

ITEM # 41
DATE: 9-27-16

COUNCIL ACTION FORM

SUBJECT: AMENDMENT TO FISCAL YEAR 2016/17 ADOPTED BUDGET FOR CARRYOVERS FROM FISCAL YEAR 2015/16

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 two years ago, 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.**

For the last two years, a fall amendment to add the carryover projects from the prior year to the current adopted budget has been submitted to City Council for approval. A carryover amendment has been prepared again this year to carryover unspent funds from 2015/16. A summary is attached describing the carryovers, which total \$64,822,515.

Please note that all the projects and associated budgeted expenditures and funding sources were approved by City Council as part of the fiscal year 2015/16 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 2016/17.

Amending the budget for carry over amounts at this time, rather than waiting until March, improves the ability of departments to monitor project spending and for Finance staff to track budget compliance.

ALTERNATIVES:

1. Adopt a resolution amending the fiscal year 2016/17 budget upwards by \$64,822,515 for carryover amounts from fiscal year 2015/16.

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

MANAGER'S RECOMMENDED ACTION:

Amending the FY 2016/17 budget for carryover amounts from the FY 2015/16 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 2016/17 budget upwards by \$64,822,515 for carryover amounts from fiscal year 2015/16.

CITY OF AMES, IOWA

2015/16

CARRYOVER REPORT

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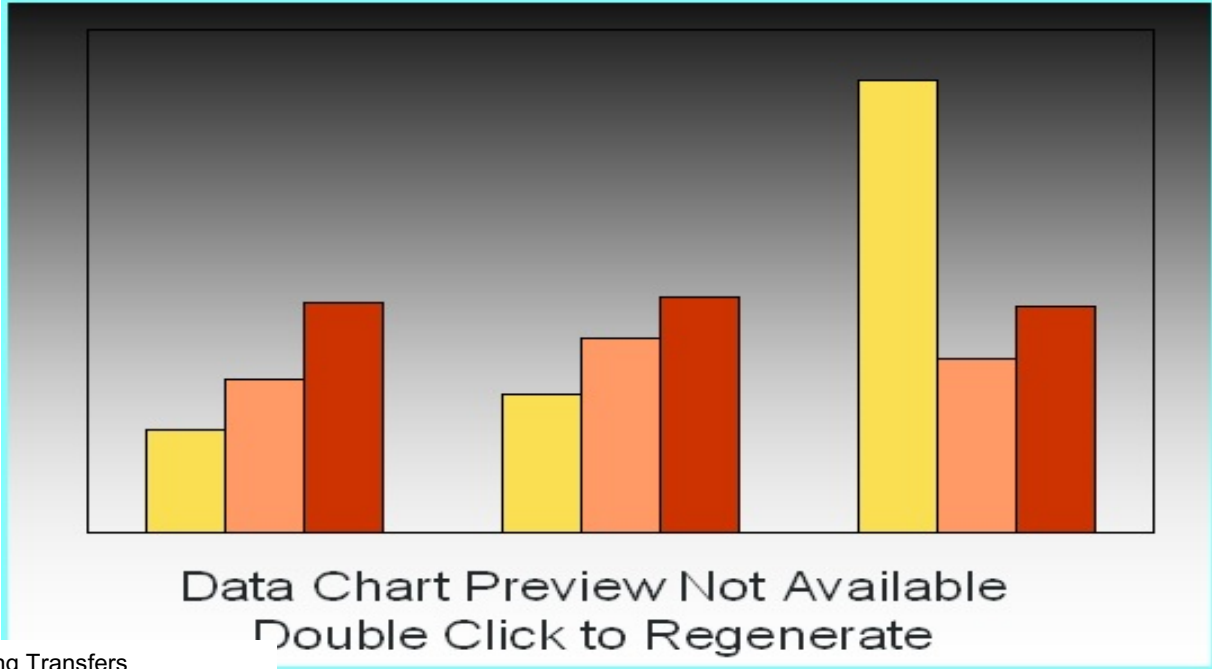
EXPENDITURE CHANGES BY PROGRAM

	2016/17 Adopted	2015/16 Carryover	2016/17 Adjusted	% Change From Adopted
<i>Public Safety:</i>				
Law Enforcement	9,129,677	64,000	9,193,677	0.7%
Fire Safety	6,810,174	21,113	6,831,287	0.3%
Building Safety	1,475,907	7,500	1,483,407	0.5%
Animal Control	387,981	28,685	416,666	7.4%
Other Public Safety	844,500	-	844,500	0.0%
Public Safety CIP	47,000	75,226	122,226	160.1%
<i>Total Public Safety</i>	<u>18,695,239</u>	<u>196,524</u>	<u>18,891,763</u>	<u>1.1%</u>
 <i>Utilities:</i>				
Electric Services	52,757,225	114,053	52,871,278	0.2%
Water and Pollution Control	7,550,450	74,134	7,624,584	1.0%
Water Distribution	1,303,194	1,050	1,304,244	0.1%
Sanitary Sewer System	893,282	6,550	899,832	0.7%
Storm Water Management	606,532	7,700	614,232	1.3%
Resource Recovery	4,035,755	-	4,035,755	0.0%
Utility Customer Service	1,517,603	8,000	1,525,603	0.5%
Utilities CIP	46,135,100	38,284,256	84,419,356	83.0%
<i>Total Utilities</i>	<u>114,799,141</u>	<u>38,495,743</u>	<u>153,294,884</u>	<u>33.5%</u>
 <i>Transportation:</i>				
Street System	5,363,169	49,200	5,412,369	0.9%
Transit System	10,619,036	-	10,619,036	0.0%
Public Parking	876,665	-	876,665	0.0%
Airport Operations	146,213	-	146,213	0.0%
Transportation CIP	14,736,040	19,203,555	33,939,595	130.3%
<i>Total Transportation</i>	<u>31,741,123</u>	<u>19,252,755</u>	<u>50,993,878</u>	<u>60.7%</u>
 <i>Community Enrichment:</i>				
Parks and Recreation	4,306,331	104,207	4,410,538	2.4%
Library Services	4,198,078	160,937	4,359,015	3.8%
Human Services	1,302,478	-	1,302,478	0.0%
Art Services	197,170	-	197,170	0.0%
Cemetery	169,795	-	169,795	0.0%
City-Wide Housing Programs	46,708	-	46,708	0.0%
CDBG Program	483,452	-	483,452	0.0%
Economic Development	1,882,857	-	1,882,857	0.0%
Cable TV	146,266	-	146,266	0.0%
Community Enrichment CIP	962,500	1,695,395	2,657,895	176.1%
<i>Total Community Enrichment</i>	<u>13,695,635</u>	<u>1,960,539</u>	<u>15,656,174</u>	<u>14.3%</u>

**EXPENDITURE CHANGES
BY PROGRAM, continued**

% Change

	2016/17 Adopted	2015/16 Carryover	2016/17 Adjusted	From Adopted
<i>General Government:</i>				
City Council	345,643	46,389	392,032	13.4%
City Clerk	345,162	-	345,162	0.0%
City Manager	757,788	-	757,788	0.0%
Public Relations	192,357	153,293	345,650	79.7%
Planning Services	819,813	335,313	1,155,126	40.9%
Financial Services	1,769,105	-	1,769,105	0.0%
Legal Services	664,225	9,216	673,441	1.4%
Human Resources	466,950	-	466,950	0.0%
Facilities	434,698	127,203	561,901	29.3%
Merit Adjustment	187,595	-	187,595	0.0%
General Government CIP	50,000	1,832,134	1,882,134	3664.3%
Total General Government	6,033,336	2,503,548	8,536,884	41.5%
<i>Debt Service:</i>				
General Obligation Bonds	11,366,737	-	11,366,737	
Electric Revenue Bonds	968,556	-	968,556	0.0%
SRF Loan Payments	1,557,303	-	1,557,303	0.0%
Total Debt Service	13,892,596	-	13,892,596	0.0%
<i>Internal Services:</i>				
Fleet Services	3,170,334	1,427,295	4,597,629	45.0%
Information Technology	2,463,338	845,669	3,309,007	34.3%
Risk Management	2,402,295	-	2,402,295	0.0%
Health Insurance	8,986,528	-	8,986,528	0.0%
Internal Services CIP	135,000	140,442	275,442	104.0%
Total Internal Services	17,157,495	2,413,406	19,570,901	14.1%
<i>Total Expenditures</i>				
<i>Before Transfers</i>	216,014,565	64,822,515	280,837,080	30.0%
<i>Transfers</i>	19,034,642	-	19,034,642	0.0%
Total Expenditures	235,049,207	64,822,515	299,871,722	27.6%



EXPENDITURE CHANGES BY CATEGORY

	2016/17 Adopted	2015/16 Carryover	2016/17 Adjusted	% Change From Adopted
Personal Services	59,102,631	36,270	59,138,901	0.1%
Contractual	59,819,262	1,233,445	61,052,707	2.1%
Commodities	10,305,675	782,842	11,088,517	7.6%
Capital	62,629,959	62,769,958	125,399,917	100.2%
Debt	13,892,596	-	13,892,596	0.0%
Other (Refunds, Insurance Claims, etc.)	10,264,442	-	10,264,442	0.0%
Total Expenditures Before Transfers	216,014,565	64,822,515	280,837,080	30.0%
Transfers	19,034,642	-	19,034,642	0.0%
Total Expenditures	235,049,207	64,822,515	299,871,722	27.6%

- *Water distribution improvements* 1,094,019
- *N River Valley low head dam* 275,000
- *Other Water Utility CIP projects* 331,097
- Sewer Utility CIP projects (\$9,121,530):
 - *Sanitary sewer system improvements* 4,750,329
 - *Sanitary sewer system improvements* 848,380
 - *Bar screen improvements* 786,000
 - *Bar screen improvements* 744,907
 - *WPC Plant structural repairs* 528,251
 - *WPC Plant structural repairs* 449,322
 - *Lift station improvements* 1,014,341
 - *Lift station improvements* 2,071,660
 - *WPC mechanical/HVAC systems* 1,331,943
 - *WPC mechanical/HVAC systems* 1,690,887
 - *WPC Plant road repairs* 351,032
 - *Other WPC plant improvements*
- Flood response/mitigation projects
- Teagarden area storm water improvements
- Other Storm Water Utility CIP projects
- Resource Recovery improvements

Transportation Program \$19,252,755

A total of \$49,200 is being carried forward in operating funding by the Public Works department. Of this amount, \$20,000 is allocated for downtown streetscape rehabilitation, with the remaining \$29,200 for delayed equipment purchases and miscellaneous projects.

Transportation CIP funding carryovers total \$19,203,555 and consist of the following programs and projects:

- Street construction projects (\$8,177,684):
 - *Asphalt street pavement improvements* \$2,052,971
 - *Asphalt street pavement improvements* 1,127,713
 - *13th Street improvements* 1,084,072
 - *13th Street improvements* 960,079
 - *13th Street improvements* 947,135

- Concrete pavement improvements 849,773
- Seal coat pavement improvements 1,155,941
- Downtown street improvements 1,244,186
- ISU Research Park 2,083,181
- Other street improvement projects 1,926,259
- 3,770,850
- 2,001,395
- Shared use path projects
- Traffic engineering projects
- Street maintenance projects
- Transit system improvements
- Airport improvements

Community Enrichment Program \$1,960,539

Community Enrichment operating expenses of \$265,144 are being carried forward. Of this amount, \$104,207 is for Parks and Recreation projects and equipment, primarily the Emerald Ash Borer program (\$43,207) and a study of the City’s park system for ADA compliance (\$26,000). The Ames Public Library is also carrying over \$160,937 in unspent grant and donation funds, primarily for the Small Talk program and library building improvements.

A total of \$1,695,395 in funding is being carried over for the following Community Enrichment CIP projects:

- Parks and Recreation CIP projects (\$1,320,525):
 - *Park facility improvements* 275,390
 - *Inis Grove Park improvements* 275,000
 - *Municipal pool improvements* 138,930
 - *Furman Aquatic Center* 133,545
 - *Playground and park equipment* 95,395
 - *Bandshell improvements* 83,157

○ Brookside Park improvements	75,000
○ Sand volleyball complex	62,677
○ Other park and facility improvements	181,431
● Cemetery improvements	187,005
● Downtown Façade program	88,423
● Campustown Façade program	50,600
● Miscellaneous Community Enrichment projects	48,842

General Government Program \$2,503,548

Operating expenses of \$671,414 are being carried forward in the General Government program. \$317,313 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 \$153,293 in remaining funding earmarked for brand marketing, and, in City Council funding, \$46,389 of unspent contingency funds are being carried forward. The remaining balance of \$136,419 is for software updates and equipment for multiple departments, as well as funding for smaller City Hall facility projects, including \$40,000 for a video security system.

The General Government CIP carryover of \$1,832,134 is for the following projects:

● City Hall parking lot	\$1,053,596
● City Hall roof replacement	579,541
● City Hall improvements	198,997

Internal Services: \$2,413,406

Internal Services has \$2,272,964 in operating carryovers consisting of the following:

● Fleet equipment purchases	\$1,427,295
● Phone system upgrade	438,279
● Information Technology equipment	306,855
● Inspections software upgrade	100,535

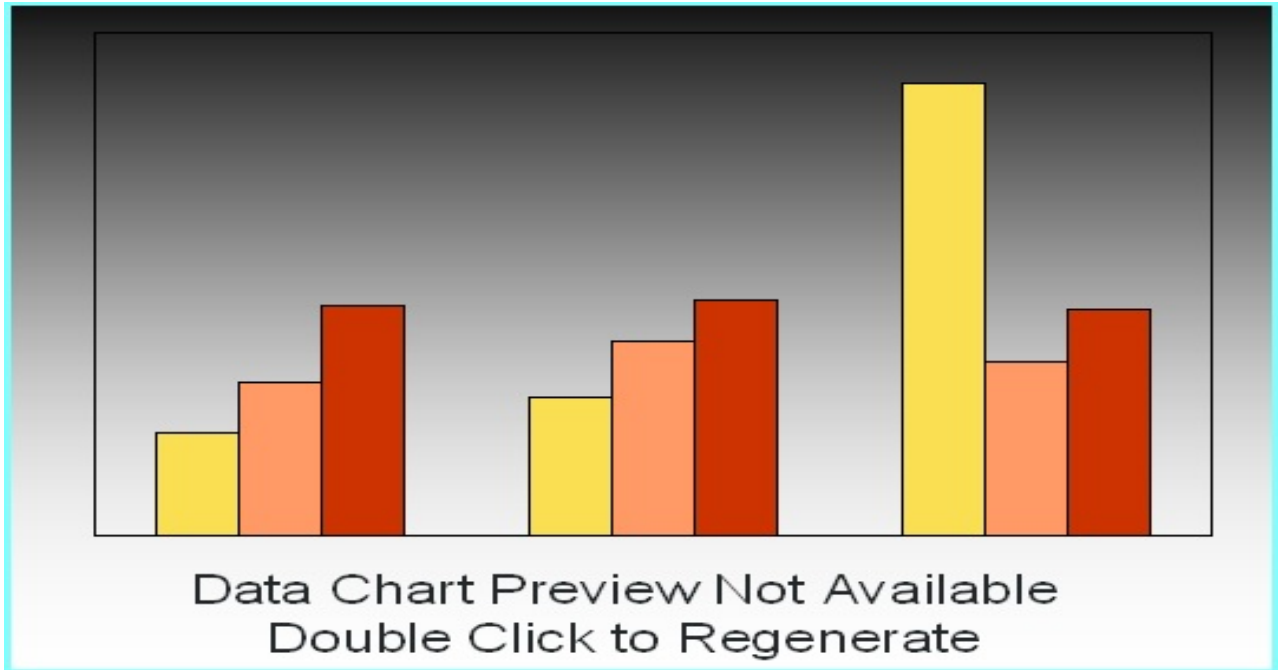
There is also an Internal Services CIP carryover of \$140,442 for improvements at the Fleet Maintenance facility.

Total Carryovers \$64,822,515

2015/16 CARRYOVERS BY FUND

	2016/17 Adopted	2015/16 Carryover	2016/17 Adjusted	% Change From Adopted
<i>General Fund</i>	34,542,430	1,986,970	36,529,400	5.8%
<i>Special Revenue Funds:</i>				
Local Option Sales Tax	8,432,876	2,667,189	11,100,065	31.6%
Hotel/Motel Tax	1,908,471	250,000	2,158,471	13.1%
Road Use Tax	8,000,651	2,192,338	10,192,989	27.4%
Other Special Revenue Funds	3,281,655	275,864	3,557,519	8.4%
<i>Total Special Revenue Funds</i>	21,623,653	5,385,391	27,009,044	24.9%
<i>Capital Project Funds</i>	9,706,264	13,629,944	23,336,208	140.4%
<i>Permanent Funds:</i>				
Cemetery Perpetual Care	-	-	-	
Furman Aquatic Center	-	-	-	
<i>Total Permanent Funds</i>	-	-	-	
<i>Enterprise Funds:</i>				
Water Utility	32,842,899	16,899,652	49,742,551	51.5%
Sewer Utility	17,987,019	9,167,410	27,154,429	51.0%
Electric Utility	66,227,620	7,224,191	73,451,811	10.9%
Parking	959,073	-	959,073	0.0%
Transit	13,979,076	3,770,850	17,749,926	27.0%
Storm Water Utility	2,820,219	3,919,287	6,739,506	139.0%
Ames/ISU Ice Arena	566,040	74,382	640,422	13.1%
Homewood Golf Course	262,053	-	262,053	0.0%
Resource Recovery	4,995,086	351,032	5,346,118	7.0%
<i>Total Enterprise Funds</i>	140,639,085	41,406,804	182,045,889	29.4%
<i>Debt Service Fund</i>	11,366,737	-	11,366,737	0.0%
<i>Internal Services:</i>				
Fleet Services	3,308,256	1,567,737	4,875,993	47.4%
Information Technology	2,471,585	845,669	3,317,254	34.2%
Risk Management	2,403,472	-	2,403,472	0.0%
Health Insurance	8,987,725	-	8,987,725	0.0%
<i>Total Internal Services</i>	17,171,038	2,413,406	19,584,444	14.1%
<i>Total Expenditures</i>	235,049,207	64,822,515	299,871,722	27.6%

2015/16 CARRYOVERS BY FUND, continued



**NOTICE OF PUBLIC HEARING
AMENDMENT OF FY2016-2017 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 02/27/2016
(hour) (Date)

for the purpose of amending the current budget of the city for the fiscal year ending June 30, 2017
(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	26,989,155	0	26,989,155
Less: Uncollected Property Taxes-Levy Year	2	0	0	0
Net Current Property Taxes	3	26,989,155	0	26,989,155
Delinquent Property Taxes	4	0	0	0
TIF Revenues	5	245,892	0	245,892
Other City Taxes	6	9,913,236	0	9,913,236
Licenses & Permits	7	1,637,422	0	1,637,422
Use of Money and Property	8	9,732,777	0	9,732,777
Intergovernmental	9	23,556,609	0	23,556,609
Charges for Services	10	272,389,265	0	272,389,265
Special Assessments	11	457,062	0	457,062
Miscellaneous	12	1,904,474	0	1,904,474
Other Financing Sources	13	27,981,500	0	27,981,500
Transfers In	14	15,633,343	0	15,633,343
Total Revenues and Other Sources	15	390,440,755	0	390,440,755
Expenditures & Other Financing Uses				
Public Safety	16	17,818,239	121,298	17,939,537
Public Works	17	6,467,085	-69,043	6,398,042
Health and Social Services	18	1,302,478	0	1,302,478
Culture and Recreation	19	8,186,651	240,144	8,426,795
Community and Economic Development	20	3,379,096	335,313	3,714,409
General Government	21	2,530,591	454,344	2,984,935
Debt Service	22	11,366,737	0	11,366,737
Capital Projects	23	13,791,692	19,920,249	33,711,931
Total Government Activities Expenditures	24	64,842,508	21,002,305	85,844,813
Business Type / Enterprises	25	293,358,253	-43,820,210	337,178,463
Total Gov Activities & Business Expenditures	26	358,200,812	64,822,515	423,023,327
Transfers Out	27	15,633,343	0	15,633,343
Total Expenditures/Transfers Out	28	373,834,155	64,822,515	438,656,670
Excess Revenues & Other Sources Over (Under) Expenditures/Transfers Out for Fiscal Year	29	16,606,600	-64,822,515	-48,215,915
Beginning Fund Balance July 1	30	626,936,840	-1,034,948	625,901,892
Ending Fund Balance June 30	31	643,143,440	-65,857,463	577,285,977

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

This is the Council-approved amendment per the City Manager's recommendation.

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