

**COUNCIL ACTION FORM**

**SUBJECT: AMENDMENT TO FISCAL YEAR 2018/19 ADOPTED BUDGET FOR CARRYOVERS FROM FISCAL YEAR 2017/18**

**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 \$70,970,955.

**Please note that all the projects and associated budgeted expenditures and funding sources were approved by City Council as part of the fiscal year 2017/18 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 2018/19.**

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 2018/19 budget upwards by \$70,970,955 for carryover amounts from fiscal year 2017/18.
2. Refer this item back to staff for additional information or other adjustments to the amendments.

**MANAGER'S RECOMMENDED ACTION:**

**Amending the FY 2018/19 budget for carryover amounts from the FY 2017/18 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 2018/19 budget upwards by \$70,970,955 for carryover amounts from fiscal year 2017/18.

**CITY OF AMES, IOWA**

**2018/19**

**FALL BUDGET AMENDMENT  
SUMMARY**

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## EXPENDITURE CHANGES BY PROGRAM

<i>Program:</i>	<b>2018/19 Adopted</b>	<b>2017/18 Carryover</b>	<b>2018/19 Adjusted</b>	<b>% Change From Adopted</b>
<b><i>Public Safety:</i></b>				
Law Enforcement	9,838,885	261,543	10,100,428	2.7%
Fire Safety	7,283,577	32,700	7,316,277	0.5%
Building Safety	1,571,653	-	1,571,653	0.0%
Animal Control	463,524	81,603	545,127	17.6%
Other Public Safety	924,500	-	924,500	0.0%
Public Safety CIP	1,137,000	88,501	1,225,501	7.8%
<b><i>Total Public Safety</i></b>	<b>21,219,139</b>	<b>464,347</b>	<b>21,683,486</b>	<b>2.2%</b>
<b><i>Utilities:</i></b>				
Electric Services	54,928,678	910,242	55,838,920	1.7%
Water and Pollution Control	8,157,061	29,222	8,186,283	0.4%
Water Distribution System	1,431,302	-	1,431,302	0.0%
Sanitary Sewer System	868,390	-	868,390	0.0%
Storm Water Management	667,598	-	667,598	0.0%
Resource Recovery	4,263,588	8,284	4,271,872	0.2%
Utility Customer Service	1,647,962	-	1,647,962	0.0%
Utilities CIP	24,672,600	41,013,833	65,686,433	166.2%
<b><i>Total Utilities</i></b>	<b>96,637,179</b>	<b>41,961,581</b>	<b>138,598,760</b>	<b>43.4%</b>
<b><i>Transportation:</i></b>				
Streets/Traffic System	5,838,710	137,156	5,975,866	2.4%
Transit System	11,748,735	-	11,748,735	0.0%
Parking System	1,102,317	-	1,102,317	0.0%
Airport Operations	149,486	-	149,486	0.0%
Transportation CIP	16,814,400	23,028,360	39,842,760	137.0%
<b><i>Total Transportation</i></b>	<b>35,653,648</b>	<b>23,165,516</b>	<b>58,819,164</b>	<b>65.0%</b>
<b><i>Community Enrichment:</i></b>				
Parks and Recreation	4,573,922	80,431	4,654,353	1.8%
Library Services	4,701,039	37,510	4,738,549	0.8%
Human Services	1,444,724	20,998	1,465,722	1.5%
Art Services	209,979	37,243	247,222	17.7%
Cemetery	175,641	-	175,641	0.0%
City-Wide Housing Programs	54,147	-	54,147	0.0%
CDBG Program	510,515	-	510,515	0.0%
Economic Development	2,275,169	-	2,275,169	0.0%
Community Enrichment CIP	1,260,000	2,380,649	3,640,649	188.9%
<b><i>Total Community Enrichment</i></b>	<b>15,205,136</b>	<b>2,556,831</b>	<b>17,761,967</b>	<b>16.8%</b>

## EXPENDITURE CHANGES BY PROGRAM, continued

	2018/19 Adopted	2017/18 Carryover	2018/19 Adjusted	% Change From Adopted
<b>General Government:</b>				
City Council	442,296	155,773	598,069	35.2%
City Clerk	371,003		371,003	0.0%
City Manager	765,962	-	765,962	0.0%
Public Relations	204,159	22,163	226,322	10.9%
Media Production Services	158,679	-	158,679	0.0%
Planning Services	865,415	301,278	1,166,693	34.8%
Financial Services	1,963,719	5,750	1,969,469	0.3%
Legal Services	787,852	21,810	809,662	2.8%
Human Resources	543,900	71,000	614,900	13.1%
Facilities	452,069	49,752	501,821	11.0%
General Government CIP	50,000	794,610	844,610	1589.2%
<b>Total General Government</b>	<b>6,605,054</b>	<b>1,422,136</b>	<b>8,027,190</b>	<b>21.5%</b>
<b>Debt Service:</b>				
General Obligation Bonds	11,974,832	-	11,974,832	0.0%
Electric Revenue Bonds	964,557	-	964,557	0.0%
SRF Loan Payments	4,680,645	-	4,680,645	0.0%
<b>Total Debt Service</b>	<b>17,620,034</b>	<b>-</b>	<b>17,620,034</b>	<b>0.0%</b>
<b>Internal Services:</b>				
Fleet Services	3,446,968	1,102,500	4,549,468	32.0%
Information Technology	2,586,906	256,085	2,842,991	9.9%
Risk Management	2,521,124	-	2,521,124	0.0%
Health Insurance	9,113,137	-	9,113,137	0.0%
Internal Services CIP	-	41,959	41,959	
<b>Total Internal Services</b>	<b>17,668,135</b>	<b>1,400,544</b>	<b>19,068,679</b>	<b>7.9%</b>
<b>Total Expenditures Before Transfers</b>	<b>210,608,325</b>	<b>70,970,955</b>	<b>281,579,280</b>	<b>33.7%</b>
<b>Transfers</b>	<b>23,526,960</b>	<b>-</b>	<b>23,526,960</b>	<b>0.0%</b>
<b>Total Expenditures</b>	<b>234,135,285</b>	<b>70,970,955</b>	<b>305,106,240</b>	<b>30.3%</b>

## 2018/19 AMENDMENTS BY PROGRAM

### Public Safety Program \$464,347

Public Safety operating expenses are being increased by \$294,243 for delayed equipment and capital purchases for the Police and Fire Departments. Delayed improvements to the Animal Shelter totaling \$81,603 are also being carried forward to FY 2018/19.

A total of \$88,501 is being carried over in Public Safety CIP funds for the following projects:

- Fire station improvements \$65,970
- City-Wide Radio System Study 22,531

### Utilities Program \$41,961,581

Operating expenses of \$947,748 are being carried over in the Utilities program. Of this amount, \$639,242 is for electric distribution system improvements and \$250,000 is for SCADA and CMMS upgrades at the Power Plant. The \$58,506 balance in Utility operating carryovers is for delayed equipment purchases and special projects in Electric Services, Water and Pollution Control, and Resource Recovery.

A total of \$41,013,833 of Utility CIP project funds are being carried over for the following projects:

- Electric Utility CIP projects (\$12,021,513):
  - *Top-O-Hollow Substation* \$3,504,195
  - *RDF Bin Renovations* 2,741,147
  - *Ash Pond Modifications* 931,402
  - *Power Plant Fire Protection* 732,262
  - *Unit 7 Turbine/Generator Overhaul* 704,991
  - *Other Electric CIP projects* 3,407,516
- Water Utility CIP projects (\$11,706,825):
  - *N River Valley Well Field* 5,157,104
  - *New Water Treatment Plant* 2,124,673
  - *Water distribution improvements* 1,925,466
  - *East Ames water line extension* 1,030,523
  - *Other Water Utility CIP projects* 1,469,059
- Sewer Utility CIP projects (\$10,229,170):
  - *East Ames sewer system extension* 3,988,295
  - *Sanitary sewer system improvements* 2,389,673
  - *WPC residuals handling system* 2,266,619
  - *WPC plant bar screen/grinder* 720,152
  - *WPC plant primary clarifier* 231,013
  - *WPC nutrient reduction* 206,744
  - *Other Sewer Utility CIP projects* 426,674
- Flood response/mitigation projects 3,495,162
- Teagarden area storm water improvements 1,260,755
- Other Storm Water Utility CIP projects 2,238,963
- Resource Recovery improvements 61,445

**Transportation Program \$23,165,516**

Public Works is carrying forward \$137,156 in operating funds for delayed equipment purchases.

Transportation CIP funding carryovers total \$23,028,360 and consist of the following programs and projects:

- Street construction projects (\$16,973,477):
  - *Grand Avenue extension* \$8,939,445
  - *South Duff Avenue improvements* 2,462,939
  - *Arterial street improvements* 1,874,419
  - *Concrete pavement improvements* 949,139
  - *Collector street improvements* 668,562
  - *Right-of-Way Restoration* 576,667
  - *Other street improvement projects* 1,502,306
- Shared use path projects 2,762,944
- Traffic engineering projects 1,442,533
- Street maintenance projects 1,530,906
- Airport improvements 318,500

**Community Enrichment Program \$2,556,831**

Community Enrichment operating expenses of \$176,182 are being carried forward. Of this amount, \$80,431 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 \$37,510 in unspent grant and donation funds for library improvement projects. Funding of \$20,998 is also being carried forward in Human Service agency allocations, and \$37,243 for the Public Art program.

A total of \$2,380,649 in funding is being carried over for the following Community Enrichment CIP projects:

- Parks and Recreation CIP projects (\$1,700,629):
  - *Inis Grove Park improvements* 400,000
  - *River Valley Park improvements* 299,758
  - *Brookside Park improvements* 236,651
  - *Bandshell improvements* 196,538
  - *Municipal Pool improvements* 141,653
  - *Sunset Ridge Park development* 77,500
  - *Playground/park equipment* 31,772
  - *Ames/ISU Ice Arena* 20,446
  - *Other park and facility improvements* 296,311
- Cemetery improvements 60,000
- Downtown Façade program 116,000
- Campustown Façade program 104,020
- Downtown/Campustown plazas 400,000



**General Government Program \$1,422,136**

Operating expenses of \$627,526 are being carried forward in the General Government program. Of this amount, \$301,278 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 \$22,163 in remaining funding for brand marketing, and, in City Council funding, \$97,706 of unspent contingency funds are being carried forward. Allocations are also being carried forward for Campustown Action Association (\$30,500) and funding granted to Ames Foundation (\$20,000) for an entryway sign along Interstate 35. The remaining balance of \$155,879 is for delayed equipment purchases and special projects for the Financial Services, Legal Services, Human Resources, and Facilities programs.

The General Government CIP carryover of \$794,610 is for the following projects:

- City Hall parking lot \$389,333
- City Hall Security 250,000
- City Hall improvements 155,277

**Internal Services: \$1,400,544**

Internal Services has \$1,358,585 in operating carryovers consisting of the following:

- Fleet equipment purchases \$1,102,500
- Information Technology equipment 256,085

There is also an Internal Services CIP carryover of \$41,959 for improvements at the Fleet Maintenance facility.

**Total Carryovers \$70,970,955**

## 2017/18 CARRYOVERS BY FUND

<i>Fund:</i>	<b>2018/19 Adopted</b>	<b>2017/18 Carryover</b>	<b>2018/19 Adjusted</b>	<b>% Change From Adopted</b>
<b>General Fund</b>	37,327,312	1,934,155	39,261,467	5.2%
<b>Special Revenue Funds:</b>				
Local Option Sales Tax	8,318,262	3,938,539	12,256,801	47.4%
Hotel/Motel Tax	2,267,800	-	2,267,800	0.0%
Road Use Tax	8,288,352	2,773,368	11,061,720	33.5%
Public Safety Special Revenues	71,850	32,600	104,450	45.4%
City-Wide Housing Programs	54,147	-	54,147	0.0%
CDBG Program	510,515	-	510,515	0.0%
Employee Benefit Property Tax	2,152,498	-	2,152,498	0.0%
Police/Fire Retirement	38,000	-	38,000	0.0%
Parks & Rec Grants/Donations	10,100	-	10,100	0.0%
Library Friends Foundation	237,200	27,510	264,710	11.6%
Library Grants/Donations	50,065	10,000	60,065	20.0%
Utility Assistance	15,000	-	15,000	0.0%
Miscellaneous Donations	-	8,450	8,450	
Developer Projects	-	-	-	
Tax Increment Financing (TIF)	721,759	-	721,759	0.0%
<b>Total Special Revenue Funds</b>	<b>22,735,548</b>	<b>6,790,467</b>	<b>29,526,015</b>	<b>29.9%</b>
<b>Capital Project Funds:</b>				
Special Assessments	490,869	-	490,869	0.0%
Street Construction	4,584,000	7,706,000	12,290,000	168.1%
Airport Construction	-	318,500	318,500	
Park Development	90,000	78,500	168,500	87.2%
General Obligation Bonds	7,993,866	12,775,582	20,769,448	159.8%
<b>Total Capital Project Funds</b>	<b>13,158,735</b>	<b>20,878,582</b>	<b>34,037,317</b>	<b>158.7%</b>
<b>Enterprise Funds:</b>				
Water Utility/Construction	18,996,826	11,796,778	30,793,604	62.1%
Sewer Utility/Construction	16,379,061	10,317,170	26,696,231	63.0%
Electric Utility/Sinking	70,596,191	12,963,142	83,559,333	18.4%
Parking	1,690,145	-	1,690,145	0.0%
Transit	14,954,135	-	14,954,135	0.0%
Storm Water Utility/Construction	2,610,644	4,785,942	7,396,586	183.3%
Ames/ISU Ice Arena	555,353	13,980	569,333	2.5%
Ice Arena Capital Reserve	120,000	20,466	140,466	
Homewood Golf Course	285,110	-	285,110	0.0%
Resource Recovery	5,083,258	69,729	5,152,987	1.4%
<b>Total Enterprise Funds</b>	<b>131,270,723</b>	<b>39,967,207</b>	<b>171,237,930</b>	<b>30.5%</b>

## 2017/18 CARRYOVERS BY FUND, continued

	2018/19 Adopted	2017/18 Carryover	2018/19 Adjusted	% Change From Adopted
<b><i>Debt Service</i></b>	11,974,832	-	11,974,832	0.0%
<b><i>Internal Service Funds:</i></b>				
Fleet Services	2,278,968	-	2,278,968	0.0%
Fleet Reserve	1,168,000	1,144,459	2,312,459	98.0%
Information Technology	1,855,385	-	1,855,385	0.0%
Technology Reserve	492,100	256,085	748,185	52.0%
Shared Communications	239,421	-	239,421	0.0%
Risk Insurance	2,521,124	-	2,521,124	0.0%
Health Insurance	9,113,137	-	9,113,137	0.0%
<b><i>Total Internal Service Funds</i></b>	17,668,135	1,400,544	19,068,679	7.9%
<b><i>Total Expenditures</i></b>	234,135,285	70,970,955	305,106,240	30.3%

**NOTICE OF PUBLIC HEARING  
AMENDMENT OF FY2018-2019 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 9/25/2018  
*(hour)* *(Date)*

, for the purpose of amending the current budget of the city for the fiscal year ending June 30, 2019  
*(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
<b>Revenues &amp; Other Financing Sources</b>				
Taxes Levied on Property	1	29,395,044	0	29,395,044
Less: Uncollected Property Taxes-Levy Year	2	0	0	0
Net Current Property Taxes	3	29,395,044	0	29,395,044
Delinquent Property Taxes	4	0	0	0
TIF Revenues	5	773,287	0	773,287
Other City Taxes	6	10,473,149	0	10,473,149
Licenses & Permits	7	1,651,950	0	1,651,950
Use of Money and Property	8	12,025,803	0	12,025,803
Intergovernmental	9	24,804,351	0	24,804,351
Charges for Services	10	291,520,391	2,250,000	293,770,391
Special Assessments	11	490,869	0	490,869
Miscellaneous	12	3,976,376	-2,243,400	1,732,976
Other Financing Sources	13	11,761,750	0	11,761,750
Transfers In	14	16,566,683	0	16,566,683
<b>Total Revenues and Other Sources</b>	<b>15</b>	<b>403,439,653</b>	<b>6,600</b>	<b>403,446,253</b>
<b>Expenditures &amp; Other Financing Uses</b>				
Public Safety	16	20,067,639	375,846	20,443,485
Public Works	17	6,017,696	167,682	6,185,378
Health and Social Services	18	1,444,724	20,998	1,465,722
Culture and Recreation	19	9,026,188	118,245	9,144,433
Community and Economic Development	20	3,863,925	301,278	4,165,203
General Government	21	2,786,478	318,681	3,105,159
Debt Service	22	11,974,832	0	11,974,832
Capital Projects	23	16,642,866	28,300,474	44,943,340
Total Government Activities Expenditures	24	71,824,348	29,603,204	101,427,552
Business Type / Enterprises	25	294,659,050	41,367,751	336,026,801
Total Gov Activities & Business Expenditures	26	366,483,398	70,970,955	437,454,353
Transfers Out	27	16,566,683	0	16,566,683
<b>Total Expenditures/Transfers Out</b>	<b>28</b>	<b>383,050,081</b>	<b>70,970,955</b>	<b>454,021,036</b>
Excess Revenues & Other Sources Over (Under) Expenditures/Transfers Out for Fiscal Year	29	20,389,572	-70,964,355	-50,574,783
Beginning Fund Balance July 1	30	654,733,355	0	654,733,355
Ending Fund Balance June 30	31	675,122,927	-70,964,355	604,158,572

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