

**COUNCIL ACTION FORM**

**SUBJECT: FINAL AMENDMENT TO FISCAL YEAR 2018/19 ADJUSTED BUDGET**

**BACKGROUND:**

The Code of Iowa requires that city spending by program not exceed Council approved budget amounts at any time during the year. To maintain compliance, the City of Ames monitors spending against the approved budget, and prepares amendments to the budget several times during the fiscal year. In the fall, a first amendment is prepared to carry over unspent project amounts from the prior fiscal year. The current year budget is amended again as part of the adoption process for the next fiscal year's budget in March. A final spring amendment is done to adjust for any significant changes that have occurred since the March amendment. This amendment typically is restricted to the early start of CIP projects approved for the following fiscal year, new grants that have been received and their associated project expenses, and any significant changes in CIP projects, operating expenses, or revenues.

A summary is attached describing the revenue and expenditure changes by fund. The final Fiscal Year 2018/19 budget includes a net increase in revenues of \$635,404 and a net increase in expenditures of \$1,136,654. Please note that most of the increases in expenditures is due to grant funded projects, the early start of CIP projects funded in FY 2019/20, or the replacement of fleet equipment for which reserve funds were previously collected, and are not increases in planned costs.

**ALTERNATIVES:**

1. Adopt a resolution amending the Fiscal Year 2018/19 budget by increasing revenues by \$635,404 and increasing expenditures by \$1,136,654.
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 better reflects new grant funded projects and significant changes in CIP projects and operations.**

Therefore it is recommended that City Council approve Alternative No. 1, thereby adopting a resolution amending the Fiscal Year 2018/19 budget by increasing revenues by \$635,404 and increasing expenditures by \$1,136,654.

**CITY OF AMES, IOWA**

**2018/19**

**FINAL AMENDMENTS**

## REVENUE SUMMARY BY FUND

	2018/19 Adjusted	2018/19 Final Changes	2018/19 Final Amended	Percentage Change from Adjusted
<i>General Fund</i>	37,442,894	(5,500)	37,437,394	0.0%
<i>Special Revenue Funds:</i>				
Local Option Sales Tax	8,070,900	-	8,070,900	0.0%
Hotel/Motel Tax	2,450,000	-	2,450,000	0.0%
Road Use Tax	7,193,730	-	7,193,730	0.0%
Public Safety Special Revenues	82,800	-	82,800	0.0%
City-Wide Housing Programs	-	-	-	
CDBG Program	1,170,765	-	1,170,765	0.0%
HOME Program	750,000	-	750,000	0.0%
Employee Benefit Property Tax	2,152,498	-	2,152,498	0.0%
Police/Fire Retirement	4,000	-	4,000	0.0%
Parks & Rec Grants/Donations	19,782	-	19,782	0.0%
Library Friends Foundation	279,080	-	279,080	0.0%
Library Future Needs	1,000	-	1,000	
Library Grants/Donations	58,794	-	58,794	0.0%
Utility Assistance	15,000	-	15,000	0.0%
Tax Increment Financing (TIF)	773,287	-	773,287	0.0%
<i>Total Special Revenue Funds</i>	23,021,636	-	23,021,636	0.0%
<i>Capital Project Funds:</i>				
Special Assessments	490,869	-	490,869	0.0%
Street Construction	12,823,102	165,000	12,988,102	1.3%
Airport Construction	57,031	-	57,031	0.0%
Park Development	110,000	-	110,000	0.0%
General Obligation Bonds	7,987,000	-	7,987,000	0.0%
<i>Total Capital Project Funds</i>	21,468,002	165,000	21,633,002	0.8%
<i>Permanent Funds:</i>				
Cemetery Perpetual Care	18,880	-	18,880	0.0%
Furman Aquatic Center Trust	9,000	-	9,000	0.0%
<i>Total Permanent Funds</i>	27,880	-	27,880	0.0%

## REVENUE SUMMARY BY FUND, continued

	2018/19 Adjusted	2018/19 Final Changes	2018/19 Final Amended	Percentage Change from Adjusted
<i>Enterprise Funds:</i>				
Water Utility	21,830,584	-	21,830,584	0.0%
Sewer Utility	22,104,319	-	22,104,319	0.0%
Electric Utility	71,983,496	-	71,983,496	0.0%
Parking	1,560,233	-	1,560,233	0.0%
Transit	14,172,715	635,904	14,808,619	4.5%
Storm Water Utility	2,834,528	-	2,834,528	0.0%
Ames/ISU Ice Arena	615,694	-	615,694	0.0%
Homewood Golf Course	268,350	-	268,350	0.0%
Resource Recovery	4,470,662	(280,000)	4,190,662	-6.3%
<i>Total Enterprise Funds:</i>	139,840,581	355,904	140,196,485	0.3%
<i>Debt Service Fund</i>	11,829,832	-	11,829,832	0.0%
<i>Internal Service Funds:</i>				
Fleet Services	4,415,914	120,000	4,535,914	2.7%
Information Technology	2,598,790	-	2,598,790	0.0%
Risk Management	2,504,394	-	2,504,394	0.0%
Health Insurance	9,116,956	-	9,116,956	0.0%
<i>Total Internal Service Funds:</i>	18,636,054	120,000	18,756,054	0.6%
<i>Total Revenues</i>	252,266,879	635,404	252,902,283	0.3%

## EXPENDITURE SUMMARY BY FUND

	2018/19 Adjusted	2018/19 Final Changes	2018/19 Final Amended	Percentage Change from Adjusted
<i>General Fund</i>	39,664,661	127,077	39,791,738	0.3%
<i>Special Revenue Funds:</i>				
Local Option Sales Tax	12,473,389	-	12,473,389	0.0%
Hotel/Motel Tax	2,267,800	-	2,267,800	0.0%
Road Use Tax	11,074,651	97,000	11,171,651	0.9%
Public Safety Special Revenues	118,450	4,788	123,238	4.0%
City-Wide Housing Programs	53,295	-	53,295	0.0%
CDBG Program	1,170,765	-	1,170,765	0.0%
HOME Program	750,000	-	750,000	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	18,010	4,000	22,010	22.2%
Library Friends Foundation	380,614	-	380,614	0.0%
Library Future Needs	-	-	-	
Library Grants/Donations	76,564	-	76,564	0.0%
Utility Assistance	15,000	-	15,000	0.0%
Miscellaneous Donations	8,450	-	8,450	0.0%
Developer Projects	-	-	-	
Tax Increment Financing (TIF)	721,759	-	721,759	0.0%
<i>Total Special Revenue Funds:</i>	31,319,245	105,788	31,425,033	0.3%
<i>Capital Project Funds:</i>				
Special Assessments	490,869	-	490,869	0.0%
Street Construction	12,334,955	165,000	12,499,955	1.3%
Airport Construction	318,500	-	318,500	0.0%
Park Development	168,500	4,860	173,360	2.9%
General Obligation Bonds	20,865,545	295,000	21,160,545	1.4%
<i>Total Capital Project Funds:</i>	34,178,369	464,860	34,643,229	1.4%
<i>Permanent Funds:</i>				
Cemetery Perpetual Care	-	-	-	
Furman Aquatic Center Trust	5,750	-	5,750	0.0%
<i>Total Permanent Funds:</i>	5,750	-	5,750	0.0%

## EXPENDITURE SUMMARY BY FUND, continued

	2018/19 Adjusted	2018/19 Final Changes	2018/19 Final Amended	Percentage Change from Adjusted
<i>Enterprise Funds:</i>				
Water Utility	30,286,726	43,699	30,330,425	0.1%
Sewer Utility	26,548,238	6,699	26,554,937	0.0%
Electric Utility	83,601,821	(405,829)	83,195,992	-0.5%
Parking	1,480,297	-	1,480,297	0.0%
Transit	14,807,800	442,019	15,249,819	3.0%
Storm Water Utility	5,954,122	40,000	5,994,122	0.7%
Ames/ISU Ice Arena	703,485	5,451	708,936	0.8%
Homewood Golf Course	266,792	8,217	275,009	3.1%
Resource Recovery	5,088,689	(292,000)	4,796,689	-5.7%
<i>Total Enterprise Funds:</i>	168,737,970	(151,744)	168,586,226	-0.1%
<i>Debt Service Fund</i>	11,976,904	-	11,976,904	0.0%
<i>Internal Service Funds:</i>				
Fleet Services	4,696,933	590,673	5,287,606	12.6%
Information Technology	2,878,814	-	2,878,814	0.0%
Risk Insurance	2,416,522	-	2,416,522	0.0%
Health Insurance	8,606,159	-	8,606,159	0.0%
<i>Total Internal Service Funds:</i>	18,598,428	590,673	19,189,101	3.2%
<i>Total Expenditures</i>	304,481,327	1,136,654	305,617,981	0.4%

# FINAL AMENDMENT FUND CHANGES

## General Fund

The General Fund's revenues have been decreased by \$5,500 to better reflect 2018/19 actual revenues at the Municipal Pool for daily receipts and winter season passes.

Expenditures of \$127,077 have been added to the General Fund budget. This total includes retiree benefit payouts and additional contractual employee funding in the City Manager's Office (\$36,845), new Criminal Justice System verification software for the Police Department (\$9,767), additional funding for veterinary services at the Animal Shelter (\$9,000), and retiree benefit payouts at the Ames Public Library (\$71,465).

The overall effect of final amendments on the 2018/19 projected General Fund ending balance is a reduction of \$132,577.

## Road Use Tax

Road Use Tax expenses have been increased by \$97,000. The operating budget has been increased by \$70,000 for additional street maintenance and snow and ice control work due to the severity of the 2018/19 winter season. An additional \$17,000 has also been added to the Right-of-Way Maintenance budget for an unpaid mower lease from the summer 2018 season.

In CIP funding, \$10,000 has been moved forward from the FY 2019/20 budget to allow for the early start of the 2019/20 Seal Coat Pavement Improvements program. In Traffic projects, a portion of the funding (\$180,000) for a traffic signal at the South Duff/U.S. 30 interchange has been shifted to a new signal project at the South Dakota/U.S. 30 interchange

Funding has been reduced in the Intelligent Transportation System (\$100,000) and the Traffic Calming (\$20,000) CIP projects. The funding will instead be transferred to Fleet Services for the purchase of a new paint machine for the Traffic Maintenance division.

## Police Forfeiture

An allocation of \$4,788 from Police Forfeiture funds will be used for the set-up costs of the new software required to log into the Criminal Justice System.

## **Parks and Recreation Special Revenues**

Funding of \$4,000 has been added to the budget to address electrical issues at Daley Park.

## **Street Construction Fund**

Street Construction Fund revenues have been increased by \$165,000 to reflect IDOT funding for a new signal at the U.S. 30/South Dakota interchange. The project expenditure has also been added to the budget, resulting in no net change on the projected ending fund balance in the Street Construction Fund.

## **Park Development Fund**

Additional funding of \$4,860 has been budgeted for engineering services for the Miracle Field.

## **G.O. Bond Funds**

Funding of \$295,000 has been moved forward from FY 2019/20 to allow for the early start of several Public Works Engineering CIP projects. These include 2019/20 Asphalt Pavement Improvements (\$10,000), 2019/20 Collector Street Pavement Improvements/Bloomington Road (\$10,000), 2019/20 Arterial Street Pavement Improvements/13<sup>th</sup> Street (\$50,000), 2019/20 Concrete Street Pavement Improvements (\$25,000), and ISU Research Park Phase IV (\$200,000).

## **Water Utility Fund**

The Water Utility Fund's operating expenses have been increased by \$43,699. The additional expenses include \$37,000 for additional costs in Utility Maintenance caused by the 2018/19 winter season, and \$6,699 for the Water Utility's share of additional personal service costs in the City Manager's Office.

CIP funding of \$143,424 has also been shifted from the Lime Pond Security project to the North River Valley Well Field project.

## **Sewer Utility Fund**

The Sewer Utility Fund's operating expenses have been increased \$6,699 for its share of the City Manager's Office additional personal service costs.

CIP funding of \$10,000 has also been shifted from the Grease Receiving Station to the Security Cameras project at the Water Pollution Control Plant.



## **Electric Utility Fund**

The Electric Utility Fund's operating expenses have been increased \$14,171 for its share of the City Manager's Office additional personal service costs. Operating expenses in Electric Production have also been increased by \$100,000 to provide more funding for boiler maintenance at the Power Plant.

The Mortensen/State Avenue Feeder project (\$520,000) that was included in the 2018/19 CIP has also been dropped as the work is already being done as part of another CIP project.

The net effect of the changes to the Electric Utility Fund's expenses is a projected increase to the fund balance of \$405,829.

## **Transit Fund**

Transit Fund revenues have been increased by \$635,904 for additional FTA funding (\$400,000) and a transfer from the Student Government Trust fund (\$235,904) to cover the Trust's contribution to Transit operations.

Transit Fund expenses have been increased by \$442,019. This total includes \$179,501 in Transit Operations to cover CyRide's share of the Welch Avenue bus turnaround project.

Expenses in the Transit Student Government Trust Fund have been increased by \$262,518 to cover the Trust's share of the Welch Avenue bus turnaround project (\$26,614) and the Trust Fund's transfer to the Transit Fund for its share of Transit operations (\$235,904).

The net effect of the changes to Transit Fund's revenues and expenses is a projected increase to the Transit Operations fund balance of \$456,403, and a decrease to the Student Government Trust Fund of \$262,518.

## **Storm Water Utility Fund**

Projected expenses in the Storm Water Utility Fund have been increased by \$40,000 to allow for the early start of the 2019/20 Erosion Control/Squaw Creek (\$20,000) and the 2019/20 Low Point Drainage (\$20,000) projects.

## **Ames/ISU Ice Arena**

Expenses at the Ames/ISU Ice Arena have been increased by \$5,451 for unexpected repairs that needed to be made at the arena.

## **Homewood Golf Course**

Homewood Golf Course's expenses have been increased by \$8,217 for costs related to PCM clearance, asbestos removal, and subsurface exploration.

## **Resource Recovery**

Resource Recovery revenues have been decreased by \$280,000 to reflect updated projections in commercial account revenue and in the sale of Resource Derived Fuel (RDF) to the Electric Utility. To offset the revenue decrease, expenses have also been reduced by \$292,000 in multiple categories. The net effect on Resource Recovery's fund balance is a projected increase of \$12,000.

## **Fleet Services**

Fleet Service's revenues have been increased by \$120,000 to reflect funds being transferred from the Road Use Tax Fund to cover the cost of a new paint machine for the Traffic Maintenance division of Public Works.

Expenses in the Fleet Services Fund have been increased by \$590,673 for the purchase of the paint machine (\$147,173), a loader used at Resource Recovery (\$307,000), a backhoe for Public Works (\$130,000), and a wheel loader fork attachment for Public Works (\$6,500).

**NOTICE OF PUBLIC HEARING**  
**AMENDMENT OF FY2018-2019 CITY BUDGET**

# 1237504

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 5/28/2019  
 (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	29,395,054	0	29,395,054
Less: Uncollected Property Taxes-Levy Year	2	0	0	0
Net Current Property Taxes	3	29,395,054	0	29,395,054
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	1,717,750	0	1,717,750
Use of Money and Property	8	15,880,087	0	15,880,087
Intergovernmental	9	46,337,652	565,000	46,902,652
Charges for Services	10	304,004,877	-285,500	303,719,377
Special Assessments	11	490,869	0	490,869
Miscellaneous	12	1,036,867	0	1,036,867
Other Financing Sources	13	14,899,473	0	14,899,473
Transfers In	14	16,599,153	0	16,599,153
<b>Total Revenues and Other Sources</b>	<b>15</b>	<b>441,608,218</b>	<b>279,500</b>	<b>441,887,718</b>
<b>Expenditures &amp; Other Financing Uses</b>				
Public Safety	16	20,258,758	23,555	20,282,313
Public Works	17	6,255,238	207,000	6,462,238
Health and Social Services	18	1,521,943	0	1,521,943
Culture and Recreation	19	9,377,410	75,465	9,452,875
Community and Economic Development	20	5,561,456	0	5,561,456
General Government	21	3,065,052	36,845	3,101,897
Debt Service	22	11,976,904	0	11,976,904
Capital Projects	23	45,744,599	354,860	46,099,459
<b>Total Government Activities Expenditures</b>	<b>24</b>	<b>103,761,360</b>	<b>697,725</b>	<b>104,459,085</b>
Business Type / Enterprises	25	339,277,121	83,025	339,360,146
<b>Total Gov Activities &amp; Business Expenditures</b>	<b>26</b>	<b>443,038,481</b>	<b>780,750</b>	<b>443,819,231</b>
Transfers Out	27	16,599,153	0	16,599,153
<b>Total Expenditures/Transfers Out</b>	<b>28</b>	<b>459,637,634</b>	<b>780,750</b>	<b>460,418,384</b>
<b>Excess Revenues &amp; Other Sources Over (Under) Expenditures/Transfers Out for Fiscal Year</b>	<b>29</b>	<b>-18,029,416</b>	<b>-501,250</b>	<b>-18,530,666</b>
Beginning Fund Balance July 1	30	722,258,093	0	722,258,093
Ending Fund Balance June 30	31	704,228,677	-501,250	703,727,427

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

AT:000123750401