

**COUNCIL ACTION FORM**

**SUBJECT:** INTERMODAL FACILITY OPERATING SUBSIDY

**BACKGROUND:**

In February 2011, the City entered into a three-party agreement with Iowa State University and the Ames Transit Agency regarding operations of the new Intermodal Facility. Among other provisions, this agreement specifies that:

“While it is expected that revenue generated from the Facility users will be sufficient to cover all of the expenditures for the Facility and site, it is agreed and understood that it is possible from time to time that negative balances in the fund (as described in Section V.A, supra) may occur. Should the revenues in the fund not cover the operations and capital improvement expenditures, the University and City of Ames will each provide equal supplemental operational support in the form of subsidies as necessary to maintain a positive balance.”

The first full year of operations for the Intermodal Facility came to an end on June 30, 2012. A report supplied by the University (which manages the facility) indicated that expenditures for the facility exceeded revenues by \$27,973.37. In accordance with the operations agreement, the City reimbursed the University one-half of this subsidy, or \$13,986.69, for the first year of its operation.

**As the second year of its operation came to an end on June 30, 2014, the University informed the staff that the subsidy required to finance the operations of the Intermodal Facility had dropped to \$2,312.38. Therefore, the City's share of this subsidy is \$1,156.19. (See attached budget summary)**

**ALTERNATIVES:**

- 1) The City Council can fund its share of the operating deficit (\$1,156.19) of the Intermodal Facility for FY 2013-14 from the Council's Contingency Account.
- 2) The City Council can fund its share of the operating deficit (\$1,156.19) of the Intermodal Facility for FY 2013-14 from the City's Parking Fund.
- 3) The City Council can fund its share of the operating deficit (\$1,156.19) of the Intermodal Facility for FY 2013-14 from the Local Option Sales Tax Fund.

**MANAGER'S RECOMMENDED ACTION:**

Under the management of Iowa State University, the subsidy for the Intermodal Facility has been reduced in FY 2013-14 to \$2,312.38 (as compared to a \$27,973.37 subsidy the previous fiscal year). This is an encouraging trend given that there were no fee increases built into the budget. Hopefully, in future years revenues will exceed expenditures so that a fund balance can be generated to handle future capital improvements needed at the facility.

Given the relatively minor second year deficit and the availability of funding, it is the recommendation of the City Manager that the City Council accept Alternative #1, thereby authorizing funding of the City's share of the Intermodal Facility's operating deficit of \$1,156.19 for FY 2013-14 from the Council's Contingency Account.

**Ames Intermodal Facility FY14 Account #**

<b>INCOME:</b>		<b>July</b>	<b>August</b>	<b>Sept</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>Total</b>
Meters	221-01-01	196.50	298.75	970.15	589.30	808.95	337.00	450.75	372.80	365.90	557.25	445.55	359.35	5752.25
Covered Parking Permits	221-01-02	(429.20)	13,946.50	7,783.50	2,411.96	1,235.91	817.50	2,854.83	1,553.49	5,004.40	1,234.83	867.50	500.00	37781.22
Uncovered Parking Permits	221-01-03	16,236.00	10,417.40	8,595.22	892.42	364.17	554.17	-	(79.17)	-	205.00	196.00	-	37381.21
Jefferson/Burlington Bus Lines	221-01-04	2,400.00	1,100.00	1,312.84	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00	14712.84
Daily Airport	221-01-05	-	-	-	-	-	-	-	-	-	-	-	-	0.00
Executive Express Bus Lines	221-01-06	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00	15600.00
Miscellaneous Income	221-01-07	8,771.40	-	-	-	-	-	-	-	-	-	-	3,878.01	12649.41
		<u>\$28,474.70</u>	<u>\$27,062.65</u>	<u>\$19,961.71</u>	<u>\$6,293.68</u>	<u>\$4,809.03</u>	<u>\$4,108.67</u>	<u>\$5,705.58</u>	<u>\$4,247.12</u>	<u>\$7,770.30</u>	<u>\$4,397.08</u>	<u>\$3,909.05</u>	<u>\$7,137.36</u>	<u>\$123,876.93</u>
Adv Sales Covered permits	221-01-12	\$1,470.00		-\$1,470.00							\$1,004.00	\$1,004.00	\$1,004.00	
Adv Sales UnCovered permits	221-01-13	\$5,130.00		-\$5,130.00							\$4,116.00	\$3,528.00	\$1,960.00	
<b>OPERATING EXPENSES:</b>														
Administrative Fees	221-02-01	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	24,000.00
Bank Charges	221-02-02	80.71	89.28	137.27	56.74	33.07	36.38	20.42	20.33	19.94	19.15	131.90	150.96	796.15
Liability Insurance	221-02-03													-
Property Insurance	221-02-04										5,697.00			5,697.00
Loss and Damages	221-02-05													-
Office Supplies	221-02-06													-
Computer Expenses	221-02-07													-
Telephone Expenses	221-02-08	304.30	319.50	315.40	315.40	315.55	315.55	315.55	315.85	315.85	315.85	315.90	315.90	3,780.60
Miscellaneous Office Expenses	221-02-09										175.70	278.83		454.53
Permits	221-02-10									387.20				387.20
Cameras/Security/Ethernet	221-02-11	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	240.00
Elevator Maintenance	221-02-12			59.00	50.00	1,762.93		291.85	4,864.00	50.00	200.60	200.60	825.15	8,304.13
TicFak Machines/Maintenance	221-02-13	140.00		140.00	140.00	2,200.00	175.49	384.51	140.00	280.00	140.00	140.00	140.00	4,020.00
General Maintenance	221-02-14	79.80	194.40	2,739.37	1,050.59	2,291.90	1,711.04	670.90	347.70	318.85	1,531.77	345.74	1,410.95	12,693.01
Repair and Replacement Fund	221-02-15													-
General Lot Maintenance	221-02-16	-	56.00		48.00	114.00					159.60	217.70	180.08	775.38
Landscape Maintenance	221-02-17	-	1,793.30	953.80	245.10						1,428.04	268.86	400.08	5,089.18
Sweeping	221-02-18			73.00	146.00						635.70	43.00	378.00	1,275.70
Snow Removal	221-02-19						1,960.89	1,983.33	2,869.79	3,209.67	158.50			10,182.18
Mowing	221-02-20	201.00	129.70	86.00	297.20	81.60							801.50	1,597.00
Signage	221-02-21													-
Painting	221-02-22													-
Lighting	221-02-23	1,867.90	1,516.46	1,618.12	1,801.51	1,855.04	2,610.69	3,253.72	290.70	5,936.03	2,300.11	1,302.24	1,492.49	25,845.01
Water/Sewer	221-02-24	114.49	114.49	114.49	114.49	193.87	113.23	122.19	-	244.38	440.27	1,457.11	216.27	3,245.28
Garbage	221-02-25	17.20	51.60	34.40	43.00	51.60	17.20	47.30	17.20	12.90	17.20	51.60	51.60	412.80
Custodial	221-02-26	511.10	1,275.24	1,155.29	1,044.83	1,257.84	1,101.33	1,772.67	1,586.61	1,098.20	1,417.98	1,162.61	1,868.96	15,252.66
Vandalism	221-02-27							1,646.50	495.00	-				2,141.50
<b>Total Expenses</b>		<u>\$5,336.50</u>	<u>\$7,559.97</u>	<u>\$9,446.14</u>	<u>\$7,372.86</u>	<u>\$12,177.40</u>	<u>\$10,061.80</u>	<u>\$12,528.94</u>	<u>\$12,967.18</u>	<u>\$13,893.02</u>	<u>\$16,657.47</u>	<u>\$7,936.09</u>	<u>\$10,251.94</u>	<u>\$126,189.31</u>
<b>Net Profit/Loss</b>		<u>\$23,138.20</u>	<u>\$19,502.68</u>	<u>\$10,515.57</u>	<u>-\$1,079.18</u>	<u>-\$7,368.37</u>	<u>-\$5,953.13</u>	<u>-\$6,823.36</u>	<u>-\$8,720.06</u>	<u>-\$6,122.72</u>	<u>-\$12,260.39</u>	<u>-\$4,027.04</u>	<u>-\$3,114.58</u>	<u>-\$2,312.38</u>
AIF System Fund at FY13	221-09-00	\$(27,973.38)												
AIF System Fund at FY14		\$ (2,312.38)												
														<b>ISU Owes \$1,156.19</b>
														<b>City of Ames Owes \$1,156.19</b>