

COUNCIL ACTION FORM

SUBJECT: FINAL AMENDMENT TO FISCAL YEAR 2014/15 ADJUSTED BUDGET

BACKGROUND:

The Code of Iowa requires that city spending by program not exceed Council approved budget amounts at any time during the year. To maintain compliance, the City of Ames monitors spending against the approved budget, and prepares amendments to the budget several times during the fiscal year. Last fall, for the first time, a fall amendment was prepared to carry over unspent project amounts from Fiscal Year 2013/14. The 2014/15 budget was amended again as part of the adoption process for the fiscal year 2015/16 budget in March. **A final spring amendment is done to adjust for any significant changes that have occurred since the March amendment.** This amendment typically is restricted to the early start of CIP projects approved for the following fiscal year, new grants that have been received and their associated project expenses, and any significant changes in CIP projects, operating expenses, or revenues.

A summary is attached describing the revenue and expense changes by fund. The final fiscal year 2014/15 budget includes an increase in revenues of \$1,257,347 and an increase in expenses of \$2,336,393. Please note that much of the increase in expenditures is due to the early start of CIP projects budgeted for FY 15/16 and are not increases in planned costs.

ALTERNATIVES:

1. Adopt a resolution amending the fiscal year 2014/15 budget by increasing revenues by \$1,257,347 and increasing expenses by \$2,336,393.
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 will allow for the early start of several CIP projects approved for FY 2015/16. The amended budget will also better reflect new grant funded projects and significant changes in CIP projects and operations.

Therefore it is recommended that City Council approve Alternative No. 1, thereby adopting a resolution amending the fiscal year 2014/15 budget by increasing revenues by \$1,257,347 and increasing expenses by \$2,336,393.

CITY OF AMES, IOWA

**2014/2015
FINAL AMENDMENT
REPORT**

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SUMMARY OF TOTAL REVENUES AND EXPENDITURES

ALL FUNDS – REVENUE SUMMARY

	2013/14 Actuals	2014/15 Adopted	2014/15 Adjusted	2014/15 Final Amended	% Change From Adjusted
Property Taxes	25,209,338	25,543,129	25,543,129	25,543,129	0.0%
State Replacement Tax	-	524,239	524,239	524,239	0.0%
Utility Excise Tax	64,592	69,896	69,896	69,896	0.0%
Local Option Sales Tax	6,648,615	7,122,355	7,996,943	7,996,943	0.0%
Hotel/Motel Tax	1,832,470	1,650,000	1,750,000	1,750,000	0.0%
Other Taxes	8,545,677	9,366,490	10,341,078	10,341,078	0.0%
Licenses & Permits	1,921,654	1,381,200	1,626,449	2,026,200	24.6%
Federal Grants	3,391,856	2,467,995	3,635,949	4,210,449	15.8%
State Road Use Tax	5,859,929	5,805,989	5,805,989	5,805,989	0.0%
Monies and Credits	17,819	17,818	17,818	17,818	0.0%
State Grants	11,873,573	36,151,229	36,492,760	36,892,760	1.1%
County Contributions	118,916	119,000	128,530	128,530	0.0%
Government Participation	4,938,209	5,391,034	5,829,252	5,829,252	0.0%
Intergovernmental Revenue	26,200,302	49,953,065	51,910,298	52,884,798	1.9%
Utility Charges	77,335,491	75,553,309	76,469,004	76,469,004	0.0%
Other Charges for Services	8,546,808	8,927,185	8,821,138	8,667,647	-1.7%
Charges for Services	85,882,299	84,480,494	85,290,142	85,136,651	-0.2%
Fines, Forfeit, and Penalty	800,552	798,000	814,840	789,840	-3.1%
Interest Revenue	1,245,830	709,882	805,200	805,200	0.0%
Other Uses of Money	995,050	958,898	967,654	996,859	3.0%
Use of Money and Property	2,240,880	1,668,780	1,772,854	1,802,059	1.7%
Proceeds from Bonds	-	32,840,000	9,840,000	9,840,000	0.0%
Other Miscellaneous Revenues	1,882,390	1,418,505	1,966,938	1,993,320	1.3%
Miscellaneous Revenues	1,882,390	34,258,505	11,806,938	11,833,320	0.2%
Internal Services	15,763,937	15,245,084	15,638,145	15,644,145	0.0%
Total Before Transfers	168,447,029	222,694,747	204,743,873	206,001,220	0.6%
Transfers	14,576,019	14,962,382	15,705,465	15,705,465	0.0%
Total Revenues	183,023,048	237,657,129	220,449,338	221,706,685	0.6%

ALL FUNDS - EXPENDITURES

	2013/14 Actuals	2014/15 Adopted	2014/15 Adjusted	2014/15 Final Amended	% Change From Adjusted
OPERATIONS					
Public Safety:					
Law Enforcement	8,221,769	8,614,405	8,752,273	8,752,273	0.0%
Fire Safety	6,030,496	6,412,166	6,325,726	6,325,726	0.0%
Building Safety	1,197,591	1,385,906	1,345,482	1,345,482	0.0%
Traffic Control	914,846	928,044	977,442	977,442	0.0%
Animal Control	380,665	386,464	406,331	406,331	0.0%
Other Public Safety	739,827	734,500	746,500	746,500	0.0%
Total Public Safety	17,485,194	18,461,485	18,553,754	18,553,754	0.0%
Utilities:					
Resource Recovery	3,556,391	3,730,439	3,724,588	3,624,588	-2.7%
Water Operations	2,808,308	2,971,583	2,916,730	2,988,037	2.4%
Storm Sewer Maintenance	230,684	207,579	251,155	251,155	0.0%
Water Pollution Control	2,517,843	2,840,560	2,836,003	2,832,246	-0.1%
Electric Services	48,023,791	49,880,481	49,827,393	49,827,393	0.0%
Utility Support Services	4,261,018	4,268,403	4,431,998	4,444,366	0.3%
Total Utilities	61,398,035	63,899,045	63,987,867	63,967,785	0.0%
Transportation:					
Street System	3,448,508	3,646,002	3,814,596	3,814,596	0.0%
Public Parking	790,560	838,985	848,129	848,129	0.0%
Transit System	8,869,683	9,440,489	9,770,653	9,770,653	0.0%
Airport	145,399	123,068	132,710	132,710	0.0%
Total Transportation	13,254,150	14,048,544	14,566,088	14,566,088	0.0%
Community Enrichment:					
Parks and Recreation	3,771,085	3,991,646	4,094,529	4,128,338	0.8%
Library Services	3,493,706	3,891,464	3,952,621	3,952,621	0.0%
Human Services	1,060,788	1,155,850	1,159,563	1,159,563	0.0%
Art Services	161,104	181,401	206,948	206,948	0.0%
Cemetery	126,703	148,693	161,317	161,317	0.0%
Citywide Housing	32,477	42,898	46,827	46,827	0.0%
Community Dev. Block Grant	653,164	523,489	1,191,895	1,191,895	0.0%
Economic Development	235,619	231,291	221,573	221,573	0.0%
FEMA Disaster Activity	10,364	-	-	-	0.0%
Cable TV	124,595	124,991	142,250	142,250	0.0%
Total Community Enrichment	9,669,605	10,291,723	11,177,523	11,211,332	0.3%

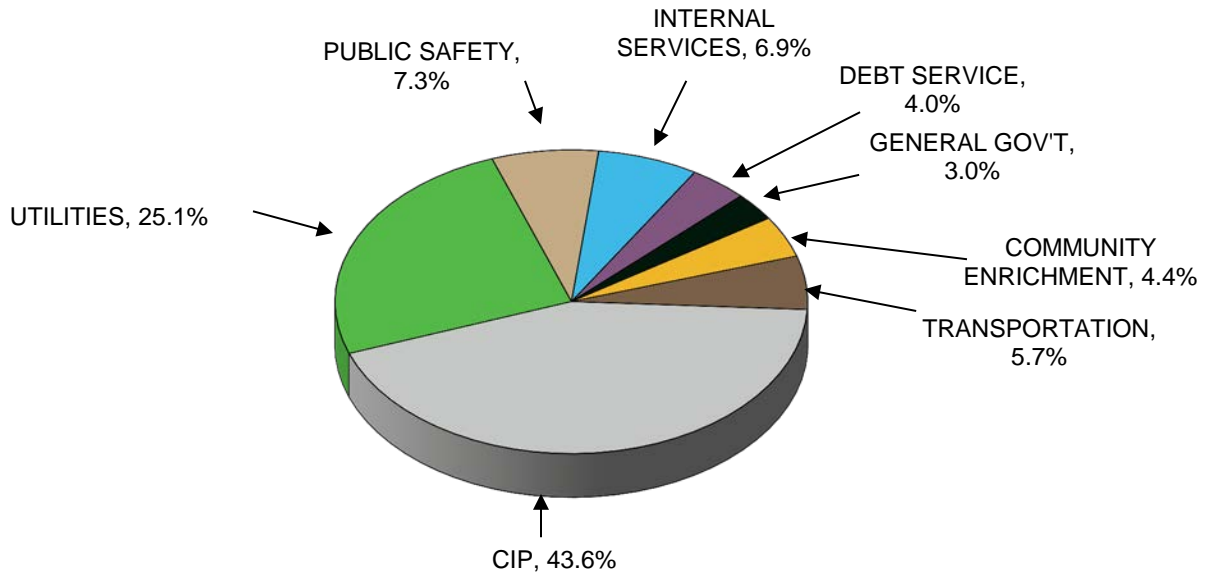
ALL FUNDS – EXPENDITURES, continued

	2013/14 Actuals	2014/15 Adopted	2014/15 Adjusted	2014/15 Final Amended	% Change From Adjusted
General Government:					
City Council	301,209	342,770	371,316	371,316	0.0%
City Clerk	367,865	341,187	349,173	349,173	0.0%
City Manager	693,022	692,031	711,542	711,542	0.0%
Financial Services	1,647,606	1,719,344	1,748,205	1,748,205	0.0%
Administrative Services	1,833,060	1,992,693	2,635,814	2,635,814	0.0%
Public Works	1,050,030	1,204,946	1,208,085	1,208,085	0.0%
Facilities	511,608	535,809	572,494	578,494	1.1%
Merit Adjustment	-	174,111	-		
Total General Government	6,404,400	7,002,891	7,596,629	7,602,629	0.1%
TOTAL OPERATIONS	108,211,384	113,703,688	115,881,861	115,901,588	0.0%
CIP					
Public Safety CIP	1,213,245	717,175	4,050,741	4,072,236	0.5%
Utilities CIP	18,096,770	63,594,850	68,060,521	68,237,987	0.3%
Transportation CIP	12,513,019	15,220,170	26,706,578	28,578,827	7.0%
Community Enrichment CIP	12,055,872	1,276,500	7,200,074	7,200,074	0.0%
General Government CIP	745,848	50,000	2,658,301	2,758,301	3.8%
Internal Services CIP	11,667	122,500	134,241	134,241	0.0%
TOTAL CIP	44,636,421	80,981,195	108,810,456	110,981,666	2.0%
DEBT SERVICE					
General Obligation Bonds	10,082,600	9,800,973	9,743,158	9,743,158	0.0%
SRF Loan Payments	148,300	-	301,716	301,716	0.0%
Bond Costs	2,000	-	53,000	53,000	0.0%
TOTAL DEBT SERVICE	10,232,900	9,800,973	10,097,874	10,097,874	0.0%
INTERNAL SERVICES					
Fleet Services	3,593,491	4,071,485	4,689,221	4,759,440	1.5%
Information Technology	2,154,660	2,201,223	2,659,489	2,680,726	0.8%
Risk Management	2,116,398	2,349,903	2,301,047	2,355,047	2.4%
Health Insurance	7,380,865	7,613,656	7,652,072	7,652,072	0.0%
TOTAL INTERNAL SERVICES	15,245,414	16,236,267	17,301,829	17,447,285	0.8%
TOTAL EXPENDITURES BEFORE TRANSFERS	178,326,119	220,722,123	252,092,020	254,428,413	0.9%

ALL FUNDS – EXPENDITURES, continued

	2013/14 Actuals	2014/15 Adopted	2014/15 Adjusted	2014/15 Final Amended	% Change From Adjusted
TRANSFERS					
Transfers	14,576,019	14,962,382	15,705,465	15,705,465	0.0%
Hotel/Motel Pass Thru	1,308,384	1,178,571	1,250,000	1,250,000	0.0%
TOTAL TRANSFERS	15,884,403	16,140,953	16,955,465	16,955,465	0.0%
GRAND TOTAL					
EXPENDITURES	194,210,522	236,863,076	269,047,485	271,383,878	0.9%

WHERE THE MONEY IS SPENT... 2014/15 FINAL AMENDED BUDGET

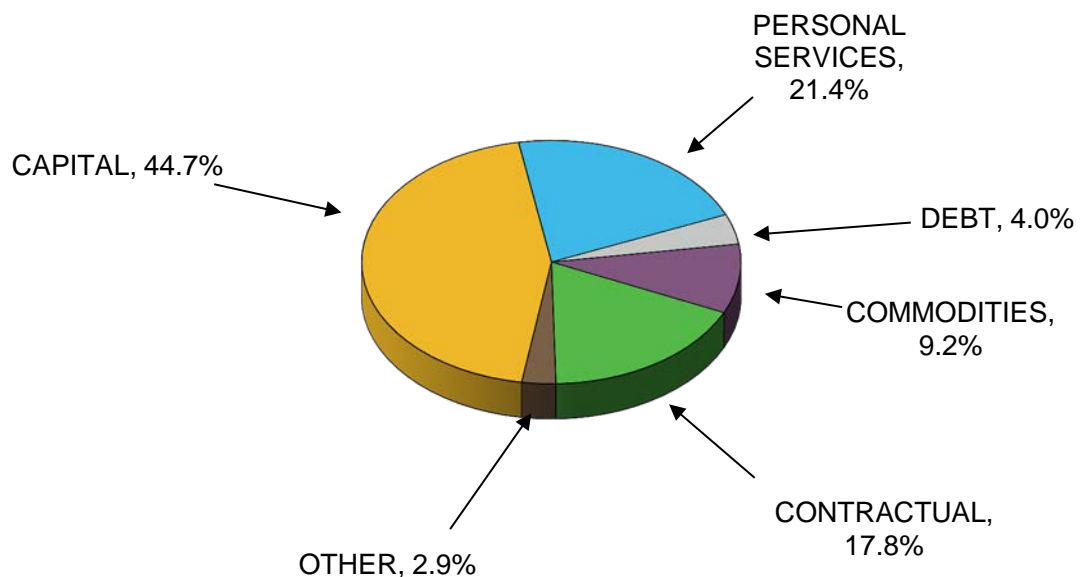


Excluding Transfers

ALL FUNDS – EXPENDITURES BY CATEGORY

	2013/14 Actuals	2014/15 Adopted	2014/15 Adjusted	2014/15 Final Amended	% Change From Adjusted
Personal Services	51,784,508	54,627,441	54,342,129	54,356,796	0.0%
Contractual	49,315,824	42,985,607	45,166,915	45,177,042	0.0%
Commodities	21,526,851	24,393,680	23,603,869	23,588,579	-0.1%
Capital	38,514,059	81,949,246	111,544,992	113,817,881	2.0%
Debt Service	10,232,900	9,800,973	10,097,874	10,097,874	0.0%
Other (Refunds, Insurance Claims, etc.)	6,951,977	6,965,176	7,336,241	7,390,241	0.7%
Total Expenditures Before Transfers	178,326,119	220,722,123	252,092,020	254,428,413	0.9%
Transfers	15,884,403	16,140,953	16,955,465	16,955,465	0.0%
Total Expenditures	194,210,522	236,863,076	269,047,485	271,383,878	0.9%

BREAKDOWN BY MAJOR EXPENSE CATEGORY 2014/15 FINAL AMENDED BUDGET

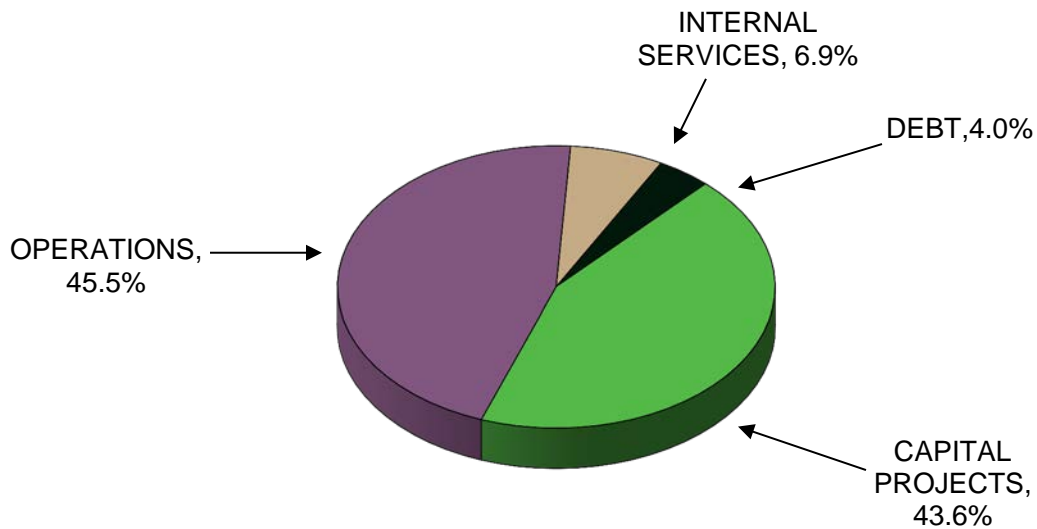


Excluding Transfers

ALL FUNDS – EXPENDITURES BY TYPE

	2013/14 Actuals	2014/15 Adopted	2014/15 Adjusted	2014/15 Final Amended	% Change From Adjusted
Operations	108,211,384	113,703,688	115,881,861	115,901,588	0.0%
CIP	44,636,421	80,981,195	108,810,456	110,981,666	2.0%
Debt	10,232,900	9,800,973	10,097,874	10,097,874	0.0%
Internal Services	15,245,414	16,236,267	17,301,829	17,447,285	0.8%
Total Expenditures Before Transfers	178,326,119	220,722,123	252,092,020	254,428,413	0.9%
Transfers	15,884,403	16,140,953	16,955,465	16,955,465	0.0%
Total Expenditures	194,210,522	236,863,076	269,047,485	271,383,878	0.9%

EXPENDITURES BY TYPE 2014/15 FINAL AMENDED BUDGET



Excluding Transfers

SUMMARY OF PROGRAM EXPENDITURES

	2013/14 Actuals	2014/15 Adopted	2014/15 Adjusted	2014/15 Final Amended	% Change From Adjusted
PUBLIC SAFETY:					
Operations	17,485,194	18,461,485	18,553,754	18,553,754	0.0%
CIP	1,213,245	717,175	4,050,741	4,072,236	.05%
Total Public Safety	18,698,439	19,178,660	22,604,495	22,625,990	0.1%
UTILITIES:					
Operations	61,398,035	63,899,045	63,987,867	63,967,785	0.0%
CIP	18,096,770	63,594,850	68,060,521	68,237,987	0.3%
Total Utilities	79,494,805	127,493,895	132,048,388	132,205,772	0.1%
TRANSPORTATION:					
Operations	13,254,150	14,048,544	14,566,088	14,566,088	0.0%
CIP	12,513,019	15,220,170	26,706,578	28,578,827	7.0%
Total Transportation	25,767,169	29,268,714	41,272,666	43,144,915	4.5%
COMMUNITY ENRICHMENT:					
Operations	9,669,605	10,291,723	11,177,523	11,211,332	0.3%
CIP	12,055,872	1,276,500	7,200,074	7,200,074	0.0%
Total Community Enrichment	21,725,477	11,568,223	18,377,597	18,411,406	0.2%
GENERAL GOVERNMENT:					
Operations	6,404,400	7,002,891	7,596,629	7,602,629	0.1%
CIP	745,848	50,000	2,658,301	2,758,301	3.8%
Total General Government	7,150,248	7,052,891	10,254,930	10,360,930	1.0%
DEBT SERVICE:	10,232,900	9,800,973	10,097,874	10,097,874	0.0%
INTERNAL SERVICES:					
Operations	15,245,414	16,236,267	17,301,829	17,447,285	0.8%
CIP	11,667	122,500	134,241	134,241	0.0%
Total Internal Services	15,257,081	16,358,767	17,436,070	17,581,526	0.8%
Total Expenditures Before Transfers	178,326,119	220,722,123	252,092,020	254,428,413	0.9%
Transfers	15,884,403	16,140,953	16,955,465	16,955,465	0.0%
GRAND TOTAL EXPENDITURES	194,210,522	236,863,076	269,047,485	271,383,878	0.9%

FINAL AMENDMENT CHANGES BY FUND

General Fund

The General Fund's projected revenue has been increased by \$417,960 based on the following changes:

• Increased building permit revenue	\$ 399,751
• Reduced municipal infraction revenue	(25,000)
• Increased Parks and Recreation program revenue	21,386
• Increased Airport revenue (sale of farmland soil)	21,823
	<hr/>
	\$ 417,960

Various program expenses in Parks and Recreation were amended for a net increase in expenses of \$21,445. The net effect of the increases in revenues and expenses is a projected increase in the General Fund's balance of \$396,515.

Community Development Block Grant Fund

Unspent funds of \$127,990 allocated to the purchase of property on 6th Street have been allocated to the purchase of property at 1228/1230 Stafford Avenue.

Tax Increment Financing (TIF)

Expenses of \$926,100 have been added to the budget to cover early spending for the ISU Research Park project.

Special Assessments Fund

The Woodview Drive Water and Sewer project was completed at a lower than budgeted cost, resulting in a \$100,435 reduction in budgeted expenses.

Street Construction Fund

The Iowa State Research Park Phase III project budgeted in FY 2015/16 will begin early, with \$300,000 added to the Street Construction fund budget for RISE grant eligible expenses. RISE grant revenue of \$300,000 has also been added to Street Construction revenues.

Expenses of \$21,495 have also been added for a traffic study for the Bricktowne development. A matching offsetting revenue has also been included for the developer reimbursement from Dickson Jensen for the study.

Airport Construction Fund

The Terminal Building project budgeted for FY 2015/16 is expected to begin early. Both revenues and expenses have been increased by \$450,000 for project expenses that will be reimbursed by the FAA.

Bond Funds

Expenses for bond funded projects have been increased by \$196,149 based on budget changes for the following projects:

Water Utility Fund

Expenses in the Water Utility Fund have been decreased by \$2,521 due to the following changes:

Savings of \$92,370 in the Toronto Area Water Main project were also shifted to the Water System Improvements program.

Sewer Utility Fund

Expenses in the Sewer Utility Fund have been increased by \$2,111 due to the following changes:

Electric Utility Fund

Total expenses have been increased by \$275,000 in the Electric Utility Fund to allow for the early start of two CIP projects budgeted in FY 2015/16. A total of \$150,000 is being added for the Feedwater Heater Tube Replacement project, and another \$125,000 for Cooling Tower Repairs. Funds of \$150,000 are also being shifted from the 69 kV Transmission Reconstruction project to Demand Side Management to cover higher than anticipated expenses in that program.

Storm Sewer Utility Fund

A FEMA grant of \$124,500 has been added to the Storm Sewer Utility fund's revenues. This grant will be used to offset \$134,471 in expenses that have been added for the Squaw Creek Water Main Protection project. A grant has also been received from the Iowa Department of Agriculture and Land Stewardship for storm water improvements to be done in conjunction with the City Hall parking lot project. Both revenues and expenses have been adjusted by \$100,000 for the grant and related project expenses.

Expenses were also reduced by \$51,242 for several completed projects, resulting in a net increase of \$183,229 in expenses. The effect of these changes is an expected increase to the fund balance of \$41,271.

Ames/ISU Ice Arena

Ice Arena revenues have been increased by \$10,892 to reflect increased admissions and equipment rental at the facility. Operating expenses have also been increased by \$12,364, for a net reduction in the Ice Arena's anticipated fund balance of \$1,472.

Resource Recovery

Resource Recovery revenues have been decreased by \$173,000. Commercial accounts were reduced by \$50,000, over-the-scale revenue was decreased by \$8,500, and the sale of metals was reduced by \$115,000. Operating expenses in ferrous metals operations were reduced by \$100,000 as well, resulting in a net decrease of \$73,500 to Resource Recovery's anticipated fund balance.

Fleet Services

Expenses in Fleet Services have been increased by \$6,000 to construct an office at the Fleet Maintenance Facility for the Public Works Operations Manager. A total of \$6,000 has also been added to Fleet Service revenues as the office construction will be reimbursed by Public Works through their building user fees. There is no net effect on Fleet Service's fund balance.

Fleet Reserve Funds

Expenses in the Fleet Reserve Fund have been increased by \$70,219 for additional purchases of fleet equipment.

Technology Reserve Funds

The use of Technology Reserve funds has been increased by \$21,237. Of this amount, \$5,077 is for additional computer purchases, and \$16,160 is for additions to the phone system related to the City Hall basement project.

Risk Management Fund

The expense budget for liability claims in the Risk Management fund has been increased by \$54,000. Five large claims, where the City was responsible for deductible and legal fee payments, were settled this year. Four of these claims were from prior fiscal years.

**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 6:00 PM on May 26, 2015
(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 9,834,839	0	9,834,839
Licenses & Permits	7 1,626,449	399,751	2,026,200
Use of Money and Property	8 16,097,077	23,839	16,120,916
Intergovernmental	9 23,147,660	974,500	24,122,160
Charges for Services	10 262,213,775	-173,125	262,040,650
Special Assessments	11 386,599	0	386,599
Miscellaneous	12 2,905,159	26,382	2,931,541
Other Financing Sources	13 54,911,476	0	54,911,476
Total Revenues and Other Sources	14 396,648,163	1,251,347	397,899,510
Expenditures & Other Financing Uses			
Public Safety	15 16,777,062	0	16,777,062
Public Works	16 5,850,040	0	5,850,040
Health and Social Services	17 1,159,563	0	1,159,563
Culture and Recreation	18 7,797,143	21,445	7,818,588
Community and Economic Development	19 3,979,058	0	3,979,058
General Government	20 2,679,168	0	2,679,168
Debt Service	21 9,743,158	0	9,743,158
Capital Projects	22 40,388,157	1,793,309	42,181,466
Total Government Activities Expenditures	23 88,373,349	1,814,754	90,188,103
Business Type / Enterprises	24 303,281,577	515,639	303,797,216
Total Gov Activities & Business Expenditures	25 391,654,926	2,330,393	393,985,319
Transfers Out	26 15,588,214	117,251	15,705,465
Total Expenditures/Transfers Out	27 407,243,140	2,447,644	409,690,784
Excess Revenues & Other Sources Over (Under) Expenditures/Transfers Out for Fiscal Year	28 -10,594,977	-1,196,297	-11,791,274
#			
Beginning Fund Balance July 1	30 590,939,135	0	590,939,135
Ending Fund Balance June 30	31 580,344,158	-1,196,297	579,147,861

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

Revenue estimates were adjusted to be more in line with actual amounts so far this year. Increases in expenditures are due to starting capital projects earlier than anticipated (mainly airport, TIF, and electric projects).

There will be no increase in tax levies to be paid in the current fiscal year named above related to the proposed budget amendment. 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.


City Clerk/Finance Officer