,392,635	46,735,000	71.91%
2009	161,231,483	42,700,000	73.52%
2008	156,008,848	41,195,000	73.59%
2007	150,197,523	37,665,000	74.92%
2006	137,349,059	38,690,000	71.83%
2005	130,841,177	41,065,000	68.61%
2004	121,488,874	40,945,000	66.30%

**City of Ames
Pledged-Revenue Coverage
Last Ten Fiscal Years**

Hospital Revenue Bond						
Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service ¹		Coverage
				Principal	Interest	
2004	\$ 109,100,843	\$ 88,031,896	\$ 21,068,947	\$ 1,355,000	\$ 1,301,741	7.93
2005	125,887,097	101,474,465	24,412,632	1,435,000	1,212,363	9.22
2006	136,084,871	112,439,877	23,644,994	1,480,000	1,169,313	8.92
2007	157,405,562	124,439,101	32,966,461	1,530,000	1,117,513	12.45
2008	150,176,042	133,102,085	17,073,957	1,030,000	1,056,313	8.18
2009	146,226,111	140,766,706	5,459,405	1,060,000	1,025,413	2.62
2010	167,770,114	133,553,941	34,216,173	1,090,000	993,613	16.42
2011	177,039,866	132,028,206	45,011,660	1,340,000	954,863	19.61
2012	175,097,050	139,964,878	35,132,172	1,375,000	3,069,633	7.90
2013	188,066,236	145,546,625	42,519,611	1,915,000	3,682,094	7.60

Electric Revenue Bond						
Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2004	\$ 35,287,295	\$ 27,931,609	\$ 7,355,686	\$ 1,740,000	\$ 187,775	3.82
2005	37,433,752	30,987,158	6,446,594	1,780,000	144,275	3.35
2006	43,291,313	34,061,735	9,229,578	1,825,000	99,775	4.80
2007	47,486,293	36,571,857	10,914,436	1,860,000	54,150	5.70
2008	48,984,018	40,719,115	8,264,903	100,000	3,000	80.24
2009	-	-	-	-	-	-
2010	-	-	-	-	-	-
2011	-	-	-	-	-	-
2012	-	-	-	-	-	-
2013	-	-	-	-	-	-

Sewer Capital Loan Note						
Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service ²		Coverage
				Principal	Interest	
2004	\$ -	\$ -	\$ -	\$ -	\$ -	-
2005	-	-	-	-	-	-
2006	-	-	-	-	-	-
2007	-	-	-	-	-	-
2008	-	-	-	-	-	-
2008	-	-	-	-	-	-
2009	-	-	-	-	-	-
2010	-	-	-	-	-	-
2011	-	-	-	-	-	-
2012	-	-	-	-	-	-
2013	6,643,819	7,083,679	(439,860)	-	3,019	(145.70)

¹ Debt service payments for 2013 do not include payments to refund the 2003 revenue bonds.

² 2013 was the year of issuance. Accordingly no principal payments were scheduled. Further, there was not any debt outstanding in the previous nine years that was secured by pledged revenues.

**City of Ames
Demographic and Economic Statistics
Last Ten Calendar Years**

Calendar Year	Population¹	Per Capita Personal Income¹	Personal Income	School Enrollment²	Unemployment Rate³
2003	52,037	\$ 18,881	\$ 982,510,597	4,624	3.1%
2004	52,554	18,881	992,272,074	4,516	3.4%
2005	52,599	22,657	1,191,735,543	4,366	2.8%
2006	54,012	22,657	1,223,749,884	4,320	2.4%
2007	55,599	22,657	1,259,706,543	4,351	2.5%
2008	56,510	23,231	1,312,783,810	4,340	2.7%
2009	56,657	23,231	1,316,198,767	4,358	3.9%
2010	58,965	21,655	1,276,887,075	4,280	4.1%
2011	58,965	23,363	1,377,599,295	4,224	4.1%
2012	58,965	24,171	1,425,243,015	4,229	3.9%

¹ United States Census Bureau

² Ames School District

³ Iowa Workforce Development

**City of Ames
Principal Employers
Current Year**

Employer	2013¹		Percentage of Total City Employment
	Employees	Rank	
Iowa State University	15,211	1	31.76%
Mary Greeley Medical Center	1,376	2	2.87%
City of Ames	1,161	3	2.42%
Iowa Department of Transportation	962	4	2.01%
McFarland Clinic, P.C.	925	5	1.93%
Hy-Vee Food Stores	725	6	1.51%
Danfoss ²	650	7	1.36%
Ames Community School District	650	8	1.36%
Wal-Mart	435	9	0.91%
Ames Laboratories	432	10	0.90%
Total			47.03%

¹ Comparative data for nine years ago is not available.

² Formerly Sauer-Danfoss.

Sources: United States Department of Labor, City of Ames, and company inquiries.

City of Ames
Full-time Equivalent Employees by Function
Last Ten Fiscal Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government:										
Management services	22.75	22.50	22.25	22.25	22.25	22.50	23.50	22.50	22.50	23.25
Finance	41.25	38.75	38.75	38.75	39.75	40.75	40.75	40.75	40.75	40.75
Planning and housing	9.75	8.75	8.75	10.50	10.50	10.50	10.50	10.50	8.00	8.00
Fleet services/facilities	8.50	8.50	8.50	8.50	8.50	9.50	9.50	9.50	9.50	9.50
Transit	74.45	74.45	73.70	73.70	73.70	75.70	75.70	75.95	75.95	75.95
Fire/inspections	63.00	63.00	63.00	63.00	65.00	68.00	68.00	68.00	68.50	68.50
Police/animal control/parking	73.40	73.40	72.40	74.40	74.40	74.65	74.65	77.65	77.65	77.65
Library	30.25	30.25	30.25	30.50	31.00	31.00	31.00	31.00	31.50	31.50
Parks and recreation	22.75	22.00	22.00	22.00	20.50	20.50	20.50	20.50	19.50	19.50
Waste water treatment	22.25	22.25	22.25	22.25	22.50	22.50	22.50	22.50	22.50	22.50
Water	18.75	18.75	18.75	18.75	19.00	19.00	19.00	19.00	19.00	19.00
Electric	79.00	79.00	79.00	79.00	81.00	81.00	81.00	81.00	81.00	81.00
Public works:										
Administration	3.75	3.25	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Engineering	12.00	12.00	12.00	12.00	13.00	13.00	13.00	13.00	14.00	14.00
Resource recovery	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Streets	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00
Utility maintenance	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Other	12.75	12.75	12.75	12.75	13.00	13.00	13.00	13.00	13.00	13.00
Hospital	930.97	960.34	987.33	1,019.33	1,055.70	1,088.50	1,044.00	1,055.00	1,064.00	1,092.00
Total	<u>1,470.57</u>	<u>1,494.94</u>	<u>1,519.93</u>	<u>1,555.68</u>	<u>1,597.80</u>	<u>1,638.10</u>	<u>1,594.60</u>	<u>1,607.85</u>	<u>1,615.35</u>	<u>1,644.10</u>

Source: City Finance Department

City of Ames
Operating Indicators by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government:										
Number of licenses/permits processed ¹	1,206	1,048	1,008	877	1,003	650	537	512	462	539
Subdivision requests	33	16	16	14	14	15	13	13	7	18
Police:										
Physical arrests	1,270	1,201	1,051	1,340	1,468	1,599	1,417	1,415	1,395	1,463
Parking violations	61,858	51,126	53,367	56,566	57,931	54,754	46,354	52,147	48,947	44,100
Traffic violations	2,438	3,000	3,809	3,820	3,012	2,724	3,080	2,953	4,068	3,204
Fire:										
Number of fires	148	142	148	169	165	162	148	175	188	137
Number of ambulance assists	1,072	1,197	1,436	1,711	1,877	1,927	2,099	2,211	2,178	2,325
Inspections	818	1,016	1,007	974	1,018	632	731	1,011	829	1,058
Library:										
Total circulation	1,222,190	1,256,993	1,311,122	1,361,888	1,346,924	1,386,273	1,431,023	1,388,273	1,343,758	1,222,547
Library visits	457,441	471,164	450,000	459,000	462,967	424,504	435,572	416,908	443,895	323,859
Parks and recreation:										
Total number of participant visits ²	119,287	118,456	114,297	117,790	145,760	138,840	155,880	201,344	216,930	191,820
Total number of activities	135	135	137	136	123	123	125	127	127	127
Resource recovery:										
Tons of refuse processed	48,272	51,840	54,497	50,792	52,482	50,057	50,614	56,789	53,731	48,244
Tipping fee per ton	53.85	52.75	52.75	52.75	52.75	52.75	52.75	52.75	52.75	52.75
Other public works:										
Blocks of streets crack sealed	160	176	142	124	108	51	45	65	110	92
Blocks of streets slurry sealed	68	73	-	-	46	-	-	-	-	-
Blocks of seal coat reconstruction	7	8	9	-	12	14	17	8	6	7
Hospital:										
Total admissions	9,279	10,178	9,970	10,113	10,002	9,748	9,292	9,918	9,617	8,768
Average percent of occupancy	53.0%	55.6%	54.3%	56.9%	57.9%	62.1%	59.6%	57.1%	56.3%	54.1%
Electric:										
Kilowatt hours produced at plant	421,936,000	435,050,857	489,100,767	497,522,088	429,927,000	413,485,892	340,892,874	341,229,148	307,447,978	318,394,938
Meters in service	21,170	22,375	22,906	23,827	23,946	24,237	24,290	24,436	24,844	25,141
Transit:										
Passengers	4,787,637	4,292,366	4,173,208	4,314,151	4,646,554	5,002,146	5,377,155	5,447,289	5,759,883	5,892,786
Total miles driven	1,245,103	1,178,475	1,189,235	1,234,775	1,287,789	1,317,336	1,381,832	1,421,852	1,412,162	1,384,270
Water:										
Billion gallons per year pumped	2.186	2.137	2.311	2.440	2.330	2.029	1.961	2.074	2.151	2.082
Utility locates performed	5,747	6,081	5,779	5,500	5,502	5,650	5,417	6,471	6,466	6,247
Water main breaks ³	68	27	21	51	44	29	23	37	18	42
Wastewater:										
Billion gallons per year treated	2.136	1.997	1.887	2.475	2.507	2.438	2.385	2.501	1.906	2.093

¹ The State of Iowa took over issuing plumbing, electrical, and mechanical licenses in 2009.
² Golf course participants added in 2008. Aquatic center opened in 2010.
³ A two-pressure water system was implemented in 2004 causing additional water main breaks.

Sources: City departments and Mary Greeley Medical Center

**City of Ames
Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	7	7	7	8	8	9	9	9	9	9
Fire stations	3	3	3	3	3	3	3	3	3	3
Parks and recreation:										
Total number of parks	33	33	33	34	34	36	36	36	36	37
Total number of park acres	1,196	1,196	1,196	1,199	1,199	1,213	1,213	1,213	1,213	1,224
Total number of athletic fields	19	18	18	18	18	18	18	18	18	18
Other public works:										
Miles of streets ¹	240	244	241	244	246	250	254	260	272	288
Number of traffic signals	60	60	59	59	59	63	70	70	70	70
Number of signs	8,881	9,325	9,267	9,291	9,274	9,441	9,575	9,759	9,852	9,486
Hospital:										
Beds in operation	198	198	198	199	199	199	199	199	199	199
Transit:										
Buses owned	69	69	61	63	66	70	72	79	84	89
New buses purchased	3	-	4	4	-	4	14	7	7	9
Water:										
Miles of water mains	223	230	233	243	235	236	240	241	241	241
Fire hydrants	2,250	2,374	2,406	2,451	2,577	2,586	2,619	2,650	2,648	2,663
Wells	22	22	22	25	28	28	28	28	28	28
Wastewater:										
Sanitary sewer miles	189	192	196	195	201	199	200	201	202	202
Storm sewer miles	201	220	240	231	249	257	257	261	263	265

¹ GIS system implemented in 2004.

Sources: City departments and Mary Greeley Medical Center.

Note: No capital asset indicators are available for general government, library, resource recovery, or electric functions.

COMPLIANCE SECTION

THE BACHELOR MAIDS CLUB



This Club was a group of popular young women in Ames who enjoyed many get-togethers. On July 30, 1903, these nine young Ames women spent the day on a trail in Manitou, Colorado. From left are Jeannette Bartholomew, Inis Hunter (Grove), Hattie Brouhard, Grace Schleiter, Mame (Mary) Tilden (Brown), Katherine Steward, Jessie (Jessica) Cole (Augustine), and Win (Winifred) Tilden. The man at the far right is the trail guide and the woman to his right is Nellie Cole. These young women were vacationing in various parts of Colorado and had arranged on this meeting in Manitou.



**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 Ames, 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 unit, each major fund, and the aggregate remaining fund information of the City of Ames, Iowa (City), as of and for the year ended June 30, 2013, 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 19, 2013. Other auditors audited the financial statements of Mary Greeley Medical Center (presented as an enterprise fund), 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.

Other auditors also audited the financial statements of the Mary Greeley Medical Center Foundation, the discretely presented component unit. Those financial statements 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 yet 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, 2013, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City of Ames, Iowa, 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Dubuque, Iowa
December 19, 2013



Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133

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

Report on Compliance for Each Major Federal Program

We have audited the city of Ames, Iowa's (City), compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2013. 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 the requirements of laws, regulations, contracts and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 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, 2013.

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 OMB Circular A-133, 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 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Dubuque, Iowa
December 19, 2013

City of Ames
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

U.S. Department of Housing and Urban Development:

Direct Program:

Community Development Block Grant Program Cluster:

Community Development Block Grants / Entitlement Grants	14.218	B-12-MC-19-0010	\$ 544,335
ARRA-Community Development Block Grant ARRA Entitlements (CDBG-R) (Recovery Act Funded)	14.253	B-09-MY-19-0010	<u>14,129</u>
Total Community Development Block Grant Programs			<u>558,464</u>
Total U.S. Department of Housing and Urban Development			<u>558,464</u>

U.S. Department of Justice:

Direct Program:

Bulletproof Vest Partnership Program	16.607		<u>1,812</u>
Edward Byrne Memorial Justice Grant Program Cluster:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-DJ-BX-0795	9,255
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX-1109	5,358
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2011-DJ-BX-3088	10,602
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-DJ-BX-0271	17,497
ARRA Edward Byrne Memorial Justice Assistance Grant Program / Grants to Units of Local Government	16.804	2009-SB-B9-1623	<u>59,173</u>
Total Edward Byrne Memorial Justice Grant Programs			<u>101,885</u>
Total U.S. Department of Justice			<u>103,697</u>

U.S. Department of Transportation:

Direct Program:

Airport Improvement Program	20.106	3-19-0004-19-2010	2,394
Airport Improvement Program	20.106	3-19-0004-20-2011	<u>303,108</u>
			<u>305,502</u>

Pass-through Program from Iowa Department of Transportation:

Highway Planning and Construction	20.205	13MPO-AAMPO	83,268
Highway Planning and Construction	20.205	STP-ES-0155(659)--8I-85	346,443
Highway Planning and Construction	20.205	HDP-0155(675)--71-85	6,800
Highway Planning and Construction	20.205	STP-U-0155(676)--70-85	745,766
Highway Planning and Construction	20.205	STP-E-0155(678)--8V-85	<u>86,000</u>
			<u>1,268,277</u>

Direct Program:

Federal Transit Program Cluster:

Federal Transit-Capital Investment Grants	20.500	IA-04-0111-00	488,814
Federal Transit-Capital Investment Grants	20.500	IA-04-0120-00	1,244,621
Federal Transit-Capital Investment Grants	20.500	IA-04-0121-00	1,769,779
Federal Transit-Capital Investment Grants	20.500	IA-04-0117-015-12	158,400
Federal Transit-Formula Grants	20.507	IA-90-X378-00	<u>1,540,702</u>
			5,202,316

Pass-through Program from Iowa Department of Transportation:

Federal Transit - Capital Investment Grants	20.500	IA-04-0129-015-13	<u>438,800</u>
Total Federal Transit Programs Cluster			<u>5,641,116</u>

Metropolitan Transportation Planning	20.505	13MPO-AAMPO	<u>11,000</u>
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Formula Grants for Other Than Urbanized Areas	20.509	18-702X-015-13	<u>8,851</u>
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The notes to the schedule of expenditures of federal awards is an integral part of this schedule.

City of Ames
Schedule of Expenditures of Federal Awards (continued)
For the Year Ended June 30, 2013

Federal Transit Program Cluster:			
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	16-X002-015-12	104,099
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	16-X001-015-13	21,018
Job Access-Reverse Commute	20.516	37-X022-015-12	3,680
Job Access-Reverse Commute	20.516	37-X022-015-13	54,566
Total Federal Transit Programs Cluster			<u>183,363</u>
Direct Program:			
Alternatives Analysis	20.522	IA-39-0001-00	<u>40,994</u>
Pass-through Program from Iowa Department of Public Safety:			
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	PAP 12-410, Task 02	9,518
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	PAP 13-410, Task 01	25,172
			<u>34,690</u>
Direct Program:			
ARRA-Surface Transportation-Discretionary Grants for Capital Investments	20.932	IA-78-0001-00	617,799
Total U.S. Department of Transportation			<u>8,111,592</u>
U.S. Environmental Protection Agency:			
Pass-through Program from Iowa Finance Authority:			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	D0231P	1,746,555
Total U.S. Environmental Protection Agency			<u>1,746,555</u>
U.S. Department of Energy:			
Pass-through Program from Iowa Economic Development Authority			
ARRA - State Energy Program	81.041	SEP 11-45093	49,865
Total U.S. Department of Energy			<u>49,865</u>
U.S. Department of Health and Human Services:			
Pass-through Program from Iowa Department of Public Health:			
Immunization Cooperative Agreements	93.268	5882I471	2,304
Immunization Cooperative Agreements	93.268	5883I471	7,288
			<u>9,592</u>
Prevention and Public Health Fund Affordable Care Act - Immunization Program	93.539	5883I471	3,469
National Bioterrorism Hospital Preparedness Program	93.889	5883BHP13	25,081
Total U.S. Department of Health and Human Services			<u>38,142</u>
U.S. Department of Homeland Security:			
Pass-through Program from Iowa Department of Homeland Security and Emergency Management			
Disaster Grants-Public Assistance (Presidentially-Declared Disasters)	97.036	FEMA 1930-DR-IA	476,653
Emergency Operations Center	97.052	2010-EO-MX-0007	230,039
Total U.S. Department of Homeland Security			<u>706,692</u>
Total Expenditures of Federal Awards			<u>\$ 11,315,007</u>

The notes to the schedule of expenditures of federal awards is an integral part of this schedule.

City of Ames
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

I. Basis of accounting

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting. Revenues are recorded in the year they are earned by the City, and expenditures are recorded in the year incurred.

II. General

The accompanying schedule of expenditures of federal awards presents the expenditures of all federal award programs of the City. The City's reporting entity is defined in note I in the notes to the City's financial statements. All expenditures of federal awards received directly from federal agencies, as well as expenditures of federal awards passing through other government agencies, are included on the schedule.

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 major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
Cluster: 16.738	Edward Byrne Memorial Justice Assistance Grant Program
16.804	Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units Of Local Government (ARRA)
20.205	Highway Planning and Construction (Federal – Aid Highway Program)
20.932	Surface Transportation- Discretionary Grants for Capital Investment
66.468	Capitalization Grants for Drinking Water State Revolving Funds
Dollar threshold used to distinguish between Type A and Type B programs	\$339,450
Auditee qualified as low-risk auditee	Yes

Part II: Findings Related to the Financial Statements:

There were no findings related to the financial statements to report.

Part III: Findings and Questioned Costs for Federal Awards:

There were no federal findings and questioned cost to report.

Part IV: Other Findings Related to Required Statutory Reporting:

- 2013-IA-A **Certified Budget** – Disbursements during the year ended June 30, 2013, did not exceed the amount budgeted.
- 2013-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.
- 2013-IA-C **Travel Expense** – No expenditures of City money for travel expenses of spouses of City officials or employees were noted.
- 2013-IA-D **Business Transactions** – Business transactions between the City and City officials or employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Mike Wheelock, Utility Accounts Supervisor, wife is part owner of Heartland Pet Hospital	Veterinary Services	\$ 30
Karen Stephan, Account Clerk Husband is owner of Scott’s Heating, Cooling & Plumbing	A/C rebate	200
Joanne Van Dyke, Cyride Employee, Husband is owner of ICS Advanced Technologies	Technology contract	4,200
Justin Kepley, Public Works Father is owner of Dave’s Auto & Truck Service, Inc.	Service & Towing	4,361

In accordance with Chapter 362.5(10) of the Code of Iowa, the transactions with Mike Wheelock and Karen Stephan do not appear to represent conflicts of interest since total transactions with each individual were less than \$1,500 during the fiscal year. The transactions with ICS Advanced Technologies and Dave’s Auto & Truck Service, Inc. do not appear to represent conflicts of interest since they were entered into through competitive bidding in accordance with Chapter 362.5(4) of the Code of Iowa.

Part IV: Other Findings Related to Required Statutory Reporting: (continued)

- 2013-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 insure the coverage is adequate for current operations.
- 2013-IA-F **Council Minutes** – No transactions were found that we believe should have been approved in the Council minutes but were not.
- 2013-IA-G **Deposits and Investments** – No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City’s investment policy were noted.
- 2013-IA-H **Urban Renewal Annual Report** – The urban renewal annual report was properly approved and certified to the Iowa Department of Management on or before December 1.
- 2013-IA-I **Revenue Bonds** – No instances of noncompliance with the provisions of the City’s revenue bond resolutions were noted.