

COUNCIL ACTION FORM

SUBJECT: AMENDMENT TO FISCAL YEAR 2015/16 ADOPTED BUDGET FOR CARRYOVERS FROM FISCAL YEAR 2014/15

BACKGROUND:

Each year the City has capital projects and specific operating projects that either span fiscal years or are delayed due to unforeseen circumstances. Until last year, 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.**

Last October, a fall amendment to add the carryover projects from the prior year to the current adopted budget was submitted to City Council for the first time. A carryover amendment has been prepared again this year to carryover unspent funds from FY 2014/15. A summary is attached describing the carryovers, which total \$66,522,327.

Please note that all the projects and associated budgeted expenditures and funding sources were approved by City Council as part of the FY 2014/15 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 FY 2015/16.

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 Department 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 FY 2015/16 budget upwards by \$66,522,327 for carryover amounts from FY 2014/15.
2. Refer this item back to staff for additional information or other adjustments to the amendments.

MANAGER'S RECOMMENDED ACTION:

Amending the FY 2015/16 budget for carryover amounts from the FY 2014/15 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.

Therefore it is recommended that City Council approve Alternative No. 1, thereby adopting a resolution amending the FY 2015/16 budget upwards by \$66,522,327 for carryover amounts from FY 2014/15.

CITY OF AMES, IOWA

2014/15

CARRYOVER REPORT

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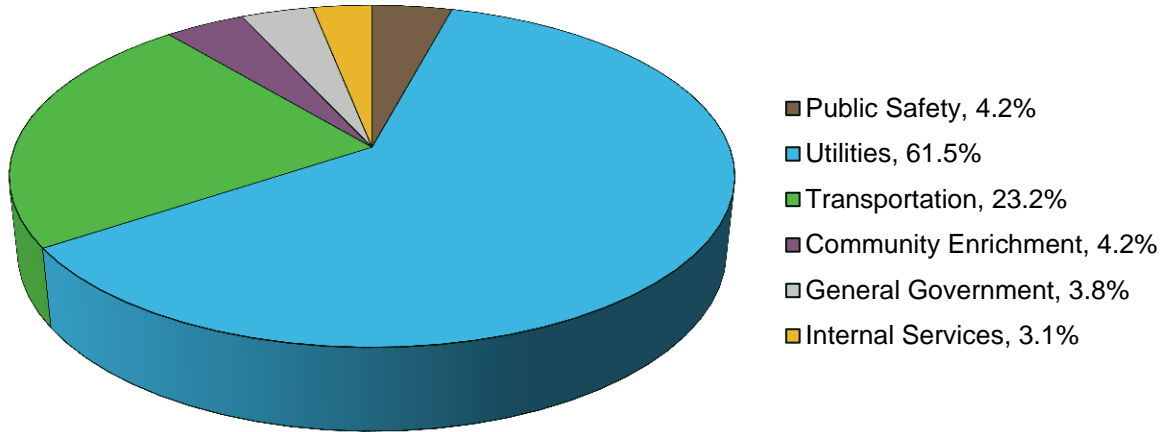
EXPENDITURE CHANGES BY PROGRAM

	2015/16 Adopted	2014/15 Carryover	2015/16 Adjusted	% Change from Adopted
Public Safety:				
Law Enforcement	8,820,192	29,734	8,849,926	.0.3%
Fire Safety	6,607,573	10,000	6,617,573	0.2%
Building Safety	1,459,409	26,000	1,485,409	1.8%
Traffic Control	989,151	38,575	1,027,726	3.9%
Animal Control	366,233	28,684	394,917	7.8%
Other Public Safety	794,500	-	794,500	0.0%
Public Safety CIP	2,243,175	2,666,496	4,909,671	118.9%
Total Public Safety	21,280,233	2,799,489	24,079,722	13.2%
Utilities:				
Electric Services	51,383,447	540,912	51,924,359	1.1%
Water and Pollution Control	7,339,701	19,000	7,358,701	0.3%
Utility Maintenance	1,607,318	12,000	1,619,318	0.8%
Storm Sewer Maintenance	252,189	-	252,189	0.0%
Resource Recovery	3,793,759	-	3,793,759	0.0%
Utility Customer Service	1,505,211	-	1,505,211	0.0%
Utilities CIP	69,061,900	40,257,404	109,319,304	58.3%
Total Utilities	134,943,525	40,829,316	175,772,841	30.3%
Transportation:				
Street System	3,941,210	172,700	4,113,910	4.4%
Public Parking	851,900	-	851,900	0.0%
Transit System	10,230,327	-	10,230,327	0.0%
Airport Operations	138,136	-	138,136	0.0%
Transportation CIP	20,543,718	15,289,259	35,832,977	74.4%
Total Transportation	35,705,291	15,461,959	51,167,250	43.3%
Community Enrichment:				
Parks and Recreation	4,120,761	85,443	4,206,204	2.1%
Library Services	4,039,191	24,346	4,063,537	0.6%
Human Services	1,233,357	-	1,233,357	0.0%
Art Services	189,733	36,840	226,573	19.4%
Cemetery	168,195	-	168,195	0.0%
City-Wide Housing Programs	48,754	-	48,754	0.0%
CDBG Program	487,470	-	487,470	0.0%
Economic Development	223,314	-	223,314	0.0%
Cable TV	139,415	-	139,415	0.0%
Community Enrichment CIP	1,239,000	2,672,361	3,911,361	215.7%
Total Community Enrichment	11,889,190	2,818,990	14,708,180	23.7%
General Government:				
City Council	332,912	71,444	404,356	21.5%
City Clerk	357,296	-	357,296	.0.0%

EXPENDITURE CHANGES BY PROGRAM, continued

	2015/16	2014/15	2015/16	%
	Adopted	Carryover	Adjusted	Change from Adopted
City Manager	734,993	-	734,993	0.0%
Public Relations	185,450	200,000	385,450	107.9%
Planning Services	828,020	373,500	1,201,520	45.1%
Financial Services	1,720,745	12,000	1,732,745	0.7%
Legal Services	642,444	13,013	655,457	2.0%
Human Resources	517,277	7,200	524,477	1.4%
Facilities	427,255	34,289	461,544	8.0%
Public Works	1,267,150	5,500	1,272,650	0.4%
Merit Adjustment	174,971	-	174,971	0.0%
General Government CIP	50,000	1,813,157	1,863,157	3,626.3%
Total General Government	7,238,513	2,530,103	9,768,616	35.0%
Debt Service:				
General Obligation Bonds	10,671,238	-	10,671,238	0.0%
SRF Loan Payments	1,122,492	-	1,122,492	0.0%
Bond Costs	-	-	-	0.0%
Total Debt Service	11,793,730	-	11,793,730	0.0%
Internal Services:				
Fleet Services	4,288,045	1,570,428	5,858,473	36.6%
Information Technology	2,237,158	482,521	2,719,679	21.6%
Risk Management	2,361,272	-	2,361,272	0.0%
Health Insurance	8,165,749	-	8,165,749	0.0%
Internal Services CIP	111,000	29,521	140,521	26.6%
Total Internal Services	17,163,224	2,082,470	19,245,694	12.1%
Total Expenditures Before Transfers	240,013,706	66,522,327	306,536,033	27.7%
Transfers:				
Transfers	16,745,333	-	16,745,333	0.0%
Hotel/Motel Tax Pass Through	1,267,857	-	1,267,857	0.0%
Total Transfers	18,013,190	-	18,013,190	0.0%
Total Expenditures	258,026,896	66,522,327	324,549,223	25.8%

BREAKDOWN BY PROGRAM 2014/15 CARRYOVERS



Excluding Transfers

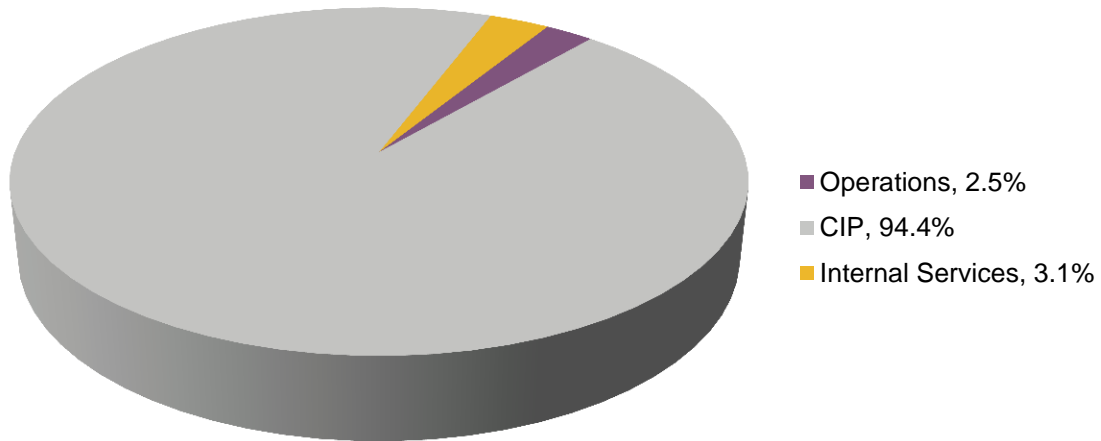
EXPENDITURE CHANGES BY CATEGORY

	2015/16 Adopted	2014/15 Carryover	2015/16 Adjusted	% Change from Adopted
Personal Services	57,055,783	20,244	57,076,027	0.0%
Contractual	48,790,563	1,378,736	50,169,299	2.8%
Commodities	19,820,031	336,726	20,156,757	1.7%
Capital	94,615,859	64,786,621	159,402,480	68.5%
Debt	11,793,730	-	11,793,730	0.0%
Other (Refunds, Insurance Claims, etc.)	7,937,740	-	7,937,740	0.0%
Total Expenditures Before Transfers	240,013,706	66,522,327	306,536,033	27.7%
Transfers	18,013,190	-	18,013,190	0.0%
Total Expenditures	258,026,896	66,522,327	324,549,223	25.8%

EXPENDITURE CHANGES BY TYPE

	2015/16 Adopted	2014/15 Carryover	2015/16 Adjusted	% Change from Adopted
Operations	117,918,959	1,741,180	119,660,139	1.5%
CIP	93,248,793	62,728,198	155,976,991	67.3%
Debt	11,793,730	-	11,793,730	0.0%
Internal Services	17,052,224	2,052,949	19,105,173	12.0%
Total Expenditures Before Transfers	240,013,706	66,522,327	306,536,033	27.7%
Transfers	18,013,190	-	18,013,190	0.0%
Total Expenditures	258,026,896	66,522,327	324,549,223	25.8%

BREAKDOWN BY TYPE 2014/15 CARRYOVERS



Excluding Transfers

2014/15 CARRYOVERS BY PROGRAM

Public Safety Program \$2,799,489

Public Safety operating expenses are being increased by \$104,309 for delayed equipment and capital purchases for the Police Department, Fire Department, and the Traffic Division of Public Works. Delayed improvements to the Animal Shelter totaling \$28,684 are also being carried forward to 2015/16.

A total of \$2,666,496 is being carried over in Public Safety CIP funds, related to the following projects:

- Shared use path projects:
 - *Skunk River Trail* \$1,485,905
 - *Oakwood Road Shared Use Path* 67,498
 - *S. Duff Trail (S. 5th to Squaw Creek)* 100,000
 - *Shared use path lighting/signage* 17,054
- Franklin/Lincoln Way intersection improvements 101,622
- Traffic engineering studies 232,620
- Permanent traffic count stations 50,000
- Traffic signal replacements 354,735
- Traffic calming program 49,652
- Multi-modal roadway improvements 100,179
- Fire station improvements 14,888
- Fire SCBA equipment 76,044
- Outdoor storm warning system 16,299

Utilities Program \$40,829,316

Operating expenses of \$571,912 are being carried over in the Utilities program. Of this amount, \$428,712 is related to improvements to the electric distribution system. The \$143,200 balance is for delayed equipment purchases for Electric Services, Water and Pollution Control, and Public Works.

A total of \$40,257,404 of Utility CIP project funds are being carried over for the following projects:

- Electric Utility CIP projects:
 - *Power Plant fuel conversion* \$10,062,655
 - *GT1 inspection/overhaul* 1,225,863
 - *Inlet heating for GT2* 823,812
 - *Power plant fire protection system* 756,529
 - *69 kV switchyard relay/control* 406,585
 - *Other Electric CIP projects* 1,617,459
- Water Utility projects:
 - *New Water Treatment Plant* 10,014,996
 - *Water distribution improvements* 973,308
 - *Water supply expansion* 560,489
 - *AMR/AMI meter conversion* 295,452
 - *Other Water Utility CIP projects* 314,758

- Sewer Utility CIP projects:
 - *Sanitary sewer system improvements* 3,633,194
 - *Residuals handling improvements* 1,455,014
 - *Lift station improvements* 960,746
 - *Bar screen improvements* 888,645
 - *Digester improvements* 825,339
 - *Other WPC plant improvements* 1,360,731
 - *Sanitary sewer system evaluation* 71,944
- Flood response/mitigation projects 1,166,100
- Teagarden area storm water improvements 867,775
- Other Storm Sewer Utility CIP projects 1,294,983
- Resource Recovery improvements 681,027

Transportation Program \$15,461,959

A total of \$172,700 is being carried forward in operating expenses by the Public Works department. Of the funding, \$135,122 is related to the Emerald Ash Borer program and \$20,000 is for downtown streetscape rehabilitation. The remaining \$17,578 is for delayed equipment purchases and miscellaneous projects.

Transportation CIP funding carryovers total \$15,289,259 and consist of the following programs and projects:

- Street construction projects
 - *Grant Avenue paving* \$3,119,008
 - *24th Street and Bloomington Road* 1,701,489
 - *5th Street from Burnett to Grand* 993,096
 - *Woodland Avenue* 963,248
 - *Asphalt pavement improvements* 1,815,523
 - *Concrete pavement improvements* 1,944,067
 - *Seal coat pavement improvements* 1,935,491
 - *Mortensen Road improvements* 422,581
 - *Other street improvement projects* 1,354,882
- Neighborhood curb program 214,729
- Right-of-way enhancements 214,168
- Sidewalk safety program 181,230
- Shared use path maintenance 59,998
- Airport improvements 369,749

Community Enrichment Program \$2,818,990

Community Enrichment operating expenses of \$146,629 are being carried forward. Of this amount, \$85,443 is for Parks and Recreation projects and equipment, primarily the Emerald Ash Borer program for City parks. The balance consists of \$24,346 in operating expenses for the Ames Public Library and \$36,840 for the Public Art program.

A total of \$2,672,361 in funding is being carried over for the following Community Enrichment CIP projects:

• Library renovation project	\$1,072,878
• Parks and Recreation CIP projects:	
○ Recreation facility improvements	311,298
○ Ada Hayden improvements	210,950
○ Sand volleyball complex	144,434
○ Municipal pool improvements	132,847
○ Furman Aquatic Center	130,001
○ Ames/ISU Ice Arena	100,000
○ Playground and park equipment	87,500
○ Roosevelt Park development	70,846
○ Other park and facility improvements	182,391
• Cemetery improvements	122,005
• Downtown Façade program	60,423
• Campustown Façade program	34,000
• Neighborhood tree planting	12,788

General Government Program \$2,530,103

Operating expenses of \$716,946 are being carried forward in the General Government program. \$355,500 of this amount is funding to allow the Planning department to hire outside professional assistance for projects such as the Land Use Policy Plan update. Planning is also carrying forward \$18,000 that is earmarked for their participation in the new software being purchased by the Inspections division. The Public Relations program is carrying forward \$200,000 that was earmarked for brand marketing. In City Council funding, \$20,000 that was allocated in 2014/15 for special Council workshops is being carried forward, along with \$48,644 in unspent contingency funds. An unspent Council allocation of \$2,800 to the Historic Preservation Commission is also being carried forward. The remaining balance of \$72,002 consists of delayed equipment and software purchases for multiple City departments.

The General Government CIP carryover of \$1,813,157 is for the following projects:

• City Hall basement renovation project	\$242,548
• City Hall improvements	270,609
• City Hall roof replacement	700,000
• City Hall parking lot	500,000
• City Hall storm water improvements	100,000

Internal Services: \$2,082,470

Internal Services has \$2,052,949 in operating carryovers consisting of the following:

• Fleet equipment purchases	\$1,570,428
• Inspections software	213,681
• Information Technology equipment	221,708
• Phone system equipment	47,132

There is also an Internal Services CIP carryover of \$29,521 for improvements at the Fleet Maintenance facility.

Total Carryovers \$66,522,327

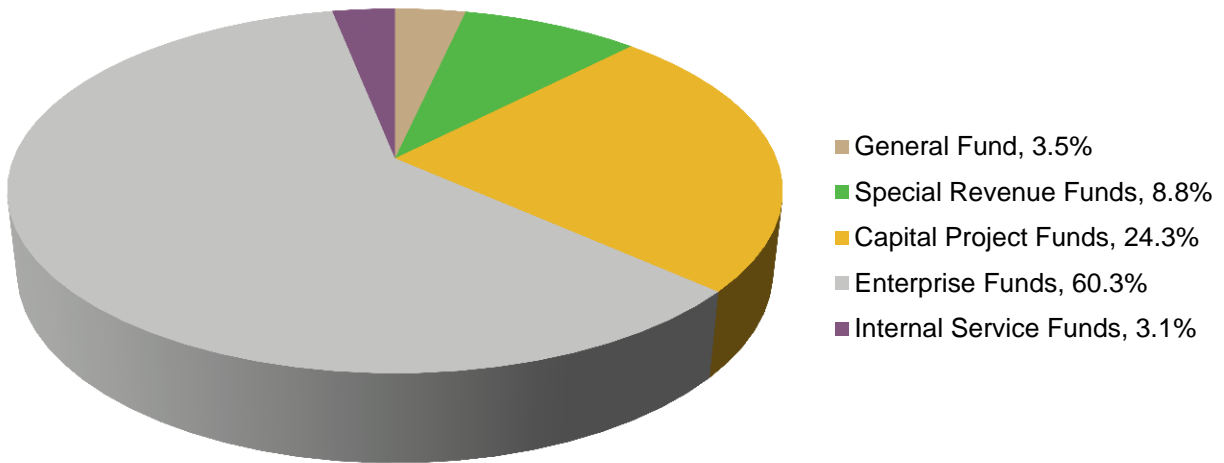
2014/15 CARRYOVERS BY FUND

	2015/16 Adopted	2014/15 Carryover	2015/16 Adjusted	% Change from Adopted
General Fund	33,275,118	2,316,534	35,591,652	7.0%
Special Revenue Funds:				
Local Option Sales Tax	7,588,545	3,024,574	10,613,119	39.9%
Hotel/Motel Tax	1,681,229	250,000	1,931,229	14.9%
Road Use Tax	6,244,664	3,037,628	9,282,292	48.6%
Public Safety Special Revenues	9,850	43,054	52,904	437.1%
City-Wide Housing Programs	48,754	-	48,754	0.0%
CDBG Program	488,278	-	488,278	0.0%
Employee Benefit Property Tax	1,810,706	-	1,810,706	0.0%
Police/Fire Retirement	263,599	-	263,599	0.0%
Parks & Rec Grants/Donations	-	20,000	20,000	
Library Friends Foundation	65,000	50,692	115,692	78.0%
Library Grants/Donations	67,968	135,676	203,644	199.6%
Utility Assistance	16,000	-	16,000	0.0%
Developer Projects	-	5,500	5,500	
Tax Increment Financing (TIF)	3,352,210	-	2,648,473	-21.0%
		(703,737)		
	21,636,803	5,863,387	27,500,190	27.1%
Capital Project Funds:				
Special Assessments	447,695	-	447,695	0.0%
Street Construction	6,945,728	2,614,020	9,559,748	37.6%
Airport Construction	822,000	189,304	1,011,304	23.0%
General Obligation Bonds	10,039,443	13,334,576	23,374,019	132.8%
	18,254,866	16,137,900	34,392,766	88.4%
Debt Service	10,671,238	-	10,671,238	0.0%
Enterprise Funds:				
Water Utility/Construction	37,819,781	12,197,760	50,017,541	32.3%
Sewer Utility/Construction	16,908,107	9,231,363	26,139,470	54.6%
Electric Utility	81,728,360	15,600,166	97,328,526	19.1%
Parking	931,865	-	931,865	0.0%
Transit Operations	11,030,327	-	11,030,327	0.0%
Transit Capital Reserve	1,002,000	-	1,002,000	0.0%
Storm Sewer Utility	1,916,747	2,301,220	4,217,967	120.1%
Ames/ISU Ice Arena	515,276	10,500	525,776	2.0%
Ice Arena Capital Reserve	220,000	100,000	320,000	45.5%
Homewood Golf Course	269,512	-	269,512	0.0%
Resource Recovery	4,670,596	681,027	5,351,623	14.6%
	157,012,571	40,122,036	197,134,607	25.6%

2014/15 CARRYOVERS BY FUND, continued

	2015/16 Adopted	2014/15 Carryover	2015/16 Adjusted	% Change from Adopted
Internal Service Funds:				
Fleet Services	2,497,120	31,599	2,528,719	1.3%
Fleet Reserve	1,904,657	1,568,350	3,473,007	82.3%
Information Technology	1,741,847	-	1,741,847	0.0%
Technology Reserve	304,354	482,521	786,875	158.5%
Shared Communications	198,945	-	198,945	0.0%
Risk Insurance	2,362,295	-	2,362,295	0.0%
Health Insurance	8,167,082	-	8,167,082	0.0%
	17,176,300	2,082,470	19,258,770	12.1%
Total Expenditures	258,026,896	66,522,327	324,549,223	25.8%

BREAKDOWN BY FUND 2014/15 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 6:00 PM on 10/13/2015
(hour) *(Date)*

for the purpose of amending the current budget of the city for the fiscal year ending June 30, 2016
(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	25,941,230	0	25,941,230
Less: Uncollected Property Taxes-Levy Year	2	0	0	0
Net Current Property Taxes	3	25,941,230	0	25,941,230
Delinquent Property Taxes	4	0	0	0
TIF Revenues	5	41,346	0	41,346
Other City Taxes	6	9,338,769	0	9,338,769
Licenses & Permits	7	1,486,425	0	1,486,425
Use of Money and Property	8	8,742,806	0	8,742,806
Intergovernmental	9	25,044,164	0	25,044,164
Charges for Services	10	266,802,473	0	266,802,473
Special Assessments	11	442,728	0	442,728
Miscellaneous	12	2,913,736	0	2,913,736
Other Financing Sources	13	64,333,490	0	64,333,490
Transfers In	14	16,745,333	0	16,745,333
Total Revenues and Other Sources	15	421,830,500	0	421,830,500
Expenditures & Other Financing Uses				
Public Safety	16	17,267,907	94,418	17,362,325
Public Works	17	6,172,695	211,275	6,383,970
Health and Social Services	18	1,233,357	0	1,233,357
Culture and Recreation	19	7,870,207	138,929	8,009,136
Community and Economic Development	20	2,994,830	373,500	3,368,330
General Government	21	2,464,933	335,148	2,800,079
Debt Service	22	10,671,238	0	10,671,238
Capital Projects	23	23,338,303	23,164,553	46,502,856
Total Government Activities Expenditures	24	72,013,470	24,317,821	96,331,291
Business Type / Enterprises	25	310,929,452	42,204,506	353,133,958
Total Gov Activities & Business Expenditures	26	382,942,922	66,522,327	449,465,249
Transfers Out	27	16,745,333	0	16,745,333
Total Expenditures/Transfers Out	28	399,688,255	66,522,327	466,210,582
Excess Revenues & Other Sources Over (Under) Expenditures/Transfers Out for Fiscal Year	29	22,142,245	-66,522,327	-44,380,082
Beginning Fund Balance July 1	30	580,226,907	0	580,226,907
Ending Fund Balance June 30	31	602,369,152	-66,522,327	535,846,825

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

Funds for capital improvement projects not used in fiscal year 2015 are carried over to fiscal year 2016.

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.

Diane R. Voss
City Clerk/Finance Officer