

# **FISCAL YEAR 2019/20**

## **CITY COUNCIL BUDGET ISSUES**

Near the beginning of each year's budget preparation cycle, the City Manager and Finance staff presents City Council with a budget overview. This presentation has four main purposes:

1. Present the "big picture" of the coming year's budget, including factors that may later impact the Council's budget decisions
2. Share budget-related input and requests that have been received from local citizens and organizations
3. Seek Council direction on select components of the budget (e.g., overall funding levels for human services and arts)
4. Receive any general funding or service level direction that Council wishes to incorporate into the budget

### ***OVERALL ECONOMIC CONDITION OF THE CITY***

Overall economic conditions in the City of Ames remain strong. However, there is continued concern that state-level budget issues could lead to a reduction in property tax replacement to Cities associated with recent state-wide property tax reform.

Local Option Sales Tax receipts are expected to increase after years of relatively stagnant growth. The U.S. Supreme Court decision in the *Wayfair vs. South Dakota* case coupled with Iowa legislation related to online retail sales will require larger internet retailers to collect and remit sales tax regardless of their location. This change will go into effect beginning January 1, 2019 and the Iowa Department of Revenue expects to begin making distributions of internet sales tax collections beginning in late spring of 2019. Based on this and current retail sales numbers, we expect that the City will meet the budgeted Local Option Sales Tax revenue for FY 2018/19 and are forecasting 3% growth for FY 2019/20.

We expect a continued modest increase in property valuation to have a positive financial impact on the City budget. Taxable valuation for residential property will increase due to the residential rollback rate increasing from 55.62% to 56.92%. This small change in residential rollback will result in a small shift in taxes from the commercial and industrial classes of property to the residential class.

We are anticipating smaller than average increases in health care costs and a continued modest rate of inflation on goods and services.

Commercial and industrial property will continue to be taxed at 90% of value regardless of what may happen with replacement tax. A new property classification was implemented in FY 2016/17; multi-residential property, formerly taxed at 90% of value, will take another

step toward rollback to the residential rate and will be taxed at 75% of value, with no state replacement tax.

Interest revenues for the City investments continue to have modest increases during FY 2018/19 as the City re-invests lower earning assets into investments at current higher rates. Though this will provide some additional revenue, rates for G.O. Bonds are likely to increase from the current very favorable levels.

## **GENERAL FUND**

The General Fund ended FY 2017/18 with a balance of approximately \$11.7 million, creating a beginning balance for FY 2018/19 that is \$2.5 million higher than what was anticipated in the adopted budget. Revenues for FY 2017/18 were \$140,000 higher than what was budgeted due to increased interest revenue (\$68,000) and building permit revenue (\$47,500). All other revenue in the General Fund netted to additional \$25,000 over budgeted revenue. Expenditures for FY 2017/18 were approximately \$2.4 million lower than what was budgeted, largely due to incomplete CIP and other special projects, as well as salary and other savings in various City departments.

Of the \$2.5 million additional General Fund balance, \$1.9 million has been earmarked for incomplete FY 2017/18 projects that have been carried over into the FY 2018/19 adjusted budget. These projects include City Hall security (\$250,000), the Comprehensive Plan update (\$219,293), the City Hall parking lot reconstruction project (\$133,594), body cameras for the Police Department (\$103,000), as well as a number of smaller expenditures. Excluding the carryovers, a balance of approximately \$600,000 remains, which is available for programming into the FY 2018/19 adjusted budget.

The Council could decide to use some amount of this additional balance to subsidize operating costs, thereby lowering property tax rates in FY 2019/20. This strategy, however, would only lead to a larger increase in the following year when this one-time balance would need to be replaced with a more permanent revenue source. Therefore, the staff recommends that the one-time available balance be used for one-time expenses. Please note that in addition to the \$600,000 noted above, there remains a fund balance in excess of the Council approved minimum balance that is adequate to mitigate contingencies such as the loss of state replacement tax per Council direction given during the FY 2018/19 budget process.

## **CYRIDE**

New federal safety regulations were released on July 19, 2018 that will require CyRide to add a Chief Safety Officer position to develop an agency safety plan and monitor its safety risks. This will increase CyRide's FTE's by one and require funding in the budget for an estimated \$85,000 in wages and benefits.

Decreasing ISU enrollment has lowered CyRide's student revenues and will challenge the system to maintain its current services as well as the enhanced services implemented this year under CyRide 2.0

## **WATER POLLUTION CONTROL NUTRIENT REDUCTION**

The consultant evaluating nutrient reduction at the Water Pollution Control Facility (WPCF) has recommended a two-track approach to achieve the goals of the Iowa Nutrient Reduction Strategy. The first track will convert the facility's treatment process to "Conventional Activated Sludge with Biological Nutrient Removal" in three phases over the next twenty years.

The second track focuses on watershed-based land practices that provide additional benefits beyond nutrient reduction, such as flood mitigation, streambank stabilization, drinking water source protection, habitat restoration, and/or recreational opportunities. Originally, Staff was recommending that this watershed track be established initially at \$100,000 per year. Depending on which projects may come to the forefront in any given year, it is possible that money could be allowed to accumulate for a few years to allow larger-scale projects to be undertaken. At the November 20, 2018 workshop, there was some discussion by Council and a public commenter about the possibility of devoting an amount greater than \$100,000 per year towards this effort. After further consultation, the staff is now recommending that initially \$200,000 per year be designated for this purpose. This amount can be increased in future CIPs should a greater need be identified.

### ***RESOURCE RECOVERY***

After several years of flat fees, the Resource Recovery plant increased tipping fees from \$52.75 per ton to \$55.00 per ton on July 1, 2017. The per capita fee charged to participating communities was increased from \$9.10 to \$10.50 beginning January 1, 2018. These fee increases primarily offset the general increase in operating costs and the loss of revenue due to significant reduction in the price of recovered scrap metals.

The Resource Recovery plant was impacted by reduced capacity to burn refuse derived fuel (RDF) with the conversion of the electric power plant from coal to natural gas as a fuel source. Though these two utilities operate as separate enterprises, they work closely together and have developed a new formula for RDF that will provide a more stable revenue source for Resource Recovery. To address the inconsistency in RDF revenue, staffs from Electric Services and Resource Recovery have developed a payment formula based on an operational average delivery of 2,500 tons of RDF per month to the power plant. If in any month the power plant is off-line and does not burn the base average of 2,500 tons, Electric Services will pay Resource Recovery for the baseline average of 2,500 tons. If the 2,500 ton baseline is not met because of operational issues at Resource Recovery, payment will be made on the actual tons delivered. If all systems are running well and the monthly RDF amount exceeds the 2,500 ton baseline, payment will be based on the actual tons delivered. This baseline of 2,500 tons per month equates to \$900,000 RDF revenue per year and will be used for budgeting purposes beginning in the adjusted FY 2018/19 budget.

This adjustment in RDF payment still does not provide adequate funding for Resource Recovery operational and capital needs looking into the future. To better provide for these needs and to maintain an adequate on-going fund balance, a stepped increase in tipping fees is being proposed. The current tipping fee of \$55.00 per ton is expected to be

increased by \$3.75 per ton to \$58.75 per ton in FY 2019/20. An additional increase of \$3.75 per ton is expected in FY 2022/23, bringing the tipping fee to \$62.50.

## ***PARKING***

The City parking system is operated as a self-funded enterprise. With aging parking lots the City raised meter and lot rental fees to fund upcoming needed improvements to our public parking lots. There are limited alternative options available for funding parking lot improvements including local option sale tax, general obligation bonds, and hotel/motel tax. Use of these funding sources will require either the reduction in funding for other projects or an increase of property taxes.

## ***FIRE AND POLICE RETIREMENT AND IPERS***

### ***-MFPRSI***

The City contribution rate to the Municipal Fire and Police Retirement System of Iowa (MFPRSI) will be slightly lower. The current rate is 26.02% of covered wages and will be 24.41% for FY 2019/20. The rate remains well above the City's minimum contribution rate of 17% and is expected to remain so in the foreseeable future. The employee contribution share remains fixed at 9.40%.

### ***-IPERS***

The City contribution rate to the Iowa Public Employee Retirement System (IPERS) will be unchanged. The current rate is 9.44% of covered wages and will remain at 9.44% for FY 2019/20. The employee contribution will also remain at 6.29% with the fixed 60/40 sharing of the pension cost.

## ***HEALTH INSURANCE***

For several years, the City of Ames experienced health insurance increases between 5% and 9% per year. With recent favorable claims experience and a strong self-insured fund balance, we are projecting a 2% rate increase for FY 2019/20. With this increase in premiums charged under the self-insured plan, we expect a small draw down in the fund balance. Even with a planned draw-down the balance will remain well above the required levels to maintain a self-insured plan and provide an adequate balance to fund possible claims fluctuations. We will review the status of the plan again after the end of December and evaluate the need for a larger increase.

## ***ROLLBACK AND VALUATION***

Since 1978, residential and agricultural property has been subject to an assessment limitation order, or "rollback," that limits annual growth of property values (all other classes of property were eventually added). Prior to the 2013 overhaul of the property tax system,

property value growth was limited to 4% per year for agricultural, commercial, industrial and residential properties. If property values grew by more than 4%, the taxable value was rolled back to comply with the assessment limitation system.

In addition, the rollback included a formula that tied the growth of residential property to that of agricultural property. This connection is commonly referred to as “coupling” and limits the valuation of either property class to the smaller of the two. Since the law’s inception, residential property has always been subject to significant rollbacks, while the other property classes did not grow as much and were usually taxed at or near their full assessed value.

While the property tax rollback system remains in place, several major changes were made during the 2013 legislative session. For each assessment year beginning in 2013, residential and agricultural property value growth is now capped at 3%, or whichever is lowest between the two classes (the coupling provision remains).

Commercial, industrial and railway property now have their own rollback, which began at 95% for valuations established during the 2013 assessment year (affecting FY 2014/15) and 90% for the 2014 assessment year and thereafter. The rollback percentage for these properties will remain fixed at 90% regardless of how fast or slow valuations grow.

The legislature created a standing appropriation, beginning in FY 2014/15, to reimburse local governments for the property tax reductions resulting from the new rollback for commercial and industrial property (railroad not included). The “backfill” was funded by the legislature for the current fiscal year, future backfill appropriations are capped at the FY 2015/16 level. **Staff is concerned that continued funding of the State obligation to provide backfill for property tax relief may be at risk for FY 2019/20. The total amount of replacement tax backfill included in FY 2018/19 budget is \$973,210, representing 3.3% of levied taxes. If funding of the replacement tax is eliminated and City Council chooses to maintain current service levels, a property tax rate increase of approximately \$0.33 would be required.**

A new property class was established for multi-residential property, which first took effect in FY 2016/17. For buildings that are not otherwise classified as residential property, the definition of multi-residential property is broad and includes:

- Mobile home parks
- Manufactured home communities
- Land-leased communities
- Assisted living facilities
- Property primarily used or intended for human habitation containing three or more separate living quarters

The following rollback percentages will be phased in over eight years, beginning in budget FY 2016/17. **There is no backfill provision for this class and with an estimated valuation of \$124.7 million in Ames the reduction of property tax dollars will be approximately \$48,500 in FY 2019/20.**

<b>Multi-Residential Property Rollback Schedule</b>	
January 1, 2015	86.25%
January 1, 2016	82.50%
January 1, 2017	78.75%
<b>January 1, 2018</b>	<b>75.00%</b>
January 1, 2019	71.25%
January 1, 2020	67.50%
January 1, 2021	63.75%
January 1, 2022 and thereafter	same as residential

The rollback for residential property will increase from 55.62% of taxable value to 56.92% for FY 2019/20.

<b>Rollback Percentage Rates</b>				
<b>Property Class</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>	<b>FY 19-20</b>
Residential	55.6259	56.9391	55.6209	56.9180
Com. & Ind.	90.0000	90.0000	90.0000	90.0000

## **LOCAL OPTION SALES TAX**

### ***Estimated Revenue***

For the current year, local option sales tax receipts are expected to be \$8,070,900. This remains unchanged from the adopted budget. **The staff forecast for local option sales tax revenue for FY 2019/20 is \$8,313,027 or a 3% increase from the FY 2018/19 adopted budget.** Last year during the budget process, staff expressed concern that a weakness in taxable retail sales may be part of a fundamental shift in retail from local brick and mortar sales to online retail. This could have a long-term impact on capital improvement projects and services which are funded by local option revenues and the property tax relief provided. Recent law changes that will require collection and remittance of local sales tax by online retailers are expected to both help reverse this trend and place our local retailers on a more level playing field with their online competitors.

A summary of the Local Option Sales Tax Fund with some illustrative options for the FY 2019/20 budget is included in Attachment 1 to this document and is by no means a recommendation for the upcoming budget. Though we do not need specific budget decisions at this time, staff is requesting Council direction on funding levels for ASSET, COTA, and other outside organizations.

### ***ASSET Human Services Funding***

The City Council adopted the priorities below for human services funding in FY 2019/20:  
*(Note: sub-bullets under #1 and #2 are not in priority order)*

**#1 Meet basic needs with emphasis on low to moderate income:**

- Housing cost offset programs (including utility assistance)
- Sheltering
- Quality childcare cost offset programs (including daycare and State of Iowa licensed in home facilities)
- Food cost offset programs to assist in providing nutritious perishables and staples
- Transportation cost offset programs
- Legal assistance
- Disaster response
- Medical and dental services

**#2 Meet mental health and chemical dependency needs**

- Provide outpatient emergency access to services
- Provide crisis intervention services
- Provide access to non-emergency services
- Ensure substance abuse prevention and treatment is available in the community

**#3 Provide services and activities for social and educational development of youth**

The table below summarizes each year’s ASSET allocations by funder.

	Story County	CICS	United Way	ISU Student Gov’t.	City Budgeted Amount	City % Increase	Total
2014/15	1,082,602	--	955,145	152,605	1,139,226	-3.8%	3,329,578
2015/16	879,857	349,856	1,002,833	167,339	1,212,375	6.4%	3,612,260
2016/17	1,031,870	430,718	1,084,827	178,882	1,278,973	5.5%	4,005,270
2017/18	1,072,156	448,724	1,193,303	194,430	1,355,711	6.2%	4,264,324
2018/19	1,142,625	602,229	1,228,443	194,430	1,423,497	5.0%	4,591,224

The prior budget year is not the only way to evaluate the amount to budget for the next fiscal year. The amount budgeted at this time each year can vary if the volunteers do not recommend funding the entire amount authorized by the City Council. Additionally, the amount contracted with agencies is often not entirely drawn down each year. In FY 2017/18, \$24,804.79 (1.7%) of the City allocation was not drawn down by agencies (excluding funds approved by the City Council to be carried over to the current fiscal year for YSS and ACPC).

FY 2017/18 City Funds			FY 2018/19 City Funds			FY 2019/20
Requested	Budgeted	Contracted	Requested	Budgeted	Contracted	Requested
\$1,418,203	\$1,355,711	\$1,355,711	\$1,578,788	\$1,423,497	\$1,423,497	\$1,667,899

**For FY 2019/20, City ASSET funds requested by agencies total \$1,667,899. This is \$244,402 (17.2%) over the current FY 2018/19 contracted services of \$1,423,497.** Overall, the service requests to the City have slightly increased. The following changes are worth bringing to the City Council’s attention:

- **ChildServe (Day Care – Infant & Children)** – ChildServe has requested a 141% increase in City funds for Infant Care (\$14,472 requested) and a 69% increase for child care for children ages 2 to 5 (\$25,326 requested). Similar percentage increases are being requested from Story County and United Way. ChildServe has indicated that costs for both services continue to increase.
- **Emergency Residence Project (Transitional Housing)** – ERP has requested another substantial increase for Transitional Housing. The City allocated \$13,114 in funding for Transitional Housing in FY 2018/19. ERP is requesting \$23,703 from the City for FY 2019/20. ERP attributes the increase to hiring a full-time Housing Support Specialist and rehabilitating one of its transitional housing units.
- **Raising Readers (Thrive by Five & Out of School Learning)** – Raising Readers has requested an increase for the Thrive by Five and Out of School Learning programs. In FY 2018/19, the City allocated \$9,303 for Thrive by Five and \$13,486 for Out of School Learning. Raising Readers is requesting \$14,000 (50% increase) and \$22,000 (63% increase) respectively for those programs for FY 2019/20. Raising Readers’ requests to United Way and to Story County are also substantial increases.
- **YSS (Public Education/Awareness & Transitional Living)** – YSS has requested \$51,189 (71% increase) for Public Education and Awareness and \$4,586 (73% increase) for Transitional Living for FY 2019/20. In FY 2018/19, the City allocated \$30,000 for Public Education and Awareness and \$2,652 for Transitional Living. YSS is also requesting similar increases from Story County and United Way.

In previous budgeting cycles, the City Council has requested information as to which services turned clients away due to a lack of funding. In FY 2019/20, there are 72 individual services for which agencies have requested City funding. The table below shows the breakdown of whether clients were turned away in the last full fiscal year and for what reasons:

<b>Agency response to whether clients were turned away</b>	<b># of services</b>
No clients turned away	34
Clients turned away	21
No information provided regarding clients turned away	8
Some clients turned away due to ineligibility under criteria or rules violations	3
No clients turned away, but other sources of funding used or services curtailed	3
No data – new service	3

The “Clients Turned Away” category includes services where there is a waiting list. Of the 21 services in which clients were turned away, 15 involved a service where there are capacity limitations due to licensure or a limited number of available beds. The six remaining services where individuals were turned away are:



1. **MICA Family Development and Education** — MICA is not requesting an increase for this service.
2. **The Salvation Army Homelessness Prevention Program** — The Salvation Army noted that over 300 families/individuals were declined services due to a lack of funds available to provide assistance. The agency is requesting an increase from \$21,988 in FY 2018/19 to \$25,000 in FY 2019/20.
3. **The Salvation Army Representative Payee Program** — The Salvation Army indicated 22 clients were on the waiting list. The agency is requesting an increase from \$13,122 in FY 2018/19 to \$15,000 in FY 2019/20.
4. **The Salvation Army Bill Payer Program** — The Salvation Army noted that five clients were on a waiting list due to the lack of volunteers. The agency is requesting an increase from \$4,020 in FY 2018/19 to \$4,500 in FY 2019/20.
5. **Heartland Senior Services Home Delivered Meals Under 60 Program** — HSS noted that participants were turned away if they could not pay the full cost of the meal (\$9.25) and additional funding through grants was not available. HSS did not request City funds for this program in FY 2018/19, but is requesting \$3,000 from the City for FY 2019/20.
6. **Youth and Shelter Services Mentoring Program** — YSS indicated that 72 youth were on the waiting list at the end of the school year and there would be the same number at the beginning of the school year. YSS is requesting an increase from \$27,150 in City funds for FY 2018/19 to \$37,565 in FY 2019/20.

In addition to the amount authorized for human services programs, the City will also budget its share of the ASSET administrative expenses. The City's estimated share for these expenses in FY 2019/20 is \$6,312.

Until the last budget cycle, the City Council chose to authorize an ASSET increase of a fixed percentage plus the amount necessary to fully fund the requests where clients were turned away due to a lack of funding. Last year, the City Council authorized a 5% increase. The table below indicates allocation options based on the percentage increases from the FY 2018/19 contracted amount of \$1,423,497.

Increase From Current	Dollar Increase	Total City Funding Authorized
1.3% (amt. to fully fund turn-away svcs.)	\$ 18,745	\$ 1,442,282
1%	14,235	1,437,732
2%	28,470	1,451,967
4%	56,940	1,480,437
5%	71,175	1,494,672
17.2% (request)	244,402	1,667,899
+		
<i>ASSET Admin. Share</i>	\$ 6,312	<i>In addition to services</i>

The attached spreadsheet (Attachment A) indicates the services requested from the City compared to the current year along with the total amount requested from ASSET funders for each service. This does not include funding requests from other funders for services in which the City does not participate.

**COTA – Performing Arts Funding**

The Commission of the Arts (COTA) allocation for FY 2018/19 is \$163,979. This is the same amount allocated in FY 2017/18. For FY 2019/20, COTA organizations have requested funding in the amount of \$207,080 (excluding special Spring and Fall Grants). This is a \$43,101 (26%) increase from the FY 2018/19 appropriation.

**Central Iowa Symphony and Story Theater Company noted in their requests that they were seeking increased COTA funds as a result of the City Auditorium no longer providing a discount to Ames Community Arts Council (ACAC) members for the use of the Auditorium.** In a review of last year’s rental rates, Parks and Recreation determined that its rate structure needed to be simplified and that the subsidized facility fee which was charged to ACAC members was not offsetting the costs to operate the Auditorium. The rate increase has been delayed to FY 2019/20 to allow organizations to adjust to the change. Central Iowa Symphony is requesting a \$5,250 increase and Story Theater Company is requesting a \$13,455 increase compared to their FY 2018/19 contracted amounts.

This year the Ames Chapter of the Des Moines Metro Opera Guild made a first-time request for funding. A total of 17 organizations submitted applications for funding this year compared to 14 in FY 2018/19. At the November 5 meeting, the Commission chose not to fund Dancenter Dance Company Foundation for FY 2019/20. This was a result of the organization’s failure to attend the mandatory Annual Grant Workshop and the Annual Grant Hearings. Not including the Dancenter’s request of \$3,000, the total requested by all agencies is \$207,080.

As always, a range of options are available for establishing an authorized allocation for FY 2019/20. It should be noted that the amount authorized by the City Council is used entirely by COTA. COTA sets aside a portion of the funds authorized by the Council for Special Project Grant funds to distribute later in the year. Last year, COTA decided to increase the flexibility of these funds. Awards may now be up to \$1,000 per project (up from \$750 each).

Increase From Current	Dollar Increase	Amount Authorized
0%	\$ 0	\$ 163,979
1%	1,639	165,618
2%	3,279	167,258
5%	8,198	172,177
26% (request)	43,101	207,080

## **Funding Requests From Outside Organizations**

City staff accepts applications from outside organizations wishing to receive Local Option Sales Tax funds for their organizations' operations. The City Council has exempted the Ames Economic Development Commission's business development partnership, the Ames/ISU Sustainability Coordinator and the Ames Human Relations Commission from this process, since these activities are conducted in an official capacity on behalf of the City government.

The total amount allocated for these operating fund requests in FY 2018/19 was \$188,070 and the total FY 2019/20 request is \$315,400. This is a 68% increase over the FY 2018/19 operating request total.

<b>Organization/Program</b>	<b>18/19 Operations Award</b>	<b>18/19 One-time Request Award</b>	<b>19/20 Operations Request</b>	<b>% Change</b>
Ames Historical Society	\$ 42,600		\$ 45,200	6%
Ames Int'l Partner City Ass'n	6,000		6,000	0%
Campustown Action Ass'n	30,650	\$ 40,000*	71,500	133.2%
Hunziker Youth Sports Complex	29,650		30,700	3.5%
Main Street Cultural District	44,300	7,000**	54,000	21.9%
Story County Housing Trust Fund	34,870		35,000	.4%
AEDC Workforce Development		15,000***	15,000	0%
The Community Academy			58,000	
<b>TOTAL</b>	<b>\$ 188,070</b>	<b>\$ 62,000</b>	<b>\$ 315,400</b>	<b>68%</b>

\*funded from FY 2017/18 General Fund balance

\*\*funded from FY 2018/19 Council Contingency

\*\*\*funded from Hotel/Motel Tax Fund balance

### **Highlights from the requests are summarized below:**

- **Campustown Action Association** – CAA received a \$40,000 one-time allocation from the general fund balance for clean-up programming. This is in addition to its \$30,650 award for operating expenses. It was CAA's goal to pass the Self-Supported Municipal Improvement District (SSMID) and use revenue generated to replace some or all of this one-time funding for clean-up efforts. The SSMID was not adopted. CAA's request now includes \$42,000 in operating funds for clean-up efforts.
- **Main Street Cultural District** – MSCD's FY 2019/20 total request is the same as its FY 2018/19 request, \$54,000. In the last funding cycle, MSCD requested \$7,500 for the Smithsonian Traveling Exhibit, which was not funded through the annual grant process. **The Council later approved a one-time allocation of \$7,000 from the FY 2018/19 Council Contingency Fund for the exhibit.** For FY 2019/20, MSCD is

requesting an additional \$2,000 for beautification and \$2,000 for maintaining status as a Main Street Iowa Community, and maintaining status as an Iowa Great Place (including grant management). The requested reimbursement for marketing is slightly lower.

- **Ames Economic Development Commission** – The AEDC requested funds last year for a workforce development project. **At that time, the Council discussed whether to view this as a one-time request or an operating request. AEDC has again requested funding for this initiative.** This project, if funded, would be supported from Hotel/Motel Taxes, not the Local Option Sales Tax Fund. The pool of funding authorized by the Council only includes Local Option funds. Therefore, the review team will review the merits of this proposal and provide a separate recommendation regarding the request. Funding this program will not count against the funds authorized for other programs in this report.
- **The Community Academy** – **This is a new agency to this funding request process.** Funds would be used to engage 60 Ames area youth in a renovation project of the Audubon Trail in Brookside Park. Students would construct interpretive signage and benches for the trail while learning about history, nature, design, and other areas. The agency is requesting \$58,000 in City funds, as part of a doubling of its overall budget from \$101,000 in the current year to \$203,000 in the next fiscal year.

The past practice has been to include the amount approved for the prior fiscal year in the recommended budget. **City staff is seeking direction from the City Council regarding a total amount of Local Option funds available to be allocated for the coming year.**

The applications will be reviewed by a committee of staff and residents with that budget authority in mind and recommendations will be made to the City Council. As with other funding processes, a variety of options are available to the City Council:

Increase From Current	Dollar Increase	Amount Authorized
2%	\$ 3,761	\$ 191,831
3%	5,642	193,712
4%	7,523	195,593
5%	9,404	197,474
60% (all requests)*	112,330	300,400

***\*excludes AEDC request, which would be funded from Hotel/Motel Tax Fund***

### ***PUBLIC ART COMMISSION***

City Council will receive the Public Art Commission’s request for funding for FY 2019/20 in January. The funding level of \$46,000 adopted for FY 2018/19 is currently included as the FY 2019/20 allocation for projecting the Local Option Sales Tax Fund balance.

## ***ROAD CONDITIONS/ROAD USE TAX FUND***

In our annual Resident Satisfaction Survey's ranking of capital improvement priorities, the reconstruction of existing streets is the top priority for our citizens. This represents a challenge, since the lane-miles of streets continue to expand, existing streets continue to age, and recent winters have been particularly hard on our roadways.

The Road Use Tax Fund (RUTF) is accumulated through motor vehicle registration fees, motor vehicle fuel taxes, an excise tax imposed on the rental of automobiles, and a use tax on trailers. The RUTF revenue is restricted in use and the City uses the funds for operations and maintenance of street right-of-ways as well as capital improvements. The DOT is currently forecasting that RUTF distributions will be slightly higher in FY 2018/19. The adopted budget included \$7,164,247 in RUTF revenue; the adjusted budget will be slightly higher at \$7,193,730 (0.4% increase). The DOT is forecasting a RUTF distribution of \$7,164,247 for FY 2019/20 or no increase from our current adopted budget. The FY 2018/19 budget is the third full year of fuel tax distribution after the 10 cent per gallon tax increase. Past experience has generally indicated that actual receipts are impacted by fuel prices and general economic activity. Both factors have been favorable for strong RUT receipts which could exceed current forecasts.

## ***CHANGES TO THE BUDGET FORMAT***

You will see some changes in the format of the budget document this year. The budget is a public document that is regularly reviewed and modified to be as accessible and user-friendly as possible. Staff has reformatted pages to provide a better overview of each activity included in the budget and to better demonstrate how each activity supports the overall City mission and City Council goals. The new format is intended to help the Mayor and City Council make informed choices about the provision of services and how these services link to achievement of broad organizational and specific City Council goals.

Each year the City submits its adopted final budget document to the Government Finance Officers Association (GFOA) as part of the Distinguished Budget Presentation Program. This program was established by the GFOA in 1984 to assist state and local governments in preparing high quality budget documents that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's own best practices in budgeting. The program provides feedback to participants on how to improve their budget documents. The City of Ames budget is reviewed annually by selected members of the GFOA professional staff and by outside reviewers. Reviewer comments are welcomed by the Finance Department and are often incorporated into subsequent documents. For several years, the area most frequently commented on by reviewers as an opportunity for improvement has been the presentation of the goals (service objectives) within each activity, how these relate to the City's mission statement and City Council goals, and how they link to performance measures for each activity.

According to GFOA best practices, each activity's goals should show a direct link to demonstrate how it supports the City's mission or a specific City Council goal. The activity goals should also be directly linked to the activity's performance measures, which should support whether or not the activity's goals are being met. To determine how best to

implement suggested improvements, Finance Department staff has spent several months reviewing GFOA's best practices and budget documents of other local governments to see how they are presenting performance information.

The primary change will be presentation of activity goals and performance measures in a table with the City mission or specific Council goal they support. This format was recommended by several GFOA reviewers and is used by several local governments that have achieved special recognition for their performance measures from GFOA. The Highlights section has also been revised to reflect three categories of possible interest to users of the document, these include: Issues and Factors Affecting the Budget, Recent Accomplishments, and In-Progress and Upcoming Activities.

### ***TOWN BUDGET MEETING***

On November 1, 2018, the annual Town Budget Meeting was held. Minutes from the meeting are included as Attachment 3 to this document.

### **City Council's Input**

*(Given the information provided, Council's input is requested.)*

### Service Level Increases

### Service Level Decreases

### Other Issues

**LOCAL OPTION SALES TAX FUND SUMMARY**

			1% Increase	3% Increase	5% Increase	Full Request
	<b>FY 18/19</b>	<b>FY 18/19</b>	<b>COTA/ASSET</b>	<b>COTA/ASSET</b>	<b>COTA/ASSET</b>	<b>COTA/ASSET</b>
	<b>Adopted</b>	<b>Adjusted</b>	<b>FY 19/20</b>	<b>FY 19/20</b>	<b>FY 19/20</b>	<b>FY 19/20</b>
			<b>Estimated</b>	<b>Estimated</b>	<b>Estimated</b>	<b>Estimated</b>
<b>Revenues</b>						
Local Option Sales Tax	\$ 7,930,900	\$ 7,930,900	\$ 8,168,827	\$ 8,168,827	\$ 8,168,827	\$ 8,168,827
Transfer from Hotel/Motel	140,000	140,000	140,000	140,000	140,000	140,000
Grants	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-
<b>Total Revenues</b>	<u>8,070,900</u>	<u>8,070,900</u>	<u>8,308,827</u>	<u>8,308,827</u>	<u>8,308,827</u>	<u>8,308,827</u>
<b>Transfers</b>						
Ice Arena	20,000	20,000	20,000	20,000	20,000	20,000
Park Development	100,000	100,000	100,000	100,000	100,000	100,000
60% Property Tax Relief	4,758,540	4,758,540	4,901,296	4,901,296	4,901,296	4,901,296
<b>Total Transfers</b>	<u>4,878,540</u>	<u>4,878,540</u>	<u>5,021,296</u>	<u>5,021,296</u>	<u>5,021,296</u>	<u>5,021,296</u>
<b>Expenses</b>						
Human Service Agencies	1,423,497	1,498,752	1,437,732	1,466,202	1,494,672	1,667,899
Commission on the Arts	163,979	163,979	165,618	168,898	172,177	207,080
City Council Spec. Alloc.	191,070	198,637	192,981	197,029	200,719	315,400
Human Services Admin	21,227	23,191	24,032	24,032	23,887	23,887
Public Art	46,000	83,243	41,000	41,000	41,000	41,000
Municipal Band	27,949	29,404	27,170	27,170	27,170	27,170
	-	-	-	-	-	-
<b>Total Expenses</b>	<u>1,873,722</u>	<u>1,997,206</u>	<u>1,888,533</u>	<u>1,924,331</u>	<u>1,959,625</u>	<u>2,282,436</u>
<b>Net Increase/(Decrease)</b>	1,318,638	1,195,154	1,398,998	1,363,200	1,327,906	1,005,095
<b>Beginning Balance</b>	<u>2,255,925</u>	<u>6,499,404</u>	<u>2,155,925</u>	<u>2,155,925</u>	<u>2,155,925</u>	<u>2,155,925</u>
<b>Available for CIP</b>	3,574,563	7,694,558	3,554,923	3,519,125	3,483,831	3,161,020
<b>CIP Projects</b>	<u>1,566,000</u>	<u>5,387,313</u>	<u>2,082,000</u>	<u>2,082,000</u>	<u>2,082,000</u>	<u>2,082,000</u>
<b>Ending Balance</b>	2,008,563	2,307,245	1,472,923	1,437,125	1,401,831	1,079,020
<b>Minimum Fund Bal. Rsv.</b>	889,931	1,876,130	1,022,633	1,031,583	1,040,406	1,121,109
<b>Avail Un-Resv Fund Bal.</b>	<u>\$ 1,118,632</u>	<u>\$ 431,115</u>	<u>\$ 450,290</u>	<u>\$ 405,542</u>	<u>\$ 361,425</u>	<u>\$ (42,089)</u>

			City of Ames		Service Statistics			
Agency	Service	Index	Contracted 18/19	Request 19/20	19/20 Proposed Units of Service	Unit of Service	19/20 Proposed Cost per Unit	Clients Turned Away in 17/18
ACCESS	Crime Victim Housing (Prev. Battering Shelter)	2.08	\$ 51,858	\$ 65,678	2,200	24 Hr Period Food/Shelter	\$ 147.75	92 turned away due to lack of space.
ACCESS	Battering Crisis Intervention	3.07	\$ 3,088	\$ -	-	Staff Hours	\$ -	0
ACCESS	Battering Counseling and Support	3.07	\$ 29,127	\$ -	-	Staff Hours	\$ -	0
ACCESS	Homicide and Violent Crime Crisis and Support	3.07	\$ -	\$ 39,930	614	Staff Hours	\$ 139.12	New Program
ACCESS	Domestic Abuse Crisis and Support	3.07	\$ -	\$ 28,385	1,740	Staff Hours	\$ 138.00	Not indicated; Collapse of two previously funded programs;
ACCESS	Sexual Abuse Crisis and Support	3.08	\$ -	\$ 7,556	1,720	Staff Hours	\$ 133.00	Not indicated; Collapse of two previously funded programs
ACCESS	Rape Relief Crisis Intervention	3.08	\$ 2,206	\$ -	-	Staff Hours	\$ -	0
ACCESS	Rape Relief Counseling and Support	3.08	\$ 4,990	\$ -	-	Staff Hours	\$ -	0
ACCESS	Battering Courtwatch	3.10	\$ 5,763	\$ 5,576	425	Staff Hours	\$ 138.00	0
ACCESS	Public Education and Awareness	1.12	\$ 3,729	\$ 3,854	380	Staff Hours	\$ 127.00	0
			\$ 100,761	\$ 150,979				
Ames Comm. Preschool Center	Day Care - Infant	2.02	\$ 7,000	\$ 7,280	4,016	Full Days	\$ 57.00	"Continue to have an extensive waiting list. Due to families on multiple waiting lists, any estimate would be difficult to pinpoint. More than 55 families with children(18-24) months on our waiting list."
Ames Comm. Preschool Center	Day Care - Children	2.03	\$ 61,659	\$ 64,125	27,108	Full Days	\$ 52.01	140 on waiting list. Classroom size and teacher/child ratio dictate capacity
Ames Comm. Preschool Center	Day Care - School Age	2.04	\$ 29,109	\$ 30,273	58,606	Partial Days	\$ 9.20	160 on waiting lists at each school site. Group size varies from 25 to 68
			\$ 97,768	\$ 101,678				
All Aboard for Kids	Out of School Program	1.09	\$ 1,700	\$ 2,000	420	Partial Days	\$ 81.90	0
			\$ 1,700	\$ 2,000				
American Red Cross	Disaster Services Program	2.12	\$ 9,800	\$ 10,000	60	Staff Hours	\$ 1,208.33	0
			\$ 9,800	\$ 10,000				
Boys and Girls Club	Youth Development and Social Adjustment - Daily Program	1.07	\$ 111,111	\$ 120,000	30,575	Client Contact/Day	\$ 24.79	At least 44 youth were turned away because of limited capacity.
			\$ 111,111	\$ 120,000				
Campfire	Day Care- School Age	2.04	\$ 2,255	\$ 2,368	4,950	Partial Days	\$ 60.38	Most weeks were at capacity and some families were turned away. No clients turned away due to an inability to pay. Estimate another 90 days of service could have been provided.
Campfire	Day Care - School Age - Scholarships	2.04	\$ 5,029	\$ 5,280	550	Partial Days	\$ 134.59	No families were turned away, even when the dollars ran out.
			\$ 7,284	\$ 7,648				
Center for Creative Justice	Correctional Services - Probation Supervision	2.09	\$ 58,293	\$ 60,625	4,600	Client Hours	\$ 69.03	0
			\$ 58,293	\$ 60,625				
ChildServe	Day Care - Infant	2.02	\$ 6,000	\$ 14,472	8,742	Full Days	\$ 51.00	No spots open most of the year, and 14 to 35 on the waiting list. Some on the list were turned away. All ASSET funds were used.
ChildServe	Day Care - Children	2.03	\$ 15,000	\$ 25,326	18,550	Full Days	\$ 44.88	There was 1 opening through the year. 3 Children on the waiting list. Waitlist ranged from 0 to 14
			\$ 21,000	\$ 39,798				
Emergency Residence Project	Project-Rapid Re-Housing Program Administration	2.01	\$ -	\$ 5,546	6,388	Client Contact	\$ 4.55	New Program
Emergency Residence Project	Emergency Assistance for Basic Material Needs	2.08	\$ 75,850	\$ 77,367	8,900	24 Hr Period Food/Shelter	\$ 28.75	63 households were turned away due to shelter space not being available. No referrals were turned away for using their time in the shelter.
Emergency Residence Project	Transitional Housing	2.07	\$ 13,114	\$ 23,703	7,500	Full Days	\$ 12.79	Many applicants are turned away due to the limited openings available. The number has been difficult to track and has not been collected.
Emergency Residence Project	Project-Rapid Re-Housing Project Client Services	3.13	\$ -	\$ 16,638	6,388	Client Hours	\$ 15.29	New program
			\$ 88,964	\$ 123,254				
Good Neighbor	Emergency Assistance for Basic Material Needs	2.01	\$ 15,925	\$ 16,500	1,050	Client Contacts	\$ 122.43	No eligible clients requesting rent/utility assistance were turned away during the year.
Good Neighbor	Healthy Food Vouchers	2.01	\$ 5,152	\$ 6,000	1,050	Client Contacts	\$ 60.42	0, but the increase in demand contributed to clients being turned away in the emergency rent/utility assistance for FY 18/19.
			\$ 21,077	\$ 22,500				
Heartland Senior Services	Day Care - Adults , Adult Day Center	3.02	\$ 59,485	\$ 61,270	3,900	Client Days	\$ 84.74	Participation days are reduced on occasion due to space limitations
Heartland Senior Services	Congregate Meals	3.06	\$ 24,093	\$ 24,816	4,395	Meals	\$ 15.50	0
Heartland Senior Services	Home Delivered Meals	3.05	\$ 14,843	\$ 15,288	24,560	Meals	\$ 8.79	0
Heartland Senior Services	Home Delivered Meals Under 60 Program	3.05	\$ -	\$ 3,000	820	Meals	\$ 3.71	Turned away participants if additional funding from Aging Resources was not available and they could not pay the full cost
Heartland Senior Services	Senior Food Program	2.01	\$ 4,177	\$ 4,302	1,458	Client Contacts	\$ 11.59	Not indicated
Heartland Senior Services	Service Coordination - Outreach	3.13	\$ 44,023	\$ 45,344	2,275	Client Hours	\$ 67.01	0



Agency	Service	Index	City of Ames		19/20 Proposed Units of Service	Unit of Service	19/20 Proposed Cost per Unit	Service Statistics
			Contracted 18/19	Request 19/20				
Heartland Senior Services	Activity and Resource Center	3.14	\$ 39,114	\$ 40,287	11,205	Client Contacts	\$ 8.56	0
			\$ 185,735	\$ 194,307				
HIRTA	Transportation - City	2.13	\$ 39,000	\$ 41,000	35,000	One-Way Trip	\$ 15.72	Not indicated
HIRTA	Transportation - Iowa City	2.13	\$ 2,000	\$ -	50	One-Way Trip	\$ 209.14	Not indicated
			\$ 41,000	\$ 41,000				
Legal Aid	Legal Aid - Society , Legal Aid - Civil	2.10	\$ 96,970	\$ 105,000	4,000	Staff Hours	\$ 80.32	None, except in conflicts of interest or ineligibility under income guidelines
			\$ 96,970	\$ 105,000				
Lutheran Services in Iowa	Crisis Intervention , Crisis Child Care	3.09	\$ 5,700	\$ 5,700	71	Contacts	\$ 738.62	turned away 6 families due to not having any space
Lutheran Services in Iowa	Primary Treat./Health Maint (Outpatient) School Based Mental He	3.17	\$ 5,000	\$ -		Client Hours	n/a	1 client was declined services due to income eligibility. Two families withdrew from screening process
			\$ 10,700	\$ 5,700				
Mary Greeley Home Health Services	Community Clinics and Health Education	3.01	\$ 16,757	\$ 17,000	4,200	Clinic Hours	\$ 100.50	Not indicated
Mary Greeley Home Health Services	In-Home Health Assistance	3.04	\$ 14,357	\$ 16,000	7,470	Hours	\$ 54.10	0
			\$ 31,114	\$ 33,000				
MICA	Community Clinics - Child Dental	3.01	\$ 1,650	\$ 1,650	133	Clinic Hours	\$ 163.41	0
MICA	Dental Clinics	3.01	\$ 85,121	\$ 94,721	1,920	Clinic Hours	\$ 390.43	0
MICA	Community Clinics - Fluoride Varnish	3.01	\$ 825	\$ 825	952	Clinic Hours	\$ 58.76	0
MICA	Food Pantry	2.01	\$ 20,107	\$ 20,607	7,100	Client Contacts	\$ 10.55	0
MICA	Family Development/ Education	1.10	\$ 7,279	\$ 7,279	240	Client Hours	\$ 160.89	2 of 7 families on the waiting list were able to participate.
			\$ 114,982	\$ 125,082				
NAMI	Public Education and Awareness	1.12	\$ 7,000	\$ 7,500	1,091	Staff Hours	\$ 69.20	0
			\$ 7,000	\$ 7,500				
Raising Readers	Thrive by Five	1.10	\$ 9,303	\$ 14,000	13,000	Client Hours	\$ 15.16	0
Raising Readers	Out-of-School Time Learning	1.10	\$ 13,486	\$ 22,000	3,200	Client Hours	\$ 36.07	0
			\$ 22,789	\$ 36,000				
RSVP	Disaster Services - Volunteer Management for Emergencies	2.12	\$ 6,684	\$ 6,750	500	Staff Hours	\$ 32.13	0
RSVP	Transportation	2.13	\$ 1,181	\$ 1,300	2,020	One-Way Trips	\$ 12.62	0
RSVP	Volunteer Management	1.11	\$ 22,460	\$ 22,700	35,200	Volunteer Hours	\$ 4.03	0
			\$ 30,325	\$ 30,750				
The Arc of Story County	Special Recreation - Active Lifestyles	3.19	\$ 4,874	\$ 5,000	8,500	Participant Hours	\$ 9.28	0, but ran out of funding for the months of April, May and June. 7,500 units of service that were not billed to ASSET and were paid for with other funding sources
The Arc of Story County	Respite Care	3.11	\$ 4,000	\$ 4,000	800	Client Hours	\$ 15.00	0
The Arc of Story County	Service Coordination	3.13	\$ 1,386	\$ 1,400	410	Client Hours	\$ 17.56	0
			\$ 10,260	\$ 10,400				
The Salvation Army	Food Pantry	2.01	\$ 7,420	\$ 10,000	2,200	Client Contacts	\$ 33.18	Only turn someone away if they come earlier than 30 days.
								over 300 clients were turned away due to no available appointment times, household received help in past year, doesn't reside in County, eviction in spite of assistance, failure to follow program requirements, and a pattern of co-dependency on services.
The Salvation Army	Homelessness Prevention	2.01	\$ 21,988	\$ 25,000	225	Client Contacts	\$ 320.00	Not indicated
The Salvation Army	Disaster Services	2.12	\$ 727	\$ 2,000	120	Staff Hours	\$ 93.75	Not indicated
The Salvation Army	Representative Payee Services	2.14	\$ 13,122	\$ 15,000	2,151	Client Contacts	\$ 41.07	22 clients are on the waiting list
The Salvation Army	Bill Payer	2.14	\$ 4,020	\$ 4,500	168	Client Contacts	\$ 107.14	5 clients are on the waiting list.
			\$ 47,277	\$ 56,500				
University Community Childcare	Child Care - Infant	2.02	\$ 26,692	\$ 29,691	3,120	Full Days	\$ 75.74	Wait list for services, but remains fluid due to some families no longer being interested in services when contacted. Occupancy was 97% for the year, based on licensed capacity.
University Community Childcare	Child Care - Children	2.03	\$ 32,906	\$ 36,197	8,320	Full Days	\$ 61.98	Wait list for services, but remains fluid due to some families no longer being interested in services when contacted. Occupancy was 99% for the year, based on licensed capacity.
University Community Childcare	Comfort Zone	2.05	\$ 1,051	\$ 1,156	150	Partial Days	\$ 405.05	Children are only turned away if they do not have current immunization information or if they are not "mildly ill"
			\$ 60,649	\$ 67,044				
Volunteer Center of Story County	Volunteer Management	1.11	\$ 9,073	\$ 11,150	4,493	Staff Hours	\$ 23.18	0

			City of Ames		Service Statistics			
Agency	Service	Index	Contracted 18/19	Request 19/20	19/20 Proposed Units of Service	Unit of Service	19/20 Proposed Cost per Unit	Clients Turned Away in 17/18
Volunteer Center of Story County	Advocacy for Social Development	1.02	\$ 2,101	\$ 2,100	899	Staff Hours	\$ 20.13	0
			\$ 11,174	\$ 13,250				
Youth and Shelter Services	Substance Abuse Treatment - Outpatient	3.16	\$ 8,500	\$ 8,925	363	Client Hours	\$ 251.29	0
Youth and Shelter Services	Primary Treatment /Health Maintenance Family Counseling	3.17	\$ 52,000	\$ 76,650	6,826	Client Hours	\$ 190.19	0
Youth and Shelter Services	Transitional Living / Homeless	2.01	\$ 2,652	\$ 4,586	6,438	Client Contacts	\$ 24.86	3 clients were turned away. All transitional living locations were full a majority of the time with a waiting list
Youth and Shelter Services	Emergency Shelter - Rosedale	2.08	\$ 31,750	\$ 31,750	510	24 Hr Period Food/Shelter	\$ 466.25	7 Story County youth clients were turned away.
Youth and Shelter Services	Rosedale Crisis	3.09	\$ 5,000	\$ 5,000	104	Contacts	\$ 49.50	no call went unanswered
Youth and Shelter Services	Storks Nest	2.11	\$ 6,729	\$ 9,591	828	Client Contacts	\$ 53.82	0
Youth and Shelter Services	YSS Mentoring Program	1.07	\$ 27,150	\$ 37,565	4,166	Client Contact/Days	\$ 45.74	72 youth on waitlist at end of school year who will be matched at start of school year.
Youth and Shelter Services	Youth Development and Social Adjustment	1.07	\$ 28,300	\$ 29,715	4,541	Client Contact/Days	\$ 22.22	0
Youth and Shelter Services	Employment Assistance for Youth - Skills	1.08	\$ 17,000	\$ 17,850	1,000	Staff Hours	\$ 38.86	0
Youth and Shelter Services	Summer Enrichment	1.09	\$ 8,528	\$ 12,000	5,200	Partial Days	\$ 17.36	Not indicated
Youth and Shelter Services	Family Development/Education - Pathways, FADSS	1.10	\$ 10,405	\$ 10,925	3,398	Client Hours	\$ 32.92	0
Youth and Shelter Services	Public Education/ Awareness	1.12	\$ 30,000	\$ 51,189	4,000	Staff Hours	\$ 68.57	0
Youth and Shelter Services	Public Education/ Awareness - Child Safety	1.12	\$ 7,750	\$ 8,138	275	Staff Hours	\$ 95.77	Not indicated, but some school districts are no longer interested in the program
			\$ 235,764	\$ 303,884				
<b>TOTAL</b>			\$ 1,423,497	\$ 1,667,899				

## MINUTES OF THE TOWN BUDGET MEETING

AMES, IOWA

NOVEMBER 1, 2018

The Town Budget Meeting was called to order by City Manager Steve Schainker at 7:00 p.m. on the 1<sup>st</sup> day of November, 2018, in the Council Chambers of Ames City Hall, 515 Clark Avenue. He introduced Mayor John Haila, Finance Director Duane Pitcher, Budget Officer Nancy Masteller, Public Information Officer Susan Gwiasda, Cable Coordinator Derek Crisler, Video Assistant Jordyn Prince, and City Clerk Diane Voss.

### Others Present:

Karin Chitty, Director, Campustown Action Association, 1513 Ada Hayden Road, Ames  
Renate Dellmann, 1026 Gaskill, Ames  
Anne Taylor, 515 Poe Circle, Ames  
Anne Owens, 110 Crystal Street, Ames  
Joanne Pfeiffer, 3318 Morningside Street, Ames  
Wayne Rohret, 628-8th Street, Ames  
Carol Williams, 628-8th Street, Ames

City Manager Schainker welcomed the audience and informed them that this meeting was the beginning of the process to prepare the 2019/20 City Budget. He invited the audience watching on television to call in or provide written comments and suggestions via email to the City Council. Mr. Schainker explained that residents will be asked tonight to explain where they would like to see more expenditure or less expenditure.

The 2019/20 budget calendar and budget adoption process were explained by City Manager Schainker. The first step in the budget process is the Resident Satisfaction Survey. The Survey has gone out, responses have been received, and the results were presented at the City Council meeting held on October 23. The results will be posted on the City's Web site. According to Mr. Schainker, City Departments have already started gathering information to assist them in preparing their capital improvements and operating budgets for Fiscal Year 2019/20.

Mr. Schainker again emphasized that the purpose of this Town Budget Meeting was to gather input from the community. He made the public aware of important dates for upcoming meetings concerning the 2019/20 City Budget. He stated that, at its meeting to be held on December 11, 2018, the Council will be provided guidance on the City's budget priorities. Staff will put together the Operating Budget in November and December. On January 15, 2019, the recommended Capital Improvements Plan (CIP) will be presented. On January 22, public comments on the Capital Improvement Plan will be accepted. On February 1, February 5, 6, and 7, the Budget Overview and Department Budget Hearings will be held. Budget Wrap-Up will be on February 12. The final budget hearing and adoption of the FY 2019/20 Budget will be held on March 5.

Finance Director Duane Pitcher explained that the City received approximately one-third (32.06%) of the property taxes that were paid in Ames for 2018/19. The School District received

45.67%; Story County, 20.06%, and DMACC, 2.21%. Mr. Pitcher showed how the taxable valuation of property had changed from Fiscal Year (FY) 2009/10 to the current fiscal year. He explained the large increase from FY 2017/18 to 2018/19 that had resulted from re-evaluation of properties. There was actually a reduction in property taxes from FY 2017/18 to 2018/19 that has resulted from the distribution of Local Option Sales Taxes. The Total Tax Levy per \$1,000 valuation decreased from \$10.38 in FY 2017/18 to \$10.07 in FY 2018/19.

Mr. Pitcher provided a summary of the 2018/19 Adopted Revenues and Expenditures. He stated that charges for services equates to approximately 48% or nearly half of the Revenues. A summary of the expenditures was also given. Utilities equates to 34.2%; Capital Improvement projects total 20.9%; Public Safety, 9.5%; and Transportation, 8.9%; those items make up the largest expenditures.

Director Pitcher showed how the 2018/19 Property Tax Levy, which is a compilation of the General Fund Levy, Trust and Agency Levy (partial Police/Fire benefits), and Transit Levy, was calculated. The cost of services per residence for FY 2018/19 is \$560 per \$100,000 of valuation. This was a decrease from 2017/18, which was \$591. The cost of services per residence was detailed by service for the last three fiscal years. For 2018/19, the cost per service was as follows:

Streets/Traffic	\$141
Police Protection	133
Fire Protection	84
Library	70
Parks & Recreation	46
Transit	35
General Support Services	23
Planning Services	10
Resource Recovery	6
Storm Sewer System	5
Facilities/Cemetery/Airport	4
Animal Control	3
Building Safety	-

A comparison of the City’s property tax rate with other large communities in the state of Iowa was also shown. Ames has the second-lowest total tax levy per \$1,000 valuation.

**PUBLIC INPUT:** City Manager Schainker asked if there was anyone present who would like to provide suggestions on the 2019/20 Budget. He advised that the public could also call in tonight at 515-239-5214 and provide input. Another way to make their suggestions known is to email him or Finance Director Duane Pitcher. The email addresses are located on the City’s Web site (cityofames.org).

Renate Dellmann, 1026 Gaskill Drive, Ames, said that she would like to see an amount put in the budget for green space areas to be acquired. She would also like to see the area between Hwy.

30 and Interstate 35, which is now a quarry being operated by Manatt's, transitioned into a lake in the future.

Joanne Pfeiffer, 3318 Morningside, Ames, stated that she would like to see a program to incentivize converting rentals to single-family homes. A second item she would like to see is improvements at Franklin Park, perhaps a shelter and a path. Ms. Pfeiffer also shared that she is concerned about the safety of neighborhoods in the community and would like something done about the homeless issue.

Carol Williams, 628-8th Street, Ames, representing the Ames Bicycle Coalition, requested that way-finding signage be installed for bicyclists and pedestrians. She has also heard from several people that a program to assist homeowners with chores is needed. Ms. Williams would also like to see a City-wide composting program.

City Manager Schainker encouraged the public to stay involved in the budget process. He reviewed the dates when the Operating Budget and Capital Improvements Plan will be discussed before the City Council.

The meeting concluded at 7:37 p.m.

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Diane Voss, City Clerk



November 15, 2018

The Honorable Mayor John Haila  
City of Ames  
515 Clark Avenue  
Ames, IA 50010

RE: 2019/2020 Funding Request

Mayor Haila,

I write to you on behalf of the Ames Economic Development Commission (AEDC) respectfully seeking the ongoing support of you, and members of the Ames City Council, for fiscal year 2020 as it relates to our annual funding allocation.

We are requesting the same amount as the current year, which also happens to be the same amount that has been in place since 2011. Your total allocation is \$150,000, of which \$90,000 is dedicated to AEDC related project and marketing expenses and the other \$60,000 partially funds the position that serves in our office as a liaison between the private development community and the City of Ames. In total, this \$150,000 investment leverages another \$950,000 in other funds raised annually by the AEDC to properly fund and execute a strategic plan of work.

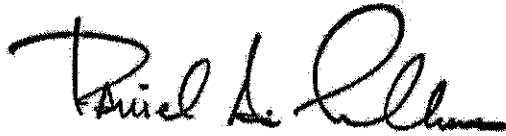
Our activities are well documented with the recent announcement of 3M's major expansion, the growth of local start-up Smart Ag and their move to a speculative building on South Bell Ave., plus the recent expansions and new locations in the Iowa State University Research Park with projects like John Deere, Kent Corporation, and Rockwell Collins. We are also very proud of the \$1.7 million federal grant we assisted in securing for the expansion of infrastructure in the ISU Research Park that will directly benefit the John Deere project.

Our market has witnessed terrific momentum as it relates to job creation. Since January 2010 the Ames Metropolitan Statistical Area (MSA) has seen the increase of 8,700 jobs, according to Iowa Workforce Development, Labor Market Division. That is an increase of over 17%. While the AEDC is not singularly responsible for this growth, we can point to a number of AEDC lead projects that have contributed significantly to this terrific employment data.

The AEDC board of directors appreciates the exceptional partnership it is afforded with the City of Ames. The financial assistance the City of Ames has continued to invest has provided a very positive return and we are hopeful you will see fit to continue this positive working arrangement.

Thank you very much for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel A. Culhane". The signature is fluid and cursive, with the first name being the most prominent.

Daniel A. Culhane, CEcD, CCE  
President & CEO  
Ames Economic Development Commission

CC: Gloria Betcher, Ward I  
Tim Gartin, Ward II  
David Martin, Ward III  
Chris Nelson, Ward IV  
Amber Corrieri, At-Large  
Bronwyn Beatty-Hansen, At-Large  
Allie Hoskins, Ex-Officio  
Steve Schainker, City Manager  
Dan Oh, Chair, Ames Economic Development Commission

To: sschainker@city.ames.ia.us  
From: "Tam Lorenz" <talorenz1556@gmail.com>  
Date: 10/31/2018 03:41PM  
Cc: "Gloria J Betcher" <gloriabetcherward1@gmail.com>, "Debra Lee" <deblee58@yahoo.com>  
Subject: Budget Meeting: Water Main Replacement

Mr. Schainker,

Please add to the Public Works budget: the replacement of the 4 inch water main with an 8 inch main under all of South Maple Avenue.

I've been making this request informally to various staff members in the Public Works department since 2013, when my water started turning brown at times other than when the hydrants were flushed.

As recently as October 16, 2018, my inquiries about when the 4 inch main will be replaced in the 300 block of S. Maple have been met with a response, which is some version of: That is not in next year's budget. We've put that project out for bid, but it is too expensive.

In 2017, the 4 inch main in the 100 block of S. Maple was replaced with an 8 inch main. In response to my phone inquiry in August 2017 about the 100 block project, Mark Hansen told me there is now an 8 inch main at the corner of S. 3<sup>rd</sup> and S. Maple and at the corner of S. 4<sup>th</sup> and S. Maple. Nevertheless, the 300 block still has the old 4 inch main. The 200 block may also have a 4 inch main.

Earlier this month, I reported to Tracy Warner that the water at my home at 311 S. Maple had turned brown on June 26, 2018 and on July 18, 2018. There was no hydrant flushing at those times.

Every time my water turns brown, it takes from 30 to 45 minutes, with all of my cold water taps running full open, to clear the brown. It takes longer if I didn't notice the brown quickly enough and inadvertently drew in the brown water to my hot water heater. I am then charged, not only for that water usage, but also for the corresponding sewer usage.

Please continue to update the unseen infrastructure of Ames by putting a higher priority on replacing the 4 inch water mains with 8 inch mains.

Thank you,

Tam Lorenz, 311 S. Maple Avenue