

COUNCIL ACTION FORM

SUBJECT: AMENDMENT TO FISCAL YEAR 2014/15 ADOPTED BUDGET FOR CARRYOVERS FROM FISCAL YEAR 2013/14

BACKGROUND:

Each year the City has capital projects and specific operating projects that either span fiscal years or are delayed due to unforeseen circumstances. In prior years, the unspent budget for these approved projects was added as an amendment to the current year's adopted budget concurrent with the approval of the next fiscal year's budget. This meant that the amendment for unspent funds did not receive official City Council approval until just prior to the March 15 annual budget certification deadline.

The Code of Iowa requires that city spending by program not exceed Council approved budget amounts at any time during the year. The City of Ames monitors spending against the approved budget and has maintained compliance with Iowa Code. **However, delays in large construction projects such as the electric power plant fuel conversion and the new water treatment plant revealed situations where spending in excess of approved budget amounts could potentially occur if we wait to amend the budget for carryover amounts until March.**

After researching how other cities handle this situation, staff determined that a fall amendment to add the carryover projects from the prior year to the current adopted budget would be the best solution. A summary is attached describing the carryovers from fiscal year 2013/14, which total \$43,542,852.

Please note that all the projects and associated budgeted expenditures and funding sources were approved by City Council as part of the fiscal year 2013/14 budget, but were not completed during the year. The amendment provides formal Council authority to carry forward the appropriation for projects and other work that will not be spent until fiscal year 2014/15.

Amending the budget for carry over amounts at this time, rather than waiting until March, also improves the ability of departments to monitor project spending and for Finance staff to track budget compliance. If Council approves of this new approach, staff anticipates that we will process a fall budget amendment for carry over amounts each year in the future.

ALTERNATIVES:

1. Adopt a resolution amending the fiscal year 2014/15 budget upwards by \$43,542,852 for carryover amounts from fiscal year 2013/14.

2. Refer this item back to staff for additional information or other adjustments to the amendments.

MANAGER'S RECOMMENDED ACTION:

Amending the FY 2014/15 budget for carryover amounts from the FY 2013/14 budget early in the fiscal year will provide for improved budget monitoring and tracking. It will also provide assurance that Council approved projects and work not completed in the prior year will not be delayed for spending authority.

Therefore it is recommended that City Council approve Alternative No. 1, thereby adopting a resolution amending the fiscal year 2014/15 budget upwards by \$43,542,852 for carryover amounts from fiscal year 2013/14.

CITY OF AMES, IOWA

2013/14

CARRYOVER REPORT

Included in this report are the carryovers from the fiscal year 2013/14 budget. Expenditure summaries are shown, followed by explanations of carryovers by program. A summary of the changes by fund is provided at the end of the explanatory section.

The date of public hearing for these amendments has been scheduled for October 28, 2014.

Please contact me if you have any questions.

Nancy Masteller
Budget Officer

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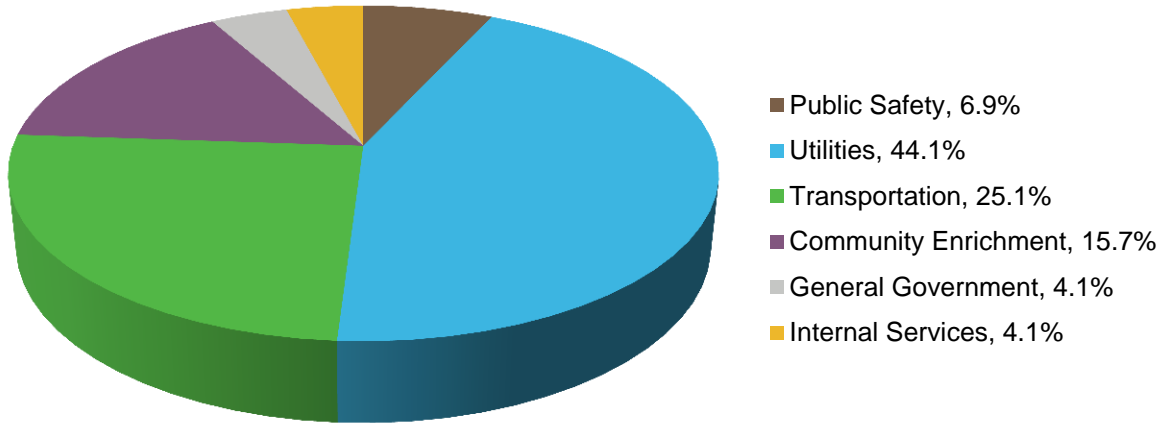
EXPENDITURE CHANGES BY PROGRAM

	2014/15 Adopted	2013/14 Carryover	2014/15 Adjusted	% Change from Adopted
Public Safety:				
Law Enforcement	8,614,405	13,427	8,627,832	0.2%
Fire Safety	6,412,166	10,000	6,422,166	0.2%
Building Safety	1,385,906	26,000	1,411,906	1.9%
Traffic Control	928,044	29,200	957,244	3.2%
Animal Control	386,464	4,100	390,564	1.1%
Other Public Safety	734,500	-	734,500	0.0%
Public Safety CIP	717,175	2,929,861	3,647,036	408.5%
Total Public Safety	19,178,660	3,012,588	22,191,248	15.7%
Utilities:				
Resource Recovery	3,730,439	-	3,730,439	0.0%
Water Operations	2,971,583	-	2,971,583	0.0%
Storm Sewer Maintenance	207,579	-	207,579	0.0%
Water Pollution Control	2,840,560	-	2,840,560	0.0%
Electric Services	49,880,481	364,000	50,244,481	0.7%
Utility Support Services	4,268,403	9,200	4,277,603	0.2%
Utilities CIP	63,594,850	18,835,713	82,430,563	29.6%
Total Utilities	127,493,895	19,208,913	146,702,808	15.1%
Transportation:				
Street System	3,646,002	10,000	3,656,002	0.3%
Public Parking	838,985	1,700	840,685	0.2%
Transit System	9,440,489	-	9,440,489	0.0%
Airport	123,068	-	123,068	0.0%
Transportation CIP	15,220,170	10,913,420	26,133,590	71.7%
Total Transportation	29,268,714	10,925,120	40,193,834	37.3%
Community Enrichment:				
Parks and Recreation	3,991,646	-	3,991,646	0.0%
Library Services	3,891,464	64,816	3,956,280	1.7%
Human Services	1,155,850	-	1,155,850	0.0%
Art Services	181,401	25,547	206,948	14.1%
Cemetery	148,693	-	148,693	0.0%
City-Wide Housing	42,898	-	42,898	0.0%
Comm Dev Block Grant	523,489	502,734	1,026,223	96.0%
Economic Development	231,291	-	231,291	0.0%
Cable TV	124,991	7,855	132,846	6.3%
Community Enrichment CIP	1,276,500	6,230,497	7,506,997	488.1%
Total Comm Enrichment	11,568,223	6,831,449	18,399,672	59.1%
General Government:				
City Council	342,770	42,290	385,060	12.3%
City Clerk	341,187	15,000	356,187	4.4%

EXPENDITURE CHANGES BY PROGRAM, continued

	2014/15	2013/14	2014/15	%
	Adopted	Carryover	Adjusted	Change from Adopted
City Manager	692,031	-	692,031	0.0%
Financial Services	1,719,344	12,000	1,731,344	0.7%
Administrative Services	1,992,693	283,677	2,276,370	14.2%
Public Works	1,204,946	62,010	1,266,956	5.2%
Facilities	535,809	2,500	538,309	0.5%
Merit Adjustment	174,111	-	174,111	0.0%
General Government CIP	50,000	1,363,301	1,413,301	2726.6%
Total General Government	7,052,891	1,780,778	8,833,669	25.3%
Debt Service:				
General Obligation Bonds	9,800,973	-	9,800,973	0.0%
SRF Loan Payments	-	-	-	
Bond Costs	-	-	-	
Total Debt Service	9,800,973	-	9,800,973	0.0%
Internal Services:				
Fleet Services	4,071,485	1,319,000	5,390,485	32.4%
Information Technology	2,201,223	440,763	2,641,986	20.0%
Risk Management	2,349,903	-	2,349,903	0.0%
Health Insurance	7,613,656	12,500	7,626,156	0.2%
Internal Services CIP	122,500	11,741	134,241	9.6%
Total Internal Services	16,358,767	1,784,004	18,142,771	10.9%
Total Expenditures Before Transfers	220,722,123	43,542,852	264,264,975	19.7%
Transfers:				
Transfers	14,962,382	-	14,962,382	0.0%
Hotel/Motel Pass Through	1,178,571	-	1,178,571	0.0%
Total Transfers	16,140,953	-	16,140,953	0.0%
Grand Total Expenditures	236,863,076	43,542,852	280,405,928	18.4%

BREAKDOWN BY PROGRAM 2013/14 CARRYOVERS



Excluding Transfers

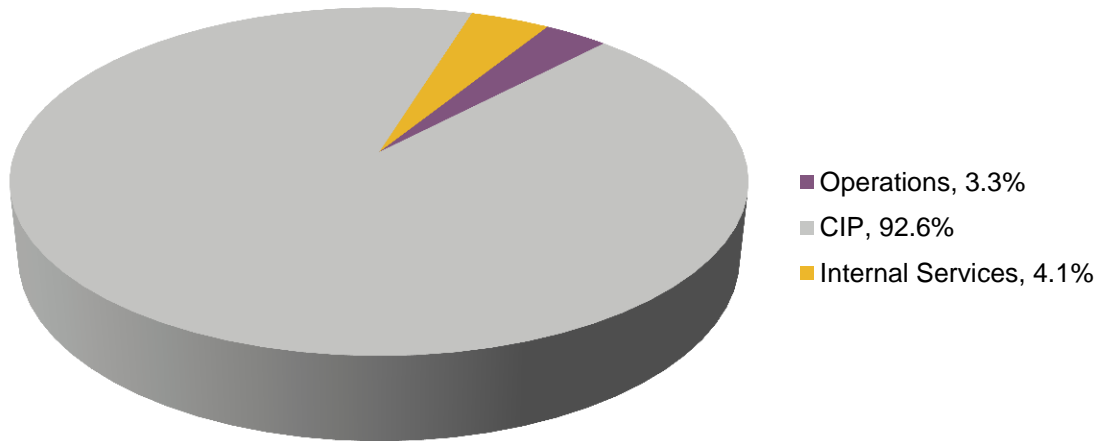
EXPENDITURE CHANGES BY CATEGORY

	2014/15 Adopted	2013/14 Carryover	2014/15 Adjusted	% Change from Adopted
Personal Services	54,627,441	-	54,627,441	0.0%
Contractual	42,985,607	757,884	43,743,491	1.8%
Commodities	24,393,680	346,509	24,740,189	1.4%
Capital	81,949,246	42,438,459	124,387,705	51.8%
Debt	9,800,973	-	9,800,973	0.0%
Other (Refunds, Insurance Claims, etc)	6,965,176	-	6,965,176	0.0%
Total Expenditures Before Transfers	220,722,123	43,542,852	264,264,975	19.7%
Transfers	16,140,953	-	16,140,953	0.0%
Total Expenditures	236,863,076	43,542,852	280,405,928	18.4%

EXPENDITURE CHANGES BY TYPE

	2014/15 Adopted	2013/14 Carryover	2014/15 Adjusted	% Change from Adopted
Operations	113,703,688	1,486,056	115,189,744	1.3%
CIP	80,981,195	40,284,533	121,265,728	49.8%
Debt	9,800,973	-	9,800,973	0.0%
Internal Services	16,236,267	1,772,263	18,008,530	10.9%
Total Expenditures Before Transfers	220,722,123	43,542,852	264,264,975	19.7%
Transfers	16,140,953	-	16,140,953	0.0%
Total Expenditures	236,863,076	43,542,852	280,405,928	18.4%

BREAKDOWN BY TYPE 2013/14 CARRYOVERS



Excluding Transfers

2013/14 CARRYOVERS BY PROGRAM

Public Safety Program \$3,012,588

Public Safety operating expenses are being increased by \$82,727 for delayed equipment and capital purchases for the Police Department, Fire Department, and the Traffic Division of Public Works. Many of the carryovers are related to the City Hall basement remodeling project.

\$2,929,861 is being carried over in Public Safety CIP funds, related to the following projects:

- Shared use path projects:
 - *Skunk River Trail* \$1,380,720
 - *Oakwood Road Shared Use Path* 73,101
 - *Shared Use Path Lighting/Signage* 17,054
- Dotson/Lincoln Way intersection improvements 414,727
- Traffic engineering studies 372,036
- Permanent traffic count stations 223,750
- Traffic signal replacements 129,031
- Railroad medians 100,000
- Multi-modal roadway improvements 95,565
- Police CAD equipment and mobile terminals 54,240
- Traffic calming program 36,000
- Fire station improvements 33,637

Utilities Program \$19,208,913

Operating expenses of \$373,200 are being carried over in the Utilities program. \$250,000 of this amount is related to electric improvements at the Research Park. The \$123,200 balance is for delayed equipment purchases for Electric Services and Public Works.

\$18,835,713 of Utility CIP project funds are being carried over for the following projects:

- Electric Utility CIP projects:
 - *Plant 69kV switchyard relay & control* \$1,228,433
 - *Plant fire protection system* 869,526
 - *Inlet heating for GT2* 823,812
 - *Substation switchgear & feeder extension* 766,314
 - *Unit 8 mercury capital* 600,000
 - *Other Electric CIP projects* 1,406,384
- WPC Plant CIP projects:
 - *Lift station improvements* 1,029,272
 - *Digester improvements* 797,495
 - *Residuals handling improvements* 523,582
 - *Plant road repairs* 450,000
 - *Vertical turbine pumps* 426,146
 - *Electrical system improvements* 242,591
 - *Other plant improvements* 872,817

- Storm sewer CIP projects:
 - *Flood response/mitigation projects* \$1,435,079
 - *Teagarden/middle branch improvements* 555,000
 - *Low point drainage projects* 358,530
 - *Storm sewer improvement projects* 319,658
 - *Storm sewer rehabilitation program* 293,759
 - *Outlet erosion control projects* 162,990
 - *Teagarden area study* 12,775
- North Ames sanitary sewer extension 1,522,036
- New Water Treatment Plant 1,104,377
- North Ames water extension 814,793
- Other water distribution improvements 697,264
- Other sanitary sewer system improvements 593,866
- Other Water production CIP projects 425,000
- Resource Recovery improvements 268,761
- Sanitary sewer system evaluation 235,453

Transportation Program \$10,925,120

\$11,700 is being carried forward in operating expenses by the Public Works department. \$10,000 of this funding is for downtown streetscape rehabilitation, and the remaining \$1,700 is for a delayed GPS equipment purchase.

Transportation CIP funding carryovers total \$10,913,420 and consist of the following programs and projects:

- Street construction projects:
 - *Jewel Drive/Ken Maril Road* \$1,489,898
 - *West Lincoln Way* 1,058,923
 - *5th Street from Duff to Burnett* 1,058,209
 - *Asphalt pavement improvements* 1,357,385
 - *Concrete pavement improvements* 1,874,712
 - *Seal coat pavement improvements* 1,699,731
 - *Mortensen Road improvements* 494,747
 - *South Grand extension* 392,067
 - *Other street improvement projects* 866,287
- Sidewalk safety program 175,479
- Right-of-way enhancements 156,063
- Neighborhood curb program 139,729
- Shared use path maintenance 117,115
- Airport improvements 25,925
- Pavement restoration program 7,150

Community Enrichment Program \$6,831,449

Community Enrichment operating expenses of \$600,952 are being carried forward. \$502,734 of this amount is the carryover in Community Development Block Grant funds from 2013/14. The balance consists of \$64,816 in operating expenses for the Ames Public Library related to the

expansion project, \$25,547 in the Public Art program, and \$7,855 in delayed equipment purchases for Cable TV.

\$6,230,497 in funding is being carried over for the following Community Enrichment CIP projects:

• Library renovation project	\$4,944,629
• Parks and Recreation CIP projects:	
○ <i>Northridge Heights Park</i>	150,649
○ <i>Municipal Pool improvements</i>	121,423
○ <i>Sand volleyball complex</i>	103,800
○ <i>Ada Hayden improvements</i>	88,771
○ <i>Playground and park equipment</i>	75,431
○ <i>School gymnasium partnership</i>	55,000
○ <i>Ice Arena improvements</i>	45,664
○ <i>Other park and facility improvements</i>	313,962
• Library RFID tagging project	146,033
• Cemetery lane improvements	85,712
• Downtown Façade program	79,423
• Campustown Façade program	20,000

General Government Program \$1,780,778

Operating expenses of \$417,477 are being carried forward in the General Government program. \$248,020 is funding for the Planning department to hire outside professional assistance for working on projects such as the Land Use Policy Plan update. Planning is also carrying forward \$17,657 that is earmarked for historic preservation, and \$18,000 for their participation in the new software being purchased by the Inspections division. In City Council funding, \$37,061 is being carried over in unspent contingency funds, and unspent Council allocations of \$2,800 to the Historic Preservation Commission and \$2,429 to the Ames International Partner City Association are being carried forward. The remaining balance of \$91,510 consists of delayed equipment and furniture purchases for multiple departments, much of it related to the City Hall renovation project.

The General Government CIP carryover of \$1,363,301 is for the following projects:

• City Hall basement renovation project	\$1,071,998
• City Hall improvements	220,346
• Cool Cities project funding	70,957

Internal Services: \$1,784,004

Internal Services has \$1,772,263 in operating carryovers consisting of the following:

• Fleet equipment purchases	\$1,319,000
• Inspections software	229,631
• Information Technology equipment	96,364
• Phone system equipment	62,761

• City Hall renovation furniture	43,487
• Delayed employee health screenings	12,500
• Information Technology operations	8,520

There is also an Internal Service CIP carryover of \$11,741 for improvements at the Fleet Maintenance facility.

Total Carryovers \$43,542,852

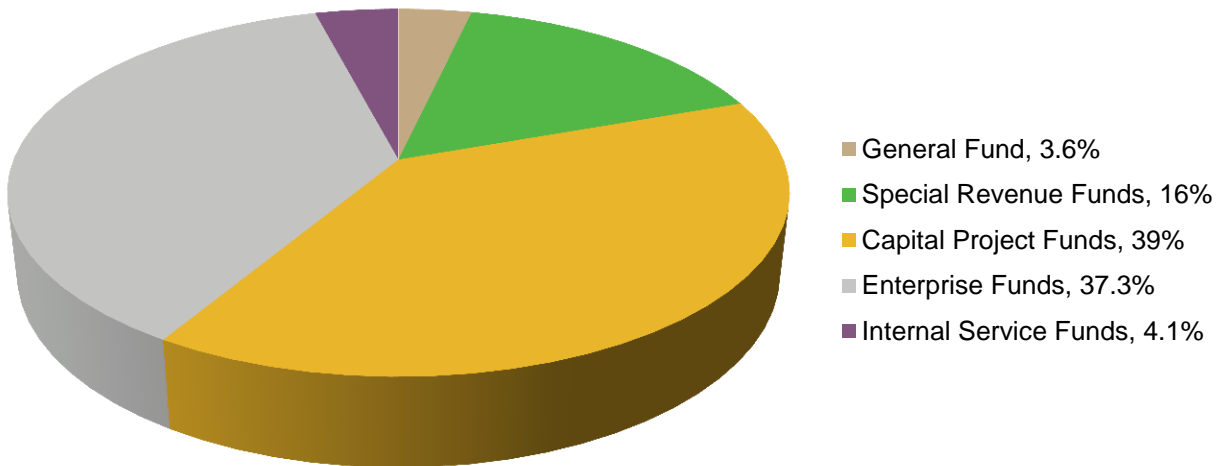
2013/14 CARRYOVERS BY FUND

	2014/15 Adopted	2013/14 Carryover	2014/15 Adjusted	% Change from Adopted
General Fund	31,983,354	1,565,412	33,548,766	4.9%
Special Revenue Funds:				
Local Option Sales Tax	7,231,426	2,975,220	10,206,646	41.1%
Hotel/Motel Tax	1,573,896	17,657	1,591,553	1.1%
Road Use Tax	6,432,984	2,488,050	8,921,034	38.7%
Public Safety Special Revenues	37,690	17,054	54,744	45.3%
City-Wide Housing Programs	42,898	-	42,898	0.0%
CDBG Program	524,281	502,734	1,027,015	95.9%
Tax Increment Financing (TIF)	117,251	-	117,251	0.0%
Employee Benefit Property Tax	1,881,243	-	1,881,243	0.0%
Police/Fire Pension	313,477	-	313,477	0.0%
Parks & Rec Grants/Donations	-	20,000	20,000	
Library Friends Foundation	50,000	711,532	761,532	1423.1%
Library Grants/Donations	76,092	213,445	289,537	280.5%
Utility Assistance	17,900	-	17,900	0.0%
Developer Projects	-	5,500	5,500	
	18,299,138	6,951,192	25,250,330	38.0%
Debt Service	9,800,973	-	9,800,973	0.0%
Capital Project Funds:				
Special Assessments	445,929	115,591	561,520	25.9%
Street Construction	1,763,791	2,039,904	3,803,695	115.7%
Airport Construction	-	25,925	25,925	
General Obligation Bond Funds	9,598,705	14,827,265	24,425,970	154.5%
	11,808,425	17,008,685	28,817,110	144.0%
Enterprise Funds:				
Water Utility	8,129,511	1,316,133	9,445,644	16.2%
Water Construction	26,714,000	953,163	27,667,163	3.6%
Sewer Utility	7,048,272	3,577,976	10,626,248	50.8%
Sewer Construction	4,953,000	1,837,280	6,790,280	37.1%
Electric Utility	80,491,706	6,156,924	86,648,630	7.7%
Parking	924,031	1,700	925,731	0.2%
Transit Operations	10,390,489	-	10,390,489	0.0%
Transit GSB Trust	96,170	-	96,170	0.0%
Transit Capital Reserve	2,752,170	-	2,752,170	0.0%
Storm Sewer Utility	1,049,025	2,236,645	3,285,670	213.2%
Ames/ISU Ice Arena	495,037	-	495,037	0.0%
Ice Arena Capital Reserve	215,000	45,664	260,664	21.2%
Homewood Golf Course	239,368	-	239,368	0.0%
Resource Recovery	4,933,249	108,074	5,041,323	2.2%
	148,431,028	16,233,559	164,664,587	10.9%

2013/14 CARRYOVERS BY FUND, continued

	2014/15 Adopted	2013/14 Carryover	2014/15 Adjusted	% Change from Adopted
Internal Service Funds:				
Fleet Services	2,485,829	11,741	2,497,570	0.5%
Fleet Reserve Fund	1,879,350	1,319,000	3,198,350	70.2%
Information Technology	1,688,495	52,007	1,740,502	3.1%
Technology Reserve Fund	520,542	388,756	909,298	74.7%
Risk Insurance Fund	2,350,889	-	2,350,889	0.0%
Health Insurance Fund	7,615,053	12,500	7,627,553	0.2%
	16,540,158	1,784,004	18,324,162	10.8%
Totals	236,863,076	43,542,852	280,405,928	18.4%

BREAKDOWN BY FUND 2013/14 CARRYOVERS



**NOTICE OF PUBLIC HEARING
AMENDMENT OF CURRENT CITY BUDGET**

Form 653.C1

The City Council of Ames in STORY County, Iowa
will meet at City Hall, 515 Clark Avenue, Ames, IA
at 7:00 PM on October 28, 2014
(hour) (Date)

for the purpose of amending the current budget of the city for the fiscal year ending June 30, 2015
(year)

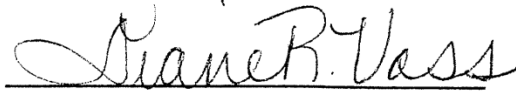
by changing estimates of revenue and expenditure appropriations in the following programs for the reasons given. Additional detail is available at the city clerk's office showing revenues and expenditures by fund type and by activity.

		Total Budget as certified or last amended	Current Amendment	Total Budget after Current Amendment
Revenues & Other Financing Sources				
Taxes Levied on Property	1	25,487,263	0	25,487,263
Less: Uncollected Property Taxes-Levy Year	2	0	0	0
Net Current Property Taxes	3	25,487,263	0	25,487,263
Delinquent Property Taxes	4	0	0	0
TIF Revenues	5	37,866	0	37,866
Other City Taxes	6	8,860,251	0	8,860,251
Licenses & Permits	7	1,381,200	0	1,381,200
Use of Money and Property	8	11,218,921	0	11,218,921
Intergovernmental	9	18,664,393	0	18,664,393
Charges for Services	10	261,361,973	0	261,361,973
Special Assessments	11	441,075	0	441,075
Miscellaneous	12	2,767,861	0	2,767,861
Other Financing Sources	13	79,691,882	0	79,691,882
Total Revenues and Other Sources	14	409,912,685	0	409,912,685
Expenditures & Other Financing Uses				
Public Safety	15	16,813,441	53,527	16,866,968
Public Works	16	5,740,623	73,835	5,814,458
Health and Social Services	17	1,155,850	0	1,155,850
Culture and Recreation	18	7,624,855	95,592	7,720,447
Community and Economic Development	19	2,905,826	893,689	3,799,515
General Government	20	2,431,531	66,561	2,498,092
Debt Service	21	9,800,973	0	9,800,973
Capital Projects	22	14,291,025	24,342,085	38,633,110
Total Government Activities Expenditures	23	60,764,124	25,525,289	86,289,413
Business Type / Enterprises	24	321,115,429	18,017,563	339,132,992
Total Gov Activities & Business Expenditures	25	381,879,553	43,542,852	425,422,405
Transfers Out	26	14,962,382	0	14,962,382
Total Expenditures/Transfers Out	27	396,841,935	43,542,852	440,384,787
Excess Revenues & Other Sources Over (Under) Expenditures/Transfers Out for Fiscal Year	28	13,070,750	-43,542,852	-30,472,102
Beginning Fund Balance July 1	29	516,512,169	0	516,512,169
Ending Fund Balance June 30	30	529,582,919	-43,542,852	486,040,067

Explanation of increases or decreases in revenue estimates, appropriations, or available cash:

The hospital revenues and expenses were erroneously understated in the first amendment by about \$4 million. The rest of the City, excluding the hospital, had a net decrease of \$576,818 in fund balance. Building permit revenue and FAA funding for airport construction were both higher than anticipated. However, expenses increased due to higher than anticipated capital improvement costs, higher snow and ice control costs due to a harsh winter, and the addition of SRF loan debt service payments.

There will be no increase in tax levies to be paid in the current fiscal year named above. Any increase in expenditures set out above will be met from the increased non-property tax revenues and cash balances not budgeted or considered in this current budget. This will provide for a balanced budget.


City Clerk/Finance Officer

Public Art Commission - Carryover Requests

Carryover funds from 6/30/14

TOTAL PAC Request - \$25,547.01

AAOSE

AAOSE is asking to carryover the **\$4,326.01** balance from 6/30/14. The current exhibition includes some larger sculptures. Because of their size and because of plans to have larger sculptures in the future, this money would be used to replace some 3' x 3' pads with 4' x 4' pads to accommodate the larger sculpture in the exhibition.

Neighborhood Sculpture

Neighborhood Sculpture would like to carry forward their 6/30/14 balance of **\$6,015.00**. This amount would be for installation and signage of the four sculptures purchased in the spring of 2014 that are to be installed soon by City staff. If any funds remain after that, they would be available to put toward new art at the Ames Animal Shelter. The art work there has been removed and the neighborhood sculpture committee has met with Brian Phillips and Ron Edwards regarding their wishes for art at the Shelter.

Art in the Parks

Art in the Parks usually carries their balance forward for several years to get enough to fund the expense of the art in the parks project. These projects involve bringing in an artist to work with the community creating art in the parks and are quite expensive. They are asking to carryover their **\$12,206.00** balance. Projected project in Spring/Summer 2016.

PR/ Marketing

total requested to roll over \$2,000

Acrylic Ballot Box - with 2 side pockets for brochures or ballots and 2 display panels for 8.5x11 posters (\$105.94) - this is in addition to the ballot box Tim created since we'll need a second one for collecting name suggestions for the Name the Dragon campaign

EZ Up Tent Weight Bags - (\$69 for set of 4; sand not included)

EZ Up Stretch Fit Table Cover - Approx. \$399 for 6' or \$539 for 8', quantity of 2 needed - full color digital imprint on top & sides

Vinyl Mesh Sidewall (for EZ Up Tent) - waiting for custom quote (est. \$500)

Collections and Archives

Sculpture maintenance **\$1,000.**