

COUNCIL ACTION FORM

SUBJECT: AMENDMENT TO FISCAL YEAR 2017/18 ADOPTED BUDGET FOR CARRYOVERS FROM FISCAL YEAR 2016/17

BACKGROUND:

The Code of Iowa requires that city spending by program not exceed Council approved budget amounts at any time during the fiscal year. To maintain this level of compliance, the City's budget is typically amended three times during the fiscal year. The first amendment is submitted in the fall for carryovers of uncompleted projects from the prior fiscal year. A second amendment is approved with the new fiscal year budget in March, and a final amendment is prepared in May.

At this time, the fall amendment has been prepared for City Council approval. Each year the City has capital projects and specific operating projects that either span fiscal years or are delayed due to unforeseen circumstances. A summary is attached describing the carryovers, which total \$69,131,709.

Please note that all the projects and associated budgeted expenditures and funding sources were approved by City Council as part of the fiscal year 2016/17 budget, but were not completed during the year. This amendment provides formal Council authority to carry forward the appropriation for projects and other work that will not be spent until fiscal year 2017/18.

Amending the budget for carryover amounts at this time 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 2017/18 budget upwards by \$69,131,709 for carryover amounts from fiscal year 2016/17.
2. Refer this item back to staff for additional information or other adjustments to the amendments.

MANAGER'S RECOMMENDED ACTION:

Amending the FY 2017/18 budget for carryover amounts from the FY 2016/17 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 2017/18 budget upwards by \$69,131,709 for carryover amounts from fiscal year 2016/17.

CITY OF AMES, IOWA

2017/18

**FALL BUDGET AMENDMENT
SUMMARY**

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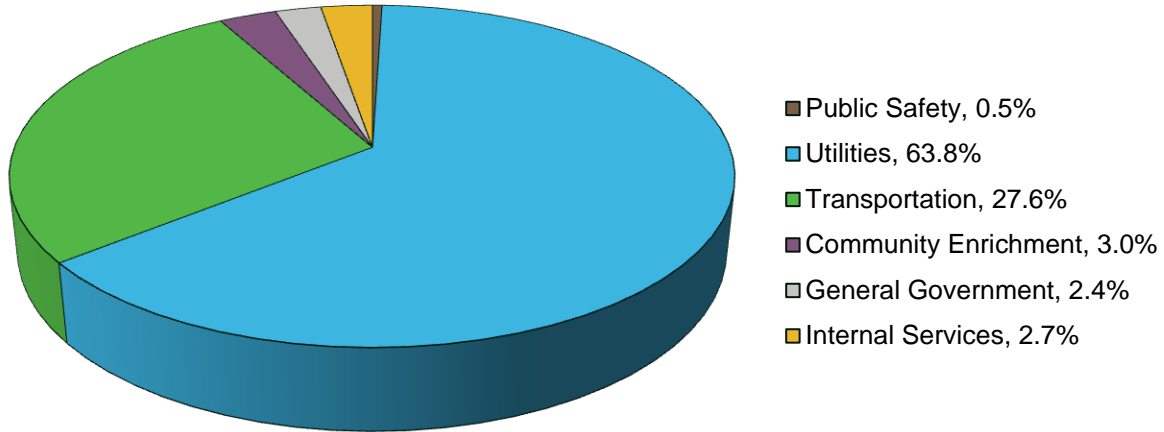
EXPENDITURE CHANGES BY PROGRAM

	2017/18 Adopted	2016/17 Carryover	2017/18 Adjusted	%Change From Adopted
<i>Public Safety:</i>				
Law Enforcement	9,479,825	172,750	9,652,575	1.8%
Fire Safety	7,004,861	10,972	7,015,833	0.2%
Building Safety	1,543,376	-	1,543,376	0.0%
Animal Control	401,346	81,693	483,039	20.4%
Other Public Safety	877,700	-	877,700	0.0%
Public Safety CIP	50,000	49,302	99,302	98.6%
<i>Total Public Safety</i>	<u>19,357,108</u>	<u>314,717</u>	<u>19,671,825</u>	<u>1.6%</u>
<i>Utilities:</i>				
Electric Services	54,887,414	40,000	54,927,414	0.1%
Water and Pollution Control	7,960,030	25,815	7,985,845	0.3%
Public Works Admin/Eng	818,109	-	818,109	0.0%
Water Distribution System	1,104,408	-	1,104,408	0.0%
Sanitary Sewer System	525,582	-	525,582	0.0%
Storm Water Management	581,712	7,000	588,712	1.2%
Resource Recovery	3,990,986	23,000	4,013,986	0.6%
Utility Customer Service	1,587,923	-	1,587,923	0.0%
Utilities CIP	20,079,350	43,989,034	64,068,384	219.1%
<i>Total Utilities</i>	<u>91,535,514</u>	<u>44,084,849</u>	<u>135,620,363</u>	<u>48.2%</u>
<i>Transportation:</i>				
PW Admin/Engineering	225,466	7,000	232,466	3.1%
Traffic Engineering/Maint	1,072,171	-	1,072,171	0.0%
Street Maintenance	4,363,999	-	4,363,999	0.0%
Transit System	11,245,935	-	11,245,935	0.0%
Public Parking	917,418	-	917,418	0.0%
Airport Operations	150,793	-	150,793	0.0%
Transportation CIP	20,383,720	19,074,969	39,458,689	93.6%
<i>Total Transportation</i>	<u>38,359,502</u>	<u>19,081,969</u>	<u>57,441,471</u>	<u>49.8%</u>
<i>Community Enrichment:</i>				
Parks and Recreation	4,429,832	41,000	4,470,832	0.9%
Library Services	4,496,776	79,072	4,575,848	1.8%
Human Services	1,375,216	68,000	1,443,216	4.9%
Art Services	204,979	-	204,979	0.0%
Cemetery	166,798	-	166,798	0.0%
City-Wide Housing Programs	52,161	-	52,161	0.0%
CDBG Program	490,986	-	490,986	0.0%
Economic Development	2,117,788	-	2,117,788	0.0%
Cable TV	154,122	-	154,122	0.0%
Community Enrichment CIP	1,170,000	1,916,680	3,086,680	163.8%
<i>Total Community Enrichment</i>	<u>14,658,658</u>	<u>2,104,752</u>	<u>16,763,410</u>	<u>14.4%</u>

EXPENDITURE CHANGES BY PROGRAM, continued

	2017/18 Adopted	2016/17 Carryover	2017/18 Adjusted	%Change From Adopted
<i>General Government:</i>				
City Council	367,270	53,533	420,803	14.6%
City Clerk	402,885	4,937	407,822	1.2%
City Manager	769,076	-	769,076	0.0%
Public Relations	200,589	54,346	254,935	27.1%
Planning Services	845,336	331,447	1,176,783	39.2%
Financial Services	1,864,665	3,000	1,867,665	0.2%
Legal Services	766,451	64,216	830,667	8.4%
Human Resources	502,025	-	502,025	0.0%
Facilities	444,425	48,773	493,198	11.0%
General Government CIP	50,000	1,098,061	1,148,061	2196.1%
<i>Total General Government</i>	<u>6,212,722</u>	<u>1,658,313</u>	<u>7,871,035</u>	<u>26.7%</u>
<i>Debt Service:</i>				
General Obligation Bonds	11,798,504	-	11,798,504	
Electric Revenue Bonds	967,306	-	967,306	0.0%
SRF Loan Payments	4,752,158	-	4,752,158	0.0%
<i>Total Debt Service</i>	<u>17,517,968</u>	<u>-</u>	<u>17,517,968</u>	<u>0.0%</u>
<i>Internal Services:</i>				
Fleet Services	3,285,092	1,288,524	4,573,616	39.2%
Information Technology	2,575,855	550,797	3,126,652	21.4%
Risk Management	2,587,223	-	2,587,223	0.0%
Health Insurance	9,176,166	-	9,176,166	0.0%
Internal Services CIP	-	47,788	47,788	0.0%
<i>Total Internal Services</i>	<u>17,624,336</u>	<u>1,887,109</u>	<u>19,511,445</u>	<u>10.7%</u>
<i>Total Expenditures Before Transfers</i>	<u>205,265,808</u>	<u>69,131,709</u>	<u>274,397,517</u>	<u>33.7%</u>
<i>Transfers</i>	<u>22,373,627</u>	<u>-</u>	<u>22,373,627</u>	<u>0.0%</u>
<i>Total Expenditures</i>	<u><u>227,639,435</u></u>	<u><u>69,131,709</u></u>	<u><u>296,771,144</u></u>	<u><u>30.4%</u></u>

BREAKDOWN BY PROGRAM 2016/17 CARRYOVERS



Excluding Transfers

EXPENDITURE CHANGES BY CATEGORY

	2017/18 Adopted	2016/17 Carryover	2017/18 Adjusted	% Change From Adopted
Personal Services	61,376,390	-	61,376,390	0.0%
Contractual	62,057,560	1,145,259	63,202,819	1.9%
Commodities	10,893,436	364,777	11,258,213	3.4%
Capital	41,599,111	67,023,697	108,622,808	161.1%
Debt	17,517,968	-	17,517,968	0.0%
Other (Allocations, rebates, insurance claims, etc)	11,821,343	597,976	12,419,319	5.1%
Total Expenditures Before Transfers	205,265,808	69,131,709	274,397,517	33.7%
Transfers	22,373,627	-	22,373,627	0.0%
Total Expenditures	227,639,435	69,131,709	296,771,144	30.4%

2016/17 AMENDMENTS BY PROGRAM

Public Safety Program \$314,717

Public Safety operating expenses are being increased by \$183,722 for delayed equipment and capital purchases for the Police and Fire Departments. Delayed improvements to the Animal Shelter totaling \$81,693 are also being carried forward to 2017/18.

A total of \$49,302 is being carried over in Public Safety CIP funds for the following projects:

- Fire station improvements \$16,245
- Outdoor storm warning system 33,057

Utilities Program \$44,084,849

Operating expenses of \$95,815 are being carried over in the Utilities program. Of this amount, \$40,000 is to replace the roof at the Electric Administration building. The \$55,815 balance in Utility operating carryovers is for delayed equipment purchases for Water and Pollution Control and Public Works.

A total of \$43,989,034 of Utility CIP project funds are being carried over for the following projects:

- Electric Utility CIP projects (\$8,761,540):
 - Unit #7 boiler tube repair \$3,719,054
 - 69 kV transmission reconstruction 855,395
 - Power Plant fire protection system 748,978
 - Mortensen Road underground 660,000
 - CEMS equipment 550,000
 - Other Electric CIP projects 2,228,113
- Water Utility CIP projects (\$12,178,149):
 - Water supply expansion 5,226,463
 - New Water Treatment Plant 3,896,284
 - Water distribution improvements 1,549,210
 - East Ames water line extension 1,086,278
 - Other Water Utility CIP projects 419,914
- Sewer Utility CIP projects (\$15,878,486):
 - Sanitary sewer system improvements 6,635,190
 - East Ames sewer system extension 4,155,302
 - WPC Plant digester improvements 1,099,818
 - WPC plant structural repairs 977,558
 - WPC plant bar screen/grinder 911,636
 - WPC residuals handling system 637,188
 - Other Sewer Utility CIP projects 1,461,794
- Flood response/mitigation projects 3,531,256
- Teagarden area storm water improvements 1,273,785
- Other Storm Water Utility CIP projects 1,929,397
- Resource Recovery improvements 436,421

Transportation Program \$19,081,969

Public Works is carrying forward \$7,000 in operating funds for delayed equipment purchases.

Transportation CIP funding carryovers total \$19,074,969 and consist of the following programs and projects:

- Street construction projects (\$9,998,246):
 - *Grand Avenue extension* \$1,920,576
 - *South 3rd and South 4th Streets* 1,378,233
 - *Asphalt pavement improvements* 1,185,373
 - *Concrete pavement improvements* 1,091,160
 - *Seal coat pavement improvements* 1,000,231
 - *Downtown pavement improvements* 845,358
 - *Other street improvement projects* 2,577,315
- Shared use path projects 2,164,373
- Traffic engineering projects 4,247,361
- Street maintenance projects 1,521,956
- Transit system improvements 671,258
- Airport improvements 471,775

Community Enrichment Program \$2,104,752

Community Enrichment operating expenses of \$222,328 are being carried forward. Of this amount, \$41,000 is for Parks and Recreation projects and equipment, primarily a study of the City's park system for ADA compliance (\$26,000). The Ames Public Library is carrying over \$79,072 in unspent grant and donation funds for library improvement projects. Funding of \$68,000 is also being carried forward for two years of the City's contribution to the Story County Housing Trust, and \$34,256 for the Public Art program.

A total of \$1,882,424 in funding is being carried over for the following Community Enrichment CIP projects:

- Parks and Recreation CIP projects (\$1,337,341):
 - *Inis Grove Park improvements* 400,000
 - *Brookside Park improvements* 218,875
 - *River Valley Park improvements* 167,020
 - *Municipal pool improvements* 148,456
 - *Healthy Life Center study* 100,000
 - *Bandshell improvements* 83,038
 - *Playground/park equipment* 31,772
 - *Ada Hayden Heritage Park* 28,114
 - *Other park and facility improvements* 160,066
- Cemetery improvements 68,640
- Downtown Façade program 122,423
- Campustown Façade program 54,020
- Human service agency capital grant program 300,000

General Government Program \$1,658,313

Operating expenses of \$560,252 are being carried forward in the General Government program. Of this amount, \$331,447 is funding to allow the Planning department to hire outside professional assistance for projects such as the Comprehensive Plan update. The Public Relations program is carrying forward \$54,346 in remaining funding for brand marketing, and, in City Council funding, \$53,533 of unspent contingency funds are being carried forward. The remaining balance of \$120,926 is for delayed equipment purchases and special projects for the City Clerk, Legal Services, Financial Services, and Facilities programs.

The General Government CIP carryover of \$1,098,061 is for the following projects:

- City Hall parking lot \$922,093
- City Hall improvements 156,848
- Community Center HCAV system 19,120

Internal Services: \$1,887,109

Internal Services has \$1,839,321 in operating carryovers consisting of the following:

- Fleet equipment purchases \$1,288,524
- Information Technology equipment 550,797

There is also an Internal Services CIP carryover of \$47,788 for improvements at the Fleet Maintenance facility.

Total Carryovers \$69,131,709

2016/17 CARRYOVERS BY FUND

	2017/18 Adopted	2016/17 Carryover	2017/18 Adjusted	% Change From Adopted
<i>General Fund</i>	35,906,473	2,070,406	37,976,879	5.8%
<i>Special Revenue Funds:</i>				
Local Option Sales Tax	8,479,884	3,046,844	11,526,728	35.9%
Hotel/Motel Tax	2,149,006	-	2,149,006	0.0%
Road Use Tax	7,726,873	3,512,820	11,239,693	45.5%
Other Special Revenue Funds	3,586,968	143,269	3,730,237	4.0%
<i>Total Special Revenue Funds</i>	21,942,731	6,702,933	28,645,664	30.6%
<i>Capital Project Funds</i>	14,947,930	15,569,660	30,517,590	104.2%
<i>Permanent Funds:</i>				
Cemetery Perpetual Care	-	-	-	
Furman Aquatic Center	-	-	-	
<i>Total Permanent Funds</i>	-	-	-	
<i>Enterprise Funds:</i>				
Water Utility	18,162,570	12,278,453	30,441,023	67.6%
Sewer Utility	12,302,747	15,904,301	28,207,048	129.3%
Electric Utility	71,581,750	8,956,715	80,538,465	12.5%
Parking	988,259	-	988,259	0.0%
Transit	14,711,655	671,258	15,382,913	4.6%
Storm Water Utility	1,825,653	4,615,053	6,440,706	252.8%
Ames/ISU Ice Arena	626,024	16,400	642,424	2.6%
Homewood Golf Course	269,295	-	269,295	0.0%
Resource Recovery	4,951,508	459,421	5,410,929	9.3%
<i>Total Enterprise Funds</i>	125,419,461	42,901,601	168,321,062	34.2%
<i>Debt Service Fund</i>	11,798,504	-	11,798,504	0.0%
<i>Internal Services:</i>				
Fleet Services	3,285,092	1,336,312	4,621,404	40.7%
Information Technology	2,575,855	550,797	3,126,652	21.4%
Risk Management	2,587,223	-	2,587,223	0.0%
Health Insurance	9,176,166	-	9,176,166	0.0%
<i>Total Internal Services</i>	17,624,336	1,887,109	19,511,445	10.7%
<i>Total Expenditures</i>	227,639,435	69,131,709	296,771,144	30.4%

**NOTICE OF PUBLIC HEARING
AMENDMENT OF FY2017-2018 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 9/26/2017
(hour) (Date)

,for the purpose of amending the current budget of the city for the fiscal year ending June 30, 2018
(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	28,067,952	0	28,067,952
Less: Uncollected Property Taxes-Levy Year	2	0	0	0
Net Current Property Taxes	3	28,067,952	0	28,067,952
Delinquent Property Taxes	4	0	0	0
TIF Revenues	5	671,076	0	671,076
Other City Taxes	6	10,332,607	0	10,332,607
Licenses & Permits	7	1,592,928	0	1,592,928
Use of Money and Property	8	9,794,597	0	9,794,597
Intergovernmental	9	27,048,779	0	27,048,779
Charges for Services	10	285,084,809	0	285,084,809
Special Assessments	11	489,335	0	489,335
Miscellaneous	12	3,427,446	0	3,427,446
Other Financing Sources	13	11,185,750	0	11,185,750
Transfers In	14	16,154,396	0	16,154,396
Total Revenues and Other Sources	15	393,849,675	0	393,849,675
Expenditures & Other Financing Uses				
Public Safety	16	19,292,608	265,415	19,558,023
Public Works	17	5,843,929	7,000	5,850,929
Health and Social Services	18	1,375,216	0	1,375,216
Culture and Recreation	19	8,612,180	139,328	8,751,508
Community and Economic Development	20	3,660,393	399,447	4,059,840
General Government	21	2,721,296	228,805	2,950,101
Debt Service	22	11,798,504	0	11,798,504
Capital Projects	23	18,344,595	23,303,004	41,647,599
Total Government Activities Expenditures	24	71,648,721	24,342,999	95,991,720
Business Type / Enterprises	25	285,244,975	44,788,710	330,033,685
Total Gov Activities & Business Expenditures	26	356,893,696	69,131,709	426,025,405
Transfers Out	27	16,154,396	0	16,154,396
Total Expenditures/Transfers Out	28	373,048,092	69,131,709	442,179,801
Excess Revenues & Other Sources Over (Under) Expenditures/Transfers Out for Fiscal Year	29	20,801,583	-69,131,709	-48,330,126
Beginning Fund Balance July 1	30	645,757,888	0	645,757,888
Ending Fund Balance June 30	31	666,559,471	-69,131,709	597,427,762

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