

AGENDA
REGULAR MEETING OF THE AMES CITY COUNCIL
COUNCIL CHAMBERS - CITY HALL - 515 CLARK AVENUE
DECEMBER 17, 2019

NOTICE TO THE PUBLIC: The Mayor and City Council welcome comments from the public during discussion. **If you wish to speak, please complete an orange card and hand it to the City Clerk. When your name is called, please step to the microphone, state your name for the record, and limit the time used to present your remarks in order that others may be given the opportunity to speak.** The normal process on any particular agenda item is that the motion is placed on the floor, input is received from the audience, the Council is given an opportunity to comment on the issue or respond to the audience concerns, and the vote is taken. On ordinances, there is time provided for public input at the time of the first reading. In consideration of all, if you have a cell phone, please turn it off or put it on silent ring.

CALL TO ORDER: 6:00 p.m.

PRESENTATION:

1. Government Finance Officers Association Distinguished Budget Presentation Award

CONSENT AGENDA: All items listed under the Consent Agenda will be enacted by one motion. There will be no separate discussion of these items unless a request is made prior to the time the Council members vote on the motion.

2. Motion approving payment of claims
3. Motion approving Minutes of Special Meetings held December 4 and December 6, 2019, and Regular Meeting held December 10, 2019
4. Motion approving certification of Civil Service applicants
5. Motion approving Class C Liquor License Ownership Change for Texas Roadhouse, 519 South Duff Avenue
6. Motion approving Class E Liquor License Premise Update - Fareway Stores, Inc., #386, 619 Burnett Avenue - Pending Inspection Approval
7. Motion approving new 5-day (January 11-15) Class C Liquor License - Great Caterers of Iowa, 2321 N Loop Drive
8. Resolution approving Encroachment Permit for a sign at 2408 Lincoln Way
9. Resolution accepting Abstract of Votes for December 3, 2019, Ward 4 Run-Off Election
10. Resolution approving appointment of Council Member Amber Corrieri to the Conference Board's Mini-Board
11. Resolution approving appointment of Council Member Bronwyn Beatty-Hansen to the Ames Transit Agency Board of Trustees
12. Resolution approving appointment of Council Member David Martin to the Ames Economic Development Committee (AEDC)
13. Resolution approving appointment of Council Member-Elect Rachel Junck to the Ames Convention and Visitor's Bureau
14. Resolution setting January 28, 2020, as date of public hearing regarding amendment to 2019/20 Annual Action Plan projects for Community Development Block Grant Program
15. Resolution setting January 14, 2020, as date of public hearing for conveyance of 1417 Douglas Avenue to Mainstream Living
16. Resolution setting January 14, 2020, as date of public hearing regarding conveyance of City

- property at 1420 Lincoln Way to Metro FiberNet, LLC, in the amount of \$21,600
17. Resolution approving Comprehensive Annual Finance Report for Period Ending June 30, 2019
 18. Resolution approving appointment of two representatives to the Story County 911 Service Board
 19. Resolution approving Commission On The Arts (COTA) Special Grants for Spring 2020
 20. Resolution approving Agreement with Ames Foundation for Tree Planting Project
 21. Ames Main Street:
 - a. Resolution of support for Ames Main Street Program
 - b. Resolution approving Ames Main Street and Main Street Iowa Program Agreement
 22. Resolution approving Construction Observation/Administration Service Agreement regarding 2018/19 Sanitary Sewer Rehabilitation (Siphons) to WHKS of Ames, Iowa, in an amount not to exceed \$86,700
 23. Resolution approving Construction Observation/Administration Service Agreement regarding 2019/20 Sanitary Sewer Rehabilitation (Munn Woods) to WHKS of Ames, Iowa, in an amount not to exceed \$147,800
 24. Resolution approving Police Department's participation in the Governor's Traffic Safety Bureau Nighttime Seat Belt Enforcement Grant Program
 25. Resolution approving partial completion of public improvements and reducing amount of required security for Scenic Valley Subdivision, 4th Addition

PUBLIC FORUM: This is a time set aside for comments from the public on topics of City business other than those listed on this agenda. Please understand that the Council will not take any action on your comments at this meeting due to requirements of the Open Meetings Law, but may do so at a future meeting. The Mayor and City Council welcome comments from the public; however, at no time is it appropriate to use profane, obscene, or slanderous language. The Mayor may limit each speaker to three minutes.

PLANNING & HOUSING:

26. Staff Report on 321 State Avenue Affordable Housing Project
27. Staff Report on Amending Campustown Mid-Block Setback

PUBLIC WORKS:

28. Presentation of 2019 Downtown Parking Study
29. East Industrial Area Utility Extension Project:
 - a. Resolution approving Professional Services Agreement Amendment No. 2
 - b. Resolution approving Plat of Survey for lift station and future elevated water tank site
 - c. Resolution approving Purchase Agreement from Janice S. Schroer Revocable Trust UTA October 30, 1997, for lift station site in the amount of \$73,450
 - d. Motion directing staff to initiate the process of rezoning the site from Agricultural to Government Airport
30. South Grand Avenue Extension Project:
 - a. Resolution approving Agreement for Professional Services Amendment No. 4 with Shive-Hattery, Inc., of West Des Moines, Iowa, in the amount not to exceed \$147,900

HEARINGS:

- 31. Hearing on 2019/20 Pavement Restoration - Slurry Seal Program:
 - a. Resolution approving final plans and specifications and awarding contract to Fort Dodge Asphalt Company of Fort Dodge, Iowa, in the amount of \$240,787.76

ORDINANCES:

- 32. First passage or ordinance changing the Council member's term to begin on January 1st for the Ames Transit Board (second and third readings and adoption requested)
- 33. Second passage of Zoning Code amendments regarding stacked driveway parking for single-family and two-family dwellings
- 34. Second passage on rezoning of 808 E. Lincoln Way from Agricultural "A" and Highway-Oriented Commercial (HOC) to General Industrial (GI)
- 35. Third passage and adoption of ORDINANCE NO. 4403 regulating massage establishments

ADMINISTRATION:

- 36. Budget Issues/Guidelines

DISPOSITION OF COMMUNICATIONS TO COUNCIL:

COUNCIL COMMENTS:

ADJOURNMENT:

Please note that this Agenda may be changed up to 24 hours before the meeting time as provided by Section 21.4(2), *Code of Iowa*.

MINUTES OF THE SPECIAL MEETING OF THE AMES CITY COUNCIL

AMES, IOWA

DECEMBER 4, 2019

The Special Meeting of the Ames City Council was called to order by Mayor John Haila at 6:00 p.m. on the 4th day of December, 2019, in the City Council Chambers in City Hall, 515 Clark Avenue. Council Members Bronwyn Beatty-Hansen, Gloria Betcher, Amber Corrieri, Tim Gartin, David Martin, and Chris Nelson were present. *Ex officio* Member Devyn Leeson was also present.

AMES PLAN 2040 UPDATE

Review Progress: Planning and Housing Director Kelly Diekmann told the Council that RDG will be providing an update on the Comprehensive Plan (Ames Plan 2040), and then on December 19, 2019 Council will give direction on the preferred land use concepts. He advised that work on the scenarios was delayed because data for traffic, water, and sewer were collected as accurately as possible.

Mayor Haila asked who RDG has interacted with since September. Director Diekmann told the group they have been in contact with three of four school districts, Xenia Water, and Central Iowa Water. He said the entities cannot give concrete responses until there is specific information to report. It was noted that Story County and Boone County have also been contacted related to possible directional growth. Mayor Haila asked about school enrollment. Mr. Diekmann said school districts cannot react right now concerning a 20-year plan, but do want to know when decisions are made so the information can be considered for capacity planning.

RDG Principal Consultant Marty Shukert said the goal of the meeting is to interact, provide vision and principles for land use, and discuss guiding ideas. He advised the next step is creating policies and action to implement the ideas. Mayor Haila asked about the desired time line. Mr. Shukert said ideas and revisions can be made in advance of the December 19, 2019 meeting, and written feedback can be accepted until January 10, 2020.

Discuss Land Use Vision and Principles: Six guiding principles were discussed as Sustainable Growth; Concentric Development; Infill Development that Enhances the Urban Fabric; Incremental, Contiguous Greenfield Development; Urban Experience; and Process.

The principles of the land use vision were reviewed as Appropriate Location, Flexibility with Compatibility, Convenient Services, Vital Mixed Uses, Places for Employment, and Diverse Housing Options. Council Member Gartin asked if RDG envisions rezoning any current spaces to make room for the projected increase of 15,000 residents. Mr. Shukert answered in the affirmative, and said standards will be needed to show where that would be acceptable.

Mr. Shukert discussed integrated areas instead of traditional, separate uses. Mr. Diekmann said some of the uses are similar to what is included in the current Land Use Policy Plan (LUPP), but there are other ways of planning being explored. Mayor Haila said some of the principles and descriptions are hard to understand as stated, but the examples given by the consultants make more sense. He suggested making the principles clearer so the general public can understand them without the examples and definitions.

Council Member Nelson asked for clarification on the land use vision principle Appropriate Location. Mr. Shukert said in greenfield areas there are tiered levels of required infrastructure. Council Member Betcher said the terms included within the principles need better defined to more clearly measure and define the principles. She wondered about the potential for form-based zoning. Mr. Diekmann described form-based zoning as more concerned with how a building looks compared to how it is being used.

Director Diekmann advised that the Complete Streets policy and manual were recently adopted and those concepts will be brought forward. Mr. Diekmann said level of service is a traffic engineering term regarding the efficiency of moving vehicles through an intersection, or overall street capacity. He said instead of being mostly concerned with the highest number of vehicles throughput, the City could change its grading from a “C” to “D” to accept more delays in an area because of other priorities like sidewalks, fire lanes, or bike lanes. Director Diekmann said parking should not be a driver of major land use decisions, which is different from the priorities of the 1990's.

Sustainability efforts were discussed. Mayor Haila asked about the variety of planning documents including Parks Master Plan, Transportation Plan, and more that are considered during Comprehensive Plan work. Director Diekmann said the Comprehensive Plan is a reference document in general, but if the Climate Action Plan conflicts with the Comprehensive Plan regarding land use, changes will need to be made so there's not a conflict.

Consultant Shukert discussed the guiding principle of Concentric Development. Mr. Shukert told the Council that projected growth areas include sites both within the current city and on its edges in multiple directions. Using existing infrastructure, relatively low-cost extensions to infrastructure, and significant infrastructure extensions and new facilities were discussed as options. Council Member Gartin said an advantage of going in one direction would be the opportunity to make a sizable investment on infrastructure. He asked for an explanation on incremental growth and infrastructure. Mr. Shukert said the City could go in one direction or divide growth in all directions to utilize existing infrastructure or make relatively low-cost incremental extensions. Mr. Diekmann said they are planning beyond 2040 by nature of the task given because infrastructure for full build-out of the areas must be estimated, and then Council will make decisions on infrastructure needs. Council Member Betcher asked how feasibility is being defined. Mr. Shukert said cost is the main factor. Council Member Gartin asked about low-cost extensions. Consultant Shukert said the question is if the City should over-size a sewer now for an area that may not develop until after 2040. Council Member Martin asked how to incorporate these considerations with sustainable growth. Mr. Diekmann said quantitative information will be given to Council regarding population served and vehicle miles traveled, but energy consumption will not be calculated since that's a universal figure. He said they are basing decisions on cost and level of service. Mr. Shukert said multi-directional growth will be a smaller travel area than if the City expands in only one direction.

Infill development and greenfield development were discussed. The development tiers were explained, and Mr. Shukert showed a map that further demonstrated tier one as areas where infrastructure is immediately available or achievable with short, incremental extensions. Tier two involves areas where infrastructure is available with extensions of existing lines under ½ mile. Tier

three was explained as areas within the urban services area but requires significant pioneer infrastructure, and tier four would involve ultimate, very long-term development outside of the current urban services area.

Consultant Shukert discussed the priority Urban Experience as involving public spaces and positive interaction; increasing the level of enjoyment and engagement of citizens; community character; and a safe, secure environment. Director Diekmann said they are including more than just the gateways to Ames, as there are many highly visible and prominent areas of Ames that contribute to experience.

Mr. Shukert discussed the last guiding principle, Process, as working with stakeholders to develop specific plans and obtaining public input.

Introduce Infill Evaluation: Director Diekmann said the guideline set by Council to plan for population growth of about 15,000 residents was used for the growth scenarios. He said Council's interest in infill was also a priority, so RDG came up with some ideas for infill to generate more thought. He said the infill ideas are not designed to change the scenario populations, but would be additive. If all infill situations presented are considered, Mr. Diekmann advised that would make the projected growth about 18,000 residents. Consultant Scott said there is not a significant amount of public input on these areas yet, but RDG has found in some communities that a sub-area plan becomes necessary after a Comprehensive Plan is adopted.

Mr. Shukert showed a map of existing areas where infill could take place. Council Member Gartin said if commercial property is displaced, he wants to make sure there is room elsewhere in the community. Mayor Haila wondered, as the Council is rethinking development and parking, if that is applicable to redevelopment or infill. Director Diekmann said he believes it is applicable for redevelopment because space is limited. He said depending on what needs to be accomplished, the benefits of filling a gap in a neighborhood could outweigh the benefits of parking yield or convenience.

Mayor Haila asked if commercial opportunities will be looked at as well as residential opportunities. City Manager Steve Schinker wondered about the area south of Lincoln Way from Kellogg Avenue to Duff Avenue. Mr. Shukert said that area has not been explored yet. Director Diekmann said commercial space was not explored as part of the exercise. He said Lincoln Center is a great redevelopment site, but is a valuable commercial site as it is currently. Mr. Shukert said the area east of the Lincoln Center area is an opportunity. Director Diekmann commented that it shouldn't be assumed every commercial site can be named mixed-use. He suggested being selective since commercial uses are hard to replace. He also noted the adopted South Lincoln Mixed-Use Plan concerning the area south of Lincoln Way near Third Street, noting those goals have not been realized in 15 years. Ms. Beatty-Hansen asked why that plan didn't work. Director Diekmann explained market reality and resident opinion don't always work together as planned.

Council Member Beatty-Hansen asked how much infill could be achieved if accessory dwellings were allowed where lots are large enough. Director Diekmann said housing policy will be discussed

later on in the process. He said the Corridor Plan includes information on areas that could support that idea without disrupting a neighborhood. He noted that adding accessory dwellings is a small way of adding some housing to the community, but wouldn't change the supply. Mr. Diekmann said when the structure of a plan from Council is narrowed down on multiple topics then there will be neighborhood outreach to receive input. Mayor Haila said he is interested in feedback from developers and the public and asked when public input will be received. Mr. Diekmann said once a map is labeled, it will be easier to receive public input. Mr. Scott said a steering committee setting provides an opportunity to get reactions. Council Member Betcher said she doesn't think putting Ames Plan 2040 on a Council agenda gets a broad spectrum of response, and she would like a broader reach for public input. Mayor Haila said he would like this plan to be well-received and something that the City can utilize. Mr. Diekmann said the public could be very involved in reviewing the first draft. Mayor Haila said workshop settings work well for inviting people to give input.

Council Member Gartin said he appreciates minimal gentrification. He asked to what degree the consultants are being intentional about affordable housing as infill projects are being considered. Mr. Shukert said affordable housing is an enormous issue nation-wide. Consultant Shukert emphasized the importance of developing a structure of mandates to increase incentives to increase affordability. It was agreed that affordable housing is fundamental to the housing discussion.

Other: Mayor Haila told the group that inclusionary zoning has caused many problems around the nation, so Council must do its research if that is being considered.

Council Member Gartin said he is interested in seeing suggestions on innovative ways to build sustainability into projects. Mr. Gartin expressed desire to accomplish goals and also make the projects fun.

Mr. Leeson said making a meaningful supply of affordable housing is important. He noted new, high-rise apartment buildings do not work for everyone. Mayor Haila said incentivizing projects is a policy issue. Ms. Betcher noted two success stories of inclusionary zoning were shared in a session she attended at the National League of Cities Conference. She said she has requested more information on those cities.

Mayor Haila expressed interest in learning what RDG knows about affordable housing. Mr. Shukert said creating more affordable housing doesn't work when it's simply a mandate, but is successful when money is put aside to help by offering incentives, risk abatement, subsidies, or specific owner participation. It was noted affordable housing is a national issue.

Ms. Betcher said she's not sure if Council's outreach is reaching the under-represented members of the community. She said Council should be thinking creatively about how to get input. Mr. Scott thanked Council and staff for the work involved. Director Diekmann said a memo will be sent to Council to guide thinking on the scenarios that will be coming.

COUNCIL COMMENTS: None.

ADJOURNMENT: The meeting was adjourned at 8:23 p.m.

Erin Thompson, Recording Secretary

John A. Haila, Mayor

Erin Thompson, Recording Secretary

**MINUTES OF THE JOINT MEETING OF THE
AMES CITY COUNCIL AND MARY GREELEY MEDICAL CENTER
BOARD OF TRUSTEES**

AMES, IOWA

DECEMBER 6, 2019

The Ames City Council and Mary Greeley Medical Center Board of Trustees met in joint session at 12:34 p.m. on the 6th day of December, 2019, in Mary Greeley Medical Center (MGMC) Atrium Rooms A/B Conference Room. Attending were Mayor John Haila and Council Members Bronwyn Beatty-Hansen, Gloria Betcher, Amber Corrieri, Tim Gartin, David Martin, and Chris Nelson. Steve Schinker, City Manager; Mark Lambert, City Attorney; Susan Gwiasda, Public Information Officer; and Diane Voss, City Clerk, represented the City of Ames Administration. Representing the Mary Greeley Medical Center Board of Trustees were Chairperson Sarah Buck and Trustees Brad Heemstra, Mary Kitchell, Ken McCuskey, and Beth Swenson. Administrative staff from MGMC present were Brian Dieter, President and CEO; Vice-Presidents Gary Botine, Amber Deardorff, and Karen Kiel Rosser; Cory Geffre, RN; Melissa McGarry, Penny Bellville, and Micci Gillespie, Executive Assistant.

Welcome and Introductions. Chairperson Sarah Buck and Mayor Haila welcomed the City Council, Mary Greeley Medical Center Board of Trustees, and administrative staff members from both entities.

Amber Deardorff provided an update on the current Master Facility Plan for MGMC. Phase 1 of the construction has begun and is expected to be completed Summer 2020. Phase 1 includes moving the medical/surgical unit from the 3rd Floor of the West Patient Tower to the 6th Floor of the Tower. Once the medical/surgical unit has been moved, Phase 2 renovations will begin on the 3rd Floor. The 3rd floor will be the new home of maternal/child health and will include an integrated care concept. Construction is expected to be completed in late summer of 2021.

Future phases of the Plan include updating the infrastructure on the 5th floor in the South Tower. Once completed, the Behavioral Health Unit will move to the 4th floor. Acute Rehab will be relocated to the 3rd floor of the South Tower. An employee excellence center with wellness space and a simulation lab will be added on the 6th floor of the South Tower.

Malcolm Baldrige National Quality Award Recipient. Karen Kiel Rosser shared a presentation on the Malcolm Baldrige National Quality Award. Mary Greeley is one of six 2019 award recipients, and one of only 26 hospitals in the country to receive the Award. The Baldrige Award is named after former U. S. Secretary of Commerce Malcolm Baldrige. The Award was established by the U. S. Congress in 1987 to raise awareness of quality management systems. The Award is the nation's highest presidential honor for performance excellence. Receiving the Award means national recognition for role model organizations. The Baldrige framework includes strategy, leadership customers, workforce, operations and results. Mary Greeley has been on this organizational excellence journey for over ten years. Leaders and staff will continue to work to make improvements across the organization to provide quality care for patients while ensuring Mary Greeley is a great place to work.

Nutrition Component for Health in our Community. Ms. Kiel Rosser and Melissa McGarry provided information about the initiatives to build a healthier community through food and nutrition. In early 2019, Mary Greeley was awarded a \$50,000 State Innovation Model (SIM) Grant from the Iowa Healthcare Collaborative. The goal for the award was to focus on social determinants of health and to collaborate with community entities including: Mary Greeley's Transition of Care Program, Primary Healthcare Clinic, Salvation Army, Good Neighbor Program, and Mustard Seed Community Farm. By working with those entities, Mary Greeley was able to increase access to healthy foods throughout Story County. Due to the success of the collaboration, the next steps include: expanding to Ames Farmer's Market through the SNAP Benefit Program, expanding

Double-Up Food Buck Program in Story County, expanding the Farm-to-Clinic Program, participating in Hunger and Food Pantry Collaboration, and exploring additional partnerships and funding sources.

Workforce Development. Ms. Deardorff and Ms. Bellville shared information about Mary Greeley’s workforce. Mary Greeley employs approximately 1,300 staff with 70% providing patient care and 30% providing support services. There are approximately 200 physicians with privileges at Mary Greeley with most employed by McFarland Clinic. Mary Greeley’s volunteer program consists of over 500 volunteers contributing 40,000+ hours. Retirees constitute the majority of volunteers, but they have volunteers of all ages and backgrounds.

Mary Greeley’s main workforce initiatives are capacity (planning, talent recruitment, retention) and capability (talent development, growth, succession planning). Recruiting talent is a challenge, but they have had success with their school affiliations, H1B Visa, pre-hiring for hard to recruit positions, and alternative candidate pools.

Staff retention is a high priority. Mary Greeley has seen success due to its high workforce engagement, staff-driven improvements program, focus groups, quarterly updates for all employees, and growth/development opportunities. Mary Greeley partners with a number of partnerships and is looking to increase the number of partnerships.

Board Trustee and Council Comments. Trustee Chairperson Buck asked if there were any topics that the City Council would like to discuss at next year’s Joint Meeting. There were no suggestions; attendees were asked to contact Executive Assistant Micci Gillespie with topics at any time.

Council Member Gartin thanked Mr. Dieter and Mr. Botine for the support and leadership shown regarding the proposed Healthy Life Center project. Mayor Haila asked the attendees to think about what the City and Mary Greeley can do to be more successful in connecting with the community and the citizens of Ames.

Adjournment. Moved by Haila, seconded by Swenson, to adjourn the meeting at 11:12 a.m. Motion approved unanimously.

Diane R. Voss, City Clerk

John H. Haila, Mayor

MINUTES OF THE REGULAR MEETING OF THE AMES CITY COUNCIL

AMES, IOWA

DECEMBER 10, 2019

The Regular Meeting of the Ames City Council was called to order by Mayor John Haila at 6:00 p.m. on December 10, 2019, in the City Council Chambers in City Hall, 515 Clark Avenue, pursuant to law. Present were Council Members Gloria Betcher, Bronwyn Beatty-Hansen, Amber Corrieri, Tim Gartin, David Martin, and Chris Nelson. *Ex officio* Member Devyn Leeson was also in attendance.

PROCLAMATION FOR 19TH AMENDMENT CENTENNIAL COMMEMORATION, CALENDAR YEAR 2020: Mayor Haila proclaimed the calendar year 2020 to be the “19th Amendment Centennial Commemoration.” Accepting the Proclamation was Linda Hagedorn, President of the League of Women Voters of Ames and Story County. Ms. Hagedorn noted that 2020 will also be the 100th Anniversary of the League of Women Voters. The Chapter in Ames has been designated by the State of Iowa and there will be a kick-off for the 19th Amendment Commemoration on February 14, 2020, with a full day of events at the Memorial Union at Iowa State University. Carolyn Klaus, Treasurer pointed out that about two decades ago the League of Women Voters became open to gentlemen members as well.

PROCLAMATION FOR MARY GREELEY MEDICAL CENTER (MGMC) WEEK IN RECOGNITION OF MGMC RECEIVING THE 2019 MALCOLM BALDRIGE AWARD OF EXCELLENCE, DECEMBER 15-21, 2019: Mayor Haila explained that this Proclamation is to commemorate an historical event for Mary Greeley Medical Center (MGMC). On November 14, 2019, MGMC was named a 2019 Malcolm Baldrige National Quality Award recipient. MGMC is the first Iowa organization to ever achieve this prestigious recognition. In 2019, MGMC also earned a Magnet recognition for nursing excellence, with only 12 hospitals in the United States ever having achieved both the Baldrige and Magnet recognition. Mayor Haila proclaimed the week of December 15-21, 2019, as “Mary Greeley Medical Center Week.” Accepting the Proclamation was Brian Dieter, President and Chief Executive Officer for Mary Greeley Medical Center. Mr. Dieter stated it was an honor to receive the Malcom Baldrige award and the Magnet designation and they will continue to reach for better. Mr. Dieter explained that they have a saying in the Baldrige Community that “It is not about a trophy it is about the OFI (Opportunities for Improvement).”

CONSENT AGENDA: City Council Member Martin requested to pull Item No. 11, Memorandum of Understanding with Iowa State University for a Temporary Traffic Signal at the intersection of State Avenue & Mortensen Road, for separate discussion.

Moved by Gartin, seconded by Betcher, to approve the following items on the Consent Agenda:

3. Motion approving payment of claims
4. Motion approving Minutes of Regular Meeting held November 26, 2019
5. Motion approving Report of Contract Change Orders for November 16 - 30, 2019
6. Motion approving certification of Civil Service applicants
7. Motion accepting Progress Report from Sustainability Coordinator for period from July - December, 2019

8. Motion approving renewal of the following Beer Permits, Wine Permits, and Liquor Licenses:
 - a. Class C Beer Permit Class B Wine and Sunday Sales – Casey's General Store #2298, 428 Lincoln Way
 - b. Class C Liquor License with Sunday Sales – 1 Night Stand, 124 Welch
 - c. Class C Liquor License with Sunday Sales – Cyclone Liquors, 626 Lincoln Way
 - d. Class B Liquor License with Sunday Sales – Quality Inn & Suites, Starlite Village Conference, 2601 E. 13th St.
 - e. Class C Liquor License with Outdoor Service and Sunday Sales – Café Beau, 2504 Lincoln Way
 - f. Class B Beer with Outdoor Service and Sunday Sales – Torrent Brewing Co. LLC., 504 Burnett Ave - Pending Dram Shop
 9. RESOLUTION NO. 19-619 approving extension of the residency deadline for the City Attorney to August 31, 2020
 10. Title VI Compliance:
 - a. Motion authorizing staff to sign Iowa Department of Transportation Title VI Site Review Tool
 - b. RESOLUTION NO. 19-620 approving U.S. Department of Transportation Standard Title VI Assurances
 - c. RESOLUTION NO. 19-621 authorizing appointment of Deb Schildroth as Title VI Coordinator
 11. Termination of Agreements regarding the Healthy Life Center:
 - a. RESOLUTION NO. 19-623 terminating Healthy Life Center Agreement with Mary Greeley Medical Center
 - b. RESOLUTION NO. 19-624 terminating Healthy Life Center Agreement with Story County
 - c. RESOLUTION NO. 19-625 terminating Healthy Life Center Agreement with Heartland Senior Services
 12. RESOLUTION NO. 19-626 authorizing Mayor to submit Letter of Support requested by Iowa State University regarding AraNet Advanced Wireless Research Proposal and committing to allow network infrastructure in the right-of-way and cooperate in finding appropriate locations for transmission equipment on electric poles, street lights, and traffic signals
 13. RESOLUTION NO. 19-627 awarding contract for Engineering and Design of Emma McCarthy Lee Park Bridge Replacement project to WHKS & Co., of Ames, Iowa, in the amount of \$51,900
 14. RESOLUTION NO. 19-628 request for early retention release of 2018/19 Sanitary Sewer Rehab (Wilson & 15th)
 15. RESOLUTION NO. 19-629 accepting completion of 2018/19 Traffic Signal Program (Lincoln Way & Hyland Ave.)
 16. RESOLUTION NO. 19-630 accepting completion of public improvements and releasing security for Sunset Ridge Subdivision, 5th Addition
 17. RESOLUTION NO. 19-631 accepting partial completion of public improvements and reducing security for Sunset Ridge Subdivision, 6th Addition
- Roll Call Vote: 6-0. Resolutions/Motions declared adopted/approved unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

MEMORANDUM OF UNDERSTANDING WITH IOWA STATE UNIVERSITY FOR TEMPORARY TRAFFIC SIGNAL AT THE INTERSECTION OF STATE AVENUE & MORTENSEN ROAD: Council Member Martin explained that he had pulled this item to see if a discussion had been had yet about installing a roundabout. Public Works Director John Joiner noted that the intersection is a shared jurisdiction between the City of Ames and Iowa State University (ISU). The City of Ames owns the north and south legs and ISU owns the east and west legs on Mortensen. The City has been working closely with ISU, for the proper improvements, in moving forward. Director Joiner mentioned that roundabouts were looked at and analyzed in comparison to a traditional traffic signal and future lane widening, but with the special events that are held at ISU, the corridor is used as entrance and exists for the special events; a roundabout would not be able to handle the traffic for those events. Mr. Joiner mentioned that the typical weekday traffic flow for this area is a very high peak omni directional traffic. In the mornings it has a very high peak going eastbound and in the evenings going westbound and these types of one directional traffic patterns are not handled well by roundabouts. Council Member Martin asked if the price would be higher if a roundabout was put in. Director Joiner explained that it would as more land would need to be acquired.

Moved by Martin, seconded by Betcher, to approve RESOLUTION NO. 19-622 approving the Memorandum of Understanding with Iowa State University for a Temporary Traffic Signal at the intersection of State Avenue & Mortensen Road.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

PUBLIC FORUM: Public Forum was opened and closed after no one came forward to speak.

REQUEST TO NAME THE PARK ON THE SITE OF THE FORMER EDWARDS ELEMENTARY SCHOOL AS TAHIRA AND LABH HIRA PARK: Parks and Recreation Director Keith Abraham noted that the Council Action Form outlined the application process, the request, and everything associated with the request. He reminded the Council that the five-acre parcel in question was transferred to the City of Ames in 2019. Director Abraham explained there are three categories in which a park can be named and those are:

1. Historic Events, People, and Places
2. Outstanding Individuals
3. Major Donations

The application requests to name the former Edwards Elementary School site located on the corner of Woodland Street and Westwood Drive the “Tahira and Labh Hira Park” under the category of Outstanding Individuals and Major Donations. He mentioned that Tahira and Labh Hira have numerous accomplishments with Iowa State University, the City of Ames, the State of Iowa, and even at the National level. Mr. Abraham noted that the Hiras want to make a \$50,000 donation to the City to assist in the development of the park. The Parks and Recreation Commission met on November 19, 2019, and recommended that City Council approve the naming request. A public input

session was held where several individuals were present and four individuals did speak in favor of the name request.

Council Member Betcher stated that when the discussion came up during the naming of the skate park, the question of moral character came up, and the Council had decided that they would continue with the current policy and rely on the reports of the community to attest to the moral character of those that seek to have their name applied to a park or a facility. Ms. Betcher noted that it had been brought up before about naming things after a living individual. Director Abraham noted that the four people that had spoken during the Parks and Recreation Commission meeting spoke very highly of the Hiras, in regards to their connection to the neighborhood, their commitment to the community, their moral character, and everything that he has heard has been nothing but good.

Mayor Haila opened public input.

Brad Shrader, 3607 Woodland Street, Ames, explained that he and his wife, Jeanette, live across the street from the former Edwards Elementary School. Mr. Shrader teaches business ethics and strategic management in the Ivy College of Business at Iowa State University and holds the rank of Moral Professor. He noted that he bought his home in 1987 from the Hiras, who then moved up the street. Mr. Shrader has known Labh Hira since he moved to Ames in 1984 and has served together as chairperson at the Ivy College of Business in the late 1990's, and Labh was his Associate Dean and Dean from 2002-2012. He noted that Labh and Tahira have been very giving to ISU and the Ames community. He has observed, first hand, the generosity and support of Labh to the ISU students. Mr. Shrader mentioned that many others can attest to the positive influences that the Hiras have had on the community and he named a few business leaders. He asked the Council to seriously consider honoring the Hiras.

Jeff Johnson, 3037 Evergreen Circle, Ames, explained that the Hiras do not have children and felt that what the Hiras have done is incredible as they have invested in his children. He said he had moved to the community in 1999 and is touched that it is on the Hiras agenda and the Councils to develop a park in the community. Mr. Johnson noted that it is a strong statement about what family looks like as it doesn't always have to include children, but does include caring for your neighbors and those around you. He wanted to point out that this makes an incredible opportunity for the City of Ames as it thinks about diversity and inclusion. The Hiras are an international family who became citizens of the country and have chosen to build a life for themselves in the City of Ames. Mr. Johnson was thrilled that the Council is considering this opportunity and hopes it passes unanimously by the Council.

Sue Ravenscroft, 455 Westwood Ave, Ames, stated that the Council has already been well informed about the Hiras career, philanthropy, and civic involvement. Ms. Ravenscroft explained that when she got a job offer at ISU, Labh had urged her to look at his neighborhood and spoke of how wonderful it was. She noted that when the Hiras sold their house to Mr. Shrader, they could have moved anywhere, but chose to stay in the neighborhood. The neighborhood is a very economically

diverse area with all different types of houses. She expressed her understanding about the potential loss of the name of Edwards Elementary Schools identity, but feels the Hiras are very deserving.

Mayor Haila closed Public comment when no one else came forward.

Moved by Martin, seconded by Corrieri, to approve RESOLUTION NO. 19-637 approving the request to name the Park located on the site of the former Edwards Elementary School to the “Tahira and Labh Hira Park.”

Council Member Beatty-Hansen noted that she received an email from Peter Orazem expressing his support of the name change.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

DEMOLITION PERMIT FOR 120 LYNN AVENUE: City Planner Justin Moore explained that the Delta Omicron Chapter of Kappa Kappa Gamma sorority, located at 120 Lynn Avenue, is seeking approval to demolish their existing sorority house and construct a new facility. Kappa Kappa Gamma has owned this property for approximately 70 years and the building was constructed about 90 years ago. The zoning is currently High Density Residential (RH) and it is also in the East University Impacted Area Overlay District. The standards in the Overlay require City Council’s approval prior to demolition of any structure that is currently or has been formerly used by a Greek Organization. Staff has been working with the owner on a Minor Site Development Plan for the proposed new home, which would be slightly bigger than the existing building. Kappa Kappa Gamma has submitted its application along with financials.

Council Member Nelson inquired if the Planning & Housing Department had any more information on the background of the original Ordinance and why the request would need to come before the Council. He commented that his understanding was that the Ordinance was put in place during a time when the Greek system was not as strong as it is now and to prevent the Greek houses from being torn down and having apartments be put in their place. Planning and Housing Director Kelly Diekmann stated that it was definitely an outcome of the University Area Impact study and it was a concern at the time that if the Greek homes left the area what would replace those structures. Council Member Nelson asked if there were any other types of buildings in the City that would require a demolition permit to come before the Council. Director Diekmann noted that the Historic District homes have to go to the Historic Preservation Commission for review, but other than that, it is only this Overlay.

Council Member Gartin stated that the Staff Report goes into the history of other houses that have gone through this process before and asked if staff could explain how the request of Kappa Kappa Gamma compares to prior projects that had been approved. Mr. Diekmann stated that there have been four that have been approved. Two were about six years ago, before he started working for the City, and the other two were after. One of the requests was for a parking garage for a property that

abuts Kappa Kappa Gamma and at the time it was not used as a fraternity or a sorority; the other ones were replacement houses from one Greek house to another Greek house. Director Diekmann explained that the rationale is that the fraternity/sorority would like to invest in a new home instead of rehabilitating an existing one. The last three that were granted did have some increase in capacity; the applicants argued that there was some economic hardship. Council Member Gartin stated that the information Mr. Diekmann gave the Council is important and wants to treat this case similar to previous cases.

Council Member Betcher questioned, when the previous Greek houses that were approved, if the argument was made for a significant increase in the number of residents opposed to Kappa Kappa Gamma's increase of only four residents. Council Member Beatty-Hansen stated that in 2016, the request was from ACACIA who had an increase from 29 to 46 residents. Director Diekmann stated he does not recall the amount of the increase on the other Greek house prior to ACACIA's request. Council Member Nelson mentioned that another metric besides the number of beds is the space per student, as other places have increased the amount of living space per student and goes back to the competitiveness of the marketplace. Council Member Corrieri stated she remembers when *ex officio* Schulte was on the Council he had made that same comment that it was a competitive environment and the increase in the space per student is needed to keep up with what students want. Mayor Haila stated that the documents do show that the existing lower basement and two floors currently have 5,000 square feet and the new design is showing 7,000 square feet.

Mayor Haila opened public input.

Gail Scheluga, 120 Lynn Avenue, Ames, who is the current house director, wanted to come forward and answer any questions that the Council had. She explained that she had graduated from Iowa State University in 1976 and lived in the house and is excited to see new changes. Ms. Scheluga noted that they have about 1,300 alumnus who are in support of this change. Council Member Gartin asked Ms. Scheluga what her opinion was on why they are choosing not to renovate. Ms. Scheluga stated that the house floods constantly through the storm sewers and they have spent around \$25,000 already in repairs. She also explained, that two years ago, part of the lower levels had to be excavated as they had some soil compression and they needed to have an engineering study done. Also in the 1970's the northeast corner of the house was mud jacked. Council Member Gartin confirmed with Ms. Scheluga that they did have someone come out and look at the house to give an estimation on how much it would cost to renovate and found it was not feasible. Ms. Scheluga mentioned that they would need to pull the house forward. The sorority has approximately 170 members and they want to give them a positive living experience. Council Member Martin commented that the current tax incentive policy is that if the Demolition Permit is granted, the sorority house demolished, and then a new Greek House is built, the sorority would qualify for the URA tax abatement. He asked Ms. Scheluga how material the tax abatement was in deciding to move forward with demolition. Ms. Scheluga stated she had not been involved in the finances and would be unable to answer that question.

Naura Godar, RDG Planning and Design, stated she is available to answer any questions that the Council may have.

Mayor Haila closed public input when no one else came forward.

Council Member Nelson explained that when you look at the assessed value for the property, it is about \$850,000 as it sits and the sorority wants to build a \$4 million facility; this would be quadrupling the value of the property. He noted that the Sorority would only get abatement on the value above the \$850,000 and the City will get what they have already. The incentive would allow the sorority to ramp into a different situation than they are rather than having a huge increase in their property taxes which is very hard to absorb from a cash flow perspective.

Ex Officio Devyn Leeson stated that he is not as familiar with Greek issues, but as a student, he can state that from what he heard the new facility will improve the quality of life of the members living there. He noted that based on Section 29.110(2)c it describes the finding of economic hardship to include “Denial of a demolition request has deprived, or will deprive, the owner of the property of reasonable use of, or economic return on, the property” and he believes this request qualifies as an economic hardship and urges the Council to approve the request.

Council Member Beatty-Hansen stated that she is torn on this request as the demolition has an environmental impact and it can take decades for even an energy-efficient building to make up for the demolition. She is not sure she could agree with the incentive of the tax abatement. She understood the plea for modern living areas and amenities, but is hesitant to approve with the tax abatement. Council Member Nelson noted that the Council approves requests for tax abatement all the time with other buildings/projects, so if looking at a policy perspective, the Council should discuss that at another time and not deny this project. Council Member Martin explained that he agrees with what Council Member Beatty-Hansen and Mr. Nelson stated that it is a policy question and asked how the Council determines the policy question without having to take a position on the demolition request. Council Member Gartin mentioned that the Council should make its decision based on the criteria that they have been provided; they should be consistent with what they have done in the past.

Council Member Beatty-Hansen stated the criteria are hard as it states “the structure can’t be used for the original intended purposes.” She noted that it can, but wouldn’t be as comfortable. She mentioned that it also states that it will deprive the owner of the property of economic return, but the owner should make a profit even if the property stayed as is. Council Member Nelson noted that the financial report shows otherwise. Council Member Corrieri asked Director Diekmann if the ACACIA project qualified for a tax abatement. Mr. Diekmann stated he is not sure if ACACIA asked for that last February, or if it will be in February 2020, but believes they did.

Council Member Betcher stated she is having a hard time getting over the original reasoning behind the Ordinance to preserve the Greek houses as historic. Ms. Betcher explained that she knows Ms. Godar as she has worked with her in the past and trusts her assessment that there is not enough

historic integrity left in the building, but is struggling with the issue as to if it is really an economic hardship. She mentioned that the policy of abatement rolls into the issues of sustainability and is a bigger discussion than what is being asked for tonight. Council Member Betcher stated that the Staff Report shows a lot of what the applicant had argued opposed to something that definitively says it is a situation showing economic hardship.

Mayor Haila reopened the public hearing.

Naura Godar mentioned that she wanted to add a few more details. The existing building does not meet the current code and gave the example of the parking and siding, which are grand-fathered in. She noted that when looking at the sustainability aspect of the building, it does not have the capacity to withhold any storm water. The new building would meet the current parking requirements, the approach, the site is moved forward making it easier for the Fire Department, and the site would have the capacity for storm water detention. Ms. Godar also noted there is an elevator in the building; however, not all areas of building are accessible to all of the students that reside in the house and rebuilding would bring the building into ADA compliance. She mentioned that even though the room count does not increase significantly from the existing to the new building, Kappa Kappa Gamma would like to have the ability for all of their members to attend their chapter meetings and currently it is downstairs in the basement and not everyone can fit. They were unable to find a remodeled space that would hold all the members in a way that could be exited out of the building appropriately. Mayor Haila inquired if the Chapter would be willing to undertake a remodeling project or would they abandon the property. Ms. Godar mentioned that it was her understanding that a remodeling project would require the Chapter to think about another location for their Chapter home. *Ex officio* Leeson inquired if the Chapter did the remodeling and stayed in the same location wouldn't the building still need to be demolished 10-15 years down the road, as the same situations would happen. Ms. Godar explained that the amount of money that the women of Kappa Kappa Gamma have put into their house for remodeling has grown significantly throughout the years, and if they remodel, the amount will continue to grow as the underlying problem of the site will still be there and they would need to demolish the house eventually.

Mayor Haila voiced the question about what would happen if the sorority decided to not renovate the property and to sell it instead. The Mayor also noted that the value of the property is very low due to the identified issues as someone is going to have to fix the property. He inquired if someone could purchase the property, could the developer it down or would they have to come to Council to ask permission to demolish. He can see a significant economic hardship if the property becomes worthless as no one will want to spend a lot of money to renovate. Director Diekmann explained that even it was another Greek house or a developer bought the property they would have to come to Council for approval to demolish and prove that it could not be used as a Greek house and an economic hardship for having to use the structure for another permitted purpose. Mayor Haila inquired if anyone would be able to use the URA tax abatement or only another Greek organization. Director Diekmann stated that with the URA tax abatement applies only to another Greek house as a developer would not qualify. If a developer was to buy the property, they would have to utilize the same design requirements as the Overlay has that requirement.

Council Member Betcher mentioned that with what Ms. Godar had further explained it did help, but she is still stuck on the URA that comes after demolition. Council Member Martin asked if at a subsequent meeting the Council changed the tax abatement policy, how would it affect the applicant down the road. Mr. Diekmann stated that if the Council approved staff's recommendation with the conditions they listed there is a step that the applicant has to prove financing to staff. If the Council changed the policy, the applicant would have to take that into consideration before proceeding with demolition. If the applicant's financing is presuming the tax abatement and it no longer exists, the applicant may not be able to get a commercial loan. Director Diekmann stated that the applicant does not have the right to the tax abatement until the project is complete, but wanted to clarify that once a project has been authorized for abatement they get to complete the full schedule, regardless if the tax abatement is removed from the policy in the future or not.

Council Member Beatty-Hansen asked if the Council could move to discuss the URA policy at a future meeting and then proceed with the applicant's request. Mayor Haila asked if they removed the URA policy in the future, would the Council want that change to affect this applicant. Council Member Nelson suggested that the Council wait on discussing the URA policy until this project has been completed. Council Member Corrieri mentioned that the Council would need to say that any project that has already been approved would take effect after that point.

Mayor Haila stated the Council could make a motion to put the URA policy discussion on a future agenda and have a time line associated with it that way staff would be aware if any other project comes through.

The Mayor closed public comment.

Moved by Gartin, seconded by Corrieri, to approve RESOLUTION NO. 19-632 approving the Demolition Permit for the Greek residence at 120 Lynn Avenue with the following conditions:

- A. A Minor Site Development Plan is approved by the Director of Planning and Housing before a Demolition Permit is issued.
- B. An application for a building permit consistent with the building elevations and floor plans submitted with the Minor Site Development Plan as represented by Attachment E is submitted before a Demolition Permit is issued.
- C. Approval of the demolition request is valid for the life of the Minor Site Development Plan permit SDP-555-2018 approval. (This is for two years with a one year extension).
- D. Proof of financing for the construction of the new structure submitted for review and acceptance by the Planning and Housing Director. (This would likely be a letter or loan document from a financial institution that is willing to make a loan on the construction of the project.)

Council Member Gartin mentioned that this is an opportunity to partner with Iowa State University on a critical Greek construction project. He felt bad that the Council keeps talking about swapping

out an \$800,000 project when a \$4 million project would be put in its place. He is excited about the project and hopes the rest of the Council would be supportive.

Council Member Martin agrees that it sounds like a great project, but doesn't want to overlook the fact that, without making a change in the process, the City would be committing to forgoing about \$700,000 in taxes that would not go to the City, the school district, DMACC, or the County. Council Member Betcher stated that with those forgone taxes they would be incentivising something that maybe isn't going to meet their sustainability goals and not every city in Iowa is considering moving forward on a climate action plan and looking at ways to be more sustainable. She will support this request, but really wants to have a discussion down the road.

Council Member Nelson pointed out that if a new building is built it is assessed at the construction value of the project, where if you remodel a building it may not be assessed at the value of the building plus what was put into it. He stated they would not be forgoing, but only deferring, the entire incremental amount.

Council Member Beatty-Hansen echoed that it sounds like a great project and the Council's hesitation is not about the project, but with the tax incentive policy.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

HEARING ON PROPOSED AMENDMENTS TO THE ZONING CODE REGARDING STACKED DRIVEWAY PARKING FOR SINGLE-FAMILY AND TWO-FAMILY DWELLINGS: Planning and Housing Director Kelly Diekmann explained that this is a follow-up item that staff identified very late in the Guest Lodging Ordinance and staff choose not to confuse the issue at the last moment. He noted that the proposed amendment does reconcile the policy of the rental code to count spaces on a driveway whether it is an owner-occupied home or not. The Zoning Ordinance uses the phrase "owner-occupied is allowed to use stacked parking on their driveway" in order to meet the Code and this has not been done in a long time. Staff is proposing to allow for single-family dwellings whether they are for owner-occupied use or for the Rental Code compliance to allow for stacked parking. Additionally, staff is broadening this to allow two-family homes or duplexes, to benefit from that standard. Mr. Diekmann explained this change has to do with guest lodging, and by definition, guest lodging has to happen within a single-family dwelling so once the standard is changed to say that a dwelling can have parking in this manner it allows guest lodging to take advantage of that option. The change would only impact single-width driveways for cars, very long driveways with garages, and parking in the rear of the site. Director Diekmann noted that staff is recommending approval as it will clean up some inconsistencies and will help make it easier to administer for Planning and Inspection staff.

Council Member Betcher wanted to know if there was somewhere in the Ordinance regarding stacked parking where this is a stipulation that the parking spaces have to be accessible in a means other than driving across the lawn. Mr. Diekmann stated that is not in the Zoning Ordinance, but

it is illegal to drive on unimproved area of a lot. In order to access a parking space or to drive on your property, you must have an improved surface, which has to be a paved driveway.

Council Member Beatty-Hansen stated that this would reduce on-street parking or the need to create additional parking. Director Diekmann explained that it would not change any parking supply, but would allow guest lodging uses to fit on a site at a higher occupancy level.

The Mayor opened the public hearing. He then closed it after there was no one wishing to speak.

Moved by Nelson, seconded by Corrieri, to approve the first passage of an Ordinance with proposed Amendments to the Zoning Code regarding stacked driveway parking for single-family and two-family dwellings.

Roll Call Vote: 6-0. Motion declared carried unanimously.

HEARING ON REZONING OF 808 E. LINCOLN WAY FROM AGRICULTURAL “A” AND HIGHWAY-ORIENTED COMMERCIAL (HOC) TO GENERAL INDUSTRIAL (GI): The public hearing was opened by Mayor Haila and then closed after no one came forward to speak.

Moved by Nelson, seconded by Beatty-Hansen, to approve the first passage of an Ordinance on rezoning 808 E. Lincoln Way from Agricultural “A” and Highway-Oriented Commercial (HOC) to General Industrial (GI).

Roll Call Vote: 6-0. Motion declared carried unanimously.

HEARING ON VACATION OF WATER MAIN EASEMENT ALONG NORTH EDGE OF COLLABORATION PLACE RIGHT-OF-WAY FROM PLAZA LOOP TO SOUTH RIVERSIDE DRIVE: Mayor Haila declared the public hearing opened. He declared it closed after there wasn't anyone wishing to speak.

Moved by Corrieri, seconded by Betcher, to approve RESOLUTION NO. 19-633 approving the vacation of the Water Main Easement along the north edge of Collaboration Place right-of-way from Plaza Loop to South Riverside Drive.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

HEARING ON WATER TREATMENT PLANT MAINTENANCE AND STORAGE BUILDING: Mayor Haila noted that this item has been amended on the Agenda as the recommendation is no longer to accept the report of bids, but to approve the final plans and specifications and award a contract to Happe Commercial of Ankeny, Iowa, in the amount of \$152,800.

The Mayor opened the public hearing and closed it after there was no one wishing to speak.

Moved by Corrieri, seconded by Beatty-Hansen, to approve RESOLUTION NO. 19-634 approving the final plans and specifications and awarding the contract to Happe Commercial of Ankeny, Iowa, in the amount of \$152,800.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

ORDINANCE REGULATING MASSAGE ESTABLISHMENTS: Moved by Corrieri, seconded by Beatty-Hansen, to pass on second reading the Ordinance regulating massage establishments. Roll Call Vote: 6-0. Motion declared carried unanimously.

STAFF REPORT REGARDING THE PARTNERSHIP WITH PODUJEVO, KOSOVO: Assistant City Manager Brian Phillips noted that a couple weeks ago the Council heard a presentation from representatives of the Ames International Partner Cities Association (AIPCA) regarding a perspective new partnership with Podujevo, Kosovo. Mr. Phillips explained that the next step, if the Council was interested, would be to authorize the Mayor to respond to the Mayor of Podujevo indicating an interest in pursuing the partnership. He mentioned that in the future, there may be some travel needed on the part of the Mayor or representatives from Kosovo to come to Ames to sign a Partnership Agreement.

Council Member Betcher stated that the Council has not significantly increased the amount given to the AIPCA, even when the City of Ames had two partner cities in the past. Mr. Phillips recalled that the amount given has been \$5,000 a year and some money has been carried over. He explained that there were a few increases provided to help explore prospective new partnerships.

Council Member Gartin noted that this is the first time this Council has had this presented to them and asked for a further explanation as to why the City of Ames would have sister city relationships and what the Council should think about when selecting a sister city. Mr. Phillips explained that having a partner city is intended to be an opportunity for residents of the community to have interactions with people from other communities around the world and to enrich our culture and their's. Assistant Manager Phillips mentioned that he doesn't feel this is an area that City staff can give the best expertise about how to choose a partner city and that is why the Council has the AIPCA to help identify the values that the community would have in choosing a partner. Council Member Gartin noted that the world is a big place and he is trying to find a reason why Podujevo, Kosovo, is the best community to partner with

Council Member Beatty-Hansen stated that the previous presentation by Tom Sauer, AIPCA representative, gave a good explanation as to why the City would want to partner with Podujeva.

Council Member Betcher commented that they need to look to see if there is something that the City of Ames can offer a sister-city and what the sister-city can offer the City.

Council Member Gartin stated that there are thousands of different communities around the world that are similar in size to the City of Ames and why is the AIPCA recommending Podujeva, Kosovo.

Tom Sauer explained that the contacts they receive start with the Iowa Sister States Organization. He noted that the Iowa Sister States Organization is trying to partner cities in Iowa with similar interests, scale size, geography, and economies. Kosovo is a natural for Iowa as it is primarily an agriculture country and has a lot of common interests along with the cultural differences that will add to the strength to the relationship. Pat Sauer mentioned that there have been other communities from other countries that have approached the AIPCA in the past, but there had not been any follow through however, when having a sister-state connection it helps strengthens the connection.

Moved by Gartin, seconded by Nelson, to have the Mayor pursue the relationship with Podujevo, Kosovo.

Vote on Motion: 6-0. Motion declared carried unanimously.

DISPOSITION OF COMMUNICATIONS TO COUNCIL: Mayor Haila mentioned that the first item was a Memo from Planning and Housing Director Kelly Diekmann regarding a request for a Zoning Text Amendment to remove a CSC Zoning District Mid-Block 20-foot setback standard. City Manager Steve Schainker noted that Director Diekmann is asking for the Council to place this item on the December 17, 2019, Agenda. Director Diekmann explained that the benefit of this request is the 2500 block of Lincoln Way project and the developer has about 60 days of a 90-day due diligence letter left and if this item is not looked at until January, the developer will not meet the due diligence. Mr. Diekmann stated he doesn't think this item is a long discussion item, but an explanation of a minor change.

Moved by Corrieri, seconded by Beatty-Hansen, to place the request for a Zoning Text Amendment to remove a CSC Zoning District Mid-Block 20-foot setback standard on the December 17, 2019, Agenda.

Vote on Motion: 6-0. Motion declared carried unanimously.

The second request was a Memo from City Attorney Mark Lambert regarding changing the terms of the Council Member's appointments to Boards to coincide with the Councils terms of office. Mayor Haila explained that the only challenge to making the change would be for the Ames Transit Board as its budget happens in December and January and recommended to have the new Council representative go to a couple meetings in December so they would be ready to move forward. Mayor Haila recommended putting this on the next Agenda for first reading and to suspend the rules and pass on second, third, and adopt the ordinance.

Moved by Betcher, seconded by Gartin, to direct the City Attorney to draft an ordinance changing the date of the Council Members term on the Ames Transit Board to the end of a calendar year and to place the Ordinance on the December 17, 2019, Agenda.

Vote on Motion: 6-0. Motion declared carried unanimously.

Mayor Haila noted that the third item was a letter from Mediacom about the removal of channels from the channel lineup and was for information purposes only.

COUNCIL COMMENTS: Council Member Betcher stated she found out at the National League of Cities that she is going to be re-appointed as the Chair of the University Communities Council for the second year and is looking forward to that.

Mayor Haila mentioned there was a good discussion earlier about the URA, and asked, if the Council had any interest in making a motion to place it on a future agenda for discussion and if a moratorium should be placed. Council Member Corrieri stated she would like to see a work plan first; the rest of the Council agreed and will just “bookmark” it.

CLOSED SESSION: Council Member Gartin asked City Attorney Mark Lambert if there was a legal reason to go into Closed Session. Mr. Lambert replied in the affirmative, citing Section 20.17(3), *Code of Iowa*, to discuss collective bargaining strategy.

Moved by Gartin, seconded by Betcher, to go into Closed Session under Section 21.5(1)(k), *Code of Iowa*, to discuss security-related plans or reports.
Roll Call Vote: 6-0. Motion declared carried unanimously.

The Council went into Closed Session at 7:34 p.m. and returned to Regular Session at 7:46 p.m.

Moved by Betcher, seconded by Beatty-Hansen, to adopt RESOLUTION NO. 19-635 ratifying the 2020-2023 Collective Bargaining Agreement with Public, Professional, and Maintenance Employees Local 2003.
Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Corrieri, seconded by Betcher, to adopt RESOLUTION NO. 19-636 approving the Memorandum of Agreement with IUOE Local 234 regarding the Water and Wastewater Operator and Assistant Operator classifications.
Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

ADJOURNMENT: Moved by Betcher to adjourn the meeting at 7:47 p.m.

Amy L. Colwell, Deputy City Clerk

John A. Haila, Mayor

MINUTES OF THE AMES CIVIL SERVICE COMMISSION

AMES, IOWA

NOVEMBER 21, 2019

The Regular Session of the Ames Civil Service Commission was called to order by Chairperson Mike Crum at 8:15 a.m. on November 21, 2019. As it was impractical for the Commission members to attend in person, Commission Chairperson Mike Crum and Commission Members Harold Pike and Charlie Ricketts were brought in telephonically.

APPROVAL OF MINUTES OF OCTOBER 24, 2019, REGULAR MEETING: Moved by Pike, seconded by Ricketts, to approve the Minutes of the October 24, 2019, Regular Civil Service Commission meeting, as written.

Vote on Motion: 3-0. Motion declared carried unanimously.

CERTIFICATION OF ENTRY-LEVEL APPLICANTS: Moved by Crum, seconded by Ricketts, to certify the following individuals to the Ames City Council as Entry-Level Applicants:

Apprentice Electric Meter Repair Technician	Brian Wakefield	81
	John Helton	78
	Jonathon Friend	74
Parks Maintenance Specialist	Brian Frame	73

COMMENTS: It was the consensus of the Commission to hold its next Regular Meeting on December 19, 2019, at 8:15 a.m.

ADJOURNMENT: Moved by Pike to adjourn the meeting at 8:18 a.m.

Michael R. Crum, Chairman

Diane R. Voss, City Clerk

Applicant License Application (LC0039334)

Name of Applicant: <u>Texas Roadhouse Holdings LLC</u>		
Name of Business (DBA): <u>Texas Roadhouse</u>		
Address of Premises: <u>519 South Duff Avenue</u>		
City <u>Ames</u>	County: <u>Story</u>	Zip: <u>50010</u>
Business <u>(515) 232-7427</u>		
Mailing <u>6040 Dutchmans Lane</u>		
City <u>Louisville</u>	State <u>KY</u>	Zip: <u>40205</u>

Contact Person

Name <u>Laura Young</u>
Phone: <u>(502) 638-5469</u> Email <u>laura.young@texasroadhouse.com</u>

Classification Class C Liquor License (LC) (Commercial)

Term: 12 months

Effective Date: 07/02/2020

Expiration Date:

Privileges:

Class C Liquor License (LC) (Commercial)

Status of Business

BusinessType: <u>Limited Liability Company</u>
Corporate ID Number: <u>XXXXXXXXXX</u> Federal Employer ID <u>XXXXXXXXXX</u>

Ownership

W. Kent Taylor

First Name: W. Kent **Last Name:** Taylor
City: Crestwood **State:** Kentucky **Zip:** 40014
Position: Chief Executive Officer
% of Ownership: 0.00% **U.S. Citizen:** Yes

Texas Roadhouse, Inc. (Publicly Traded Company)

First Name: Texas Roadhouse, Inc. **Last Name:** (Publicly Traded Company)
City: Louisville **State:** Kentucky **Zip:** 40205
Position: Manager/Owner
% of Ownership: 100.00% **U.S. Citizen:** Yes

Chris Jacobsen

First Name: Chris **Last Name:** Jacobsen
City: Anchorage **State:** Kentucky **Zip:** 40223
Position: Chief Marketing Officer
% of Ownership: 0.00% **U.S. Citizen:** Yes

Applicant License Application (LE0001533)

Name of Applicant: <u>Fareway Stores, Inc.</u>		
Name of Business (DBA): <u>Fareway Stores, Inc. #386</u>		
Address of Premises: <u>619 Burnett Avenue</u>		
City <u>Ames</u>	County: <u>Story</u>	Zip: <u>50010</u>
Business <u>(515) 232-3543</u>		
Mailing <u>2300 Industrial Park Road</u>		
City <u>Boone</u>	State <u>IA</u>	Zip: <u>50036</u>

Contact Person

Name <u>Tracey Wilson</u>			
Phone: <u>(515) 433-5336</u>	Email	<u>twilson@farewaystores.com</u>	

Classification Class E Liquor License (LE)

Term: 12 months

Effective Date: 01/15/2020

Expiration Date: 03/01/2020

Privileges:

Class E Liquor License (LE)

Status of Business

BusinessType: <u>Privately Held Corporation</u>
Corporate ID Number: <u>XXXXXXXXXX</u> Federal Employer ID <u>XXXXXXXXXX</u>

Ownership

Fred E. Vitt Control Trust

First Name: Fred E. **Last Name:** Vitt Control Trust
City: Boone **State:** Iowa **Zip:** 50036
Position: Trust
% of Ownership: 10.87% **U.S. Citizen:** Yes

Garrett S Piklapp

First Name: Garrett S **Last Name:** Piklapp
City: Huxley **State:** Iowa **Zip:** 50124
Position: Secretary
% of Ownership: 0.00% **U.S. Citizen:** Yes

Fareway Control Trust

First Name: Fareway **Last Name:** Control Trust
City: Boone **State:** Iowa **Zip:** 50036
Position: Trust
% of Ownership: 55.88% **U.S. Citizen:** Yes

Various Individuals & Trust each holding less than 5%.

First Name: Various Individuals & Trust **Last Name:** each holding less than 5%
City: Unknown **State:** Iowa **Zip:** 55555
Position: Stockholders
% of Ownership: 33.25% **U.S. Citizen:** Yes

Insurance Company Information

Insurance Company: <u>Merchants Bonding Company</u>	
Policy Effective Date: <u>03/01/2019</u>	Policy Expiration <u>01/01/1900</u>
Bond Effective <u>2</u>	Dram Cancel Date:
Outdoor Service Effective	Outdoor Service Expiration
Temp Transfer Effective	Temp Transfer Expiration Date:

Applicant License Application ()

Name of Applicant: <u>Great Caterers of Iowa, Inc.</u>		
Name of Business (DBA): <u>Great Caterers of Iowa</u>		
Address of Premises: <u>2321 N Loop Dr</u>		
City <u>Ames</u>	County: <u>Story</u>	Zip: <u>50010</u>
Business <u>(515) 264-8765</u>		
Mailing <u>1480 Sloans Way</u>		
City <u>Pleasant Hill</u>	State <u>IA</u>	Zip: <u>50327</u>

Contact Person

Name <u>Joni Bell</u>
Phone: <u>(515) 264-8765</u> Email <u>joni@greatcaterersofiowa.com</u>

Classification Class C Liquor License (LC) (Commercial)

Term: 5 days

Effective Date: 01/11/2020

Expiration Date: 01/01/1900

Privileges:

Class C Liquor License (LC) (Commercial)

Status of Business

BusinessType: <u>Privately Held Corporation</u>
Corporate ID Number: <u>XXXXXXXXXX</u> Federal Employer ID <u>XXXXXXXXXX</u>

Ownership

Joni Bell

First Name: Joni **Last Name:** Bell
City: Pleasant Hill **State:** Iowa **Zip:** 50327
Position: 5152648765
% of Ownership: 100.00% **U.S. Citizen:** Yes

Insurance Company Information

Insurance Company: <u>Illinois Union Insurance Company</u>	
Policy Effective Date: <u>01/11/2020</u>	Policy Expiration <u>01/16/2020</u>
Bond Effective	Dram Cancel Date:
Outdoor Service Effective	Outdoor Service Expiration
Temp Transfer Effective	Temp Transfer Expiration Date:

COUNCIL ACTION FORM

SUBJECT: ENCROACHMENT PERMIT FOR SIGN AT 2408 LINCOLN WAY

BACKGROUND:

High Class Glass is seeking approval for an encroachment permit that would allow a wall sign to hang in the public right-of-way at 2408 Lincoln Way. The proposed wall sign will be on the north façade of the building. The total encroachment will be approximately 6.75 square feet over the sidewalk, but will not affect use of the sidewalk.

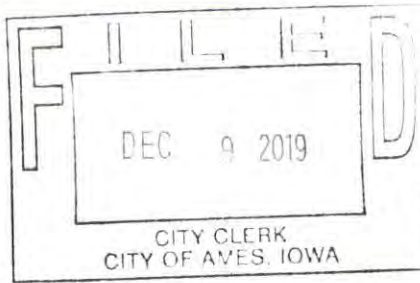
Chapter 22.3(3) of the Ames Municipal Code requires approval of the Encroachment Permit Agreement by the Ames City Council before the permit can be issued. By signing the Agreement, the owner and tenant agree to hold harmless the City of Ames against any loss or liability as a result of the encroachment, to submit a certificate of liability insurance which protects the City in case of an accident, and to pay the fee for the encroachment permit. The owner and tenant also understand that this approval may be revoked at any time by the City Council. The fee for this permit was calculated at \$25, and the full amount has been received by the City Clerk's Office along with the certificate of liability insurance.

ALTERNATIVES:

1. Approve the request.
2. Deny the request.

MANAGER'S RECOMMENDED ACTION:

It is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby granting the encroachment permit for the sign.



ENCROACHMENT PERMIT APPLICATION

An Encroachment Permit approved by the Ames City Council is required for anything of a "fixed character" which is "upon, over or under" the surface of any "street, alley, or sidewalk."

Applicant is: Property Owner Tenant Contractor

Applicant Name **Brandon Long**

Address of Encroachment **2408 Lincoln Way**

City **Ames** State **IA** Zip Code **50014**

Type of Encroachment: **Sign**

(If the encroachment is a sign, please apply for a sign permit through the Inspections Division.)

Total Square Feet of the Area to Encroach: **6.75 sq ft**
(See attached submittal guidelines.)

Property Owner Name **Rent Ames**

Mailing Address **2316 230th St Ste 304**

City **Ames** State **IA** Zip Code **50014**

Daytime Phone **(515) 268-2287** Cell Phone

E-mail: **nate@rentames.com**

These items must be submitted with your application prior to approval of the permit:

- An Encroachment Permit Agreement approved as to form by the City Attorney and signed by the owner of the building where the encroachment will occur (obtained from the City Clerk's Office).
- A sketch of the encroaching item (i.e., sign, canopy, awning, etc.) drawn to scale.
- A sketch showing the placement of the encroaching item on the property.
- An insurance certificate with comprehensive general liability coverage in an amount of not less than \$500,000 combined single limit naming the City of Ames as an additional insured on the policy. Said certificate must be accompanied with a copy of Endorsement CG 2013.
- A fee to be determined by the City's Building Official. The fee is \$1.00 per square foot of the encroachment or a minimum of \$25.00.

Applicant's Signature **[Signature]** Date **12/5/19**

Property Owner's Signature **[Signature]** Date **12-5-2019**

Submit your completed permit application to: rknulsen@city.ames.ia.us
City of Ames
City Clerk's Office
PO Box 811
Ames, IA 50010

For Office Use Only

Documents Received
Date: **12/9/19**
 Completed Application
 Certificate of Inspections sent to PW, P&H, Building Official on
 Review by DRC needed?

Fees
Fee Amount **25.00**
Date Fee Paid **12/9/19**
check 1125

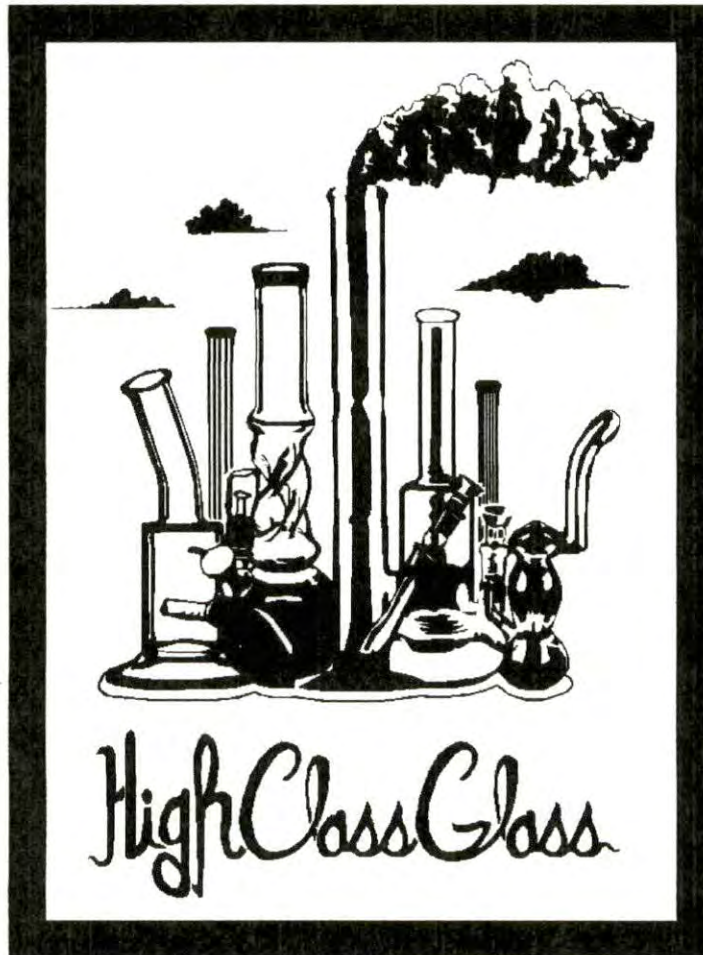
Insurance
 Received **12/9/19**
 Approved

Agreement
 Two originals prepared
 Signed agreements returned

CC Meeting Date
 Added to agenda
 CAF prepared on T Drive

Follow Up
 Application approved
 Agreement signed by Mayor
 Letter prepared and sent to applicant
 Clerk's copy of Agreement sent to Recorder
 Add to FMS with insurance expiration date

Notes



- 36" x 27" "Flag" Mounted cabinet
 - 2 sided
 - LED interior lights
 - Installed
- Price: \$2606 + \$182.42 tax = \$2788.42
 Sign Permit: \$137

► **Company Name:** High Class Glass ► **Project** 11/13/19

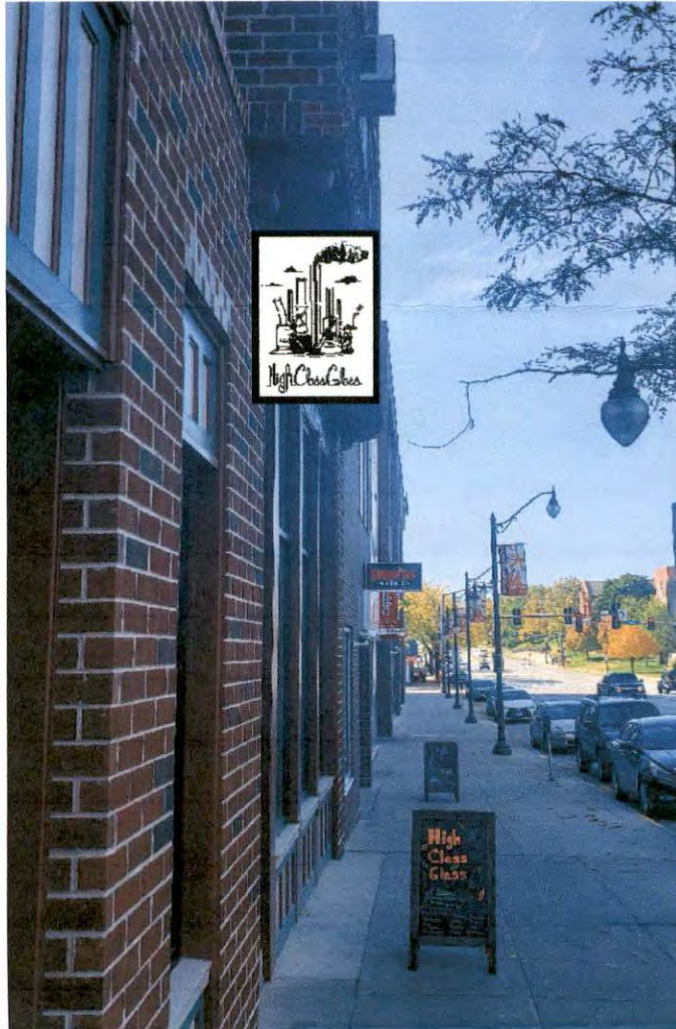
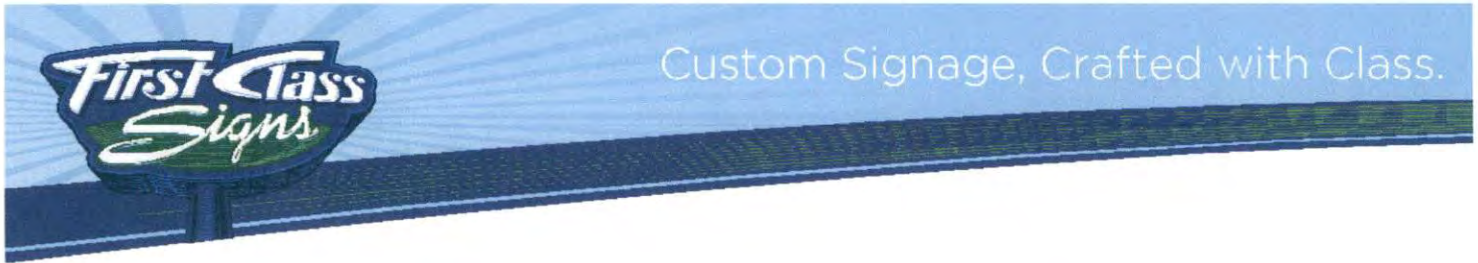
Contact Name: Brandon Long
 Phone number: 515-231-4817
 email: higclassglassiowa@gmail.com
 additional details

Design/Prepared by: Scott Tanner

Approved by 

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- 36" x 27" "Flag" Mounted cabinet
- 2 sided
- LED interior lights
- 10' to the bottom of the sign

▶ Company Name: High Class Glass

▶ Project

10/29/19

Contact Name: Brandon Long
 Phone number: 515-231-4817
 email: higclassglassiowa@gmail.com
 additional details

Design/Prepared by: Scott Tanner

Approved by

A handwritten signature in black ink, appearing to be 'B Long', written over a horizontal line.

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STATE OF IOWA
ABSTRACT OF VOTES

Story County, Iowa

We, the undersigned Members of the Board of Supervisors and ex-officio County Board of Canvassers for this County, do hereby certify the following to be a true and correct abstract of the votes cast in this County at the City of Ames Ward 4 Runoff Election held on the 3rd day of December, 2019, as shown by the tally lists returned from the election precincts.

Council Member Ward 4, City of Ames (2019)
Story

Rachel Junck	Received seven hundred twenty-three (723) votes
Chris Nelson	Received five hundred eighty-nine (589) votes
Candidate Total	One thousand three hundred twelve (1312) votes
SCATTERING	One (1) votes
TOTAL	One thousand three hundred thirteen (1313) votes

We therefore declare:

Rachel Junck duly elected for the office of Council Member Ward 4, City of Ames (2019) for the term of 4 years.

IN TESTIMONY WHEREOF, we have hereunto set our hands and caused to be affixed the seal of this county by the Clerk of the Board of Supervisors.

Done at Nevada the county seat of Story County, this 5th day of December, 2019.

(Seal) _____
 Chairperson

Members of the Board of Supervisors and ex-officio County Board of Canvassers
--

Attest: _____
County Auditor and Clerk of the Board of Supervisors



MEMO

Item No. 10

TO: Members of the City Council

FROM: John A. Haila, Mayor

DATE: December 17, 2019

SUBJECT: Council Appointment to Conference Board's Mini-Board

Chris Nelson has been serving as the Council's representative on the Conference Board's Mini-Board. Since Council Member Nelson is no longer serving on the City Council, a council member needs to be appointed to serve as the City's representative.

Therefore, I recommend that the City Council approve the appointment of Amber Corrieri to serve in this capacity.

JAH/alc



MEMO

Item No. 11

TO: Members of the City Council

FROM: John A. Haila, Mayor

DATE: December 17, 2019

SUBJECT: Council Appointment to Ames Transit Agency Board of Trustees

In order to align the City Council's appointments to a yearly calendar, Chris Nelson's term of office on the Ames Transit Agency Board of Trustees will expire on December 31, 2019. Therefore, it will be necessary to appoint a council member to fill this position.

I recommend that the City Council appoint Bronwyn Beatty-Hansen to the Ames Transit Agency Board of Trustees with her appointment term effective as of January 1, 2020.

JAH/alc



MEMO

Item No. 12

TO: Members of the City Council

FROM: John A. Haila, Mayor

DATE: December 17, 2019

SUBJECT: Council Appointment to Ames Economic Development Committee (AEDC)

In order to align the City Council's appointments to a yearly calendar, Amber Corrieri's term of office on the Ames Economic Development Committee will expire on December 31, 2019. Therefore, it will be necessary to appoint a council member to fill this position.

I recommend that the City Council appoint David Martin to the Ames Economic Development Committee with his appointment term effective as of January 1, 2020.

JAH/alc



MEMO

Item No. 13

TO: Members of the City Council

FROM: John A. Haila, Mayor

DATE: December 17, 2019

SUBJECT: Council Appointment to Ames Convention and Visitor's Bureau (ACVB)

In order to align the City Council's appointments to a yearly calendar, David Martin's term of office on the Ames Economic Development Committee will expire on December 31, 2019. Therefore, it will be necessary to appoint a council member to fill this position.

I recommend that the City Council appoint Council Member-Elect Rachel Junck to the Ames Convention and Visitor's Bureau with her appointment term effective as of January 1, 2020.

JAH/alc

COUNCIL ACTION FORM

SUBJECT: AMENDMENT TO 2019-20 ANNUAL ACTION PLAN PROJECTS FOR COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG).

BACKGROUND:

In discussions with the Public Works and Parks and Recreation Departments, it was discovered that an opportunity became available where CDBG funds could be used to facilitate construction of a bike path from Franklin Park to S. Wilmoth Ave. This activity would be part of additional improvements being planned in the area by both Public Works and Parks and Recreation. Public Works will be installing a bike path to the west side of Franklin Park to Beedle Drive and Parks and Recreation will be installing additional recreational features in Franklin Park.

The overall bike route was originally identified as part of the 2040 Long Range Transportation Plan. The proposed CDBG Bike Path project section would involve the acquisition and demolition of a two-story single-family rental on S. Franklin. **The house is located in the pathway where the bike path would need to be installed.** The single-family unit is currently being rented; therefore pursuing this project would also involve the relocation of occupants. Staff has been in discussion with the property owner about their interest in selling the property.

To pursue this new project, the current Annual Action Plan would need to be amended. The current 2019-20 Program year projects, listed in Attachment 1, were submitted and approved by the Department of Housing and Urban Development (HUD) and are ready for implementation for both the CDBG and HOME programs. Attachment 2 depicts the planned bicycle facility and Attachment 3 is a concept plan for Franklin Park.

This proposed project activity has been discussed with the HUD Field Office staff, who have determined it to be an eligible activity. However, in that this activity is not listed in our adopted 2019-20 Action Plan activities, it requires an amendment to our adopted Action Plan to add the activity. An amendment the Action Plan requires a 30-day comment period for the public and a public hearing at City Council before it can be submitted as an additional activity to the Field Office.

In the adopted 2019-20 Action Plan, the City budgeted to implement an Acquisition/Reuse for Affordable Housing activity, which would involve the purchase of a single-family structure that we would either demolish or rehabilitate for affordable housing for a low income household. The purchase of the structure under a Bike Path activity would be considered a "public improvement" activity with no requirement for an affordable housing reuse component. The goal of the Bike Path activity would be to utilize the funding that was set aside under the Acquisition/Reuse for Affordable Housing in the amount of

approximately \$400,000.

Attachment 1 also shows the **proposed amended program budget** for 2019-20 Action Plan program activities. The activities being recommended are the **same** as in the adopted Action Plan, however, the budget for the Bike Path activity is being substituted for the Acquisition/Reuse for Affordable Housing activity. The overall budget has been **adjusted** due to the reduction in the amount of “roll over” funds available.

Staff’s rationale for adding the Bike Path as new project activity is as follows:

- The proposed project is located in the City’s approved Neighborhood Revitalization Strategy Area (NRSA) and therefore is consistent with the goals and priorities in our 2019-23 Consolidated Plan to positively benefit low income residents in the area.
- This activity will enhance improvements to the area along with current the mixed-income subdivision development of the 321 State Avenue parcel, and the acquisition of Franklin Park.
- The activity will continue to meets the City Council’s goals of strengthening our neighborhoods.
- Continues the investment of improving both the housing stock and the infrastructure needs vital core neighborhoods.
- The proposed project would result in the City’s ability to meet HUD’s 2019-20 timely expenditure requirements.

ALTERNATIVES:

1. Direct staff to proceed with amending the 2019-20 CDBG Annual Action Plan with the proposed projects as outlined in Attachment 1 and set a date of public hearing for January 28, 2020.
2. Direct staff to proceed with amending the 2019-20 CDBG Annual Action Plan with the proposed projects as outlined in Attachment 1 in connection with modifications.
3. Reject the 2019-20 CDBG Annual Action Plan with the proposed projects as outlined in Attachment 1, and refer this item back to staff for further information.

CITY MANAGER'S RECOMMENDED ACTION:

The addition of the recommended Bike Path activity is part of a larger enhancement to the neighborhood, which will eventually connect with the Bike Path that will be installed as part of the development of the 321 State Avenue parcel. The acquisition of the property would assist in meeting our timeliness test for the 2019-20 fiscal year. This action does not affect the budget and activity adopted for the HOME funds.

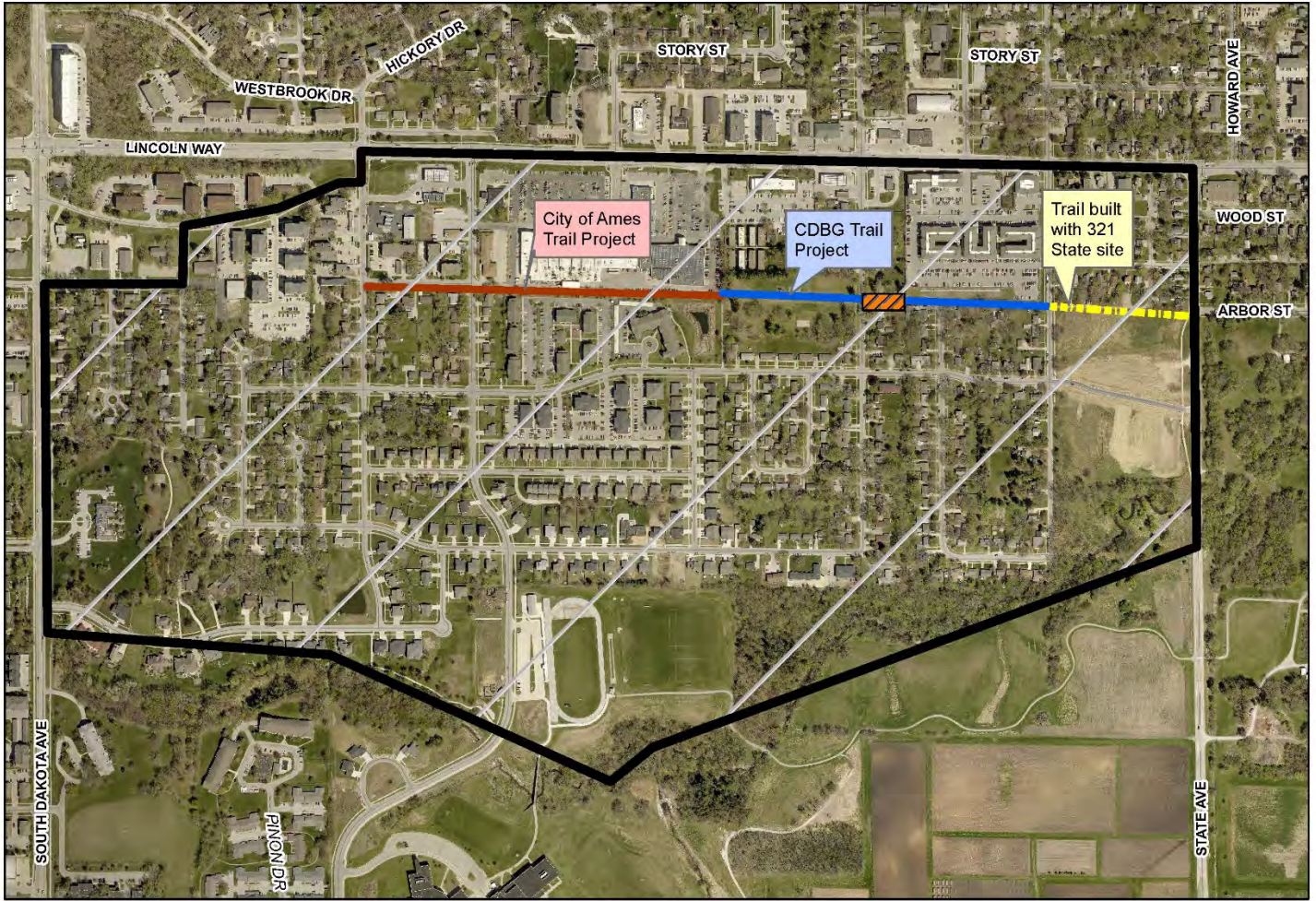
Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, as described above.

ATTACHMENT 1

Submitted 2019-20 Action Plan Expenditure Budget:	
Programs	Budget
Acquisition/ Reuse Program for Affordable Housing	\$400,000
Homebuyer Assistance Program	\$300,813
Public Infrastructure Improvements Program for State Avenue NRSA (including Engineering costs)	\$889,000
Rehabilitation/Disposition of 241 Village Drive	\$45,000
HOME Homeownership Construction Program	\$883,976
General Administration for CDBG & HOME	CDBG :\$116,394 HOME: \$120,947
Total	\$2,755,635
Current 2019-20 Action Plan Revenue Budget:	
2019-20 CDBG Allocation	\$581,207
2018-19 CDBG Anticipated Program Rollover	\$570,000
2019-20 CDBG Anticipated Program Income	\$350,000
Non-CDBG Revenue-GO Bonds	\$250,000
2019-20 HOME Allocation	\$481,968
18-19 HOME Anticipated Program Rollover	\$747,750
Adjustment for HOME CHDO Set-Aside	-\$184,795
Grand Total CDBG & HOME	\$2,755,635

PROPOSED AMENDED 2019-20 Action Plan Expenditure Budget:	
Programs	Budget
Acquisition/ Reuse Program for Public Infrastructure	\$400,000
Acquisition/Reuse Program for Affordable Housing	\$10,000
Homebuyer Assistance Program	\$300,813
Public Infrastructure Improvements Program for State Avenue NRSA (including Engineering costs+ GO Bond)	\$763,745
Rehabilitation/Disposition of 241 Village Drive	\$45,000
Demolition of 3305 Morningside	\$16,070
HOME Homeownership Construction Program	\$923,976
General Administration for CDBG & HOME	CDBG: \$116,241 HOME: \$120,947
Total	\$2,696,792
PROPOSED AMENDED 2019-20 Action Plan Revenue Budget:	
2019-20 CDBG Allocation	\$581,207
2018-19 CDBG Anticipated Program Rollover	\$462,820
2019-20 CDBG Anticipated Program Income	\$357,842
Non-CDBG Revenue-GO Bonds	\$250,000
2019-20 HOME Allocation	\$481,968
18-19 HOME Anticipated Program Rollover	\$747,750
Adjustment for HOME CHDO Set-Aside	-\$184,795
Grand Total CDBG & HOME	\$2,696,792

ATTACHMENT 2



CDBG NRSA Project Area



-  NRSA Block Group
-  Property to be Acquired



1 inch = 583 feet

ATTACHMENT 3



Franklin Park

Ames, Iowa

Site Plan - Dimension Plan

October 22, 2019

COUNCIL ACTION FORM

SUBJECT: SALE OF CITY-OWNED PROPERTY AT 1417 DOUGLAS AVENUE TO MAINSTREAM LIVING AND SETTING JANUARY 14, 2020 AS DATE OF PUBLIC HEARING

BACKGROUND:

At the August 13th City Council meeting, the City Council directed staff to proceed with the purchase offer to purchase the property at 1417 Douglas that had been determined a dangerous building by the Inspection Division due to long term abandonment and deterioration. City Council also authorized staff to borrow funds from the City's Affordable Housing Program for the purchase, to test and remove asbestos, and to demolish and clear the site. The cost is anticipated to be approximately \$30,000 to \$40,000.

It was also determined that once the structure was removed the lot could be sold to recoup the cost of the acquisition, remediation, and demolition. This revenue could then reimburse the City's Affordable Housing fund. Before placing the lot for sale, City Council was provided options to: 1) sell the property to an eligible area non-profit organization, or 2) place the property for sale on the open market. In either case a restrictive covenant would be placed on the use for affordable housing for a 21-year term.

At the November 26, 2019 City Council meeting, the City Council approved selling the property to Mainstream Living for approximately \$36,000 to cover the City's cost for purchase, asbestos removal, demolition, and closing costs. The property has now been demolished and **the final cost has been determined to be \$36,012**. The next steps are to work with the City Attorney's Office to finalize the terms and conditions with Mainstream Living that includes restrictive covenant language, and set January 14, 2020 as the date of public hearing for the sale to Mainstream Living.

ALTERNATIVES:

1. Direct staff to proceed with finalizing the terms and conditions with Mainstream Living, which includes language for a restrictive covenant and set January 14, 2020 as the date of public hearing.
2. Direct staff to proceed with finalizing the terms and conditions with Mainstream Living, which includes language for a restrictive covenant and set January 14, 2020 as the date of public hearing with modifications.
3. Reject finalizing the terms and conditions with Mainstream Living and refer this item back to staff for further information.

CITY MANAGER'S RECOMMENDED ACTION:

The opportunity to purchase deteriorated housing to stabilize a viable neighborhood is an important priority for the City's affordable housing program. Additionally, to sell the property to an area non-profit to provide affordable housing for persons with disabilities is consistent with the City's 2019 Fair Housing Analysis Impediments Study.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby directing staff to proceed with finalizing the terms and conditions with Mainstream Living, which includes language for a restrictive covenant and set January 14, 2020 as the date of public hearing.

COUNCIL ACTION FORM

SUBJECT: CONVEYANCE OF CITY OWNED PARCEL LOCATED AT 1420 LINCOLN WAY TO METRO FIBERNET, LLC

BACKGROUND:

At the October 22, 2019, City Council meeting, the Council directed City staff to negotiate with MetroNet regarding the acquisition of property at 1420 Lincoln Way. MetroNet wishes to acquire this property for use as its “hut site” for its fiber internet service operations. This hut will house internet switching equipment and a 79-foot communications antenna. MetroNet is in the process of obtaining a Special Use Permit from the Zoning Board of Adjustment for the antenna. The ZBA will consider approval at its January 8th meeting. Should ZBA deny the antenna, City staff expects MetroNet to not follow through regarding the sale of this property.

The property is approximately 0.5 acres in size. It was acquired in 1924 and was formerly used by the City as a water booster pump station. The pumping station became obsolete in the 1990s with a reconfiguration of the water pressure zones. A number of water mains on the property have been abandoned. The Water and Pollution Control Department anticipates demolishing the structure and the abandoned mains in 2024 at a cost of up to \$125,000.

The City has a process to establish the value of rights-of-way for sales to adjacent property owners. In sales of City-owned houses, the City typically evaluates individual offers. The 1420 Lincoln Way property is a former utility site, rather than a house or right-of-way. Therefore, City staff requested that MetroNet obtain an appraisal of the property. **The appraisal report indicates the market value of the property to be \$21,600.**

The appraisal report notes the significant limitations on the property due to the terrain. As part of the sale, City staff proposes that the northern 20 feet of the property would be retained by the City as right-of-way. At least three-fourths of the property area would need to be maintained in easements for electric, water main, and drainage/bridge infrastructure/surface flowage.

A date of public hearing must be established where the conveyance can be approved by the City Council. The City would not provide an abstract for the property, and would convey the property via quitclaim deed.

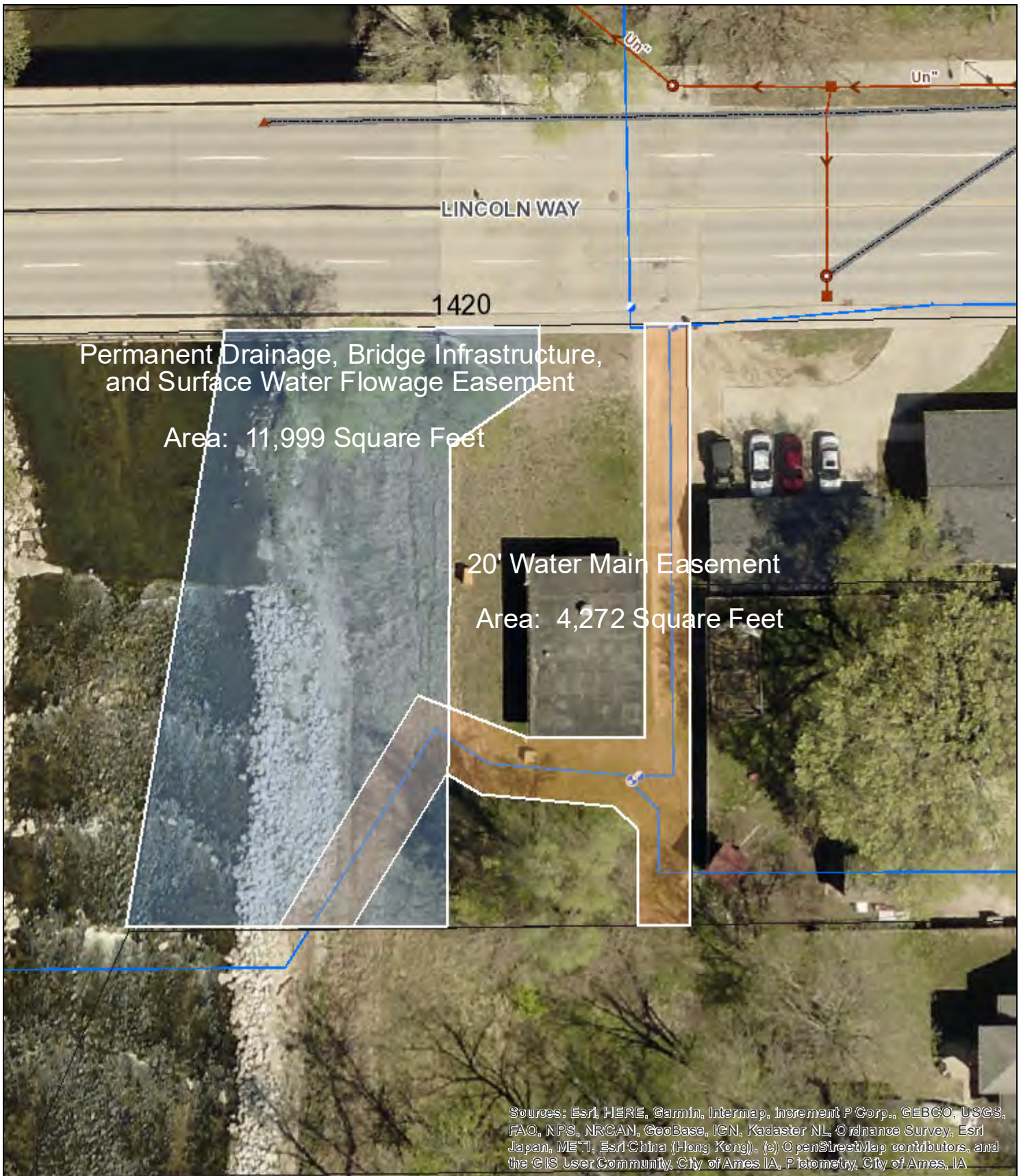
ALTERNATIVES:

1. Establish January 14, 2020, as the date of public hearing on the conveyance of City owned property located at 1420 Lincoln Way to Metro FiberNet, LLC, in the amount of \$21,600. The conveyance would be contingent upon Metro FiberNet, LLC recording a right-of-way acquisition plat and granting easements to the City at the time of the sale.
2. Establish January 14, 2020, as the date of public hearing on the conveyance of City owned property located at 1420 Lincoln Way to Metro FiberNet, LLC, in some other amount.
3. Do not set a date for public hearing, and provide further instruction to City staff.

CITY MANAGER'S RECOMMENDED ACTION:

The City no longer has any use planned for this property. The site conditions make this property very difficult to repurpose into another City use, and there are limited private uses that would be compatible with it. Selling this property to MetroNet eliminates a sizeable expense for the City in the future and provides a site acceptable to MetroNet for its operations. MetroNet has obtained an appraisal report that values the property at \$21,600.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.



1420 Lincoln Way



NORTH

© City of Ames, Iowa makes no warranties, expressed or implied, including without limitation, any warranties of merchantability or fitness for a particular purpose. In no event shall the City of Ames be liable for lost profits or any consequential or incidental damages caused by the use of this map.

Date: 12/11/2019

1 inch = 47 feet

COUNCIL ACTION FORM

SUBJECT: COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2019

BACKGROUND:

The City of Ames is required by the Code of Iowa to publish a complete set of audited financial statements presented in conformity with generally accepted accounting principles. These financial statements, referred to herein as the comprehensive annual financial report (CAFR), serve many purposes including the following:

- Provide information needed for both financial decision making and the assessment of financial stewardship
- Lend insight into the financial health of the City
- Preserve public and investor trust through financial transparency
- Demonstrate compliance with public decisions concerning the raising and spending of public monies
- Demonstrate the extent to which operating objectives are met efficiently and effectively, using all resources available for that purpose, and whether it can continue to do so
- Demonstrate compliance with finance-related legal and contractual provisions

The CAFR has many sections and contains information that may seem confusing even to those who are familiar with private sector accounting reports. The main difference between private sector accounting and governmental accounting is the use of fund accounting. Fund accounting is a tool used by governments to organize and present data about financial resources to show the fact that certain resources have been segregated for specific activities or objectives in accordance with special regulations, restrictions, or limitations. The constraints as to how financial resources can be used are either imposed externally (grantors and creditors) or internally through the budget adopted by the City Council.

Governmental accounting regulations require that the statements contained in the CAFR use methods of accounting that don't completely match the method of recording transactions in the accounting software, which is primarily on a budgetary basis for tracking and control against the Council approved budget. An extensive amount of time is required to close out the accounting records and make the numerous adjusting entries that are required to convert to the accounting basis required for the CAFR. Because of this, the City produces this financial report only on an annual basis.

Eide Bailly LLP, Certified Public Accountants, has audited the City's financial statements as of and for the year ended June 30, 2019, and expressed its opinion on these

statements based on the audit. **In the auditor's opinion, the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.**

The auditor's report on the financial statements is an unmodified, or "clean," opinion with no material weaknesses or significant deficiencies noted, and no noncompliance material to the financial statements noted.

The auditor's report on internal control over major programs is also unmodified. There was one significant deficiency identified in relation to the process for determining if a vendor has been suspended or debarred. Staff misunderstood the regulations for this process and changed procedures to comply after the deficiency was identified.

The compliance section also reports a finding related to water utility loans with the Iowa Finance Authority (IFA). The City did not produce the required net revenues of at least 110% of current year debt service. Water rates were increased 7% as budgeted on July 1, 2019, and the City will notify IFA of the shortfall. Staff expects to make the bond coverage amount for the current fiscal year. The water utility maintains a strong fund balance and was able to cover all expenses including debt service without dipping into the fund balance.

Also included with the report is the management letter that discloses any findings, difficulties in performing the audit, misstatements, disagreements with management, and other issues that came up during the audit. **The letter confirms that there were no other issues to report related to the June 30, 2019 audit.**

ALTERNATIVES:

1. Accept the Comprehensive Annual Financial Report as presented.
2. Request further information.

CITY MANAGER'S RECOMMENDED ACTION:

The City is required by state law to have an annual audit of its financial statements. The City Council needs to accept the audited financial statements so they can be submitted to the state and other users of the CAFR.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby accepting the Comprehensive Annual Financial Report as presented.



December 11, 2019

To the Honorable Mayor and
Members of the City Council
City of Ames, Iowa

We have audited the financial statements of the City of Ames, Iowa (City) as of and for the year ended June 30, 2019, and have issued our report thereon dated December 11, 2019. Professional standards require that we advise you of the following matters relating to our audit. We did not audit the financial statements of the Mary Greeley Medical Center (presented as an enterprise fund) or the financial statements of the component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Mary Greeley Medical Center and the component unit is based solely on the reports of the other auditors.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards* and our Compliance Audit under Uniform Guidance

As communicated in our letter dated June 3, 2019, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America and to express an opinion on whether the City complied with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs. Our audit of the financial statements and major program compliance does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Our responsibility, as prescribed by professional standards as it relates to the audit of the City's major federal program compliance, is to express an opinion on the compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. An audit of major program compliance includes consideration of internal control over compliance with the types of compliance requirements referred to above as a basis for designing audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, as a part of our major program compliance audit, we considered internal control over compliance for these purposes and not to provide any assurance on the effectiveness of the the City's internal control over compliance.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated December 11, 2019. We have also provided our comments regarding compliance with the types of compliance requirements referred to above and internal controls over compliance during our audit in our Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance dated December 11, 2019.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note I to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year 2019. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are self-funded health insurance, worker's compensation, liability, and long-term disability insurance liabilities, other postemployment benefits liability and net pension liability.

Management's estimates of the self-funded health insurance, worker's compensation, liability, and long-term disability insurance liabilities are based on third-party administrator's calculations and estimates. We evaluated the key factors and assumptions used to develop the incurred but not reported liabilities in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the total OPEB liability, OPEB related deferred outflow of resources and deferred inflows of resources and OPEB expense are based on a calculation of actuarially determined contributions for health insurance benefits. We evaluated the key factors and assumptions used to develop the OPEB related balances in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension liability, pension related deferred outflows of resources and deferred inflows of resources, and pension expense are based on plan level actuarial reports, allocated to the City using annual employer contributions. We evaluated the key factors and assumptions used to develop the pension related balances in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City's financial statements relate to the net pension liability and total OPEB liability.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no corrected or uncorrected misstatements noted in performing the audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated December 11, 2019.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

This information is intended solely for the use of the Mayor, City Council, and management of the City of Ames, Iowa, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

EIDE BAILLY LLP

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Dubuque, Iowa



CITY OF
Ames™



COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF AMES, IOWA - FOR THE FISCAL YEAR ENDED JUNE 30, 2019

CITY OF AMES, IOWA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

Prepared by:
Department of Finance
Accounting Division



Mission Statement

We are caring people, providing quality programs
with exceptional service to a
community of progress.

We Value...

- Continuous improvement in our organization and our services.
- Innovation in problem solving.
- Employee participation in decision making.
- Personal and professional development.
- Each other as we work together to serve the community.

We Are...

- Proud to provide superior services to our community.
- Professional and objective as we address public concerns and needs.
- Fair, flexible, and helpful in our actions.
- Efficient and fiscally responsible.
- Proactive in reviewing and evaluating the type and focus of our services.

Caring People, Quality Programs, Exceptional Service

City of Ames
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June 30, 2019

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INTRODUCTORY SECTION



December 11, 2019

To the Honorable Mayor, City Council Members, and Citizens of the City of Ames, Iowa:

The City of Ames, Iowa (City) is required by the Code of Iowa to publish a complete set of audited financial statements presented in conformity with generally accepted accounting principles. Pursuant to these requirements, the Comprehensive Annual Financial Report (CAFR) of the City for the fiscal year ended June 30, 2019, is hereby submitted.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Eide Bailly LLP, a firm of licensed certified public accountants, has issued an unmodified (“clean”) opinion on the City’s financial statements for the year ended June 30, 2019. The independent auditor’s report is presented as the first component of the financial section in this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and reads in conjunction with it.

Profile of the City of Ames

The City was incorporated in 1864 under the laws of the State of Iowa, later amended in July 1975 under the Home Rule City Act. The City is located in central Iowa, 30 miles north of Des Moines. Ames is the eighth largest city in Iowa and serves a population of 58,965, according to the 2010 census. The City is empowered to levy a property tax on real property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City operates under a mayor-council form of government with an appointed manager. Policy-making and legislative authority are vested in the governing council consisting of the mayor and six other council members. The council members serve four-year staggered terms with three council members elected every two years. The mayor is elected for a four-year term. Four of the council members are elected by district. The mayor and the two remaining council members are elected at large.

The City provides a full range of services, including police and fire protection; snow removal; construction and maintenance of highways, streets, and other infrastructure; recreational and

cultural activities; library services; community development; electric, water, and sewer systems; parking lot facilities; resource recovery; a municipal airport; transit services; and a municipal hospital. The City is also financially accountable for a legally separate hospital foundation reported separately within the City's financial statements. Additional information on the hospital foundation can be found in the notes to the financial statements (see note I(B)).

The annual budget serves as the foundation for the City's financial planning and control and is prepared by function. The City Manager is responsible for developing a budget proposal for presentation to the City Council in January and February of each year. The City Council is then required to hold public hearings on the proposed budget and adopt a final budget no later than March 15 for the fiscal year beginning the following July 1. Any amendments to the budget must be prepared and adopted in the same manner as the original budget.

Local economy

The City is supported by a diverse economy that includes both the private and public sectors. Ames is home to several large governmental agencies including Iowa State University (ISU), Iowa Department of Transportation, the U.S. Department of Agriculture National Animal Disease Center and National Veterinary Services Laboratories, and a U.S. Department of Energy research lab. ISU and other government employers add significant local economic stability that has resulted in an unemployment rate below the national and state averages for the past 30 years.

In September 2019, the U.S. Bureau of Labor Statistics reported that the Ames metropolitan statistical area (MSA) ranked as the lowest unemployment rate in the nation at 1.5%, well below the national rate of 3.6% and Iowa rate of 2.6%. The City has continued a ten-year trend of steady employment growth. Total employment grew by 2.5% over the year with essentially all growth coming from the private sector, indicating a diversity in the local economy. The City has also experienced steady growth in population, increasing from 50,731 in the 2000 census to 58,965 in 2010, a 16% increase over ten years. The U.S. Census Bureau 2018 population estimate was 67,154, indicating continued population growth.

Ames has continued steady, moderate, and sustainable growth in both population and property valuation. The assessed valuation for property in Ames grew by 4.25% from January 2017 to January 2018. ISU student enrollment has fallen slightly from recent peaks with 33,391 students enrolled for the fall 2019 semester.

The commercial and industrial sectors have continued to grow in Ames as the recently completed expansion to the ISU Research Park (ISURP) has continued to attract new employers; most notably John Deere has completed work on a design and test lab facility for agricultural sprayer technology. The ISURP has also continued to add amenities with the completion of the Tedesco Environmental Learning Corridor, a 37-acre county park with future connections planned to regional trails. In the east industrial area, Barilla America, the largest industrial property in Ames, completed a significant expansion with a \$62 million project, providing additional pasta production facilities.

The retail, service, and housing sectors have also seen continued growth. Major redevelopment projects continue in the South Duff retail corridor, with redevelopment underway of a vacant big box retail site. The North Grand Mall site is also being redeveloped with two new retail sites under

construction. A condominium conversion of an old Ames School District property was completed, adding new housing opportunities in the South Campus area.

Long-term financial planning and major initiatives

Work has continued on improvements to major arterial transportation corridors, most notably the progression of the project to extend Grand Avenue. These and other street improvements have also included facilities to support bike and pedestrian modes of transportation. Though not a City of Ames project, there are significant transportation improvements underway affecting both the primary north/south and east/west connections to Ames. The US 30/I-35 interchange is now open to traffic with a new flyover ramp serving Ames. The addition to lanes on I-35 south of Ames continues to make progress.

Relevant financial policies

The City Council has adopted a comprehensive set of budget and fiscal policies, including financial management, general revenue management, user fee cost recovery goals, enterprise fund fees and rates, grant funding, revenue distribution, investments, fund balance designations and reserves, capital improvement management, and capital improvement financing and debt management.

The minimum fund balance requirement for the General Fund is 20% of operating expenditures. The City met this requirement and adhered to all other financial policies established by the City Council.

Awards and acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended June 30, 2018. This is the 40th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City has to publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is only valid for one year. However, we believe that our current CAFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2019. To qualify for this award, the City's budget document has to be judged proficient as a policy document, an operations guide, a financial plan, and a communication device. This is the 34th consecutive year the City has received this award.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff in the Finance Department. We wish to thank all of the City departments for their assistance in providing data necessary for this report. Credit is also due the Mayor and members of the City Council for their interest and support of our efforts in conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Steven L. Schainker
City Manager



Duane R. Pitcher, CPA, CPFO
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Ames
Iowa**

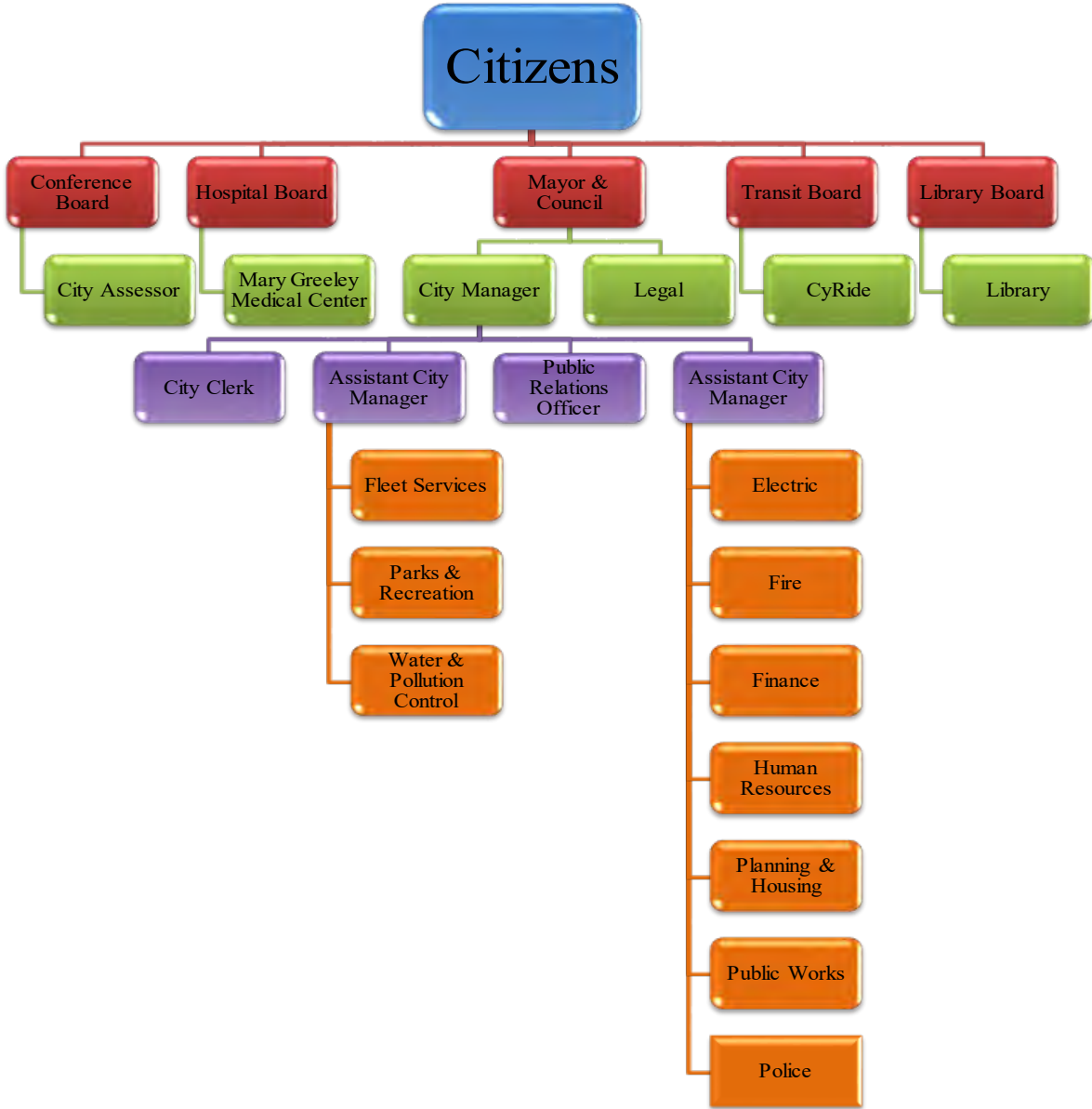
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

**City of Ames
Organizational Chart
June 30, 2019**



**City of Ames
List of Elected and Appointed Officials
June 30, 2019**

Elected Officials:

Mayor	John Haila
Council Member – Ward 1	Gloria Betcher
Council Member – Ward 2	Tim Gartin
Council Member – Ward 3	David Martin
Council Member – Ward 4	Chris Nelson
Council Member – At Large	Bronwyn Beatty-Hansen
Council Member – At Large	Amber Corrieri

Council-Appointed Officials:

City Manager	Steven Schainker
City Attorney	Mark Lambert

City Manager-Appointed / Council-Approved Official:

City Clerk	Diane Voss
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City Manager-Appointed Officials:

Assistant City Manager	Debra Schildroth
Assistant City Manager	Brian Phillips
City Treasurer	Roger Wisecup II
Director of Electric Utility	Don Kom
Director of Finance	Duane Pitcher
Director of Fleet Services	Corey Mellies
Director of Human Resources	Bethany Jorgenson
Director of Parks and Recreation	Keith Abraham
Director of Planning and Housing	Kelly Diekmann
Director of Public Works	John Joiner
Director of Water and Pollution Control	John Dunn
Fire Chief	Rich Higgins
Police Chief	Chuck Cychosz

Other Officials:

Director of Transportation	Vacant
Library Director	Sheila Schofer

Hospital Administration:

President / Chief Executive Officer	Brian Dieter
Vice President / Chief Financial Officer	Gary Botine

FINANCIAL SECTION



Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Ames, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ames, Iowa (City) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Mary Greeley Medical Center (presented as an enterprise fund), which is both a major fund and 57 percent, 56 percent, and 65 percent, respectively, of the assets, net position, and revenues of the business-type activities. We did not audit the financial statements of the component unit, which represents 100 percent of the assets, net position, and revenues of the component unit. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Mary Greeley Medical Center and the component unit, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the component unit were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ames, Iowa, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ames, Iowa's basic financial statements. The introductory section, combining nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the financial statements.

The combining nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 11, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Dubuque, Iowa
December 11, 2019

Management's Discussion and Analysis

As management of the City of Ames (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-4 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$867,602,459 (*net position*). Of this amount, \$386,270,155 represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$38,703,141, most of which was attributable to the business-type activities. Favorable investment performance at Mary Greeley Medical Center (hospital) accounted for approximately \$17 million of the increase.
- As of the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$50,006,583, an increase of \$2,876,847 in comparison with the prior year. Approximately 19.27% of this amount (\$9,635,741) is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (*the total of the committed, assigned, and unassigned components of fund balance*) for the General Fund was \$12,521,839, or approximately 39.50% of total General Fund expenditures.
- The City's total long-term outstanding debt decreased by \$4,954,362 during the current fiscal year, as the City continues to pay down its current debt balance.
- Within the City's business-type activities, revenues exceeded expenses by \$32,922,021. The City policy is to set rates that fund operational expenses of business-type activities and most capital improvements. The increase in net position represents funds accumulated for planned future capital expenses, including capital investment to stay current with technology at the hospital.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) the notes to financial statements. This report also includes other supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The *statement of net position* presents financial information on all of the City's assets and liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, health and social services, culture and recreation, and community and economic development. The business-type activities of the City include the hospital, electric, sewer, water, transit, storm sewer, parking, resource recovery, an ice arena, and a golf course.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate medical center foundation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 24-26 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing

decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 22 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, capital projects fund, and debt service fund, all of which are major funds. Data from the other 19 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its general, capital projects, debt service, special revenue, and enterprise funds according to the Code of Iowa. A budgetary comparison schedule has been provided as required supplementary information to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 27-30 of this report.

Proprietary Funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its hospital, electric, sewer, water, parking, transit, storm sewer, ice arena, golf course, and resource recovery. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for fleet services, information technology, risk management, and health insurance. Because these services benefit both the governmental and business-type functions, they have been apportioned accordingly in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the hospital, electric, sewer, and water, all of which are major funds of the City. Data from the other six enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements in the combining fund statements and schedules section of this report. Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the combining fund statements and schedules section of this report.

The basic proprietary fund financial statements can be found on pages 31-35 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains one type of fiduciary fund. Two agency funds report resources held by the City in a custodial capacity for individuals, private organizations, and other governments.

The fiduciary fund financial statements can be found on page 36 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37-90 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's net pension liability, obligation to provide other post-employment benefits to its employees, and budgetary comparisons. Required supplementary information can be found on pages 92-102 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, non-major enterprise funds, internal service funds, and agency funds are presented immediately following the required supplementary information. Combining fund statements and schedules can be found on pages 106-124 of this report.

Government-Wide Overall Financial Analysis

As noted earlier, net position, may serve as a useful indicator of a government's financial position over time. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$867,602,459 at the close of the most recent fiscal year.

The following chart summarizes the government-wide assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the City.

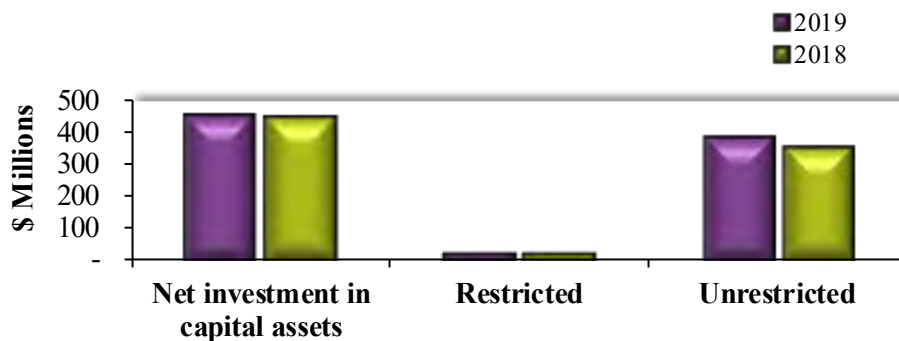
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 99,026,783	\$ 91,906,923	\$ 479,642,261	\$ 446,273,117	\$ 578,669,044	\$ 538,180,040
Net capital assets	191,424,573	192,001,669	463,793,844	462,856,365	655,218,417	654,858,034
Total assets	290,451,356	283,908,592	943,436,105	909,129,482	1,233,887,461	1,193,038,074
Deferred outflows of resources	8,257,255	7,824,317	25,054,838	27,766,414	33,312,093	35,590,731
Long-term liabilities outstanding	90,938,648	92,717,474	230,650,877	242,549,186	321,589,525	335,266,660
Other liabilities	5,337,204	4,315,731	35,238,782	26,276,718	40,575,986	30,592,449
Total liabilities	96,275,852	97,033,205	265,889,659	268,825,904	362,165,511	365,859,109
Deferred inflows of resources	32,094,625	30,142,690	5,336,959	3,727,688	37,431,584	33,870,378
Net position:						
Net investment in capital assets	144,730,839	141,703,409	311,786,131	308,134,898	456,516,970	449,838,307
Restricted	22,260,410	21,714,454	2,554,924	2,458,169	24,815,334	24,172,623
Unrestricted	3,346,885	1,139,151	382,923,270	353,749,237	386,270,155	354,888,388
Total net position	\$ 170,338,134	\$ 164,557,014	\$ 697,264,325	\$ 664,342,304	\$ 867,602,459	\$ 828,899,318

The largest portion of the City's net position (52.62%) reflects its net investment in capital assets (e.g., land, buildings, machinery, and infrastructure) less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (\$24,815,334, or 2.86%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$386,270,155 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

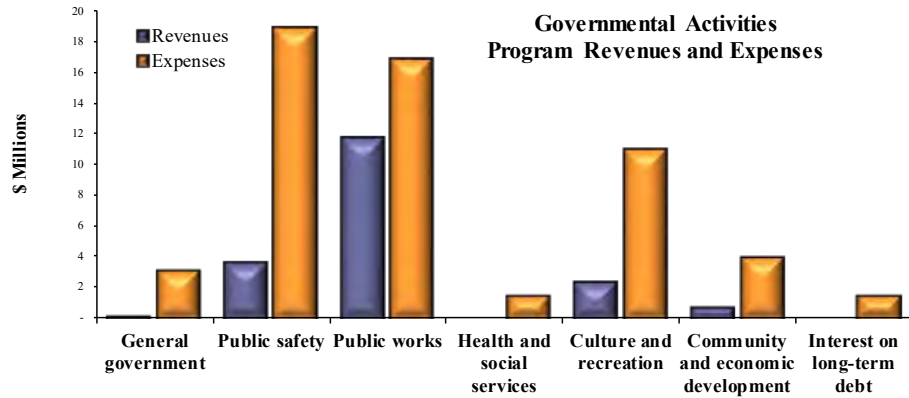
The following chart shows the components of net position for the years ended June 30, 2019 and 2018:



Governmental Activities. During the current fiscal year, net position for governmental activities increased \$5,781,120 for an ending balance of \$170,338,134. Taxes are the largest source of governmental revenue with property taxes of \$31,204,329 and local option sales taxes of \$7,991,619 in 2019. The \$1,523,414 increase in property tax collections in 2019 over 2018 is due to an increase in taxable valuation. Charges for services decreased \$2.39 million from 2018 revenues, mostly because the prior year had an increase in special assessments for the Grant Avenue paving project.

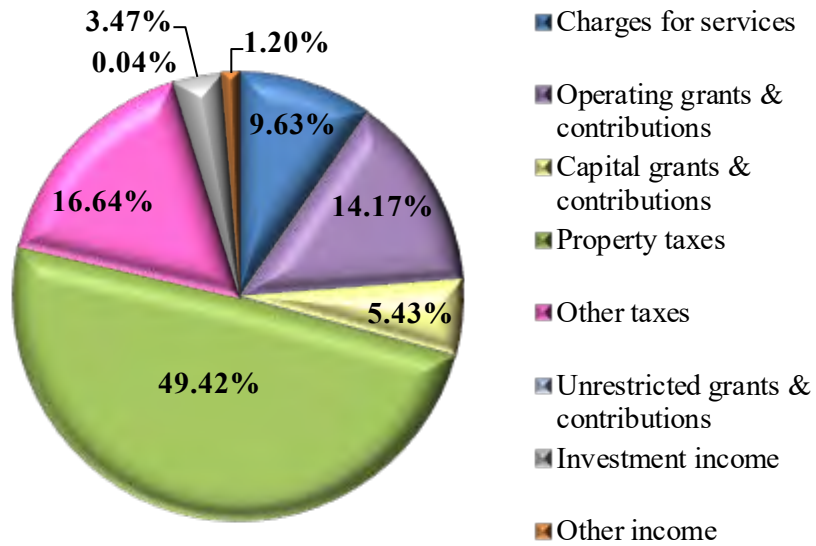
Governmental activity expenses increased \$2.15 million from 2018, or 3.91%, mainly due to normal increases in salaries, benefits, and costs of goods and services.

The following chart shows the expenses and related program revenues for the functions of governmental activities:



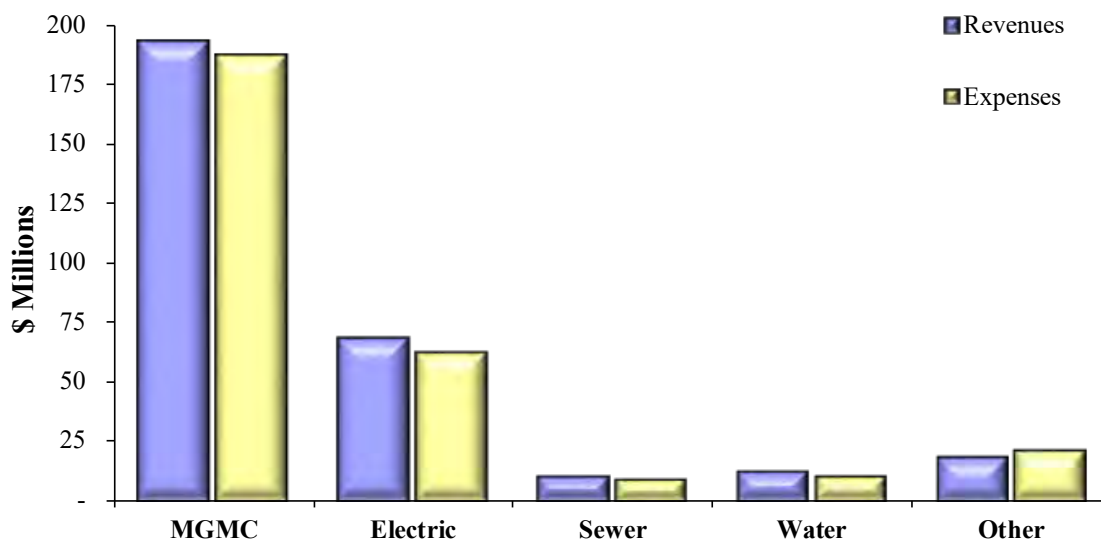
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:	-					
Program revenues						
Charges for services	\$ 6,083,506	\$ 8,470,150	\$ 293,651,744	\$ 296,247,860	\$ 299,735,250	\$ 304,718,010
Operating grants & contributions	8,950,597	8,546,037	4,437,834	4,961,244	13,388,431	13,507,281
Capital grants & contributions	3,426,018	3,285,174	3,097,169	1,728,763	6,523,187	5,013,937
General revenues						
Property taxes	31,204,329	29,680,915	-	-	31,204,329	29,680,915
Other taxes	10,507,087	10,094,186	-	-	10,507,087	10,094,186
Unrestricted grants & contributions	23,589	22,146	-	-	23,589	22,146
Investment earnings	2,190,478	689,377	19,708,701	18,271,065	21,899,179	18,960,442
Other	759,997	1,221,018	345,824	440,039	1,105,821	1,661,057
Total revenues	63,145,601	62,009,003	321,241,272	321,648,971	384,386,873	383,657,974
Expenses:						
General government	3,141,379	4,044,800	-	-	3,141,379	4,044,800
Public safety	18,951,047	18,202,532	-	-	18,951,047	18,202,532
Public works	16,929,643	15,667,469	-	-	16,929,643	15,667,469
Health & social services	1,499,781	1,293,038	-	-	1,499,781	1,293,038
Culture & recreation	11,059,949	10,989,672	-	-	11,059,949	10,989,672
Community & economic development	4,025,768	3,257,359	-	-	4,025,768	3,257,359
Interest on long-term debt	1,534,075	1,532,790	-	-	1,534,075	1,532,790
Mary Greeley Medical Center	-	-	186,917,186	185,267,383	186,917,186	185,267,383
Electric	-	-	62,322,757	60,617,830	62,322,757	60,617,830
Sewer	-	-	8,826,479	8,558,520	8,826,479	8,558,520
Water	-	-	9,841,869	11,766,957	9,841,869	11,766,957
Parking	-	-	975,126	891,229	975,126	891,229
Transit	-	-	14,004,166	13,794,474	14,004,166	13,794,474
Storm sewer	-	-	270,883	420,171	270,883	420,171
Ames/ISU Ice Arena	-	-	650,947	651,714	650,947	651,714
Homewood Golf Course	-	-	254,380	227,798	254,380	227,798
Resource Recovery	-	-	4,478,297	4,485,732	4,478,297	4,485,732
Total expenses	57,141,642	54,987,660	288,542,090	286,681,808	345,683,732	341,669,468
Increase in net position before transfers	6,003,959	7,021,343	32,699,182	34,967,163	38,703,141	41,988,506
Transfers	(222,839)	(1,604,405)	222,839	1,604,405	-	-
Increase in net position	5,781,120	5,416,938	32,922,021	36,571,568	38,703,141	41,988,506
Net position, beginning (as previously reported)	164,557,014	159,258,992	664,342,304	627,432,609	828,899,318	786,691,601
Net position restatement	-	(118,916)	-	338,127	-	219,211
Net position, beginning (as restated)	164,557,014	159,140,076	664,342,304	627,770,736	828,899,318	786,910,812
Net position, ending	\$ 170,338,134	\$ 164,557,014	\$ 697,264,325	\$ 664,342,304	\$ 867,602,459	\$ 828,899,318

The following chart shows revenues by source for governmental activities:



Business-Type Activities. The net position for business-type activities increased by \$32,922,021, accounting for 85.06% of the City's growth during the fiscal year. The majority of this increase is attributable to the hospital; operating margin was 3.4% compared to a budget of 3.0% and investment income was \$16.8 million.

The following chart shows the expenses and related program revenues for the functions of business-type activities:



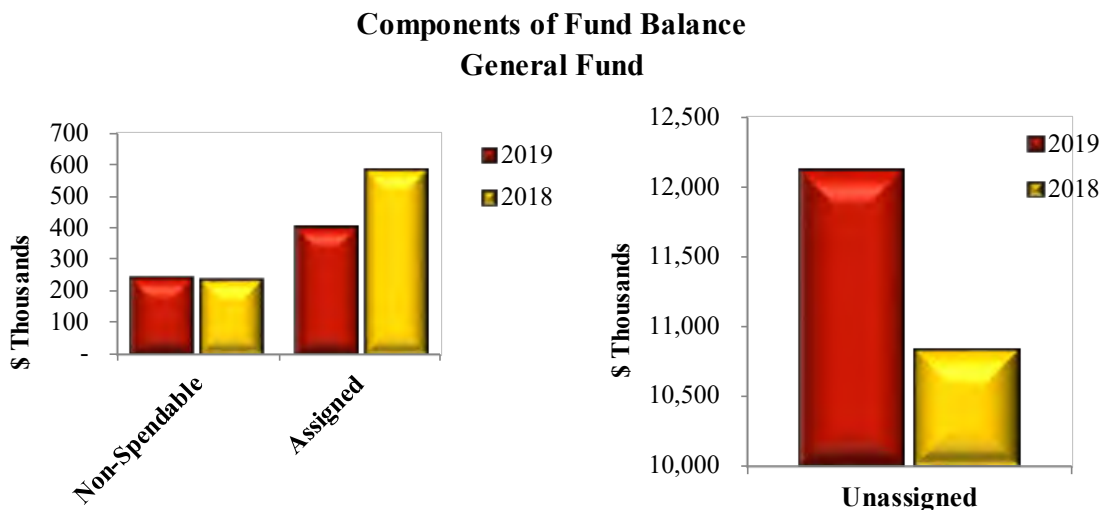
Financial Analysis of Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance that has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

The City's governmental funds reported combined fund balances of \$50,006,583 at June 30, 2019, an increase of \$2,876,847 from the prior year. Approximately 19% of this amount (\$9,635,741) constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of the fund balance is either *non-spendable*, *restricted*, *committed*, or *assigned* to indicate that it is 1) not in spendable form (\$323,742); 2) legally required to be maintained intact (\$1,998,643); 3) restricted for particular purposes (\$35,581,189); 4) committed for particular purposes (\$2,064,956); or 5) assigned for particular purposes (\$402,312).

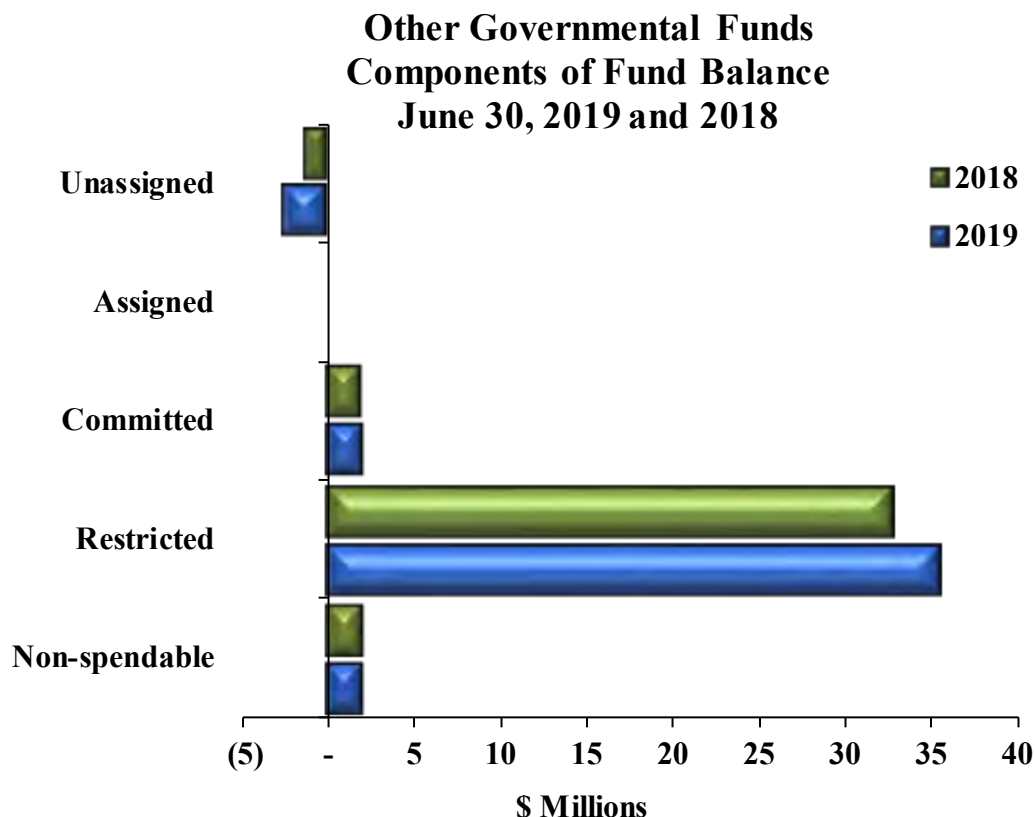
The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$12,119,527, while total fund balance increased by \$1,120,755 to \$12,762,829. The ending fund balance is 40.26% of the fiscal year expenditures, exceeding the City's goal of 20% of expenditures.



The Capital Projects Fund had an increase of \$1,019,618 in fund balance during the fiscal year, which put the overall fund balance at \$16,541,944. Some of the capital projects for the year include safety and access improvements to South Duff Avenue to support a new development; work on the extension of Grand Avenue; a new fire station parking lot; as well as annual street maintenance and improvement.

The fund balance in the Debt Service Fund is just under \$1.0 million at the end of the fiscal year, a decrease of \$59,506 from the prior year, with property taxes and transfers from other funds coming up just short of debt service payments.

The fund balances of other governmental funds increased by \$795,980 from the 2018 balances. A large part of this increase is in the Local Option Tax Fund, with a decrease in expenditures due to the timing of projects.



Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The combined net position of the enterprise funds at June 30, 2019, totaled \$686,439,616, of which 54.21% (\$372,098,561) is unrestricted. This is a \$32,005,232, or 4.89%, increase in net position from last fiscal year. The net position of the internal service funds is \$29,715,084, a \$2,538,725 increase in net position. Unrestricted net position accounts for \$20,107,330 (67.67%) of the total internal service fund net position balance.

As in prior years, a majority of the increase in net position is attributable to the hospital (approximately \$23 million). The results of hospital operations were favorable with \$6.5 million in operating income. The next highest increase in net position is the electric fund with an increase \$4.9 million, mainly due to natural gas sales.

Charges for services for the internal service funds increased 3.41% over the prior year, in line with the budget, with operating expenses staying flat.

General Fund Budgetary Highlights

Original Budget Compared to Final Budget. There were three amendments to the City's 2019 budget. The first amendment was approved in September 2018, primarily to reflect carryovers of capital project expenditures from the prior year. The second and third amendments were approved in March and May of 2019 to reflect year-end expenditures and revenues more accurately.

The main source of variation in the General Fund budget is the carryover of funds from fiscal year 2018 for capital projects that were not completed in fiscal year 2018.

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2019, amounts to \$655,218,417 (net of accumulated depreciation), an increase of \$360,383 from prior year capital assets. The investment in capital assets includes land, buildings, infrastructure, plant and distribution systems, machinery, and equipment.

Some of the major capital asset additions include:

- \$1.0 million for the extension of a major arterial road
- \$2.3 million for improvements to a major arterial road to allow for development
- \$1.7 million for water pollution and control facility digester improvements
- \$2.3 million for boiler tube replacements in the power plant
- \$2.2 million for a substation improvement
- \$4.1 million in street construction and improvements
- \$14.3 million for hospital drug cabinets, operating room equipment, ambulances, software, hardware, and facility updates

Additional information on the City's capital assets can be found in note IV (E) on pages 54-55 of this report. The following shows capital assets, net of accumulated depreciation.

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 13,021,910	\$ 12,455,594	\$ 12,597,856	\$ 12,435,709	\$ 25,619,766	\$ 24,891,303
Other non-depreciable assets	1,963,219	1,951,119	-	-	1,963,219	1,951,119
Depreciable assets	168,896,091	172,537,233	431,653,473	351,061,014	600,549,564	523,598,247
Construction in progress	7,543,353	5,057,723	19,542,515	99,359,642	27,085,868	104,417,365
Total	<u>\$ 191,424,573</u>	<u>\$ 192,001,669</u>	<u>\$ 463,793,844</u>	<u>\$ 462,856,365</u>	<u>\$ 655,218,417</u>	<u>\$ 654,858,034</u>

Long-term Debt. At the end of the current fiscal year, the City had \$153,775,160 in outstanding bonded debt, as shown in the following chart. Of this amount, \$66,807,902 is debt backed by the full faith and credit of the government and \$86,967,258 is revenue bonds issued by proprietary funds.

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds, net	\$ 62,013,160	\$ 63,331,642	\$ 4,794,742	\$ 5,682,156	\$ 66,807,902	\$ 69,013,798
Revenue bonds	-	-	86,967,258	91,617,054	86,967,258	91,617,054
Loans payable	-	-	68,697,475	66,796,145	68,697,475	66,796,145
Total	\$ 62,013,160	\$ 63,331,642	\$ 160,459,475	\$ 164,095,355	\$ 222,472,635	\$ 227,426,997

The City's total debt decreased by \$4,954,362 (2.18%) during the current fiscal year. State Revolving Fund loans increased slightly with new borrowings to finish the new water plant, a new bar screening system at the water pollution control facility, and for a sewer pipe and manhole project.

State statutes limit the amount of general obligation debt an Iowa city may issue to five percent (5%) of the actual assessed valuation at January 1, 2017, related to the 2018-2019 fiscal year. The current debt limitation for the City is \$231,606,972. A portion of the outstanding general obligation debt is abated by revenue sources other than the property tax levy. Additional information on the City's long-term debt can be found in note IV (K) on pages 77-84 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following economic factors were considered in developing the fiscal year 2020 budget:

- The City of Ames MSA employment remains strong and other economic indicators such as retail sales and new construction generally indicate a strong local economy
- A 7% increase in water utility rates to fund a portion of a new position, capital improvement projects, and estimated operational expenses
- No rate increase in electric, sanitary sewer, or storm water utility rates
- No increase in Resource Recovery per capita subsidy, but a \$3.75 increase in tipping fees
- A decrease in property tax rates from \$10.07 to \$10.03 per \$1,000 of taxable valuation
- A 4.6% increase in the City's support for transit to improve services and to add a new safety officer
- An increase in full-time equivalents by four positions; one at transit, one in fire, one in police, and one in public works
- A 2% increase in health insurance costs, which the fund balance in the self-insured health insurance fund will help to absorb

Requests for Information. This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, 515 Clark Avenue, Ames, Iowa, 50010.

Basic Financial Statements

City of Ames
Statement of Net Position
June 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 31,984,562	\$ 40,962,420	\$ 72,946,982	\$ 217,734
Investments	35,624,539	51,626,735	87,251,274	-
Taxes receivable	51,918	-	51,918	-
Special assessments receivable	286,132	-	286,132	-
Accrued interest receivable	274,237	527,891	802,128	-
Accounts receivable, net	607,525	36,208,694	36,816,219	-
Pledges receivable, net	-	-	-	249,383
Intergovernmental receivable	4,009,386	4,075,196	8,084,582	-
Loans receivable	2,606	-	2,606	-
Internal balances	(8,095,782)	8,095,782	-	-
Inventories	180,959	6,895,960	7,076,919	-
Assets held for resale	1,079,068	-	1,079,068	-
Prepaid items	394,448	2,804,580	3,199,028	-
Restricted current assets:				
Cash and cash equivalents	-	1,428,102	1,428,102	-
Investments	-	1,126,822	1,126,822	-
Accrued interest receivable	-	9,547	9,547	-
Total current assets	66,399,598	153,761,729	220,161,327	467,117
Non-current assets:				
Investments	-	15,522,443	15,522,443	14,140,278
Succeeding year taxes receivable	30,953,785	-	30,953,785	-
Long-term loans receivable	10,407	-	10,407	-
Long-term special assessments receivable	1,662,993	-	1,662,993	-
Other assets	-	8,313,426	8,313,426	-
Non-depreciable assets	22,528,482	32,140,371	54,668,853	-
Depreciable assets, net of accumulated depreciation	168,896,091	431,653,473	600,549,564	-
Restricted non-current assets:				
Long-term investments	-	302,044,663	302,044,663	-
Total non-current assets	224,051,758	789,674,376	1,013,726,134	14,140,278
Total assets	290,451,356	943,436,105	1,233,887,461	14,607,395
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	-	7,256,052	7,256,052	-
Deferred outflows related to OPEB	36,236	590,532	626,768	-
Deferred outflows related to pensions	8,221,019	17,208,254	25,429,273	-
Total deferred outflows of resources	8,257,255	25,054,838	33,312,093	-

The notes to the financial statements are an integral part of this statement.

City of Ames
Statement of Net Position (continued)
June 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
LIABILITIES				
Current liabilities:				
Accounts payable	1,202,023	15,665,197	16,867,220	318,003
Accrued payroll	295,292	8,837,910	9,133,202	-
Accrued compensated absences	111,448	542,245	653,693	-
Accrued interest payable	157,122	289,067	446,189	-
Retainage payable	259,930	2,322,445	2,582,375	-
Customer deposits	591,435	935,751	1,527,186	-
Intergovernmental payable	467,737	276,068	743,805	-
Claims payable	720,000	1,442,572	2,162,572	-
Loans payable	-	3,515,431	3,515,431	-
Bonds payable, net	8,588,467	5,628,856	14,217,323	-
Unearned revenue	484,963	8,800	493,763	-
Accrued landfill post-closure costs	-	16,923	16,923	-
Total current liabilities	12,878,417	39,481,265	52,359,682	318,003
Non-current liabilities:				
Accrued compensated absences	2,083,718	7,305,647	9,389,365	-
Accrued other post-employment benefits	1,158,702	5,369,311	6,528,013	-
Net pension liability	26,730,323	62,343,510	89,073,833	-
Annuities payable	-	-	-	131,698
Loans payable	-	65,182,044	65,182,044	-
Bonds payable, net	53,424,692	86,133,144	139,557,836	-
Accrued landfill post-closure costs	-	74,738	74,738	-
Total non-current liabilities	83,397,435	226,408,394	309,805,829	131,698
Total liabilities	96,275,852	265,889,659	362,165,511	449,701
DEFERRED INFLOWS OF RESOURCES				
Succeeding year property taxes	30,953,785	-	30,953,785	-
Deferred charge on refunding	41,213	2,917	44,130	-
Deferred inflows related to OPEB	24,134	824,564	848,698	-
Deferred inflows related to pensions	1,075,493	4,509,478	5,584,971	-
Total deferred inflows of resources	32,094,625	5,336,959	37,431,584	-
NET POSITION				
Net investment in capital assets	144,730,839	311,786,131	456,516,970	-
Restricted:				
Expendable for:				
Debt service	928,447	2,554,924	3,483,371	-
Capital projects	8,664,213	-	8,664,213	-
Public safety	330,598	-	330,598	-
Employee benefits	320,439	-	320,439	-
Library services	336,043	-	336,043	-
Aquatic center	167,668	-	167,668	-
Community welfare	3,746	-	3,746	-
Housing services	1,099,004	-	1,099,004	-
Economic development	1,305,026	-	1,305,026	-
Community betterment	7,106,583	-	7,106,583	-
Mary Greeley Medical Center	-	-	-	8,835,125
Non-expendable for:				
Perpetual care	998,643	-	998,643	-
Aquatic center	1,000,000	-	1,000,000	-
Bliss Cancer Endowment Fund	-	-	-	253,390
Unrestricted	3,346,885	382,923,270	386,270,155	5,069,179
Total net position	\$ 170,338,134	\$ 697,264,325	\$ 867,602,459	\$ 14,157,694

The notes to the financial statements are an integral part of this statement.

City of Ames
Statement of Activities
For the Year Ended June 30, 2019

Functions / Programs:	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 3,141,379	\$ 123,407	\$ 13,144	\$ -	\$ (3,004,828)	\$ -	\$ (3,004,828)	\$ -
Public safety	18,951,047	3,476,553	132,768	-	(15,341,726)	-	(15,341,726)	-
Public works	16,929,643	310,035	7,872,062	3,426,018	(5,321,528)	-	(5,321,528)	-
Health and social services	1,499,781	-	-	-	(1,499,781)	-	(1,499,781)	-
Culture and recreation	11,059,949	2,158,429	228,441	-	(8,673,079)	-	(8,673,079)	-
Community and economic development	4,025,768	15,082	704,182	-	(3,306,504)	-	(3,306,504)	-
Interest	1,534,075	-	-	-	(1,534,075)	-	(1,534,075)	-
Total governmental activities	<u>57,141,642</u>	<u>6,083,506</u>	<u>8,950,597</u>	<u>3,426,018</u>	<u>(38,681,521)</u>		<u>(38,681,521)</u>	
Business-type activities:								
Mary Greeley Medical Center	186,917,186	192,530,036	11,788	129,776	-	5,754,414	5,754,414	-
Electric	62,322,757	68,342,980	22,830	-	-	6,043,053	6,043,053	-
Sewer	8,826,479	9,172,812	127,300	752,546	-	1,226,179	1,226,179	-
Water	9,841,869	10,414,170	288,287	1,388,660	-	2,249,248	2,249,248	-
Parking	975,126	1,011,601	-	-	-	36,475	36,475	-
Transit	14,004,166	6,803,540	3,672,888	806,187	-	(2,721,551)	(2,721,551)	-
Storm sewer	270,883	1,842,228	-	-	-	1,571,345	1,571,345	-
Ice arena	650,947	475,197	-	20,000	-	(155,750)	(155,750)	-
Golf course	254,380	179,367	-	-	-	(75,013)	(75,013)	-
Resource recovery	4,478,297	2,879,813	314,741	-	-	(1,283,743)	(1,283,743)	-
Total business-type activities	<u>288,542,090</u>	<u>293,651,744</u>	<u>4,437,834</u>	<u>3,097,169</u>	<u>-</u>	<u>12,644,657</u>	<u>12,644,657</u>	<u>-</u>
Total primary government	<u>\$ 345,683,732</u>	<u>\$ 299,735,250</u>	<u>\$ 13,388,431</u>	<u>\$ 6,523,187</u>	<u>(38,681,521)</u>	<u>12,644,657</u>	<u>(26,036,864)</u>	<u>-</u>
Component unit:								
Mary Greeley Medical Center Foundation	\$ 1,735,201	\$ -	\$ 1,630,642	\$ -				(104,559)
General revenues:								
Property taxes					31,204,329	-	31,204,329	-
Sales taxes					7,991,619	-	7,991,619	-
Hotel/motel taxes					2,515,468	-	2,515,468	-
Unrestricted grants and contributions					23,589	-	23,589	-
Investment income					2,190,478	19,708,701	21,899,179	794,349
Other income					759,997	337,470	1,097,467	-
Gain on disposal of capital assets					-	8,354	8,354	-
Transfers					(222,839)	222,839	-	-
Total general revenues and transfers					<u>44,462,641</u>	<u>20,277,364</u>	<u>64,740,005</u>	<u>794,349</u>
Change in net position					5,781,120	32,922,021	38,703,141	689,790
Net position, beginning					164,557,014	664,342,304	828,899,318	13,467,904
Net position, ending					<u>\$ 170,338,134</u>	<u>\$ 697,264,325</u>	<u>\$ 867,602,459</u>	<u>\$ 14,157,694</u>

The notes to the financial statements are an integral part of this statement.

**City of Ames
Balance Sheet
Governmental Funds
June 30, 2019**

	General	Capital Projects	Debt Service	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 6,168,125	\$ 5,752,930	\$ 485,021	\$ 9,667,608	\$ 22,073,684
Investments	5,342,645	11,577,881	419,597	9,517,950	26,858,073
Taxes receivable	31,635	-	16,594	3,689	51,918
Special assessments receivable	-	286,132	-	-	286,132
Accrued interest receivable	89,938	112,187	7,235	6,991	216,351
Accounts receivable, net	261,351	9,470	-	15,778	286,599
Intergovernmental receivable	216,133	1,648,210	-	2,094,870	3,959,213
Loans receivable	-	-	-	2,606	2,606
Due from other funds	1,650,462	76,104	-	746,620	2,473,186
Inventories	32,102	-	-	62,089	94,191
Property held for resale	-	-	-	1,079,068	1,079,068
Prepaid items	208,888	-	-	20,663	229,551
Succeeding year taxes receivable	18,912,037	-	9,955,106	2,086,642	30,953,785
Long-term loans receivable	-	-	-	10,407	10,407
Long-term special assessments receivable	-	1,662,993	-	-	1,662,993
Total assets	<u>\$ 32,913,316</u>	<u>\$ 21,125,907</u>	<u>\$ 10,883,553</u>	<u>\$ 25,314,981</u>	<u>\$ 90,237,757</u>
LIABILITIES					
Accounts payable	\$ 376,413	\$ 250,802	\$ -	\$ 377,922	\$ 1,005,137
Accrued payroll	178,748	6,361	-	94,217	279,326
Retainage payable	-	238,937	-	20,993	259,930
Accrued interest payable	-	-	-	224	224
Customer deposits	21,005	-	-	570,430	591,435
Intergovernmental payable	77,971	356,292	-	704	434,967
Due to other funds	486,956	155,854	-	1,710,295	2,353,105
Total liabilities	<u>1,141,093</u>	<u>1,008,246</u>	<u>-</u>	<u>2,774,785</u>	<u>4,924,124</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue:					
Property taxes	18,912,037	-	9,955,106	2,086,642	30,953,785
Special assessments	-	1,949,125	-	-	1,949,125
Hotel/motel taxes	-	-	-	679,220	679,220
Charges for services	21,562	-	-	-	21,562
Licenses and permits	3,091	-	-	-	3,091
Grants	-	1,626,592	-	971	1,627,563
Refunds	72,704	-	-	-	72,704
Total deferred inflows of resources	<u>19,009,394</u>	<u>3,575,717</u>	<u>9,955,106</u>	<u>2,766,833</u>	<u>35,307,050</u>
FUND BALANCES					
Non-spendable	240,990	-	-	2,081,395	2,322,385
Restricted	-	17,468,492	928,447	17,184,250	35,581,189
Committed	-	864,140	-	1,200,816	2,064,956
Assigned	402,312	-	-	-	402,312
Unassigned	12,119,527	(1,790,688)	-	(693,098)	9,635,741
Total fund balances	<u>12,762,829</u>	<u>16,541,944</u>	<u>928,447</u>	<u>19,773,363</u>	<u>50,006,583</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 32,913,316</u>	<u>\$ 21,125,907</u>	<u>\$ 10,883,553</u>	<u>\$ 25,314,981</u>	<u>\$ 90,237,757</u>

The notes to the financial statements are an integral part of this statement.

City of Ames
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2019

Amounts reported for governmental activities in the statement of net position (page 25) are different because:

Fund balance - total governmental funds (page 27)	\$ 50,006,583
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	181,816,819
Revenues not collected within 60 days of the end of the fiscal year are not available to pay for current period expenditures and, therefore, are unavailable.	
Hotel/motel tax	194,257
Special assessments	1,949,125
Other revenues	1,724,921
Pension-related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds.	
Deferred outflows of resources	7,946,193
Deferred inflows of resources	(1,037,565)
OPEB-related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds.	
Deferred outflows of resources	33,179
Deferred inflows of resources	(22,098)
Internal service funds are used by management to charge the costs of fleet management, information services, risk management, and health insurance to individual funds. The assets and liabilities of internal service funds are split between the governmental and business-type activities in the statement of net position.	18,890,375
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
General obligation bonds payable	(58,894,988)
Interest payable on general obligation bonds	(156,898)
Deferred charges on general obligation bonds refunded	(41,213)
Unamortized premiums on the issuance of general obligation bonds	(3,118,172)
Accrued compensated absences	(2,099,018)
Total other post-employment benefits payable	(1,060,975)
Net pension liability	(25,792,391)
Net position of governmental activities	\$ 170,338,134

The notes to the financial statements are an integral part of this statement.

City of Ames
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	General	Capital Projects	Debt Service	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 18,416,169	\$ -	\$ 9,771,806	\$ 13,528,893	\$ 41,716,868
Special assessments	-	321,318	-	-	321,318
Licenses and permits	1,554,088	-	-	-	1,554,088
Intergovernmental	493,315	1,266,350	13,144	8,469,922	10,242,731
Charges for services	4,045,668	-	-	20,461	4,066,129
Fines and forfeitures	43,614	-	-	-	43,614
Investment income	860,233	518,036	156,989	63,063	1,598,321
Miscellaneous	550,718	314,109	-	366,520	1,231,347
Total revenues	<u>25,963,805</u>	<u>2,419,813</u>	<u>9,941,939</u>	<u>22,448,859</u>	<u>60,774,416</u>
EXPENDITURES					
Current:					
General government	2,665,207	103,972	-	195,971	2,965,150
Public safety	18,483,889	-	-	140,885	18,624,774
Public works	1,155,118	-	-	5,918,189	7,073,307
Health and social services	-	-	-	1,499,781	1,499,781
Culture and recreation	8,474,657	-	-	693,465	9,168,122
Community and economic development	924,958	-	-	3,103,631	4,028,589
Debt service:					
Principal	-	-	8,862,109	-	8,862,109
Interest and fiscal charges	-	-	2,120,728	-	2,120,728
Capital outlay	-	9,066,207	-	2,366,115	11,432,322
Total expenditures	<u>31,703,829</u>	<u>9,170,179</u>	<u>10,982,837</u>	<u>13,918,037</u>	<u>65,774,882</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,740,024)</u>	<u>(6,750,366)</u>	<u>(1,040,898)</u>	<u>8,530,822</u>	<u>(5,000,466)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	9,415,838	160,701	981,392	144,197	10,702,128
Transfers out	(2,555,059)	(490,869)	-	(7,879,039)	(10,924,967)
General obligation bonds issued	-	7,490,000	-	-	7,490,000
Premium on general obligation bonds	-	610,152	-	-	610,152
Total other financing sources (uses)	<u>6,860,779</u>	<u>7,769,984</u>	<u>981,392</u>	<u>(7,734,842)</u>	<u>7,877,313</u>
Net change in fund balances	1,120,755	1,019,618	(59,506)	795,980	2,876,847
Fund balances, beginning	<u>11,642,074</u>	<u>15,522,326</u>	<u>987,953</u>	<u>18,977,383</u>	<u>47,129,736</u>
Fund balances, ending	<u>\$ 12,762,829</u>	<u>\$ 16,541,944</u>	<u>\$ 928,447</u>	<u>\$ 19,773,363</u>	<u>\$ 50,006,583</u>

The notes to the financial statements are an integral part of this statement.

City of Ames
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2019

Amounts reported for governmental activities in the statement of activities (page 26) are different because:

Net changes in fund balances - total governmental funds (page 29)	\$ 2,876,847
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Hotel/motel tax	(5,452)
Special assessments	(282,815)
Other revenues	1,182,973
Contributed capital assets do not provide current financial resources.	884,323
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	9,767,124
Disposals	(23,794)
Depreciation expense	(10,894,669)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Current year premium on issuance of bonds	(610,152)
Amortization of bond premiums	556,525
Amortization of deferred charges on refunding debt	29,435
Proceeds from issuance of bonds	(7,490,000)
Principal payments	8,862,109
Interest payments	693
The change in deferred outflows of resources and deferred inflows of resources is not recorded in the governmental funds.	29,918
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Decrease in accrued compensated absences	33,119
Increase in accrued other post-employment benefits	(73,102)
Increase in net pension liability	(683,898)
The internal service funds are used by management to charge the costs of fleet management, information services, risk management, and health insurance to individual funds. The net revenue of certain activities of internal service funds is reported with both governmental and business-type activities.	1,621,936
Changes in net position of governmental activities	\$ 5,781,120

The notes to the financial statements are an integral part of this statement.

City of Ames
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-Type Activities					Governmental Activities	
	Mary Greeley Medical Center	Electric	Sewer	Water	Other Enterprise Funds	Totals	Internal Service Funds
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 12,474,727	\$ 4,557,982	\$ 6,396,519	\$ 10,575,715	\$ 5,574,266	\$ 39,579,209	\$ 11,294,089
Investments	-	30,176,740	5,672,200	9,638,037	4,917,099	50,404,076	9,989,125
Accrued interest receivable	-	381,053	39,279	65,764	33,812	519,908	65,869
Accounts receivable, net	25,809,047	7,284,115	860,996	1,193,595	1,046,414	36,194,167	335,453
Due from other funds	-	218,613	51,356	142,806	309,537	722,312	1,090,507
Intergovernmental receivable	-	473,669	341,989	-	3,259,538	4,075,196	50,173
Inventories	3,627,723	2,597,884	-	327,339	343,014	6,895,960	86,768
Prepaid items	2,745,950	38,487	25	6,486	13,417	2,804,365	165,112
Restricted current assets:							
Cash and cash equivalents	-	1,030,442	45,175	352,485	-	1,428,102	-
Investments	1,126,822	-	-	-	-	1,126,822	-
Interest receivable	9,547	-	-	-	-	9,547	-
Total current assets	45,793,816	46,758,985	13,407,539	22,302,227	15,497,097	143,759,664	23,077,096
Non-current assets:							
Investments	-	15,522,443	-	-	-	15,522,443	-
Other assets	8,313,426	-	-	-	-	8,313,426	-
Capital assets:							
Land	4,470,719	2,223,783	1,918,772	1,574,385	2,410,197	12,597,856	-
Land improvements	1,495,922	-	-	-	3,599,161	5,095,083	192,433
Plant and distribution systems	-	207,595,830	87,375,386	122,394,349	-	417,365,565	-
Buildings	245,371,625	-	-	-	39,825,341	285,196,966	884,494
Equipment	129,094,794	-	-	-	38,514,925	167,609,719	19,359,349
Construction in progress	2,379,579	8,512,044	6,376,526	975,131	1,299,235	19,542,515	-
Less accumulated depreciation	(198,645,616)	(125,178,839)	(54,725,988)	(20,815,160)	(44,248,257)	(443,613,860)	(10,828,522)
Restricted non-current assets:							
Investments	302,044,663	-	-	-	-	302,044,663	-
Total non-current assets	494,525,112	108,675,261	40,944,696	104,128,705	41,400,602	789,674,376	9,607,754
Total assets	540,318,928	155,434,246	54,352,235	126,430,932	56,897,699	933,434,040	32,684,850
DEFERRED OUTFLOWS OF RESOURCES							
Deferred charge on refunding	7,256,052	-	-	-	-	7,256,052	-
Deferred outflows related to OPEB	562,226	12,111	3,310	3,789	9,037	590,473	3,116
Deferred outflows related to pensions	13,893,539	795,925	237,724	249,362	2,005,948	17,182,498	300,582
	21,711,817	808,036	241,034	253,151	2,014,985	25,029,023	303,698

The notes to the financial statements are an integral part of this statement.

City of Ames
Statement of Net Position (continued)
Proprietary Funds
June 30, 2019

	Business-Type Activities						Governmental
						Internal	
	Mary Greeley Medical Center	Electric	Sewer	Water	Other Enterprise Funds	Totals	Service Funds
LIABILITIES							
Current liabilities:							
Accounts payable	10,170,109	4,526,535	586,632	174,409	166,767	15,624,452	237,631
Accrued payroll	8,490,629	128,591	8,398	24,720	185,572	8,837,910	15,966
Accrued compensated absences	458,776	34,112	7,117	11,113	30,745	541,863	5,621
Due to other funds	-	358,955	466,278	350,345	463,438	1,639,016	293,884
Claims payable	740,371	-	-	-	-	740,371	1,422,201
Retainage payable	1,717,432	303,115	262,239	29,932	9,727	2,322,445	-
Customer deposits	-	935,751	-	-	-	935,751	-
Accrued interest	118,530	44,553	17,306	106,746	1,932	289,067	-
Loans payable	114,099	-	415,332	2,986,000	-	3,515,431	-
Intergovernmental payable	-	190,452	7,746	24,871	52,999	276,068	32,770
Accrued landfill post-closure costs	-	-	-	-	16,923	16,923	-
Bonds payable, net	3,985,016	788,198	329,743	380,044	145,855	5,628,856	-
Unearned revenue	-	-	-	-	8,800	8,800	-
Total current liabilities	<u>25,794,962</u>	<u>7,310,262</u>	<u>2,100,791</u>	<u>4,088,180</u>	<u>1,082,758</u>	<u>40,376,953</u>	<u>2,008,073</u>
Non-current liabilities:							
Accrued compensated absences	5,846,934	582,184	116,710	218,017	537,597	7,301,442	95,114
Accrued other post-employment benefits	4,464,128	387,289	105,858	121,170	288,967	5,367,412	99,626
Net pension liability	51,436,564	2,501,837	796,530	790,027	6,745,656	62,270,614	1,010,828
Loans payable	437,380	-	5,539,927	59,204,737	-	65,182,044	-
Accrued landfill post-closure costs	-	-	-	-	74,738	74,738	-
Bonds payable, net	75,701,655	6,492,389	2,472,589	718,013	748,498	86,133,144	-
Total non-current liabilities	<u>137,886,661</u>	<u>9,963,699</u>	<u>9,031,614</u>	<u>61,051,964</u>	<u>8,395,456</u>	<u>226,329,394</u>	<u>1,205,568</u>
Total liabilities	<u>163,681,623</u>	<u>17,273,961</u>	<u>11,132,405</u>	<u>65,140,144</u>	<u>9,478,214</u>	<u>266,706,347</u>	<u>3,213,641</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred charge on refunding	-	-	-	2,917	-	2,917	-
Deferred inflows related to OPEB	805,713	8,067	2,204	2,523	6,018	824,525	2,075
Deferred inflows related to pensions	3,948,649	151,122	56,679	21,756	311,452	4,489,658	57,748
	<u>4,754,362</u>	<u>159,189</u>	<u>58,883</u>	<u>27,196</u>	<u>317,470</u>	<u>5,317,100</u>	<u>59,823</u>
NET POSITION							
Net investment in capital assets	111,184,925	85,872,231	32,906,053	41,316,673	40,506,249	311,786,131	9,607,754
Restricted for debt service	1,126,822	1,030,442	45,175	352,485	-	2,554,924	-
Unrestricted	281,283,013	51,906,459	10,450,753	19,847,585	8,610,751	372,098,561	20,107,330
Total net position	<u>\$ 393,594,760</u>	<u>\$ 138,809,132</u>	<u>\$ 43,401,981</u>	<u>\$ 61,516,743</u>	<u>\$ 49,117,000</u>	<u>686,439,616</u>	<u>\$ 29,715,084</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time						<u>10,824,709</u>	
Net position of business-type activities						<u>\$ 697,264,325</u>	

The notes to the financial statements are an integral part of this statement.

City of Ames
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2019

	Business-Type Activities					Governmental Activities	
	Mary Greeley Medical Center	Electric	Sewer	Water	Other Enterprise Funds	Totals	Internal Service Funds
Operating revenues:							
Charges for services	\$ 192,530,036	\$ 68,342,980	\$ 9,172,812	\$ 10,414,170	\$ 13,191,746	\$ 293,651,744	\$ 19,443,664
Operating expenses:							
Cost of goods and services	169,574,256	56,839,314	6,213,376	6,503,220	14,965,988	254,096,154	16,121,384
Administration	-	1,236,774	362,044	414,287	2,506,128	4,519,233	-
Depreciation	16,407,126	4,454,134	2,180,662	1,745,246	3,412,382	28,199,550	1,357,118
Total operating expenses	185,981,382	62,530,222	8,756,082	8,662,753	20,884,498	286,814,937	17,478,502
Operating income (loss)	6,548,654	5,812,758	416,730	1,751,417	(7,692,752)	6,836,807	1,965,162
Non-operating revenues (expenses):							
Intergovernmental	11,788	-	127,300	286,111	3,605,946	4,031,145	-
Reimbursements	-	22,830	-	2,176	381,683	406,689	-
Investment income	16,775,239	1,457,526	412,702	707,689	355,545	19,708,701	592,157
Interest expense	-	(208,504)	(161,348)	(1,299,066)	(19,899)	(1,688,817)	-
Gain (loss) on disposal of capital assets	(935,804)	(19,321)	-	-	8,354	(946,771)	(18,594)
Miscellaneous	-	58,994	70,113	76,039	132,324	337,470	-
Total non-operating revenues (expenses)	15,851,223	1,311,525	448,767	(227,051)	4,463,953	21,848,417	573,563
Income (loss) before capital contributions and transfers	22,399,877	7,124,283	865,497	1,524,366	(3,228,799)	28,685,224	2,538,725
Capital contributions	129,776	-	752,546	1,388,660	826,187	3,097,169	-
Transfers in	-	-	-	-	2,443,376	2,443,376	-
Transfers out	-	(2,220,537)	-	-	-	(2,220,537)	-
Change in net position	22,529,653	4,903,746	1,618,043	2,913,026	40,764	32,005,232	2,538,725
Net position, beginning	371,065,107	133,905,386	41,783,938	58,603,717	49,076,236		27,176,359
Net position, ending	\$ 393,594,760	\$ 138,809,132	\$ 43,401,981	\$ 61,516,743	\$ 49,117,000		\$ 29,715,084
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds						916,789	
Change in net position of business-type activities						\$ 32,922,021	

The notes to the financial statements are an integral part of this statement.

City of Ames
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	Business-Type Activities						Governmental
						Totals	Activities
	Mary Greeley Medical Center	Electric	Sewer	Water	Other Enterprise Funds	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 190,774,035	\$ 69,436,168	\$ 10,122,685	\$ 10,792,443	\$ 12,175,132	\$ 293,300,463	\$ 18,963,642
Payments to suppliers	(71,270,950)	(45,214,422)	(2,127,799)	(3,791,205)	(5,141,764)	(127,546,140)	(13,211,751)
Payments to employees	(91,061,567)	(9,985,959)	(2,122,655)	(3,264,322)	(10,682,062)	(117,116,565)	(2,117,988)
Payments to other funds for services provided	-	(2,344,837)	(2,125,298)	(971,544)	(1,520,053)	(6,961,732)	(847,023)
Net cash provided by (used for) operating activities	28,441,518	11,890,950	3,746,933	2,765,372	(5,168,747)	41,676,026	2,786,880
CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES							
Operating grants	11,788	-	127,300	286,111	3,605,946	4,031,145	-
Reimbursements	-	22,830	-	2,176	381,683	406,689	-
Miscellaneous	-	58,994	70,113	76,039	132,324	337,470	-
Transfers in	-	-	-	-	2,443,376	2,443,376	-
Transfers out	-	(2,220,537)	-	-	-	(2,220,537)	-
Net cash provided by (used for) non-capital financing activities	11,788	(2,138,713)	197,413	364,326	6,563,329	4,998,143	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition and construction of capital assets	(12,326,466)	(5,942,252)	(4,913,858)	(644,743)	(2,204,065)	(26,031,384)	(1,199,536)
Proceeds from the sale of capital assets	65,784	8,000	-	-	9,354	83,138	133,903
Principal paid on capital debt	(3,235,000)	(685,000)	(288,823)	(389,068)	(140,000)	(4,737,891)	-
Interest paid on capital debt	(3,004,771)	(279,556)	(99,032)	(51,156)	(25,987)	(3,460,502)	-
Proceeds from loans	570,495	-	3,534,329	1,156,771	-	5,261,595	-
Principal paid on loans	(19,016)	-	(414,250)	(2,927,000)	-	(3,360,266)	-
Interest paid on loans	-	-	(89,827)	(1,287,070)	-	(1,376,897)	-
Capital contributions	129,776	-	-	-	826,187	955,963	-
Net cash used for capital and related financing activities	(17,819,198)	(6,898,808)	(2,271,461)	(4,142,266)	(1,534,511)	(32,666,244)	(1,065,633)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of investments	(166,024,786)	(31,125,760)	(2,214,041)	(449,935)	(1,397,890)	(201,212,412)	(2,776,060)
Proceeds from sale of investments	141,745,868	28,570,122	1,064,290	216,284	1,110,886	172,707,450	1,334,452
Interest on investments	13,143,976	916,440	395,922	689,304	345,470	15,491,112	567,513
Net cash provided by (used for) investing activities	(11,134,942)	(1,639,198)	(753,829)	455,653	58,466	(13,013,850)	(874,095)
Net increase (decrease) in cash and cash equivalents	(500,834)	1,214,231	919,056	(556,915)	(81,463)	994,075	847,152
Cash and cash equivalents, beginning	12,975,561	3,343,813	5,504,005	11,134,597	5,655,729	38,613,705	10,446,937
Cash and cash equivalents, ending	12,474,727	4,558,044	6,423,061	10,577,682	5,574,266	39,607,780	11,294,089
Plus: beginning amount reported in restricted assets	-	1,030,380	18,633	350,518	-	1,399,531	-
Less: ending amount reported in restricted assets	-	1,030,442	45,175	352,485	-	1,428,102	-
Cash and cash equivalents, ending - statement of net position	\$ 12,474,727	\$ 4,557,982	\$ 6,396,519	\$ 10,575,715	\$ 5,574,266	\$ 39,579,209	\$ 11,294,089

The notes to the financial statements are an integral part of this statement.

City of Ames
Statement of Cash Flows (continued)
Proprietary Funds
For the Year Ended June 30, 2019

	Business-Type Activities						Governmental
					Other		
	Mary Greeley Medical Center	Electric	Sewer	Water	Enterprise Funds	Totals	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:							
Operating income (loss)	\$ 6,548,654	\$ 5,812,758	\$ 416,730	\$ 1,751,417	\$ (7,692,752)	\$ 6,836,807	\$ 1,965,162
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:							
Depreciation expense	16,407,126	4,454,134	2,180,662	1,745,246	3,412,382	28,199,550	1,357,118
(Increase) decrease in accounts receivable	(698,415)	1,306,835	70,430	(46,178)	(576,116)	56,556	(284,160)
(Increase) decrease in due from other funds	-	(66,546)	923,531	422,461	(278,921)	1,000,525	(17,689)
(Increase) decrease in intergovernmental receivable	-	(171,893)	(44,088)	1,990	(163,677)	(377,668)	(44,270)
(Increase) decrease in inventories	(164,400)	268,890	-	98,921	(28,612)	174,799	6,712
(Increase) decrease in prepaid items	250,766	(23,933)	(25)	(6,486)	12,727	233,049	(50,194)
(Increase) decrease in deferred outflows of resources	2,749,277	(14,685)	(4,013)	(4,704)	(14,175)	2,711,700	(3,912)
Increase (decrease) in accounts payable	3,876,511	(117,271)	(82,473)	(146,072)	(207,116)	3,323,579	(98,209)
Increase (decrease) in accrued payroll	(324,248)	12,590	492	6,205	383	(304,578)	657
Increase (decrease) in accrued compensated absences	(170,142)	46,827	8,986	(17,302)	13,793	(117,838)	(33,510)
Increase (decrease) in due to other funds	-	27,249	95,117	62,917	217,546	402,829	(97,173)
Increase in claims payable	(494)	-	-	-	-	(494)	34,255
Increase (decrease) in retainage payable	1,423,850	124,873	144,781	(1,142,850)	(38,623)	512,031	-
Increase in customer deposits	-	32,792	-	-	-	32,792	-
Increase in accrued interest on customer deposits	-	4,368	-	-	-	4,368	-
Increase (decrease) in intergovernmental payable	-	73,205	3,829	(2,039)	(13,307)	61,688	16,070
Decrease in accrued landfill post-closure costs	-	-	-	-	(45,427)	(45,427)	-
Increase in unearned revenue	-	-	-	-	2,100	2,100	-
Increase (decrease) in post-employment benefits	(314,576)	26,684	7,294	8,349	19,909	(252,340)	6,865
Increase (decrease) in pension liability	(2,433,897)	11,670	3,186	4,151	26,549	(2,388,341)	3,612
Increase in deferred inflows of resources	1,291,506	82,403	22,494	29,346	184,590	1,610,339	25,546
Total adjustments	21,892,864	6,078,192	3,330,203	1,013,955	2,524,005	34,839,219	821,718
Net cash provided by (used for) operating activities	<u>\$ 28,441,518</u>	<u>\$ 11,890,950</u>	<u>\$ 3,746,933</u>	<u>\$ 2,765,372</u>	<u>\$ (5,168,747)</u>	<u>\$ 41,676,026</u>	<u>\$ 2,786,880</u>
Schedule of non-cash capital and related financing activities:							
Capital asset contributions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 752,546</u>	<u>\$ 1,388,660</u>	<u>\$ -</u>	<u>\$ 2,141,206</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

City of Ames
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2019

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 217,176
Investments	161,147
Intergovernmental receivable	45
Accounts receivable, net	176
Total assets	\$ 378,544
 LIABILITIES	
Accounts payable	\$ 40,575
Intergovernmental payable	337,969
Total liabilities	\$ 378,544

The notes to the financial statements are an integral part of this statement.

City of Ames
Notes to the Financial Statements
June 30, 2019

I. Summary of significant accounting policies

A. Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Reporting entity

The City of Ames, Iowa (City) was incorporated in 1864 under the laws of the State of Iowa, later amended in July 1975 under the Home Rule City Act. The City is a municipal corporation governed by an elected mayor and six-member governing council. The accompanying financial statements present the government and its component units, for which the City is considered financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Blended component unit. The City is the sole owner of a non-profit, municipal hospital, Mary Greeley Medical Center (hospital). A separately elected board of trustees governs the hospital's daily operations. The powers of the trustees are established by City ordinance, which limits both the separate legal standing and fiscal independence of the hospital. The hospital is reported as a blended component unit (an enterprise fund) under Governmental Accounting Standards Board (GASB) Statement No. 80, *Blending Requirements for Certain Component Units*. Financial statements for the hospital are available at Mary Greeley Medical Center, 1111 Duff Avenue, Ames, Iowa, 50010.

Discretely presented component unit. The Mary Greeley Medical Center Foundation (foundation) is a legally separate component unit of the hospital. A majority of resources, and income thereon, which the foundation holds and invests, are restricted to the activities of the hospital by the donors. The foundation's financial statements are available at Mary Greeley Medical Center, 1111 Duff Avenue, Ames, Iowa, 50010.

City of Ames
Notes to the Financial Statements
June 30, 2019

I. Summary of significant accounting policies (continued)

C. Basis of presentation - government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and certain internal service funds, while business-type activities incorporate data from the government's enterprise funds and the remaining portion of the internal service funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the City has one discretely presented component unit. While it is not considered a major component unit, it is nevertheless shown in a separate column in the government-wide financial statements.

Generally, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the inter-fund services provided and other charges between the business-type functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of presentation - fund financial statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The *General Fund*, the City's primary operating fund, accounts for all financial resources of the general government, except those accounted for in another fund.

The *Capital Projects Fund* accounts for the acquisition and construction of the City's capital facilities, other than those financed by proprietary funds.

The *Debt Service Fund* is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

City of Ames
Notes to the Financial Statements
June 30, 2019

I. Summary of significant accounting policies (continued)

D. Basis of presentation – fund financial statements (continued)

The City reports the following major enterprise funds:

The *Mary Greeley Medical Center Fund* accounts for the operation of a municipally owned, full-service medical care hospital.

The *Electric Fund* accounts for the operation of a municipally owned electric plant, which generates and distributes electrical power to residents of the City and some contiguous areas.

The *Sewer Fund* accounts for the activities related to the operation of a sanitary distribution system and the sewer treatment plant.

The *Water Fund* accounts for the operation of the City-owned water plant, which provides water services to residents of the City and some contiguous areas.

Additionally, the City reports the following fund types:

Internal service funds account for the fleet services, information services, risk management, and health insurance for City employees. These services are provided to other departments and agencies of the City on a cost-reimbursement basis.

Agency funds account for payroll tax withholdings and employee flexible benefits collected by the City on behalf of individuals, private organizations, and other governments.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and some internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds and some internal service funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as a transfer in the governmental activities column. Similarly, balances between the funds included in business-

City of Ames
Notes to the Financial Statements
June 30, 2019

I. Summary of significant accounting policies (continued)

D. Basis of presentation – fund financial statements (continued)

type activities are eliminated so that only the net amount is included as a transfer in the business-type activities column.

E. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable within the current fiscal period is considered revenue of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred, all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered measurable and available only when cash is received by the government.

City of Ames
Notes to the Financial Statements
June 30, 2019

I. Summary of significant accounting policies (continued)

E. Measurement focus and basis of accounting (continued)

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency funds have no measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities.

F. Budgetary information

1. Budgetary basis of accounting

State law mandates that annual budgets for funds other than agency and internal service funds be certified to the County Auditor no later than March 15 preceding the fiscal year beginning July 1.

The review and adoption of an annual budget is handled in accordance with state laws, as there is no City ordinance governing the budget process. Preliminary review of all operating budget requests is conducted by the City Manager at a City government function level. A five-year capital improvements plan is prepared annually, and the first-year portion of the plan is considered as the capital improvements projects budget for the annual budget. The City Manager's budget, considered as a plan of financial operation along with proposed sources of revenues, is presented to the City Council at least six weeks prior to certification. The Council holds hearings with the City Manager, Budget Officer, department heads, and boards and commissions, as well as the public prior to adopting the budget.

Amendments to the budget are considered three times per year, only if revenue sources are available (i.e., unanticipated revenues or budget surpluses). There can be no additional levy of property taxes. The actual amendment process, as prescribed by state law, is identical to the procedures followed for the original budget, including certification. The budgeted amounts presented in the required supplementary information reflect the original and the revised budget.

Budgets are monitored throughout the fiscal year by function, especially by major classifications such as personnel, capital, contractual, and commodities expenditures. Special revenue funds are budgeted at the aggregate fund level. Monthly reports are prepared by function, and major deviations by classification within a function must be approved by the City Manager. The legal level of control (the level on which expenditures may not legally exceed appropriations) is the function level for all budgeted funds in total. The budgetary comparison and related disclosures are reported as required supplementary information.

The City prepares its budget on a basis consistent with accounting principles generally accepted in the United States of America, except that the enterprise funds do not budget depreciation expense and do budget for debt service expenditures and capital outlay. Internal service funds are not budgeted.

City of Ames
Notes to the Financial Statements
June 30, 2019

I. Summary of significant accounting policies (continued)

F. Budgetary information (continued)

1. Budgetary basis of accounting (continued)

Appropriations in all budgeted funds lapse at the end of the fiscal year, even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to ensure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances roll forward and become part of the subsequent year's budget.

2. Excess of expenditures over appropriations

No expenditures exceeded appropriations for the year ended June 30, 2019.

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Cash and cash equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

Investments of the City are reported at fair value (generally based on quoted market prices).

3. Inventories and prepaid items

Inventories are maintained on a perpetual basis. Materials, supplies, medical supplies, and drugs are priced at an average cost. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. Real estate held for resale is priced at cost.

Certain payments to vendors reflect costs applicable to future accounting periods and show as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

City of Ames
Notes to the Financial Statements
June 30, 2019

I. Summary of significant accounting policies (continued)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

4. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, traffic signals, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at acquisition value, which is the price that would have been paid to acquire a capital asset with equivalent service potential.

Land, public art, and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the City are depreciated using the straight-line method over the following estimated useful lives:

Capital Asset Class	Life in Years
Buildings	25-45
Improvements	20-40
Machinery and Equipment	3-50
General Infrastructure	15-50
Plant and Distribution System	25-50

5. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position applicable to a future period(s) and is *not* recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows of resources for unrecognized items not yet charged

City of Ames
Notes to the Financial Statements
June 30, 2019

I. Summary of significant accounting policies (continued)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

5. *Deferred outflows/inflows of resources (continued)*

to pension and OPEB expense and pension contributions from the employer after the measurement date but before the end of the employer's reporting period. The City also reports deferred charges on refunding in this category, which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position applicable to a future period(s) and is *not* be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from six sources: property taxes, special assessments, hotel/motel taxes, charges for services, grants, and refunds. The government-wide statement of net position reports unavailable revenues from property taxes, changes resulting from assumptions made in the actuarial valuations for pensions and OPEB, and deferred charges on refunding. These amounts are recognized as an inflow of resources in the period that the amounts become available.

6. *Pensions*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and Municipal Fire and Police Retirement System of Iowa (MFPRSI) and additions to/deductions from IPERS's/MFPRSI's fiduciary net position have been determined on the same basis as they are reported by IPERS/MFPRSI. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid primarily by the General Fund.

7. *Total other post-employment benefits (OPEB) liability*

For purposes of measuring total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined based on the City's actuarial reports. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

City of Ames
Notes to the Financial Statements
June 30, 2019

I. Summary of significant accounting policies (continued)

G. Assets, liabilities, deferred outflows/inflows or resources, and net position/fund balance (continued)

8. *Net position flow assumption*

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position.

9. *Fund balance flow assumptions*

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

10. *Fund balance policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has authorized the Finance Director to assign fund balance through the approval of the annual budget. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's

City of Ames
Notes to the Financial Statements
June 30, 2019

I. Summary of significant accounting policies (continued)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

10. Fund balance policies (continued)

appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

H. Revenues and expenditures/expenses

1. Program revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues.

2. Property taxes

Property taxes are attached as an enforceable lien on real property and are levied on July 1 prior to the fiscal year for which they are to be collected. The tax levy is divided into two billings with one-half due September 30 and the other half due March 31.

3. Net patient service revenue

Net patient service revenue of the hospital is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered. Retroactive adjustments under reimbursement agreements with third-party payers are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Net patient service revenue is reported net of provision for bad debts, which the hospital also refers to as uncompensated care.

4. Compensated absences

Vacation and compensatory time. The City's policy permits employees to accumulate earned but unused vacation and compensatory time benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured because of employee

**City of Ames
Notes to the Financial Statements
June 30, 2019**

I. Summary of significant accounting policies (continued)

H. Revenues and expenditures/expenses (continued)

4. *Compensated absences (continued)*

resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Sick leave. Accumulated sick leave in excess of 720 hours may be paid out at 25% of the accumulated hours upon retirement only.

5. *Proprietary funds operating and non-operating revenues and expenses*

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position of governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that, "Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds." The details of this \$181,816,819 are as follows:

Land	\$ 13,021,910
Land improvements	1,384,118
Public art collection	579,101
Construction in progress	7,543,353
Buildings	37,113,805
Less: accumulated depreciation	(10,043,074)
Equipment	9,057,906
Less: accumulated depreciation	(5,271,381)
Infrastructure	266,247,196
Less: accumulated depreciation	(137,816,115)
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position in governmental activities</i>	\$ 181,816,819

City of Ames
Notes to the Financial Statements
June 30, 2019

II. Reconciliation of government-wide and fund financial statements (continued)

A. Explanation of certain difference between the governmental fund balance sheet and the government-wide statement of net position (continued)

Another element of that reconciliation explains, "Internal service funds are used by management to charge the costs of fleet management, information services, risk management, and health insurance to individual funds. The assets and liabilities of internal service funds are split between the governmental and business-type activities in the statement of net position." The details of this \$18,890,375 are as follows:

Net position of the internal service funds	\$29,715,084
Less: Internal payable representing charges in excess of cost to business-type activities - prior years	(9,907,920)
Less: Internal payable representing charges in excess of cost to business-type activities - current year	(916,789)
	\$18,890,375

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation states that, "The internal service funds are used by management to charge the costs of fleet management, information services, risk management, and health insurance to individual funds. The net revenue of certain activities of internal service funds is reported with both governmental and business-type activities." The details of this \$1,621,936 are as follows:

Change in net position of the internal service funds	\$ 2,538,725
Less: gain from charges to business-type activities	(916,789)
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ 1,621,936

III. Stewardship, compliance, and accountability

A. Violations of legal or contractual provisions

As stated in Note I(F)(2), *Excess of expenditures over appropriations*, there were no budgetary violations that occurred in the fiscal year ended June 30, 2019.

City of Ames
Notes to the Financial Statements
June 30, 2019

III. Stewardship, compliance, and accountability (continued)

B. Deficit fund equity

At June 30, 2019, the TIF fund, a non-major special revenue fund, had a deficit fund balance of \$693,098. The incremental property tax revenue will increase in future years to offset the transfers to the Debt Service Fund and reverse the deficit.

C. Capital loan note covenant violation

A capital loan note with the Iowa Finance Authority requires the water fund to maintain net revenues at a level not less than 110% of the debt service due in the same year. The net revenues this fiscal year were 99.77% of the debt service, falling short of the requirement. The City implemented a seven percent rate increase July 1, 2019, to satisfy the covenant next fiscal year.

IV. Detailed notes on all activities and funds

A. Cash deposits with financial institutions

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of June 30, 2019, the City's deposits were entirely covered by federal depository insurance or collateralized in accordance with Chapter 12c of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds. The amount of pledged collateral is based on an approved method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using this method report the adequacy of their pooled collateral covering uninsured deposits to the State Treasurer, who does not confirm the information with the City. Because of the inability to measure the exact amounts of collateral pledged for the City under this method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer enforces strict standards of financial stability for each depository that collateralizes public deposits.

B. Investments

The following table identifies the investment types that are authorized for the City by its investment policy. The hospital is guided in the selection of security investments by Chapters 12b and 12c of the Code of Iowa and policy, as approved by the board of trustees. The City's investment policy classifies certificates of deposit (CDs) as investments and all CDs purchased by the City are non-negotiable. However, under generally accepted accounting principles (GAAP), non-negotiable CDs are cash deposits instead of investments. The table also identifies certain provisions of the investment policy that address interest rate risk, credit risk, and concentration of credit risk.

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

B. Investments (continued)

<u>Authorized Investment Type</u>	<u>Maximum Maturity for Operating Funds (Days)</u>	<u>Maximum Maturity for Non-Operating Funds (Years)</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Agency securities	397	7	n/a	n/a
Certificates of deposit	397	7	n/a	n/a
Prime banker's acceptances	270	270 days	10%	5%
Commercial paper	270	270 days	10%	5%
Repurchase agreements	397	7	n/a	n/a
Joint investment trusts	397	7	n/a	n/a
Warrants of improvement certificates of a levee or drainage district	397	7	n/a	n/a
U.S. Treasury obligations	17 years	n/a	n/a	n/a
Corporate debt securities	n/a	30	n/a	5%

At June 30, 2019, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>
U.S. Agency coupon securities	\$ 78,342,714	09/13/18-09/09/24
U.S. Treasury obligations	19,542,208	09/15/18-05/31/21
Commercial paper	5,456,550	07/12/18-08/15/18
Municipal bonds	62,486	11/01/18-02/15/24
Mutual funds	302,357,706	n/a
Corporate debt	344,685	02/01/19-09/15/25
	<u>\$406,106,349</u>	

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

B. Investments (continued)

All of the City's investments are valued using level 1 inputs, except for U.S. Agencies and U.S. Treasuries, which are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions (level 2 inputs). There have been no changes in valuation methodologies at June 30, 2019 compared to June 30, 2018.

Interest rate risk. One of the ways that the City manages exposure to interest rate risk is by purchasing a combination of short- and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing, or coming close to maturity, evenly over time as necessary to provide the cash flow and liquidity needed for operations. Investments are purchased with the intent to hold until maturity.

The following provides information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations:

Investment Type	Fair Value	Remaining Maturity			
		12 Months or Less	13 - 24 Months	25-60 Months	More Than 60 Months
U.S. Agency coupon securities	\$ 78,342,714	\$ 39,277,633	\$ 22,680,596	\$ 16,266,172	\$ 118,313
U.S. Treasury obligations	19,542,208	5,544,585	5,999,418	7,998,205	-
Commercial paper	5,456,550	5,456,550	-	-	-
Municipal bonds	62,486	49,795	-	-	12,691
Mutual funds	302,357,706	302,357,706	-	-	-
Corporate debt	344,685	-	60,915	238,182	45,588
	<u>\$406,106,349</u>	<u>\$352,686,269</u>	<u>\$ 28,740,929</u>	<u>\$ 24,502,559</u>	<u>\$ 176,592</u>

Credit risk. The City will minimize credit risk by using the following measures:

1. Limiting investments to those authorized by the investment policy,
2. Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with whom the City will do business,
3. Diversifying the investment portfolio by agency and issuer so that potential losses on individual securities can be minimized, and
4. Holding a minimum of 5% of the total portfolio in highly marketable, short-term treasuries, checking accounts with interest, government pooled accounts, or a combination of all three.

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

B. Investments (continued)

The following shows the actual ratings as of June 30, 2019, for each investment type:

Investment Type	Fair Value	Rating
U.S. Agency coupon securities	\$ 78,342,714	AAA
U.S. Treasury obligations	19,542,208	not rated
Commercial paper	5,456,550	A1/P1
Municipal bonds	62,486	AAA-AA1
Mutual funds	302,357,706	not rated
Corporate debt	344,685	AA1-BAA
	<u>\$406,106,349</u>	

Concentration of credit risk. The City's investment policy provides limitations on the amount that can be invested in any one issuer, which is approved by City Council. Investments in any one issuer that represent 5% or more of total City investments are as follows:

Issuer	Investment Type	Amount	Percent of Portfolio
Federal Home Loan Mortgage Co.	U.S. agency securities	21,237,968	5.23%
Federal Farm Credit	U.S. agency securities	20,998,509	5.17%

Custodial credit risk - investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The following outlines the requirements in the City's investment policy to limit the exposure to custodial credit risk for deposits or investments:

1. All trades, where applicable, will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts,
2. City investment officials shall be bonded to protect loss of public funds against possible embezzlement and/or malfeasance, and

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

B. Investments (continued)

3. The Investment Officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. The internal controls shall address the following points:
 - a. Control of collusion,
 - b. Separation of transaction authority from accounting and record keeping,
 - c. Custodial safekeeping,
 - d. Delivery versus payment,
 - e. Clear delegation of authority, and
 - f. Confirmation of transactions for investments and wire transfers.

As of June 30, 2019, the City's investments in the following were held by the same third-party custodian that was used by the City to buy the securities and evidenced by safekeeping receipts:

Issuer	Investment Type	Amount
Federal National Mortgage Association	U.S. agency securities	\$ 15,439,016
Federal Home Loan Mortgage Co.	U.S. agency securities	21,237,968
Federal Home Loan Bank	U.S. agency securities	19,691,834
Federal Farm Credit	U.S. agency securities	20,998,509
United States Treasury	U.S. treasuries	19,542,208

Foreign currency risk. As of June 30, 2019, the City had no exposure to foreign currency rate risk.

The City has a written investment policy, approved by the City Council, which addresses the different areas of risk. The policy is available for review in the offices of the City Clerk and the City Treasurer, and on the City's website.

C. Foundation investments

The foundation follows Financial Accounting Standards Board (FASB) standards. As such, adoption of Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures*, was not required by the foundation and, accordingly, no such disclosures are presented here.

All of the foundation's investments are valued using level 1 inputs.

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

C. Foundation investments (continued)

The following is a detail of the foundation's investments at June 30, 2019:

Investment Type	Fair Value
Equity mutual funds	\$ 12,375,426
Corporate debt securities	746,937
Hedge funds	1,017,915
	\$ 14,140,278

D. Receivables

All utility and hospital accounts receivable are shown net of an allowance for uncollectible accounts. Property tax receivable is shown at a gross amount since they are assessed to the property and collectible upon sale of the property.

E. Capital assets

Capital asset activity for the fiscal year ended June 30, 2019, is as follows:

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
<i>Governmental activities:</i>				
Non-depreciable capital assets:				
Land	\$ 12,455,594	\$ 566,316	\$ -	\$ 13,021,910
Land improvements	1,384,118	-	-	1,384,118
Public art collection	567,001	15,300	(3,200)	579,101
Construction in progress	5,057,723	6,099,141	(3,613,511)	7,543,353
Total non-depreciable capital assets	19,464,436	6,680,757	(3,616,711)	22,528,482
Depreciable capital assets:				
Buildings	37,998,297	-	-	37,998,297
Equipment	27,503,145	1,606,722	(692,611)	28,417,256
Infrastructure	259,706,501	7,177,013	(443,885)	266,439,629
	325,207,943	8,783,735	(1,136,496)	332,855,182
Less accumulated depreciation:				
Buildings	9,693,809	991,859	-	10,685,668
Equipment	13,692,318	2,106,151	(533,594)	15,264,875
Infrastructure	129,284,583	9,153,776	(429,811)	138,008,548
	152,670,710	12,251,786	(963,405)	163,959,091
Total depreciable capital assets	172,537,233	(3,468,051)	(173,091)	168,896,091
Total capital assets	\$ 192,001,669	\$ 3,212,706	\$ (3,789,802)	\$ 191,424,573

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

E. Capital assets (continued)

Depreciation expense was charged to functions of the governmental activities of the primary government as follows:

General government	\$ 462,520
Public safety	469,395
Public works	9,067,513
Culture and recreation	2,242,662
Community and economic development	9,696
Total depreciation expense - governmental activities	<u>\$ 12,251,786</u>

	Balance			Balance
	June 30, 2018	Increases	Decreases	June 30, 2019
<i>Business-type activities:</i>				
Non-depreciable capital assets:				
Land	\$ 12,435,709	\$ 162,147	\$ -	\$ 12,597,856
Construction in progress	99,359,642	25,338,401	(105,155,528)	19,542,515
Total non-depreciable capital assets	<u>111,795,351</u>	<u>25,500,548</u>	<u>(105,155,528)</u>	<u>32,140,371</u>
Depreciable capital assets:				
Plant and distribution systems	323,555,371	95,395,649	(1,585,455)	417,365,565
Buildings	283,933,286	1,365,939	(102,259)	285,196,966
Equipment	159,119,038	12,366,534	(3,875,853)	167,609,719
Improvements	4,407,789	693,794	(6,500)	5,095,083
	<u>771,015,484</u>	<u>109,821,916</u>	<u>(5,570,067)</u>	<u>875,267,333</u>
Less accumulated depreciation:				
Plant and distribution systems	193,898,081	8,380,041	(1,558,135)	200,719,987
Buildings	100,947,709	10,628,648	(85,959)	111,490,398
Equipment	123,187,586	9,055,819	(2,892,166)	129,351,239
Improvements	1,921,094	135,041	(3,899)	2,052,236
	<u>419,954,470</u>	<u>28,199,549</u>	<u>(4,540,159)</u>	<u>443,613,860</u>
Total depreciable capital assets	<u>351,061,014</u>	<u>81,622,367</u>	<u>(1,029,908)</u>	<u>431,653,473</u>
Total capital assets	<u>\$ 462,856,365</u>	<u>\$ 107,122,915</u>	<u>\$ (106,185,436)</u>	<u>\$ 463,793,844</u>

F. Pension obligations

The City participates in two public pension systems, Iowa Public Employees Retirement System (IPERS) and Municipal Fire and Police Retirement System of Iowa (MFPRSI). The following sections outline the pension-related disclosures for each plan. The aggregate amount of recognized expense for the period associated with the net pension liability for both plans is

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

F. Pension obligations (continued)

\$12,015,479. Other aggregate amounts related to pension are separately displayed in the financial statements.

Iowa Public Employees Retirement System (IPERS)

Plan description. The City participates in IPERS, a cost sharing, multiple-employer, defined benefit pension plan administered by the State of Iowa. IPERS provides retirement, disability, and death benefits to eligible members and beneficiaries. State statutes authorize the State to establish and amend all plan provisions. The State issues a publicly available financial report, which includes financial statements and required supplementary information. This may be obtained either at www.ipers.org or by written request to IPERS, P.O. Box 9117, Des Moines, IA, 50306-9117.

Funding policy. Iowa state law requires participating employers and members to contribute to IPERS. The Iowa Legislature and the Governor determine the positions of employment in each membership class and the benefits provided. Most members (95%) are regular members. The other 5% are special service members who work in public safety jobs.

IPERS sets the regular member contribution rates using an annual actuarial valuation, which is a snapshot of IPERS's finances; however, the combined employer and member rate may not change by more than 1.0 percentage point each year. Rates for special service members are actuarially determined each year.

During the fiscal year ended June 30, 2019, regular members contributed 6.29% and the City contributed 9.44% of covered wages. Rates for the fiscal year beginning July 1, 2019, are the same. Emergency responder members contributed 6.81%, and the hospital contributed 10.21% of covered wages for the fiscal year ended June 30, 2019. As of July 1, 2019, the rates for emergency responders are 6.61% for members and 9.91% for the City. The City's total contributions to IPERS for the years ended June 30, 2019, 2018, and 2017 were \$8,567,465, \$7,862,807, \$7,654,501, respectively, and were equal to 100% of the required contributions for each year.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions. At June 30, 2019, the City reported a liability of \$72,880,234 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all employers participating in IPERS, actuarially determined. At June 30, 2018, the City's proportion was 1.1517%, which is an increase of 0.0224% from its proportion measured as of June 30, 2017.

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

F. Pension obligations (continued)

For the year ended June 30, 2019, the City recognized pension expense of \$9,544,600. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 402,445	\$ 1,656,579
Changes in assumptions	10,519,602	4,417
Net difference between projected and actual earnings on pension plan investments	-	2,038,812
Changes in proportion and differences between City contributions and proportionate share of contributions	933,620	1,432,717
City contributions subsequent to the measurement date	8,567,465	-
	<u>\$20,423,132</u>	<u>\$ 5,132,525</u>

\$8,567,465 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2020	\$ 4,689,821
2021	2,506,264
2022	(576,858)
2023	103,799
2024	116
	<u>\$ 6,723,142</u>

There were no non-employer contributing entities at IPERS.

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

F. Pension obligations (continued)

Actuarial assumptions. The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.60% per annum
Payroll increase assumption	3.25%
Projected salary increases	3.25%-16.25%, depending upon years of service
Assumed investment return	7.00%, compounded annually, net of investment expense, including inflation

The actuarial assumptions used in the June 30, 2018 valuation are based on the results of the most recent actuarial experience studies. An experience study of IPERS's demographic assumptions was presented to the investment board in June 2018. This study included information on mortality, retirement, disability, and termination rates, as well as salary trends, for the period of July 1, 2013 through June 30, 2017. At the investment board's direction, the experience study of IPERS's economic assumptions, including the long-term rate of return, was accelerated a year resulting in a full review of the economic assumptions in early 2017. The findings of the experience study on economic assumptions, along with the resulting recommendations, are included in the report dated March 24, 2017.

Mortality rates were based on the RP-2014 Employee and Healthy Annuitant Tables, with MP-2017 generational adjustments.

Several factors are considered in evaluating the actuarial assumed investment return, including long-term historical data, estimates inherent in current market data, along with estimates of variability and correlations for each asset class, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) were developed by the investment consultant. These ranges were combined to develop the actuarial assumed investment return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The actuarial assumed investment return reflects the anticipated returns on current and future plan assets, and provides a discount rate to determine the present value of future benefit payments.

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

F. Pension obligations (continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Core-plus fixed income	27.0%	1.97%
Domestic equity	22.0%	6.01%
International equity	15.0%	6.48%
Global smart beta equity	3.0%	6.23%
Private equity	11.0%	10.81%
Private real assets	7.5%	4.14%
Public real assets	7.0%	2.91%
Public credit	3.5%	3.93%
Private credit	3.0%	3.11%
Cash	1.0%	-0.25%
	<u>100.0%</u>	

Discount rate. The discount rate used to calculate the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from employees and employers will be made at the contractually required rates, which are set by the Contribution Rate Funding Policy and derived from the actuarial valuation. Based on those assumptions, the pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current plan members. Therefore, the actuarial assumed investment return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
City's proportionate share of the net pension liability	\$ 124,425,114	\$ 72,880,234	\$ 29,642,835

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

F. Pension obligations (continued)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report, which is available on the IPERS website at www.ipers.org.

Payables to the pension plan. At June 30, 2019, the City reported a payable to the defined benefit pension plan of \$1,476,624 for legally required employer contributions and employee contributions that were withheld from employee wages but not yet remitted to IPERS.

Municipal Fire and Police Retirement System of Iowa (MFPRSI)

Plan description. The City also participates in the MFPRSI, which provides retirement, disability, and death benefits for firefighters and police officers. MFPRSI was created under Chapter 411 of the Code of Iowa, effective January 1, 1992, to replace the fire and police retirement systems in 49 cities in Iowa. It is a cost-sharing, multiple-employer defined benefit pension plan. A board of nine voting and four non-voting members is the policy-making body for the system. MFPRSI issues publicly available financial reports, which include financial statements and required supplementary information for the plan. The reports may be obtained by contacting MFPRSI at 7155 Lake Drive, Suite 201, West Des Moines, IA, 50266.

Funding policy. The contribution rate structure is established by Chapter 411 of the Code of Iowa. The member contribution rate, currently at 9.40%, is set by state statute. The rate for the City is established each year by the board of trustees following the completion of an annual actuarial valuation. The City's rate for the fiscal year ended June 30, 2019, was 26.02%. As of July 1, 2019, the rate is 24.41%. The City's total contributions to MFPRSI for the years ended June 30, 2019, 2018, and 2017 were \$2,097,820, \$2,028,739, and \$1,946,357, respectively, and were equal to 100 percent of the required contributions for each year.

If approved by the state legislature, state appropriation may further reduce the employer's contribution rate, but not below the minimum statutory contribution rate of 17.00% of earnable compensation. The State of Iowa, therefore, is considered a non-employer contributing entity in accordance with the provisions of GASB Statement No. 67 - Financial Reporting for Pension Plans.

There were no state appropriations to MFPRSI during the fiscal year ended June 30, 2019.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions. At June 30, 2019, the City reported a liability of \$16,193,599 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

F. Pension obligations (continued)

contributions of all MFPRSI participating employers. At June 30, 2018, the City's proportion was 2.7198%, which is an increase of 0.0685 from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the City recognized pension expense of \$2,470,879. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 433,844	\$ 218,799
Changes in assumptions	1,383,098	129,407
Net difference between projected and actual earnings on pension plan investments	792,096	-
Changes in proportion and differences between City contributions and proportionate share of contributions	299,285	104,240
City contributions subsequent to the measurement date	2,097,820	-
	\$ 5,006,143	\$ 452,446

\$2,097,820 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2020	\$ 1,529,786
2021	833,961
2022	(167,483)
2023	211,204
2024	48,409
	\$ 2,455,877

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

F. Pension obligations (continued)

Actuarial assumptions. The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation	3.00% per annum
Rate of salary increases	3.75 to 15.11%, including inflation
Investment rate of return	7.50%, net of investment expense, including inflation
Wage growth (effective June 30, 1990)	4.00% per annum based on 3.00% inflation and 1.00% real wage inflation

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period of July 1, 2007 to June 30, 2017. There were no significant changes of benefit terms.

Mortality rates were based on RP 2014 Blue Collar Healthy Annuitant table with males set forward zero years, females set forward two years, and disabled persons set forward three years (male only rates), with generational projection of future mortality improvement with 50% of Scale BB beginning in 2017.

The investment policy and decisions are governed by the board of trustees. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocations as of September 30, 2016 are summarized in the following table:

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

F. Pension obligations (continued)

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Large cap	5.5%
Small cap	5.8%
International large cap	7.3%
Emerging markets	9.0%
Emerging market debt	6.3%
Private non-core real estate	8.00%
Master limited partnerships	9.00%
Private equity	9.00%
Core plus fixed income	3.30%
Private core real estate	6.00%
Tactical asset allocation	6.40%

Discount rate. The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate:

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
City's proportionate share of the net pension liability	\$ 27,018,468	\$ 16,193,599	\$ 7,230,972

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

F. Pension obligations (continued)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued MFPRSI financial report, which is available on the MFPRSI website at www.mfprsi.org.

Payables to the pension plan. At June 30, 2019, the City did not have a payable to the defined benefit pension plan.

Ames Municipal Utility Retirement Plan

Plan description. The Ames Municipal Retirement Plan (utility plan) was created by resolution of the City Council and is administered by the City. It is a single-employer, defined contribution plan for employees who regularly receive more than 10% of their compensation from a utility fund of the City. The City Council has authorization to amend plan provisions and contribution rates. An eleven-member board monitors, reviews, and evaluates on a continuing basis, the performance of the utility plan. The board submits a written report of its findings and recommendations at least once each fiscal year. These reports may be obtained at the City's offices.

Summary of significant accounting policies - basis of accounting and valuation of investments. The utility plan uses the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with terms of the plan. All plan investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Securities without an established market value are reported at estimated fair value.

Funding policy. Participants contribute 5.40%, and the City contributes 7.93% of eligible compensation. Participants may also make voluntary, unmatched contributions up to 25% of the participant's annual compensation. Participant contributions were \$363,946, and City contributions were \$541,661 for the fiscal year ended June 30, 2019.

G. Other post-employment benefit (OPEB) obligations

The City participates in two OPEB plans, the City's OPEB plan and the hospital's OPEB plan. The following sections outline the OPEB-related disclosures for each plan. The aggregate amount of recognized OPEB expense for the period associated with the total OPEB liability for both plans is \$529,182. Other aggregate amounts related to OPEB are separately displayed in the financial statements.

**City of Ames
Notes to the Financial Statements
June 30, 2019**

IV. Detailed notes on all activities and funds (continued)

G. Other post-employment benefit (OPEB) obligations (continued)

1. City's OPEB Plan

General Information about the OPEB Plan

Plan description. The City provides health and dental care benefits for retired employees and their beneficiaries through a single-employer, defined benefit plan. The City has the authority to establish and amend benefit provisions of the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The plan does not issue a stand-alone financial report.

Participants must be at least 55 years old, have been employed by the City for the preceding four years, and be enrolled in a sponsored insurance plan at the time of retirement. Benefits terminate upon attaining Medicare eligibility. Retirees under age 65 pay the same premium for the medical, prescription drug, and dental benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

The contribution requirements of the City are established and may be amended by the City. Plan members are currently not required to contribute. The City funds on a pay-as-you-go basis.

Employees covered by benefit terms. At June 30, 2018, the following employees were covered by the City's benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	36
Active employees	<u>593</u>
	<u><u>629</u></u>

**City of Ames
Notes to the Financial Statements
June 30, 2019**

IV. Detailed notes on all activities and funds (continued)

G. Other post-employment benefit (OPEB) obligations (continued)

1. City's OPEB plan (continued)

Total OPEB Liability

The City's total OPEB liability of \$2,063,885 was measured as of June 30, 2019, and was determined by an actuarial valuation as June 30, 2018.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0% per annum
Salary increases	3.5% per annum
Discount rate	3.5% per annum
Retiree share of benefit-related premiums	100% of projected health insurance

The following annual health care cost trends are based on the current HCA Consulting trend study and are applied on a select and ultimate basis. Select trends are reduced 0.5% each year until reaching the ultimate trend rate.

Expense Type	Select	Ultimate
Medical and Rx benefits	7.0%	4.5%
Stop loss fees	7.0%	4.5%
Administrative fees	4.5%	4.5%

The discount rate was based on the Bond Buyer 20-Year Bond GO index.

Mortality rates were based on the RP-2014 generational table scaled using MP-2017 and applied on a gender-specific basis.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2019.

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

G. Other post-employment benefit (OPEB) obligations (continued)

1. City's OPEB plan (continued)

Changes in the Total OPEB Liability

Balance, beginning of year	\$1,921,682
Changes for year year:	
Service cost	128,949
Interest	76,772
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	70,173
Benefit payments	(133,691)
Net changes	142,203
Balance, end of year	\$2,063,885

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% at the beginning of the year to 3.50% at the end of the year.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.5 percent) or one percentage point higher (4.5 percent) than the current discount rate:

	1% Decrease (2.5%)	Discount Rate (3.5%)	1% Increase (4.5%)
Total OPEB liability	\$2,262,000	\$2,063,885	\$1,888,000

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability to the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (6.0 percent decreasing to 3.5 percent) or one percentage point higher (8.0 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

**City of Ames
Notes to the Financial Statements
June 30, 2019**

IV. Detailed notes on all activities and funds (continued)

G. Other post-employment benefit (OPEB) obligations (continued)

1. City's OPEB plan (continued)

		Healthcare Cost Trend	
	1% Decrease (6.0% Decreasing to 3.5%)	Rates (7.0% Decreasing to 4.5%)	1% Increase (8.0% Decreasing to 5.5%)
Total OPEB liability	\$1,763,000	\$2,063,885	\$2,593,000

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2019, the City recognized OPEB expense of \$207,243. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions or other inputs	<u>\$ 64,542</u>	<u>\$ 42,985</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	\$ 1,522
2021	1,522
2022	1,522
2023	1,522
2024	1,522
Thereafter	13,947
	<u>21,557</u>

**City of Ames
Notes to the Financial Statements
June 30, 2019**

IV. Detailed notes on all activities and funds (continued)

G. Other post-employment benefit (OPEB) obligations (continued)

2. Hospital's OPEB plan

General Information about the OPEB Plan

Plan description. The hospital sponsors a single-employer health care plan that provides self-insured medical and prescription drugs to all active and retired employees and their eligible dependents. The hospital also provides a flat \$2,500 life insurance benefit to retired employees. Employees must be a minimum of 55 years old, have been employed at the hospital for the preceding four years, and currently have hospital health insurance at the time of retirement. Benefits terminate upon attaining Medicare eligibility. Eligible retirees receive health care coverage through one medical plan. This is the same plan that is available for active employees.

Contributions are required for both retiree and dependent coverage. The retiree contributions are based on the historical full cost of active members. Retiree expenses are then offset by monthly contributions.

Funding policy. The hospital, with assistance from the third-party administrator, establishes and amends contribution requirements for both active and retiree members on an annual basis. The current funding policy of the hospital is to pay health claims as they occur. This arrangement does not qualify as OPEB plan assets under GASB for current GASB reporting.

The required contribution is based on projected pay-as-you-go financing. For the fiscal year ended June 30, 2019, the hospital contributed approximately \$385,000. Retirees receiving benefits contributed approximately \$443,000 through their required contributions. Inactive members receiving benefits contributed through their required monthly contributions of:

Employee	\$ 696
Employee + spouse	1,324
Employee + children	1,277
Family	2,117

**City of Ames
Notes to the Financial Statements
June 30, 2019**

IV. Detailed notes on all activities and funds (continued)

G. Other post-employment benefit (OPEB) obligations (continued)

2. Hospital's OPEB plan (continued)

Employees covered by benefit terms. At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	381
Active employees	1,143
	1,524

Total OPEB Liability

The hospital's total OPEB liability of \$4,464,128 was measured as of January 1, 2019, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00% per annum
Salary increases	4.80% for less than 1 year of service, 3.80% for 5 years of service, 3.00% for 10 years of service, 2.50% for 15 years of service, and 2.00% for over 20 years of service
Discount rate	4.11%
Health care cost trend rates	9.00% for medical and prescription benefits for 2019, decreasing 0.50% per year to an ultimate rate of 5.00% for 2027 and later years

The discount rate was based on the 20-year Bond Buyer GO index.

Mortality rates were based on the RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017. It is assumed that 45% of active employees with current coverage are assumed to continue coverage at retirement and no active employees without current coverage are assumed to elect coverage at retirement.

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of an actuarial experience study for the period June 2012 through June 2018.

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

G. Other post-employment benefit (OPEB) obligations (continued)

2. Hospital's OPEB plan (continued)

Changes in the Total OPEB Liability

Balance, beginning of year	\$4,778,704
Service cost	183,570
Interest	171,689
Differences between expected and actual experience	(518,903)
Changes in assumptions or other inputs	(208,768)
Benefit payments	57,836
Net changes	(314,576)
Balance, end of year	\$4,464,128

Changes of assumptions and other inputs reflect a change in the inflation rate from 3.00% to 2.00% and a change in the discount rate from 3.44% as of January 1, 2018 to 4.11% as of January 1, 2019.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the hospital, as well as what the hospital's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.11 percent) or one percentage point higher (5.11 percent) than the current discount rate:

	1% Decrease (3.11%)	Discount Rate (4.11%)	1% Increase (5.11%)
Total OPEB liability	\$4,781,823	\$4,464,128	\$4,180,560

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability to the hospital, as well as what the hospital's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (7.5 percent decreasing to 4.0 percent) or one percentage point higher (9.5 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

**City of Ames
Notes to the Financial Statements
June 30, 2019**

IV. Detailed notes on all activities and funds (continued)

G. Other post-employment benefit (OPEB) obligations (continued)

2. Hospital's OPEB plan (continued)

		Healthcare Cost Trend	
	1% Decrease (7.5% Decreasing to 4.0%)	Rates (8.5% Decreasing to 5.0%)	1% Increase (9.5% Decreasing to 6.0%)
Total OPEB liability	\$4,129,936	\$4,464,128	\$4,840,194

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2019, the hospital recognized OPEB expense of \$321,939. At June 30, 2019, the hospital reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 648,123	\$ 345,935
Changes of assumptions or other inputs	-	459,778
Contributions made subsequent to measurement date	(85,897)	-
Total	\$ 562,226	\$ 805,713

\$85,897 reported as deferred outflows of resources resulting from hospital contributions subsequent to the measurement date will be recognized in the net OPEB liability in the year ending June 30, 2020.

**City of Ames
Notes to the Financial Statements
June 30, 2019**

IV. Detailed notes on all activities and funds (continued)

G. Other post-employment benefit (OPEB) obligations (continued)

2. Hospital's OPEB plan (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	\$ (177,052)
2021	(177,052)
2022	65,505
2023	65,505
2024	65,504
Thereafter	-
	<u><u>\$ (157,590)</u></u>

H. Construction and other significant commitments

Construction commitments. As of June 30, 2019, the City's commitments with contractors were as follows:

Project	Spent to Date	Remaining Commitment
Streets & bridges	\$ 4,336,311	\$ 490,978
Shared use paths	288,893	96,107
Fire	74,202	4,235
Parks	97,498	11,402
Electric	3,138,430	5,786,422
Water	266,503	550,032
Sewer	4,969,486	2,333,831
Storm sewer	799,029	186,832
Transit	73,636	543,664
	<u><u>\$ 14,043,988</u></u>	<u><u>\$ 10,003,503</u></u>

All of the remaining commitment amounts above were encumbered at year-end. As discussed earlier in note I(F)(1), budgetary information - budgetary basis of accounting, the encumbrances and related appropriations lapse at the end of the year but are re-appropriated and become part of the subsequent year's budget because performance under the executory contract is expected in the next year.

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

H. Construction and other significant commitments (continued)

Encumbrances. As discussed in note I(F)(1), budgetary information - budgetary basis of accounting, encumbrance accounting is utilized to the extent necessary to ensure effective budgetary control and accountability and to facilitate effective cash planning and control.

At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year was as follows:

General fund	\$ 940,977
Capital projects fund	2,312,482
Non-major governmental funds	844,481
Electric	6,941,201
Water	1,131,381
Sewer	2,791,961
Non-major business-type funds	1,039,241
	<u>\$16,001,724</u>

I. Risk management

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City uses the risk management internal service fund to account for and finance risks for workers' compensation, general liability, and property damage. The risk management fund provides workers' compensation coverage for all City employees and funds the deductible for general liability insurance. Commercial insurance is purchased for all other risks of loss.

Risk management fund. All funds of the City participate in the workers' compensation insurance program and make payments to the risk management fund based on a charge against employee payroll. The charge is calculated based on past claims experience of City departments. The risk management fund pays all workers' compensation claims, claim reserves, the deductible for general liability insurance, and administrative costs from its revenues, and holds excess revenues for reserve against future claims.

The City is a member of the Iowa Communities Assurance Pool (ICAP), as allowed by the Code of Iowa. ICAP is a local government, risk-sharing pool whose members include various governmental entities throughout the state of Iowa. It was formed for the purpose of managing and funding third-party liability claims against its members. It provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials' liability, police professional liability, property, inland marine, and boiler/machinery. There have been no reductions in insurance coverage from prior years.

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

I. Risk management (continued)

ICAP's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. As of June 30, 2019, settled claims have not exceeded the risk pool or reinsurance coverage since the pool's inception.

The City also carries commercial insurance purchased from other insurers for property (buildings and content) and boiler and machinery coverage. The City assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Changes in the balance of claims liabilities during the years ended June 30, 2019 and 2018 were as follows:

	2019	2018
Liability, July 1	\$ 787,946	\$ 696,535
Claims incurred & claims adjustments	488,116	636,505
Claim payments	(573,861)	(545,094)
Liability, June 30	\$ 702,201	\$ 787,946

Health insurance fund. The City maintains a separate internal service fund to account for health benefits. The City carries excess health insurance of \$125,000 through the risk pool of Blue Cross/Blue Shield of Iowa for specific claims each year and 125% of aggregate claims. The estimated liability for probable losses as recorded in the health benefits fund was:

	2019	2018
Liability, July 1	\$ 600,000	\$ 350,000
Claims incurred & claims adjustments	8,521,911	8,689,194
Claim payments	(8,401,911)	(8,439,194)
Liability, June 30	\$ 720,000	\$ 600,000

The hospital carries professional liability insurance on a claims-made policy. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured. The hospital has accrued \$169,315 as an estimate for professional liability claims that were incurred but not reported as of June 30, 2019.

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

I. Risk management (continued)

The hospital is self-insured for health care coverage of employees and covered dependents and carries stop-loss insurance coverage, which assumes liability for claims in excess of \$175,000 per individual claim and 120% aggregate of expected paid claims. Accrued costs related to health care coverage amounted to \$1,565,306 at June 30, 2019.

The hospital is self-insured for workers' compensation coverage of employees, and carries stop-loss insurance coverage, which assumes liability for claims in excess of \$500,000 per occurrence. Accrued costs related to workers' compensation coverage were \$496,237 at June 30, 2019.

Changes in the balance of the hospital's accrued claims for professional liabilities, health care, and workers' compensation coverage for the years ended June 30, 2019 and 2018 were as follows:

	Professional Liability		Health Insurance	
	2019	2018	2019	2018
Liability, July 1	\$ 167,376	\$ 176,674	\$ 1,189,947	\$ 1,038,699
Claims incurred & claims adjustments	5,915	(1,480)	11,069,030	10,668,644
Claim payments	(3,976)	(7,818)	(10,693,671)	(10,517,396)
Liability, June 30	\$ 169,315	\$ 167,376	\$ 1,565,306	\$ 1,189,947
	Workers' Compensation			
	2019	2018		
Liability, July 1	\$ 774,245	\$ 792,528		
Claims incurred & claims adjustments	209,072	909,505		
Claim payments	(487,080)	(927,788)		
Liability, June 30	\$ 496,237	\$ 774,245		

J. Lease obligations

Operating leases. The City leases a parking lot in Campustown for public parking on a year-to-year basis. Rent expense for this lease during the fiscal year ended June 30, 2019, was \$15,205. The hospital leases various equipment for use in the medical center. Rent expense for these leases was approximately \$545,000 for the fiscal year ended June 30, 2019.

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

J. Lease obligations (continued)

The future minimum lease payments for the City and hospital are as follows:

Year Ending June 30,	Total Rent
2020	\$ 226,298
2021	15,900
2022	14,575
2023	-
2024	-
	\$ 256,773

K. Long-term obligations

General obligation bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and equipment. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds are generally issued with maturities ranging from 10 to 20 years. Debt service on general obligation bonds is paid from the debt service fund. General obligation bonds outstanding at June 30, 2019 are as follows:

General Obligation Bonds	Governmental Activities				Outstanding June 30, 2019
	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	
Corporate purpose	2010	6,690,000	2.00-2.500	2022	1,915,000
Refunding	2011	5,980,000	2.00-3.350	2021	495,000
Corporate purpose	2011	6,675,000	1.00-2.400	2023	2,405,000
Corporate purpose	2012	11,325,000	1.50-3.000	2032	6,325,000
Corporate purpose/refunding	2013	21,220,000	2.00-3.125	2032	12,840,000
Corporate purpose	2014	9,395,000	2.00-2.500	2026	5,530,000
Corporate purpose/refunding	2015	16,585,000	3.00-5.000	2035	8,385,000
Corporate purpose	2016	9,020,605	2.00-5.000	2028	6,069,988
Corporate purpose/refunding	2017	10,975,000	2.00-5.000	2029	8,015,000
Corporate purpose	2018	7,490,000	3.00-5.000	2030	6,915,000
		\$105,355,605			\$ 58,894,988

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

K. Long-term obligations (continued)

Business-Type Activities					
General Obligation Bonds	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding June 30, 2019
Corporate purpose	2012	\$ 1,335,000	1.50-3.00 %	2024	\$ 610,000
Corporate purpose	2013	1,320,000	2.00-3.00	2025	700,000
Corporate purpose	2014	300,000	2.00-2.50	2024	160,000
Corporate purpose/refunding	2015	2,061,714	3.00-5.00	2027	1,365,000
Corporate purpose/refunding	2016	2,629,395	2.00-5.00	2028	1,560,012
		<u>\$ 7,646,109</u>			<u>\$ 4,395,012</u>

On August 28, 2018, the City issued \$7,490,000 of general obligation, corporate purpose bonds for improvements to streets, acquisition of emergency services communication equipment, and for fire station improvements. Maturity dates on the bonds range from June 1, 2019 to June 1, 2030. Debt service payments are scheduled to be paid semi-annually in amounts that range from \$777,650 to \$804,463. Bonds due after June 1, 2026 may be subject to call prior to maturity at the option of the City.

Revenue bonds

The City also issues revenue bonds, where the City pledges income derived from certain assets or programs to pay the debt service. Revenue bonds outstanding as of June 30, 2019 are as follows:

Revenue Bonds	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding June 30, 2019
Hospital improvement and refunding	2012	\$ 26,000,000	2.070 %	2027	\$ 10,185,000
Electric	2015	9,500,000	2.125-5.000	2027	6,735,000
Hospital refunding	2016	64,790,000	3.000-5.000	2036	62,725,000
		<u>\$100,290,000</u>			<u>\$ 79,645,000</u>

The hospital has pledged future net revenue to repay the 2012 and 2016 revenue bonds with original borrowings of \$26,000,000 and \$64,790,000, respectively. Net revenue is defined in the supplemental master trust indenture of trust dated November 1, 2012, and in the supplemental trust indenture dated June 1, 2016, as operating revenue, less operating expenses plus depreciation. The purpose of the 2012 and 2016 bonds is to refund the 2003 and 2011 bonds, respectively, and to finance the expansion and renovation of the medical facility. The bonds are payable solely from net revenues and payable through 2027 and 2036, respectively. The total principal and interest remaining to be paid on the bonds as of June 30, 2019 is \$101,616,233. Principal and interest paid during the fiscal year was \$6,239,771 and net revenue for the same period, as defined above, was \$22,955,780.

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

K. Long-term obligations (continued)

The City has pledged future net revenue to repay the 2015 electric revenue bonds. Net revenue is defined as operating revenue less operating expenses, excluding depreciation. The total principal and interest remaining to be paid on the bonds as of June 30, 2019, is \$7,732,769. Principal and interest paid during the fiscal year ended June 30, 2019, was \$964,556 and net revenue for the same period, as defined above, was \$10,266,892.

Landfill post-closure costs

The City stopped accepting solid waste at its landfill effective June 30, 1992, and has since been closed. One hundred percent of the capacity of the landfill has been used.

Federal and state laws and regulations establish landfill closure and post-closure care requirements. The state specifies financial assurance requirements in the Code of Iowa enumerating various allowable financial assurance mechanisms to meet the costs of closure and post-closure care. The City satisfies this requirement with the rating on its most recent bond issues.

The liability for post-closure care costs is based on the landfill capacity used to date with no remaining life. The estimated liability for post-closure care costs is \$91,661 at June 30, 2019, with a current portion of \$16,923.

The City's written landfill post-closure plan includes estimates of costs of all equipment and services required to monitor and maintain the closed landfill. There is a potential for changes in estimates because of inflation or deflation, changes in technology, or changes in applicable laws or regulations. Unanticipated future inflation costs and costs that might arise from changes in post-closure requirements may require adjustment of the liability in future years.

Revenue capital loan notes

The City has a revenue capital loan note agreement with the Iowa Finance Authority (IFA) in an amount not to exceed \$76,325,000. Proceeds from the loan will be used for paying the cost of planning, designing, and constructing improvements and extensions to the water utility. The loan bears interest at 1.75% per annum plus a servicing fee of 0.25% per annum. A loan initiation fee of \$100,000 was withheld from the proceeds and added to the amount owed by the City. Repayment of the loan will come from the water fund. The City borrowed \$1,156,771 during the fiscal year and has \$8,337,263 of capital loan notes still available as of June 30, 2019. The amount of principal outstanding is \$62,190,737.

The capital loan note agreement requires the water utility to produce revenues to meet the operation and maintenance expenses of the facility and to maintain net revenues at a level not less than 110% of the amount of principal and interest on the revenue bond and any other

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

K. Long-term obligations (continued)

obligations secured by a pledge of the net revenues falling due in the same year. In the fiscal year ended June 30, 2019, net revenues were just under 100%, with net revenues of \$4,204,352 and principal and interest due of \$4,214,070. Water utility rates were increased as budgeted by 7% as of July 1, 2019 to satisfy the covenant in the next fiscal year.

The City has a second revenue capital loan note agreement with the IFA in an amount not to exceed \$3,121,000. The funds were used to pay for a new ultraviolet light disinfection system for the Water Pollution Control Plant, which is required under the terms of the discharge permit for the facility. The loan bears interest at 1.75% per annum plus a servicing fee of 0.25% per annum. A loan initiation fee of \$15,605 (0.50%) was withheld from the proceeds and added to the amount owed by the City. Repayment of the loan will come from the sewer fund. The City received its final disbursement for the loan during fiscal year 2015, with total proceeds, including the loan initiation fee, totaling \$2,469,250. The balance of the loan was \$1,702,000 as of June 30, 2019.

The City has a third capital loan note agreement with the IFA in an amount not to exceed \$375,000. The funds are to be used for planning, designing, and construction improvements and extensions to the sanitary sewer system. The notes bears interest at 0% and is payable as to principal three years from the project note date. Repayment of the loan will come from the sewer fund. The \$318,750 balance of the loan was rolled into a new capital loan note agreement for improvements to sanitary sewer pipes and manholes. The loan bears interest at 1.75% per annum plus a servicing fee of 0.25% per annum. A loan initiation fee of \$28,500 (0.50%) was withheld from the proceeds and added to the amount owed by the City. Repayment of the loan will come from the sewer fund. The City borrowed \$3,220,156 during the fiscal year, and the amount of principal outstanding as of June 30, 2019 is \$2,985,156. The City has \$2,367,594 in capital loan notes still available as of June 30, 2019.

The City has a fourth revenue capital loan note agreement with the IFA in an amount not to exceed \$797,000. The funds are to be used for improvements to two wastewater lift stations that are nearing the end of their useful lives. The loan bears interest at 1.75% per annum plus a servicing fee of 0.25% per annum. A loan initiation fee of \$3,985 (0.50%) was withheld from the proceeds and added to the amount owed by the City. Repayment of the loan will come from the sewer fund. No amounts were borrowed during the fiscal year, and the amount of principal outstanding as of June 30, 2019 is \$541,332. The City has \$155,668 in capital loan notes still available as of June 30, 2019.

The City has a fifth revenue capital loan note agreement with the IFA in an amount not to exceed \$1,001,000. The funds are to be used for a new mechanically cleaned bar screening system at the Water Pollution Control Plant. The loan bears interest at 1.75% per annum plus a servicing fee of 0.25% per annum. A loan initiation fee of \$5,005 (0.50%) was withheld from the proceeds and added to the amount owed by the City. Repayment of the loan will come from the sewer

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

K. Long-term obligations (continued)

fund. The City borrowed \$627,923 during the fiscal year, and the amount of principal outstanding as of June 30, 2019 is \$726,771. The City has \$233,229 in capital loan notes still available as of June 30, 2019.

The capital loan note agreements above require the sewer utility to produce revenues to meet the operation and maintenance expenses of the facility and to maintain net revenues at a level not less than 110% of the amount of principal and interest on the revenue bond and any other obligations secured by a pledge of the net revenues falling due in the same year. In the fiscal year ended June 30, 2019, the sewer fund had net revenues of \$2,597,392, and the amount of principal and interest due was \$504,077.

Legal debt margin. State statutes limit the amount of general obligation debt an Iowa city may issue to 5% of the actual assessed valuation at January 1, 2017, related to the 2018-2019 fiscal year. At June 30, 2019, the outstanding debt of \$63,290,000 is below the limit of \$231,606,972, leaving a debt margin of over \$168 million.

Changes in long-term liabilities. Changes in the City's long-term liabilities for the fiscal year ended June 30, 2019, are as follows:

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
<i>Governmental activities:</i>					
Bonds payable:					
General obligation bonds	\$ 60,267,097	\$ 7,490,000	\$ (8,862,109)	\$ 58,894,988	\$ 8,113,882
Premiums	3,064,545	610,152	(556,525)	3,118,172	474,585
Total bonds payable	63,331,642	8,100,152	(9,418,634)	62,013,160	8,588,467
Compensated absences	2,263,851	3,262,777	(3,331,463)	2,195,165	111,448
Governmental activities long-term debt	<u>\$ 65,595,493</u>	<u>\$ 11,362,929</u>	<u>\$ (12,750,097)</u>	<u>\$ 64,208,325</u>	<u>\$ 8,699,915</u>

The liabilities for compensated absences and other post-employment benefits are generally liquidated by the General Fund.

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

K. Long-term obligations (continued)

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
<i>Business-type activities:</i>					
Bonds payable:					
Revenue bonds	\$ 83,565,000	\$ -	\$ (3,920,000)	\$ 79,645,000	\$ 4,050,000
Premiums	8,052,054	-	(729,796)	7,322,258	723,214
Total revenue bonds	91,617,054	-	(4,649,796)	86,967,258	4,773,214
General obligation bonds	5,212,903	-	(817,891)	4,395,012	786,118
Premiums	469,253	-	(69,523)	399,730	69,524
Total general obligation bonds	5,682,156	-	(887,414)	4,794,742	855,642
Total bonds payable	97,299,210	-	(5,537,210)	91,762,000	5,628,856
Compensated absences	7,963,674	9,002,906	(9,118,688)	7,847,892	542,245
Loans payable	318,750	570,495	(337,766)	551,479	114,099
Capital loan notes payable	66,477,395	5,009,851	(3,341,250)	68,145,996	3,401,332
Business-type activities long-term debt	<u>\$172,059,029</u>	<u>\$ 14,583,252</u>	<u>\$ (18,334,914)</u>	<u>\$168,307,367</u>	<u>\$ 9,686,532</u>

The debt service requirements for the City's bonds are as follows:

Governmental activities:

Year Ending June 30,	General Obligation Bonds	
	Principal	Interest
2020	\$ 8,113,882	\$ 1,882,776
2021	7,811,484	1,584,673
2022	6,754,044	1,332,008
2023	6,276,562	1,108,810
2024	5,804,036	902,116
2025-2029	19,614,980	2,131,174
2030-2034	4,460,000	270,356
2035-2039	60,000	1,950
Total	<u>\$ 58,894,988</u>	<u>\$ 9,213,863</u>

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

K. Long-term obligations (continued)

Business-type activities:

Year Ending June 30,	General Obligation Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2020	\$ 786,118	\$ 148,898	\$ 4,050,000	\$ 3,162,017
2021	553,516	120,501	4,180,000	3,034,525
2022	565,956	107,461	4,310,000	2,901,998
2023	593,438	89,328	4,445,000	2,764,290
2024	605,964	70,252	4,650,000	2,555,225
2025-2029	1,290,020	159,945	23,390,000	9,721,941
2030-2034	-	-	23,795,000	4,910,206
2035-2039	-	-	10,825,000	653,800
Total	<u>\$ 4,395,012</u>	<u>\$ 696,385</u>	<u>\$ 79,645,000</u>	<u>\$ 29,704,002</u>

Year Ending June 30,	Capital Loan Notes		Loans	
	Principal	Interest	Principal	Interest
2020	\$ 3,401,332	\$ 1,362,920	\$ 114,099	\$ -
2021	3,469,000	1,294,740	114,099	-
2022	3,538,000	1,225,200	114,099	-
2023	3,609,000	1,154,280	114,099	-
2024	3,681,000	1,081,940	95,083	-
2025-2029	19,535,000	4,273,060	-	-
2030-2034	20,279,156	2,267,143	-	-
2035-2039	10,633,508	390,899	-	-
Total	<u>\$ 68,145,996</u>	<u>\$ 13,050,182</u>	<u>\$ 551,479</u>	<u>\$ -</u>

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

K. Long-term obligations (continued)

Year Ending June 30,	Total Business - Type Activities		Total Primary Government Debt	
	Principal	Interest	Principal	Interest
2020	\$ 8,351,549	\$ 4,673,835	\$ 16,465,431	\$ 6,556,611
2021	8,316,615	4,449,766	16,128,099	6,034,439
2022	8,528,055	4,234,659	15,282,099	5,566,667
2023	8,761,537	4,007,898	15,038,099	5,116,708
2024	9,032,047	3,707,417	14,836,083	4,609,533
2025-2029	44,215,020	14,154,946	63,830,000	16,286,120
2030-2034	44,074,156	7,177,349	48,534,156	7,447,705
2035-2039	21,458,508	1,044,699	21,518,508	1,046,649
Total	<u>\$152,737,487</u>	<u>\$ 43,450,569</u>	<u>\$211,632,475</u>	<u>\$ 52,664,432</u>

L. Fund balance

Minimum fund balance policy. The City establishes and maintains fund balance levels based on evaluation of each individual fund. The minimum fund balance is set at a level that is considered necessary to maintain the City's credit worthiness and to adequately provide for:

1. Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy,
2. Contingencies for unseen operating or capital needs, and
3. Cash flow requirements.

In addition to the designations noted above, fund balance levels will be sufficient to meet funding requirements for projects approved in prior years that are carried forward into the new year; debt service reserve requirements; reserves for encumbrances; and other reserves or designations required by contractual obligations, state law, or generally accepted accounting principles.

The minimum fund balance level for the General Fund is 20% of operating expenditures.

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

L. Fund balance (continued)

The details for the City's fund balances are as follows:

	General	Capital Projects	Debt Service	Special Revenues	Permanent Funds	Total
Nonspendable:						
Inventry	\$ 32,102	\$ -	\$ -	\$ 62,089	\$ -	\$ 94,191
Prepaid items	208,888	-	-	20,663	-	229,551
Perpetual care principal	-	-	-	-	998,643	998,643
Aquatic center endowment	-	-	-	-	1,000,000	1,000,000
Total nonspendable fund balance	<u>240,990</u>	<u>-</u>	<u>-</u>	<u>82,752</u>	<u>1,998,643</u>	<u>2,322,385</u>
Restricted:						
Debt service	-	-	928,447	-	-	928,447
Airport construction	-	243,770	-	-	-	243,770
Aquatic center	-	-	-	-	167,668	167,668
Street construction	-	-	-	6,515,143	-	6,515,143
Environment and economic betterment	-	-	-	8,185,513	-	8,185,513
General obligation bond projects	-	15,319,422	-	-	-	15,319,422
Housing assistance	-	-	-	1,099,004	-	1,099,004
Public safety	-	-	-	330,598	-	330,598
Public safety pension	-	-	-	320,439	-	320,439
Library	-	-	-	336,043	-	336,043
Parks and recreation	-	1,905,300	-	-	-	1,905,300
Project Share	-	-	-	3,746	-	3,746
Developers' projects	-	-	-	226,096	-	226,096
Total restricted fund balance	<u>-</u>	<u>17,468,492</u>	<u>928,447</u>	<u>17,016,582</u>	<u>167,668</u>	<u>35,581,189</u>
Committed:						
Bike trails	-	-	-	10,187	-	10,187
Parks and recreation	-	864,140	-	120,896	-	985,036
Housing assistance	-	-	-	513,925	-	513,925
Green energy projects	-	-	-	8,642	-	8,642
Environment and economic betterment	-	-	-	547,166	-	547,166
Total committed fund balance	<u>-</u>	<u>864,140</u>	<u>-</u>	<u>1,200,816</u>	<u>-</u>	<u>2,064,956</u>
Assigned:						
Administration	78,937	-	-	-	-	78,937
City Hall maintenance	42,302	-	-	-	-	42,302
Police operations	14,621	-	-	-	-	14,621
Animal shelter improvements	2,000	-	-	-	-	2,000
Library maintenance	3,326	-	-	-	-	3,326
Parks and recreation	21,695	-	-	-	-	21,695
Parks and recreation maintenance	35,413	-	-	-	-	35,413
Public relations	18,987	-	-	-	-	18,987
City comprehensive plan	139,300	-	-	-	-	139,300
Parking study	45,731	-	-	-	-	45,731
Total assigned fund balance	<u>402,312</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>402,312</u>
Unassigned	12,119,527	(1,790,688)	-	(693,098)	-	9,635,741
Total fund balance	<u>\$12,762,829</u>	<u>\$16,541,944</u>	<u>\$ 928,447</u>	<u>\$17,607,052</u>	<u>\$ 2,166,311</u>	<u>\$50,006,583</u>

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

M. Inter-fund receivables and payables

The composition of inter-fund balances as of June 30, 2019, is as follows:

Receivable Fund	Payable Fund					
	General Fund	Capital Projects	Debt Service	Electric	Sewer	Water
Major Funds:						
General Fund	\$ -	\$ 575	\$ -	\$ 134,954	\$ 41,000	\$ 49,091
Capital Projects	60,701	3,890	-	-	-	-
Electric	143,118	-	-	-	36,651	38,812
Sewer	245	-	-	24,124	-	22,665
Water	-	-	-	29,501	113,305	-
Non-Major Funds:						
Special Revenue	60,805	148,700	-	4,857	238,462	181,838
Enterprise	3,575	-	-	74,526	-	109
Internal Service	218,512	2,689	-	90,993	36,860	57,830
Total	<u>\$ 486,956</u>	<u>\$ 155,854</u>	<u>\$ -</u>	<u>\$ 358,955</u>	<u>\$ 466,278</u>	<u>\$ 350,345</u>

Receivable Fund	Payable Fund					Total
	Non-Major Permanent Funds	Non-Major Special Revenue Funds	Non-Major Enterprise Funds	Internal Service Funds		
Major Funds:						
General Fund	\$ 30,775	\$ 1,291,027	\$ 81,435	\$ 21,605		\$ 1,650,462
Capital Projects	-	10,854	659	-		76,104
Electric	-	32	-	-		218,613
Sewer	-	4,322	-	-		51,356
Water	-	-	-	-		142,806
Non-Major Funds:						
Special Revenue	-	32,710	79,248	-		746,620
Enterprise	-	-	230,723	604		309,537
Internal Service	-	340,575	71,373	271,675		1,090,507
Total	<u>\$ 30,775</u>	<u>\$ 1,679,520</u>	<u>\$ 463,438</u>	<u>\$ 293,884</u>		<u>\$ 4,286,005</u>

The outstanding balances between funds result mainly from the time lag between the dates that inter-fund goods and services are provided or reimbursable expenditures occur.

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

N. Inter-fund transfers

The composition of inter-fund transfers for the year ended June 30, 2019, is as follows:

Transfers In	Transfers Out				Total
	General Fund	Capital Projects	Electric	Non-Major Special Revenue Funds	
Major Funds:					
General Fund	\$ -	\$ -	\$ 2,220,537	\$ 7,195,301	\$ 9,415,838
Capital Projects	60,701	-	-	100,000	160,701
Debt Service	70,982	490,869	-	419,541	981,392
Non-Major Funds:					
Special Revenue	-	-	-	144,197	144,197
Enterprise	2,423,376	-	-	20,000	2,443,376
Total	\$ 2,555,059	\$ 490,869	\$ 2,220,537	\$ 7,879,039	\$13,145,504

Inter-fund transfers are authorized in the City budget and usually involve transfers from the fund receiving the revenue to the fund through which the authorized expenditure is to be made. For example, the road use tax funds are received into the special revenue fund and are transferred to the capital projects fund where the funds will be spent.

O. Donor-restricted endowment

Earnings from the investment of the Furman Aquatic Center endowment of \$131,951 at June 30, 2019, are shown as restricted net position. These funds can be used at the aquatic center to minimize the City's ongoing operational costs, to fund future repairs and enhancements, and to replace equipment. Chapter 540A of the Code of Iowa permits the City to appropriate an amount of net appreciation as the City determines, in good faith, while considering the duration and preservation of the endowment fund, the purposes of the City and the fund, general economic conditions, the possible effect of inflation or deflation, the expected total return from income and the appreciation of investments, other resources of the City, and the investment policy of the City.

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

P. Urban renewal development agreements

The City has entered into various development agreements for urban renewal projects. The agreements require the City to rebate portions of the incremental property tax paid by the developer in exchange for infrastructure, improvements, rehabilitation, and development of commercial projects by the developer. The total to be paid by the City under the agreements is not to exceed \$2,064,530. Certain agreements include provisions for the payment of interest.

During the fiscal year ended June 30, 2019, the City rebated \$333,476 of incremental property tax to developers, which was all for principal. The total cumulative principal amount rebated on the agreements is \$746,140. The outstanding balance on the agreements at June 30, 2019 was \$1,318,390.

The agreements are not general obligations of the City and, due to their nature, are not recorded as a liability in the City's financial statements. However, the agreements are subject to the constitutional debt limitation of the City.

Certain agreements include an annual appropriation clause and, accordingly, only the amount payable in the succeeding year on the agreements is subject to the constitutional debt limitation. The entire outstanding principal balance of agreements, not including an annual appropriation clause, is subject to the constitutional debt limitation.

Q. Tax abatements

GASB Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City provides tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Chapters 15A and 403 of the Code of Iowa. For these types of projects, the City enters into agreements with developers, which require the City, after developers meet the terms of the agreements, to rebate a portion of the property tax paid by the developers, pay the developers an economic development grant, or pay the developers a pre-determined dollar amount. No other commitments were made by the City as part of these agreements.

For the fiscal year ended June 30, 2019, the City abated \$333,476 of property tax under urban renewal and economic development projects. The City's property tax revenue was not reduced by any amount under agreements entered into by any other entities for the year ended June 30, 2019.

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

R. Contingencies

The City's Legal Department reported to management that, as of June 30, 2019, claims and lawsuits were on file against the City. The Legal Department estimates that the portion of these potential claims and lawsuits not covered by insurance would not materially affect the financial position of the City. The City has authority to levy additional taxes outside the regular limit to cover cases resulting in an uninsured judgment.

The City participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act, as amended. Accordingly, the City's compliance with applicable grant requirements will be established at a future date. The amount of expenditures that may be disallowed by the granting agencies cannot be determined at this time, although the City anticipates such amounts, if any, will be immaterial.

Hospital contingencies

Net patient service revenue. As a provider of health care services, the hospital has agreements with third-party payers that provide for payment of services at amounts different from established rates. The basis for payment varies by payer and includes prospectively determined rates per discharge, discounts from established charges, and retroactively determined, cost-based rates. Approximately 97% of gross patient charges determined at established rates resulted from patients covered by these third-party reimbursement programs for the fiscal year ended June 30, 2019. Changes have been and may be made in certain programs, which could have a material adverse impact on the financial condition of the hospital in future years.

Laws and regulations. The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown and unasserted at this time. These laws and regulations include, but are not limited to, accreditation, licensure, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in exclusion from government health care program participation, together with the imposition of significant fines and penalties, as well as significant repayment for past reimbursement for patient services received. While the hospital is subject to similar regulatory reviews, management believes that the outcome of any such regulatory review will not have a material adverse effect on the hospital's financial position.

City of Ames
Notes to the Financial Statements
June 30, 2019

IV. Detailed notes on all activities and funds (continued)

R. Contingencies (continued)

Current economic conditions. The current economic environment has also made it difficult for certain patients to pay for services rendered. As employers adjust to health insurance plans, services provided to uninsured and underinsured patients may significantly impact net patient service revenue, which could have an adverse impact on the hospital's future operating results. Further, the effect of economic conditions on the State of Iowa may have an adverse effect on cash flows related to the Medicaid program.

Given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values and the allowances for accounts and contributions receivable. This could negatively affect the hospital's ability to meet debt covenants or maintain sufficient liquidity.

S. Joint venture

The hospital has a joint venture with McFarland Clinic, P.C. to form Health Ventures of Central Iowa, LLC (Health Ventures), of which it owns 50%. A joint venture also exists with Garner Dialysis, LLC, which is owned 40% by the hospital, and Health Enterprises Cooperative, of which the hospital owns 14.1%. The hospital uses the equity method of accounting for joint ventures in which it has the ability to exercise significant influence over operating and financial policies of the investee. Financial statements of the joint ventures are available at Mary Greeley Medical Center, 1111 Duff Avenue, Ames, IA 50010.

T. Related party transactions

The hospital's board of trustees approved the guarantee of certain debt on behalf of the Health Ventures joint venture mentioned above. During the fiscal year ended June 30, 2019, the debt was paid in full by Health Ventures, and there was no performance on the guarantee by the hospital.

U. Subsequent Events

On September 12, 2019, the City issued \$10,775,000 of general obligation, corporate purpose bonds for paying the cost of constructing improvements to streets, sanitary sewers, and bridges, and for the acquisition of emergency services communication equipment. The interest rates on the bonds range from 1.50-5.00% with final maturity on June 1, 2031.

On November 7, 2019, the hospital issued \$35,000,000 of revenue bonds for expanding and remodeling the existing hospital facilities. The interest rates on the bonds is 1.99% with final maturity on June 15, 2034.

Required Supplementary Information

City of Ames
Schedule of the City's Proportionate Share of the Net Pension Liability
Iowa Public Employees' Retirement System
Last Five Fiscal Years*

	2019	2018	2017	2016	2015
City's proportion of the net pension liability	1.1516658%	1.1292958%	1.1552370%	1.1616104%	1.2008652%
City's proportionate share of the net pension liability	\$72,880,234	\$75,225,392	\$72,702,712	\$57,389,174	\$47,625,187
City's covered payroll*	\$87,947,886	\$85,610,198	\$84,237,577	\$81,269,880	\$80,486,286
City's proportionate share of the net pension liability as a percentage of its covered payroll	82.87%	87.87%	86.31%	70.62%	59.17%
Plan fiduciary net position as a percentage of the total pension liability	83.62%	82.21%	81.82%	85.19%	87.61%

*Prior year amounts of covered payroll were changed to comply with GASB Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73.*

In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding year.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full ten-year trend is compiled, the City will present information for those years for which information is available.

The notes to the required supplementary information are an integral part of this schedule.

City of Ames
Schedule of City Contributions
Iowa Public Employees' Retirement System
Last Ten Fiscal Years

Fiscal Year Ended	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2019	\$ 8,567,465	\$ 8,567,465	-	\$ 90,665,386	9.45%
2018	7,862,807	7,862,807	-	87,947,886	8.94%
2017	7,654,501	7,654,501	-	85,610,198	8.94%
2016	7,543,219	7,543,219	-	84,237,577	8.95%
2015	7,272,880	7,272,880	-	81,269,880	8.95%
2014	7,202,625	7,202,625	-	80,486,286	8.95%
2013	6,861,788	6,861,788	-	78,907,943	8.70%
2012	6,180,045	6,180,045	-	76,283,278	8.10%
2011	5,241,681	5,241,681	-	74,876,651	7.00%
2010	4,964,111	4,964,111	-	74,177,643	6.69%

The notes to the required supplementary information are an integral part of this schedule.

City of Ames
Schedule of the City's Proportionate Share of the Net Pension Liability
Municipal Fire and Police Retirement System of Iowa
Last Five Fiscal Years*

	2019	2018	2017	2016	2015
City's proportion of the net pension liability	2.719769%	2.651310%	2.649945%	2.696727%	2.684406%
City's proportionate share of the net pension liability	\$16,193,599	\$15,549,272	\$16,569,071	\$12,669,610	\$ 9,730,925
City's covered payroll*	\$ 7,866,170	\$ 7,506,515	\$ 7,180,220	\$ 7,004,314	\$ 6,855,169
City's proportionate share of the net pension liability as a percentage of its covered payroll	205.86%	207.14%	230.76%	180.88%	141.95%
Plan fiduciary net position as a percentage of the total pension liability	81.07%	80.60%	78.20%	83.04%	86.27%

*Prior year amounts of covered payroll were changed to comply with GASB Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73.*

In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding year.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full ten-year trend is compiled, the City will present information for those years for which information is available.

The notes to the required supplementary information are an integral part of this schedule.

City of Ames
Schedule of City Contributions
Municipal Fire and Police Retirement System of Iowa
Last Ten Fiscal Years

Fiscal Year Ended	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2019	\$ 2,097,820	\$ 2,097,820	-	\$ 8,064,312	26.01%
2018	2,030,080	2,030,080	-	7,866,170	25.81%
2017	1,946,357	1,946,357	-	7,506,515	25.93%
2016	1,994,209	1,994,209	-	7,180,220	27.77%
2015	2,150,611	2,150,611	-	7,004,314	30.70%
2014	2,064,780	2,064,780	-	6,855,169	30.12%
2013	1,758,163	1,758,163	-	6,653,706	26.42%
2012	1,630,807	1,630,807	-	6,586,460	24.76%
2011	1,253,345	1,253,345	-	6,298,219	19.90%
2010	1,024,685	1,024,685	-	6,025,172	17.01%

The notes to the required supplementary information are an integral part of this schedule.

City of Ames
Schedule of Changes in Total OPEB Liability and Related Ratios
Current Year

City:	<u>2019</u>	<u>2018</u>
Total OPEB liability		
Service cost	\$ 128,949	\$ 124,144
Interest	76,772	75,321
Changes in assumptions or other inputs	70,173	(51,203)
Benefit payments	<u>(133,691)</u>	<u>(97,725)</u>
Net change in total OPEB liability	142,203	50,537
Total OPEB liability, beginning	<u>1,921,682</u>	<u>1,871,145</u>
Total OPEB liability, ending	<u>\$ 2,063,885</u>	<u>\$ 1,921,682</u>
Covered-employee payroll	<u>\$ 37,519,077</u>	<u>\$ 38,084,243</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>5.50%</u>	<u>5.05%</u>

Notes to schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used each period:

2017	3.58%
2018	3.87%
2019	3.50%

GASB No. 75 requires ten years of information to be presented in this table. However, until a full ten-year trend is compiled, the City will present information for those years for which information is available.

The notes to the required supplementary information are an integral part of this schedule.

City of Ames
Schedule of Changes in Total OPEB Liability and Related Ratios
Current Year

Hospital:	2019	2018
Total OPEB liability		
Service cost	\$ 183,570	\$ 230,410
Interest	171,689	155,873
Differences between expected and actual experience	(518,903)	907,372
Changes in assumptions or other inputs	(208,768)	(448,839)
Benefit payments	57,836	(10,501)
Net change in total OPEB liability	(314,576)	834,315
Total OPEB liability, beginning	4,778,704	3,944,389
Total OPEB liability, ending	\$ 4,464,128	\$ 4,778,704
Covered-employee payroll	\$ 61,873,578	\$ 65,765,292
Total OPEB liability as a percentage of covered-employee payroll	7.21%	7.27%

Notes to schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used each period:

2017	3.81%
2018	3.44%
2019	4.11%

GASB No. 75 requires ten years of information to be presented in this table. However, until a full ten-year trend is compiled, the City will present information for those years for which information is available.

The notes to the required supplementary information are an integral part of this schedule.

City of Ames
Budgetary Comparison Schedule
Governmental and Proprietary Funds
For the Fiscal Year Ended June 30, 2019

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Original Budget	Final Budget	Variance - Actual to Final
Revenues and other financing sources:						
Taxes levied on property	\$ 29,340,714	\$ -	\$ 29,340,714	\$ 29,395,044	\$ 29,395,054	\$ (54,340)
Delinquent property taxes	211	-	211	-	-	211
TIF revenues	870,319	-	870,319	773,287	773,287	97,032
Other taxes	10,626,172	-	10,626,172	10,473,149	10,473,149	153,023
Licenses and permits	1,535,289	21,700	1,556,989	1,651,950	1,717,750	(160,761)
Use of money and property	1,945,246	20,928,156	22,873,402	12,025,803	15,880,087	6,993,315
Intergovernmental	11,193,161	10,914,850	22,108,011	24,804,351	46,902,652	(24,794,641)
Charges for services	3,946,551	286,741,215	290,687,766	291,520,391	303,719,377	(13,031,611)
Special assessments	321,318	-	321,318	490,869	490,869	(169,551)
Miscellaneous	988,118	1,194,507	2,182,625	3,976,376	1,036,867	1,145,758
Other financing sources	22,173,069	7,105,976	29,279,045	28,328,433	31,498,626	(2,219,581)
Total revenues and other financing sources	82,940,168	326,906,404	409,846,572	403,439,653	441,887,718	(32,041,146)
Expenditures and other financing uses:						
General government	2,865,270	-	2,865,270	2,786,478	3,101,897	236,627
Public safety	19,453,296	-	19,453,296	20,067,639	20,282,313	829,017
Public works	6,275,712	-	6,275,712	6,017,696	6,462,238	186,526
Health and social services	1,482,912	-	1,482,912	1,444,724	1,521,943	39,031
Culture and recreation	8,823,034	-	8,823,034	9,026,188	9,452,875	629,841
Community and economic development	4,219,957	-	4,219,957	3,863,925	5,561,456	1,341,499
Debt service	11,976,904	-	11,976,904	11,974,832	11,976,904	-
Capital outlay	11,671,625	-	11,671,625	16,642,866	46,099,459	34,427,834
Total governmental expenditures	66,768,710	-	66,768,710	71,824,348	104,459,085	37,690,375
Business-type expenditures	-	276,476,731	276,476,731	294,659,050	339,360,146	62,883,415
Total expenditures and other financing uses	66,768,710	276,476,731	343,245,441	366,483,398	443,819,231	100,573,790
Other financing uses	13,301,689	3,214,604	16,516,293	16,566,683	16,599,153	82,860
Total expenditures, other financing uses, and transfers out	80,070,399	279,691,335	359,761,734	383,050,081	460,418,384	100,656,650
Excess revenues and other financing sources over (under) expenditures, other financing uses, and transfers out	2,869,769	47,215,069	50,084,838	20,389,572	(18,530,666)	68,615,504
Fund balances, beginning	51,259,014	670,999,079	722,258,093	654,733,355	722,258,093	-
Fund balances, ending	\$ 54,128,783	\$ 718,214,148	\$ 772,342,931	\$ 675,122,927	\$ 703,727,427	\$ 68,615,504

The notes to the required supplementary information are an integral part of this schedule.

City of Ames
Budgetary Comparison Schedule
Budget to GAAP Reconciliation
For the Fiscal Year Ended June 30, 2019

	Governmental Funds			Proprietary Funds		
	Budget Basis	Adjustments	Modified Accrual Basis	Budget Basis	Adjustments	Accrual Basis
Revenues and other financing sources	\$ 82,940,168	\$ (3,363,472)	\$ 79,576,696	\$326,906,404	\$ (3,221,756)	\$323,684,648
Expenditures and other financing uses	80,070,399	(3,370,550)	76,699,849	279,691,335	11,988,081	291,679,416
Excess revenues and other financing sources over expenditures and other financing uses	2,869,769	7,078	2,876,847	47,215,069	(15,209,837)	32,005,232
Fund balances, beginning (as restated)	51,259,014	(4,129,278)	47,129,736	670,999,079	(16,564,695)	654,434,384
Fund balances, ending	<u>\$ 54,128,783</u>	<u>\$ (4,122,200)</u>	<u>\$ 50,006,583</u>	<u>\$718,214,148</u>	<u>\$ (31,774,532)</u>	<u>\$686,439,616</u>

The notes to the required supplementary information are an integral part of this schedule.

City of Ames
Notes to the Required Supplementary Information
June 30, 2019

I. Pension Liability

IPERS:

Changes in benefit terms. Legislation passed in 2010 modified benefit terms for current regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3% per year measured from the member's first unreduced retirement age to a 6% reduction for each year of retirement before age 65.

Changes in assumptions.

The 2018 valuation implemented the following refinements because of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017
- Adjusted retirement rates
- Lowered disability rates
- Adjusted the probability of a vested regular member electing to receive a deferred benefit
- Adjusted the merit component of the salary increase assumption

The 2017 valuation implemented the following refinements because of a quadrennial experience study:

- Decreased the inflation assumption from 3.00% to 2.60%
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year
- Decreased the long-term rate of return assumption from 7.50% to 7.00% per year.
- Decreased the wage growth and payroll growth assumption from 4.00% to 3.25% per year.
- Decreased the salary increase assumption by 0.75%.

The 2014 valuation implemented the following refinements because of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year
- Adjusted male mortality rates for retirees in the regular membership group
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64
- Moved from an open, 30-year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed, 20-year period.

City of Ames
Notes to the Required Supplementary Information (continued)
June 30, 2019

The 2010 valuation implemented the following refinements because of a quadrennial experience study:

- Adjusted retiree mortality assumptions
- Modified retirement rates to reflect fewer retirements
- Lowered disability rates at most ages
- Lowered employment termination rates
- Generally increased the probability of terminating members receiving a deferred retirement benefit
- Modified salary increase assumptions based on various service duration

MFPRSI:

Changes in benefit terms. There were no significant changes of benefit terms.

Changes in assumptions. The 2018 valuation mortality rates were based on RP 2014 Blue Collar Healthy Annuitant table with males set forward zero years, females set forward two years, and disabled set forward three years (male only rates), with generational projection of future mortality improvement with 50% of Scale BB beginning in 2017.

The 2017 valuation added five years projection of future mortality improvement with Scale BB.

The 2016 valuation changed post-retirement mortality rates to the RP-2000 Blue Collar Combined Healthy Mortality Table with males set back two years, females set forward one year, and disabled individuals set forward one year (male only rates), with no projection of future mortality improvement.

The 2015 valuation phased in the 1994 Group Annuity Mortality Table for post-retirement mortality. This resulted in a weighting of 1/12 of the 1971 Group Annuity Mortality Table and 11/12 of the 1994 Group Annuity Mortality Table.

The 2014 valuation phased in the 1994 Group Annuity Mortality Table for post-retirement mortality. This resulted in a weighting of 2/12 of the 1971 Group Annuity Mortality Table and 10/12 of the 1994 Group Annuity Mortality Table.

II. Budgetary Information

The budgetary comparison is presented as required supplementary information in accordance with Governmental Accounting Standards Board (GASB) Statement 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major special revenue fund.

In accordance with the Code of Iowa, the City Council annually adopts a budget on the modified accrual basis of accounting and follows the public notice and hearing requirements. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

City of Ames
Notes to the Required Supplementary Information (continued)
June 30, 2019

Encumbrances are not recognized on the budget basis and appropriations lapse at the end of the fiscal year.

Formal and legal budgetary control is based upon nine major classes of expenditures, referred to as functions, not by fund or fund type. The nine functions are general government, public safety, public works, health and social services, culture and recreation, community and economic development, debt service, capital projects, and business-type activities. Expenditures of functions required to be budgeted include expenditures for the General Fund, special revenue funds, the Debt Service Fund, the Capital Projects Fund, and the enterprise funds. Although the budget document presents function expenditures by fund, the legal level of control is at the aggregated function level, not by fund.

Three budget amendments during the fiscal year increased budgeted expenditures by \$77,368,303. These amendments are reflected in the final budget amounts.

Supplementary Information

Non-Major Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

Local Option Tax Fund - to account for the funds generated by the voter-approved 1% local option sales tax. Sixty percent is used for property tax relief and forty percent is for community betterment.

Hotel/Motel Tax Fund - to account for funds generated through the imposition of a hotel/motel tax. Proceeds are used for community betterment and economic development.

Road Use Tax Fund - to account for the City's share of state gasoline taxes received on a per capita basis. Funds must be used for a purpose related to the construction or maintenance of public streets.

Bike Licenses Fund - to account for funds generated by the sale of bike licenses to be used for bike trails and maps.

Police Forfeiture and Grants Fund - to account for funds generated from the forfeiture of property because of criminal activities and for government grants received for law enforcement costs.

Housing Assistance Fund - to account for grant-funded housing assistance programs.

TIF Fund - to account for tax-increment financing revenues on abated debt.

Employee Benefit Property Tax Fund - to account for tax revenues used to pay the City's share of selected employee benefits.

Police and Fire 411 Fund - to account for the funds remaining from the transition to Municipal Fire and Police Retirement System of Iowa (MFPRSI). Funds may only be used to offset City contributions to MFPRSI.

Parks and Recreation Programs Fund - to account for revenues used for specific park and recreation programs and improvements.

Library Donations, Project Share, Police and Fire Donations, Animal Shelter Donations, and Public Art Donations Funds - to account for donations to be used for specific purposes and activities.

Community Development Block Grant (CDBG) Fund - to account for funds received from the U.S. Department of Housing and Urban Development to be used according to the CDBG program.

Non-Major Governmental Funds

Special Revenue Funds

Developers' Projects Fund - to account for funds received from developers to be used for City infrastructure.

Economic Development and Loans Fund - to account for funds from block grants and funds to be loaned to businesses to increase development in the City.

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

Perpetual Care Fund - to account for principal amounts received for perpetual care. The investment earnings are recorded in the General Fund and are used to maintain the cemetery.

Furman Aquatic Center Endowment Fund - to account for a donation to cover future operating expenditures, fund future repairs and enhancements, and to replace equipment at the aquatic center.

**City of Ames
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2019**

	<u>Permanent Funds</u>			
	Non-Major Special Revenue Funds	Perpetual Care	Furman Aquatic Center Endowment	
ASSETS				
Cash and cash equivalents	\$ 8,998,806	\$ 51,510	\$ 617,292	\$ 9,667,608
Investments	7,994,485	976,675	546,790	9,517,950
Taxes receivable	3,689	-	-	3,689
Accrued interest receivable	3,405	-	3,586	6,991
Accounts receivable, net	14,545	1,233	-	15,778
Intergovernmental receivable	2,094,870	-	-	2,094,870
Loans receivable	2,606	-	-	2,606
Due from other funds	746,620	-	-	746,620
Inventories	62,089	-	-	62,089
Property held for resale	1,079,068	-	-	1,079,068
Prepaid items	20,663	-	-	20,663
Succeeding year taxes receivable	2,086,642	-	-	2,086,642
Long-term loans receivable	10,407	-	-	10,407
Total assets	<u>\$ 23,117,895</u>	<u>\$ 1,029,418</u>	<u>\$ 1,167,668</u>	<u>\$ 25,314,981</u>
LIABILITIES				
Accounts payable	\$ 377,922	\$ -	\$ -	\$ 377,922
Accrued payroll	94,217	-	-	94,217
Retainage payable	20,993	-	-	20,993
Accrued interest	224	-	-	224
Customer deposits	570,430	-	-	570,430
Intergovernmental payable	704	-	-	704
Due to other funds	1,679,520	30,775	-	1,710,295
Total liabilities	<u>2,744,010</u>	<u>30,775</u>	<u>-</u>	<u>2,774,785</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue:				
Property taxes	2,086,642	-	-	2,086,642
Other taxes	679,220	-	-	679,220
Grants	971	-	-	971
Total deferred inflows of resources	<u>2,766,833</u>	<u>-</u>	<u>-</u>	<u>2,766,833</u>
FUND BALANCES (DEFICITS)				
Nonspendable	82,752	998,643	1,000,000	2,081,395
Restricted	17,016,582	-	167,668	17,184,250
Committed	1,200,816	-	-	1,200,816
Unassigned	(693,098)	-	-	(693,098)
Total fund balances	<u>17,607,052</u>	<u>998,643</u>	<u>1,167,668</u>	<u>19,773,363</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 23,117,895</u>	<u>\$ 1,029,418</u>	<u>\$ 1,167,668</u>	<u>\$ 25,314,981</u>

City of Ames
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2019

	<u>Permanent Funds</u>			
	Non-Major Special Revenue Funds	Perpetual Care	Furman Aquatic Center Endowment	
REVENUES				
Taxes	\$ 13,528,893	\$ -	\$ -	\$ 13,528,893
Intergovernmental	8,469,922	-	-	8,469,922
Charges for services	-	20,461	-	20,461
Investment income	27,346	-	35,717	63,063
Miscellaneous	366,520	-	-	366,520
Total revenues	<u>22,392,681</u>	<u>20,461</u>	<u>35,717</u>	<u>22,448,859</u>
EXPENDITURES				
Current:				
General government	195,971	-	-	195,971
Public safety	140,885	-	-	140,885
Public works	5,918,189	-	-	5,918,189
Health and social services	1,499,781	-	-	1,499,781
Culture and recreation	693,465	-	-	693,465
Community and economic development	3,103,631	-	-	3,103,631
Capital outlay	2,366,115	-	-	2,366,115
Total expenditures	<u>13,918,037</u>	<u>-</u>	<u>-</u>	<u>13,918,037</u>
Excess of revenues over expenditures	<u>8,474,644</u>	<u>20,461</u>	<u>35,717</u>	<u>8,530,822</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	144,197	-	-	144,197
Transfers out	(7,879,039)	-	-	(7,879,039)
Total other financing sources (uses)	<u>(7,734,842)</u>	<u>-</u>	<u>-</u>	<u>(7,734,842)</u>
Net change in fund balance	739,802	20,461	35,717	795,980
Fund balances, beginning	<u>16,867,250</u>	<u>978,182</u>	<u>1,131,951</u>	<u>18,977,383</u>
Fund balances, ending	<u>\$ 17,607,052</u>	<u>\$ 998,643</u>	<u>\$ 1,167,668</u>	<u>\$ 19,773,363</u>

City of Ames
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2019

	Local Option Tax	Hotel/ Motel Tax	Road Use Tax	Bike Licenses	Police Forfeiture & Grants	Housing Assistance	TIF	Employee Benefit Property Tax	Police & Fire 411
ASSETS									
Cash and cash equivalents	\$ 3,702,086	\$ 594,648	\$ 3,117,231	\$ 5,394	\$ 31,500	\$ 272,584	\$ 925	\$ -	\$ 168,201
Investments	3,289,889	528,439	2,770,153	4,793	27,992	242,234	821	-	151,227
Taxes receivable	-	-	-	-	-	-	-	3,689	-
Accrued interest receivable	-	-	-	-	-	-	-	-	1,011
Accounts receivable, net	-	-	187	-	13,162	-	-	-	-
Intergovernmental receivable	632,272	679,220	608,680	-	6,704	-	-	-	-
Loans receivable	-	-	-	-	-	-	-	-	-
Due from other funds	21,729	-	692,182	-	-	2,250	-	-	-
Inventories	-	-	62,089	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	18,723	-	1,000	282	-	-	-
Succeeding year taxes receivable	-	-	-	-	-	-	-	2,086,642	-
Long-term loans receivable	-	-	-	-	-	-	-	-	-
Total assets	\$ 7,645,976	\$ 1,802,307	\$ 7,269,245	\$ 10,187	\$ 80,358	\$ 517,350	\$ 1,746	\$ 2,090,331	\$ 320,439
LIABILITIES									
Accounts payable	\$ 129,107	\$ 44,157	\$ 179,332	\$ -	\$ 4,000	\$ -	\$ -	\$ -	\$ -
Accrued payroll	7,638	-	80,852	-	1,076	-	-	-	-
Retainage payable	7,875	-	13,118	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	224	-	-
Customer deposits	-	-	-	-	-	-	-	-	-
Intergovernmental payable	-	-	704	-	-	-	-	-	-
Due to other funds	394,773	-	399,284	-	1,360	3,143	694,620	3,689	-
Total liabilities	539,393	44,157	673,290	-	6,436	3,143	694,844	3,689	-
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue:									
Property taxes	-	-	-	-	-	-	-	2,086,642	-
Other taxes	-	679,220	-	-	-	-	-	-	-
Grants	-	-	-	-	349	-	-	-	-
Total deferred inflows of resource	-	679,220	-	-	349	-	-	2,086,642	-
FUND BALANCES (DEFICITS)									
Nonspendable	-	-	80,812	-	1,000	282	-	-	-
Restricted	7,106,583	1,078,930	6,515,143	-	72,573	-	-	-	320,439
Committed	-	-	-	10,187	-	513,925	-	-	-
Unassigned	-	-	-	-	-	-	(693,098)	-	-
Total fund balances (deficits)	7,106,583	1,078,930	6,595,955	10,187	73,573	514,207	(693,098)	-	320,439
Total liabilities, deferred outflows of resources, and fund balances (deficits)	\$ 7,645,976	\$ 1,802,307	\$ 7,269,245	\$ 10,187	\$ 80,358	\$ 517,350	\$ 1,746	\$ 2,090,331	\$ 320,439

City of Ames
Combining Balance Sheet (continued)
Non-Major Special Revenue Funds
June 30, 2019

	Parks & Recreation Programs	Library Donations	Project Share	Police & Fire Donations	CDBG	Animal Shelter Donations	Developers' Projects	Economic Development & Loans	Total Non-Major Special Revenue Funds
ASSETS									
Cash and cash equivalents	\$ 66,987	\$ 183,358	\$ 6,226	\$ 1,553	\$ -	\$ 136,603	\$ 421,798	\$ 289,712	\$ 8,998,806
Investments	57,088	162,232	5,533	1,380	-	120,669	374,581	257,454	7,994,485
Taxes receivable	-	-	-	-	-	-	-	-	3,689
Accrued interest receivable	376	1,071	-	-	-	800	147	-	3,405
Accounts receivable, net	-	82	629	-	-	485	-	-	14,545
Intergovernmental receivable	-	-	-	-	167,994	-	-	-	2,094,870
Loans receivable	-	-	-	-	2,606	-	-	-	2,606
Due from other funds	-	30,459	-	-	-	-	-	-	746,620
Inventories	-	-	-	-	-	-	-	-	62,089
Property held for resale	-	-	-	-	1,079,068	-	-	-	1,079,068
Prepaid items	-	-	-	-	658	-	-	-	20,663
Succeeding year taxes receivable	-	-	-	-	-	-	-	-	2,086,642
Long-term loans receivable	-	-	-	-	10,407	-	-	-	10,407
Total assets	<u>\$ 124,451</u>	<u>\$ 377,202</u>	<u>\$ 12,388</u>	<u>\$ 2,933</u>	<u>\$ 1,260,733</u>	<u>\$ 258,557</u>	<u>\$ 796,526</u>	<u>\$ 547,166</u>	<u>\$ 23,117,895</u>
LIABILITIES									
Accounts payable	\$ 3,555	\$ 6,018	\$ -	\$ -	\$ 8,288	\$ 3,465	\$ -	\$ -	\$ 377,922
Accrued payroll	-	4,651	-	-	-	-	-	-	94,217
Retainage payable	-	-	-	-	-	-	-	-	20,993
Accrued interest	-	-	-	-	-	-	-	-	224
Customer deposits	-	-	-	-	-	-	570,430	-	570,430
Intergovernmental payable	-	-	-	-	-	-	-	-	704
Due to other funds	-	30,490	-	-	152,161	-	-	-	1,679,520
Total liabilities	<u>3,555</u>	<u>41,159</u>	<u>-</u>	<u>-</u>	<u>160,449</u>	<u>3,465</u>	<u>570,430</u>	<u>-</u>	<u>2,744,010</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue:									
Property taxes	-	-	-	-	-	-	-	-	2,086,642
Other taxes	-	-	-	-	-	-	-	-	679,220
Grants	-	-	-	-	622	-	-	-	971
Total deferred inflows of resource	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>622</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,766,833</u>
FUND BALANCES (DEFICITS)									
Nonspendable	-	-	-	-	658	-	-	-	82,752
Restricted	-	336,043	3,746	2,933	1,099,004	255,092	226,096	-	17,016,582
Committed	120,896	-	8,642	-	-	-	-	547,166	1,200,816
Unassigned	-	-	-	-	-	-	-	-	(693,098)
Total fund balances (deficits)	<u>120,896</u>	<u>336,043</u>	<u>12,388</u>	<u>2,933</u>	<u>1,099,662</u>	<u>255,092</u>	<u>226,096</u>	<u>547,166</u>	<u>17,607,052</u>
Total liabilities, deferred outflows of resources, and fund balances (deficits)	<u>\$ 124,451</u>	<u>\$ 377,202</u>	<u>\$ 12,388</u>	<u>\$ 2,933</u>	<u>\$ 1,260,733</u>	<u>\$ 258,557</u>	<u>\$ 796,526</u>	<u>\$ 547,166</u>	<u>\$ 23,117,895</u>

City of Ames
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended June 30, 2019

	Local Option Tax	Hotel/ Motel Tax	Road Use Tax	Bike Licenses	Police Forfeiture & Grants	Housing Assistance	TIF	Employee Benefit Property Tax	Police & Fire 411
REVENUES									
Taxes	\$ 7,991,619	\$ 2,520,920	\$ -	\$ -	\$ -	\$ -	\$ 870,320	\$ 2,146,034	\$ -
Intergovernmental	-	-	7,663,780	-	86,731	-	-	-	-
Investment income	-	-	-	-	-	-	(8,243)	-	10,833
Miscellaneous	-	-	-	-	1,392	5,000	-	-	-
Total revenues	<u>7,991,619</u>	<u>2,520,920</u>	<u>7,663,780</u>	<u>-</u>	<u>88,123</u>	<u>5,000</u>	<u>862,077</u>	<u>2,146,034</u>	<u>10,833</u>
EXPENDITURES									
Current:									
General government	-	-	149,744	-	-	46,227	-	-	-
Public safety	-	-	-	-	75,150	-	-	-	-
Public works	-	-	5,918,189	-	-	-	-	-	-
Health and social services	1,482,911	-	-	-	-	-	-	-	-
Culture and recreation	389,070	-	-	-	-	-	-	-	-
Community and economic development	109,038	1,952,765	-	-	-	-	333,476	-	-
Capital outlay	632,646	-	1,725,559	-	-	-	-	-	-
Total expenditures	<u>2,613,665</u>	<u>1,952,765</u>	<u>7,793,492</u>	<u>-</u>	<u>75,150</u>	<u>46,227</u>	<u>333,476</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,377,954</u>	<u>568,155</u>	<u>(129,712)</u>	<u>-</u>	<u>12,973</u>	<u>(41,227)</u>	<u>528,601</u>	<u>2,146,034</u>	<u>10,833</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	144,197	-	-	-	-	-	-	-	-
Transfers out	(4,914,972)	(360,492)	-	-	-	-	(419,541)	(2,146,034)	(38,000)
Total other financing sources (uses)	<u>(4,770,775)</u>	<u>(360,492)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(419,541)</u>	<u>(2,146,034)</u>	<u>(38,000)</u>
Net change in fund balances	607,179	207,663	(129,712)	-	12,973	(41,227)	109,060	-	(27,167)
Fund balances, beginning	<u>6,499,404</u>	<u>871,267</u>	<u>6,725,667</u>	<u>10,187</u>	<u>60,600</u>	<u>555,434</u>	<u>(802,158)</u>	<u>-</u>	<u>347,606</u>
Fund balances, ending	<u>\$ 7,106,583</u>	<u>\$ 1,078,930</u>	<u>\$ 6,595,955</u>	<u>\$ 10,187</u>	<u>\$ 73,573</u>	<u>\$ 514,207</u>	<u>\$ (693,098)</u>	<u>\$ -</u>	<u>\$ 320,439</u>

City of Ames
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
Non-Major Special Revenue Funds
For the Year Ended June 30, 2019

	Parks & Recreation Programs	Library Donations	Project Share	Police & Fire Donations	CDBG	Animal Shelter Donations	Developers' Projects	Economic Development & Loans	Total Non-Major Special Revenue Funds
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,528,893
Intergovernmental	-	15,229	-	-	704,182	-	-	-	8,469,922
Investment income	3,802	11,706	-	-	-	7,779	1,469	-	27,346
Miscellaneous	24,083	216,460	17,604	100	289	59,413	36,974	5,205	366,520
Total revenues	27,885	243,395	17,604	100	704,471	67,192	38,443	5,205	22,392,681
EXPENDITURES									
Current:									
General government	-	-	-	-	-	-	-	-	195,971
Public safety	-	-	-	-	-	65,735	-	-	140,885
Public works	-	-	-	-	-	-	-	-	5,918,189
Health and social services	-	-	16,870	-	-	-	-	-	1,499,781
Culture and recreation	21,391	283,004	-	-	-	-	-	-	693,465
Community and economic development	-	-	-	-	708,352	-	-	-	3,103,631
Capital outlay	7,910	-	-	-	-	-	-	-	2,366,115
Total expenditures	29,301	283,004	16,870	-	708,352	65,735	-	-	13,918,037
Excess (deficiency) of revenues over (under) expenditures	(1,416)	(39,609)	734	100	(3,881)	1,457	38,443	5,205	8,474,644
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	144,197
Transfers out	-	-	-	-	-	-	-	-	(7,879,039)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	(7,734,842)
Net change in fund balances	(1,416)	(39,609)	734	100	(3,881)	1,457	38,443	5,205	739,802
Fund balances, beginning	122,312	375,652	11,654	2,833	1,103,543	253,635	187,653	541,961	16,867,250
Fund balances, ending	\$ 120,896	\$ 336,043	\$ 12,388	\$ 2,933	\$ 1,099,662	\$ 255,092	\$ 226,096	\$ 547,166	\$ 17,607,052

Non-Major Enterprise Funds

Enterprise funds are used to report activities for which a fee is charged to external users for goods or services.

Parking Lot Fund - to account for the operation of parking meters on streets and in designated parking lots.

Transit Fund - to account for operations of transit services.

Storm Sewer Utility Fund - to account for the fees paid by residents for the maintenance of the City's storm sewer system.

Ames/Iowa State University (ISU) Ice Arena Fund - to account for the operations of a recreational ice facility, which is jointly operated by the City and ISU.

Homewood Golf Course Fund - to account for the operations of a nine-hole golf course.

Resource Recovery Fund - to account for the operation of the City-owned resource recovery plant.

City of Ames
Combining Statement of Net Position
Non-Major Enterprise Funds
June 30, 2019

	Parking	Transit	Storm Sewer Utility	Ames / ISU Ice Arena	Homewood Golf Course	Resource Recovery	Total Non-Major Enterprise Funds
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 255,365	\$ 2,306,345	\$ 2,448,580	\$ 205,224	\$ 117,425	\$ 241,327	\$ 5,574,266
Investments	225,495	2,030,219	2,157,266	180,549	103,226	220,344	4,917,099
Accrued interest receivable	1,550	14,240	14,172	1,235	664	1,951	33,812
Accounts receivable, net	12,337	441,659	214,064	22,772	35	355,547	1,046,414
Due from other funds	-	234,020	5,824	-	677	69,016	309,537
Intergovernmental receivable	3,210	2,919,582	-	20,000	-	316,746	3,259,538
Inventories	9,342	326,532	-	5,189	1,951	-	343,014
Prepaid items	-	7,369	-	-	6,048	-	13,417
Total current assets	507,299	8,279,966	4,839,906	434,969	230,026	1,204,931	15,497,097
Noncurrent assets:							
Capital assets:							
Land	910,547	41,500	733,383	-	193,250	531,517	2,410,197
Land improvements	623,538	183,324	2,428,761	63,578	127,581	172,379	3,599,161
Buildings	-	26,525,600	-	1,870,329	87,003	11,342,409	39,825,341
Equipment	56,130	30,172,252	8,390	316,275	5,700	7,956,178	38,514,925
Construction in progress	-	106,135	1,193,100	-	-	-	1,299,235
Less accumulated depreciation	(625,704)	(27,652,623)	(361,873)	(1,289,858)	(186,775)	(14,131,424)	(44,248,257)
Total noncurrent assets	964,511	29,376,188	4,001,761	960,324	226,759	5,871,059	41,400,602
Total assets	1,471,810	37,656,154	8,841,667	1,395,293	456,785	7,075,990	56,897,699
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows related to OPEB	656	5,567	460	141	112	2,101	9,037
Deferred outflows related to pensions	98,818	1,541,497	45,123	44,013	17,998	258,499	2,005,948
Total deferred outflows of resources	99,474	1,547,064	45,583	44,154	18,110	260,600	2,014,985
LIABILITIES							
Current liabilities:							
Accounts payable	5,821	109,913	11,344	5,621	2,182	31,886	166,767
Accrued payroll	9,714	164,603	2,763	1,831	3,327	3,334	185,572
Accrued compensated absences	2,282	22,404	1,510	830	236	3,483	30,745
Due to other funds	38,748	262,538	68,057	4,373	7,259	82,463	463,438
Retainage payable	-	6,601	3,126	-	-	-	9,727
Accrued interest	-	-	-	-	-	1,932	1,932
Intergovernmental payable	-	5,719	983	279	624	45,394	52,999
Accrued landfill post-closure costs	-	-	-	-	-	16,923	16,923
Bonds payable, net	-	-	-	-	-	145,855	145,855
Unearned revenue	8,800	-	-	-	-	-	8,800
Total current liabilities	65,365	571,778	87,783	12,934	13,628	331,270	1,082,758
Noncurrent liabilities:							
Accrued compensated absences	39,603	411,355	22,266	14,388	2,865	47,120	537,597
Accrued other post-employment benefits	20,970	178,011	14,696	4,499	3,591	67,200	288,967
Net pension liability	351,591	5,152,138	157,378	145,532	65,667	873,350	6,745,656
Accrued landfill post-closure costs	-	-	-	-	-	74,738	74,738
Bonds payable, net	-	-	-	-	-	748,498	748,498
Total noncurrent liabilities	412,164	5,741,504	194,340	164,419	72,123	1,810,906	8,395,456
Total liabilities	477,529	6,313,282	282,123	177,353	85,751	2,142,176	9,478,214
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows related to OPEB	436	3,708	306	94	75	1,399	6,018
Deferred inflows related to pensions	13,421	217,971	10,167	9,322	4,574	55,997	311,452
	13,857	221,679	10,473	9,416	4,649	57,396	317,470
NET POSITION							
Net investment in capital assets	964,511	29,376,188	4,001,761	960,324	226,759	4,976,706	40,506,249
Unrestricted	115,387	3,292,069	4,592,893	292,354	157,736	160,312	8,610,751
Total net position	\$ 1,079,898	\$ 32,668,257	\$ 8,594,654	\$ 1,252,678	\$ 384,495	\$ 5,137,018	\$ 49,117,000

City of Ames
Combining Statement of Revenues, Expenses, and Changes in Net Position
Non-Major Enterprise Funds
For the Year Ended June 30, 2019

	Parking	Transit	Storm Sewer	Ames / ISU Ice Arena	Homewood Golf Course	Resource Recovery	Total Non-Major Enterprise Funds
Operating revenues:							
Charges for services	\$ 1,011,601	\$ 6,803,540	\$ 1,842,228	\$ 475,197	\$ 179,367	\$ 2,879,813	\$ 13,191,746
Operating expenses:							
Cost of goods and services	920,859	9,252,857	228,211	557,538	253,921	3,752,602	14,965,988
Administration	67,226	2,187,843	10,008	-	-	241,051	2,506,128
Depreciation	9,273	2,694,881	48,575	103,143	8,062	548,448	3,412,382
Total operating expenses	997,358	14,135,581	286,794	660,681	261,983	4,542,101	20,884,498
Operating income (loss)	14,243	(7,332,041)	1,555,434	(185,484)	(82,616)	(1,662,288)	(7,692,752)
Non-operating revenues (expenses):							
Intergovernmental	-	3,596,230	-	-	-	9,716	3,605,946
Reimbursements	-	76,658	-	-	-	305,025	381,683
Investment income	15,970	163,480	136,166	11,182	6,387	22,360	355,545
Interest expense	-	-	-	-	-	(19,899)	(19,899)
Gain on disposal of capital assets	-	8,354	-	-	-	-	8,354
Miscellaneous	-	18,448	-	40,520	72,421	935	132,324
Total non-operating revenues	15,970	3,863,170	136,166	51,702	78,808	318,137	4,463,953
Income (loss) before capital contributions and transfers	30,213	(3,468,871)	1,691,600	(133,782)	(3,808)	(1,344,151)	(3,228,799)
Capital contributions	-	806,187	-	20,000	-	-	826,187
Transfers in	-	1,900,843	-	20,000	-	522,533	2,443,376
Change in net position	30,213	(761,841)	1,691,600	(93,782)	(3,808)	(821,618)	40,764
Net position, beginning	1,049,685	33,430,098	6,903,054	1,346,460	388,303	5,958,636	49,076,236
Net position, ending	<u>\$ 1,079,898</u>	<u>\$ 32,668,257</u>	<u>\$ 8,594,654</u>	<u>\$ 1,252,678</u>	<u>\$ 384,495</u>	<u>\$ 5,137,018</u>	<u>\$ 49,117,000</u>

City of Ames
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the Year Ended June 30, 2019

	Parking	Transit	Storm Sewer Utility	Ames / ISU Ice Arena	Homewood Golf Course	Resource Recovery	Total Non-Major Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 1,004,473	\$ 5,977,842	\$ 1,841,950	\$ 472,803	\$ 179,459	\$ 2,698,605	\$ 12,175,132
Payments to suppliers	(135,395)	(2,960,654)	232,122	(270,188)	(84,835)	(1,922,814)	(5,141,764)
Payments to employees	(652,387)	(7,885,205)	(342,711)	(276,617)	(121,421)	(1,403,721)	(10,682,062)
Payments to other funds for services provided	(156,375)	(353,790)	(210,400)	(49,536)	(47,579)	(702,373)	(1,520,053)
Net cash provided by (used for) operating activities	60,316	(5,221,807)	1,520,961	(123,538)	(74,376)	(1,330,303)	(5,168,747)
CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES							
Operating grants	-	3,596,230	-	-	-	9,716	3,605,946
Reimbursements	-	76,658	-	-	-	305,025	381,683
Miscellaneous income	-	18,448	-	40,520	72,421	935	132,324
Transfers in	-	1,900,843	-	20,000	-	522,533	2,443,376
Net cash provided by non-capital financing activities	-	5,592,179	-	60,520	72,421	838,209	6,563,329
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition and construction of capital assets	-	(1,190,469)	(981,973)	-	-	(31,623)	(2,204,065)
Proceeds from the sale of capital assets	-	9,354	-	-	-	-	9,354
Principal paid on capital debt	-	-	-	-	-	(140,000)	(140,000)
Interest paid on capital debt	-	-	-	-	-	(25,987)	(25,987)
Capital contributions	-	806,187	-	20,000	-	-	826,187
Net cash provided by (used for) capital and related financing activities	-	(374,928)	(981,973)	20,000	-	(197,610)	(1,534,511)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of investments	(82,297)	(282,286)	(747,070)	(6,074)	(11,841)	(268,322)	(1,397,890)
Proceeds from sale of investments	39,560	135,695	359,115	12,636	5,692	558,188	1,110,886
Interest on investments	15,342	159,181	130,437	10,903	6,193	23,414	345,470
Net cash provided by (used for) investing activities	(27,395)	12,590	(257,518)	17,465	44	313,280	58,466
Net increase (decrease) in cash and cash equivalents	32,921	8,034	281,470	(25,553)	(1,911)	(376,424)	(81,463)
Cash and cash equivalents, beginning	222,444	2,298,311	2,167,110	230,777	119,336	617,751	5,655,729
Cash and cash equivalents, ending	\$ 255,365	\$ 2,306,345	\$ 2,448,580	\$ 205,224	\$ 117,425	\$ 241,327	\$ 5,574,266

City of Ames
Combining Statement of Cash Flows (continued)
Non-Major Enterprise Funds
For the Year Ended June 30, 2019

	Parking	Transit	Storm Sewer Utility	Ames / ISU Ice Arena	Homewood Golf Course	Resource Recovery	Total Non-Major Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:							
Operating income (loss)	\$ 14,243	\$ (7,332,041)	\$ 1,555,434	\$ (185,484)	\$ (82,616)	\$ (1,662,288)	\$ (7,692,752)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:							
Depreciation expense	9,273	2,694,881	48,575	103,143	8,062	548,448	3,412,382
Increase in accounts receivable	(7,271)	(316,078)	(10,385)	(2,547)	(35)	(239,800)	(576,116)
(Increase) decrease in due from other funds	-	(221,412)	10,107	-	127	(67,743)	(278,921)
(Increase) decrease in intergovernmental receivable	(1,957)	(288,208)	-	153	-	126,335	(163,677)
(Increase) decrease in inventories	91	(26,801)	-	(1,426)	(476)	-	(28,612)
Decrease in prepaid items	1,262	11,081	-	-	384	-	12,727
Increase in deferred outflows of resources	(350)	(9,953)	(632)	(270)	(160)	(2,810)	(14,175)
Increase (decrease) in accounts payable	1,630	(135,315)	(8,752)	(41,045)	(1,028)	(22,606)	(207,116)
Increase (decrease) in accrued payroll	(1,806)	9,320	(7,821)	(374)	(599)	1,663	383
Increase in accrued compensated absences	7,024	2,231	3,548	602	59	329	13,793
Increase (decrease) in due to other funds	24,007	231,817	(47,767)	756	(188)	8,921	217,546
Decrease in retainage payable	-	(7,515)	(28,866)	(2,242)	-	-	(38,623)
Increase (decrease) in intergovernmental payable	(456)	(7,427)	234	156	118	(5,932)	(13,307)
Decrease in accrued landfill post-closure costs	-	-	-	-	-	(45,427)	(45,427)
Increase in unearned revenue	2,100	-	-	-	-	-	2,100
Increase in post-employment benefits	1,445	12,265	1,012	310	247	4,630	19,909
Increase in pension liability	1,867	19,896	776	583	214	3,213	26,549
Decrease in deferred inflows of resources	9,214	141,452	5,498	4,147	1,515	22,764	184,590
Total adjustments	46,073	2,110,234	(34,473)	61,946	8,240	331,985	2,524,005
Net cash provided by (used for) operating activities	\$ 60,316	\$ (5,221,807)	\$ 1,520,961	\$ (123,538)	\$ (74,376)	\$ (1,330,303)	\$ (5,168,747)

Internal Service Funds

Internal service funds are used to account for services provided to other departments or agencies of the government, or to other governments on a cost-reimbursement basis.

Fleet Services Fund - to account for capital equipment other than those accounted for in other funds. A central garage is used and appropriate charges are made to other City departments for maintenance and replacement.

Information Technology Fund - to account for all information technology services provided to City departments.

Risk Management Fund - to account for the self-insured workers' compensation insurance and all other insurance premiums and claims payments, other than for health insurance.

Health Insurance Fund - to account for self-insured health insurance claims payments and stop-loss premiums.

City of Ames
Combining Statement of Net Position
Internal Service Funds
June 30, 2019

	Fleet Services	Information Technology	Risk Management	Health Insurance	Total Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 5,534,050	\$ 1,200,074	\$ 1,383,211	\$ 3,176,754	\$ 11,294,089
Investments	4,888,246	1,066,409	1,222,659	2,811,811	9,989,125
Accrued interest receivable	32,659	7,283	7,983	17,944	65,869
Accounts receivable, net	2,691	-	14,527	318,235	335,453
Due from other funds	811,423	279,084	-	-	1,090,507
Intergovernmental receivable	23,305	26,268	-	600	50,173
Inventories	86,768	-	-	-	86,768
Prepaid items	1,618	163,279	215	-	165,112
Total current assets	<u>11,380,760</u>	<u>2,742,397</u>	<u>2,628,595</u>	<u>6,325,344</u>	<u>23,077,096</u>
Noncurrent assets:					
Capital assets:					
Land improvements	-	192,433	-	-	192,433
Buildings	884,494	-	-	-	884,494
Equipment	16,607,159	2,752,190	-	-	19,359,349
Less accumulated depreciation	(8,921,111)	(1,907,411)	-	-	(10,828,522)
Total noncurrent assets	<u>8,570,542</u>	<u>1,037,212</u>	<u>-</u>	<u>-</u>	<u>9,607,754</u>
Total assets	<u>19,951,302</u>	<u>3,779,609</u>	<u>2,628,595</u>	<u>6,325,344</u>	<u>32,684,850</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to OPEB	1,568	1,342	59	147	3,116
Deferred outflows related to pensions	152,997	93,454	25,756	28,375	300,582
Total deferred outflows of resources	<u>154,565</u>	<u>94,796</u>	<u>25,815</u>	<u>28,522</u>	<u>303,698</u>
LIABILITIES					
Current liabilities:					
Accounts payable	55,029	3,097	40,745	138,760	237,631
Accrued payroll	14,297	1,669	-	-	15,966
Accrued compensated absences	2,283	2,808	382	148	5,621
Due to other funds	49,523	233,508	326	10,527	293,884
Claims payable	-	-	702,201	720,000	1,422,201
Intergovernmental payable	28,641	410	-	3,719	32,770
Total current liabilities	<u>149,773</u>	<u>241,492</u>	<u>743,654</u>	<u>873,154</u>	<u>2,008,073</u>
Noncurrent liabilities:					
Accrued compensated absences	31,673	57,578	4,205	1,658	95,114
Accrued other post-employment benefits	50,132	42,910	1,899	4,685	99,626
Net pension liability	520,884	331,256	72,896	85,792	1,010,828
Total noncurrent liabilities	<u>602,689</u>	<u>431,744</u>	<u>79,000</u>	<u>92,135</u>	<u>1,205,568</u>
Total liabilities	<u>752,462</u>	<u>673,236</u>	<u>822,654</u>	<u>965,289</u>	<u>3,213,641</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to OPEB	1,044	894	39	98	2,075
Deferred inflows related to pensions	22,005	7,498	19,820	8,425	57,748
Total deferred inflows of resources	<u>23,049</u>	<u>8,392</u>	<u>19,859</u>	<u>8,523</u>	<u>59,823</u>
NET POSITION					
Net investment in capital assets	8,570,542	1,037,212	-	-	9,607,754
Unrestricted	10,759,814	2,155,565	1,811,897	5,380,054	20,107,330
Total net position	<u>\$ 19,330,356</u>	<u>\$ 3,192,777</u>	<u>\$ 1,811,897</u>	<u>\$ 5,380,054</u>	<u>\$ 29,715,084</u>

City of Ames
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2019

	Fleet Services	Information Technology	Risk Management	Health Insurance	Total Internal Service Funds
Operating revenues:					
Charges for services	\$ 4,335,555	\$ 2,716,822	\$ 2,508,379	\$ 9,882,908	\$ 19,443,664
Operating expenses:					
Cost of goods and services	2,472,902	2,426,672	2,054,331	9,167,479	16,121,384
Depreciation	1,111,561	245,557	-	-	1,357,118
Total operating expenses	3,584,463	2,672,229	2,054,331	9,167,479	17,478,502
Operating income (loss)	751,092	44,593	454,048	715,429	1,965,162
Non-operating revenues:					
Investment income	312,209	54,413	55,034	170,501	592,157
Loss on disposal of capital assets	(18,594)	-	-	-	(18,594)
Total non-operating revenues	293,615	54,413	55,034	170,501	573,563
Change in net position	1,044,707	99,006	509,082	885,930	2,538,725
Net position, beginning	18,285,649	3,093,771	1,302,815	4,494,124	27,176,359
Net position, ending	<u>\$ 19,330,356</u>	<u>\$ 3,192,777</u>	<u>\$ 1,811,897</u>	<u>\$ 5,380,054</u>	<u>\$ 29,715,084</u>

City of Ames
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2019

	Fleet Services	Information Technology	Risk Management	Health Insurance	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 4,267,508	\$ 2,620,005	\$ 2,508,679	\$ 9,567,450	\$ 18,963,642
Payments to suppliers	(1,209,426)	(1,223,450)	(2,044,826)	(8,734,049)	(13,211,751)
Payments to employees	(844,697)	(966,987)	(121,907)	(184,397)	(2,117,988)
Payments to other funds for services provided	(483,670)	(337,744)	(7,015)	(18,594)	(847,023)
Net cash provided by operating activities	<u>1,729,715</u>	<u>91,824</u>	<u>334,931</u>	<u>630,410</u>	<u>2,786,880</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(1,061,012)	(138,524)	-	-	(1,199,536)
Proceeds from the sale of capital assets	133,903	-	-	-	133,903
Net cash used for capital and related financing activities	<u>(927,109)</u>	<u>(138,524)</u>	<u>-</u>	<u>-</u>	<u>(1,065,633)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(1,333,380)	(93,661)	(437,215)	(911,804)	(2,776,060)
Proceeds from sale of investments	640,956	45,023	210,169	438,304	1,334,452
Interest on investments	299,933	52,256	51,794	163,530	567,513
Net cash provided by (used for) investing activities	<u>(392,491)</u>	<u>3,618</u>	<u>(175,252)</u>	<u>(309,970)</u>	<u>(874,095)</u>
Net increase (decrease) in cash and cash equivalents	410,115	(43,082)	159,679	320,440	847,152
Cash and cash equivalents, beginning	5,123,935	1,243,156	1,223,532	2,856,314	10,446,937
Cash and cash equivalents, ending	<u>\$ 5,534,050</u>	<u>\$ 1,200,074</u>	<u>\$ 1,383,211</u>	<u>\$ 3,176,754</u>	<u>\$ 11,294,089</u>

City of Ames
Combining Statement of Cash Flows (continued)
Internal Service Funds
For the Year Ended June 30, 2019

	Fleet Services	Information Technology	Risk Management	Health Insurance	Total Internal Service Funds
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	\$ 751,092	\$ 44,593	\$ 454,048	\$ 715,429	\$ 1,965,162
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation expense	1,111,561	245,557	-	-	1,357,118
(Increase) decrease in accounts receivable	29,939	1,500	300	(315,899)	(284,160)
(Increase) decrease in due from other funds	56,617	(74,306)	-	-	(17,689)
(Increase) decrease in intergovernmental receivable	(20,700)	(24,011)	-	441	(44,270)
Decrease in inventories	6,712	-	-	-	6,712
(Increase) decrease in prepaid items	1,554	(51,533)	(215)	-	(50,194)
Increase in deferred outflows of resources	(2,000)	(1,547)	(125)	(240)	(3,912)
Increase (decrease) in accounts payable	(39,222)	(134,270)	(38,107)	113,390	(98,209)
Increase in accrued payroll	647	10	-	-	657
Increase (decrease) in accrued compensated absences	(1,763)	(31,983)	2,056	(1,820)	(33,510)
Increase (decrease) in due to other funds	(198,742)	107,386	135	(5,952)	(97,173)
Increase (decrease) in claims payable	-	-	(85,745)	120,000	34,255
Increase in intergovernmental payable	14,740	-	-	1,330	16,070
Increase in post-employment benefits	3,454	2,957	131	323	6,865
Increase in pension liability	1,960	930	302	420	3,612
Increase in deferred inflows of resources	13,866	6,541	2,151	2,988	25,546
Total adjustments	978,623	47,231	(119,117)	(85,019)	821,718
Net cash provided by operating activities	\$ 1,729,715	\$ 91,824	\$ 334,931	\$ 630,410	\$ 2,786,880

Fiduciary Funds

Agency Funds

Agency funds are used to account for short-term custodial collections on resources on behalf of another individual, entity, or government.

Payroll Clearing Fund - to hold payroll taxes withheld from employees until they are paid to the appropriate authorities.

Flex Benefits Fund - to hold Section 125 flex benefits withheld from employees.

City of Ames
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2019

	Payroll Clearing	Flex Benefits	Total
ASSETS			
Cash and cash equivalents	\$ 179,199	\$ 37,977	\$ 217,176
Accounts receivable, net	23	22	45
Intergovernmental receivable	-	176	176
Investments	161,147	-	161,147
Total assets	<u>\$ 340,369</u>	<u>\$ 38,175</u>	<u>\$ 378,544</u>
LIABILITIES			
Accounts payable	\$ 2,400	\$ 38,175	\$ 40,575
Due to other governments	337,969	-	337,969
Total liabilities	<u>\$ 340,369</u>	<u>\$ 38,175</u>	<u>\$ 378,544</u>

City of Ames
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2019

	Total Agency Funds			
	Balance			Balance
	07/01/18	Additions	Deductions	06/30/19
ASSETS				
Cash and cash equivalents	\$ 275,219	\$ 31,140,344	\$ 31,198,387	\$ 217,176
Accounts receivable, net	458	102	515	45
Intergovernmental receivable	-	176	-	176
Investments	177,485	14,212	30,550	161,147
Total assets	<u>\$ 453,162</u>	<u>\$ 31,154,834</u>	<u>\$ 31,229,452</u>	<u>\$ 378,544</u>
LIABILITIES				
Accounts payable	\$ 54,578	\$ 33,003,877	\$ 33,017,880	\$ 40,575
Due to other governments	398,584	18,678,096	18,738,711	337,969
Total liabilities	<u>\$ 453,162</u>	<u>\$ 51,681,973</u>	<u>\$ 51,756,591</u>	<u>\$ 378,544</u>
Payroll Clearing Fund				
	Balance			Balance
	07/01/18	Additions	Deductions	06/30/19
ASSETS				
Cash and cash equivalents	\$ 220,641	\$ 30,093,656	\$ 30,135,098	\$ 179,199
Accounts receivable, net	458	80	515	23
Investments	177,485	14,212	30,550	161,147
Total assets	<u>\$ 398,584</u>	<u>\$ 30,107,948</u>	<u>\$ 30,166,163</u>	<u>\$ 340,369</u>
LIABILITIES				
Accounts payable	\$ -	\$ 32,590,673	\$ 32,588,273	\$ 2,400
Due to other governments	398,584	18,678,096	18,738,711	337,969
	<u>\$ 398,584</u>	<u>\$ 51,268,769</u>	<u>\$ 51,326,984</u>	<u>\$ 340,369</u>
Flexible Benefits Fund				
	Balance			Balance
	07/01/18	Additions	Deductions	06/30/19
ASSETS				
Cash and cash equivalents	\$ 54,578	\$ 1,046,688	\$ 1,063,289	\$ 37,977
Accounts receivable, net	-	22	-	22
Intergovernmental receivable	-	176	-	176
Total assets	<u>\$ 54,578</u>	<u>\$ 1,046,886</u>	<u>\$ 1,063,289</u>	<u>\$ 38,175</u>
LIABILITIES				
Accounts payable	<u>\$ 54,578</u>	<u>\$ 413,204</u>	<u>\$ 429,607</u>	<u>\$ 38,175</u>

Statistical Section

STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	127
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	132
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.</i>	136
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	142
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	144

City of Ames
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 115,002,627	\$ 110,348,921	\$ 111,810,541	\$ 112,305,532	\$ 116,792,110	\$ 120,231,602	\$ 129,469,743	\$ 137,632,652	\$ 141,703,409	\$ 144,730,839
Restricted	14,864,552	15,338,746	20,794,194	12,081,140	18,009,657	19,525,973	19,116,323	20,842,946	21,714,454	22,260,410
Unrestricted	10,530,303	15,638,160	12,237,776	21,194,735	15,726,615	(2,573,072)	871,100	783,394	1,139,151	3,346,885
Total governmental activities	140,397,482	141,325,827	144,842,511	145,581,407	150,528,382	137,184,503	149,457,166	159,258,992	164,557,014	170,338,134
Business-type activities										
Net investment in capital assets	239,942,242	243,495,813	251,498,597	272,253,133	277,649,147	303,949,791	317,734,901	320,823,796	308,134,898	311,786,131
Restricted	2,717,216	2,708,889	2,814,032	1,001,294	1,015,822	1,027,652	2,262,200	2,425,524	2,458,169	2,554,924
Unrestricted	169,009,627	218,617,981	249,745,121	268,805,782	310,375,526	261,830,409	258,217,652	304,183,289	353,749,237	382,923,270
Total business-type activities	411,669,085	464,822,683	504,057,750	542,060,209	589,040,495	566,807,852	578,214,753	627,432,609	664,342,304	697,264,325
Primary government										
Net investment in capital assets	354,944,869	353,844,734	363,309,138	384,558,665	394,441,257	424,181,393	447,204,644	458,456,448	449,838,307	456,516,970
Restricted	17,581,768	18,047,635	23,608,226	13,082,434	19,025,479	20,553,625	21,378,523	23,268,470	24,172,623	24,815,334
Unrestricted	179,539,930	234,256,141	261,982,897	290,000,517	326,102,141	259,257,337	259,088,752	304,966,683	354,888,388	386,270,155
Total primary government	\$ 552,066,567	\$ 606,148,510	\$ 648,900,261	\$ 687,641,616	\$ 739,568,877	\$ 703,992,355	\$ 727,671,919	\$ 786,691,601	\$ 828,899,318	\$ 867,602,459

City of Ames
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 2,492,116	\$ 2,629,067	\$ 2,559,365	\$ 2,755,166	\$ 2,915,560	\$ 4,165,152	\$ 2,686,082	\$ 3,136,291	\$ 4,044,800	\$ 3,141,379
Public safety	13,133,701	14,281,351	15,144,853	15,589,369	15,943,465	12,730,107	15,524,747	17,292,304	18,202,532	18,951,047
Public works	13,780,841	16,339,571	14,938,688	15,352,458	12,721,868	12,482,265	13,650,452	13,698,162	15,667,469	16,929,643
Health and social services	1,151,848	1,250,292	1,159,849	1,005,458	1,078,118	1,161,242	1,180,361	1,342,880	1,293,038	1,499,781
Culture and recreation	7,043,477	7,703,519	8,818,851	9,082,953	8,536,548	9,857,775	9,770,521	9,872,288	10,989,672	11,059,949
Community and economic development	3,042,375	4,262,698	2,875,118	2,366,904	2,477,986	2,972,753	2,898,115	3,461,393	3,257,359	4,025,768
Interest	1,471,758	1,469,661	1,298,010	1,369,323	2,174,303	1,577,883	1,635,789	1,592,039	1,532,790	1,534,075
Total governmental activities	42,116,116	47,936,159	46,794,734	47,521,631	45,847,848	44,947,177	47,346,067	50,395,357	54,987,660	57,141,642
Business-type activities:										
Mary Greeley Medical Center	146,809,782	146,292,855	155,374,830	160,369,431	161,792,473	168,891,942	176,918,607	182,728,675	185,267,383	186,917,186
Electric	41,642,821	48,241,832	50,159,375	52,411,173	54,791,141	53,024,205	54,906,155	58,618,483	60,617,830	62,322,757
Sewer	6,923,605	6,719,787	7,956,963	9,122,173	7,848,323	7,435,226	7,229,003	7,574,949	8,558,520	8,826,479
Water	6,827,194	7,099,299	6,630,919	6,856,515	6,894,305	6,866,001	7,383,824	8,122,396	11,766,957	9,841,869
Parking	819,988	805,253	767,154	846,825	876,916	888,452	900,939	887,679	891,229	975,126
Transit	8,682,833	10,010,387	10,002,499	10,629,183	11,391,087	11,859,395	12,216,003	13,208,178	13,794,474	14,004,166
Storm sewer	782,489	917,771	918,495	655,522	467,378	644,411	557,890	1,231,885	420,171	270,883
Ice arena	565,303	526,660	521,670	606,215	578,163	584,702	605,291	602,774	651,714	650,947
Golf course	218,021	230,698	232,689	211,279	206,620	253,997	243,309	258,459	227,798	254,380
Resource recovery	3,855,039	4,310,188	4,184,929	4,375,362	4,670,459	4,577,441	4,320,344	4,619,859	4,485,732	4,478,297
Total business-type activities	217,127,075	225,154,730	236,749,523	246,083,678	249,516,865	255,025,772	265,281,365	277,853,337	286,681,808	288,542,090
Total expenses	259,243,191	273,090,889	283,544,257	293,605,309	295,364,713	299,972,949	312,627,432	328,248,694	341,669,468	345,683,732
Program Revenues										
Governmental activities:										
Charges for services:										
General government	1,308,062	1,404,478	118,459	130,627	163,655	134,239	172,126	203,609	158,792	123,407
Public safety	2,371,581	2,571,060	2,864,844	3,194,059	3,433,170	3,652,787	3,345,400	3,768,480	3,421,439	3,476,553
Public works	5,865,263	5,231,237	6,601,518	6,026,315	295,874	715,898	277,437	268,565	2,737,534	310,035
Culture and recreation	1,326,197	1,490,008	2,031,204	1,980,793	1,974,037	2,029,655	1,939,498	2,135,274	2,131,253	2,158,429
Other activities	34,005	24,163	7,630	11,140	15,925	23,015	24,615	25,660	21,132	15,082
Operating grants and contributions	2,524,027	2,758,176	1,091,752	1,192,687	6,940,124	7,173,301	8,521,814	8,681,507	8,546,037	8,950,597
Capital grants and contributions	6,256,045	4,742,929	4,985,082	3,211,001	3,516,122	1,632,753	6,822,367	6,664,323	3,285,174	3,426,018
Total governmental activities	19,685,180	18,222,051	17,700,489	15,746,622	16,338,907	15,361,648	21,103,257	21,747,418	20,301,361	18,460,121

City of Ames
Changes in Net Position (continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type activities:										
Charges for services										
Mary Greeley Medical Center	156,880,212	160,115,058	171,389,850	175,011,409	174,265,003	184,201,460	181,534,863	189,944,553	194,988,247	192,530,036
Electric	50,113,108	57,545,144	57,195,559	57,353,200	60,016,205	56,636,062	58,511,422	64,339,637	68,660,541	68,342,980
Sewer	5,171,859	5,402,162	6,188,602	6,648,263	7,491,746	8,267,051	8,370,811	8,856,136	9,175,876	9,172,812
Water	7,516,283	7,650,007	8,824,494	9,125,922	9,647,203	9,584,813	9,987,307	10,502,276	10,620,863	10,414,170
Parking	762,746	872,625	779,976	883,899	870,246	891,983	925,177	899,705	829,993	1,011,601
Transit	4,626,529	5,588,406	4,828,097	5,108,154	5,463,677	5,814,552	6,337,415	6,576,578	6,746,369	6,803,540
Storm sewer	984,077	957,122	1,155,583	1,136,621	1,179,495	1,215,233	1,241,840	1,700,529	1,817,030	1,842,228
Ice arena	433,628	472,015	475,743	471,760	507,203	532,001	544,300	481,831	504,884	475,197
Golf course	246,357	220,388	235,824	220,643	256,221	248,853	268,440	191,186	184,601	179,367
Resource recovery	3,676,954	4,374,268	3,583,946	3,731,936	3,469,877	3,687,927	3,031,997	3,314,210	2,719,456	2,879,813
Operating grants and contributions	2,922,399	2,567,137	2,751,186	2,723,226	3,059,305	3,161,366	3,405,067	5,062,412	4,961,244	4,437,834
Capital grants and contributions	5,819,635	5,541,433	8,991,024	8,604,246	4,708,511	3,304,381	1,474,384	4,752,319	1,728,763	3,097,169
Total business-type activities	239,153,787	251,305,765	266,399,884	271,019,279	270,934,692	277,545,682	275,633,023	296,621,372	302,937,867	301,186,747
Total program revenues	258,838,967	269,527,816	284,100,373	286,765,901	287,273,599	292,907,330	296,736,280	318,368,790	323,239,228	319,646,868
Net (expense) / revenue										
Governmental activities	(22,430,936)	(29,714,108)	(29,094,245)	(31,775,009)	(29,508,941)	(29,585,529)	(26,242,810)	(28,647,939)	(34,686,299)	(38,681,521)
Business-type activities	34,178,690	41,245,154	34,269,756	24,851,014	28,028,817	20,607,251	31,340,007	25,084,530	16,256,059	12,644,657
Total net (expense) / revenue	11,747,754	11,531,046	5,175,511	(6,923,995)	(1,480,124)	(8,978,278)	5,097,197	(3,563,409)	(18,430,240)	(26,036,864)
General revenues										
Governmental activities:										
Taxes										
Property taxes	22,215,888	22,821,388	23,485,295	23,913,389	25,273,931	25,988,892	27,114,273	28,166,804	29,680,915	31,204,329
Sales taxes	5,954,773	6,117,664	6,935,154	6,655,355	6,648,615	7,996,943	7,831,295	7,711,124	7,681,519	7,991,619
Hotel / motel taxes	1,142,162	1,416,830	1,518,571	1,760,462	1,845,940	2,113,310	2,272,323	2,435,756	2,412,667	2,515,468
Unrestricted grants and contributic	15,842	15,990	17,040	17,726	17,819	19,108	20,527	20,565	22,146	23,589
Investment income	673,003	499,004	436,302	18,067	544,414	455,916	699,289	211,126	689,377	2,190,478
Other income	-	-	314,699	120,071	118,097	133,787	450,340	251,997	1,214,979	759,997
Gain on disposal of assets	-	-	127,182	16,084	25,501	63,228	140,825	118,389	6,039	-
Transfers	351,946	(228,423)	(223,314)	12,751	(18,401)	117,020	(13,399)	(465,996)	(1,604,405)	(222,839)
Total governmental activities	30,353,614	30,642,453	32,610,929	32,513,905	34,455,916	36,888,204	38,515,473	38,449,765	40,103,237	44,462,641
Business-type activities:										
Investment income	11,575,051	17,372,875	4,197,199	13,003,757	26,013,566	8,201,914	1,001,761	27,543,163	18,271,065	19,708,701
Other income	-	-	-	40,761	66,660	64,714	40,083	417,879	427,961	337,470
Gain on disposal of assets	1,151	18,421	5,164,193	35,091	551,139	25,700	-	48,479	12,078	8,354
Special item	-	9,382,844	-	-	-	-	-	-	-	-
Transfers	(351,946)	228,423	223,314	(12,751)	18,401	(117,020)	13,399	465,996	1,604,405	222,839
Total business-type activities	11,224,256	27,002,563	9,584,706	13,066,858	26,649,766	8,175,308	1,055,243	28,475,517	20,315,509	20,277,364
Total primary government	41,577,870	57,645,016	42,195,635	45,580,763	61,105,682	45,063,512	39,570,716	66,925,282	60,418,746	64,740,005
Change in net position										
Governmental activities	7,922,678	928,345	3,516,684	738,896	4,946,975	7,302,675	12,272,663	9,801,826	5,416,938	5,781,120
Business-type activities	45,402,946	68,247,717	43,854,462	37,917,872	54,678,583	28,782,559	32,395,250	53,560,047	36,571,568	32,922,021
Total change in net position	\$ 53,325,624	\$ 69,176,062	\$ 47,371,146	\$ 38,656,768	\$ 59,625,558	\$ 36,085,234	\$ 44,667,913	\$ 63,361,873	\$ 41,988,506	\$ 38,703,141

City of Ames
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund										
Nonspendable	\$ 68,171	\$ 97,918	\$ 96,235	\$ 73,623	\$ 68,428	\$ 90,538	\$ 141,713	\$ 172,236	\$ 237,381	\$ 240,990
Assigned	74,962	124,097	147,752	382,930	253,059	296,803	725,077	809,033	580,004	402,312
Unassigned	7,248,755	7,751,289	7,924,363	7,902,465	9,046,946	10,332,050	11,137,621	11,270,733	10,824,689	12,119,527
Total general fund	<u>\$ 7,391,888</u>	<u>\$ 7,973,304</u>	<u>\$ 8,168,350</u>	<u>\$ 8,359,018</u>	<u>\$ 9,368,433</u>	<u>\$ 10,719,391</u>	<u>\$ 12,004,411</u>	<u>\$ 12,252,002</u>	<u>\$ 11,642,074</u>	<u>\$ 12,762,829</u>
All other governmental funds										
Nonspendable	2,063,375	1,999,501	1,976,152	2,019,699	1,998,143	2,007,044	2,023,387	2,059,985	2,038,896	2,081,395
Restricted	17,214,109	16,940,269	24,621,403	47,672,976	30,630,963	31,882,923	30,000,397	31,507,537	32,769,654	35,581,189
Committed	6,239,090	5,577,769	1,399,913	1,547,185	1,461,826	1,397,635	2,013,730	1,978,585	1,988,318	2,064,956
Assigned	678,764	1,259,956	316,669	-	-	-	71,393	-	-	-
Unassigned	-	(470,818)	(308,456)	(669,214)	(448,098)	(1,811,003)	(2,479,002)	(2,741,760)	(1,309,206)	(2,483,786)
Total all other governmental funds	<u>\$ 26,195,338</u>	<u>\$ 25,306,677</u>	<u>\$ 28,005,681</u>	<u>\$ 50,570,646</u>	<u>\$ 33,642,834</u>	<u>\$ 33,476,599</u>	<u>\$ 31,629,905</u>	<u>\$ 32,804,347</u>	<u>\$ 35,487,662</u>	<u>\$ 37,243,754</u>

City of Ames
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
REVENUES										
Taxes	\$ 29,312,823	\$ 30,355,882	\$ 31,908,563	\$ 32,319,668	\$ 33,755,016	\$ 36,080,369	\$ 37,207,916	\$ 38,313,146	\$ 39,760,873	\$ 41,716,868
Special assessments	301,709	238,106	217,885	306,761	16,590	362,306	222,895	298,227	564,860	321,318
Licenses and permits	1,068,920	1,138,714	1,327,206	1,707,463	1,892,634	2,017,035	1,687,317	2,059,688	1,635,289	1,554,088
Intergovernmental	11,276,398	11,408,113	9,098,425	9,084,528	10,658,992	8,277,965	14,500,743	10,983,498	11,815,543	10,242,731
Charges for services	3,643,428	3,969,212	4,039,097	3,298,578	3,393,715	3,517,164	3,596,467	3,798,813	3,914,432	4,066,129
Fines and forfeitures	180,059	196,748	214,641	111,014	146,485	138,720	93,652	67,584	65,504	43,614
Investment income	664,464	635,176	320,693	70,115	419,786	404,297	529,364	169,673	530,341	1,598,321
Miscellaneous	412,881	476,659	3,027,255	1,219,633	863,337	825,429	852,639	930,506	1,856,014	1,231,347
Total revenues	46,860,682	48,418,610	50,153,765	48,117,760	51,146,555	51,623,285	58,690,993	56,621,135	60,142,856	60,774,416
EXPENDITURES										
Current:										
General government	2,286,774	2,398,630	2,405,265	2,906,491	2,720,623	3,308,736	2,655,547	3,520,312	3,806,110	2,965,150
Public safety	13,250,208	14,252,764	14,938,537	15,287,766	15,839,280	16,237,949	16,664,555	17,097,771	17,703,682	18,624,774
Public works	5,980,354	5,463,593	5,538,204	5,388,832	5,434,191	5,488,851	5,871,433	5,868,576	6,202,540	7,073,307
Health and social services	1,156,893	1,252,377	1,159,849	1,005,458	1,078,118	1,161,242	1,180,361	1,342,880	1,293,038	1,499,781
Culture and recreation	6,685,162	6,869,276	7,224,794	7,088,894	7,179,033	7,613,063	8,263,043	8,648,567	9,072,955	9,168,122
Community and economic development	3,053,279	4,266,580	2,870,859	2,363,783	2,481,609	2,875,879	2,909,942	3,464,575	3,249,583	4,028,589
Debt service:										
Principal	6,483,396	5,741,838	7,385,280	9,713,723	7,671,776	7,364,829	13,142,882	10,481,762	8,657,150	8,862,109
Interest and fiscal charges	1,595,367	1,595,755	1,389,368	1,440,738	1,815,272	1,765,082	1,995,674	2,064,652	2,067,672	2,120,728
Capital outlay	13,676,401	12,643,534	10,884,449	13,972,053	22,817,899	14,294,598	24,428,030	12,119,780	11,983,901	11,432,322
Total expenditures	54,167,834	54,484,347	53,796,605	59,167,738	67,037,801	60,110,229	77,111,467	64,608,875	64,036,631	65,774,882
Excess (deficiency) of revenues over (under) expenditures	(7,307,152)	(6,065,737)	(3,642,840)	(11,049,978)	(15,891,246)	(8,486,944)	(18,420,474)	(7,987,740)	(3,893,775)	(5,000,466)
OTHER FINANCING SOURCES (USES)										
Transfers in	8,546,195	7,625,145	8,476,754	8,695,389	8,725,886	9,917,519	13,410,870	10,665,237	10,451,681	10,702,128
Transfers out	(8,194,249)	(7,484,112)	(8,627,749)	(8,794,765)	(8,753,037)	(9,879,039)	(13,474,329)	(10,940,973)	(12,060,457)	(10,924,967)
General obligation bonds issued	11,165,000	6,690,000	6,675,000	30,455,000	-	9,395,000	11,435,000	6,890,605	6,985,000	7,490,000
Premium on general obligation bonds	247,038	197,459	12,885	1,302,774	-	238,187	901,045	475,349	602,484	610,152
Refunding bonds issued	-	5,980,000	-	2,090,000	-	-	5,150,000	2,130,000	3,990,000	-
Premium on refunding bonds	-	-	-	57,213	-	-	436,214	189,555	326,513	-
Payment to refunded bond escrow	-	(7,250,000)	-	-	-	-	-	-	(4,328,059)	-
Total other financing sources (uses)	11,763,984	5,758,492	6,536,890	33,805,611	(27,151)	9,671,667	17,858,800	9,409,773	5,967,162	7,877,313
Net change in fund balances	\$ 4,456,832	\$ (307,245)	\$ 2,894,050	\$ 22,755,633	\$ (15,918,397)	\$ 1,184,723	\$ (561,674)	\$ 1,422,033	\$ 2,073,387	\$ 2,876,847
Debt service as a percentage of non-capital expenditures	19.6%	15.9%	19.2%	23.0%	21.0%	20.0%	28.2%	24.2%	20.1%	19.6%

City of Ames
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Residential Property	Commercial Property	Industrial Property	Utilities	Multi-Residential¹	Other Property¹	Less: Military Tax Exemption	Total Taxable Value	Total Direct Tax Rate	Estimated Actual Assessed Value	Taxable Value as a Percentage of Estimated Actual Assessed Value
2010	\$ 1,081,452,054	\$ 825,225,818	\$ 110,467,400	\$ 16,557,530	\$ -	\$ -	\$ 2,927,086	\$ 2,030,775,716	\$10.8582	\$ 3,327,852,693	61.02%
2011	1,145,943,933	834,382,923	132,671,800	16,025,529	-	-	2,849,302	2,126,174,883	10.8458	3,431,600,584	61.96%
2012	1,203,280,867	821,428,238	129,708,000	16,640,931	-	-	2,797,446	2,168,260,590	10.8437	3,453,383,950	62.79%
2013	1,274,315,462	817,189,995	132,577,960	18,490,587	-	-	2,727,070	2,239,846,934	10.7213	3,485,543,532	64.26%
2014	1,343,486,699	836,448,468	130,392,785	18,309,505	-	-	2,667,806	2,325,969,651	10.8578	3,536,735,367	65.77%
2015	1,420,669,916	791,068,230	125,969,430	18,255,332	-	-	2,606,690	2,353,356,218	10.8554	3,604,369,966	65.29%
2016	1,552,353,357	757,802,880	120,629,790	16,686,705	-	-	2,514,090	2,444,958,642	10.6294	3,789,598,226	64.52%
2017	1,647,904,615	696,992,705	136,333,800	16,846,075	106,897,191	441,500	2,350,188	2,603,065,698	10.3733	4,052,418,330	64.23%
2018	1,731,394,279	705,942,764	137,021,310	19,179,323	109,617,206	609,200	2,323,334	2,701,440,748	10.3759	4,180,898,134	64.61%
2019	1,909,559,823	794,219,367	153,921,400	19,793,507	174,954,300	-	2,287,220	3,050,161,177	10.0686	4,632,139,435	65.85%

Source: Story County Auditor

¹ Fiscal year 2017 is the first fiscal year to have these classifications.

**City of Ames
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

Fiscal Year	City Direct Rates				Overlapping Rates ¹			Total Direct & Overlapping Rates	
	General ²	Public Transit	Employee Benefits	Debt Service	Total Direct Tax Rate ³	Ames School District ⁴	Consolidated County ⁵		Area Vocational ⁶
2010	5.81420	0.62580	0.47270	3.94549	10.85819	13.58764	6.67330	0.56778	31.68691
2011	6.14501	0.61862	0.51112	3.57104	10.84579	14.65339	6.57299	0.56008	32.63225
2012	6.00441	0.63491	0.67239	3.53194	10.84365	14.51772	6.34859	0.59018	32.30014
2013	5.83418	0.65737	0.70627	3.52343	10.72125	14.47262	6.58192	0.58466	32.36045
2014	5.85539	0.64949	0.75345	3.59946	10.85779	14.34904	6.50266	0.69120	32.40069
2015	5.83299	0.65719	0.78331	3.58189	10.85538	14.34759	6.39469	0.65724	32.25490
2016	5.77474	0.65200	0.71216	3.49047	10.62937	14.20276	6.72830	0.67574	32.23617
2017	5.60071	0.64261	0.71908	3.41087	10.37327	14.34101	6.21998	0.72334	31.65760
2018	5.65041	0.65194	0.72660	3.34694	10.37589	14.34129	6.24271	0.67458	31.63447
2019	5.50149	0.63361	0.71534	3.21813	10.06857	14.34179	6.29920	0.69468	31.40424

¹ Overlapping rates are those of local and county governments that may apply to property owners within the City of Ames. Not all overlapping rates apply to all Ames property taxpayers.

² State law limits the maximum tax rate for the general fund to \$8.10 per thousand dollars of assessed valuation.

³ City Council sets the rate.

⁴ School district board of education sets the rate.

⁵ Story County board of supervisors, the county and city's assessors board, county agricultural extension board, and county hospital board set the rate.

⁶ Area community college sets the rate.

Source: Story County Auditor

**City of Ames
Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Iowa State University Research	\$ 54,565,258	1	1.79%			
Campus Investors IS, LLC	37,200,040	2	1.22%	9,979,900	8	0.49%
Barilla America, Inc.	33,520,140	3	1.10%	32,077,400	1	1.58%
Clinic Building Company, Inc.	25,849,661	4	0.85%	15,981,000	4	0.79%
Greater Iowa Credit Union	21,687,508	5	0.71%			
GPT Ames Owner LLC ¹	21,346,650	6	0.70%	13,698,200	6	0.67%
Dayton Park, LLC	19,053,909	7	0.62%			
Wal-Mart Stores, Inc.	18,810,000	8	0.62%	22,468,000	3	1.11%
CB at Ames, LLC	17,734,982	9	0.58%			
University West Property Owner, LLC	16,883,813	10	0.55%			
North Grand Mall Partners LLC				24,402,600	2	1.20%
Midwest Centers				14,252,000	5	0.70%
Ball Plastics Container Corp				10,024,000	7	0.49%
Grand Center Partners LLC				9,262,800	9	0.46%
SUSA Holding of Story County, Inc.				8,775,000	10	4.30%
	<u>\$ 266,651,961</u>		<u>8.74%</u>	<u>\$ 160,920,900</u>		<u>11.79%</u>

¹ Formerly Cycloneball, LLC

Source: Story County Auditor

**City of Ames
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Tax Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2010	\$ 22,054,085	\$ 21,869,568	99.16%	\$ 152	\$ 21,869,720	99.16%
2011	23,064,211	22,514,535	97.62%	3,546	22,518,081	97.63%
2012	23,516,201	23,178,276	98.56%	5,943	23,184,219	98.59%
2013	24,018,714	23,540,944	98.01%	1,970	23,542,914	98.02%
2014	25,261,403	24,795,918	98.16%	2,516	24,798,434	98.17%
2015	25,557,159	24,772,538	96.93%	13	24,772,551	96.93%
2016	26,000,394	25,108,284	96.57%	-	25,108,284	96.57%
2017	27,044,391	25,919,190	95.84%	-	25,919,190	95.84%
2018	28,137,151	27,044,258	96.12%	-	27,044,258	96.12%
2019	29,467,293	28,805,839	97.76%	-	28,805,839	97.76%

Sources: Story County Auditor and City Finance Department

City of Ames
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-Type Activities			Total Outstanding Debt	Percentage of Personal Income ²	Population ³	Per Capita
	General Obligation Bonds ¹	General Obligation Bonds ¹	Revenue Bonds ¹	Notes Payable	Loans Payable				
2010	\$44,714,741	\$ 2,673,753	\$20,421,954	\$ 5,813,116	\$ 726,804	\$74,350,368	5.65%	56,657	\$ 1,312
2011	44,448,603	2,442,080	19,077,870	4,395,970	683,896	71,048,419	5.56%	58,965	1,205
2012	43,633,557	2,203,850	83,391,700	2,933,922	535,182	132,698,211	9.63%	58,965	2,250
2013	67,647,632	4,660,760	89,571,199	1,611,285	4,167,950	167,658,826	12.08%	58,965	2,843
2014	59,811,442	4,191,151	86,942,752	568,517	8,884,606	160,398,468	11.47%	58,965	2,720
2015	61,891,291	4,001,571	84,078,724	122,457	14,519,773	164,613,816	11.77%	58,965	2,792
2016	66,260,584	5,399,300	100,601,136	-	35,976,370	208,237,390	14.66%	58,965	3,532
2017	64,987,720	6,534,531	96,160,114	-	66,093,486	233,775,851	14.35%	58,965	3,965
2018	63,331,642	5,682,156	91,617,054	-	66,796,145	227,426,997	12.60%	58,965	3,857
2019	62,013,160	4,794,742	86,967,258	-	68,697,475	222,472,635	15.12%	58,965	3,773

¹ Presented net of original issuance discounts and premiums and deferred charges

² Personal income is presented on page 142

³ United States Census Bureau

City of Ames
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds¹	Less: Amounts Available in Debt Service Fund²	Total	Percentage of Estimated Actual Assessed Value of Property³	Per Capita⁴
2010	\$ 47,388,494	\$ 2,467,664	\$ 44,920,830	1.35%	\$ 793
2011	46,890,683	1,942,412	44,948,271	1.31%	762
2012	45,837,407	1,658,922	44,178,485	1.28%	749
2013	72,308,392	1,260,206	71,048,186	2.04%	1,205
2014	64,002,593	603,260	63,399,333	1.79%	1,075
2015	65,892,862	594,468	65,298,394	1.81%	1,107
2016	71,659,884	773,472	70,886,412	1.87%	1,202
2017	71,522,251	1,173,608	70,348,643	1.74%	1,193
2018	69,013,798	987,953	68,025,845	1.63%	1,154
2019	66,807,902	928,447	65,879,455	1.42%	1,117

¹ General bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums and deferred charges

² Amount restricted for debt service payments

³ See page 132 for property value data

⁴ See page 142 for population data

City of Ames
Direct and Overlapping Governmental Activities Debt
As of June 30, 2019

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to Primary Government
Debt repaid with property taxes:			
Ames Community School District	\$56,470,000	98.27%	\$ 55,493,069
Gilbert Community School District	28,920,000	51.29%	14,833,068
Des Moines Area Community College ¹	19,465,000	6.19%	1,204,884
Nevada Community School District	5,994,000	0.22%	13,187
Story County	6,295,900	60.55%	3,812,167
Other debt:			
Ames Community School District revenue bonds	12,035,000	98.27%	11,826,795
Gilbert Community School District revenue bonds	9,110,000	51.29%	4,672,519
Nevada Community School District revenue bonds	11,765,000	0.22%	25,883
Nevada Community School District capital notes	998,000	0.22%	2,196
Subtotal, overlapping debt			<u>91,883,768</u>
City direct debt			<u>62,013,160</u>
Total direct and overlapping debt			<u><u>\$153,896,928</u></u>

¹ New jobs training certificates payable primarily from credits and incremental property tax revenue derived from jobs training program. The certificates are further secured by a back-up levy of general taxes.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: Debt outstanding provided by each governmental unit. Applicable percentages calculated based on assessed value data from the Story County Auditor.

**City of Ames
Legal Debt Margin
June 30, 2019**

Legal debt margin for the fiscal year ended June 30, 2019:

Assessed value	\$ 4,632,139,435
Debt limit (5% of actual value)	\$ 231,606,972
Debt applicable to limit:	
General obligation bonds	63,290,000
Legal debt margin	\$ 168,316,972
Percentage of net debt margin available	72.67%
Percentage of net debt margin exhausted	27.33%

Year	Debt Limit	Outstanding Debt	Percentage of Net Debt Margin Available
2019	\$ 231,606,972	\$ 63,290,000	72.67%
2018	209,044,907	65,480,000	68.68%
2017	202,620,917	68,230,000	66.33%
2016	189,479,911	68,825,000	63.68%
2015	180,218,498	64,110,000	64.43%
2014	176,836,768	62,260,000	64.79%
2013	174,277,177	70,385,000	59.61%
2012	172,669,198	45,240,000	73.80%
2011	171,580,029	46,185,000	73.08%
2010	166,392,635	46,735,000	71.91%

Note: State of Iowa statutory debt limit is 5% of total actual assessed valuation.

**City of Ames
Pledged-Revenue Coverage
Last Ten Fiscal Years**

Hospital Revenue Bond						
Fiscal Year	Gross Revenues³	Less: Operating Expenses	Net Available Revenue	Debt Service¹		Coverage
				Principal	Interest	
2010	\$ 156,880,212	\$ 133,553,941	\$ 23,326,271	\$ 1,090,000	\$ 993,613	11.20
2011	160,115,058	132,028,206	28,086,852	1,340,000	954,863	12.24
2012	171,389,850	139,964,878	31,424,972	1,375,000	3,069,633	7.07
2013	175,011,409	145,546,625	29,464,784	1,915,000	3,682,094	5.26
2014	174,265,003	145,968,125	28,296,878	2,755,000	3,869,900	4.27
2015	184,201,460	147,149,250	37,052,210	2,825,000	3,803,608	5.59
2016	181,534,863	153,761,276	27,773,587	2,890,000	3,735,480	4.19
2017	189,926,814	162,011,472	27,915,342	3,070,000	3,172,934	4.47
2018	194,988,247	164,723,116	30,265,131	3,150,000	3,090,047	4.85
2019	192,530,036	169,574,256	22,955,780	3,235,000	3,004,771	3.68

Electric Revenue Bond						
Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2010	\$ -	\$ -	\$ -	\$ -	\$ -	-
2011	-	-	-	-	-	-
2012	-	-	-	-	-	-
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	58,511,422	51,059,004	7,452,418	800,000	161,946	7.75
2017	64,339,637	53,697,044	10,642,593	625,000	343,556	10.99
2018	68,660,541	56,603,627	12,056,914	655,000	312,306	12.46
2019	68,342,980	58,076,088	10,266,892	685,000	279,556	10.64

**City of Ames
Pledged-Revenue Coverage (Continued)
Last Ten Fiscal Years**

Sewer Capital Loan Note

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service ²		Coverage
				Principal	Interest	
2010	\$ -	\$ -	\$ -	\$ -	\$ -	-
2011	-	-	-	-	-	-
2012	-	-	-	-	-	-
2013	6,643,819	7,083,679	(439,860)	-	3,019	-
2014	7,491,746	5,809,744	1,682,002	128,000	20,300	11.34
2015	8,267,051	5,334,578	2,932,473	131,000	38,999	17.25
2016	8,370,811	4,751,416	3,619,395	134,000	44,520	20.27
2017	8,856,136	5,147,061	3,709,075	169,000	42,951	17.50
2018	9,175,876	5,934,923	3,240,953	172,000	51,001	14.53
2019	9,172,812	6,575,420	2,597,392	414,250	89,827	5.15

Water Capital Loan Note

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2010	\$ -	\$ -	\$ -	\$ -	\$ -	-
2011	-	-	-	-	-	-
2012	-	-	-	-	-	-
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	9,584,813	5,560,459	4,024,354	-	64,982	-
2016	9,987,307	5,771,458	4,215,849	-	454,561	9.27
2017	10,502,276	6,141,051	4,361,225	-	857,786	5.08
2018	10,824,699	6,211,833	4,612,866	2,870,000	1,294,591	1.11
2019	11,121,859	6,917,507	4,204,352	2,927,000	1,287,070	1.00

¹ Debt service payments do not include payments to refund revenue bonds.

² 2013 was the year of issuance. Accordingly no principal payments were scheduled. Further, there was not any debt outstanding in the previous nine years that was secured by pledged revenues.

³ Prior year gross revenues were restated to accurately reflect operating revenue.

**City of Ames
Demographic and Economic Statistics
Last Ten Calendar Years**

Calendar Year	Population¹	Per Capita Personal Income¹	Personal Income	School Enrollment²	Unemployment Rate³
2009	56,657	\$ 23,231	\$ 1,316,198,767	4,358	3.9%
2010	58,965	21,655	1,276,887,075	4,280	4.1%
2011	58,965	23,363	1,377,599,295	4,224	4.1%
2012	58,965	23,547	1,388,448,855	4,229	3.9%
2013	58,965	23,713	1,398,237,045	4,247	3.2%
2014	58,965	23,713	1,398,237,045	4,171	2.7%
2015	58,965	24,082	1,419,995,130	4,181	2.4%
2016	58,965	27,629	1,629,143,985	4,188	2.4%
2017	58,965	30,615	1,805,213,475	4,300	2.0%
2018	58,965	24,946	1,470,940,890	4,387	1.6%

¹ United States Census Bureau

² Ames School District

³ Iowa Workforce Development

**City of Ames
Principal Employers
Current Year and Nine Years Ago**

Employer	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Iowa State University	16,952	1	29.26%	14,374	1	
City of Ames	1,379	2	2.38%	904	4	
Mary Greeley Medical Center	1,367	3	2.36%	1,409	2	
Iowa Department of Transportation	1,025	4	1.77%	1,062	3	
Danfoss ¹	1,015	5	1.75%	650	6	
McFarland Clinic, P.C.	990	6	1.71%	520	8	
USDA	750	7	1.29%			
Hy-Vee Food Stores	725	8	1.25%	733	5	
Ames Community School District	650	9	1.12%	650	7	
Workiva	510	10	0.88%			
3M Company				466	9	
Ames Laboratories				430	10	
Total			<u>43.77%</u>			<u>0.00%</u>

¹ Formerly Sauer-Danfoss

Sources: United States Department of Labor, City of Ames, and company inquiries.

City of Ames
Full-Time Equivalent Employees by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government:										
Management services	23.50	22.50	22.25	23.25	23.25	23.25	23.25	24.25	24.25	24.50
Finance	40.75	40.75	40.75	40.75	40.75	40.75	40.75	40.75	40.75	41.00
Planning and housing	10.50	10.50	8.00	8.00	8.00	7.00	7.00	7.00	7.00	7.00
Administrative services ¹	-	-	-	-	-	6.50	6.00	6.00	5.00	5.00
Fleet services/facilities	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50
Transit	75.70	75.95	75.95	75.95	75.95	81.55	84.05	84.05	84.05	84.50
Fire/inspections	68.00	68.00	68.50	68.50	68.50	65.00	65.00	68.00	70.00	71.00
Police/animal control/parking	74.65	77.65	77.65	77.65	77.65	77.65	77.65	79.65	80.65	82.15
Library	31.00	31.00	31.50	31.50	31.50	35.25	35.50	35.75	35.75	36.50
Parks and recreation	20.50	20.50	19.50	19.50	19.50	19.50	19.50	25.00	25.00	25.00
Water and pollution control	41.50	41.50	41.50	41.50	41.25	40.05	40.05	40.30	40.30	40.00
Electric	81.00	81.00	81.00	81.00	81.00	81.00	81.00	81.00	81.00	81.00
Public works:										
Administration	3.00	3.00	3.00	3.00	3.00	1.50	2.00	2.00	2.00	2.00
Engineering	13.00	13.00	14.00	14.00	14.00	14.00	15.75	15.75	14.75	14.75
Resource recovery	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Streets	19.00	19.00	19.00	19.00	19.00	19.00	19.00	22.00	22.00	22.00
Utility maintenance	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Other	13.00	13.00	13.00	13.00	13.00	13.00	13.00	8.00	10.00	10.00
Hospital	1,044.00	1,055.00	1,064.00	1,092.00	1,082.00	1,050.00	1,071.00	1,067.00	1,082.00	1,086.00
Total	<u>1,594.60</u>	<u>1,607.85</u>	<u>1,615.10</u>	<u>1,644.10</u>	<u>1,633.85</u>	<u>1,610.50</u>	<u>1,636.00</u>	<u>1,642.00</u>	<u>1,660.00</u>	<u>1,667.90</u>

¹ Administrative services was formed with employees from the planning and housing, fire/inspections, and public works administration divisions.

Source: City Finance Department

City of Ames
Operating Indicators by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government:										
Number of licenses/permits processed	537	512	462	539	524	617	559	714	635	752
Police:										
Physical arrests	1,417	1,415	1,395	1,463	1,588	1,531	1,362	1,215	1,596	1,480
Parking violations	46,354	52,147	48,947	44,100	45,530	46,759	50,280	47,272	38,798	32,711
Traffic violations	3,080	2,953	4,068	3,204	2,543	2,981	2,451	2,614	2,834	2,328
Fire:										
Number of fires	148	175	188	137	150	107	126	89	116	80
Number of ambulance assists	2,099	2,211	2,178	2,325	2,471	2,464	2,442	2,663	2,646	2,857
Inspections	731	1,011	829	1,058	1,263	1,205	1,435	1,074	831	501
Library:										
Total circulation	1,431,023	1,388,273	1,343,758	1,222,547	1,205,620	1,255,953	1,304,434	1,280,305	1,222,360	1,220,180
Library visits	435,572	416,908	443,895	323,859	226,690	426,608	506,034	523,673	508,918	485,929
Parks and recreation:										
Total number of participant visits	254,365	303,012	320,533	287,504	294,978	279,103	293,757	255,227	280,766	281,420
Total number of activities	147	149	148	154	160	175	187	194	196	200
Resource recovery:										
Tons of refuse processed	50,614	56,789	53,731	48,244	27,878	50,035	41,646	45,598	37,124	33,173
Tipping fee per ton	52.75	52.75	52.75	52.75	52.75	52.75	52.75	52.75	55.00	55.00
Other public works:										
Blocks of streets crack sealed	45	65	110	92	123	90	66	73	65	81
Blocks of streets slurry sealed	-	-	-	-	11	22	36	33	30	-
Blocks of seal coat reconstruction	17	8	6	7	8	4	16	-	10	6
Hospital:										
Total admissions	9,292	9,918	9,617	8,768	8,289	8,298	7,867	8,368	8,510	8,267
Average percent of occupancy	59.6%	57.1%	56.3%	54.1%	52.1%	50.5%	49.3%	49.7%	50.2%	50.6%
Electric:										
Kilowatt hours produced at plant	340,892,874	341,229,148	307,447,978	318,394,938	282,348,784	278,471,640	243,388,530	244,149,566	222,873,411	167,189,716
Meters in service	24,290	24,436	24,844	25,141	25,353	26,023	26,232	26,475	27,324	27,348
Transit:										
Passengers	5,377,155	5,447,289	5,759,883	5,892,786	6,619,182	6,711,665	6,785,479	6,658,027	6,572,065	6,121,023
Total miles driven	1,381,832	1,421,852	1,412,162	1,384,270	1,493,983	1,599,493	1,658,443	1,635,781	1,649,762	1,516,271
Water:										
Billion gallons per year pumped	1.961	2.074	2.151	2.082	2.131	2.022	2.110	2.131	2.245	2.117
Utility locates performed	5,417	6,471	6,466	6,247	6,185	6,615	8,121	7,383	7,113	6,932
Water main breaks	23	37	18	42	47	19	19	18	42	46
Wastewater:										
Billion gallons per year treated	2.385	2.501	1.906	2.093	1.936	2.389	2.690	2.427	2.141	2.706

Sources: City departments and Mary Greeley Medical Center

**City of Ames
Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	9	9	9	9	11	11	11	11	11	11
Fire stations	3	3	3	3	3	3	3	3	3	3
Parks and recreation:										
Total number of parks	36	36	36	37	37	37	37	36	36	38
Total number of park acres	1,213	1,213	1,213	1,224	1,227	1,227	1,227	1,223	1,224	1,230
Total number of athletic fields	18	18	18	18	18	18	18	18	21	21
Other public works:										
Miles of streets	254	260	272	288	290	291	291	300	305	305
Number of traffic signals	70	70	70	70	67	67	67	68	69	70
Number of signs	9,575	9,759	9,852	9,486	9,489	9,485	9,509	9,854	10,087	10,658
Hospital:										
Beds in operation	199	199	199	199	199	199	199	199	199	199
Transit:										
Buses owned	72	79	84	89	93	104	105	104	105	104
New buses purchased	14	7	7	2	-	6	9	5	3	1
Water:										
Miles of water mains	240	241	241	241	243	247	254	247	249	250
Fire hydrants	2,619	2,650	2,648	2,663	2,700	2,771	2,847	2,906	2,948	2,977
Wells	28	28	28	28	28	28	28	25	24	25
Wastewater:										
Sanitary sewer miles	200	201	202	202	203	204	204	210	211	212
Storm sewer miles	257	261	263	265	260	263	271	276	277	278

Note: No capital asset indicators are available for general government, library, resource recovery, or electric functions.

Sources: City departments and Mary Greeley Medical Center



Information to Comply with Government Auditing Standards
and Uniform Guidance

June 30, 2019

City of Ames, Iowa



**Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

To the Honorable Mayor and
Members of the City Council
City of Ames, Iowa

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ames, Iowa (City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 11, 2019. Other auditors audited the financial statements of Mary Greeley Medical Center (presented as an enterprise fund), as described in our report on the financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Other auditors also audited the financial statements of the Mary Greeley Medical Center Foundation, the discretely presented component unit. Those financial statements were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not extend to those financial statements.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2019, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City and are reported in Part IV of the accompanying schedule of findings and questioned costs. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

City's Response to Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The signature of Eide Bailly LLP is written in a cursive, handwritten style.

Dubuque, Iowa
December 11, 2019



Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Honorable Mayor and
Members of the City Council
City of Ames, Iowa

Report on Compliance for Each Major Federal Program

We have audited the City of Ames, Iowa's (City), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal program for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a significant deficiency.

The City's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Dubuque, Iowa
December 11, 2019

City of Ames, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Direct program			
CDBG - Entitlement Grants Cluster			
Community Development Block Grants/Entitlement Grants	14.218		\$ 707,944
U.S. Department of Justice			
Direct program			
Bulletproof Vest Partnership Program	16.607		5,413
Edward Byrne Memorial Justice Assistance Grant Program	16.738		1,000
Edward Byrne Memorial Justice Assistance Grant Program	16.738		10,976
			<u>11,976</u>
Total U.S. Department of Justice			<u>17,389</u>
U.S. Department of Transportation			
Direct program			
Airport Improvement Program	20.106		216,138
Highway Planning and Construction Cluster			
Pass-through program from			
Iowa Department of Transportation			
Highway Planning and Construction	20.205	19MPO-AAMPO	95,146
Highway Planning and Construction	20.205	2017-006-00-015-FY17	360,425
Highway Planning and Construction	20.205	2017-006-01-015-FY18	109,668
Highway Planning and Construction	20.205	2019-006-00-015-FY18	160,484
Highway Planning and Construction	20.205	STP-E-0155(684)--8V-85	238,262
Highway Planning and Construction	20.205	STP-U-0155(696)--70-85	913,434
Total Highway Planning and Construction Cluster			<u>1,877,419</u>
Federal Transit Cluster			
Direct program			
Federal Transit - Formula Grants	20.507		2,406,365
Pass-through program from			
Iowa Department of Transportation			
Metropolitan Transportation Planning and State and			
Non-metropolitan Planning and Research	20.505	19MPO-AAMPO	13,448

City of Ames, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Transportation (continued)			
Transit Services Programs Cluster			
Pass-through program from			
Iowa Department of Transportation			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	2016-026-02-015-FY19	\$ 119,953
Highway Safety Cluster			
Pass-through program from			
Iowa Department of Public Safety			
State and Community Highway Safety	20.600	PAP 18-402-MOAL, Task 01-00-00	12,498
State and Community Highway Safety	20.600	PAP 19-402-MOAL, Task 01-00-00	27,511
Total Highway Safety Cluster			<u>40,009</u>
Total U.S. Department of Transportation			<u>4,673,332</u>
U.S. Department of Health and Human Services			
Pass-through program from			
Iowa Department of Public Health			
Immunization Cooperative Agreements	93.268	5889I480	6,833
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds			
	93.539	5889I480	4,955
Total U.S. Department of Health and Human Services			<u>11,788</u>
U.S. Department of Homeland Security			
Pass-through program from			
Iowa Department of Homeland Security and Emergency Management			
Disaster Grants - Public Assistance	97.036	PA-07-IA-4386-PW-00207	78,068
Disaster Grants - Public Assistance	97.036	PA-07-IA-4386-PW-00401	45,915
Disaster Grants - Public Assistance	97.036	PA-07-IA-4386-PW-00102	26,386
Total U.S. Department of Homeland Security			<u>150,369</u>
Total			<u>\$ 5,560,822</u>

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the City of Ames, Iowa, (City) under programs of the federal government for the year ended June 30, 2019. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the City.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting – when they become a demand on current available financial resources in the governmental fund types and on the full accrual basis of accounting – when expenditures are incurred in the proprietary fund types. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City received federal awards both directly from federal agencies and indirectly through pass-through entities. Federal financial assistance provided to a subrecipient is treated as an expenditure when it is paid to the subrecipient. There was no assistance provided to subrecipients during the year ended June 30, 2019.

Note 3 - Indirect Cost Rate

The City has not elected to use the 10% de minimis cost rate.

Part I: Summary of the Independent Auditor's Results:

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weakness identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted	No

Federal Awards

Internal control over major programs	
Material weakness identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516	Yes

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	CFDA Number
Highway Planning and Construction Cluster	
Highway Planning and Construction	20.205
Federal Transit Cluster	
Federal Transit - Formula Grants	20.507
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee	No

Part II: Findings Related to the Financial Statements

There were no findings to report.

Part III: Findings and Questioned Costs for Federal Awards

**2019-001 U.S. Department of Transportation
CFDA 20.507, IA-2019-020-00
Year Ended June 30, 2019
Federal Transit - Formula Grants
Procurement and Suspension and Debarment
Significant Deficiency in Internal Control over Compliance**

Criteria: The Uniform Guidance, Section 200.303 Internal Controls, requires the non-federal entity must establish and maintain effective internal controls over federal awards that provide reasonable assurance that awards are being managed in compliance with federal statutes, regulations and the terms and conditions of the federal award.

Non-federal entities are also prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet other criteria as specified in 2 CFR section 180.220.

When a non-federal entity enters into a covered transaction with an entity at a lower tier, the nonfederal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction. This verification may be accomplished by (1) checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA) and available at <https://www.sam.gov/portal/public/SAM/>, (2) collecting a certification from that entity, or (3) adding a clause or condition to the covered transaction with that entity.

Condition: We tested compliance and internal controls over suspension and debarment and noted one vendor in which there was no documentation to support the contractor was not suspended or debarred.

Cause: There is a lack of controls over the suspension and debarment.

Effect: Failure to provide documentation of the suspension and debarment check being performed may result in disallowed cost.

Questioned Costs: None reported.

Context/Sampling: A nonstatistical sample of four vendors out of ten vendors were selected for suspension and debarment testing.

Part III: Findings and Questioned Costs for Federal Awards (continued)

Repeat Finding from Prior Years: No.

Recommendation: We recommend that management review and improve the approval and documentation process for program expenditures to identify “covered transactions” and ensure suspension and debarment checks are performed.

View of Responsible Officials: Management will ensure all departments that use federal funds have this step included on a checklist for all transactions covered by this section.

Part IV: Other Findings Related to Required Statutory Reporting

2019-IA-A Certified Budget: Disbursements during the year ended June 30, 2019, did not exceed the amount budgeted.

2019-IA-B Questionable Expenditures: We noted no expenditures that we believe may fail to meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979.

2019-IA-C Travel Expense: No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

2019-IA-D Business Transactions: Business transactions between the City and City officials or employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Kylie Ploessl, Employee, Husband, Marc, is owner of Ames Lawn Care and Maintenance	Services	\$ 1,211
Chris Nelson, Employee, Father is owner of Nelson Electric Company Services		427

In accordance with Chapter 362.5(10) of the Code of Iowa, the transactions with Ames Lawn Care and Maintenance and Nelson Electric Company do not appear to represent a conflict of interest since total transactions were less than \$1,500 during the fiscal year.

2019-IA-E Bond Coverage: Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure the coverage is adequate for current operations.

Part IV: Other Findings Related to Required Statutory Reporting (continued)

2019-IA-F Council Minutes: No transactions were found that we believe should have been approved in the Council minutes but were not.

2019-IA-G Deposits and Investments: No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City's investment policy were noted.

2019-IA-H Revenue Bonds: The Water Utility revenue loan notes with the Iowa Finance Authority (IFA) include a requirement for the Utility to produce net revenues of at least 110% of the current year debt service requirement. The City did not meet this requirement in fiscal year 2019.

No instances of noncompliance with the provisions of the Electric and Sewer Utility revenue bond resolutions were noted.

Recommendation: The City should review the bond covenant requirements and contact IFA and their bond consultants.

View of Responsible Officials: The water utility raised rates 7% as budgeted on July 2, 2019. The increase in revenues, along with future increases, should allow the City to meet this requirement in future years. Management will contact IFA and their bond consultants.

2019-IA-I Annual Urban Renewal Report: The annual urban renewal report was properly approved and certified to the Iowa Department of Management on or before December 1.

COUNCIL ACTION FORM

SUBJECT: STORY COUNTY 911 SERVICE BOARD REPRESENTATION

BACKGROUND:

The Story County 911 Service Board supports 911 emergency communications services in Ames and throughout Story County. The Board receives, administers, and disperses the 911 surcharge that is levied on all wireline and wireless phones. The Board provides support to Ames by subsidizing a variety of emergency response costs including telephone trunk lines, radio tower fees, and the purchase of emergency communications equipment in the Communications Center.

Historically the Board's members included a representative for each political subdivision in the County that operated an emergency response service. The City has been a member of the Board since it was first established in 1989. The City's current representative is the Chief of Police, Charles Cychosz.

In the last legislative session, the law governing the membership of 911 boards statewide (Chapter 34A, Code of Iowa) was changed to allow all county sheriff's and the police chief of any municipal police agency that operates a Public Safety Answering Point (a PSAP is a 911 call answering and dispatch center) to be directly represented on a 911 board in addition to their political subdivision representative. **The change allows the City to have two members on the Story County 911 Service Board – the Chief of Police and a representative for the City.**

The new law, and the Story County 911 Service Board bylaws, indicate there should be a designated representative and an alternate for that representative. The City Council designates the officials who will serve in these positions. Because of the role they play in emergency response, the following individuals are recommended for appointment to the Story County 911 Service Board:

For the City of Ames:

Member – Tom Hackett, Fire Department Deputy Chief
Alternate – Doug Allen, Fire Department Deputy Chief

For the Chief of Police:

Member – Charles Cychosz, Chief of Police
Alternate – Doug Houghton, Police Department Support Services Manager

The new members will assume duties as soon as they are appointed.

ALTERNATIVES:

1. Approve the appointment the following people to the Story County 911 Service Board:

For the City of Ames:

Member – Tom Hackett, Fire Department Deputy Chief

Alternate – Doug Allen, Fire Department Deputy Chief

For the Chief of Police:

Member – Charles Cychosz, Chief of Police

Alternate – Doug Houghton, Police Department Support Services Manager

2. Do not approve the appointment of the proposed representatives to the Story County 911 Service Board and direct staff to recommend other appointees.

CITY MANAGER'S RECOMMENDED ACTION:

The Story County 911 Service Board continues to provide professional and financial resources to the City to support emergency response activities. Funds paid by City residents through telephone 911 service charges are returned to fund City services through the Board processes. Continued participation on the Board, including expanding the City's membership, benefits the City.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative # 1, thereby approving the appointment of the proposed representatives to the Story County 911 Service Board.

COUNCIL ACTION FORM

SUBJECT: APPROVAL OF COMMISSION ON THE ARTS (COTA) SPECIAL GRANTS FOR SPRING 2020

BACKGROUND:

On November 4, 2019, the Commission on the Arts (COTA) finalized its recommendations for the Spring 2020 Special Project Grants. Seven grant requests were received, totaling \$5,950 in requests. COTA has \$4,680 in funding available for these grants.

Special Project grant awards are limited to \$1,000 per project. Grant applicants are required to attend a COTA meeting to present their project. Based on the merits of each application and the criteria established for the special grants, COTA recommended the following allocations:

<u>Organization</u>	<u>Project</u>	<u>Request</u>	<u>Award</u>
ACTORS	Ken Ludwig's "Leading Ladies"	\$ 700	\$ 316.20
Ames Town & Gown	Master Classes by Anthony and Demarre McGill	1,000	777.40
Central Iowa Touring Ensemble	Junie B. Jones the Musical	1,000	877.40
Ames Children's Choirs Association	Alumni Benefit Concert	900	759.60
India Cultural Association of Central Iowa	Indian Theater	1,000	757.40
Octagon Center for the Arts	Business of Art Seminar	1,000	857.40
Story Theater Company	ASL Interpretation - Performance of Frozen, Jr	350	334.60
Total		\$ 5,950	\$ 4,680

Contracts were sent to the awarded organizations for approval and have been returned. The contracts are now presented for City Council's approval.

ALTERNATIVES:

1. Approve the COTA Spring Special Project Grant contracts as recommended by Commission on the Arts.
2. Delay approval of these contracts and ask the Commission for further information.
3. Do not approve the contracts.

CITY MANAGER'S RECOMMENDED ACTION:

These projects help advance participation in and awareness of the arts in the Ames community, which is a key goal of the Commission on the Arts. COTA has reviewed the requests and has recommended the approval of the contracts now presented to the City Council.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the COTA Spring Special Project Grant contracts as recommended by the Commission on the Arts.

COUNCIL ACTION FORM

**SUBJECT: AMES FOUNDATION TREE PLANTING PARTNERSHIP AGREEMENT
RENEWAL FOR 2020 - 2025**

BACKGROUND:

The City and The Ames Foundation entered into a five-year tree planting partnership agreement in March 2015 following the success of the Ames 150 tree planting in the City's parks. It was determined that with the initiation of the Emerald Ash Borer (EAB) effort, this tree planting partnership could help with the reforestation and diversification of the City's tree canopy. In the first five years of this partnership, 723 trees have been planted in the rights-of-way.

The agreement for 2020-2025, Attachment A, has the City providing matching funds for the amount raised by the Ames Foundation. The City has planned to budget \$18,000 in each of the next five years for these plantings. In return, the Ames Foundation guarantees that the combined funds result in trees being planted by volunteers for the cost of the tree with no additional labor charges. Further, the agreement stipulates that the planting of trees is a City activity, so any volunteer would be covered under the City's insurance. The Ames Foundation Board approved the agreement during its November 20, 2019 meeting.

City staff will work to identify areas for plantings and select the types of species that will be allowed. Plantings will be done in rights-of-way along streets, and there will be no work performed on private property. This will be done in a proactive manner in established neighborhoods before tree removals begin, and may not always be directly related to ash tree removals.

ALTERNATIVES:

1. Approve renewal of the Tree Planting Partnership Agreement with The Ames Foundation commencing January 1, 2020 until December 31, 2025.
2. Refer agreement back to staff with suggested modifications.
3. Do not approve the agreement and discontinue this cooperative project.

CITY MANAGER'S RECOMMENDED ACTION:

By approving the renewal of this agreement with The Ames Foundation, the City will be able to engage volunteer assistance with helping in the reforestation and diversification of the City's trees. This is especially important considering the negative impact the Emerald Ash Borer is having on ash trees in the community. This partnership will also

continue to see the public become more invested in new trees planted through the work of volunteers.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as stated above.

MEMORANDUM OF AGREEMENT BETWEEN THE AMES FOUNDATION AND THE
CITY OF AMES

FOR THE PLANTING OF REPLACEMENT TREES ON CITY PROPERTY 2020-2025

This agreement between The Ames Foundation (The Foundation) and The City of Ames (The City), shall provide for the basis of a partnership between The Foundation and The City for the planting of replacement trees in areas where trees have been removed by The City as result of damage or the invasion of the Emerald Ash Borer. It is anticipated that this partnership will be in effect from January 1, 2020 until December 31, 2025.

1. The Foundation shall serve as the private fund raiser for the community-wide planting effort, and shall establish a separate account for the holding of any funds donated for the planting projects.
2. The Foundation will formally acknowledge all gifts of \$250 or more, and send appropriate correspondence to the donors.
3. The Executive Committee of The Foundation will oversee the account, and be authorized to make expenditures from the account.
4. The Foundation may make deposits of its funds into the account, as approved by the Foundation Board of Directors, to facilitate scheduled planting events.
5. The Foundation will deposit any funds received from The City, which are associated with planting events, into the account.
6. The Foundation will not be responsible for any planting expenses which may exceed the amount of funds in the account.
7. The Foundation Tree Planting Subcommittee will work with City staff in establishing planting event dates and times. City staff will determine location(s) where planting will occur, and the number and types of trees to be planted.
8. The City staff and The Foundation Tree Planting Subcommittee shall jointly establish a budget for annual tree plantings to be paid out of The Foundation account, and the portion each will plan to contribute to that budget, by August 1 of each year. That budget may be revised with the consent of both The City and The Foundation, based on the availability of funds as the City's fiscal year progresses, and as The Foundation's fund raising efforts proceed.

9. The Foundation will bill The City for its portion of the trees to be planted during each planting event, at the purchase prices of the trees. The Foundation will order the trees and arrange for delivery to a location designated by The City.
10. The Foundation will organize volunteers to assist with each planting event. It is anticipated that the volunteers will be involved in a City-sponsored activity, and that liability coverage would be provide under The City's insurance coverage.
11. The City reserves the right to audit The Foundation regarding the expenditure of City funds under this agreement.
12. This agreement may be amended with the mutual consent of both The Foundation and The City.
13. This agreement may be terminated by either party with sixty (60) days' notice to the other party.

APPROVED BY:


The Ames Foundation

11/20/2019

Date

John A. Haila
Mayor, City of Ames

Date

ATTEST:

Diane R. Voss, City Clerk
City of Ames

COUNCIL ACTION FORM

SUBJECT: REQUEST FOR SUPPORT FOR AMES MAIN STREET'S PARTICIPATION IN THE MAIN STREET IOWA PROGRAM

BACKGROUND:

On July 1, 2018, the City entered into an agreement committing support for Ames Main Street's participation in the Main Street Iowa program. This three-party agreement, which will expire on December 31, 2019, outlines the responsibilities of the City, Ames Main Street, and the Iowa Economic Development Authority.

Section II of the proposed agreement specifies that it will be the obligation of the City to:

1. Support and partner with the Local Main Street Program's focus on the revitalization of the designated Main Street district utilizing the Main Street Approach™.
2. Invest financially into the operation of the Local Main Street Program.
3. Pass a Resolution to demonstrate the City's support of the Local Main Street Program. This resolution must stipulate sources of funding for the program, a commitment to appoint a city official to represent the City on the Local Main Street Program governing board of directors, and that the City will continue to follow the Main Street Approach™ as developed by the Main Street America and espoused by Main Street Iowa for local Main Street district revitalization efforts.
4. Support the revitalization of the Main Street district through creation of tools and resources that support district investment, for example: development incentives, ordinances and policy that promote the revitalization of the district, design guidelines or standards that promote the protection of the traditional character of the district, district development planning, etc.
5. Support the Local Main Street Program in the completion of the annual Main Street America Accreditation process and compliance with this agreement.

The City is currently satisfying the requirements of the proposed agreement since a representative of the City Manager' Office serves as a liaison to the governing board, the Council appropriates funding to purchase specific services from Ames Main Street, and provides incentives for the Downtown Façade Program.

ALTERNATIVES:

- 1) The City Council can pass the attached resolution in support of the Ames Main Street's participation in the Main Street Iowa Program and approve the attached three-party agreement.

- 2) The City Council can decide not to pass the attached resolution in support of Ames Main Street's participation in the Main Street Iowa program nor approve the attached three party agreement.

MANAGER'S RECOMMENDED ACTION:

The Ames Main Street receives critical support from the Main Street Iowa Program. This support facilitates the events, activities, promotions, beautification projects, and grant opportunities in which the Ames Main Street participates. Although the resolution and agreement require a financial commitment to Ames Main Street, the City Council is free to determine the level of support it wishes to provide.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1 thereby approving the attached three-party agreement and resolution supporting Ames Main Street's participation in the Main Street Iowa Program.

RESOLUTION OF SUPPORT FOR AMES MAIN STREET

Resolution of Support and Commitment to the Main Street Program in Ames, Iowa

WHEREAS, Ames has been a Main Street Iowa community since 2009, and as a Main Street Iowa community the City of Ames must pass a resolution of support for the local Main Street Program, in collaboration with the Iowa Economic Development Authority (Main Street Iowa) and Ames Main Street; and

WHEREAS, this Agreement is pursuant to contractual agreements between Main Street America, Main Street Iowa, and Ames Main Street in an effort to revitalize and preserve Downtown Ames; and

WHEREAS, the Mayor and City Council of the City of Ames are committed to the goal of economic revitalization and preservation of Downtown Ames, and support the continuation of the Main Street Approach® as developed by Main Street America and championed by Main Street Iowa; and

NOW THEREFORE BE IT RESOLVED by the Mayor and City Council of the City of Ames, meeting on Tuesday, December 17, 2019, that the City of Ames does hereby agree to financially and philosophically support the mission, vision, goals, and objectives of Ames Main Street.

PASSED, APPROVED, AND ADOPTED THIS 17th day of December 2019.

John Haila
Mayor, City of Ames

Main Street Iowa Program Agreement

Agreement # PS20 -G300-MSI-01

Effective Dates: January 1, 2020 – December 31, 2021

Agreement between the Iowa Economic Development Authority, the City of Ames and Ames Chamber of Commerce / DBA Ames Main Street for the purpose of continuing the Main Street Program in Ames.

THIS AGREEMENT is entered into and executed by the Iowa Economic Development Authority herein referred to as the "IEDA", the City of Ames herein referred to as the "City", and Ames Chamber of Commerce / DBA Ames Main Street herein referred to as the Local Main Street Program".

WHEREAS, The City and Local Main Street Program established a partnership with IEDA in 2009 and desires that the program continue; and

WHEREAS, the IEDA desires to continue the relationship which has been established with the City and the Local Main Street Program;

NOW THEREFORE, in consideration of the foregoing and mutual covenants and agreements contained herein, the parties have agreed to do as follows:

SECTION I. The Local Main Street Program agrees to:

1. Maintain the local program's focus on the revitalization of the designated Main Street district utilizing the Main Street Approach™. This focus should be reflected in the program's annual plan of action, goals and objectives, vision, and mission statement.
2. Employ a paid full-time Executive Director for the Local Main Street Program who will be responsible for the day-to-day administration of the Local Main Street Program in the community. Full-time employment is defined as 40 hours per week dedicated to the Local Main Street Program work. Part time employment is 25 hours per week dedicated to the Local Main Street Program work. The Local Main Street Program and City will work to the best of their ability to provide professional support, competitive compensation, and benefits for the Executive Director position. In the event this position is vacated during the time of this agreement, the Local Main Street Program agrees to fill this position in a reasonable time and provide a written timeline to fill this position to the Main Street Iowa State Coordinator.
3. Develop an accurate position description which includes the rate of compensation and describes the professional activities for which the Executive Director is responsible. A copy of which is to be provided to Main Street Iowa annually.
4. Maintain worker's compensation insurance for the Executive Director and staff.
5. Maintain an office within the designated boundaries of the local Main Street district.
6. Submit monthly performance reports to the IEDA by established deadlines. The reports will document the progress of the Local Main Street Program's activities. Should a Local Main Street Program become three months tardy on submission of monthly reports, program services available through Main Street Iowa will be suspended until the Local Main Street Program has submitted all late reports to become current.
7. Provide Main Street Iowa electronic (via email, web cloud, etc.) examples of local best practices and information demonstrating local success stories (e.g. action plans, marketing materials, quality images, programmatic documents, etc.)
8. Achieve Main Street America National Accreditation at a minimum once every two years. Not achieving Main Street America accreditation at a minimum once every two years will result in termination of this agreement and loss of recognition as a Main Street Program. Details of Main Street America National Accreditation Standards of Performance can be found on the Main Street America website: www.mainstreet.org
9. Participate, as required by Main Street Iowa, in training sessions as scheduled throughout the year. To remain in compliance and to be eligible for Main Street America accreditation, the Local Main Street Program

must have representation at both days, in their entirety, of the three (3) training sessions held annually, indicated as mandatory on the program calendar. In addition, any newly hired Executive Director will be required to participate in Main Street Orientation, as soon after the hire date as feasible. Registration and all related travel expenses for training will be paid by the Local Main Street Program.

10. Work with the City to pass a Resolution of Support of the Local Main Street Program. This resolution must stipulate sources of funding for the program, a commitment to appoint a city official to represent the City on the local Main Street governing board of directors, and that the City will continue to follow the Main Street Approach™ as developed by Main Street America and espoused by Main Street Iowa for Main Street district revitalization.
11. Have a Resolution of Support passed by the Local Main Street Program Board of Directors. This resolution must stipulate a commitment to continue Main Street district revitalization following the Main Street Approach™ as developed by the Main Street America and espoused by Main Street Iowa.
12. Maintain a "Designated Main Street Network" membership with Main Street America.
13. Use the words "Main Street" when referring to and marketing the local program, either as an official part of the organization's name or as a tagline such as... "A Main Street Iowa Program". As a designated Main Street Iowa community, the Local Main Street Program is required to include the Main Street America and the Main Street Iowa logos on local program communication materials.
14. Promote the revitalization of the Main Street district through advocacy of tools and resources that support district investment, for example: development incentives, ordinances and policy that promote the revitalization of the district, design guidelines or standards that promote the protection of the traditional character of the district, district development planning, etc.
15. Submit with this signed Program Agreement, one (1) copy the City's Resolution of Support, one (1) copy of the Local Main Street Program Board of Director's Resolution of Support, (1) copy of the Executive Director's current job description, and one (1) completed W-9 of the Local Main Street Program.
16. Not assign this agreement to another organization without obtaining prior written approval of the IEDA.
17. Remain in compliance with the requirements of Main Street Iowa as outlined in this agreement. If the IEDA finds that the Local Main Street Program is not in compliance with the requirements of this program agreement:
 - a. The Local Main Street Program and City will be notified of non-compliance with an "Initial Warning" and given a 90-day probationary period in which to return to compliance. The Initial Warning will include a summary of non-compliant items and provide guidance on how to resolve the issues. During this probationary period, all Main Street Iowa services, with the exception of targeted technical assistance to help the Local Main Street Program mitigate non-compliant items, will be suspended, including eligibility for Main Street Iowa grant applications, awards nominations, and onsite technical assistance. The Local Main Street Program will be reevaluated by Main Street Iowa 90 days following the Initial Warning.
 - b. If the Local Main Street Program has failed to return to compliance as noted in the initial warning, Main Street Iowa may issue a Final Warning and given a second 90-day probationary period in which to return to compliance.
 - c. If the Local Main Street Program is not in compliance within 90 days after the Final Warning, Main Street Iowa may terminate this agreement with the local program. Notice of official termination will be made by a letter of notification from IEDA to the Local Main Street Program, City, and Main Street America. Termination of this agreement will result in the loss of recognition as a Main Street Iowa Program and discontinuation all Main Street Iowa services, activities provided in this agreement, and will cease using the trademarked brand "Main Street" and/or "Main Street Program" in its name or as part of its organization's identity. Once this agreement is terminated, the community must reapply for Main Street Iowa designation before it can receive Main Street Iowa program services.

SECTION II. The CITY agrees to:

1. Support and partner with the Local Main Street Program's focus on the revitalization of the designated Main Street district utilizing the Main Street Approach™.
2. Invest financially into the operation of the Local Main Street Program.
3. Pass a Resolution to demonstrate the City's support of the Local Main Street Program. This resolution must stipulate sources of funding for the program, a commitment to appoint a city official to represent the City on the Local Main Street Program governing board of directors, and that the City will continue to follow the Main Street Approach™ as developed by the Main Street America and espoused by Main Street Iowa for local Main Street district revitalization efforts.
4. Support the revitalization of the Main Street district through creation of tools and resources that support district investment, for example: development incentives, ordinances and policy that promote the revitalization of the district, design guidelines or standards that promote the protection of the traditional character of the district, district development planning, etc.
5. Support the Local Main Street Program in the completion of the annual Main Street America Accreditation process and compliance with this agreement.

SECTION III. The IEDA agrees to:

1. Administer the Main Street America Accreditation process in Iowa on behalf of Main Street America and recognize Local Main Street Programs and Cities who successfully meet the Main Street America Accreditation Standards.
2. Maintain a team of downtown revitalization specialists, including a Main Street Iowa State Coordinator, to handle communication between the Local Main Street Program, City, the Main Street Iowa Program, and state government agencies.
3. Coordinate at least three (3) statewide training sessions annually for the Local Main Street Program and City based on the combined needs of all Iowa Main Street Communities.
4. Conduct at least three one-day Main Street orientations for all new Executive Directors, board members and volunteers. The Orientation will introduce the Executive Director and Local Main Street Program volunteers and board members to the Main Street Program and to their immediate responsibilities. Orientation meetings will be held in a central Iowa location.
5. Conduct an on-site partnership visit at least once every two years.
6. Provide continuing advice and information to the Local Main Street Program and City.
7. Include the Local Main Street Program and City in the Main Street Iowa network.
8. Provide, as requested and can be scheduled, on-site technical assistance visits to the Local Main Street Program and City with Main Street Iowa personnel in the areas of design, economic vitality, promotion, organization, committee training, board planning retreat facilitation, and action planning.
9. Offer additional optional, regionally hosted trainings throughout the year.

SECTION IV. The PARTIES hereto otherwise agree as follows:

1. The term of this agreement shall be for a period of twenty-four months, beginning January 1, 2020 and ending December 31, 2021. It may be extended or revised by a written amendment signed by all three parties.
2. This agreement shall be binding upon and shall insure to the benefit of the parties and their successors.

3. Not to discriminate against any employee or applicant for employment because of race, color, sex, age, disability, creed, religion, sexual orientation, marital status, or national origin. The parties further agree to take affirmative action to assure that employees are treated without regard to their race, color, region, sex, age, disability, creed, religion, sexual orientation, marital status, or national origin during employment.
4. Any one party may terminate this agreement without cause after 30 days written notice to the other two parties.
5. This document memorializes all elements of this agreement, and both incorporates and supersedes any previous agreements or negotiations, whether oral or written.
6. The IEDA is limited to furnishing its technical services to the Local Main Street Program and City and thus nothing contained herein shall create any employer-employee relationship.

IN WITNESS WHEREOF, the parties have executed this agreement.

BY: _____ (Date) _____
(Mayor Signature)

(Mayor Printed Name) Ames, Iowa
(City)

BY: _____ (Date) _____
(Board President Signature)

(Board President Printed Name) Ames Chamber of Commerce /
DBA Ames Main Street
(Local Main Street Program)

BY: _____ (Date) _____
Deborah V. Durham, Director
Iowa Economic Development Authority

ITEM#: 22
DATE: 12-17-19

COUNCIL ACTION FORM

**SUBJECT: 2018/19 SANITARY SEWER REHABILITATION (SIPHONS) –
CONSTRUCTION OBSERVATION/ADMINISTRATION SERVICES**

BACKGROUND:

On October 8th, 2019, City Council awarded the 2018/19 sanitary sewer rehabilitation (Siphons) construction contract to Synergy Contracting, LLC, of Bondurant, Iowa in the amount of \$1,440,778.

Normally, City construction inspection staff is responsible for field observation for Capital Improvement Plan projects totally \$15 million. For the 2020 construction season, projects will total well over \$30M due to projects such as the Grand Avenue Extension, South 5th Street Extension, South Duff and South 16th Street Intersection Improvements, East Industrial Area Utility Extension, and Campustown Improvement. **Considering the unusually large workload in the coming construction season, proposals were solicited for contract construction observation services. In addition, this project utilizes more specialized rehabilitation methods than typically observed by staff. The selected firm will ensure compliance with the plans and specifications, provide civic engagement during construction, assist in the required SRF funding documentation, support project close out, and provide training/education for City staff on the rehabilitation methods outlined in the contract.**

Proposals for this work were received from two engineering firms on November 22, 2019 and were evaluated according to the following criteria: Project Understanding, Approach to Customer Service, Key Personnel, Relevant Experience, Ability to Perform Work, and References. Listed below, is the ranking based on this evaluation:

Firm	Qualifications Based Score	Fee	Final Rank
WHKS	92	\$ 86,700	1
CGA	78.3	\$ 136,000	2

After weighing the capabilities and estimated fees for these two firms, staff has negotiated a contract with WHKS from Ames, Iowa. WHKS has scored the highest based on qualification and has the lowest fee. WHKS performed the design services, therefore, **WHKS has the most extensive project knowledge and insight.** The firm has also performed observation on multiple projects such as this as well as SRF-funded projects for the City of Ames. It is intended for WHKS team to also provide training to City staff in these rehabilitation methods so that future projects can be administered by City staff. Staff is confident that quality services will be delivered at the best value.

Program Budget:

	Available Revenue	Estimated Expenses
State Revolving Fund (2018/19)	\$3,570,000	
State Revolving Funds (2019/20)	\$3,684,000	
2018/19 Sanitary Sewer Rehab (Wilson & 15 th) (Completed)		\$2,663,751.50
2018/19 Sanitary Sewer Rehab (Siphons)		\$1,440,778.00
2019/20 Sanitary Sewer Rehab (Munn Woods)		\$2,190,212.40
Engineering/Administration (Est.)		\$ 959,000.00
	<hr/>	<hr/>
	\$7,254,000	\$7,253,741.90

ALTERNATIVES:

1. Approve the construction observation/administration services agreement for the 2018/19 Sanitary Sewer Rehabilitation (Siphons) to WHKS of Ames, Iowa, in an amount not to exceed \$86,700.
2. Direct staff to negotiate an engineering agreement with another consulting firm.

MANAGER'S RECOMMENDED ACTION:

Based on staff's evaluation using the above criteria, WHKS will provide the best value to the City for construction observation, documentation, and closeout of this project. This firm designed the project and has experience with the planned rehabilitation methods and SRF funded projects.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as noted above.



PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT, by and between **City of Ames** hereinafter referred to as the "Client" and WHKS & Co., hereinafter referred to as "WHKS", is made as follows:

WHEREAS, the Client has a need for certain professional services relating to the project described as **Siphon Rehabilitation Construction Observation**.

WHEREAS, WHKS proposes to furnish the professional services required by the Client for said project,

NOW THEREFORE, the Client hereby agrees to retain and compensate WHKS to perform the professional services in accordance with the terms and conditions of this Agreement and the attached Standard Terms and Conditions.

Scope of Services

WHKS shall perform the following described services for the Client:

Construction phase engineering services as described on the attached Scope of Services included in Exhibit A.

Basis of Compensation

For the services described above, the Client shall remunerate WHKS as follows:

Billed Hourly with a Not-to-Exceed Fee of \$86,700.00 including Expenses.

Executed this _____ day of December, 2019

City of Ames

By: _____

Printed Name: _____

Title: _____

WHKS & CO.

By:  _____

Printed Name: Derek J. Thomas, P.E.

Title: Principal



Exhibit A to Professional Services Agreement

A. Project Description

The Project is to provide construction observation and administration assistance on the SRF-Funded Sanitary Sewer Rehabilitation (Siphon) Project let by the City of Ames on September 18, 2019.

B. Scope of Services Provided Under This Agreement:

1. Project Management and Meetings

- Perform general project administrative duties including supervision and coordination of the project team, review of project costs and billings, prepare invoices using Consultant's standard forms, preparation of status reports, and general administrative activities.
- Hold kick-off meeting with Client to discuss the project and review the scope.
- Advise the Client of the necessity of obtaining Special Engineering Services as described in Paragraph C., and act as the Client's representative in connection with any such services not actually performed by WHKS.

2. Construction Administration

- Provide construction administration assistance during construction. Contract administration assistance activities conducted during project construction include clarification of design details, periodic visits to the construction site to observe the progress of work, review of shop drawings, review periodic payment estimates for completed construction work and recommend payments for processing, prepare change orders when required, and prepare the final summary of construction costs. Fee based on 100 hours (2 hours per week for 50 weeks) of administration time.
- Attend a preconstruction meeting with Client, Contractor and Utility Owners.
- Prepare record drawings from Contractor provided "mark-ups" at the completion of the construction.
- Provide construction updates to the Client.

3. Construction Observation

- Provide resident project observation services during the construction of the Project. Resident observation is a part time function during construction. Duties are to provide on-site evaluations of the Project progress in accordance with the plans and specifications and report said progress to the Engineer. Additionally, the observer maintains a log book recording conditions at the job site, weather, record of visitors, summary of daily activities, actions taken, observations in general and assists in recording data for eventual preparation of Record Drawings. The observer duties do not include construction means, methods, procedures, and job-site safety. Fee based on 800 hours (16 hours per week for 50 weeks) of observation and travel time.
- The testing of materials will be included in the bid package as a bid allowance to be paid by the Contractor.

C. Special Engineering Services:

Special Engineering Services are those services not listed above, but which may be required or advisable to accomplish the Project. Special Engineering Services shall be performed when authorized by the Client for additional fees, to be determined at the time authorized.

Special Engineering Services include:

1. Quality control testing and construction materials testing
2. Construction Observation and Construction Administration beyond the hours identified above

STANDARD TERMS AND CONDITIONS FOR PUBLIC SECTOR PROJECTS

1. Scope of Services

Client and WHKS have agreed to a list of services WHKS will provide to Client as listed on the Professional Services Agreement Form.

2. Governing Law

The laws of the State of Iowa will govern this Agreement, its interpretation and performance. Any litigation arising in any way from this Agreement shall be brought in the courts of that State.

3. Standard of Care

Services provided by WHKS under this Agreement will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances and locality.

4. Integration

This Agreement comprises the final and complete agreement between Client and WHKS. It supersedes all prior communications, representations, or agreements, whether oral or written, relating to the subject matter of this Agreement. Execution of this Agreement signifies that each party has read the document thoroughly. Amendments to this Agreement shall not be binding unless made in writing and signed by both Client and WHKS.

5. Guarantees and Warranties

WHKS shall not be required to sign any documents, no matter by whom requested, that would result in WHKS having to guarantee or warrant the existence of conditions whose existence WHKS cannot ascertain. Client also agrees not to make resolution of any dispute with WHKS

or payment of any amount due to WHKS in any way contingent upon WHKS signing any such guarantee or warranty.

6. Indemnification

WHKS agrees, to the extent permitted by law, to indemnify and hold Client harmless from any damage, liability or cost (including reasonable attorney's fees and costs of defense) to the extent caused by WHKS' negligent acts, errors or omissions in the performance of professional services under this Agreement and those of its subconsultants or anyone for whom WHKS is legally liable.

Client agrees, to the extent permitted by law, to indemnify and hold WHKS harmless from any damage, liability or cost (including reasonable attorneys' fees and costs of defense) to the extent caused by Client's negligent acts, errors or omissions and those of Client's contractors, subcontractors or consultants or anyone for whom Client is legally liable.

Neither WHKS nor Client shall be obligated to indemnify the other party in any manner whatsoever for the other party's own negligence.

7. Billing and Payment Provisions

Invoices shall be submitted by WHKS monthly and are due upon presentation and shall be considered PAST DUE if not paid within thirty (30) calendar days of the invoice date.

If payment is not received by WHKS within thirty (30) calendar days of the invoice date, Client shall pay as interest an additional charge of one and one-quarter percent (1.25%) of the PAST DUE amount per month. Payment thereafter shall first be

applied to accrued interest and then to the unpaid principal.

If Client fails to make payments within sixty (60) days from the date of an invoice or otherwise is in breach of this Agreement, WHKS may, at its option, suspend performance of services upon five (5) calendar days' notice to Client. WHKS shall have no liability whatsoever to Client for any costs or damages as a result of such suspension caused by any breach of this Agreement by Client. If Client fails to make payment to WHKS in accordance with the payment terms herein, this shall constitute a material breach of this Agreement and shall be cause for termination by WHKS.

In the event legal action is necessary to enforce the payment provisions of this Agreement, WHKS shall be entitled to collect from Client any judgment or settlement sums due, reasonable attorneys' fees, court costs and expenses incurred by WHKS in connection therewith and, in addition, the reasonable value of WHKS personnel time and expenses spent in connection with such collection action, computed at WHKS current fee schedule and expense policies.

Payment of invoices is in no case subject to unilateral discounting or set-offs by Client, and payment is due regardless of suspension or termination of this Agreement by either party.

8. Ownership of Records

All reports, plans, specifications, field data and notes and other

documents, including all documents on electronic media, prepared by WHKS as instruments of service shall remain the property of WHKS.

Client shall be permitted to retain copies, including reproducible copies, of the plans and specifications for information and reference in connection with Client's use of the completed project. The plans and specifications shall not be used by Client or by others on other similar projects except by agreement in writing by WHKS.

9. Delivery of Electronic Files

In accepting and utilizing any drawings, reports and data on any form of electronic media generated and provided by WHKS, Client covenants and agrees that all such electronic files are instruments of service of WHKS, who shall be deemed the author, and who shall retain all rights under common and statutory laws, and other rights, including copyrights. Client is aware that differences may exist between the electronic files delivered and the respective construction documents due to addenda, change orders or other revisions. In the event of a conflict between the signed construction documents prepared by WHKS and electronic files, the signed construction documents shall govern.

Client and WHKS agree that the electronic files prepared by WHKS shall conform to the current CADD software in use by WHKS or to other mutually agreeable CADD specifications defined in the Agreement. Any changes to the CADD specifications by either Client or WHKS are subject to review and acceptance by the other party. Additional efforts by WHKS made necessary by a change to the CADD specifications or other software shall be compensated for as Additional Services.

The electronic files provided by WHKS to Client are submitted for an acceptance period of 60 days. Any defects Client discovers during this period will be reported to WHKS and will be corrected as part of the Scope of Services. Correction of defects

detected and reported after the acceptance period will be compensated for as Additional Services.

Client agrees not to reuse the electronic files, in whole or in part, for any purpose or project other than the project that is the subject of this Agreement. Client agrees not to transfer the electronic files to others without the prior written consent of WHKS, except as required by law. In addition, Client agrees, to the extent permitted by law, to indemnify and hold WHKS harmless from any damage, liability or cost, including reasonable attorney's fees and costs of defense, arising from any changes made by anyone other than WHKS or ~~from any reuse of the electronic files without the prior written consent of WHKS.~~ FKD 7/7/17

Under no circumstance shall delivery of the electronic files for use by Client be deemed a sale by WHKS and WHKS makes no warranties, either express or implied, of merchantability and fitness for any particular purpose. In no event shall WHKS be liable for any loss of profit or any consequential damages.

10. Changed Conditions

Client shall rely on the judgment of WHKS as to the continued adequacy of this agreement in light of occurrences or discoveries that were not originally contemplated by or known to WHKS. Should WHKS call for contract renegotiation, WHKS shall identify the changed conditions necessitating renegotiation and WHKS and Client shall promptly and in good faith enter into renegotiation of this Agreement. If terms cannot be agreed to, the parties agree that either party has the absolute right to terminate this Agreement.

11. Permits and Approvals

WHKS shall assist Client in applying for those permits and approvals typically required by law for projects similar to the one for which WHKS services are being engaged. This assistance consists of completing and submitting forms as to the results of

certain work included in the Scope of Services.

12. Suspension of Services

If the project is suspended for more than thirty (30) calendar days in the aggregate, WHKS shall be compensated for services performed and charges incurred prior to receipt of notice to suspend and, upon resumption, an equitable adjustment in fees to accommodate the resulting demobilization and remobilization costs. In addition, there shall be an equitable adjustment in the project schedule based on the delay caused by the suspension. If the project is suspended for more than ninety (90) calendar days in the aggregate, WHKS may, at its option, terminate this Agreement upon giving notice in writing to Client.

13. Termination

Either Client or WHKS may terminate this Agreement at any time with or without cause upon giving the other party seven (7) calendar days prior written notice. Client shall within thirty (30) calendar days of termination pay WHKS for all services rendered and all costs incurred up to the date of termination, in accordance with the compensation provisions of the Agreement.

14. Unauthorized Changes

In the event Client, Client's contractors or subcontractors or anyone for whom Client is legally liable makes or permits to be made any changes to any reports, plans, specifications or other contract documents prepared by WHKS without obtaining WHKS' prior written consent, Client shall assume full responsibility for the results of such changes. Therefore, Client agrees to waive any claim against WHKS and to release WHKS from any liability arising directly or indirectly from such changes.

Client also agrees, to the extent permitted by laws, to indemnify and hold WHKS harmless from any

damage, liability or cost, including reasonable attorneys' fees and costs of defense, arising from such changes. FKD 7/7/17

15. Jobsite Safety

Neither the professional activities of WHKS nor the presence of WHKS or its employees and subconsultants at a construction site, shall relieve the General Contractor and any other entity of their obligations, duties and responsibilities including, but not limited to, construction means, methods, sequence, techniques or procedures necessary for performing, superintending or coordinating all portions of the construction work in accordance with the contract documents and any health or safety precautions required by any regulatory agencies. WHKS and its personnel have no authority to exercise any control over any construction contractor or other entity or their employees in connection with their work or any health or safety precautions.

16. Additional Services

Services which are requested by Client or are required as part of the Project, but are not included in the Scope of Services, are considered Additional Services.

WHKS will notify Client in writing when Additional Services will be needed. WHKS and Client will agree on the extent of the Additional Service(s) required and will agree on the method and amount of the compensation for performance of said agreed upon Additional Services.

WHKS will not perform Additional Services which will result in additional cost to Client without documented verbal or written authority of Client.

In the event WHKS is requested or required to participate in any dispute resolution procedure which involves any aspect of the Project, other than dispute resolution between Client and WHKS, Client agrees to compensate WHKS for the reasonable value of WHKS' personnel time and expenses spent in connection with such

procedures computed at WHKS' then current fee schedule and expense policies.

17. Dispute Resolution

In an effort to resolve any conflicts that arise, Client and WHKS agree that all disputes between them arising out of or relating to this Agreement shall be submitted to nonbinding mediation unless the parties mutually agree otherwise.

18. Third Party Beneficiaries

Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either Client or WHKS. WHKS' services under this Agreement are being performed solely for Client's benefit, and no other entity shall have any claim against WHKS because of this Agreement or the performance or nonperformance of services hereunder.

19. Extension of Protection

Client agrees to extend any and all liability limitations and indemnifications provided by Client to WHKS to those individuals and entities WHKS retains for performance of the services under this Agreement, including but not limited to WHKS officers and employees and their heirs and assigns, as well as WHKS subconsultants and their officers, employees, heirs and assigns. WHKS agrees to extend any and all liability limitations and indemnifications provided by WHKS to Client and Client's officers, employees and their assigns. FKD 7/7/17

20. Timeliness of Performance

WHKS will perform the services described in the Scope of Services with due and reasonable diligence consistent with sound professional practices.

21. Delays

WHKS is not responsible for delays caused by factors beyond WHKS'

reasonable control, including but not limited to delays because of strikes, lockouts, work slowdowns or stoppages, accidents, acts of God, failure of any governmental or other regulatory authority to act in a timely manner, failure of Client to furnish timely information or approve or disapprove of WHKS' services or work product promptly, or delays caused by faulty performance by Client or by contractors of any level. When such delays beyond WHKS' reasonable control occur, Client agrees WHKS is not responsible for damages, nor shall WHKS be deemed to be in default of this Agreement.

22. Right to Retain Subconsultants

WHKS may use the services of subconsultants when, in the sole opinion of WHKS, it is appropriate and customary to do so. Such persons and entities include, but are not limited to, aerial mapping specialists, geotechnical consultants and testing laboratories. WHKS' use of other consultants for additional services shall not be unreasonably restricted by Client provided WHKS notifies Client in advance.

23. Assignment

Neither party to this Agreement shall transfer, sublet or assign any rights under or interest in this Agreement (including but not limited to monies that are due or monies that may be due) without the prior written consent of the other party.

24. Severability and Survival

Any provision of this Agreement later held to be unenforceable for any reasons shall be deemed void, and all remaining provisions shall continue in full force and effect.

25. Hazardous Materials

It is acknowledged by both parties that WHKS' Scope of Services does not include any services related to asbestos or hazardous or toxic materials. In the event WHKS or any other party encounters asbestos or hazardous or toxic materials at the

jobsite, or should it become known in any way that such materials may be present at the jobsite or any adjacent areas that may affect the performance of WHKS services, WHKS may, at its option and without liability for consequential or any other damages, suspend performance of services on the project until Client retains appropriate specialist consultants(s) or contractor(s) to identify, abate and/or remove the asbestos or hazardous or toxic materials, and warrant that the jobsite is in full compliance with applicable laws and regulations.

Revised: 07/07/17, BA, COA, Sec 9,16,19

26. Joint Participation

The parties have participated jointly in the negotiation and preparation of all agreements between the parties. Each party has had an opportunity to obtain the advice of legal counsel and to review and comment upon this instrument. Accordingly, no rule of construction shall apply against any party or in favor of any party. This instrument shall be construed as if the parties jointly prepared it and any uncertainty or ambiguity shall not be interpreted against one party and in favor of another.

27. Record Documents

If required in the Professional Services Agreement, WHKS shall, upon completion of the Work, compile for and deliver to the Client a reproducible set of Record Documents that are based upon the marked-up record drawings, addenda, change orders and other data furnished by the Contractor or other third parties. These Record Documents may show certain significant changes from the original design made during construction. Because these Record Documents are based on unverified information provided by other parties, which the Consultant is entitled to assume as reliable, the Consultant does not warrant their accuracy.

Revised 02/23/07

Revised: 04/29/09

Revised: 08/16/16, BA, COA, Sec 14

ITEM#: 23
DATE: 12-17-19

COUNCIL ACTION FORM

SUBJECT: 2019/20 SANITARY SEWER REHABILITATION (MUNN WOODS) – CONSTRUCTION OBSERVATION/ADMINISTRATION SERVICES

BACKGROUND:

On October 8th, 2019, City Council awarded the 2019/20 sanitary sewer rehabilitation (Munn woods) construction contract to Visu – Sewer, Inc. of Pewaukee, Wisconsin in the amount of \$2,190,212.40.

Normally, City construction inspection staff is responsible for field observation for Capital Improvement Plan projects totaling \$15 million. For the 2020 construction season, projects will total well over \$30M due to projects such as the Grand Avenue Extension, South 5th Street Extension, South Duff and South 16th Street Intersection Improvements, East Industrial Area Utility Extension, and Campustown Improvement. **Considering the unusually large workload in the coming construction season, proposals were solicited for contract construction observation services. In addition, this project utilizes more specialized rehabilitation methods than typically observed by staff. The selected firm will ensure compliance with the plans and specifications, provide civic engagement during construction, assist in the required SRF funding documentation, support project close out, and provide training/education for City staff on the rehabilitation methods outlined in the contract.**

Proposals for this work were received from two engineering firms on November 22, 2019 and were evaluated according to the following criteria: Project Understanding, Approach to Customer Service, Key Personnel, Relevant Experience, Ability to Perform Work, and References. Listed below, is the ranking based on this evaluation:

Firm	Qualifications Based Score	Fee	Final Rank
WHKS	92	\$ 147,800	1
FOX engineering	76	\$ 174,500	2

After weighing the capabilities and estimated fees for these two firms, staff has negotiated a contract with WHKS from Ames, Iowa. WHKS has scored the highest based on qualification and has the lowest fee. WHKS performed the design services, therefore, **WHKS has the most extensive project knowledge and insight.** The firm has also performed observation on multiple projects such as this as well as SRF-funded projects for the City of Ames. It is intended for WHKS team to also provide training to City Staff in these rehabilitation methods so that future projects can be administered by City Staff. Staff is confident that quality services will be delivered at the best value.

Program Budget:

	Available Revenue	Estimated Expenses
State Revolving Fund (2018/19)	\$3,570,000	
State Revolving Funds (2019/20)	\$3,684,000	
2018/19 Sanitary Sewer Rehab (Wilson & 15 th) (Completed)		\$2,663,751.50
2018/19 Sanitary Sewer Rehab (Siphons)		\$1,440,778.00
2019/20 Sanitary Sewer Rehab (Munn Woods)		\$2,190,212.40
Engineering/Administration (Est.)		\$ 959,000.00
	<hr/>	<hr/>
	\$7,254,000	\$7,253,741.90

ALTERNATIVES:

1. Approve the construction observation/administration services agreement for the 2019/20 Sanitary Sewer Rehabilitation (Munn Woods) to WHKS of Ames, Iowa, in an amount not to exceed \$147,800.
2. Direct staff to negotiate an engineering agreement with another consulting firm.

MANAGER'S RECOMMENDED ACTION:

Based on staff's evaluation using the above criteria, WHKS will provide the best value to the City for construction observation, documentation, and closeout of this project. This firm designed the project and has experience with the planned rehabilitation methods and SRF funded projects.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as noted above.



PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT, by and between **City of Ames** hereinafter referred to as the "Client" and WHKS & Co., hereinafter referred to as "WHKS", is made as follows:

WHEREAS, the Client has a need for certain professional services relating to the project described as **Munn Woods Construction Observation**.

WHEREAS, WHKS proposes to furnish the professional services required by the Client for said project,

NOW THEREFORE, the Client hereby agrees to retain and compensate WHKS to perform the professional services in accordance with the terms and conditions of this Agreement and the attached Standard Terms and Conditions.

Scope of Services

WHKS shall perform the following described services for the Client:

Construction phase engineering services as described on the attached Scope of Services included in Exhibit A.

Basis of Compensation

For the services described above, the Client shall remunerate WHKS as follows:

Billed Hourly with a Not-to-Exceed Fee of \$147,800.00 including Expenses.

Executed this _____ day of December, 2019

City of Ames

By: _____

Printed Name: _____

Title: _____

WHKS & CO.

By:  _____

Printed Name: Derek J. Thomas, P.E.

Title: Principal



Exhibit A to Professional Services Agreement

A. Project Description

The Project is to provide construction observation and administration assistance on the SRF-Funded Munn Woods Sanitary Sewer Access Improvements Project let by the City of Ames on September 18, 2019.

B. Scope of Services Provided Under This Agreement:

1. Project Management and Meetings

- Perform general project administrative duties including supervision and coordination of the project team, review of project costs and billings, prepare invoices using Consultant's standard forms, preparation of status reports, and general administrative activities.
- Hold kick-off meeting with Client to discuss the project and review the scope.
- Advise the Client of the necessity of obtaining Special Engineering Services as described in Paragraph C., and act as the Client's representative in connection with any such services not actually performed by WHKS.

2. Construction Administration

- Provide construction administration assistance during construction. Contract administration assistance activities conducted during project construction include clarification of design details, periodic visits to the construction site to observe the progress of work, review of shop drawings, review periodic payment estimates for completed construction work and recommend payments for processing, prepare change orders when required, and prepare the final summary of construction costs. Fee based on 200 hours (4 hours per week for 50 weeks) of administration time.
- Attend a preconstruction meeting with Client, Contractor and Utility Owners.
- Provide construction staking.
- Prepare record drawings from Contractor provided "mark-ups" at the completion of the construction.
- Provide construction updates to the Client.

3. Construction Observation

- Provide resident project observation services during the construction of the Project. Resident observation is a part time function during construction. Duties are to provide on-site evaluations of the Project progress in accordance with the plans and specifications and report said progress to the Engineer. Additionally, the observer maintains a log book recording conditions at the job site, weather, record of visitors, summary of daily activities, actions taken, observations in general and assists in recording data for eventual preparation of Record Drawings. The observer duties do not include construction means, methods, procedures, and job-site safety. Fee based on 1200 hours (24 hours per week for 50 weeks) of observation and travel time.
- The testing of materials will be included in the bid package as a bid allowance to be paid by the Contractor.

C. Special Engineering Services:

Special Engineering Services are those services not listed above, but which may be required or advisable to accomplish the Project. Special Engineering Services shall be performed when authorized by the Client for additional fees, to be determined at the time authorized.

Special Engineering Services include:

1. Quality control testing and construction materials testing
2. Construction Observation and Construction Administration beyond the hours identified above

STANDARD TERMS AND CONDITIONS FOR PUBLIC SECTOR PROJECTS

1. Scope of Services

Client and WHKS have agreed to a list of services WHKS will provide to Client as listed on the Professional Services Agreement Form.

2. Governing Law

The laws of the State of Iowa will govern this Agreement, its interpretation and performance. Any litigation arising in any way from this Agreement shall be brought in the courts of that State.

3. Standard of Care

Services provided by WHKS under this Agreement will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances and locality.

4. Integration

This Agreement comprises the final and complete agreement between Client and WHKS. It supersedes all prior communications, representations, or agreements, whether oral or written, relating to the subject matter of this Agreement. Execution of this Agreement signifies that each party has read the document thoroughly. Amendments to this Agreement shall not be binding unless made in writing and signed by both Client and WHKS.

5. Guarantees and Warranties

WHKS shall not be required to sign any documents, no matter by whom requested, that would result in WHKS having to guarantee or warrant the existence of conditions whose existence WHKS cannot ascertain. Client also agrees not to make resolution of any dispute with WHKS

or payment of any amount due to WHKS in any way contingent upon WHKS signing any such guarantee or warranty.

6. Indemnification

WHKS agrees, to the extent permitted by law, to indemnify and hold Client harmless from any damage, liability or cost (including reasonable attorney's fees and costs of defense) to the extent caused by WHKS' negligent acts, errors or omissions in the performance of professional services under this Agreement and those of its subconsultants or anyone for whom WHKS is legally liable.

Client agrees, to the extent permitted by law, to indemnify and hold WHKS harmless from any damage, liability or cost (including reasonable attorneys' fees and costs of defense) to the extent caused by Client's negligent acts, errors or omissions and those of Client's contractors, subcontractors or consultants or anyone for whom Client is legally liable.

Neither WHKS nor Client shall be obligated to indemnify the other party in any manner whatsoever for the other party's own negligence.

7. Billing and Payment Provisions

Invoices shall be submitted by WHKS monthly and are due upon presentation and shall be considered PAST DUE if not paid within thirty (30) calendar days of the invoice date.

If payment is not received by WHKS within thirty (30) calendar days of the invoice date, Client shall pay as interest an additional charge of one and one-quarter percent (1.25%) of the PAST DUE amount per month. Payment thereafter shall first be

applied to accrued interest and then to the unpaid principal.

If Client fails to make payments within sixty (60) days from the date of an invoice or otherwise is in breach of this Agreement, WHKS may, at its option, suspend performance of services upon five (5) calendar days' notice to Client. WHKS shall have no liability whatsoever to Client for any costs or damages as a result of such suspension caused by any breach of this Agreement by Client. If Client fails to make payment to WHKS in accordance with the payment terms herein, this shall constitute a material breach of this Agreement and shall be cause for termination by WHKS.

In the event legal action is necessary to enforce the payment provisions of this Agreement, WHKS shall be entitled to collect from Client any judgment or settlement sums due, reasonable attorneys' fees, court costs and expenses incurred by WHKS in connection therewith and, in addition, the reasonable value of WHKS personnel time and expenses spent in connection with such collection action, computed at WHKS current fee schedule and expense policies.

Payment of invoices is in no case subject to unilateral discounting or set-offs by Client, and payment is due regardless of suspension or termination of this Agreement by either party.

8. Ownership of Records

All reports, plans, specifications, field data and notes and other

documents, including all documents on electronic media, prepared by WHKS as instruments of service shall remain the property of WHKS.

Client shall be permitted to retain copies, including reproducible copies, of the plans and specifications for information and reference in connection with Client's use of the completed project. The plans and specifications shall not be used by Client or by others on other similar projects except by agreement in writing by WHKS.

9. Delivery of Electronic Files

In accepting and utilizing any drawings, reports and data on any form of electronic media generated and provided by WHKS, Client covenants and agrees that all such electronic files are instruments of service of WHKS, who shall be deemed the author, and who shall retain all rights under common and statutory laws, and other rights, including copyrights. Client is aware that differences may exist between the electronic files delivered and the respective construction documents due to addenda, change orders or other revisions. In the event of a conflict between the signed construction documents prepared by WHKS and electronic files, the signed construction documents shall govern.

Client and WHKS agree that the electronic files prepared by WHKS shall conform to the current CADD software in use by WHKS or to other mutually agreeable CADD specifications defined in the Agreement. Any changes to the CADD specifications by either Client or WHKS are subject to review and acceptance by the other party. Additional efforts by WHKS made necessary by a change to the CADD specifications or other software shall be compensated for as Additional Services.

The electronic files provided by WHKS to Client are submitted for an acceptance period of 60 days. Any defects Client discovers during this period will be reported to WHKS and will be corrected as part of the Scope of Services. Correction of defects

detected and reported after the acceptance period will be compensated for as Additional Services.

Client agrees not to reuse the electronic files, in whole or in part, for any purpose or project other than the project that is the subject of this Agreement. Client agrees not to transfer the electronic files to others without the prior written consent of WHKS, except as required by law. In addition, Client agrees, to the extent permitted by law, to indemnify and hold WHKS harmless from any damage, liability or cost, including reasonable attorney's fees and costs of defense, arising from any changes made by anyone other than WHKS or ~~from any reuse of the electronic files without the prior written consent of WHKS.~~ FKD 7/7/17

Under no circumstance shall delivery of the electronic files for use by Client be deemed a sale by WHKS and WHKS makes no warranties, either express or implied, of merchantability and fitness for any particular purpose. In no event shall WHKS be liable for any loss of profit or any consequential damages.

10. Changed Conditions

Client shall rely on the judgment of WHKS as to the continued adequacy of this agreement in light of occurrences or discoveries that were not originally contemplated by or known to WHKS. Should WHKS call for contract renegotiation, WHKS shall identify the changed conditions necessitating renegotiation and WHKS and Client shall promptly and in good faith enter into renegotiation of this Agreement. If terms cannot be agreed to, the parties agree that either party has the absolute right to terminate this Agreement.

11. Permits and Approvals

WHKS shall assist Client in applying for those permits and approvals typically required by law for projects similar to the one for which WHKS services are being engaged. This assistance consists of completing and submitting forms as to the results of

certain work included in the Scope of Services.

12. Suspension of Services

If the project is suspended for more than thirty (30) calendar days in the aggregate, WHKS shall be compensated for services performed and charges incurred prior to receipt of notice to suspend and, upon resumption, an equitable adjustment in fees to accommodate the resulting demobilization and remobilization costs. In addition, there shall be an equitable adjustment in the project schedule based on the delay caused by the suspension. If the project is suspended for more than ninety (90) calendar days in the aggregate, WHKS may, at its option, terminate this Agreement upon giving notice in writing to Client.

13. Termination

Either Client or WHKS may terminate this Agreement at any time with or without cause upon giving the other party seven (7) calendar days prior written notice. Client shall within thirty (30) calendar days of termination pay WHKS for all services rendered and all costs incurred up to the date of termination, in accordance with the compensation provisions of the Agreement.

14. Unauthorized Changes

In the event Client, Client's contractors or subcontractors or anyone for whom Client is legally liable makes or permits to be made any changes to any reports, plans, specifications or other contract documents prepared by WHKS without obtaining WHKS' prior written consent, Client shall assume full responsibility for the results of such changes. Therefore, Client agrees to waive any claim against WHKS and to release WHKS from any liability arising directly or indirectly from such changes.

Client also agrees, to the extent permitted by laws, to indemnify and hold WHKS harmless from any

damage, liability or cost, including reasonable attorneys' fees and costs of defense, arising from such changes. FKD 7/7/17

15. Jobsite Safety

Neither the professional activities of WHKS nor the presence of WHKS or its employees and subconsultants at a construction site, shall relieve the General Contractor and any other entity of their obligations, duties and responsibilities including, but not limited to, construction means, methods, sequence, techniques or procedures necessary for performing, superintending or coordinating all portions of the construction work in accordance with the contract documents and any health or safety precautions required by any regulatory agencies. WHKS and its personnel have no authority to exercise any control over any construction contractor or other entity or their employees in connection with their work or any health or safety precautions.

16. Additional Services

Services which are requested by Client or are required as part of the Project, but are not included in the Scope of Services, are considered Additional Services.

WHKS will notify Client in writing when Additional Services will be needed. WHKS and Client will agree on the extent of the Additional Service(s) required and will agree on the method and amount of the compensation for performance of said agreed upon Additional Services.

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procedures computed at WHKS' then current fee schedule and expense policies.

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reasonable control, including but not limited to delays because of strikes, lockouts, work slowdowns or stoppages, accidents, acts of God, failure of any governmental or other regulatory authority to act in a timely manner, failure of Client to furnish timely information or approve or disapprove of WHKS' services or work product promptly, or delays caused by faulty performance by Client or by contractors of any level. When such delays beyond WHKS' reasonable control occur, Client agrees WHKS is not responsible for damages, nor shall WHKS be deemed to be in default of this Agreement.

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It is acknowledged by both parties that WHKS' Scope of Services does not include any services related to asbestos or hazardous or toxic materials. In the event WHKS or any other party encounters asbestos or hazardous or toxic materials at the

jobsite, or should it become known in any way that such materials may be present at the jobsite or any adjacent areas that may affect the performance of WHKS services, WHKS may, at its option and without liability for consequential or any other damages, suspend performance of services on the project until Client retains appropriate specialist consultants(s) or contractor(s) to identify, abate and/or remove the asbestos or hazardous or toxic materials, and warrant that the jobsite is in full compliance with applicable laws and regulations.

Revised: 07/07/17, BA, COA, Sec 9,16,19

26. Joint Participation

The parties have participated jointly in the negotiation and preparation of all agreements between the parties. Each party has had an opportunity to obtain the advice of legal counsel and to review and comment upon this instrument. Accordingly, no rule of construction shall apply against any party or in favor of any party. This instrument shall be construed as if the parties jointly prepared it and any uncertainty or ambiguity shall not be interpreted against one party and in favor of another.

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Revised 02/23/07

Revised: 04/29/09

Revised: 08/16/16, BA, COA, Sec 14

COUNCIL ACTION FORM

SUBJECT: GOVERNOR'S TRAFFIC SAFETY BUREAU NIGHTTIME SEAT BELT ENFORCEMENT GRANT PROGRAM

BACKGROUND:

In February 2019, the City Council approved the Police Department's request to accept a traffic safety grant from the Governor's Traffic Safety Bureau (GTSB) for enforcement of traffic laws and to participate in the program. That program is designed with both enforcement and educational components to improve driver safety and protection, to reduce impaired driving, and to enhance overall traffic safety.

Following implementation of the grant, GTSB approached the Police Department with a proposal to participate in an additional traffic safety program that would focus on seat belt usage, particularly during hours after sunset. A National Highway Traffic Safety Administration ten-year study of crash data shows that nighttime seat belt usage rates are 18% lower than daytime compliance rates. The program would include a public education component regarding seat belt usage and safety.

This grant would provide \$5,000 to support officer overtime for an estimated five enforcement events during the grant period. The Police Department will determine where and when those events would take place. Nighttime enforcement creates unique safety concerns that would be addressed by using an observer and enforcement officer model that requires two or more officers for each event.

There is no local match required with this grant.

ALTERNATIVES:

1. Approve the Police Department's participation in the Governor's Traffic Safety Bureau Nighttime Seat Belt Enforcement Grant program.
2. Do not approve this grant program.

CITY MANAGER'S RECOMMENDED ACTION:

Participation in this program allows the Police Department to devote additional resources to seat belt enforcement without additional local costs. These funds will be used to improve traffic safety for the citizens of Ames.

Therefore, it is the recommendation of the City Manager that the City Council approve Alternative #1 as described above.



Public Works Department
515 Clark Avenue, Ames, Iowa 50010
Phone 515-239-5160 ♦ Fax 515-239-5404

Item No. 25

December 17, 2019

Honorable Mayor and Council Members
City of Ames
Ames, Iowa 50010

RE: Scenic Valley 4th Addition Financial Security Reduction #1

Mayor and Council Members:

I hereby certify that the GW Carver Avenue widening, subgrade preparation, curb and gutter, asphalt base pavement, and storm sewer required as a condition for approval of the final plat of **Scenic Valley 4th Addition** have been completed in an acceptable manner by **Con-Struct Inc., Manatt's Inc., and Ames Trenching of Ames, Iowa**. The above-mentioned improvements have been inspected by the Engineering Division of the Public Works Department of the City of Ames, Iowa, and found to meet City specifications and standards.

As a result of this certification, it is recommended that the financial security for public improvements on file with the City for this subdivision be reduced to **\$220,325.50**. The remaining work covered by this financial security includes asphalt surface pavement, utility adjustments, public sidewalk, ADA sidewalk ramps, COSESCO (erosion control), streetlights, and street trees.

Sincerely,

John C. Joiner, P.E.
Director

JJ/nw

cc: Finance, Planning & Housing, Subdivision file

Scenic Valley 4th Addition

December 17, 2019

Page 2

Description	Unit	Quantity
Pavement, HMA Surface, 2"	SY	5,122
Manhole Adjustments	EA	9
Water Valve Adjustments	EA	6
PCC Sidewalk, 4"	SY	1,775
PCC Sidewalk, 6"	SY	78
Detectable Warning Panels	SF	174
COESCO (erosion control)	AC	15.85
Streetlights	LS	1
Street Trees	EA	80

Staff Report

321 STATE AVENUE INDOOR POOL FACILITY AND AFFORDABLE HOUSING DEVELOPMENT OPTIONS

December 17, 2019

City Council directed staff at its November 26th meeting to place a discussion item on the agenda for use of 321 State Avenue for affordable housing with recreation space for a park and indoor pool facility. The 321 State Avenue site was purchased with Community Development Block Grant (CDBG) funds in 2016 for development of affordable housing. The site and surrounding neighborhood also was designated by City as a Neighborhood Revitalization Strategy Area (NRSA) to prioritize use of federal funds for improvements to facilities in the area and affordable housing.

Currently, the 321 State Avenue site consists of two developable areas split by the recent extension of Tripp Street. There is approximately 3.6 usable acres (275 ft. x 550 ft.) north of Tripp Street and 3.4 usable acres (330 ft. x 450 ft.) south of Tripp Street (Attachment A-Site Map).

The development of the property at 321 State Avenue has been discussed with City Council on at least six occasions since the summer of 2016. **Most recently, City Council gave direction on June 11th to proceed with developing options for affordable housing development as a City project at 321 State Avenue.** The June 11th staff report took into account multiple factors related to affordable housing development and described a range of average financial subsidy by the City as the sole developer of \$79,000 to \$114,000 per affordable home with a development cost of \$244,000 (house plus lot). The report also described the funding approach for the project. Since June, the City completed acquisition of development plans from J-Corp and Fox Engineering. Staff is also in the process of completing the RFP process for a civil engineering firm to assist in creating development concepts for housing and subsequently preparing a subdivision plat per Council's direction from June.

Leading up to the June 11th meeting, City Council had previously considered options for partnering with a developer for the construction of affordable housing or proceeding with a City lead project. Additionally, City Council considered options for different forms of affordable housing and locations of affordable housing for 321 State Avenue and within the NRSA. All of the different options for housing types and developer partnerships have ramifications on the cost of producing housing and availability of CDBG and HOME funds to support the project concept. A full range of options was discussed March 6, 2018 in preparation of plans to extend Tripp Street for future development.

One specific proposal was to consider if there were benefits to relocating Franklin Park located two blocks west of the 321 State Avenue and combining it with development of single-family homes at 321 State. The existing Franklin Park site would then be

developed with medium density affordable rental housing. This option was described by staff as including up to 3.0 acres for a neighborhood park (for context Roosevelt Park is 1.25 acres, O'Neil Park is 3 acres, and Franklin Park is 4 acres) and 20 standard lot homes at 321 State Avenue. Additionally, the former Franklin Park site could include small apartment buildings totaling approximately 40-50 dwellings (Attachment B-Franklin Example from 2018). In this scenario, the City would not be the developer for the apartments.

This option met multiple City affordable housing goals with a mix of housing types, potentially reduced direct City financial costs, and provided an opportunity for a new park facility. However, based upon neighborhood input concerning the housing mix and the appreciation of the current Franklin Park site, City Council directed staff to focus on development of 321 State Avenue without including changes to Franklin Park.

Per the referral for this report, staff evaluated using half of 321 State Avenue for recreation purposes with no housing on that half of the site. Staff focused on the north site as an option due to a slightly larger site area. Although there are no specific plans for an indoor pool facility, Parks and Recreation Department staff estimated a need of a minimum of 30,000 to 40,000 square feet of building space plus parking. Planning staff estimates that with parking, an indoor facility would take up half of the north site and leave approximately half of the site for park or open space, roughly 2 acres. However, staff emphasizes that this minimum sized facility would likely not have the ability to expand at this location without displacing open space making the site less desirable than other potential options.

Developing the half of the site for an indoor pool facility would reduce the number of homes that could be built on the site to half of the June projection of 37 homes, meaning 18 homes could potentially be built. Additionally, if the City chose to proceed developing an indoor pool facility it would require reimbursement to HUD of CDBG funds spent to acquire the site.

OPTIONS:

Option 1. Develop 321 State Avenue with a mix of market rate and affordable homes (51%), as originally planned.

Under this option, Franklin Park would not be relocated and any future indoor aquatic center would be constructed on a different site.

Option 2. Relocate Franklin Park to the north side of 321 State Avenue, along with a future site for an indoor aquatic center, as well as constructing detached homes on the south side. The mix of affordable and market rate homes will have to be determined by the Council. This option will require a repayment to HUD for the value of the land that is used for an aquatic center.

In addition, under this option the existing Franklin Park site would include small affordable housing apartment buildings totaling approximately 40-50 dwellings. Final

details for this development would be determined through a RFP process with an affordable housing developer.

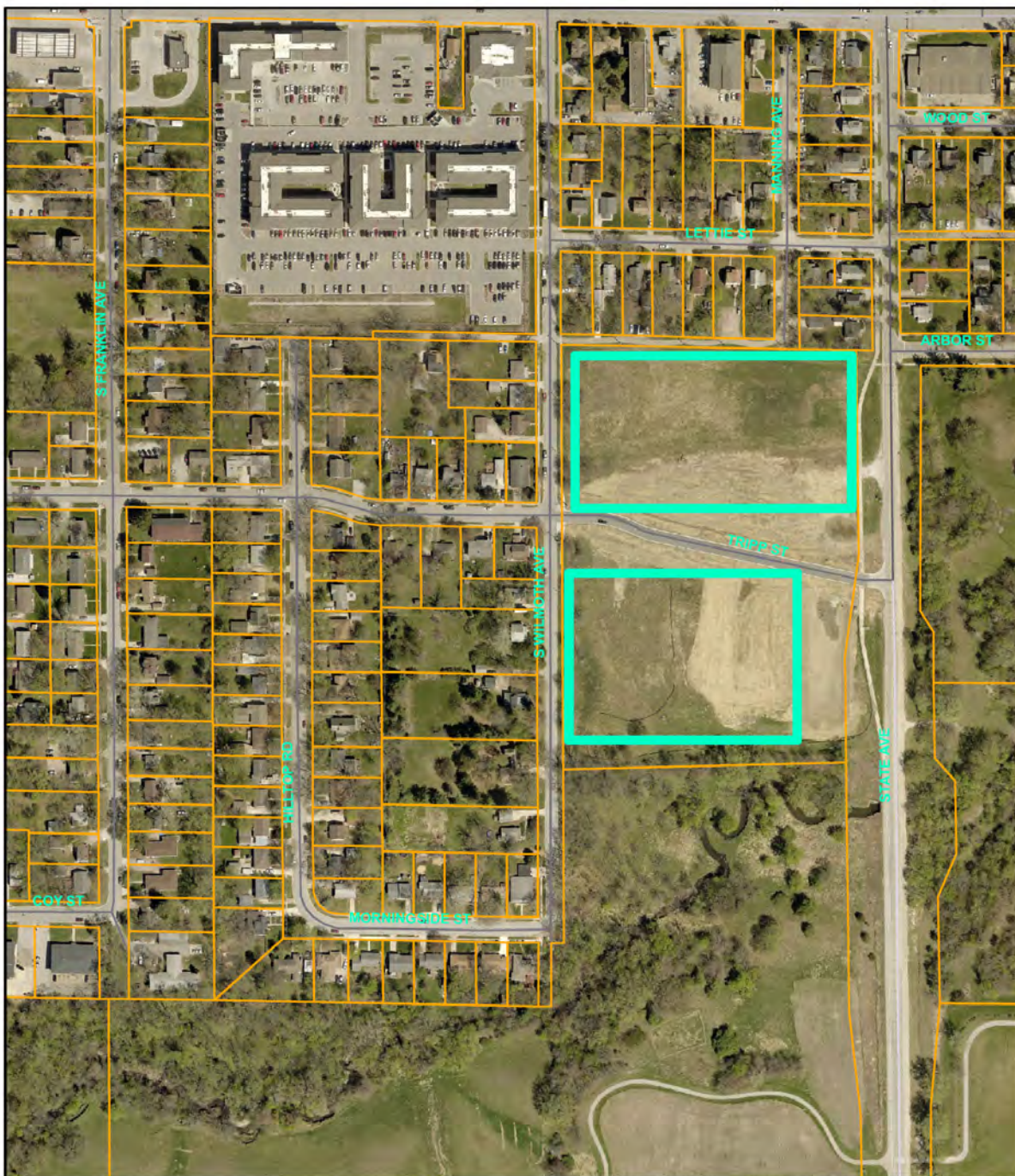
Option 3. Not relocate Franklin Park and construct a future aquatic center on the north side of 321 State along with the a mix of market rate and affordable homes on standard lots on the south side according to a percentage mix directed by the City Council.

This option will require a repayment to HUD for the value of the land used for the aquatic center.

STAFF COMMENTS:

Attachment C illustrates a conceptual layout for half of 321 State as a 30,000 square foot building with a pool, parking, and a park (Option 2). Any larger facility or future expansion would displace some of the open space represented in Attachment C. **Staff believes that siting a future indoor pool facility at this location is not recommended because it has limited options for future expansion and will require reimbursement to HUD for the market value of the land.**

Attachment A



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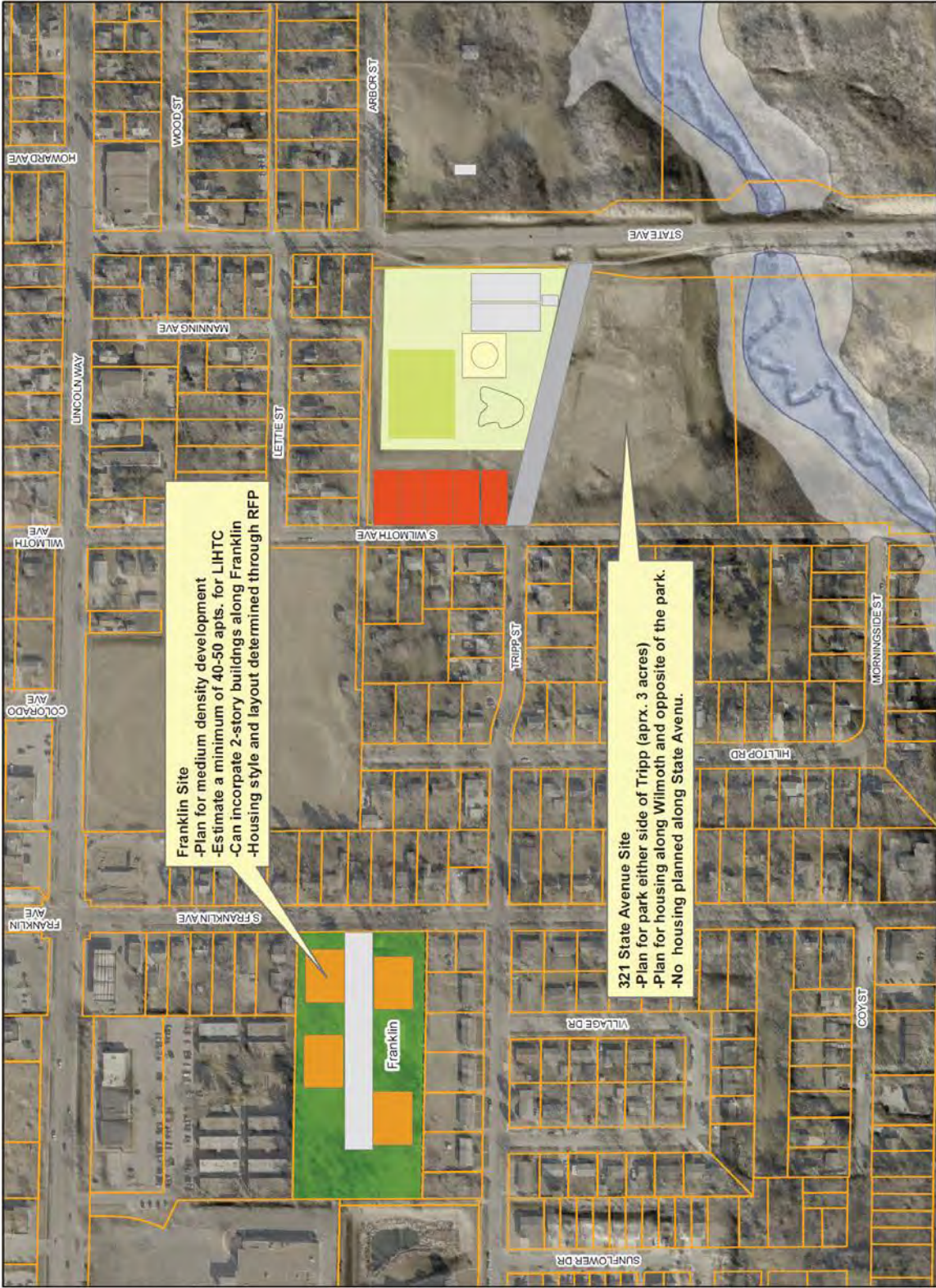
321 State Site Usable Areas

Date: 12/12/2019



1 inch = 250 feet

Attachment B



Franklin Site
 -Plan for medium density development
 -Estimate a minimum of 40-50 apts. for LIHTC
 -Can incorporate 2-story buildings along Franklin
 -Housing style and layout determined through RFP

321 State Avenue Site
 -Plan for park either side of Tripp (appr. 3 acres)
 -Plan for housing along Wilmoth and opposite of the park.
 -No housing planned along State Avenue.

Relocate Franklin Park Concept

1 inch = 277 feet

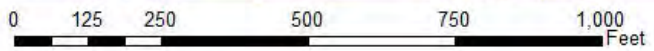
Date: 1/16/2018

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Attachment C



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321 State Site Recreation Concept Layout

Date: 12/12/2019



1 inch = 250 feet

Staff Report

**Request for Zoning Text Amendment to Remove the CSC Zoning District
Mid-Block 20-foot Setback Standard**

December 17, 2019

BACKGROUND:

On December 10th, City Council reviewed a request to amend the zoning standard regarding the need for a mid-block 20-foot break for each block face in Campustown (Ames Municipal Code Section 29.803(3)). *“In order to provide access for vehicles and/or utilities to the interior of the block, there shall be a twenty-foot-wide opening between buildings, at the approximate mid-point of each face of each block...”*. City Council directed staff to place the item on an agenda to explain what the text amendment might mean to the broader Campustown Service Center (CSC) Zoning District, if it is initiated by City Council. The individual making the request for the change is specifically interested in how the requirement would be applied to Lincoln Way along the 2500 Block.

The CSC district includes the 2300-2700 blocks on Lincoln Way and then continues south encompassing the primarily commercial district of Campustown. (Attachment A) CSC Zoning was initially adopted in 2006. **The mid-block standard is intended to address the variety of access and utility constraints that exist in Campustown while permitting for redevelopment of the area. This mid-block break standard has historically been applied only if necessary to serve the stated purposes of the standard for access or utility needs. This approach does create some ambiguity along with flexibility.** Currently, only the 2300 and 2600 block of Lincoln Way have at least one opening at some point along the block face, while the 2400 block and 2700 block do not have a break along Lincoln Way. Other block faces in Campustown have a mix of alley, easements, or neither to meet the standard.

The purpose of the Campustown Service Center (CSC) Zoning District is for development “...to be very dense with building coverage, large buildings in scale with the predominant building pattern in the Campustown commercial area, and buildings placed close together ...Building placement, the scale at the street, design and materials reinforce a dynamic, pedestrian-friendly neighborhood character.” Many of the redeveloped sites are in alignment with this desired development pattern and a break in buildings exists on many other block faces within the CSC district, with the exception of Lincoln Way.

OPTIONS:

Option 1: Amend the CSC Zoning requirements to remove the 20-foot mid-block break only along Lincoln Way.

Historically, the mid-block break has been applied only if necessary to serve developments in Campustown. This has provided some flexibility in the past. The most recent developments on the 2400 and 2700 blocks of Lincoln Way were not required to provide the break, as utility and vehicle access was available from other block faces. Staff believes that access from Lincoln Way as an arterial street is likely not desirable for any block face, however utility access is still possible from Lincoln Way. However, most streets in Campustown have utility options from adjoining streets that does not always necessitate access from Lincoln Way.

If the City Council were interested in removing the requirement for the mid-block only along Lincoln Way in the CSC district, it would allow for the redevelopment of 2516 Lincoln Way to make full use of the parcel from east to west, without sacrificing useable square footage. This change in text would also remove discretionary application by Staff along Lincoln without affecting possible future development. The standard would remain for other blocks.

Option 2: Clarify the CSC zoning language that the mid-block break is applicable when necessary as determined by the Planning Director

This option is designed to maintain the mid-block break in the CSC district along all block faces, but recognize the practice of making case-by-case determinations. The text amendment would add language to clarify that the break would applied if applicable. As part of development review Staff would evaluate utilities and access for proposed developments and how the break may or may not affect future development on and off-site. This change would be minor in nature and align the text with Staff's current application of the regulation.

Option 3: Comprehensive utility and planned access study within the CSC district.

This option would require a more in-depth assessment by affected departments of utility and access needs to create a master plan for Campustown to prioritize specific areas for service. Changing the standard for the broader Campustown area would be much more involved due to the varying arrangements of utilities and alleys. The zoning standard could then be changed to recognize the specific areas requiring a break or setback mid-block. **This would be a significant undertaking as a work plan priority. This process would take at least six months to coordinate and do outreach. Staff does not recommend taking on a utility master plan task at this time unless it is a high priority issue for the Council.**

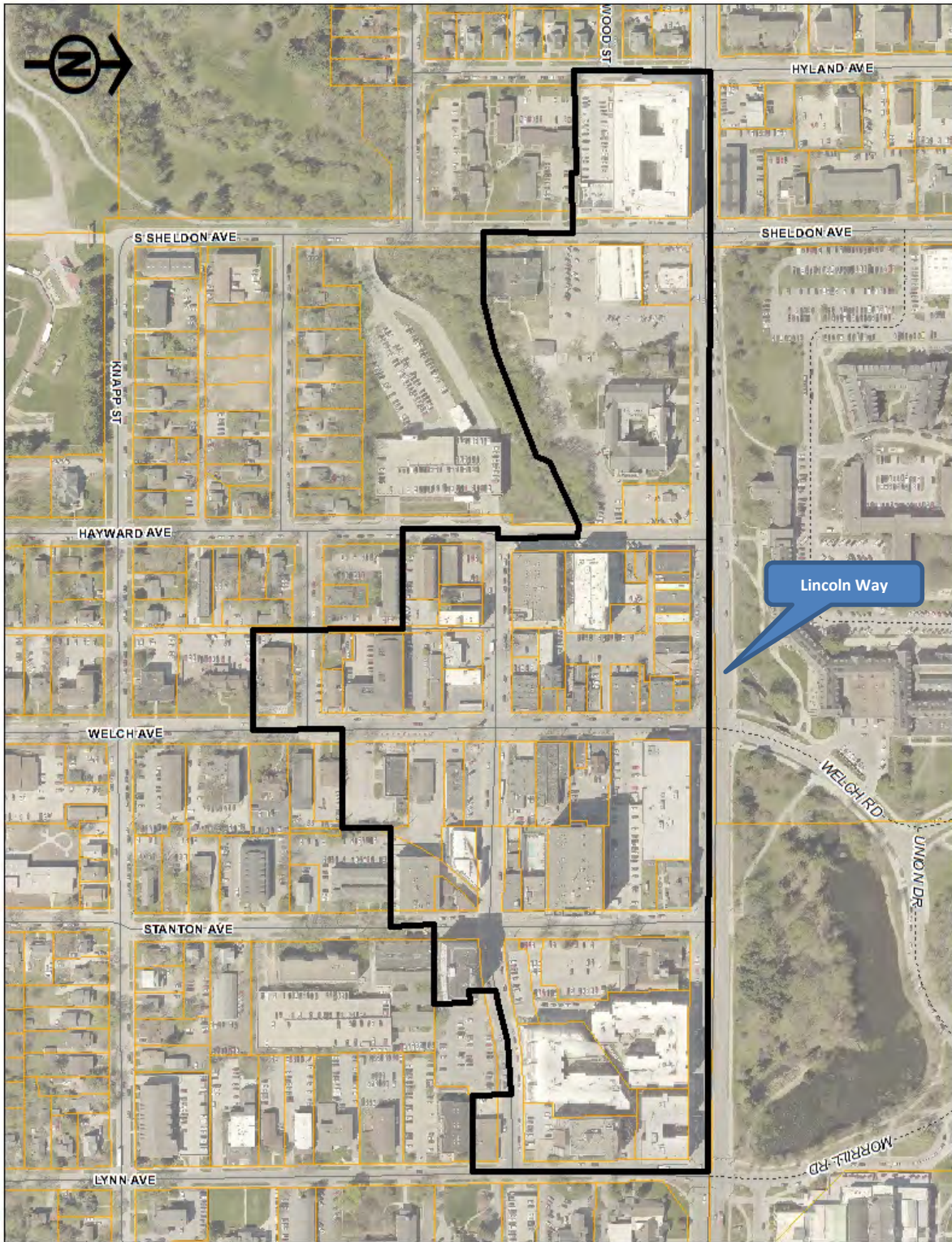
STAFF COMMENTS:

A consideration for the proposed removal of the mid-block break for utility access requirement is how it may influence future redevelopment within the CSC district. Altering the language would not prohibit a break to be incorporated into the design project if desired by a developer or if needed in order to meet building code requirements, it would remove the mandate.

The request from change came from an interest in redeveloping the property at 2516 Lincoln Way that would be subject to the break standard. Any of the three options provided would serve their needs. Choosing to proceed with Option 1 or Option 2 would have the least impact to the CSC district and staff's workload. Changing this zoning standard would not alter building, plumbing, fire or electric code requirements. Proceeding with Option 1 or 2 would not include public outreach and would take approximately eight weeks to complete the public hearing process for the amendment.

If City Council takes not action on the request to initiate the requested text amendment, staff would continue to apply the standard on a case-by-case as needed basis for all block faces.

ATTACHMENT A



Campustown Service Center (CSC) Zoning Boundary

Staff Report

2019 DOWNTOWN PARKING STUDY (FINAL REPORT)

December 17, 2019

BACKGROUND:

On October 16, 2018, City Council directed staff to proceed with a study of the Downtown Central Business District (CBD) parking system. The purpose of the study was to take a comprehensive look at the Downtown and make professional recommendations for items including, but not limited to, what it would take to make the Parking Fund a self-sustaining business enterprise (covering all operational and capital costs), options for Downtown employees in a shared parking environment, adequacy of parking supply, and any “best practices” in parking that would benefit the district as a whole.

On March 26, 2019, City Council approved a professional service agreement with Walker Consultants to begin the study of Downtown parking. The result of that effort is a final report, which has been attached to this document.

HISTORY OF DOWNTOWN PARKING LOTS (CBD):

Beginning in December of 1965 (ORD. 2106), the original CBD parking lots, which were converted from an existing railyard, were constructed using Revenue Bonds in the amount of \$440,000 (\$3,560,762 in 2019 dollars). Then in 1971 (ORD. 2374), the City had to issue an additional \$100,000 (\$630,750 in 2019 dollars) in Revenue Bonds because of increased project costs. In 2019 dollars that would equate to an approximate investment of \$4,191,500 to construct the Downtown parking lots.

On September 19, 1967, Ordinance 2208 established the rates for the “Railroad Parking Lot” to be \$0.10 per hour with a 5-hour time limit. In today’s dollars, that is approximately \$0.77/hr. This history is only to provide the context of the original funding strategy of the investment in the Downtown parking infrastructure. The calculation to 2019 dollars was done using the CPI Inflation Calculator found on the Bureau of Labor Statistics website.

RECENT HISTORY OF PARKING SYSTEM ITEMS:

- May 5, 2017: Staff report on “Campustown/Downtown Business District, Intermodal Facility, And Surrounding Neighborhood Parking Review” was presented to City Council.
 - Purpose: To outline best-practices or “philosophies” to guide the development of the City’s parking system.

- November 28, 2017: Staff report on “Parking System Improvements.”
 - Purpose: Look at comparable City parking fines and fees (meter rates and permit parking), as well as a financial analysis of Downtown and Campustown parking systems with a staff estimation for “break-even” meter rates to cover operations and capital expenses.

- October 16, 2018: Staff report on “Downtown Parking.”
 - Purpose: Staff response to two issues; 1) Look at scope and cost for a comprehensive Downtown Parking Study, 2) Look at solutions to address employee parking in Downtown.

- November 13, 2018: Staff report on an “Update on Downtown Parking Items.”
 - Purpose: Present to City Council options on; 1) A scope and estimated fee for an RFP to conduct a comprehensive study of Downtown parking, 2) A trial employee hang-tag program for 4-hour stalls, and 3) Estimated cost to covert Downtown meters to be able to take credit cards.

- January 22, 2019: Staff report on “Review of The Downtown Parking Meter Fees.”
 - Purpose: Given the increased meter rates, staff compared expected revenues versus the actual revenues over the last fiscal year. Also, the report looked at the anticipated effect of dropping the rates down to \$0.50/hr across all Downtown meters.

RECENT METER RATE CHANGES:

The original tiered-rate increase of \$1.00/hr, \$0.75/hr, and \$0.50/hr went into effect on July 2, 2018, in both Downtown and Campustown. After the January 22nd report that evaluated the revenues related to the rate change, City Council directed staff to reduce all Downtown meters to \$0.50/hr based upon strong negative feedback from Downtown businesses. Because the direction was given during the winter, the conversion to the lower rate did not go into effect until March 20, 2019. It should be noted that the rates in Campustown have remained at the tiered rates.

2019 DOWNTOWN PARKING STUDY:

Project timeline:

- April 5, 2019: Website sign-up for Downtown Parking Study updates
- April 25, 2019: Public Project Kick-Off
- May 1, 2019: Data Collection of Downtown Occupancy and Turnover Rates
- August 12, 2019: Initial Draft Study provided for staff review

- October 25, 2019: Steering Committee Meeting – Initial review of study recommendations with consulting team.
- November 6, 2019: City staff discussed the study with Downtown business owners at the Ames Main Street General Meeting held at Ames Main Street Offices.
- November 6, 2019: Steering Committee Meeting – finalize committee recommendations/response to the study
- November 25, 2019: Press Release notifying of Public Open House (on 12/2/19)
- December 2, 2019: Public Open House to review study recommendations
- December 3, 2019: Press Release – Reminder that public feedback ends December 6th
- December 17, 2019: Presentation of the final report to City Council

Summary of Public Comment (Attached in the Final Report):

- Website: 27 comments
- Public Meeting (12/2/19): 8 to 10 people in attendance, 3 left written comments
- Steering Committee Input & Comments

Steering Committee Members:

Purpose: To obtain feedback regarding the recommendations of the study from a group of businesses that represent Downtown with a diversity of type, employee-size, and geographic location within the CBD area.

- Drew Kamp – Ames Chamber, Director - Public Policy
- Sara Spohnheimer – The Frame Shop
- Kurt Jensen – First National Bank
- Eric Abrams – Duck Worth Wearing & the Loft
- Pat Breen – Aunt Maude’s
- Damion Pregitzer – City of Ames, Traffic Engineer
- Kelly Diekmann – City of Ames, Planning Director

The following were asked to participate, but proposed an alternate representative:

- Mike Peterson – Emerhoff’s Footwear
- Gary Youngberg – Ames Silversmithing
- Terry Stark – Chocolaterie Stam

PARKING STUDY RECOMMENDATIONS:

Listed below is an abbreviated summary of the recommendations from the study. Also included are the responses to those recommendations by the members of the Steering Committee done on November 6, 2019. The committee either agrees with, modified, or does not agree with each of Walkers' recommendations.

- 1. Implement a short-term and long-term parking strategy that sets on-street time limits to three hours. Allocate CBD Lot X (62 of the 103 spaces existing 4-hour spaces) for long-term employee hangtag use.; the remaining stalls in CBD Lot X, Y, and Z become three hour free parking.**
 - Steering Committee Response: (Modified) Committee members feel strongly that the study supports that there is ample available parking such that the City can provide free long-term parking for employees in the Downtown CBD lots.

- 2. Maintain the existing employee parking hangtag program.**
 - Steering Committee Response: (Does Not Agree) Based on the response to recommendation no. 1 (above), the committee does not feel the hangtag program for Downtown employees is worth continuing because the study shows that there is adequate supply of parking (as of 2019).

- 3. Promote CBD Lot N, S, and Q as long-term parking; maintain the “Status Quo” in these lots.**
 - Steering Committee Response: (Agrees) Generally, the committee felt support for this philosophy because it appears to be working as-is (10-hr meters), and the study is recommending maintaining the 10-hour parking in these lots (i.e. “the status quo”).

- 4. Maintain existing sidewalks and public realm to promote greater walkability.**
 - Steering Committee Response: (Agrees) The committee agrees that walkability and walking safety should be a high priority for Downtown. They cited the Campustown Safety Walk as a model for something (or a version of it) they would like to see done on an annual basis in Downtown.

- 5. Consider a phased and incremental five-year parking rate strategy; the recommendation is to set meter rates to \$0.70/hr in FY 2022/23, \$0.90/hr in FY 2024/25 (district wide), and after that evaluate the needs for future rate increases.**

- Steering Committee Response: (Modified) The committee agrees that the evaluation of rates should be done on a bi-annual basis and that smaller incremental changes are preferred to significant rate increases.

However, they feel strongly that rates should only cover the operational costs of parking and that the capital improvements be funded in some other way. The only capital investment the committee members seemed to be in support of is transitioning to meters that take credit cards (directly, not through an app). These “smart” meters could also provide customer services such as real-time parking availability, and the City could be provided with continuous parking data.

6. Evaluate parking occupancies on-street and set target rates for occupancy (exceeding 85% occupancy would indicate the need for increasing rates in some or all areas to increase turnover and change patterns).

- Steering Committee Response: (Agrees) The committee generally agreed with Walker’s explanation that having target occupancies would be a good method to manage/evaluate Downtown parking. Other than what is shown in the report, no specific occupancy targets were discussed.

7. Consider 2nd violations fine increase.

- Steering Committee Response: (Modified) The committee did not have strong feelings regarding parking fines so long as a workable solution was found for employee parking. They did like the idea of having a parking ticket system that would allow for the first violation to be free, feeling that regulations can be confusing. Also, they agreed that the Police Department’s approach to evaluating fines is a well-established process and should continue as-is.

8. Form a Downtown Parking Advisory Committee.

- Steering Committee Response: (Agrees) The committee supports the idea of having an ongoing Downtown parking advisory committee to serve as a proactive way to discuss parking issues. The Ames Main Street was willing to take the lead on selecting a group of six to eight businesses to serve on the committee. City staff would be meeting annually with the group to discuss maintenance and safety issues, discuss the budget and any planned improvements (projects), and any potential rate changes (bi-annually) based on City Council’s policies.

POLICY ISSUES:

POLICY ISSUE NO. 1: DEFINE SHORT-TERM AND LONG-TERM PARKING; OPTIONS FOR EMPLOYEE PARKING IN DOWNTOWN

- The purpose of this policy is to provide a range of parking choices that support the majority of needs the Downtown (both customers and businesses alike).
- This policy issue relates to the parking study recommendations 1, 2, and 3 (above).

The turnover data within the Walker study shows that the majority of people parking in Downtown tend to be following the posted time limits of 2-hour, 4-hour, and 10-hour, respectively. However, the data collected shows in some areas (such as 5th Street) a desire for time limits longer than 2-hours based on the percent of overtime parking observed. Also, throughout the public input process, staff heard from business owners with a wide range of customer needs. Some have customers that may only require 10 to 20 minutes; others may require multiple hours to complete their shopping or appointments. The consensus was that customers should also be able to shop at multiple stores without concern of getting a ticket.

Walker indicated that the “sweet spot” for short-term parking is a 3-hour limit. In their experience, the 3-hour limit allows for most customers to finish their business while still promoting the healthy turnover of high-demand parking (on-street in front of businesses). It should be noted that the data would also indicate that a 3-hour limit would work for those areas that are currently marked as 4-hour limits as well. **Based on this information, the existing 2-hour and 4-hour limits should be changed to 3-hour parking** (short-term parking). This may also help to simplify regulations throughout the Downtown.

Long-term parking would then be defined as anything covering business hours. The limit should be set to capture the user needs without causing negative impacts on maintenance and operations of the parking system. This would also include discouraging the storing of vehicles. **Therefore, long-term could be defined as 10-hour parking (between 6 AM and 4 AM the following day), thus maintaining the over-night restriction of No Parking between the hours of 4 AM to 6 AM.**

Walker also looked at target occupancy rates for on-street and off-street (parking lots) parking. The study indicates that 85% occupancy is the “tipping point” for when a parking system becomes oversaturated and customers begin to struggle to find desirable parking near their destinations. Walker found that the average daily occupancy for the Downtown was 63% (Max peak observed CBD Lot Z = 82%; Min peak observed Lot Q = 18%), which would indicate that, for now, there is excess parking supply in the Downtown to meet demand. **Therefore, because the data shows the parking supply is below the 85% occupancy target, more spaces can be allocated for the long-term employee parking in the CBD lots.**

Finally, Walker's assessment of the employee hang-tag parking program is that it appears to be working well and that the City should consider keeping the program on a permanent basis. This is keeping with the concept listed under the "Parking Economics 101" that all parking in a CBD should have some cost. The report states, *"In providing parking to the downtown community, the City is administering a scarce resource that has intrinsic value and associated costs. Thus, parking should be viewed as an asset that requires continual stewardship to serve the goals of the downtown community"*. It also importantly notes that *"the City of Ames has identified a goal of creating a self-sustaining parking enterprise. In order to accomplish this, users must transition away from "free" parking with the actual costs of the system realized"*.

ALTERNATIVES FOR DESIGNATING SHORT- AND LONG-TERM PARKING:

- 1A. Establish a policy that defines short-term time limits as 3-hours and a long-term limit as 10-hours: convert on-street meters to 3-hour limit, maintain an Employee Hang-Tag system for Downtown at \$10/space/month in CBD Lot X only, thereby converting the remaining CBD lots (Y and Z) to 3-hour free parking and 24-hour Reserved.
- 1B. Establish a policy that defines short-term time limits as 3-hours and a long-term limit as 10-hours: convert on-street meters to 3-hour limit, abolish the Employee Hang-Tag program and establish CBD Lot X as 10-hour free parking; CBD Lots Y and Z would become 3-hour free and 24-hour Reserved.
- 1C. Establish a policy that defines short-term time limits as 3-hours and a long-term limit as 10-hours: convert on-street meters to 3-hour limit, abolish the Employee Hang-Tag program and establish CBD lots X, Y, and Z as 10-hour free parking on the southern half of the lots and 3-hour free parking on the northern half.

STAFF COMMENTS:

The short- and long-term time limits recommended by Walker appear to match with the user data collected during their study. The 3-hour and 10-hour time limits should cover most user needs while establishing a more simplified and easier to understand regulations. Under this approach, all on-street metered parking would be converted to 3-hour time limits, while metered parking lots would remain at the current 10-hour limit (status quo). **However, City Council direction needs to be given regarding the CBD parking lots X, Y, and Z, as to whether or not there should be a charge for employee parking.**

If City Council agrees with Walker's recommendation that the City continue to charge for employee parking in Downtown to better reflect the actual costs for maintaining the parking system, then staff would recommend moving forward with Alternative 1A shown above. The City would maintain the paid Employee Hang-Tag program at the current rate of \$10/space/month. This option would be most consistent with the current policy that the parking system should be self-funding.

If City Council agrees with the Steering Committee’s assessment of the parking data that because there is an excess of available parking (average occupancy < 85% in the CBD lots) employee parking can be free, staff would recommend moving forward with Alternative 1B or 1C. Under these alternatives, all 2-hour and 4-hour on-street metered parking would be converted 3-hour metered parking. CBD Lots X, Y and Z would be converted to 3-hour free, 10-hour free (to facilitate employee parking), and Reserved only in accordance with each option. Other metered parking lots in Downtown would remain as 10-hour parking (status quo). **However under this option, should the occupancy exceed the 85% threshold, City Council should be prepared to reconsider the free parking.**

POLICY ISSUE NO. 2: DEVELOP A PHASED AND INCREMENTAL RATE REVIEW POLICY FOR METER RATES, PERMIT, AND RESERVED PARKING, AND PARKING FINES.

- The purpose of this policy decision to create a framework for establishing rates that are updated in a timely manner and generate enough revenues to support the needs of the parking system.
- Responding to the parking study recommendations 5, 6, and 7.

As Walker outlines in the study, “If the City’s goal is to create a self-sustaining parking enterprise, it must contemplate increased meter rates over the long-term in order to maintain the existing parking infrastructure in a self-sustaining manner. If not, the burden of maintaining the existing system will fall on the general fund supported by Ames taxpayers. Previous rate increases were drastic, abrupt and uncoordinated, leaving stakeholders confused and unsatisfied. Walker believes that eventually rates will need to come up at some point in order to maintain the existing public parking service without creating an undue burden.”

The main issue under this policy is how to cover capital improvement costs. The current policy is that the Parking Fund should be self-sustaining, meaning it should not require General Obligation Bonds (taxes) or other funding sources such as Local Option Sales Tax or Road Use Tax Funds (which can only be used on parking within a street ROW). This policy was upheld by the City Council on January 22, 2019, under Question 3 of the staff report, when staff presented alternate options for funding.

The study indicates that the current break-even hourly rate is approximately \$1.50/hr based upon charging that rate for the 683 meters that exist today. However, it goes on to say that if the City considered charging a flat daily-rate for the CBD lot of \$3.00/day the break-even meter rate could drop to approximately \$1.22/hr. **It should be noted that offering free parking will make areas of paid parking more expensive because all parking areas have similar maintenance and enforcement costs.**

As far as comparable cities meter rates, historically, it has been treated as a “ceiling” such that Ames does not price itself over the market value, unless the needs of the system justify a higher rate. **The study advises keeping the current rates of \$0.50/hour** for now and considering increases to \$0.70/hour in FY 2022/23 and \$0.90/hour in FY 2024/25 (Walker recommends that the bi-annual adjustment not exceed a 40% change, if increasing rates).

ALTERNATIVES FOR RATE ADJUSTMENTS:

- 2A. Direct staff to adjust all parking rates and fees (maximum 40% increase) on a bi-annual basis beginning in FY 2022/23. **Delay any final decision on whether or not to cover both operational and capital costs from parking fee revenues only until staff develops within the next two years a long-range plan for parking system capital improvements.** This plan would cover the needs of the entire parking system.
- 2B. Direct staff to adjust all parking rates and fees (maximum 40% increase) on a bi-annual basis beginning in FY 2022/23, such that estimated revenues cover all anticipated **operational and capital costs** of the parking system. The evaluation for the needs of the parking system would take place in the previous fiscal year.
- 2C. Direct staff to adjust all parking rates and fees (maximum 40% increase) on a bi-annual basis beginning in FY 2022/23, such that estimated revenues cover all anticipated **operational costs only** of the parking system. Staff would make recommendations for how to pay for capital costs on a project-by-project basis. The evaluation for the needs of the parking system would take place in the previous fiscal year.

STAFF COMMENTS:

Staff recommends that under any alternative, City Council not change parking meter rates at this time. Over fiscal years 2020/21 and 2021/22, staff would conduct a data driven evaluation of the parking lot conditions to develop a long-range strategy for both future operations and capital improvement expenditures for the parking system. With this information, staff will be able to analyze if debt-financing the capital improvements can be feasibly covered through the projected bi-annual rate adjustments. **Therefore, at this time City Council does not have to decide whether or not the Parking Fund can be self-supporting, including the capital needs of the system, which is reflected in Alternative 2A.**

POLICY ISSUE NO. 3: ESTABLISH A DOWNTOWN PARKING ADVISORY COMMITTEE

- The purpose of this policy is to create a district-specific public engagement strategy to enhance the ongoing communication between the City and the Downtown.
- Responding to the parking study recommendations 4 and 8.

The one item that was universally supported by Walker, the Steering Committee, and other Downtown businesses, was that an ongoing Downtown advisory committee was a good idea. Not only would such a group be able to discuss issues facing Downtown proactively, but it would serve as a way to help prioritize operational and maintenance needs. It may also help to plan for various improvements to infrastructure in the Downtown. For example, City staff meets annually with the Ames Bicycle Coalition to help make recommendations on how the City prioritizes investment in bike infrastructure.

From the study, “Walker recommends meeting on an annual basis to discuss parking trends and issues in downtown Ames. The committee would not have any official government capacity but could serve as a clearinghouse for the exchange of information and ideas. The meetings would serve as an opportunity to help the City deliver on its brand promise to provide parking turnover and availability to support downtown businesses and to assist the City roll out public relations campaigns for downtown parking program improvements. The Advisory Committee can help educate their patrons and members on the benefits of any coordinated policy actions and provide the City direct feedback on implementation.”

The study goes on to say, “The goal is to forge a valuable public-private partnership that advises, improves public communications, and balances the needs of the downtown parking system for the benefit of all users.”

ALTERNATIVES FOR PUBLIC ENGAGEMENT WITH DOWNTOWN BUSINESSES:

- 3A. Direct staff to work with the Ames Main Street to establish an ongoing Downtown Parking Advisory Committee (meeting annually)
- 3B. Maintain the current practice of engaging Downtown on a project-by-project basis.

STAFF COMMENTS:

The Ames Main Street (Ames Chamber) is willing to take the lead on selecting the advisory committee members. City staff could present a report to the committee at the start of each budget cycle (sometime in late September or early October). It would not be a significant effort to present an update to the Downtown on budget issues or any planned projects in the upcoming year. It would also be a good time to conduct a review of safety and maintenance issues in Downtown so that they can be accounted for in the budget or

CIP. Therefore, staff supports working with this informal advisory committee of Ames Main Street.

Ames Main Street has put together an initial proposal for the Advisory Committee membership beginning September/October 2020:

<u>Name</u>	<u>Organization</u>
Eric Abrams	Duckworth Wearing/The Loft
Pat Breen	Maude's
Kurt Jensen	First National Bank
Sara Spohnheimer	The Frame Shop
Gary Youngberg	Ames Silversmithing
Drew Kamp	Ames Main Street
Mindy Bergstrom	Cooks Emporium/Nook and Nest
Eliz Erbes	AVEC Design Build
Andrea Dahlberg	Dahlberg Portraits

It should be emphasized that this group is not an official committee of the City and would only provide feedback to Public Works staff regarding issues related to the parking system only.

PARKING RAMP FEASIBILITY:

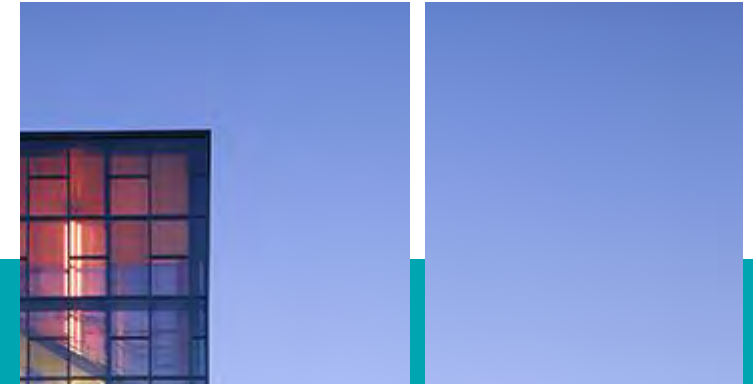
To address the issue of supply directly, Walker also conducted site feasibility and estimated a per-space cost for structured parking on Lot N (across from City Hall) and CBD Lot X (south of Wells Fargo). These two sights were chosen due to their potential to maximize the efficient use of space given the dimensional requirements of a multilevel parking ramp. The rule of thumb is structure parking should cost between \$20,000 and \$22,000 per space. However, Lot N was found to have a net cost of approximately \$33k/space, and CBD Lot X was found to have a net cost of approximately \$41k/space. The net cost per space of \$30k-\$40k would be considered a premium price for additional parking (if the sole purpose was for more parking spaces). **Therefore, because currently there is a sufficient amount of parking spaces in the Downtown area, the projected per space cost for the parking ramp is excessively high, and feedback from the public indicates that customers are not willing to pay the increased fees necessary to build structured parking, a parking ramp is not justified at this time.**



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DOWNTOWN AMES PARKING STUDY FINAL PRESENTATION - DRAFT

December 17, 2019



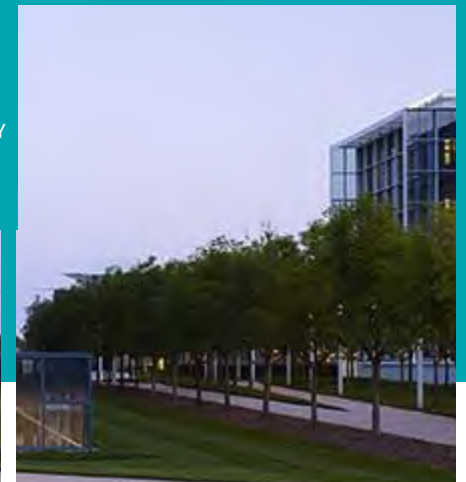
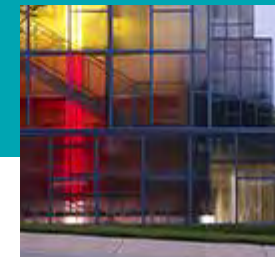
BUILDING ENVELOPE

FORENSIC RESTORATION

PARKING DESIGN

PARKING & MOBILITY

OPERATIONS & TECHNOLOGY



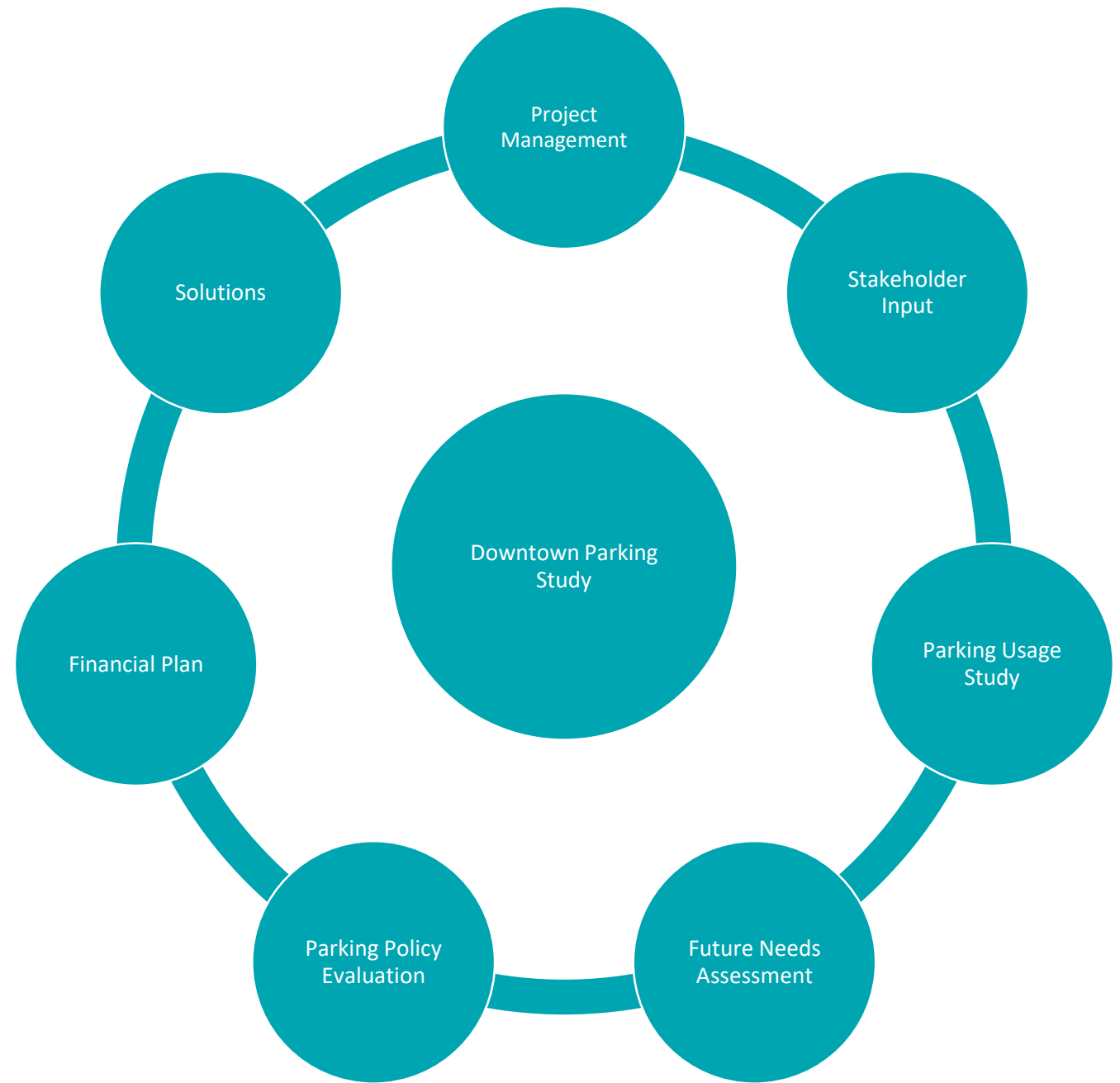
DRAFT ONLY- Not intended for distribution or wider circulation.

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Project Overview	Supply- Demand Study	Parking Alternatives
Policy and Program Evaluation	Parking Financial Analysis	Recommendations

STUDY PROCESS

- I. Supply and Demand Study
- II. Alternatives Analysis
- III. Policies and Practices
- IV. Financial Plan
- V. Recommendations



STUDY SCHEDULE



STAKEHOLDER INPUT

- Walker conducted a stakeholder/ steering committee workshop **April 25, 2019** to **identify issues** related to parking, **document the existing user experience** with the parking system, and **convene a group** of downtown leaders to **enhance communications** and **articulate common goals** for downtown parking.
- The general group consensus is that parking space availability is typically not an issue in the downtown, however, **there are peak hours of the day and days of the week in which parking space availability can become an issue on a block-to-block basis.**
- **Goal is to maintain public parking access and space availability for customers and employees downtown.**

STUDY AREA



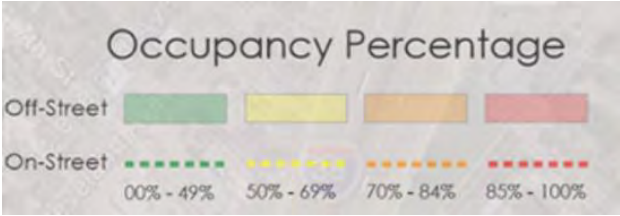
PARKING INVENTORY

- A total of 1,187 spaces were inventoried across the Study Area
- On street = 450 spaces
- Off-street = 737 spaces

onstreet 2-hr.	144
onstreet 4-hr.	278
onstreet ADA	20
onstreet 10 min, free	8
Onstreet sub-total	450
Off-street, 2-hr. lot	83
Off-street, 4-hr. lot	183
Off-street, 10-hr. lot	126
Off-street, reserved 24 hr.	140
10 min. free	8
free parking no time limit	180
ADA	17
Off-street sub-total	737
TOTAL	1,187

For purposes of our analysis Lot M (City Hall) was excluded from the inventory and peak hour observation.

PARKING OCCUPANCY



■ 9:00 AM Occupancy = 39%

■ 1:00 PM Occupancy = 50%

■ 6:00 PM Occupancy = 45%

At the peak hour, Walker observed over 599 vacant spaces

PEAK HOUR 1:30 PM OCCUPANCY

Lot ID	Inventory	1:30 PM	Occupancy %
Lot MM (City Hall)	54	16	30%
Downtown Lot N (City Hall)	86	29	34%
Downtown Lot Q (Library)	84	15	18%
Lot S (Kellogg)	30	7	23%
Downtown Lot V (Depot)	126	53	42%
Downtown Lot X (CBD)	120	80	67%
Downtown Lot Y (CBD)	96	73	76%
Downtown Lot Z (CBD)	141	115	82%

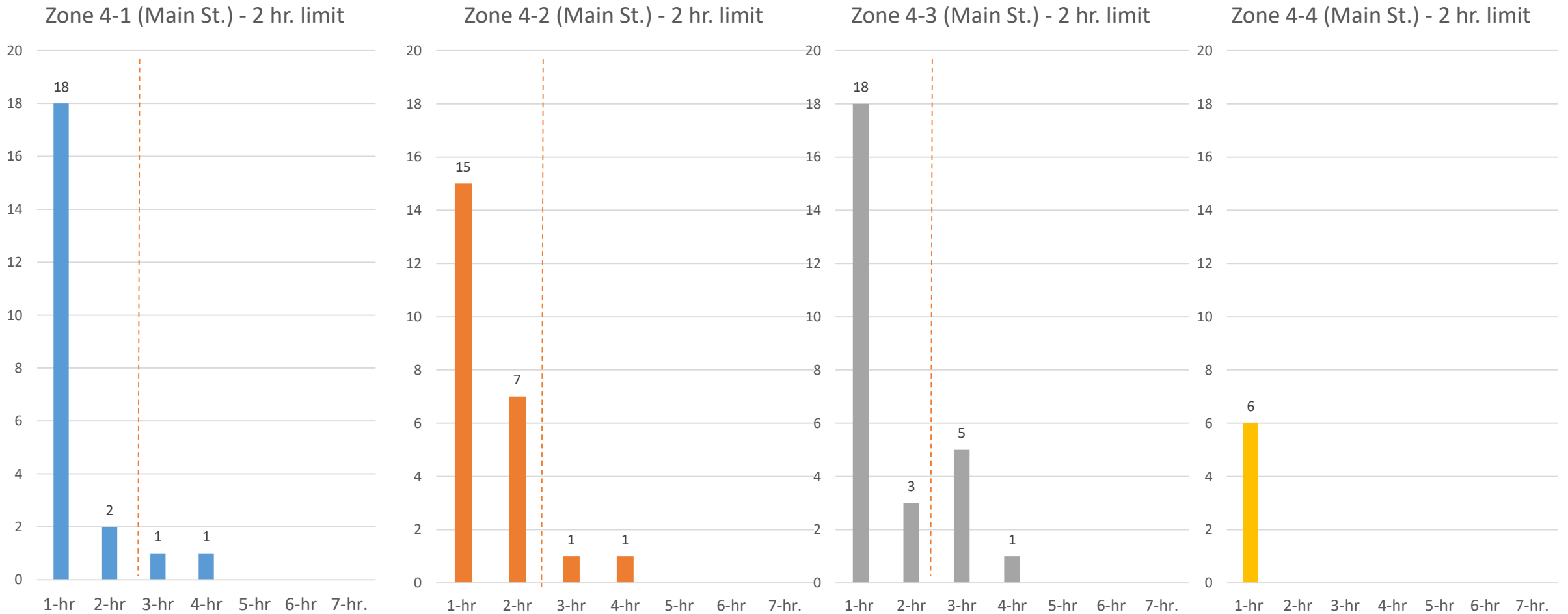
TURNOVER AND DURATION ANALYSIS

- Walker performed a turnover and duration survey using a license plate recognition (LPR) camera based system
- A route was driven between the enforcement hours of 9 am to 6 pm on Thursday May 02, 2019
- License plates were recorded across on street block faces and off-street facilities on the hour
- Parked vehicle dwell time was ascertained by plate read, time stamp, and geolocation

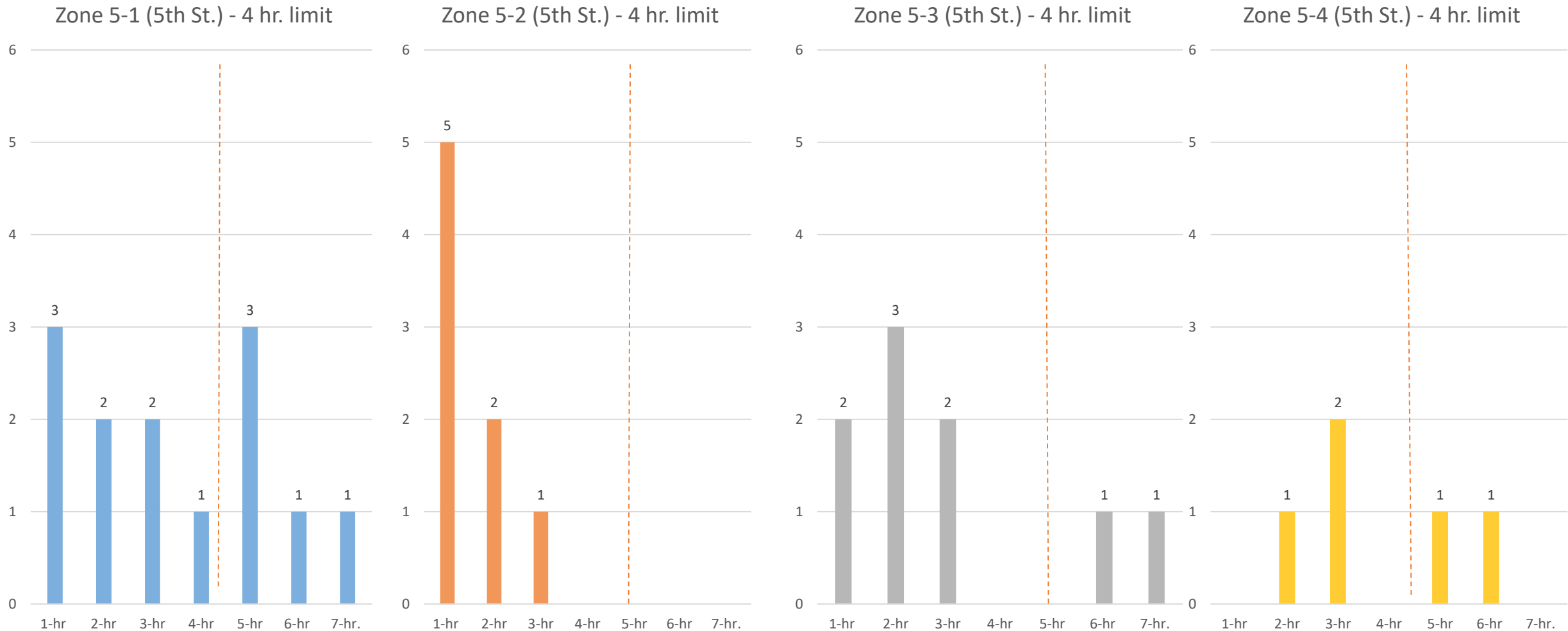


Mounted camera based system

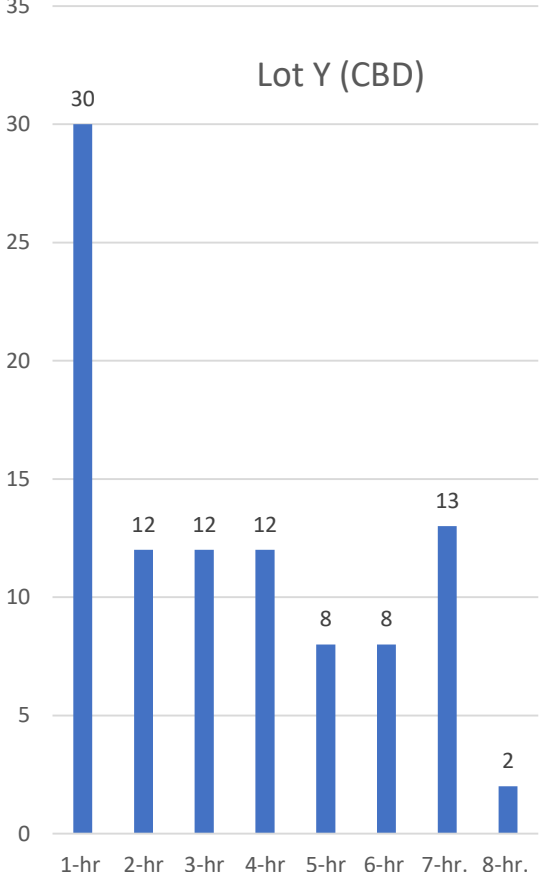
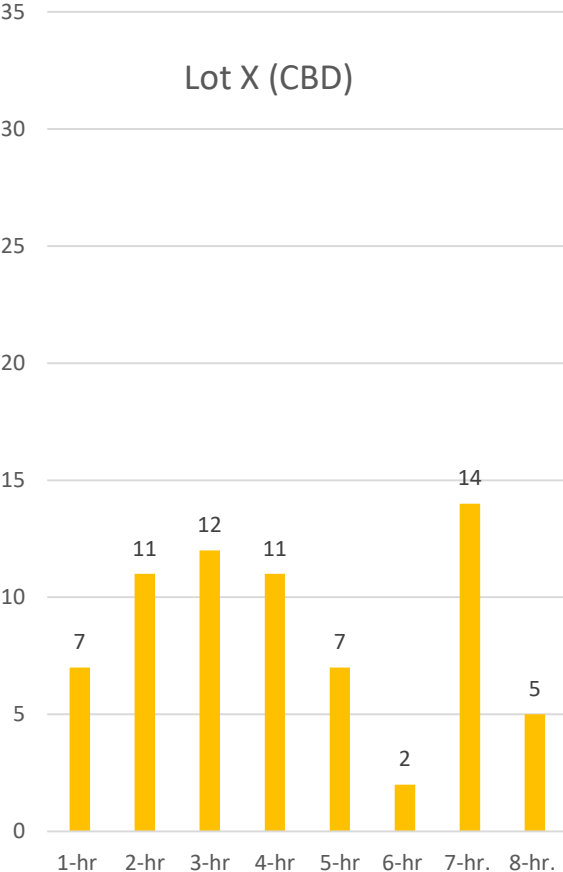
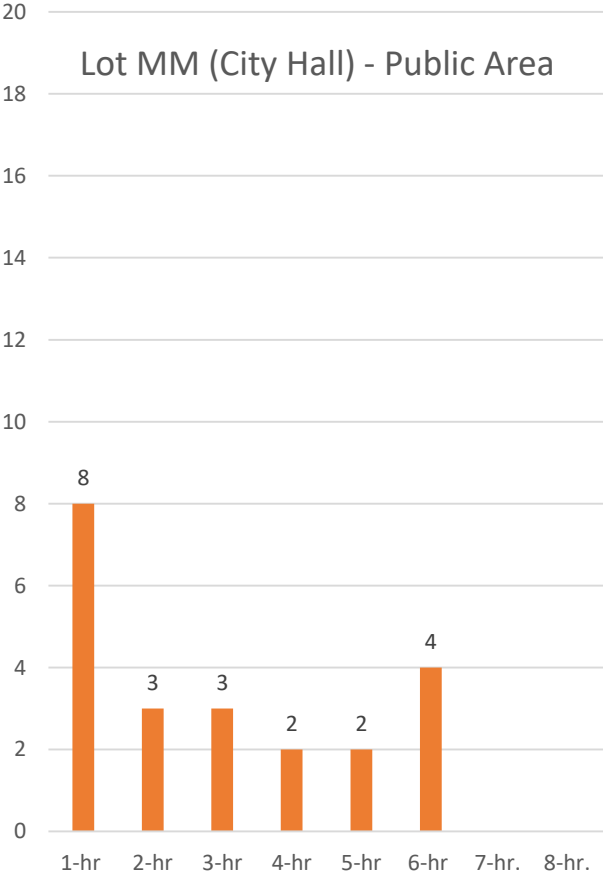
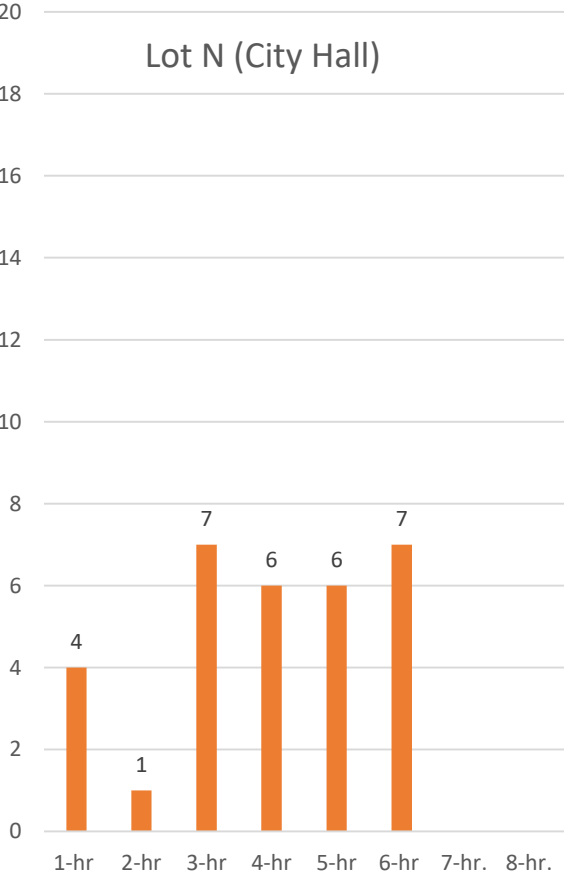
MOST VEHICLES ARE DWELLING FOR TWO HOURS OR LESS ON MAIN ST., ADHERING TO POSTED ONSTREET TIME LIMITS



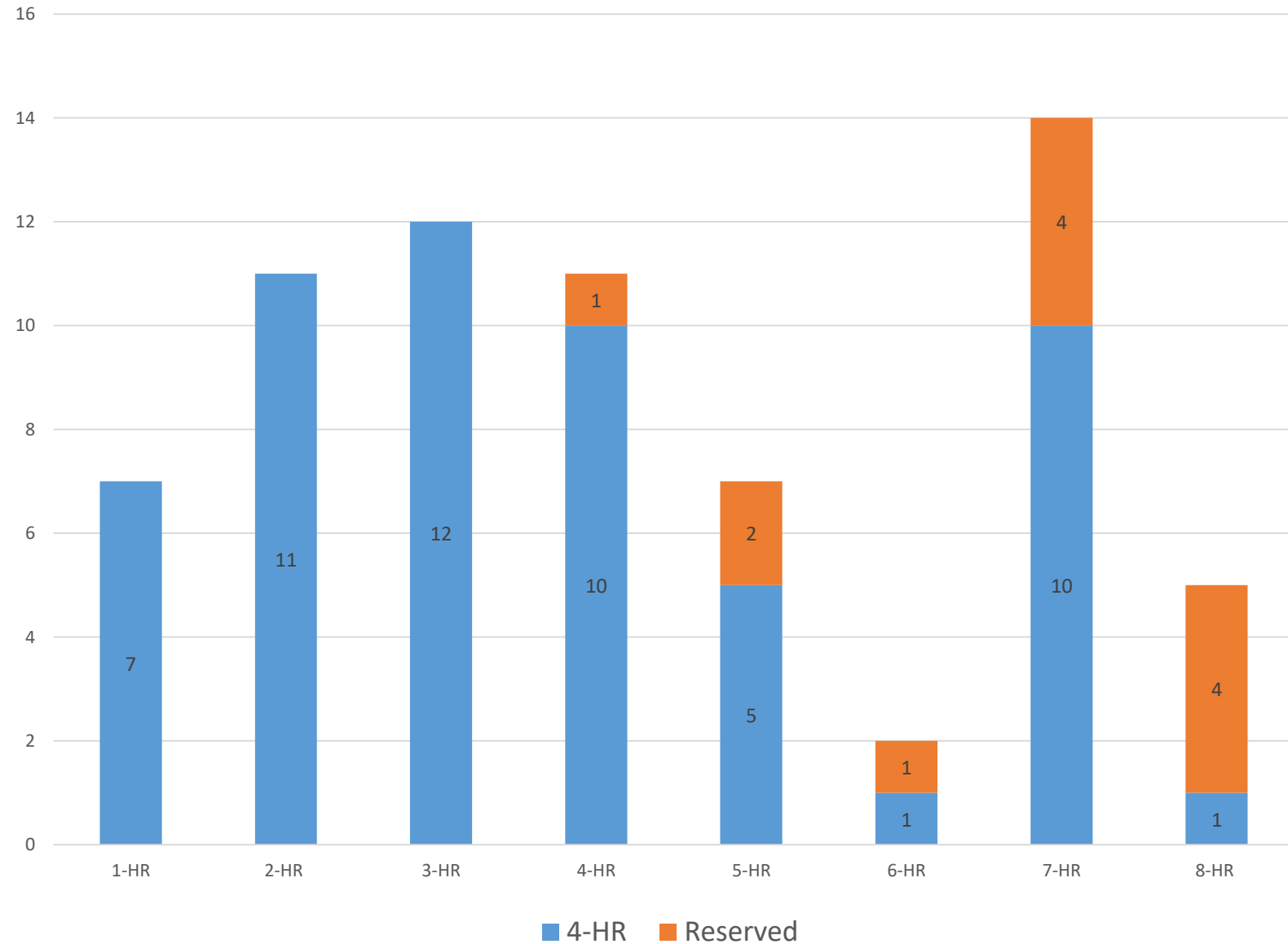
ZONE 5-1 SAW THE HIGHEST RATE OF OVER-STAY VEHICLES ONSTREET



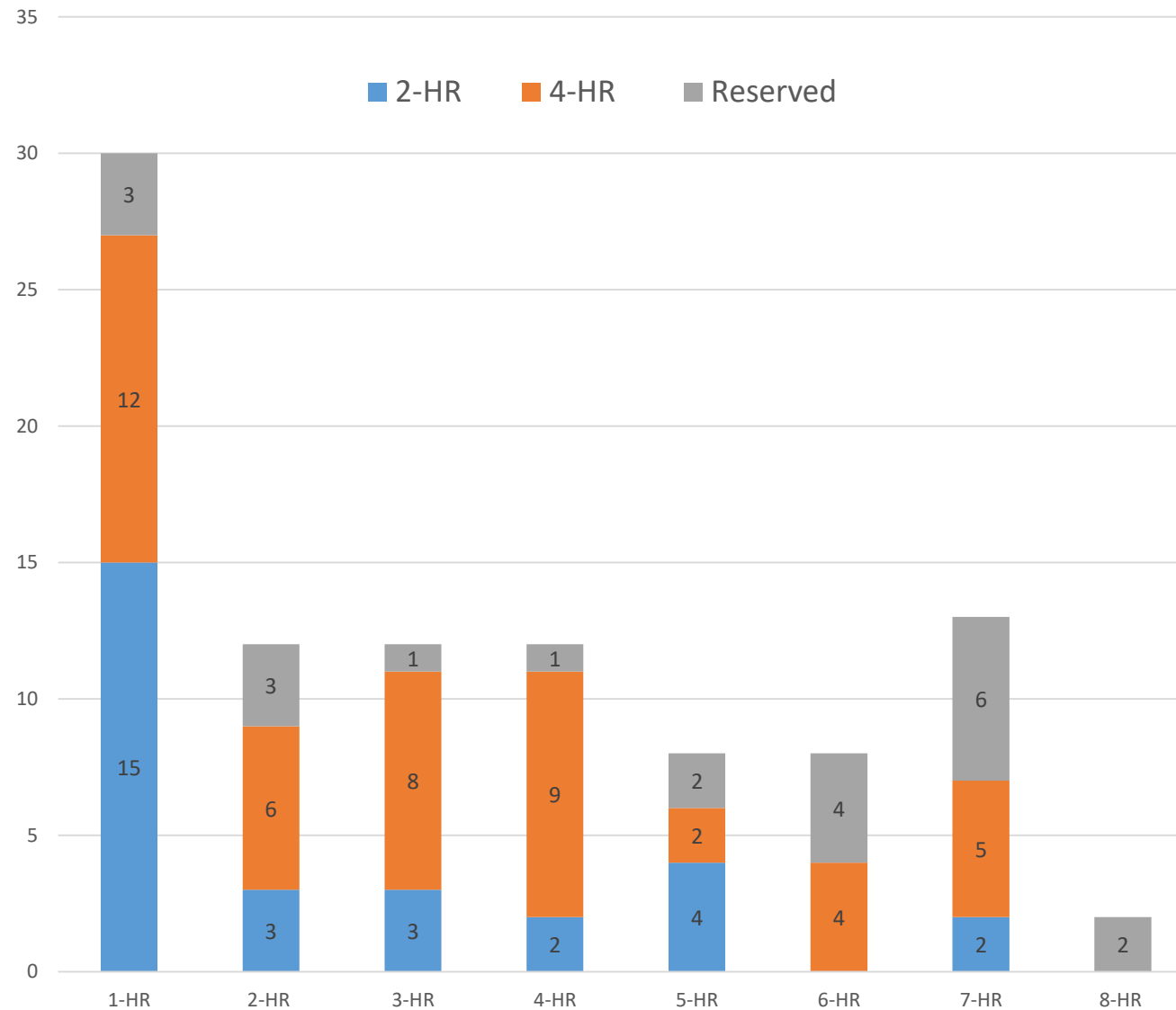
OFF-STREET LOTS ARE GENERALLY SUPPORTING LONG-TERM PARKING, CARS PARKED GREATER THAN TWO HOURS



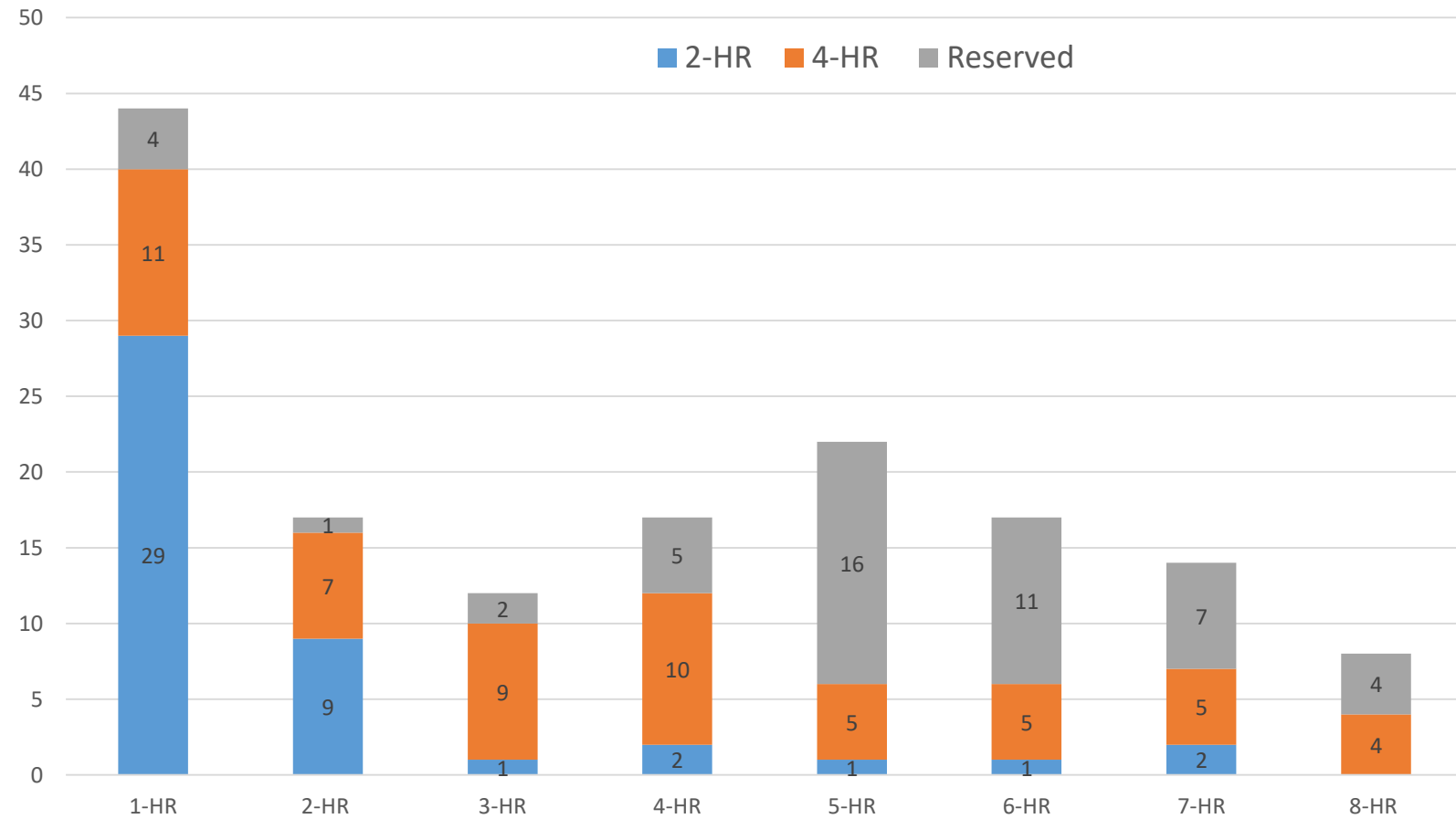
CBD LOT X PROVIDES 4-HR AND RESERVED SPACES



CBD LOT Y PROVIDES 2-HR, 4-HR, AND RESERVED SPACES



CBD LOT Z HAS A MIX OF 2-HR, 4-HR AND RESERVED SPACES



Parking Program Evaluation and Alternatives Analysis

KEY PROGRAM EVALUATION FINDINGS

- ✓ **The existing enforcement program is creating parking turnover and space availability.**
- ✓ The City of Ames parking program is keeping pace with industry standards in technology and customer service with smart card meters and mobile payment options.
- ✓ The City maintains adequate parking wayfinding and signage and markets public parking online
- Employee parking needs are not sufficiently being met with the existing time limit mix of two-hour, four-hour, ten-hour and reserved spaces across existing CBD lots.

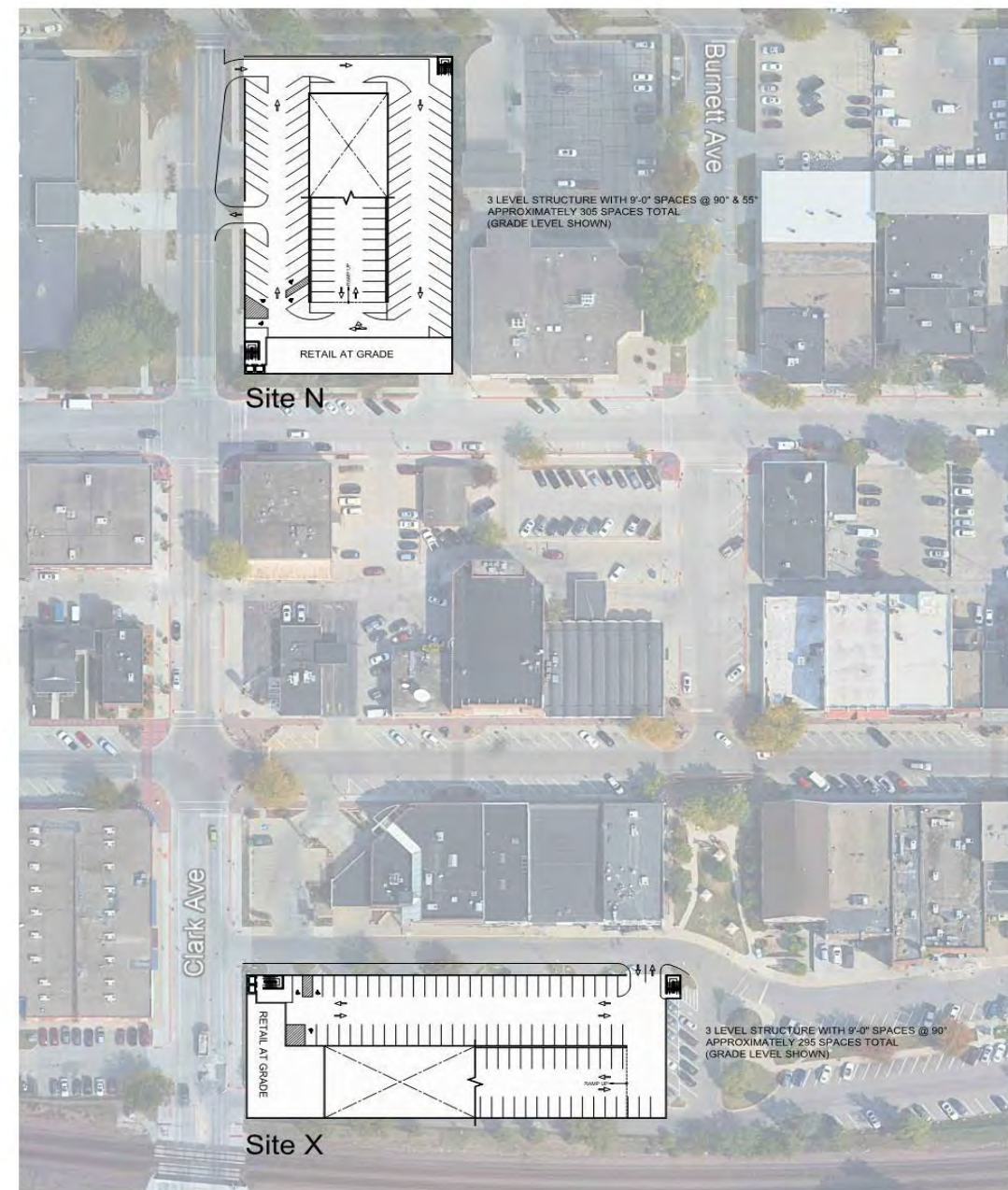


PARKING STRUCTURE FEASIBILITY

- Walker considered future demand scenarios and concluded that the parking system has enough existing capacity to absorb an additional demand for parking 479 spaces.
- In consideration of future needs, Walker explored the feasibility of a parking structure in the CBD, evaluating the two most suitable sites considering efficiency, potential limits and benefits, and order of magnitude costs.
- **Walker is not recommending a parking structure in the CBD at this time.**

SITE N AND SITE X

	Weight	Site N Garage		Site X Garage	
		Rating	Score	Rating	Score
Proximity/ Walking Distance	4	1	4	4	16
Construction Costs	4	2	8	2	8
Cost per Net Space Gained	5	2	10	1	5
Location	5	2	10	5	25
Land Availability	4	5	20	5	20
Traffic Impact	3	4	12	2	6
Mixed- Use Potential	4	3	12	3	12
Aesthetics	2	3	6	3	6
Increased Capacity	4	2	8	1	4
Temporary Displacement	4	2	8	2	8
Site Wayfinding	3	3	9	3	9
Total			107		119



OPINION ON PROBABLE COSTS

	Site N Parking structure	Site X Parking structure
Proposed Capacity	345 spaces	295 spaces
Net Capacity	259 spaces	175 spaces
Total Costs	\$8.62 M	7.36 M
Net Costs per space	\$33,281	\$41,150

Parking Financial Analysis

PARKING ECONOMICS 101

- **The City of Ames has identified a goal of creating a self-sustaining parking enterprise. Currently, the public parking program is not self-sustaining.**
- There is fundamentally no such thing as a “free” parking space, costs are either born directly or indirectly by users, the public and/or the downtown community at large.
- In providing parking to the public, the City is administering a scarce resource that has intrinsic value and associated costs.
- The City of Ames provides free hourly off-street parking on a time enforced basis with on-street meter rates applied.
- Parking hourly rates, according to base modeling assumptions applied, would need to be an estimated \$1.50 per hour for the City to “break-even” or keep pace with expenditures.

PARKING RATE MODEL

- **Walker created a revenue model to establish a conceptual “break-even” rate for the parking system.**
- If rates are not implemented off-street and on-street rates only are applied, with an escalation period of five years, a meter rate of \$1.50 per hour would be required to break even over a five-year period.
- If off-street rates are adopted over a five year period, assuming a rate of \$3 per day is charged at 266 existing two-hour and four-hour spaces at CBD Lot X,Y and Z, a potential off-street revenue of approximately \$140,000 could be realized if modeling assumptions are met. Two revenue sources, on-street and off-street fees, could bring a lower break even amount of \$1.22 per hour.
- Currently, a benchmark of Iowa peer cities found an average hourly rate of \$0.86 in FY 2019.

Recommendations

SUMMARY OF RECOMMENDATIONS

1. Implement a short-term and long-term parking strategy that sets on-street time limits to three hours; allocate CBD Lot X for long-term employee hang tag use.
2. Maintain the existing 4-hr. employee parking hang tag program; evaluate the long-term feasibility of rates at lot x, Y, and Z.
3. Promote CBD Lot N, S and Q as long term parking maintaining the status quo arrangement.
4. Maintain existing sidewalks and public realm to promote greater walkability.
5. Increase fine schedule for violators.
6. Consider a phased and incremental five-year meter strategy.
7. Evaluate parking occupancies on-street and set target rates for occupancy.
8. Form a Downtown Parking Advisory Committee.

Q&A



December 13, 2019

Damion Pregitzer, P.E., PTOE
Traffic Engineer/ Airport Manager
515 Clark Avenue
Ames, IA 50010

Re: *Downtown Ames Parking Study Final Report*
Walker Project No. 21-4494.00

Dear Damion,

Walker is pleased to submit the following final report of our parking study for Downtown Ames, Iowa. The study includes a summary of our study process, a parking supply-demand analysis, a review of existing program policies and practices, and a preliminary financial and parking structure site feasibility assessment with recommendations for City consideration provided herein.

We hope that our analysis assists you in planning for the growth of the parking system to accommodate the parking needs of multiple users including visitors and employees.

We appreciate the opportunity to be of service to you on this project. If you have any questions or comments, please do not hesitate to call.

Sincerely,

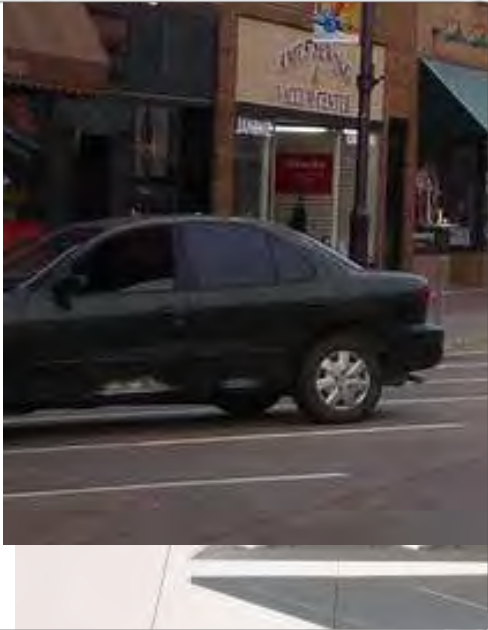
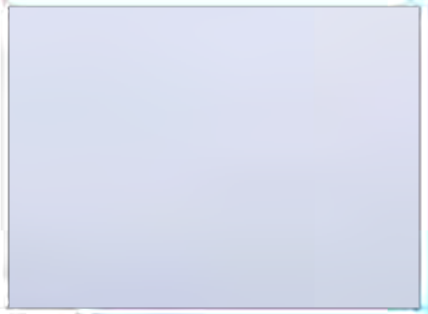
WALKER CONSULTANTS

A handwritten signature in black ink that reads "John W. Dorsett".

John Dorsett, AICP, CPP
Senior Vice President

A handwritten signature in black ink that reads "David Garza".

David Garza
Analyst

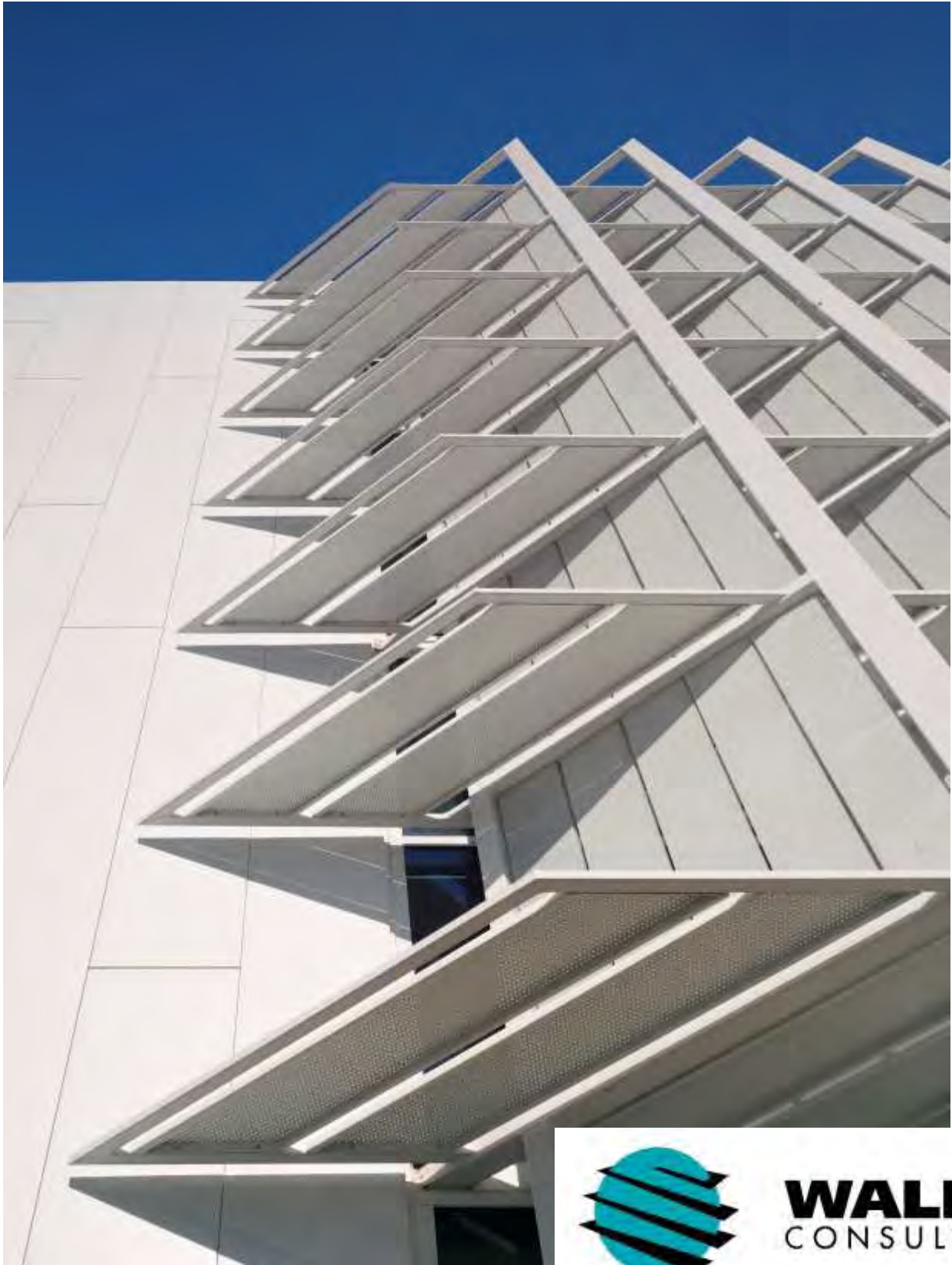


FINAL REPORT

Downtown Ames Parking Study

December 13, 2019

Damion Pregitzer, P.E., PTOE
Traffic Engineer/ Airport Manager
City of Ames



WALKER
CONSULTANTS

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EXECUTIVE SUMMARY

As Downtown continues on its trajectory of redevelopment, civic leaders understand that parking and access remain a critical part of the Downtown's continued success. To address existing user challenges comprehensively and formulate a plan for the downtown, civic leaders issued a Request for Proposals (RFP) in early 2019 seeking the help of a qualified firm to deliver a Downtown Parking Study ("Study"). The City of Ames ("City") selected Walker Consultants ("Walker") to deliver a downtown parking study for the City.

The Study herein provides downtown stakeholders and the community at-large with strategies and tools to address and improve the user parking experience downtown as well as ensure that downtown parking assets are managed in a way that reflects the primary goals and needs of the community.

The Study Team divided its work into the following five key areas:

- Step One: Discovery/Stakeholder Input
- Step Two: Supply/Demand Analysis
- Step Three: Review of Parking Policy and Practices
- Step Four: Alternatives Analysis
- Step Five: Recommendations and Implementation

To understand the unique user issues and challenges of the existing parking system, the City and Walker formulated a downtown parking advisory committee which received critical stakeholder input and feedback for this Study in late April 2019. The committee provided the Walker Study Team with overarching goals and questions for the Study to evaluate. Chief among these are the following:

- Is the parking inventory adequate to meet existing and future user needs;
- Are parkers adhering to posted parking enforcement rules and regulations;
- Are parking spaces turning over as intended creating parking space availability;
- Is there a plan to address employee parking in the downtown, and, is employee parking a limiting factor on future downtown growth;
- How can the downtown parking system accommodate both short-term and long-term parking users;
- What are the ongoing financial requirements to maintain a public parking system;
- Can the public parking program be self-sustaining or will it require continued public subsidy;
- How does parking fit within the overall goals of the downtown community; and
- What are the more long-range parking infrastructure considerations that need to be addressed by the downtown community?

We believe that the issues addressed in our Study are representative of the community and downtown stakeholders and provide the context for our recommendations. In addition to qualitative data received via stakeholder input, Walker also collected formal parking inventory and occupancy data to quantify the level of parking activity downtown and observe first-hand existing conditions. In addition, Walker performed a parking turnover and duration survey to understand how parking users are interacting with posted rules and regulations, quantifying the efficacy of the parking enforcement program.

Across a sixteen-block downtown study area, Walker surveyed approximately 1,187 parking spaces available for public use. The user availability of the spaces is as follows:

- On-Street Spaces – 450 spaces
- Public Off-Street Facilities – 737 spaces

Occupancy counts were performed for a typical weekday. **Overall utilization peaked across the afternoon hours, between 1-3 p.m. when total occupancy observed equaled 50 percent. While the Study Team observed over 599 vacant spaces across the study area, parking “hot-spots” were observed in select areas.**

Key Findings:

- Overall, there is an ample number of existing parking spaces downtown available for public use, however “hot-spots” and a **low walking-distance tolerance are shaping public opinion about parking problems.**
- Utilization at Downtown CBD Lots X, Y, and Z, strategically located behind the Main Street retail corridor, saw utilization rates between 67 to 82 percent at the peak hour, indicating high usage, but, with spaces still available. On the other hand, existing surface lots across the CBD periphery saw utilization rates below 50 percent at the peak hour (CBD Lots N, Q, S, V).
- On-street two-hour parking along Main Street similarly saw utilization rates between 60 to 80 percent, depending upon block face, at the peak hour.
- Vehicles are generally adhering to the posted time limits with parking spaces turning over as intended, however, parking “hot-spot” areas of “over-stayed” vehicles were found through a turnover and duration survey.
- CBD Lots X and Z have a concentration of short-term use of one-hour-only stays, indicating that customers and visitors are utilizing these facilities. Moreover, survey results also suggest employee parking for three hours or more.
- With a few notable exceptions, surface lots are generally supporting more long-term parking usage, defined as three hours or more.
- **The existing enforcement program is creating parking turnover and space availability.**
- The City of Ames parking program is keeping pace with industry standards in technology and customer service with smart card meters and mobile payment options.
- **Employee parking needs are not sufficiently being met with the existing time limit mix of two-hour, four-hour, ten-hour and reserved spaces across existing CBD lots.**
- The existing public parking program expenditures are exceeding revenues and are not on course to “break even” under existing market conditions.
- The construction of a parking structure in the existing market could not economically support itself with user fees and would therefore require significant public subsidy. Given the high parking-space availability and high cost of this option, **Walker is not recommending the construction of a parking structure in the Ames CBD at the present time.**
- Parking rates are only assessed at on-street meters in the CBD. With the exception of reserved parking in surface lots, off-street parking is provided at no cost to the user. Moreover, based on the results of this study, we understand that the downtown community is sensitive to significant rate increases to hourly parking.

PARKING ECONOMICS 101

Walker finds that a general overview of parking is first needed to establish a context for decision-making regarding the parking system. **Fundamentally, there is no such thing as a free parking space. At the end of the day, someone is paying both directly and indirectly the true costs of “free” parking.** If parkers are not paying directly than who is?

- Developers pay for parking when they are required to meet off-street parking zoning requirements which raises project costs which are passed along to end consumers of their product.
- Employers pay through higher office rents.
- Consumers pay in the sales price of goods and services; retailers pass along costs to consumers.
- The community pays through taxes levied for the delivery of services including downtown parking.

In providing parking to the downtown community, the City is administering a scarce resource that has intrinsic value and associated costs. Thus, parking should be viewed as an asset that requires continual stewardship to serve the goals of the downtown community.

Moreover, The City of Ames has identified a goal of creating a self-sustaining parking enterprise. In order to accomplish this, users must transition away from “free” parking with the actual costs of the system realized.

There are two primary reasons why communities decide to adopt parking rates. **The first is to induce human behavior using economics.** Users of the parking system will quickly modify their parking behaviors if they incur costs in the form of user fees. For instance, if rates are charged for on-street parking, employees will be motivated to find long-term parking areas that are either less expensive or free, keeping prime spots available for business patrons. Most users will see the convenience of nearby on-street parking and opt to pay the rates, while a small percentage might not be willing to pay and will go out of the way to find free parking farther away. This balances parking utilization to address the supply and demand challenges. (Time limits also often influence the behavior of parking patrons.)

The second reason a city chooses to adopt rates is to create a self-sustaining parking enforcement program. The intention is not to create a profit center from parking revenues, but to pool revenues into a self-sustaining parking auxiliary fund that resources parking administration to include the debt service and maintenance requirements of all existing public parking facilities. On-street meter rates, surface lot and parking structure rates, if there are parking structures in the system, all comprise potential parking revenue sources. **The revenues of one source alone are often insufficient to cover total parking system costs. One strategy Walker has seen employed in numerous public parking programs across the country is for revenues to be pooled together from multiple parking assets in the public parking portfolio.**

The City has chosen to provide free parking access across existing public lots on a timed hourly basis, however, there are costs to maintaining these facilities. Foregoing hourly rates across public lots, the City has chosen to adopt rates on street; \$0.50 an hour for all metered spaces inside the CBD.

It is unlikely that the revenue that the City is foregoing by providing users with free hourly surface lot parking can be made with on-street meter revenue and that the system can “break even” increasing only meter rates.

Walker evaluated actual 2017 rates at \$0.20 per hour, before policy changes went into effect. For FY 2019, we have estimated potential meter revenues assuming the \$0.50 hourly rate and an average daily occupancy of 48 percent, assuming a modest decrease in occupancy in this period. If hourly meter rates increase incrementally by 40 percent over a three-year and five-year period, a rate of \$0.90 per hour could eventually be realized. However, **actual “break-even” hourly rates estimated will likely be above \$0.90 per hour by FY 2025. Making broad market assumptions regarding revenue and expenditure growth over a five-year period, a meter rate “break-even” of \$1.50 per hour is estimated with the following list of assumptions made:**

- Assumes rate increase applied across **683 CBD meters only**;
- No surface lot rates are applied by FY 2025;
- Expenditure CAGR of 2 percent per annum;
- Assumes no increases from other parking fund revenue categories;
- Assumes an average daily occupancy rate of 39 percent;
- Assumes approximately \$50 per space per annum estimated is set aside into a sinking fund for capital improvements including meter hardware replacement, enforcement technology equipment replacement, crack sealing and asphalt lot resurfacing, major parking signage replacement and other miscellaneous capital requirements. [\$62,650 estimated annualized sinking fund placement].

If off-street rates are adopted, meter “break-even” rates would likely be lower than what is estimated above for on-street.

Assuming, for modeling purposes that by FY 2025, rates are implemented off-street at CBD Lot X, Y and Z, and, that 266 existing two-hour and four-spaces charge a flat daily rate of \$3.00 per day for 302 days out of the year with an estimated average daily occupancy rate of 58 percent, an off-street revenue of approximately \$139,778 is estimated if the above assumptions are met. An additional off-street CBD lot revenue source could potentially bring on-street daily “break-evens” to \$1.22, if the above assumptions are met.

Walker performed a peer cities hourly meter rate survey and found an average hourly rate of \$0.86 used to inform our rate analysis model. In five years our model assumes rates can normalize just above the peer cities current average identified to \$0.90 an hour.

To ameliorate user-challenges and enhance the existing public parking program, Walker recommends that stakeholders consider the following series of recommendations.

1. **IMPLEMENT A SHORT-TERM AND LONG-TERM PARKING STRATEGY THAT SETS ON-STREET TIME LIMITS TO THREE-HOURS; ALLOCATE CBD LOT X FOR LONG-TERM EMPLOYEE HANG TAG USE**

Walker recommends that the City implement a strategy to promote employee parking at off-street public lots, while, maintaining more visible on-street spaces for short-term customer and visitor use.

Walker advocates on-street spaces be provided for greater short-term customer and visitor use with a three-hour limit, with surface lots supporting more long-term parking needs from employees and other all-day users, needing three or more hours to park. Walker defines long-term as ten hours, or all day parking. Our reasoning is three-fold:

- On-street spaces are often the most visible parking spaces for motorists and closest to store fronts; therefore, on-street spaces should be treated as premium spaces.
- Motorists often form perceptions of parking-space availability based upon on-street space occupancy.
- Greater turnover and space availability is recommended on street, which can balance the parking distribution. We see this in the occupancy results from our data collection; higher occupancies were found closest to Main Street and lower occupancies were found along the CBD periphery.

While we recommend that off-street lots provide greater long-term parking options, these facilities should not discourage short-term users either. For this reason, we recommend that the two-hour spaces remain in place across CBD Lots.

2. MAINTAIN THE EXISTING 4-HOUR EMPLOYEE PARKING HANG TAG PROGRAM, EVALUATE THE LONG-TERM FEASIBILITY OF RATES ACROSS DOWNTOWN CBD LOTS X, Y, AND Z EXISTING 2-HR AND 4-HR TIME LIMITED SPACES

Walker heard through steering committee members that employee parking is a greater concern than customer parking. Employers are concerned that they do not have an adequate parking solution presently in place for their employees.

Furthermore, in the turnover data that we analyzed, we found that long-term parkers are occupying existing four-hour spaces. The City has implemented a hang-tag program within the last twelve-month period, to provide employees more parking spaces, allowing hang-tag parking in 4-hour spaces across CBD lots for \$10 per month.

Walker recommends that the hang-tag program be continued to provide employee parking options at a nominal monthly costs. We recommend the City allocate CBD Lot X, 62 of the 103 existing 4-hour spaces as long-term employee hang tag use spaces.

Long-term, we recommend that the City evaluate rates for CBD Lots X, Y, and Z existing two-hour and four-hour spaces with the understanding that on-street rates alone cannot subsidize the ongoing capital and maintenance requirements of the off-street public parking system. Operating free off-street parking places an onus for any rate increase on the on-street system alone.

3. PROMOTE CBD LOT N, S, AND Q AS LONG-TERM PARKING BY MAINTAINING THE STATUS QUO PARKING ARRANGEMENT

CBD Lots N, S, and Q all saw utilization rates of 50 percent or less at the peak hour. The location of these facilities is along the CBD periphery or in areas without a heavy concentration of uses. **To better distribute the parking demand, Walker recommends that the City promote these facilities as long-term parking areas for employees.** We reason, that employees *can* and *should* walk farther for parking than customers and short-term users. There is ample space availability across the entire CBD area, however, these spaces are two or sometimes three blocks away from users' destinations. The City must promote greater walking across the downtown district starting with outreach to employers and employees. No ordinance needs to be enacted for action on this item as it is a voluntary program.

4. MAINTAIN EXISTING SIDEWALKS AND PUBLIC REALM TO PROMOTE GREATER WALKABILITY

In order to encourage more peripheral employee parking, The City must ensure the sidewalks and existing public realm are kept clean, safe and attractive for greater pedestrian use per existing policies, ordinances and zoning standards. Downtown Ames is compact and highly walkable. Its blocks are scaled to support greater pedestrian activity with an attractive historic core building stock, and, with building facades oriented towards the street with minimal curb-cuts and sidewalk interruptions. Improving lighting and maintaining the downtown sidewalk network can enhance the safety and attractiveness of the public right-of-way, encouraging greater walkability. The City currently has an arrangement in place, and should maintain that to ensure greater walkability.

5. INCREASE FINE SCHEDULE FOR VIOLATORS

The current fine schedule is too low to have the punitive effects needed to induce the right parking behaviors. The first violation within seven days is only \$10 with fines increasing to \$20 if unpaid after seven days. Walker believes that this fine rate is too low to correct habitual violators. Many people are willing to risk getting a parking citation because they know that if they're caught, the \$10 penalty will be modest. **We recommend that the City create a higher penalty for 2nd violations, increasing the amount to \$30 to achieve intended compliance results.** The intention of this action is not do increase parking revenues, but, to set the expectations for parking rules and regulations downtown.

6. CONSIDER A PHASED AND INCREMENTAL FIVE-YEAR METER RATE STRATEGY BASED UPON THE PERFORMANCE AND OPERATIONAL NEEDS OF THE PARKING SYSTEM

If the City's goal is to create a self-sustaining parking enterprise, it must contemplate increased meter rates over the long-term in order to maintain the existing parking infrastructure in a self-sustaining manner. If not, the burden of maintaining the existing system will fall on the general fund supported by Ames tax payers. Previous rate increases were drastic, abrupt and uncoordinated, leaving stakeholders confused and unsatisfied. Walker believes that eventually rates will need to come up at some point in order to maintain the existing public parking service without creating an undue burden.

Walker recommends a more coordinated, phased, five-year rate adjustment bringing hourly rates to \$0.90 by FY 2025 with an evaluation performed every two years of the results. We estimate this will provide the parking fund an additional \$228,000 approximated in revenue by FY 2025, with the first increase to \$0.70 occurring in FY

2023 and the second increase to \$0.90 by FY 2025. **The \$0.90 hourly rate is in line with Iowa peer cities which are characterized with an average hourly rate of \$0.86.** However, by 2025, peer cities rates will likely increase as well. In our assessment, rate increases should not exceed 40 percent every two years. Any meter rate increases need to be in response to the performance needs of the parking system.

7. CONTINUE TO EVALUATE PARKING OCCUPANCIES ON STREET AND SET TARGET RATES FOR OCCUPANCY

Conducting routine and consistent parking enforcement creates the parking space availability and turnover needed to support existing businesses. **Walker recommends that the City continue its enforcement program as currently administered with 1 FTE enforcement officer. In addition, we recommend that the City create on-street occupancy targets. At any given time, every block face should have 1-2 parking spaces open.** Rates and enforcement create turnover and space availability. Occupancies on street should not exceed 85 percent.

Of note, data should be compiled and reviewed on an overall downtown wide basis with trends ascertained regarding average parking space occupancy over an extended review period. Should patterns emerge whereby occupancies average over 85 percent continuously, the City can respond with targeted enforcement or consideration of rate strategies within the adopted rate evaluation framework. Rate changes should only be made on an aggregate downtown side basis given a two-year evaluation framework in response to the performance needs of the parking system.

Smart meter technologies allow for enhanced space monitoring in addition to physical space counts performed on a routine basis. The benefits of upgrading smart meters to single-head IPS smart meters is the data analytics capabilities which can provide more data on which to evaluate and set policies. IPS is a parking meter manufacturer and technology provider based out of San Diego, California. Single-space IPS smart meters' costs approximated are \$525 per unit assuming the existing parking meter, including pole and housing can be repurposed. Add an additional \$375 for a new meter with pole.

Walker recommends that City create a routine space occupancy monitoring protocol to ensure that policies are achieving desired results. The City should perform occupancy counts once per quarter or month, to affirm the findings of this study with results regularly communicated to stakeholders. Policies should be amended in response to occupancy data until desired results are achieved.

8. FORM A DOWNTOWN PARKING ADVISORY COMMITTEE

Walker recommends that the City consider forming a downtown parking advisory committee with broad representation of interests including members of the downtown business community, owners, retailers, restaurateurs, downtown institutions and organizations including the Chamber, and a City staff designate. The purpose of this committee would be to provide a sounding board to the City regarding downtown parking.

Walker recommends meeting on an annual basis to discuss parking trends and issues in downtown Ames. The committee would not have any official government capacity or policy setting role but could serve as a clearinghouse for the exchange of information and ideas. The meetings would serve as an opportunity to help the

City deliver on its brand promise to provide parking turnover and availability to support downtown businesses and to assist the City roll out public relations campaigns for downtown parking program improvements. **The Advisory Committee can help educate their patrons and members on the benefits of any coordinated policy actions and provide the City direct feedback on implementation.**

The goal is to forge a valuable public-private partnership that advises, improves public communications, and balances the needs of the downtown parking system for the benefit of all users.

IMPLEMENTATION AND PROBABLE COSTS MATRIX

Action	Description	Timescale	Costs
Implement a long-term and short-term parking strategy	<ol style="list-style-type: none"> 1. Increase on-street time limits to three hours. 2. Designate surface lots N, S, and Q as “long-term” or “daily” parking by maintaining the status quo parking arrangement. 3. Make known long-term parking areas across all information-sharing platforms. 4. Strictly enforce on-street parking time limits as posted. 5. Evaluate on-street occupancies on a routine basis and communicate survey results. 6. Maintain the employee hang-tag parking program as it currently exists, promote CBD Lot X as hang-tag employee parking. 7. Increase 2nd violation fine schedule to \$30. 8. Evaluate the long-term feasibility for adopting rates for existing two-hour and four-hour parking spaces at CBD Lots X, Y and Z. 	FY '20- '21	\$
Consider a phased meter rate strategy	<ol style="list-style-type: none"> 1. Evaluate a five-year phased rate increase by FY 2025. 2. Adjust hourly meter rate to \$0.70 by FY 2023 and \$0.90 by FY 2025. 	FY '23- '25	\$
Create a downtown parking advisory committee	Create a voluntary committee of downtown stakeholders to advise the City on parking issues.	FY '19-'25	No initial direct costs anticipated


*Costs opinions are provided on an order of magnitude basis in 2019 dollars. Actual costs will vary.

Legend

\$ = <\$25,000

\$\$ = >\$25,000

\$\$\$ = >\$100,000



01 Introduction and Discovery

The following section of this report details the project background, study goals and objectives, study process and discovery for the Downtown Ames Parking Study.

INTRODUCTION

Downtown is the commercial and cultural heart of the Ames community. Over the last fifteen years, the Downtown has undergone a transformation from a once underutilized district into a premier, fully-activated destination and gathering place for the community.

As Downtown continues on its trajectory of redevelopment, civic leaders understand that parking and access remain a critical part of the Downtown's continued success. To address existing user challenges comprehensively and formulate a plan for the downtown, civic leaders issued a Request for Proposals (RFP) in early 2019 seeking the help of a qualified firm to deliver a Downtown Parking Study ("Study").

In the Spring 2019, the City selected Walker to perform the Study with formal work beginning in April 2019.

STUDY TEAM

The study team, Walker Consultants, is the industry's leading and largest parking and mobility consulting firm in the United States, committed daily to helping communities solve their most vexing parking and mobility challenges. Walker has successfully delivered over a thousand municipal downtown parking studies in its more than 40-year history, and brings the industry's leading parking planning, operations, and technology experience to every engagement.

STUDY PROCESS

The following figure represents the Study Process:

Figure 1: Parking Plan Study Process



Source: Walker Consultants, 2019

STEP ONE: DISCOVERY/STAKEHOLDER INPUT

The first step of our Study was to elicit stakeholder input to understand and document the experience of parkers in the downtown. Information was derived from a steering committee workshop held on April 25, 2019.

STEP TWO: SUPPLY/DEMAND ANALYSIS

In addition to the qualitative feedback that we received, we collected quantifiable parking survey data. This included parking space inventories and occupancies collected over two days of field observations by the Study Team and a documentation of observed parking enforcement hours and rates. In this phase we analyzed the parking supply and demand in the downtown to establish a baseline for downtown parking conditions. In addition to an occupancy survey, we performed a parking space turnover and duration survey to quantify parking space turnover for on-street spaces and select off-street facilities.

STEP THREE: REVIEW OF PARKING POLICY AND PRACTICES AND ALTERNATIVES ANALYSIS

After establishing baseline existing conditions, we reviewed parking policies and practices providing an objective outsiders look at the rules that govern parking and the activities that the City employs to enforce these rules. We

reviewed parking enforcement policies and practices, existing rates and hours of enforcement, parking signage and wayfinding, equipment and technology, existing land use practices and zoning impacts on parking obtained through City provided data. The purpose of this analysis is to assess objectively the performance of the existing parking program and uncover any opportunities for improvements.

STEP FOUR: FINANCIAL PLAN

The financial plan undertaken anticipates the market demand, operating revenues, operating expenses, and debt service for any proposed improvements to the existing parking system. The analysis in this section is intended to help guide decisions that must be made to promote a financially sustainable parking system.

STEP FIVE: ALTERNATIVES ANALYSIS

In concert with an evaluation of the existing and future supply-demand conditions, we considered alternatives to maximize existing space capacity and consider opportunities for additional parking infrastructure. While additional parking infrastructure might not be needed now, we considered scenarios and alternatives in which additional parking supply could be added providing a high-level assessment of impact and costs.

Here we considered proximity to uses, opportunistic sites and locations, feasibility and probable order of magnitude costs.

STEP FIVE: RECOMMENDATIONS AND IMPLEMENTATION

In the final phase of our analysis, we created a series of recommendations for the City and stakeholders to consider adopting, and, an implementation matrix which details recommended item prioritization, phasing and probable order of magnitude costs.

STUDY TIMELINE

The following figure depicts the project timeline for the Study.

Figure 2: Project Timeline

Project Phase	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019
Project Kick-Off	April 25, 2019 workshop					
Meeting – Input Session	April 25, 2019 workshop					
RFI Issued	April 26, 2019					
I. Input						
II. Supply and Demand Analysis						
III. Review of Parking Policies and Practices						
IV. Financial Plan						
V. Alternatives Analysis						
VI. Recommendations						
Draft Report release					August 12, 2019	
Draft Comments Deadline					December 06, 2019	
Final Report Issued						December 13, 2019
Final Presentation						December 17, 2019

Source: Walker Consultants, 2019

DISCOVERY

Project discovery is an information-gathering process intended to be a “deep-dive” exploration into the unique issues, user-experience, and operational workings of the downtown parking system.

Qualitative and quantitative methods were employed for the Study and included a steering committee workshop in which qualitative feedback was received. **A steering committee was assembled by the City, representing diverse downtown business and institutional interests, to serve in an advisory capacity providing the Study Team with critical feedback as well as outline of goals for the project.**

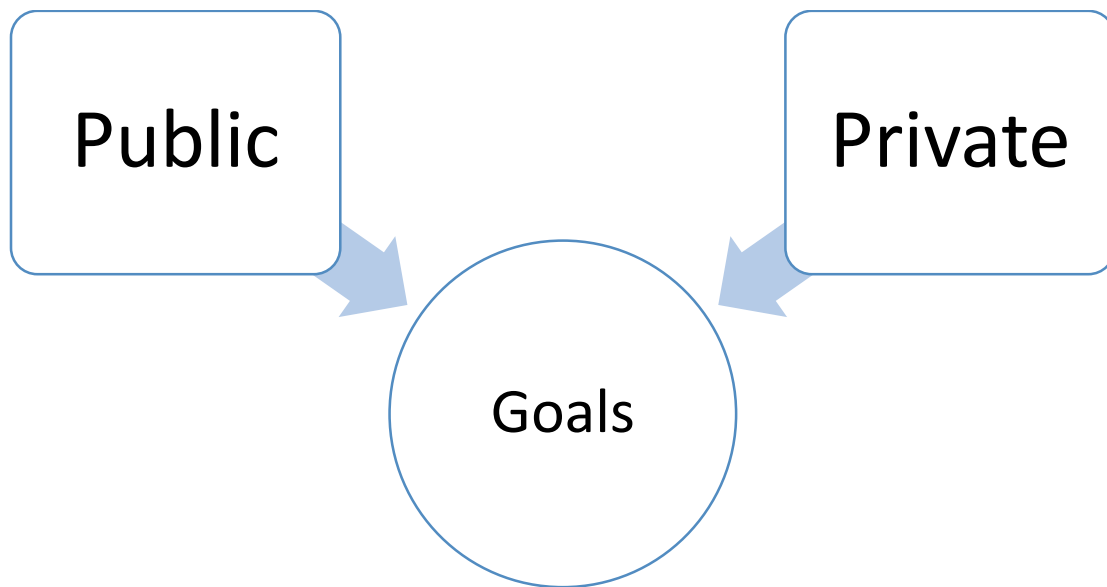
Qualitative information received regarding committee members’ unique parking issues and experiences, direct Study Team field observations and formal data collection, and parking program and financial information provided by the City, and, evaluated by Walker, formed the basis for the Study Team’s analytical conclusions and recommendations.

STUDY GOALS

Ultimately downtown parking is a partnership forged between the public and private sector to deliver a common good. **The primary goal of this Study is to help strengthen the public-private partnership and identify solutions that work best for the downtown community in the delivery of a public parking program.** In doing this, the Study intends to accomplish the following:

- Collect and analyze data to make objective and informed evaluations regarding the downtown parking program;
- Determine if the existing parking supply is adequate to meet current and future user needs;
- Consider the downtown parking user experience and identify program enhancement opportunities to improve the overall user experience;
- Evaluate the financial requirements of maintaining a public parking program; and
- Educate the public regarding downtown parking.

Figure 3: Public-Private Goal-Seeking Study Process



Source: Walker Consultants, 2019

STEERING COMMITTEE

Downtown merchants, business owners, and institutional representatives formed the basis of this group. A steering committee workshop was held on April 25, 2019.

Workshop outcomes included the following:

- **Issue identification** regarding downtown parking;
- **Documentation** of existing parking conditions at the institutional and user-levels;
- **Convening** groups of downtown leaders and stakeholders to articulate a common community challenge and vision for parking downtown; and
- **Enhanced communications** with the downtown community and an increased awareness.

ISSUE IDENTIFICATION

Over the course of the session, participants expressed ideas and concerns related to parking in the downtown. The following list represents our summary of the discussion items raised by stakeholders:

- Employee parking v. customer parking uses and needs;
- Parking enforcement practices;
- Is enforcement being carried out consistently and fairly;
- Parking rate escalations and the context for rate changes;
- Parking system operational requirements;
- Library parking;
- First National Bank parking;
- Main Street retail and restaurant parking needs and specific uses;
- Monthly parking;
- The mix of parking lot time limited spaces;
- Parking benefits district or business improvement district;
- Walking distance tolerances in downtown;
- Seasonality factors
- Biking storage requirements;
- Planning for future development parking needs;
- Door front access mentality;
- Farmers Market parking needs;
- Parking technology opportunities;
- Age demographics of community and comfort using technology;
- Meters accepting additional forms of payment;
- City Hall parking; and
- Heavy daytime usage today reflecting current mix of businesses.

The **general group consensus is that parking space availability is typically not an issue in the downtown, however, there are peak hours of the day and days of the week in which parking space availability can become an issue on a block-to-block basis.** The mix of on-street and off-street public parking options has provided business patrons and employees with available parking options, but, walking between destinations and parking areas has been an issue in the downtown. Generally, people like to be able to be within front-door proximity to their destination and do not like to walk very far, the group found. Seasonality factors influence walking distance tolerances with warmer weather encouraging greater walking distances.


Parking rate increases have recently been an issue for certain Main Street businesses. However, available, free off-street parking has helped allay some concerns about customer and employee parking. **The group agrees that parking for their employees is currently a greater issue than for their customers.** Steering committee members said they would like to see current and future parking needs addressed and explore program enhancement

opportunities to support **the goal of maintaining public parking access and space availability for customers and employees downtown.**

OVERARCHING STUDY QUESTIONS

Based upon feedback received through the Steering Committee process, with the input of City staff officials provided, The Study Team formulated the following over-arching questions to be addressed by the Study:

- Is the parking inventory adequate to meet existing and future user needs;
- Are parkers adhering to posted parking enforcement rules and regulations;
- Are parking spaces turning over as intended to create parking space availability;
- Is there a plan to address employee parking in the downtown, and, is employee parking a limiting factor on future growth downtown;
- How can the downtown parking system accommodate short-term and long-term parking users;
- What are the ongoing financial requirements to maintain a public parking system;
- Can the public parking program be self-sustaining or will it require a continued public subsidy;
- How does parking fit within the overall goals of the downtown community; and
- What are more long-range parking infrastructure considerations that need to be addressed by the downtown community as it continues to grow organically?



02

Supply & Demand Analysis

The findings of the supply and demand component of the project are the foundation of an effective parking plan. Before we can identify opportunities to develop or improve parking or recommend changes to existing parking policies, we must first have a solid understanding of existing conditions within the Study Area. Our understanding of existing conditions begins with stakeholder outreach provided by the parking steering committee to determine the parking habits and preferences of typical users which includes an identification of obstacles and opportunities for improvement as reviewed in the previous sections of this report. These qualitative findings are combined with the parking supply and demand and turnover and duration data to develop a comprehensive picture of parking conditions in the downtown. This analysis provides a framework for recommendations and strategies that result from the study process.

The project team conducted field inventory and occupancy counts on Wednesday May 01, 2019 and a field turnover and duration survey on Thursday May 02, 2019 to observe typical parking conditions in the downtown Study Area. The objective of our field work was to answer the following questions:

- What is the parking supply?
- What is the parking demand?
- Is there a surplus or deficit?
- Is additional parking required? If so, how much?
- Who needs additional parking?
- Are parkers adhering to posted time limits?
- Is the parking program achieving its goal of parking turnover and space availability?

STUDY AREA

The parking study area, as determined by the City, is bounded by Lincoln Way to the south, 6th Street to the north (including Library Lot Q), Duff Avenue to the east, and Grand Avenue to the west. The nearly sixteen-block Study Area comprises the Ames central business district and includes daytime office, professional services, retail, restaurant, and government uses.

The following figure depicts the Study Area.

Figure 4: Study Area



Source: Walker Consultants, 2019

HOW MANY PUBLIC USE PARKING SPACES ARE IN THE DOWNTOWN?

The project team identified approximately 1,187 spaces across the Study Area available for public parking use. This includes all on-street and off-street surface lots.

Figure 5: Space Inventory Summary



On-Street spaces include all two-hour and four-hour metered spaces, ADA spaces, and free ten-minute spaces.

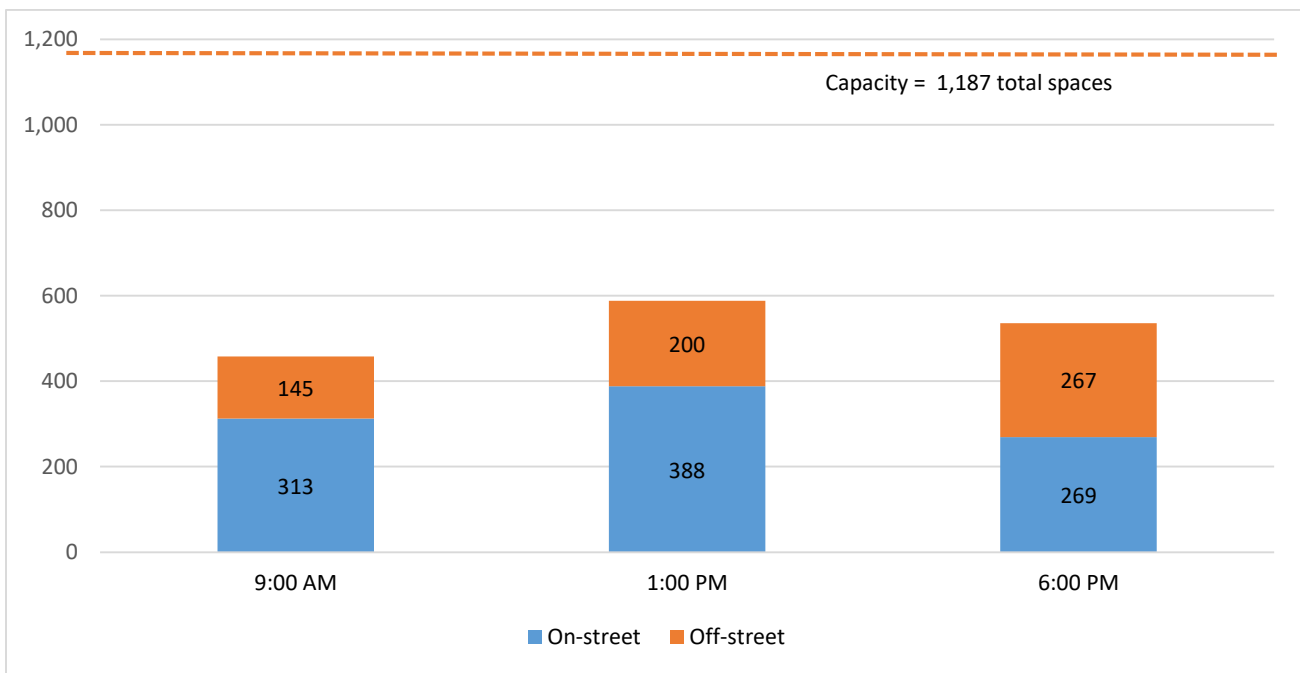
Public Off-Street spaces are categorized as public lots operated by the City of Ames, providing unreserved two-hour, four-hour, and ten-hour time enforced parking and monthly 24/7 reserved parking spaces.

PARKING SPACE OCCUPANCY

Parking space occupancy was recorded on Wednesday May 01, 2019 across morning, afternoon, and evening hours. The day of the week and hours selected are intended to be representative of typical weekday conditions. Counts were performed between the hours of 9 a.m. to 11 a.m., 1 p.m. to 3 p.m. and 6 p.m. to 8 p.m. to capture daytime and evening activity and the multiplicity of uses across the office and professional services sector and the food, beverage and retail sectors.

Appendix A: Field and Occupancy Data provides a more detailed showing of inventory and occupancy results by block.

Figure 6: Parking Space Occupancy – Typical Weekday



Source: Walker Consultants, 2019

Recorded space occupancy peaked across the afternoon hours, between 1 p.m. to 3 p.m. with 50 percent of total spaces occupied, or 588 spaces occupied. **At the “peak hour” approximately 599 vacant spaces were observed across the Study Area, indicating a surplus of spaces available.**

While overall occupancy remained approximately 50 percent across the peak hours of the day, with an overall surplus of available parking identified, parking “hot-spot” areas were observed across several block faces.

The following figure illustrates parking space occupancy at the block level for on-street and off-street spaces at the 1 p.m. peak hour.

Occupancy is displayed using a “heat map” with color ranges given to occupancy percentages on an on-street and off-street block basis. The color red represents occupancy of 85 percent or greater; the highest level of recorded occupancy, indicating little to no space availability. The color orange designates 70 to 84 percent occupancy, which indicates healthy occupancy levels with remaining space availability. Yellow represents 50 to 69 percent occupancy and green, 49 percent or lower, indicating both high vacancy and ample space availability.

Figure 7: Peak Hour Occupancy “Heat Map” – 1 PM



Source: Walker Consultants, 2019

Downtown Lots X, Y and Z saw utilization rates between 67 to 82 percent at the peak hour indicating a high usage, but, with spaces still available. Lots N, S, and Q had an occupancy rate of less than 50 percent indicating ample space availability at the peak hour.

On-street spaces on Main Street, between Clark Avenue and Duff Avenue, with the exception of the southern block face between Clark Avenue and Burnett Avenue, saw utilization rates between 70 to 84 percent at the peak hour. Additionally, on-street spaces on both sides of Douglas Avenue, between Main Street and 5th Street, were functionally full. High on-street vacancies were found across 5th Street at the peak hour.

TURNOVER AND DURATION SURVEY

In addition to collecting and analyzing parking space occupancy data, Walker also performed a parking space turnover and duration survey utilizing license plate recognition (LPR) technology. A predetermined route was driven between posted hours of enforcement from 9 a.m. to 6 p.m. on Thursday May 02, 2019. Specifically, license plates were recorded across on-street and select off-street facilities by the hour. Parked vehicle dwell times were ascertained by license plate read, time stamping and geo-locating parked vehicles each hour of the recorded survey.

The purpose of this survey is to determine if parkers are adhering to the posted time limits across on-street and off-street facilities, as well as to evaluate whether or not parking spaces are turning over as intended, creating parking space availability across daytime enforcement hours.

With a few notable exceptions, parkers generally are adhering to time limits and posted regulations. The following figures provide a summary analysis of the LPR survey conducted across downtown block-faces and select off-street facilities.

LPR SURVEY METHODOLOGY

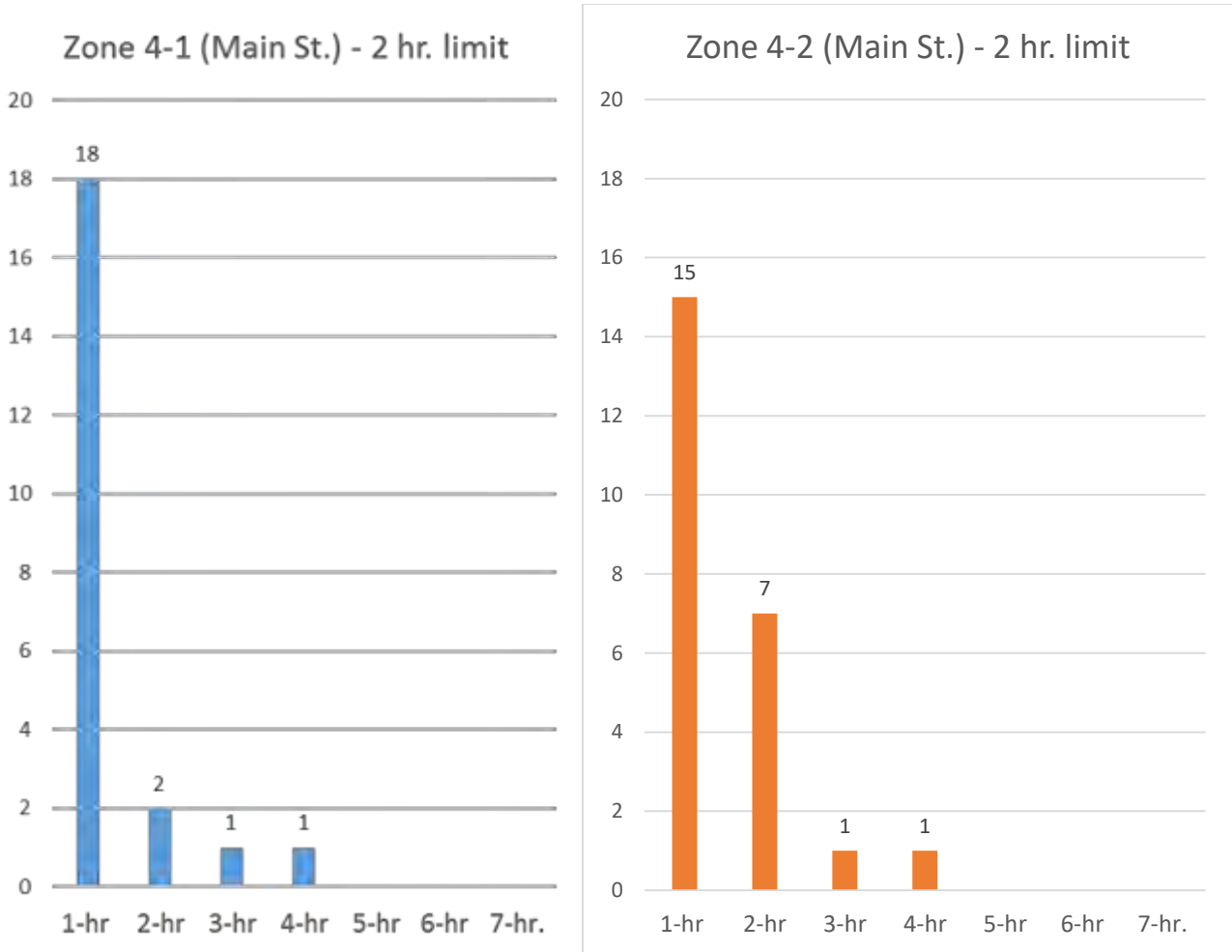
Existing naming conventions established by the City for on-street block zones and off-street public lots were maintained for interpretation and analysis. The “x-axis” on each of the following graphs shows number of parked cars identified by plate within a parking space while the “y-axis” indicates the amount of times each parked car was counted within the parking space. A methodological note, “cars counted” is not an aggregate total car count, but, a recognition of repeat plate readings expressed numerically.

An LPR enforcement route was driven on an hourly basis, with plate reads time stamped and geo-located. Each time the patrol vehicle passed a space, passed by only once on a tight hourly basis, was a new opportunity to “recognize” a plate. On this basis, vehicle dwell time patterns were established with our interpretation and are provided in the following sub-section.

ON-STREET TURNOVER ANALYSIS

The following figures summarize our analysis of the on-street turnover and duration study. **Appendix B: Facility ID Map** provides a corresponding map to understand where activity is occurring spatially across the CBD.

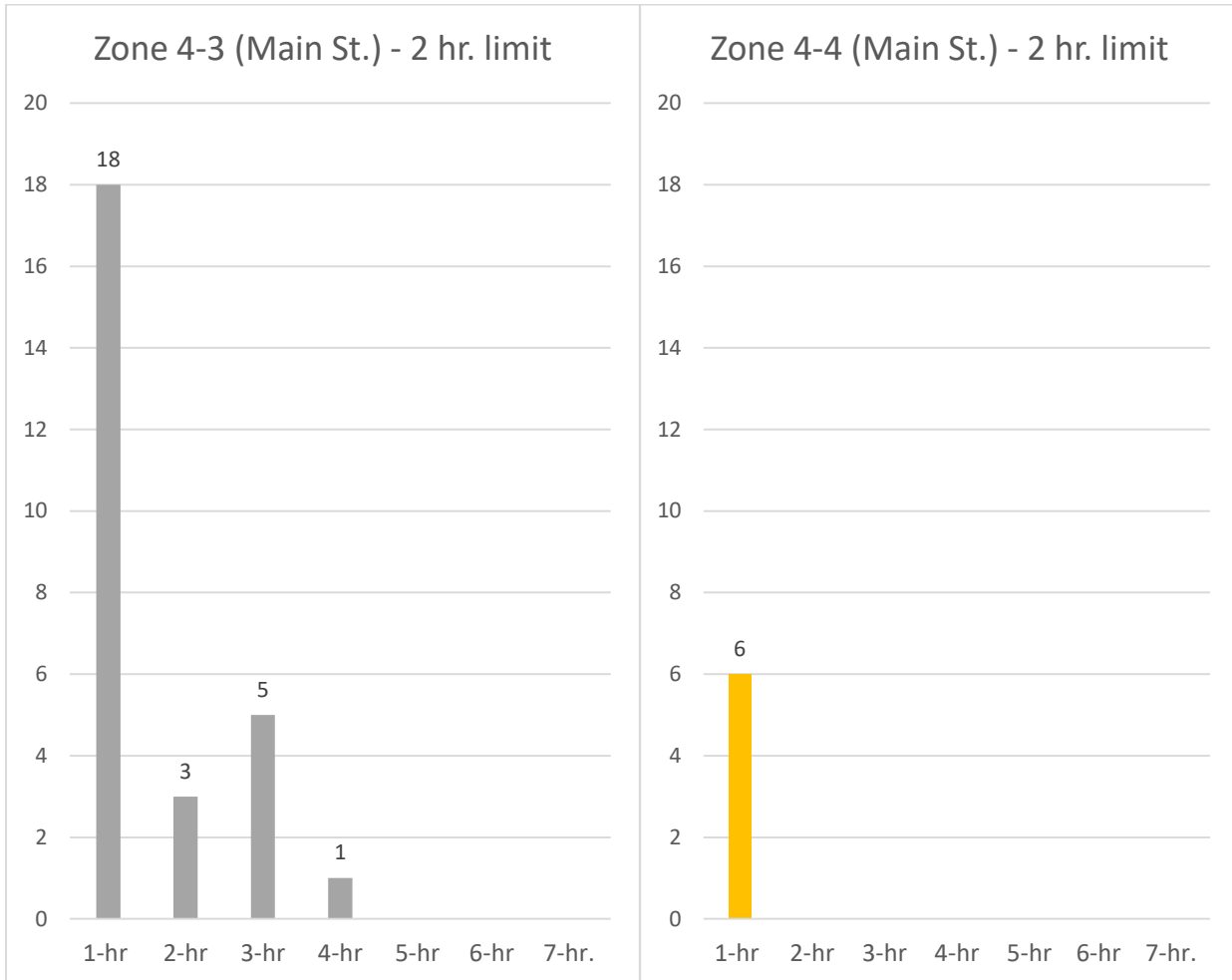
Figure 8: On-street Zone 4-1 and Zone 4-2 (Main Street)- Duration Summary



Source: Walker Consultants, 2019

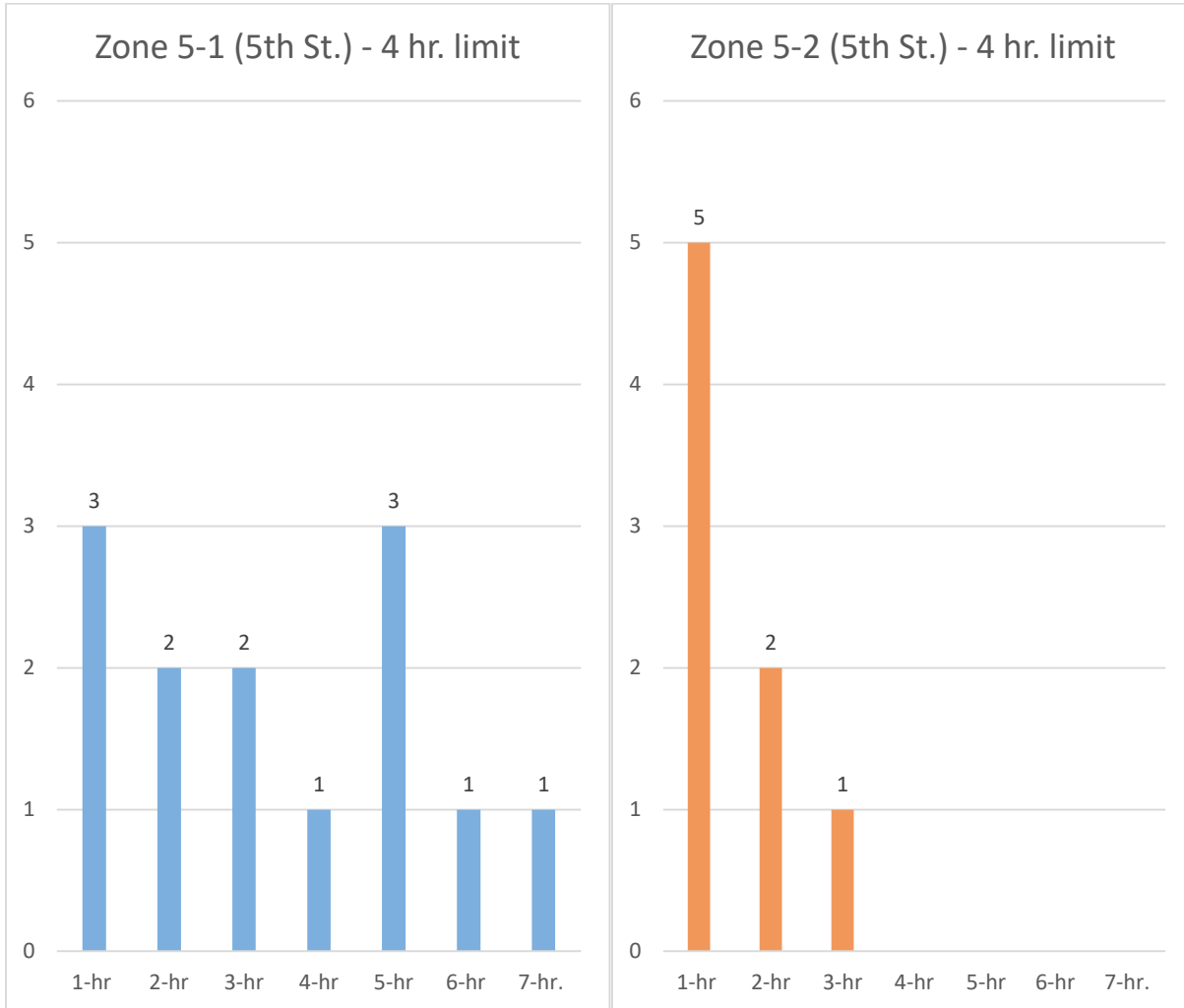
Across Zone 4-1 and Zone 4-2, one vehicle on each respective block face stayed longer than the two-hour time limit.

Figure 9: Zone 4-3 and Zone 4-4 (Main Street)- Duration Summary



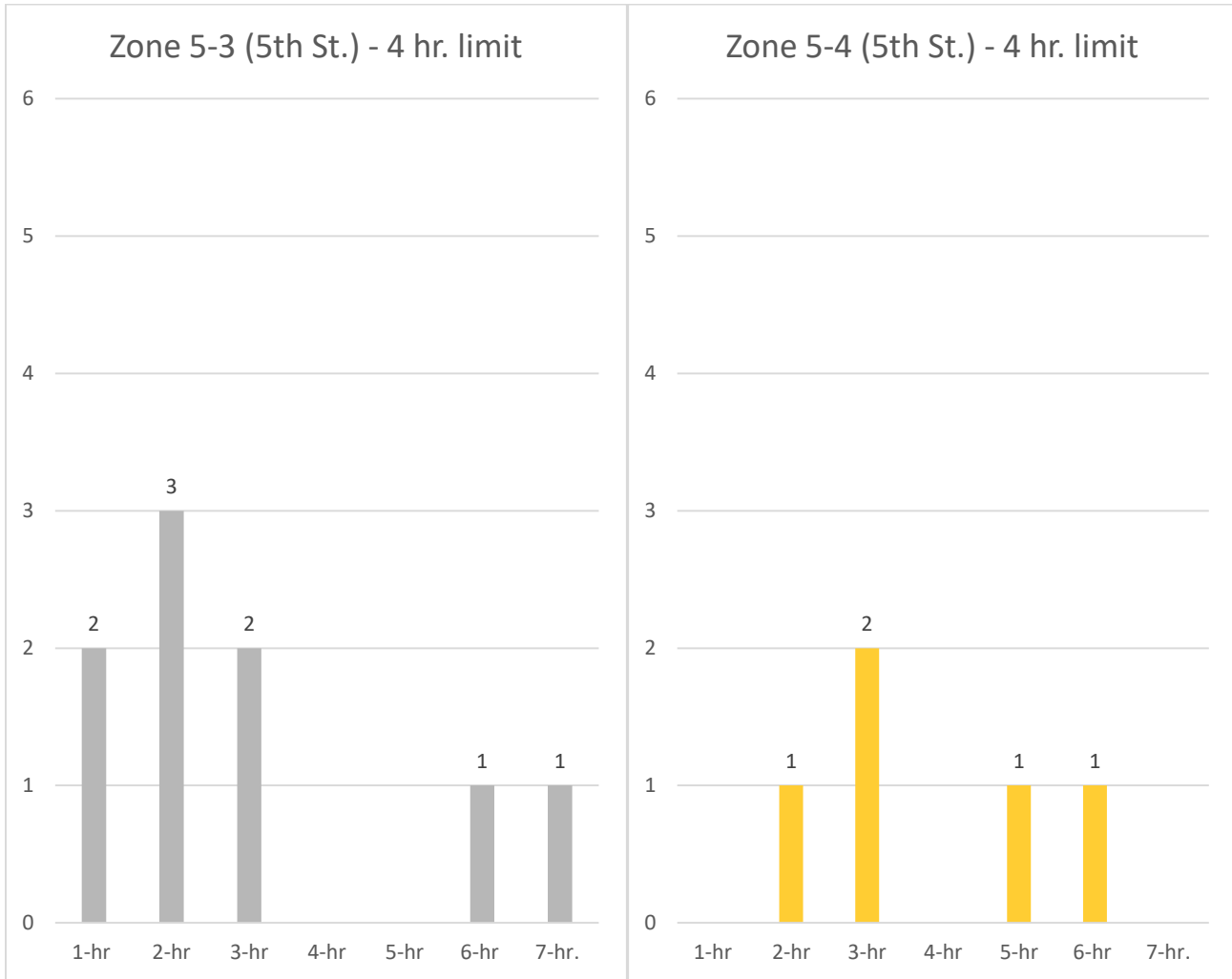
Source: Walker Consultants, 2019

Zone 4-3 saw 5 vehicles parked for three hours. On this block face, parkers are dwelling past the three-hour time limit. Zone 4-4 saw no cars overstaying the posted two-hour limit.

Figure 10: Zone 5-1 and Zone 5-2 (5th Street) – Duration Summary


Source: Walker Consultants, 2019

Zone 5-1 and Zone 5-2 maintain a four-hour time limit. Zone 5-1 saw three vehicles dwelling for five hours, one hour passed the posted time limit. One car was dwelling for seven hours. For Zone 5-2, no cars stayed passed the four-hour time limit.

Figure 11: Zone 5-3 and Zone 5-4 (5th Street) - Duration Summary


Source: Walker Consultants, 2019

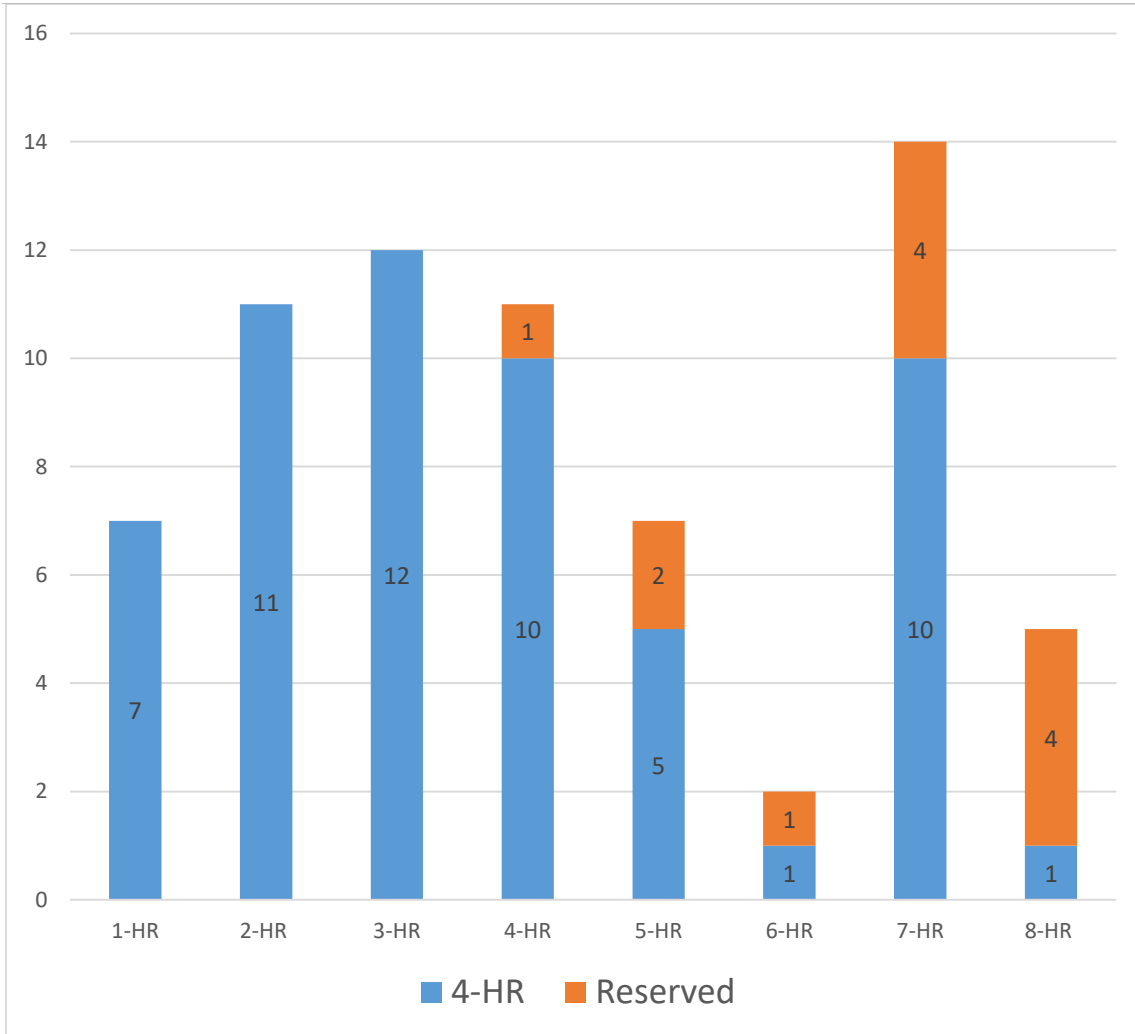
Zone 5-3 and Zone 5-4 have a four-hour time limit requirement. One vehicle on each respective block face overstayed the four-hour limit up to seven hours, for Zone 5-3, and six hours for Zone 5-4.

OFF-STREET CBD LOTS ANALYSIS

Walker surveyed select off-street surface lots which offer parking on a two-hour, four-hour, ten-hour and reserved space basis, depending upon the facility. The legend displays the type of space surveyed with the “x-axis” indicating the amount of time that space was occupied.

Downtown Lots X, Y, and Z provide nearly 45 percent of the public surface space inventory downtown (excluding City vehicle only parking). The time-hour mix of spaces was evaluated to ascertain how the time limit spaces are being occupied, identifying patterns based upon the current usage.

Figure 12: CBD Lot X – Duration Summary

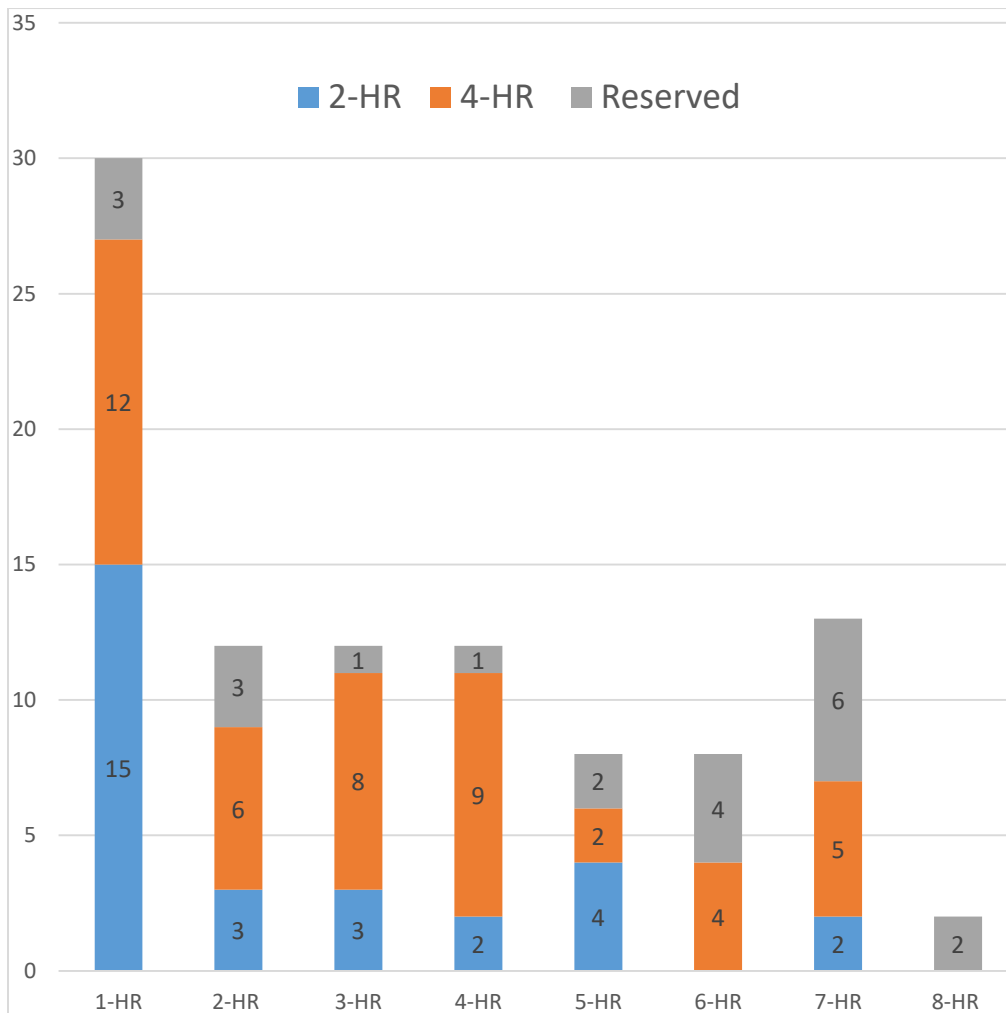


Source: Walker Consultants, 2019

Downtown CBD Lot X has a mix of four-hour and 24 hour reserved spaces (103 four-hour spaces; 15 reserved). The use of four-hour spaces peaks with a dwelling time of three hours; twelve cars staying three hours. However, 10 vehicles observed are using four-hour spaces as long-term seven-hour parking. **Walker did not observe hang-tags on vehicles. It is likely some of this vehicle population could be hang-tag monthly parkers legally allowed to park in four-hour spaces with placards per the 2019 policy adjustment (see discussion in “Parking Policies and Practices”).**

Official reserved spaces marked by signage are seeing long-term parking dwell times of seven and eight hours. Four vehicles are staying in their reserved space for eight hour stays.

Figure 13: CBD Lot Y – Duration Summary

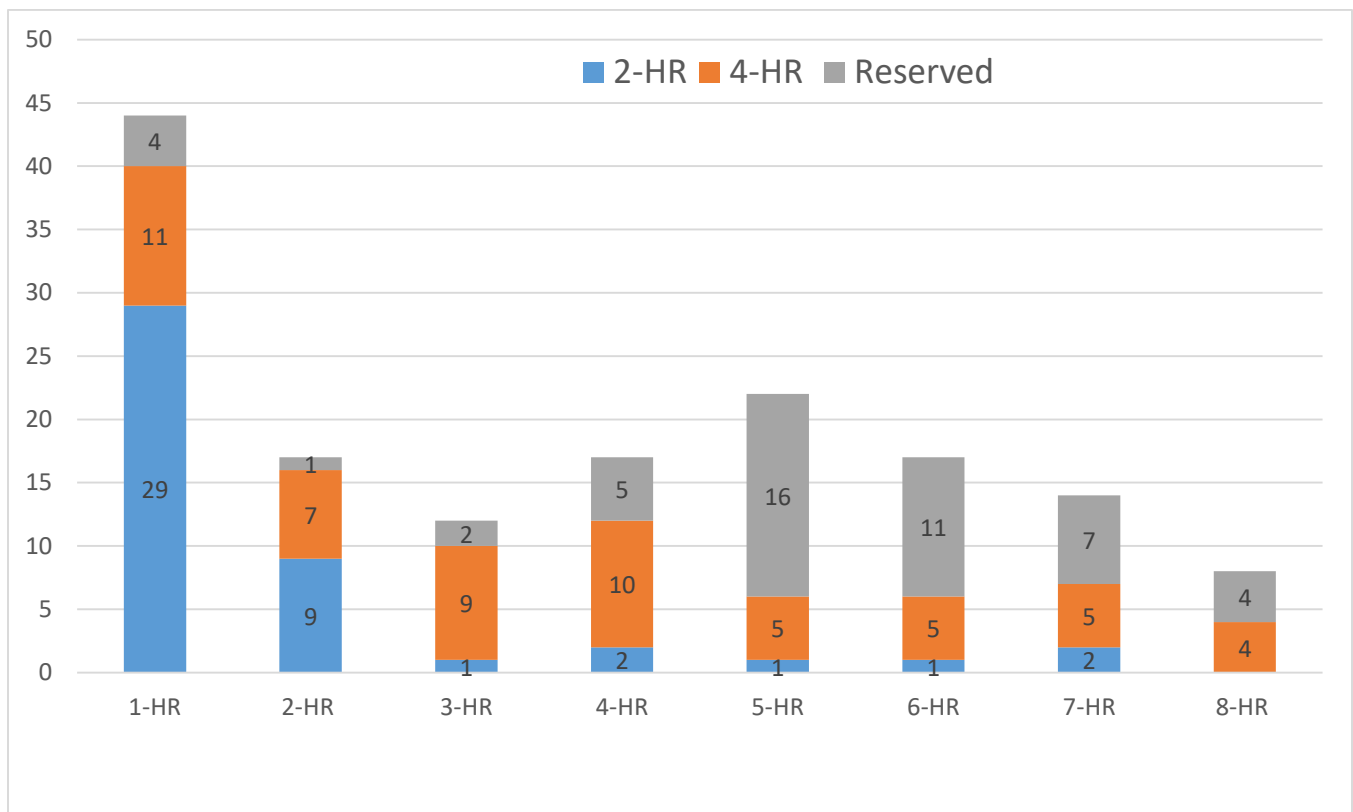


Source: Walker Consultants, 2019

Downtown CBD Lot Y has a mix of two-hour, four-hour and reserved spaces (33 two-hour spaces; 32 four-hour spaces, 31 reserved). Of general note, the use characteristics of this lot skews towards short-term, one-hour parking use, likely reflecting the heavy retail customer use. Two-hour spaces saw 15 vehicles staying for one single hour with some vehicles dwelling passed the allotted two-hour limit. Four-hour parking spaces saw 6, 8, and 9 cars parked for two, three, and four hours respectively.

Five vehicles stayed for seven hours. Again, it is likely a percentage of this population could have monthly hang-tags not observed by Walker. Six vehicles dwelled for seven hours in reserved spaces with two vehicles staying for eight hours.

Figure 14: CBD Lot Z – Duration Summary

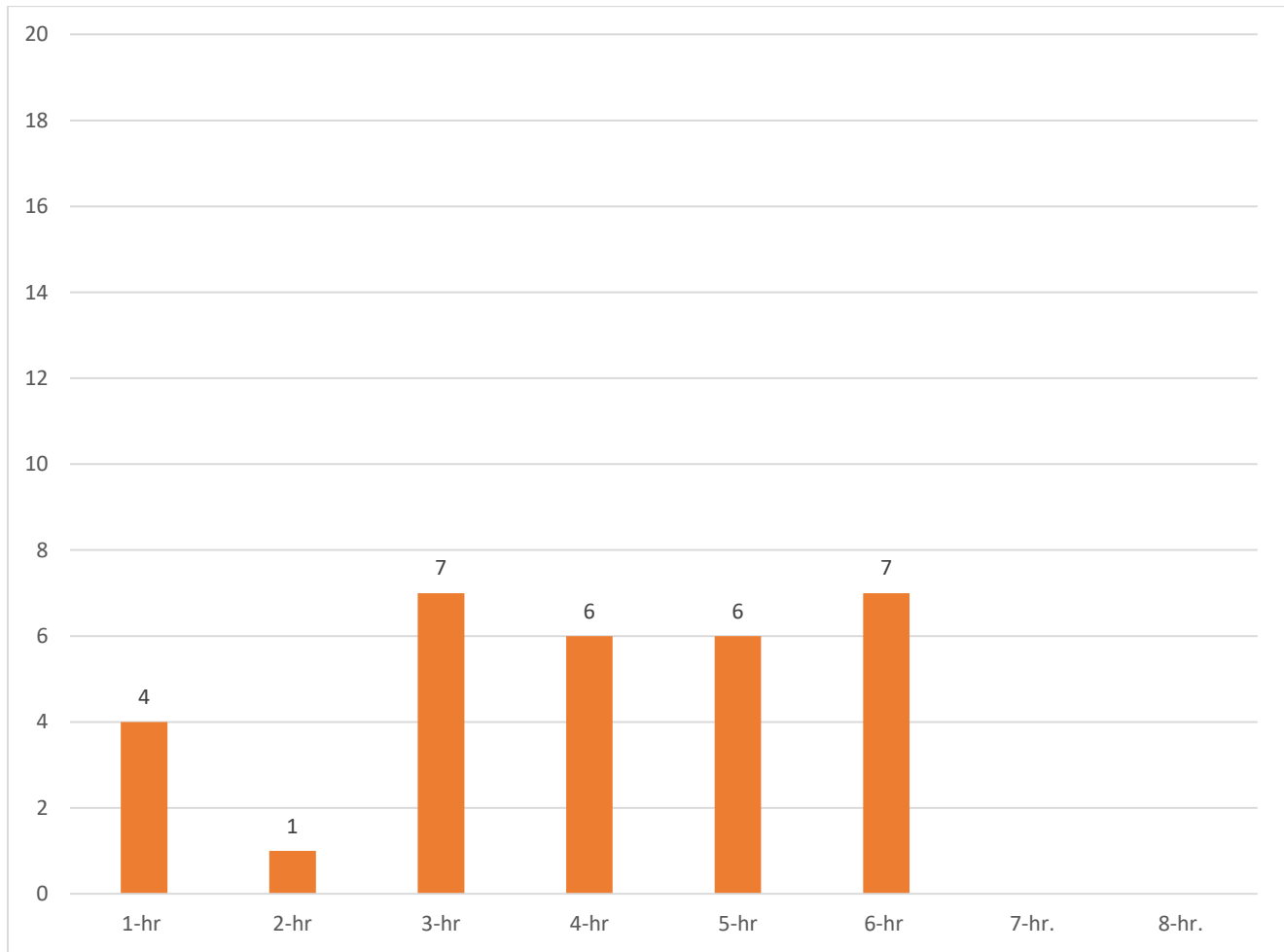


Source: Walker Consultants, 2019

Downtown CBD Lot Z has a mix of two-hour, four-hour and reserved spaces (50 two-hour spaces, 48 four-hour spaces, and 42 reserved). Similarly, the distribution of dwelling time is skewed towards greater short-term use; of one hour. Approximately 29 vehicles occupying two-hour spaces are staying for a single hour. Some vehicles are staying passed the two-hour posted allotment. Ten vehicles in a four-hour space stayed just four hours with

some vehicles remaining passed the allotted four-hour limit. Again, it is possible a percentage of this vehicle population could be monthly hang-tag holders. Reserved spaces peaked with sixteen vehicles staying for only five hours, tapering off past the five-hour mark.

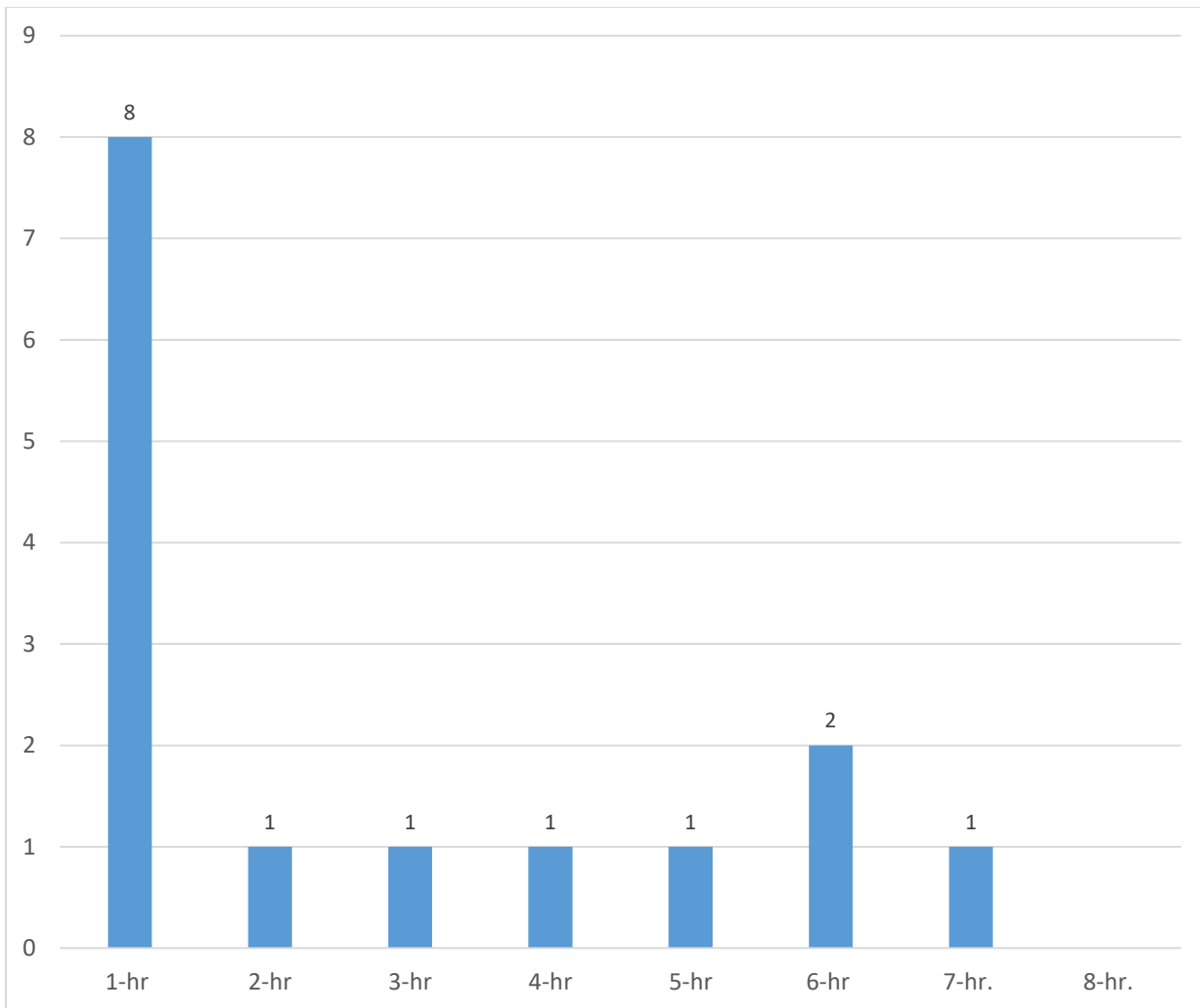
Figure 15: CBD Lot N (City Hall) - Duration Summary



Source: Walker Consultants, 2019

CBD Lot N (City Hall) provides a mix of hourly (41 ten-hour spaces) and reserved (30 spaces) as well as several free spaces (12). Vehicles are mostly staying three hours or more indicating more long-term parking usage.

Figure 16: CBD Lot S (Kellogg) – Duration Summary



Source: Walker Consultants, 2019

CBD Lot S (Kellogg) provides 27 ten-hour spaces. The data collected shows that this facility is being utilized more as short-term one-hour only parking.

TURNOVER AND DURATION SURVEY KEY FINDINGS

- Vehicles are generally adhering to the posted time limits;
- Some “hot-spot” areas of over-stayed vehicles were found by LPR survey;
- Surface lots are generally supporting more long-term parking, three-hours plus stays;
- CBD Lots X and Z have a high short-term use of one-hour only stays indicating that customers and visitors are utilizing these spaces as well as employees parking long term, three-plus hours;
- CBD Lots X, Y and Z all saw four-hour timed spaces with overstayed vehicles, with the acknowledgement that some of this vehicle population could be hang-tag holders;
- Lot S (Kellogg) is supporting more short-term parking with a concentration of one-hour only use;
- Lot N is supporting mostly long-term parking, three -hours plus.

POLICY ADJUSTMENTS

Based upon the data collected and analyzed, Walker offers the following framework for contemplating program adjustments:

- Does the short-term versus long-term mix of spaces need to be adjusted across select facilities?
- Do reserved spaces need to be reserved for 24 hours a day given the dwell time patterns observed?
- Can the four-hour time limit be simplified or modified to accommodate existing employee parking needs?

In the recommendations section of this report we offer proposals for the City to evaluate and consider based upon the information analyzed above.



03

Parking Policies and Practices Review

In this section of the report we review existing parking policies and practices. This includes a review of parking management downtown, goals of the parking program, parking enforcement policies and practices, existing rates and hours of enforcement, parking signage and wayfinding, equipment and technology, existing land use practices and zoning impacts on parking, as well as, program communications and public relations.

HOW IS PARKING BEING MANAGED DOWNTOWN?

The City of Ames owns/manages approximately 1,379 parking spaces downtown.

Hours of enforcement for parking meters are Monday through Saturday 9 a.m. to 6 p.m. with free parking on Sunday's and City Holidays. **Meter rates are posted \$0.50 per hour in the downtown district. Hourly parking in all public lots is free and provided on a time-limited basis; two-hour, four-hour and ten-hour options are offered across select facilities.**

PARKING METER HISTORY

In 2018, the Ames City Council ("City Council") implemented a meter rate escalation from \$0.20 to \$1 per hour for all metered spaces in the downtown. Several Main Street business owners opposed the rate increase citing potential burdens to customer access. In April 2019, City Council reversed their 2018 rate decision reducing parking meter rates to \$0.50 per hour, the current hourly rate.

RESERVED PARKING PROGRAM

In November 2018 the City Council voted to implement an employee hang-tag program that permits downtown district employees to park across any of the four-hour free parking stalls for a monthly fee of \$10.

In addition to the recent hang-tag program, the City has historically provided a reserved space program. An individual seeking a reserved parking space in a municipal lot may grant a request to the city manager. The City Council, through policy resolution, determines the reserved space location and price. According to the code, spaces reserved shall be marked by signage stating that the space is reserved 24 hours per day. A permit tag must be displayed upon each vehicle that occupies a reserved space.

GOALS AND OBJECTIVES OF PARKING SYSTEM

Parking is not usually an end in-and-of itself, but a means to serve broader goals which, might include- but are not limited to, the following:

- Greater access and utilization of existing downtown businesses;
- Expanded economic development opportunities;
- Enhanced daytime, night-time, and entertainment district usage;

- Increased downtown viability and attractiveness; and
- Improved prominence and regional appeal of the downtown.

ORGANIZATIONAL STRUCTURE

Parking enforcement is conducted through the Ames Police Department with 1 FTE parking enforcement officer. Parking violation collections have 1.10 FTEs assigned conducting customer service and collections support. Parking operations, supported through the Department of Traffic and Engineering, has 2.15 FTEs assigned performing parking technician duties and other responsibilities as assigned.

PARKING ENFORCEMENT PRACTICES

Enforcement shifts are covered around the clock Monday through Saturday 9 a.m. to 6 p.m. for all metered spaces and time-limited surface parking in the CBD. The enforcement officer chalks tires on a route basis.

PARKING FEES AND FINES

The City of Ames ordinance has established parking violation fees at ten dollars (\$10) for overtime parking. If this fine is paid within the first seven days of the violation, five dollars of the fine amount is waived. Illegal parking violations are twenty dollars (\$20), including snow route violations. Like overtime parking violations, five dollars is waived from the total amount if paid within seven days. Parking in an ADA space without an official placard is a hundred dollar (\$100) fine.

CITATION PROCESS

After a citation is issued from the parking enforcement officer, the following day, the citation is transferred to the City of Ames Finance Department and made available for customer payment. Payment can be made on line, through mail, in person or at a City-designated drop box. Customers that choose to appeal a ticket must notify the parking customer service representative that they wish to appeal. The citation is then reviewed by a coordinator with a decision made after review. The decision is then relayed to the customer, and, should they disagree with the results, they are then referred to the City Attorney to determine whether to take the appeal to a judge. Currently, all appeals must be made in person and are not available on line. According to city information, 70 appeals per month were made citywide in 2018; these appeals are not exclusively downtown violators. In FY 2018, the City estimates that approximately 89 percent of parking citations issued in the downtown were collected.

PARKING TECHNOLOGY

The City of Ames public parking program is keeping pace with industry standards in technology and customer service. The following table reviews how the City has implemented technology to provide customers with choice and convenience.

Table 1: Review of Parking Technology Actions

Technology	Action
✓ Smart Meters	In July 2012, the City installed smart card meters for all meters along Main Street and 5 th Street.
✓ Pay by Cell Phone	The City offers the ability for users to pay with the Park Mobile parking payment app for drivers with internet-enabled cell phones. In addition, the app provides users a map of the City's parking zones to show customers where parking is available in the Downtown. The Park Mobile app has the ability to show customers how much time they have left at the meter and to send advanced notifications when a meter time is about to expire. Parkmobile Wallet allows users to load funds tied to a user's credit card for easy smart phone parking payment options.
✓ On-line Parking Ticket Payment Method	The City offers on-line ticket payment one business day after the ticket is issued from a link from the City Parking page: https://click2gov.cityofames.org/Click2GovPT/ticketsearch.html

Source: Walker Consultants, 2019

Walker supports all of the actions shown in Table 1 as recommended best practices to improving customer convenience and ease of use. Additionally, Appendices A provides more detailed information on LPR enforcement technology for the City's review and consideration.

COMMUNICATIONS AND WEBSITE

The City of Ames maintains a parking web page for users. At this page, users can find information on parking regulations, snow routes, hours of enforcement, location of parking by interactive map, links to the parking payment and appeals process, and additional helpful information including the ParkSMART resource which educates users on parking signage and provides tips on how to avoid violations.

The City of Ames also accepts Parkmobile Wallet as a payment method for meters, which allows users to load funds that can be applied to any of the smart meters within the City meter inventory.

WAYFINDING AND SIGNAGE

Existing parking wayfinding and signage helps motorists identify both on- and off-street public parking areas as well as provide them with information that they need to make decisions about parking. Walker reviewed the signage in Downtown and finds that the existing City signage is appropriately located and visible to motorists. The figure to the right displays hours of enforcement, availability to the public, lot identification and rate information. Consistent and uniform signage is important for motorists learning the system.

Figure 17: Existing Wayfinding and Signage- Municipal Lot S Example



RELATIONSHIP BETWEEN ON-STREET AND OFF-STREET PARKING

On-street parking and off-street spaces comprise a downtown parking system with the typical use of these spaces differing. In most well-managed parking systems, on-street spaces are offered as short-term parking with parking turnover and space availability managed either by time limits, rates, or some combination of both.

On-street spaces are often the most visible and accessible parking spaces to motorists. They are often in closer proximity to businesses and store fronts than off-street surface lots or structures, and, in a dense downtown environment, motorists often do not need to “know” where to find public parking if there is on-street supply available.

Off-street spaces are frequently promoted for greater long-term parking use, defined here as three hours or more, because they are often less visible to motorists and require greater user knowledge of location and public availability. Typically, off-street parking is best suited for employee parking because employee parking behavior is more routine and consistent, with downtown employees often having greater knowledge of the parking system than visitors and customers.

An effective parking management strategy recognizes that on-street spaces are best suited for more short-term use and off-street parking best suited for more long-term parking use. Walker supports this as an operational philosophy. Furthermore, the City has strategically positioned municipal off-street lots throughout the CBD, making this operational philosophy practical for the downtown.



04

Financial Plan

The following section of this report provides a thorough discussion of the financial requirements of administering a public parking program to downtown users. Walker understands that it is the City's goal to work towards creating a self-sustaining parking enterprise, while maintaining the quality of service system users have grown accustomed to.

However, Walker understands that there is a price sensitivity to hourly parking rates and that any rate increase needs to be measured and consistent with consumer expectations. In this context, we are providing the following analysis to help inform decision makers and the public. In this section we consider market demand factors, operating revenues, operating expenses and debt service for any proposed new parking facility or parking system enhancement. Most importantly we set the background for a financial plan with a necessary discussion of parking economics.

PARKING ECONOMICS 101

Fundamentally there is no such thing as free parking. Someone is either directly or indirectly paying the true costs of "free parking" downtown.

If parkers are not paying directly than who is?

- Developers pay for parking when they are required to meet off-street parking zoning requirements which raises project costs which are passed along to end consumers of their product.
- Employers pay through higher office rents.
- Consumers pay in the sales price of goods and services; retailers pass along costs to consumers.
- The community pays through taxes levied for the delivery of services including downtown parking.

In providing parking to the downtown community, the City is administering a scarce resource that has intrinsic value and associated costs. Thus, parking should be viewed as an asset that requires continual stewardship to serve the goals of the downtown community.

The healthy financial performance of the parking system is necessary to keep delivering on the overall downtown parking mission to provide parking space availability and turnover to support local businesses in the downtown.

Parking is not a profit center for most cities. As a point of fact, most parking revenues that a city collects go towards off-setting the capital and operating costs of a public parking program. This is too the case for the City of Ames.

PARKING SYSTEM BASICS

There are two primary reasons why communities decide to adopt parking rates. The first is to induce human behavior using economics. Users of the parking system will quickly modify their parking behaviors if they incur costs in the form of user fees. For instance, if rates are charged for on-street parking, employees will be motivated to find long-term parking areas that are either less expensive or free, keeping prime spots available for business patrons. Most users will see the convenience of nearby on-street parking and opt to pay the rates, while a small percentage might not be willing to pay and will go out of the way to find free parking farther away. This balances parking utilization to address the supply and demand challenges. (Time limits also often influence the behavior of parking patrons.)

The second reason a city chooses to adopt rates is to create a self-sustaining parking enforcement program. The intention is not to create a profit center from parking revenues, but to pool revenues into a self-sustaining parking auxiliary fund that resources parking administration to include the debt service and maintenance requirements of all existing public parking facilities. On-street meter rates, surface lot and parking structure rates, if there are parking structures in the system, all comprise potential parking revenue sources. The revenues of one source alone are often insufficient to cover total parking system costs. One strategy Walker has seen employed in numerous public parking programs across the country is for revenues to be pooled together from multiple parking assets in the public parking portfolio.

The City has chosen to provide free parking access across existing public lots on a timed hourly basis, however, there are costs to maintaining these facilities. Foregoing hourly rates across public lots, the City has chosen to adopt rates on street; \$0.50 an hour for all metered spaces inside the CBD.

The current program gives users the choice to pay for more premium front-door spaces on street, for a nominal rate, or seek out off-street surface spaces at no charge. **Providing users choices helps balance the parking demand, while, creating necessary turnover on street. Walker agrees that on-street spaces should be provided for greater short-term customer and visitor use and that surface lots should support more long-term parking, suited towards employees and long-term users. Our reasoning is three-fold:**

- On-street spaces are often the most visible parking spaces for motorists and nearest to store fronts; therefore, on-street spaces should be treated as premium spaces.
- Motorists often form perceptions of parking-space availability based upon on-street space occupancy.
- Greater turnover and space availability is recommended on street, which can balance the parking distribution, and, one way to manage that is through rates.

It is unlikely that the revenue that the City is foregoing by providing users with free hourly surface lot parking can be made up by on-street meter rates alone and that the system can “break even” increasing only meter rates. Some level of public subsidy will need to be continued if the community decides that “free” surface lot parking is an important priority for downtown users.

If communities decide to charge for surface lot parking, Walker has typically seen hourly rates priced lower than on-street rates. This incents long-term users to seek out cheaper parking farther away from their destination and walk a few more blocks. Adopting rates across municipal off-street facilities is a policy decision.

To provide more context for a financial plan, Walker reviewed the City Parking Program (“Program”) financials. Program historical revenues and expenditures were provided to Walker by the City for purposes of analysis of understanding the Program’s financial capacity, answering such questions as what is the “break-even” for the Program, and how can the City use its revenues to maintain the existing system while planning for future growth and expansion.

Walker was provided with financial information for the entire Program which comprises both East and West Parking Operations. West Operations includes Campus Town (outside of the Study Area) and surrounding environs lots (rentals) and meters (fee) and East Operations includes the Ames CBD lots (rentals) and meters (fee). **The Parking Lot Fund “Fund 540” includes total revenues and expenditures for both East and West operations.** Parking expenditure data received by Walker was not separated out by West or East operations with only totals provided. The following table displays **historical five-year Parking Lot Fund 540 revenue and expenditures** displaying the net operating income.

Table 2: Parking Lot Fund 540 Operating Statement – FY 2014 to FY 2018

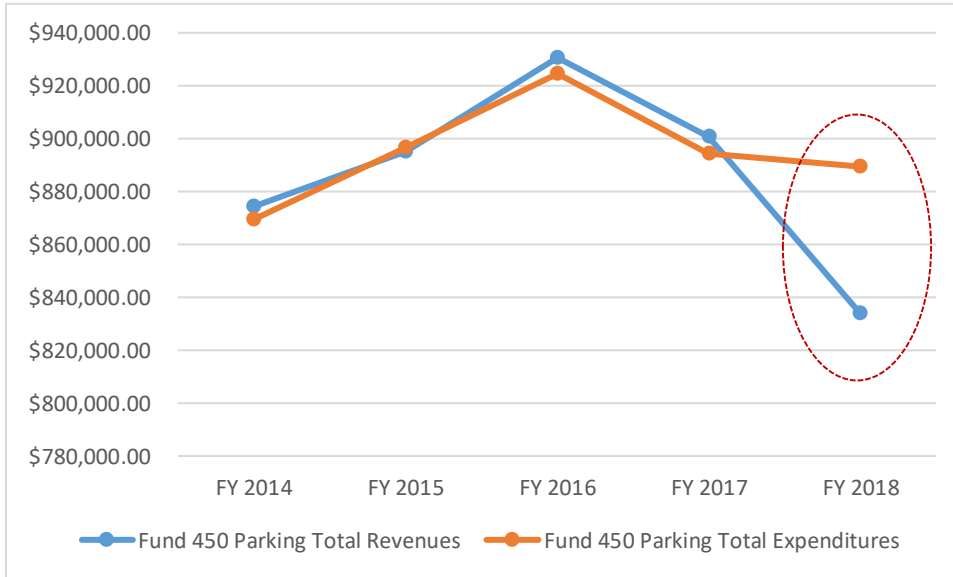
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Fund 540 Parking Total	\$	\$	\$	\$	\$
Revenues	874,442	895,147	930,499	900,700	833,976
Fund 540 Parking Total	\$	\$	\$	\$	\$
Expenditures	869,641	896,686	924,623	894,280	889,465
NOI	4,801.00	(1,539.00)	5,876.00	6,420.00	(55,489.00)

Source: City of Ames, 2019

At FY 2018, the Parking Lot Fund was operating at a loss of \$55,489. **The purpose of this table is to show that the City is not profiting from parking; revenues are barely keeping pace with expenditures year-over-year with likely fund balances and transfers covering the annual operating requirements of the Program.** In FY 2016 and FY 2017 a nominal positive surplus was realized.

Over the five-year fiscal period, total revenues have decreased five percent while expenditures have increased two percent. The following figure shows the divergence between total revenues collected and expenditures in FY 2018.

Figure 18: Parking Lot Fund 540 Revenues and Expenditures – Five Year Trend



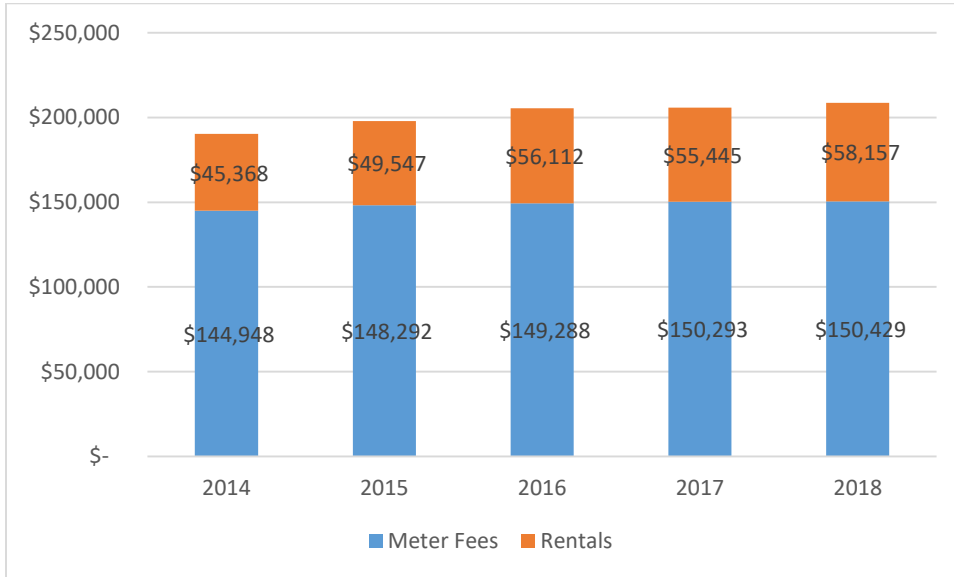
Source: City of Ames (data), Walker Consultants, 2019

The current Program, as measured by the latest fiscal year, is not “breaking even.”

EAST OPERATIONS REVENUES

The following figure depicts five-year revenues from FY 2014 through FY 2018 for downtown operations only (“East Operations”). Two existing revenue sources contribute to total fund revenues. In FY 2018, the most recent year, approximately \$209,000 (rounded) in revenues was collected from the downtown portion of the Program. In FY 2018, parking revenues downtown (East Operations) comprised nearly 25 percent of total Program revenues.

Figure 19: CBD Public Parking Program Revenues – FY 2014 to FY 2018



Source: City of Ames (data), Walker Consultants, 2019

Over the previous five-year fiscal period, total revenues have increased by 10 percent. Before FY 2018, meter rates were \$0.20 per hour.

RATE MODEL

Given the capacity to increase existing rates to meet expenditures and realize a self-sustaining parking auxiliary fund, the City will continue to subsidize the existing program assuming the status quo.

Walker created a basic rate model to assess the environment for phased rate increases over five-year period for the on-street parking meters. Note, this model makes broad assumptions about market revenue and expenditure growth and is intended to be used as a planning tool, not a predictive financial forecast.

Table 3: Parking Meter Rate Model – Five Year Estimated Revenues

	2017 Rate Actual	2019 Rate (estimated)	2023 Rate (40% increase)	2025 Rate (40% increase)
# of parking spaces	683	683	683	683
hours of operation	9	9	9	9
days a year	302	302	302	302
average daily occupancy	63%	48%	44%	40%
hourly rate	\$0.20	\$0.50	\$0.70	\$0.90
estimated annual meter revenue	\$232,250	\$440,894	\$571,769	\$668,302
estimated daily revenue per space	\$340	\$646	\$837	\$978

Source: Walker Consultants, 2019

Walker evaluated actual 2017 rates at \$0.20 per hour, before policy changes went into effect. For FY 2019, we have estimated potential meter revenues assuming the \$0.50 hourly rate and an average daily occupancy of 48 percent, assuming a modest decrease in occupancy in this period. If hourly meter rates increase incrementally by 40 percent over a three-year and five-year period, a rate of \$0.90 per hour could eventually be realized. However, **actual “break-even” hourly rates estimated will likely be above \$0.90 per hour by FY 2025. Making broad market assumptions regarding revenue and expenditure growth over a five-year period, a meter rate “break-even” of \$1.50 per hour is estimated with the following list of assumptions made:**

- Assumes rate increase applied across **683 CBD meters only**;
- No surface lot rates are applied by FY 2025;
- Expenditure CAGR of 2 percent per annum;
- Assumes no increases from other parking fund revenue categories;
- Assumes an average daily occupancy rate of 39 percent;
- Assumes approximately \$50 per space per annum estimated is set aside into a sinking fund for capital improvements including meter hardware replacement, enforcement technology equipment replacement, crack sealing and asphalt lot resurfacing, major parking signage replacement and other miscellaneous capital requirements. [\$62,650 estimated annualized sinking fund placement].

If off-street rates are adopted, meter “break-even” rates would likely be lower than what is estimated above for on-street.

Assuming, for modeling purposes that by FY 2025, rates are implemented off-street at CBD Lot X, Y and Z, and, that 266 existing two-hour and four-spaces charge a flat daily rate of \$3.00 per day for 302 days out of the year with an estimated average daily occupancy rate of 58 percent, an off-street revenue of approximately \$139,778 is estimated if the above assumptions are met. An additional off-street CBD lot revenue source could potentially bring on-street daily “break-evens” to \$1.22, if the above assumptions are met.

Walker performed a peer cities hourly meter rate survey and found an average hourly rate of \$0.86 used to inform our rate analysis model. **In five years our model assumes rates can normalize just above the peer cities average identified to \$0.90 an hour.**

Table 4: Peer Cities Meter Rate Survey

City	Meter Hourly Rate	
Dubuque	\$	0.75
Cedar Rapids	\$	0.90
Davenport	\$	0.50
Sioux City	\$	0.75
Council Bluffs	\$	1.00
Urbandale	\$	1.25
Average	\$	0.86

Source: Walker Consultants, 2019

We estimate that meter revenues could total nearly \$668,000 approximated assuming a stabilized rate environment by FY 2025 with an average daily occupancy of 40 percent. The revenue earned by meters would presumably be deposited into the same Parking Lot Fund that maintains existing free daily surface lots.

Assuming total parking expenditures continue to increase by 2 percent per annum to FY 2025, Total Parking Fund expenditures could surpass \$1 million. **With the addition of a potential \$228,000 approximated in additional meter revenues from the East Operations, the City could realize a more self-sustaining auxiliary fund. However, a gap would still remain for funding the construction of additional parking infrastructure such as a parking structure without user rates charged at such a facility. Walker assesses that it is unlikely that users will pay the needed monthly rates required for a parking structure to be self-sustaining under existing market conditions in CBD Ames.** The following parking alternatives analysis section provides a more detailed presentation of parking structure finance and feasibility.

05

Parking Alternatives Analysis

In addition to formal data collection, the project team conducted field observations documenting the condition and special use characteristics of the existing parking system in relation to the downtown urban form. We noted parking space geometrics (e.g. angled spaces versus parallel spaces), the location of parking assets, the condition of lots and on-street spaces, the proximity of parking to concentrated-use areas, building height and scale, and other notable physical characteristics that limit parking availability and inform an alternatives analysis.

EXISTING URBAN FORM

Downtown Ames Main Street maintains an attractive core historic building stock that is pre-automobile era. The minimal building setbacks, uniform building heights (2-3 stories only found), and building façade orientation, relative to the existing street network, creates a street wall and coherent human scale that is ripe for higher pedestrian use, enhanced place-making ability, and the right environment for small retail.

Since much of the core building stock remains intact in the core Main Street area, and is built to occupy entire city-blocks, off-street parking options are limited to peripheral areas or on parcels where buildings have been razed.

Ames has strategically provided off-street surface parking lots behind Main Street buildings (CBD Lots X, Y, Z) between the rail road tracks. This supply is in close proximity to Main Street businesses with many buildings providing back door entry/exit access shortening walking distances between parking areas and buildings. Moreover, many existing Main Street employees rely upon this surface parking for long-term daily parking usage.

ANGLED PARKING SPACES

Angled parking spaces make more efficient use of the existing curb space increasing the parking space inventory per block face. The following are pros and cons of angled parking:

Pros:

- Greater space efficiency (increases the number of car spaces per block face)
- Easier to pull-into spaces (no parallel parking skills needed)
- Easier to exit the car (doors have more space to open because of staggering)
- Traffic calming

Cons:

- Difficult to ascertain how far the driver needs to “pull-up” into a space
- Head-in parking may create challenges for drivers backing out into a driving lane (oncoming lane traffic must yield).

Where might angled parking be appropriate?

In a commercial main street area where traffic speed is reduced and where volumes are lower with adequate curb-to-curb width available, angled parking is a recommended on-street design solution.

Walker observed this practice working effectively along Main Street calming traffic and creating safe travel speeds through the corridor.

PARKING STRUCTURE FEASIBILITY

Walker is not recommending a parking structure in the CBD at this time. Our primary reasoning is two-fold:

- **Current demand has not reached a critical “tipping-point.”** Overall peak parking occupancies system wide neared only 50 percent at the peak hour of usage. The existing parking supply is adequate to meet the existing demand. Program adjustments can improve the existing usage and customer experience.
- **The City’s parking system cannot currently self-support a parking structure.** Current revenues are too low to cover the debt service and annualized operating expenses associated with a new facility. A new parking structure would require significant public subsidy from the City’s general fund.

Nevertheless, as the downtown continues to redevelop and densify, a parking structure might be warranted in the future.

Walker evaluated the current development landscape in downtown Ames and did not identify any known pipeline or proposed projects. For planning purposes, however, we considered notional future demand scenarios generated by residential, office, retail and restaurant land uses. Note, this scenario model is not intended to be predictive, but, serve only as a tool for planning purposes.

In our scenario, we consider a hypothetical parking demand generated.

Figure 20: Hypothetical Future Development Scenario – 10 Year Horizon

	Office (SF)	Retail Space (SF)	Residential Units
Units	30,000	20,000	150

Source: City of Ames, Walker Consultants, 2019.

Walker took the proposed land use quantities provided in the plan and modeled a notional recommended parking supply using *Urban Land Institute* (ULI) recommended base ratios. The following figure presents Walker’s own calculation based upon the information available.

Figure 21: Notional Future Development Scenario

Land Use	Units		ULI Base Ratio*		Recommended supply
Residential	250	x	1.15 per unit	=	288
Retail	20,000 GLA	x	4.0 /ksf GLA	=	80
Office	30,000 GLA	x	3.7 /ksf GLA	=	111
Total Spaces				=	479

*Urban Land Institute. *Shared Parking*, 3rd Edition.

Source: Walker Consultants, 2019

Walker’s modeled development scenario presents a suggested parking supply of 479 spaces. Assuming that the notional development is built within the next 10 years, speculative at this time, a demand for an additional 479 spaces could result. The above model should therefore be understood as a hypothetical need for future parking spaces given the above scenario, assuming that the notional development modeled does not provide its own off-street parking. Furthermore, assuming the above hypothetical growth modeled, the existing parking system has enough available capacity to absorb a demand for 479 additional spaces with nearly 600 vacant spaces observed at the peak hour of observations and higher levels of vacancy observed across the evening hours. However, occupancies system wide would increase, likely above 60 percent daytime occupancy assuming smaller residential parking demand across daytime hours.

In consideration of future needs, Walker explored the feasibility of a parking structure in the CBD, evaluating the two most suitable sites for a parking structure, taking input received from planning officials to explore the proposed site efficiency, potential limitations and benefits, and order-of-magnitude costs for a parking structure. **The following information is being provided for informational and planning purposes only.** Walker is not recommending a parking structure for the CBD at this time.

Walker evaluated two opportunity sites for a parking structure in the CBD. One site, CBD Lot X (“Site X”), is located at Clark Avenue and Main Street and would occupy the existing surface lot footprint. The second site, CBD Lot N (“Site N”), is located at Clark Avenue and Fifth Street and would occupy the existing surface lot footprint as well. Both sites are currently owned by the City.

The following figure depicts the opportunity sites in relation to the overall CBD. Walker considered a scenario whereby a Site X parking structure would have retail/office frontage along Clark Avenue with pedestrian access and transition to Tom Evans Plaza. Additionally, we considered a scenario whereby a Site N parking structure would have ground floor commercial space with frontage to 5th Street.

It is our understanding that the scale and height of the parking structure be incorporated into the existing urban form. Therefore, the height displayed is only three levels for each parking structure concept given the existing building fabric downtown is no more than two or three stories.

In our concept we display a ground level, typical level, and top level followed by a discussion regarding parking structure site efficiency, total space count, ingress/egress, vehicular circulation, and order of magnitude costs

Figure 22: Opportunity Sites – Site N and Site X

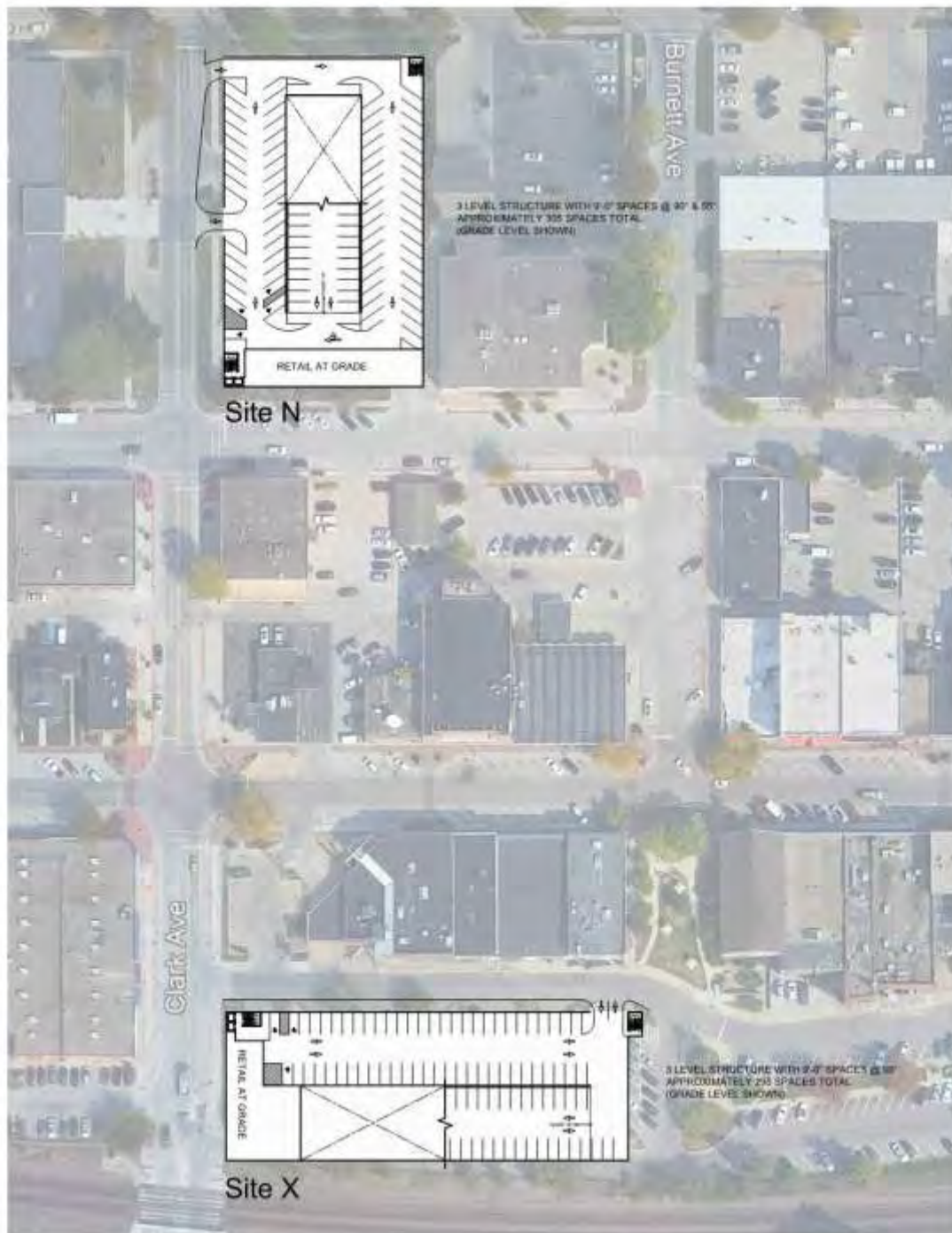
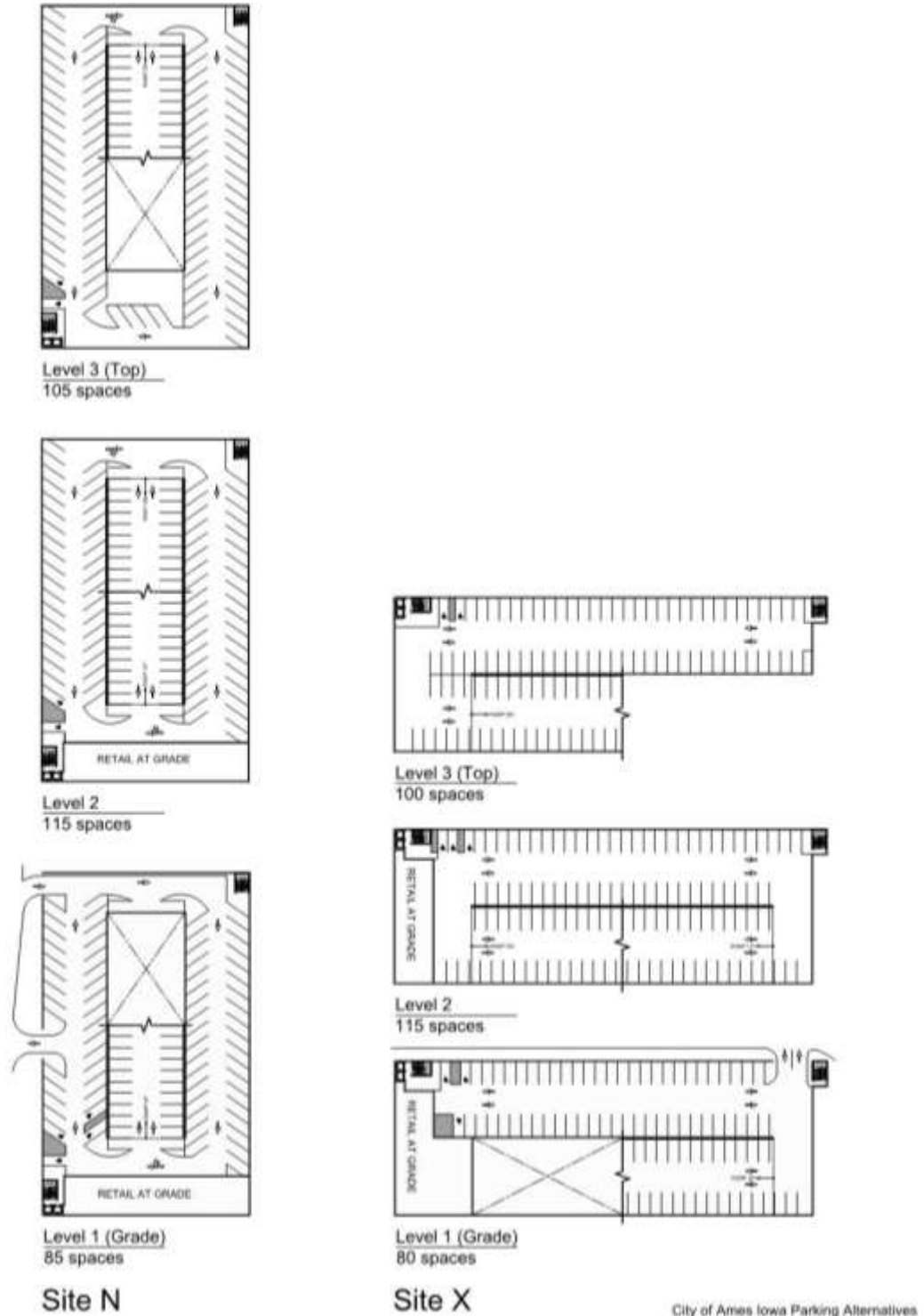


Figure 23: Site N and Site X – Parking Structure Conceptual Plan



SITE N CONCEPTUAL PARKING STRUCTURE

At the concept-level, the following features displayed at Site N include:

- **A three-level, 345- space parking structure.** At-grade capacity of 80 spaces is shown. The second level provides 115 spaces with the top level providing 100 spaces.
- **One-way traffic flow with angled parking.** The width of the site impacts the selection of this as a system. Angled spaces make it easier for drivers to enter/exit stalls with greater visibility.
- **Separate ingress and egress points.** An entry lane at is shown at the site's northwest corner of 6th Street and Clark Avenue. An exit lane is displayed mid-block for purposes of separate traffic flow.
- **Stairwell and elevator** displayed at the northeast and southwest quadrants of the site with pedestrian access to Clark Avenue and Fifth Street.
- **A net capacity of 259 spaces yielded.** Subtracting the existing surface lot capacity of 86 spaces from the proposed parking structure capacity [345 Site X parking structure capacity – 86 existing Lot N surface capacity = 259 net spaces].

SITE X CONCEPTUAL PARKING STRUCTURE

At the concept-level, the following features displayed at Site X include:

- **A three-level, 295- space parking structure.** At-grade capacity of 85 spaces is shown. The second level provides 115 spaces with the top level providing 105 spaces.
- **Two-way traffic flow with 90-degree parking.** The width of the site impacts the selection of this as a system. With this concept, drivers pass all stalls on the way both in and out of the parking structure.
- **Shared ingress/egress point.** An entry/exit lane is shown incorporating the existing surface lot drive aisle accommodating two-way traffic outside the parking structure.
- **Stairwell and elevator** displayed at the northwest and northeast quadrants of the site with pedestrian access to Clark Avenue and Tom Evans Plaza.
- **A net capacity of 175 spaces yielded.** Subtracting the existing surface lot capacity of 120 spaces from the proposed parking structure capacity [295 Site X parking structure capacity – 120 existing Lot X surface capacity = 175 net spaces].

While Site N yields a greater net space count, Site X is in closer proximity to Main Street and the concentration of business uses along the Main Street corridor. Additionally, the Tom Evans Plaza provides a pedestrian access point mid-block to Main Street. From a pedestrian standpoint, Site X provides better access, although, there are trade-offs and higher costs associated which we present in the following sub-section.

NEW FACILITY COSTS

Parking costs include land, construction, and operations and maintenance costs and can vary depending upon the local market. For an above-grade parking structure, Walker estimates construction costs to be \$20,000 to \$22,000 per space for the Ames CBD, supposing a parking structure efficiency of 325 square feet per space with modest architectural treatments. Assuming soft costs to be 20 percent of construction costs estimated, total project costs per space would total nearly \$25,000. Walker also assumes an annual operating cost per space of \$500 per space which includes cleaning, lighting, facility maintenance, insurance, equipment, and administration. **Walker is not recommending a parking structure in the CBD at this time. This conceptual cost statement is being provided only for information purposes.**

As a point of reference, it can be helpful to parse out the true cost of parking, including both capital and maintenance costs. Table 1 presents the monthly price of parking needed per space to break even (assuming amortization over 25 years at 5.0 percent interest), given the capital cost per space and annualized operating cost per space.

Table 5: Breakeven Costs per Space for New Facility

Project Cost Per Space	Annual Operating Cost Per Space				
	\$300	\$400	\$500	\$600	\$700
\$ 15,000	\$114	\$122	\$130	\$139	\$147
\$ 16,000	\$120	\$128	\$136	\$145	\$153
\$ 17,000	\$126	\$134	\$142	\$151	\$159
\$ 18,000	\$131	\$140	\$148	\$156	\$165
\$ 19,000	\$137	\$146	\$154	\$162	\$171
\$ 20,000	\$143	\$152	\$160	\$168	\$177
\$ 21,000	\$149	\$158	\$166	\$174	\$183
\$ 22,000	\$155	\$163	\$172	\$180	\$188
\$ 23,000	\$161	\$169	\$178	\$186	\$194
\$ 24,000	\$167	\$175	\$184	\$192	\$200
\$ 25,000	\$173	\$181	\$189	\$198	\$206

Monthly Revenue Per Space Needed

Rate: 5.0% Amortized Period: 25

The monthly revenue per space needed for break-even would be \$189. Currently the City charges only \$10 for monthly parking access to off-street lots. The market for monthly parking, as it currently exists, is too low to self-support a facility.

Table 6: Opinion on Probable Costs – Site N and Site X Comparison

	Site N Parking structure	Site X Parking structure
Proposed Capacity	345 spaces	295 spaces
Net Capacity	259 spaces	175 spaces
Total Costs	\$8.62 M	7.36 M
Net Costs per space	\$33,281	\$41,150

Site X parking structure has a higher net cost per added space, \$41,150 estimated. A Site N parking structure proves more efficient in total space capacity realized, 259 net spaces, and costs per added space estimated at \$33,281. However, as mentioned previously, Site X has greater potential for pedestrian access in the service of the existing retail corridor along Main Street.

PUBLIC FINANCE FUNDINGS MECHANISMS

Most structured parking facilities are not self-supporting. By this, we mean that operating revenues are insufficient to cover operating expenses and debt service. Because of this reality, it is often not possible for an owner to obtain 100 percent financing on their parking project without subsidies of some kind. There are a number of proven strategies that have been successfully used to fund parking facility capital projects. Approaches used to finance parking projects include federal and/or state grants, tax-increment financing, taxes from business improvement districts or parking tax districts, and net revenues from other facilities or parking assets, including meters and/or parking citations income.

Walker is including this section for informational purposes only given the significant community investment a parking structure represents and is not recommending or endorsing any of the options reviewed below.

Ways public infrastructure is funded

1. **Tax Supported-** this funding mechanism is entirely supported by taxation.
2. **Self-financed-** this applies to infrastructure provided on a user pay basis with fees sufficient to provide up-front costs.
3. **Public/Private-** this combines both funding thru taxation and user pay where the taxation subsidizes user cost.
4. **Grants or Loans-** supported by federal, state and local partners. Federal and state grant funding is extremely limited for parking structures, particularly free-standing parking facilities.

The following list represents potential funding sources presented to the City for further evaluation:

- Business Improvement Districts
- Parking Tax Districts
- General Obligation Bonds
- Revenue Bonds
- Tax Increment Financing (TIF)

CONCLUSION

Walker is not recommending the construction of a parking structure in the Ames CBD. Furthermore, the existing market conditions for a self-sustaining parking structure do not exist at present. The City and private stakeholders have discussed parking as a hindrance to future employment in the downtown and the ability to absorb a large-sized firm employer downtown. Under economic development considerations, a parking structure could be needed in the future. However, the financing and public-private mechanism for such an investment would need to be determined. Walker is not informed of any large corporate employer deciding to relocate to downtown Ames at present. Although, it is prudent for stakeholders to begin planning now for future downtown growth.



A Field and Occupancy Data Appendix

PARKING SPACE INVENTORY

Block	Lot ID/Block Face	Lot Name/Street Name	On street			Off-street						Inventory		
			2-HR. On street	4-HR. On street	ADA	Free, 10 min.	2-HR. Lot	4-HR. Lot	10-HR. Lot	Reserved, 24 HR.	Free Parking		Permit Parking	ADA
1	North	6th St.												0
	East	Clark Ave.												0
	South	5th St. Grand Ave.		24	2									26
	West	Ave.												0
	Lot MM (City Hall)	Lot MM								50		4		54
	Lot M	Lot M						9		2	132	6	43	192
	Lot Name/Street Name													0
2	North	6th St. Burnett Ave.												0
	East	Ave.		7										7
	South	5th St.		12	2									14
	West	Clark Ave.												0
	Lot N (City Hall)							41	30	12		3		86
	Lot Name/Street Name													0
3	North	6th St. Kellogg Ave.												0
	East	Ave.		7										7
	South	5th St. Burnett Ave.		16										16
	West	Ave.		4	1	7								12
	Lot Name/Street Name													0
4	North	6th St. Douglas Ave.		0										0
	East	Ave.		9	2									11
	South	5th St. Kellogg Ave.		16										16
	West	Ave.		9										9
	Lot S (Kellogg)							27			3			30
	Lot Name/Street Name													0

	West	Douglas Ave.	6	1					7
									0
		Lot Name/ Street Name							0
11	North	Main St.	14	1					15
	East	Clark Ave.							0
	South	Rail Road Tracks							0
	West	Grand Ave.							0
	Downtown Lot V (Depot)				124		2		126
									0
									0
		Lot Name/ Street Name							0
12	North	Main St.	22	1					23
	East	Kellogg Ave.		3					3
	South	Rail Road Tracks	0						0
	West	Clark Ave.	0						0
	Downtown Lot X (CBD)				103	15	2		120
	Downtown Lot Y (CBD)		33	32	31				96
		Lot Name/ Street Name							0
13	North	Main St.	38	1					39
	East	Duff Ave.	0						0
	South	Rail Road Tracks	0						0
	West	Kellogg Ave.		3					3
	Downtown Lot Z (CBD)		50	48	42		1		141
									0
		Lot Name/ Street Name							0
14	North	Rail Road Tracks							0
	East	Clark Ave.							0
	South	Lincoln Grand Ave.							0
	West								0
									0
		Lot Name/ Street Name							0
15	North	Gilchrist St.							0

East	Kellogg Ave.	8													8
South	Lincoln														0
West	Clark Ave.														0
<hr/>															
	Lot Name/ Street Name														0
16	North	Rail Road Tracks													0
	East	Duff Ave.													0
	South	Lincoln Way													0
	West	Kellogg Ave.	10	1											11
<hr/>															
	Lot Q (Library)														0
<hr/>															
															58
															22
															4
															84

**TO
TA
L**

144 278 20 8 83 183 135 140 188 132 25 43 1,379

w/o Lot
MM

1,187

PARKING SPACE OCCUPANCY

Block	Lot ID/ Block Face	Lot Name/ Street Name	Inventory	9:00 AM	Occupancy %	1:30 PM	Occupancy %	6:00 PM	Occupancy %	
1	North	6th St.		0						
	East	Clark Ave.		0						
	South	5th St.		26	11	42 %	5	19 %	7	27 %
	West	Grand Ave.		0						
	Lot MM (City Hall)	Lot MM		54	33	61 %	16	30 %	4	7 %
	Lot M	Lot M		192	172	90 %	158	82 %	60	31 %
	<hr/>									
	Lot ID/ Block Face	Lot Name/ Street Name		0						
2	North	6th St.		0						
	East	Burnett Ave.		7	1	14 %	0	0 %	3	43 %
	South	5th St.		14	3	21 %	2	14 %	1	7 %
	West	Clark Ave.		0	0		0		0	
	Downtown Lot N (City Hall)			86	42	49 %	29	34 %	9	10 %
<hr/>										
	Lot ID/ Block Face	Lot Name/ Street Name		0						
3	North	6th St.		0						
	East	Kellogg Ave.		7	0	0 %	0	0 %	4	57 %
	South	5th St.		16	3	19 %	6	38 %	1	6 %

West	Burnett Ave.	12	0	0%	0	0%	4	33%
		0						
Lot ID/ Block Face	Lot Name/ Street Name	0						
4 North	6th St.	0						
East	Douglas Ave.	11	10	91%	12	109%	10	91%
South	5th St.	16	3	19%	5	31%	6	38%
West	Kellogg Ave.	9	1	11%	4	44%	3	33%
Lot S (Kellogg)		30	11	37%	7	23%	7	23%
		0						
Lot ID/ Block Face	Lot Name/ Street Name	0						
5 North	6th St.	0						
East	Duff Ave.	0						
South	5th St.	19	6	32%	9	47%	19	100%
West	Douglas Ave.	8	7	88%	6	75%	6	75%
		0						
		0						
Lot ID/ Block Face	Lot Name/ Street Name	0						
6 North	5th St.	12	3	25%	5	42%	6	50%
East	Clark Ave.	6	2	33%	2	33%	0	0%
South	Main St.	25	2	8%	5	20%	12	48%
West	Pearle Ave.	6	3	50%	1	17%	6	100%
		0						
		0						
Lot ID/ Block Face	Lot Name/ Street Name	0						
7 North	5th St.	11	3	27%	4	36%	1	9%
East	Burnett Ave.	2	0	0%	4	200%	1	50%
South	Main St.	16	2	13%	2	13%	5	31%
West	Clark Ave.	4	0	0%	1	25%	0	0%
		0						
		0						
Lot ID/ Block Face	Lot Name/ Street Name	0						
8 North	5th St.	10	2	20%	5	50%	2	20%
East	Kellogg Ave.	7	2	29%	2	29%	7	100%
South	Main St.	19	4	21%	14	74%	17	89%
West	Burnett Ave.	7	0	0%	3	43%	4	57%
		0						
		0						
Lot ID/ Block Face	Lot Name/ Street Name	0						
9 North	5th St.	10	5	50%	3	30%	7	70%
East	Douglas Ave.	7	2	29%	6	86%	6	86%

	South	Main St.	22	7	32 %	14	64 %	23	105 %
	West	Kellogg Ave.	7	2	29 %	4	57 %	6	86 %
			0						
			0						
	Lot ID/ Block Face	Lot Name/ Street Name	0						
10	North	5th St.	10	5	50 %	8	80 %	10	100 %
	East	Duff Ave.	0						
	South	Main St.	15	5	33 %	10	67 %	4	27 %
	West	Douglas Ave.	7	2	29 %	6	86 %	6	86 %
			0						
	Lot ID/ Block Face	Lot Name/ Street Name	0						
11	North	Main St.	15	0	0 %	1	7 %	14	93 %
	East	Clark Ave.	0						
	South	Rail Road Tracks	0						
	West	Grand Ave.	0						
	Downtown Lot V (Depot)		126	48	38 %	53	42 %	36	29 %
			0						
			0						
	Lot ID/ Block Face	Lot Name/ Street Name	0						
12	North	Main St.	23	12	52 %	18	78 %	17	74 %
	East	Kellogg Ave.	3	2	67 %	2	67 %	2	67 %
	South	Rail Road Tracks	0						
	West	Clark Ave.	0						
	Downtown Lot X (CBD)		120	58	48 %	80	67 %	53	44 %
	Downtown Lot Y (CBD)		96	40	42 %	73	76 %	50	52 %
			0						
	Lot ID/ Block Face	Lot Name/ Street Name	0						
13	North	Main St.	39	26	67 %	25	64 %	34	87 %
	East	Duff Ave.	0						
	South	Rail Road Tracks	0						
	West	Kellogg Ave.	3	2	48 %	2	82 %	2	67 %
	Downtown Lot Z (CBD)		141	67	48 %	115	82 %	94	67 %
			0						
	Lot ID/ Block Face	Lot Name/ Street Name	0						
14	North	Rail Road Tracks	0						
	East	Clark Ave.	0						
	South	Lincoln	0						
	West	Grand Ave.	0						
			0						
	Lot ID/ Block Face	Lot Name/ Street Name	0						
15	North	Gilchrist St.	0						

East	Kellogg Ave.	8	2	25 %	3	38 %	4	50 %
South	Lincoln	0						
West	Clark Ave.	0						
Lot ID/ Block Face		Lot Name/ Street Name						
16	North	Rail Road Tracks	0					
	East	Duff Ave.	0					
	South	Lincoln Way	0					
	West	Kellogg Ave.	11	5	45 %	1	9 %	7
			0					64 %
Lot Q (Library)			84	14	17 %	15	18 %	16
TOTAL					46 %		54 %	43 %
AL		1,379	630	746		596		
w/o Lot MM		1,187	458	588	39 %	536	50 %	45 %



B Facility ID Map

APPENDICES A: PARKING ENFORCEMENT TECHNOLOGY INFORMATION

USING LICENSE PLATE RECOGNITION TO ENFORCE TIME LIMITS

To be effective, posted time limits should be monitored and enforced. Typical enforcement methods include physically chalking tires or electronically tracking vehicle license plate numbers at intervals relevant to the posted time limits. The latest technology for tracking length of stay is with a vehicle mounted License Plate Recognition (LPR) system.

NuPark, AIMS, Genetec and Tannery Creek Systems are examples of firms that offer a vehicle mounted LPR system that include special vehicle mounted cameras and software to capture the plate and vehicle location. As an option, some systems can capture the wheel stem location as the enforcement vehicle drives past the parked vehicle. A computer mounted inside the vehicle records the data, GPS position, and checks the data to determine if the vehicle was previously parked and determine the length of stay. In addition, plates can be compared to a database of permit parkers or list of wanted vehicles for other violations and additional corrective action.



Parking enforcement vehicle with cameras highlighted

Our opinion of cost for one LPR vehicle mounted system is \$35,000 - \$45,000, plus the cost of the vehicle. The systems can be deployed on most regular passenger vehicles and pick-up trucks and even specialized golf cart sized enforcement vehicles. In addition to the initial cost, there are on-going fees for cloud based services, software updates, and database support.

Another option is to use handheld electronic devices to manually scan each plate and allow the user to verify the plate number. In some cases, these systems can be augmented by using a smart phone as the enforcement device. While not as rugged or efficient as the actual handheld device, smart phones can be a lower priced option to increase the number of units if needed.

Handheld systems typically cost about \$5,000 per unit plus an on-going fee for cloud based services and software updates. Leasing this type of system may be an option, which greatly reduces the initial investment and is based on the number of units in service.

APPENDICES B: PUBLIC COMMENTS

VoterID	Submit Date	Please provide comments or questions related do the 2019 Downtown Ames Parking Study draft report. The report and meeting information can be found above. Please note: there is no character limit for responses, the response bar will continue to expand.
20561	10/28/2019 15:22	
20562	10/28/2019 15:44	Insufficient study conducted with questionable methodology.
20564	10/28/2019 16:13	<p>The narrative for the last 2 years is that the parking system was not self-funding and that turned out to be patently untrue. I contacted Mr. Pitcher who supplied documents showing that for the last 15 years of so, the parking system fund was, for all intents and purposes, self-funding. Some years were in the black and some in the red but it was essentially a break even proposition. The city then came along and wanted the fund to fund paving lots and other maintenance and raised the meter rates with very little input from DT business owners and customers. The outcry was deafening and some business's suffered as some customers refused to pay the higher rates. The change changed the atmosphere of DT Ames from a casual, drop in and shop to rush in and rush out. In addition, this change, a 400% increase in meter rates, actually resulted in less revenue being generated than had the rates simply doubled which was proposed by myself and other business owners. This change was incredibly short-sighted. Further, customers were driven to use the back free lots, thus reducing the meter revenue AND resulting in an unintended consequence of a lack of parking in the free lots. Thankfully, after numerous discussions and presentations to the City Council, the decision was made to reduce the rates back to 50 cents per hour andm lo and behold, people were parking in downtown Ames AND feeding the meters! While I have not seen the financials since the change to 50 cents per hour went into effect, I would suspect revenues are up. Finally, I would be remiss if I did not say, in the STRONGEST way possible, I find it a terrible misuse of city funds to pay a consultant \$70,000 to come in for a mere TWO DAYS and then make recommendations. TWO DAYS!!! Surely, this study should have little value as the data compiled is not a good, representative sample of what parking is like in Ames 365 days/year. There is little doubt 2 days in February, two days in July or 2 days in December would yields substantially different results. I could go on but I hope you get the gist.</p>
20565	10/28/2019 16:39	<p>Good report. Utilize some of the less busy lots for employee parking and reserved spaces. Lot south of tracks and 200 block can be used for employee parking but needs better lighting and plant growth cut down to make the lot visible. Meters should have credit card readers. First ticket free, this is friendlier for visitors. As noted leverage smart enforcement with GPS. Feel the report represented any current issues and successes. City Council needs to set a clear direction for downtown parking. Is it to be subsidized by tax dollars or fully self sustaining. Full operational and capital may be difficult to accomplish. Set up a parking board make up of city and Ames Main Street Program to help provide guidance. Good things to look forward to, thanks for doing the study.</p>
20582	10/30/2019 13:53	<p>I appreciate that this study has affirmed what I had already perceived to be true- there is really no issues with parking downtown and there are almost always spots available, just maybe not the closest spot I desire. I've seen much worse in similarly populated cities. I work in the downtown area and have never had an issue with parking although these days I primarily walk or bike to work and I appreciate that downtown offers that for me.</p>
20585	10/31/2019 12:29	<p>I think the point of what exactly the point of paying for parking is important to quantify. Is it to maintain itself, which it had been doing? Is it to pay for potential upkeep? Is it to keep cars moving during the day, or prevent them from staying overnight? Is it to pay for other areas that don't pay for parking, like the Somerset area? I also have issue with the study being done over the course of two days, that seems awfully short a time to extrapolate a pattern from, and some of the findings I would dismiss as inconclusive, such as cars overstaying the 4 hour area. If photos were only taken of the plates, did they include cars that had hang tags? Also, in the chart that shows the yearly income from parking from 2015 to 2018, It shows a deficit during 2015 and 2018...2018, which had extra</p>

		expenses of meters being put in, an entire week of not collecting any funds, and a drastic drop in parking due to the meter rate going up. 2018 seems like it should be dismissed entirely from the study as far as earnings go, except as a lesson in what not to do. For the record, having a tiny space to type in thoughts is a horrible idea, and every time I have had to flip between tabs to check on the study, it starts me at the beginning of the entire response, which seems like a good way to have people NOT give a good response.
20588	10/31/2019 15:29	Downtown Ames needs a parking garage. Something similar to the parking garage at Mary Greeley Hospital. A facility that would start with two levels with the ability to have additional levels added if needed.
20622	11/4/2019 15:15	
20629	11/4/2019 18:12	I park in Lot V while working at my office located at 507 Main St. I am a real estate appraiser and come and go throughout the day. I often find that when I leave the lot and then return, 30 minutes or an hour later that the same spot is open and a person of habit, I often end up parking in the same spot. If a license recognition system is used I would expect to receive tickets even when I have left and returned at a later time. This same thing has happened in the past with tire markings, so to lunch a block or two away and come back with a mark still on the tire.
20688	11/17/2019 9:22	I don't believe that people should have to pay to shop or to go to the library! All street parking should be free and the city should find a different way to pay for these items. It would make Ames a much more welcoming place.
20730	11/25/2019 9:55	What about the long vehicles that stick out into the driving lanes on Main Street?
20778	11/30/2019 9:32	It is unfortunate that no community input went into this and recommendations are already being published in news sources. Vintage Ames.reThe scope of the study was skewed. Few, as in one building owner was represented, so the other's had no skin in the game. To pay 70,000 for a study that only focused on what City staff wanted is a gross waste of taxpayer money.
20792	12/2/2019 10:30	I love that we have a vital downtown-I fear raising parking rates will be counterproductive. We saw how when they were higher a while back how that affected businesses. Keep them as they are and raise parking fines!
20806	12/3/2019 10:35	As a local property tax payer I'd like to see the parking fund remain self-sufficient and not be supplemented by property tax.
20808	12/3/2019 11:44	Where is the information on why expenses are nearly \$900,000/yr! What goes into this?
20811	12/3/2019 13:29	If you want a thriving Main Street raising the meter fees is not going to help. In fact if you research this communities that have removed meter parking has invigorated Main Streets. Why shop downtown and risk a ticket when it is free to park at Walmart or Bestbuy or any other shopping retailer. Metered parking is not a money maker for the local government when you factor in the wages of enforcment and then the benefits package. Stop thinking of how to make money from parking and look at a tax base that profitable businesses could provide. Do some research on your own instead of paying thousands of dollars to a company to preform a study. I find it hard to believe that a city government as big as ours dosen't have the personnael to look into this on their own. Listen to your citizens and business owners. DO THE RIGHT THING.
20814	12/3/2019 21:32	RE: Response to Parking Study I was not able to attend the meeting on Monday, December 2, 2019. I am a business owner in the MCD. I have a prospective as a healthcare provider looking for close proximity parking for my customers, and from a business owner trying to secure enough parking for my employees. As a pediatric dentist, most of my customer basis are families with children from birth to 18 years of age, and close proximity parking to my business is essential for attracting and retaining customers. On an average 8-hour day, I usually serve 40-50 children, which equates to a lot of foot traffic. Frequently, parents have multiple children, strollers, infant carriers, which makes moving large distances difficult especially in the various weather conditions Iowa presents. They have scheduled appointments and are trying to arrive at our office at their scheduled appointments.

		<p>I am fortunate enough to have some limited customer parking, but I do have some families by choice that utilize the City of Ames metered parking system on the streets adjacent to my building and I generally hear very little concerns with the current parking rates. I have major concerns that a quick, rapid “market correction” of meter rates will drive customers away, as there are times that my limited parking does not have enough capacity for my customers and on street metered parking is necessary. I understand the self sustaining intention of a parking system, but this needs to be a gradual process and not a “flip the switch” overnight process. Human nature is one that adjusts better to slower, gradual changes versus rapid, abrupt choices. My second perspective is as a business owner. I currently have 10 employees, a but as my business has grown over the past 10 years with both customers and employees, I have had to shift more of my employee parking offsite. In the past 12 months, I have begun to utilize the surface Lot S for long term parking needs for my employees. I currently use approximately 5 stalls in Lot S on a daily on a Monday through Friday basis from 7:30 am to 5:30 pm. This lot is convenient due to the close proximity to my office building. I use a combination of the Smart Card and the Park Mobile App. There are pros/cons to each system, however as a business owner with a shortage of time I am going to focus on the cons from my prospective. Some of the cons to the Smart Cards are they require frequent trips to City Hall to reload the cards especially when you are using them daily for long term parking needs. Also, there are times that the meters do not work; do not recognize the card or in the winter precipitation can freeze the card slot. A Smart Card is employee dependent. I have had times when the employee forgets that card. I also have concerns that, if I load a larger dollar amount on the card you worry about the employee losing the card, an as the employer you are out the money. The Park Mobile app is good in theory for individual use to pay for parking, but is not practical for an employer to “pay for employee parking”. I currently use the App for three of my employees. On a daily basis, I have to open the app to load parking time for each of the employees, taking time out of my busy schedule. My solution to these systems, would be to expand of the long term parking tags to include 10 hours times to additional lots as well as expanding the ability to “reserve parking” in any lot from the city. As an employer, I understand to long term parking tags or reserved parking, will come at a cost. I understand that and believe that it is part of the cost of doing business. I expect to pay a usual customary rate for the parking that I am using. I would just like a system that is not so labor intensive on my part as a small business owner. Thank you for taking time to read my comments. If you have any questions, please feel free to contact me. Sincerely, Dr. Matt Pyfferoen Pyfferoen Pediatric Dentistry 301 5th Street Ames, IA 50010</p>
20819	12/4/2019 14:36	You know who doesn't charge for parking? Amazon. Don't penalize our local businesses by imposing penalties for those that fight through our terrible traffic to go there.
20820	12/4/2019 16:48	I agree with the recommendations in the draft report. Additionally, I would like to see the current angled on-street parking converted to back-in configuration, which is safer than pull-in.
20822	12/4/2019 18:08	That's ridiculous!
20827	12/5/2019 6:07	Raising the parking rates AGAIN in the downtown area would be a really bad plan unless you want to see the area returned to see the defunct shell that it once was. BTW this form to object to this hike was next to impossible to find on your web site. Made me think that you are not really interested in viable feedback!
20828	12/5/2019 6:28	I don't think raising fees for parking meters is a good idea. You're charging people to shop at the local businesses. I don't carry enough change to feed the meter now. Increasing fees for overdue tickets is ok. Otherwise it's too easy to just pay a fine and not move your vehicle.
20832	12/5/2019 13:58	Please keep the meters and free parking behind Main St. We need to have turnover and the metered spots make this possible. I understand that meter rates may need to increase, and agree it should be done incrementally. It would be nice if the meters themselves took cards or if there was a standalone payment center to pay directly via credit card (similar to what's on campus).
20833	12/5/2019 15:17	Incremental rate increase on meters over next 5 years.

20834	12/5/2019 15:19	Incremental rate increase on meters over next 5 years. Find a way to get employees, all day customers off of mainstreet, enforce 2 hr limit. Convert 4hr free parking to 10hr free parking and eliminate hang tags.
20835	12/5/2019 19:35	Parking in downtown AMES SHOULD BE FREE If you want a vibrant downtown then you MUST make Parking Free Anything else will kill downtown shops. It is that simple.
20839	12/6/2019 11:24	There is of course no easy solution to car parking on Main Street. For many years before retirement, I worked in retail on main street. We encouraged our customers to park in back of the store near the railroad tracks — where it was free. We had a back entrance to the store and our shop was next to the Tom Evans park which offered a pleasant “walk through” to main street. But. No one seemed interested in doing this. Most people drove up and down main street looking for a space. I’m sure some ended up parked further away — requiring more steps — than if they took advantage of the free parking area in back of the store. This is a psychological problem. People simply did not like using the “south” parking area or even our store’s back entrance. They wanted the pleasure of main street entrances and main street parking. (As I recall, even the Farmers Market tried using the south parking lot without much success.) Random ideas Stores on the south side of main street should be encouraged to open an inviting back entrance. This is a good place for outside patios if the overlook was more inviting. People like to sit and watch other people. We have two small “walk through” parks from main street to the south parking. We really need a larger inviting walk-through to integrate the two areas. But this seems impossible without removing a building. 3. Could the railroad parking area be reconfigured to resemble a main street? Maybe with scattered areas for a food truck or vendor stand? Anything to change the feeling to a more positive inviting psychological feel. How about a series of shallow (but longer) permanent buildings abutting the tracks, facing north - to create a row of small retail structures that do not require a back entrance). Rent these spaces to encourage local, “starter” businesses that could be used to establish a clientele before moving to a longer permanent building. In other words think of the south parking as a second, smaller main street with interesting new retail. Too augment (not replace) main street. 3. Dinking around with a series of small irritating raises in the parking rates doesn’t sound like a good idea. It is an irritant to have these niggling increases every year or so. One moderate increase would be better. Maybe higher main street parking rates with lower off-main street (side street) parking rates lower.
20846	12/6/2019 21:54	If our roads are not “self-sustaining” why do we expect parking to be “self-sustaining”? The enterprise should operate with the current mix of general fund and user fees. The comparison cities used to arrive at the \$0.90/hr fee seem irrelevant and somewhat random. There appears to be no thought whatsoever as to future plans for downtown. This seems entirely based on toady’s reality with no thought to future development. By and large this so-called study had a. Very “canned” feel to it. Once again. The City of Ames has purchased a bland, consultant based analysis with almost no description of local involvement. Consultants must salivate every time they see the word “Ames” as they know they will have to deliver little of originality thus maximizing their profits.

OPEN HOUSE COMMENTS

Draft Report Recommendation	Support (Yes)	Does not support (no)	Comments
1. Implement a short-term and long term user parking strategy	x		There should be free parking area for library patrons.
2. Consider to evaluate parking occupancies on-street and set targets for occupancy			
3. Form a downtown parking advisory committee	x		
4. Maintain the existing sidewalks and public realm to promote walkability	x		
5. Promote CBD Lots S, Q, and N as long-term employee parking areas			
6. Increase the fine schedule for violators			
7. Consider a phased and incremental five year meter strategy			
8. Maintain the existing 4-hour employee parking hang tag program; evaluate the long-term feasibility of rates	x		
at CBD Lots X, Y and Z			
Draft Report Recommendation	Support (Yes)	Does not support (no)	Comments
1. Implement a short-term and long term user parking strategy			I am concerned about parking for library patrons. No other city makes you pay a meter to go to the library!
2. Consider to evaluate parking occupancies on-street and set targets for occupancy			Need more handicapped parking!!
3. Form a downtown parking advisory committee	x		
4. Maintain the existing sidewalks and public realm to promote walkability	x		
5. Promote CBD Lots S, Q, and N as long-term employee parking areas	x		
6. Increase the fine schedule for violators			
7. Consider a phased and incremental five year meter strategy			
8. Maintain the existing 4-hour employee parking hang tag program; evaluate the long-term feasibility of rates			
at CBD Lots X, Y and Z			
Draft Report Recommendation	Support (Yes)	Does not support (no)	Comments
1. Implement a short-term and long term user parking strategy	x		
2. Consider to evaluate parking occupancies on-street and set targets for occupancy	x		
3. Form a downtown parking advisory committee	x		
4. Maintain the existing sidewalks and public realm to promote walkability	x		
5. Promote CBD Lots S, Q, and N as long-term employee parking areas	Yes, except for Q		Q is needed for library customers and churches unless you know that the lot is not being well used.

6. Increase the fine schedule for violators	x		
7. Consider a phased and incremental five year meter strategy	Yes, but		There needs to be a ceiling, as you have already found, there is a limit to what people will pay
8. Maintain the existing 4-hour employee parking hang tag program; evaluate the long-term feasibility of rates	??		If they are not used consistently, maybe they need to change

28 October 2019

Mr. Damion Pregitzer, PTOE Traffic Engineer
 515 Clark Avenue
 Ames IA 50010

Dear Mr. Pregitzer:

Regarding the "lack of adequate parking and parking meter charges" debacle.

The projected increases in hourly parking rates will not provide adequate income to complete a "parking solution."

Surely a city that can afford most all new trucks, equipment, facilities, etc. could find a way to at least assist in funding a "parking solution" that would alleviate the parking problems facing downtown-located business owner, employee, and clients.

And while it may be argued that a City of Ames funded "parking" solution would mostly benefit a select group of the citizens of Ames, the city appears to have funded many such projects.

I appreciate the conundrum. I trust you will continue to seek a solution to the problem.

Sincerely,



Merrill Kim Sharp, Owner
 GREAT HARVEST BAKERY and CAFE

APPENDICES C: STEERING COMMITTEE MEETING MINUTES

DATE: November 18, 2019
TO: Damion Pregitzer
COMPANY: City of Ames
ADDRESS: 515 Clark Avenue
CITY/STATE: Ames, IA 50010
COPY TO: Kelly Diekmann
FROM: Garza, David
PROJECT NAME: City of Ames Downtown Parking Study
PROJECT NUMBER: 21-4494.00

OVERVIEW

A parking study steering committee (“Committee”) meeting was held on November 06, 2019 for the purpose of selecting and prioritizing recommendations made in the Downtown Ames Draft Parking Draft Study (“Study”), delivered by Walker Consultants (“Walker”) in the Fall 2019.

Walker previously provided an October 2019 presentation of Study main findings and recommendations to the Committee, providing time for the Committee to form a consensus on Study recommendations to move forward.

MEETING PARTICIPANTS

David Garza, Walker Consultants (Consultant)
Damion Pregitzer, City of Ames (Project Sponsor)

Drew Kamp, Ames Chamber of Commerce
Eric Abrams
Sara Sponhnhheimer
Kurt Jensen

MEETING ACTIONS

Walker reviewed all eight draft report recommendations with the Committee and provided the Committee the opportunity to either support or not support each recommendation prioritizing each with either a “high priority”, “medium priority” or “low priority” rating.

The following table below provides a summary of meeting actions. Columns present the consultant Study recommendation, the Committee motion on the recommendation, and notes regarding any modifications or requested Committee changes to the recommendation.

Table 7: Steering Committee Recommendations Evaluation Matrix – Summary

Consultant Recommendation	Steering Committee Motion	Priority / Comments
1. Implement a short-term and long term user parking strategy	Agrees with recommendation.	“High” priority. The Committee agrees that parking needs to support both short-term customer and visitor use and long-term employee usage and that the strategy of promoting on-street parking towards greater customer and visitor usage, while, maintaining off-street lots for employee parking is reasonable.
2. Consider to evaluate parking occupancies on-street and set targets for occupancy	Agrees with recommendation.	“High” priority. The Committee agrees that the City continue to monitor parking space occupancy, and, that smart meter data be reviewed on a more established basis to evaluate target occupancy and parking program space availability goals.
3. Form a downtown parking advisory committee	Agrees with recommendation.	“High” priority. The Committee agrees that a downtown parking advisory committee be formed to meet on an established basis to review parking program issues and goals. The Committee supports including additional advisory committee members’ TBD.
4. Maintain existing sidewalks and public realm to promote walkability	Agrees with recommendation.	“Medium” priority. The Committee supports the evaluation of safety, lighting, and streetscape maintenance and recommends the City conduct an annual safety walk.
5. Promote CBD Lots S, Q, and N as long-term employee parking areas	Agrees with recommendation.	“Low” priority. The Committee likes the idea of creating more long-term parking areas across currently underutilized lots. Lighting and safety improvements (shrubby removal, visibility enhancements, etc.) will need to be made for employees to feel safe parking at these lots.
6. Increase the fine schedule for violators	Agrees with modification.	“Low” priority. The Committee supports the idea of a first “grace” warning with a 2 nd violation fee that is set higher using the standard City policy.
7. Consider a phased and incremental five year meter strategy	Agrees with modification.	The Committee agrees that a framework needs to be established for rate changes and that “phased” rate changes could be reasonable, if, at a minimum, they cover only operational expenditure increases. If the City is going to need to invest in capital requirements, it should be for credit card accepting smart meters. The question postulated by the Committee for the City to answer, is will the City cover capital expenditures to include basic lot repair and maintenance.
8. Maintain the existing 4-hour employee parking hang tag program; evaluate the long-term feasibility of rates at CBD Lots X, Y, Z	Disagrees with draft recommendation. Modification proposed.	Committee would like the City to evaluate the current mix of timed 4-hour spaces in CBD Lots and consider modifications to the existing 4-hour policy to support greater long-term parking up to ten hours.

Source: Walker Consultants, 2019

DATE: April 25, 2019
TO: Damion Pregetzer
FROM: David Garza
PROJECT NAME: Downtown Ames Parking Study

OVERVIEW

The City of Ames and selected parking study consultant, Walker Consultants, held the Downtown Ames Parking Study Kickoff meeting Thursday April 25, 2019 at the Ames Chamber of Commerce conference room to initiate the downtown parking study and hold the first steering committee meeting.

Attendees:

David Garza, Walker Consultants (project consultant)
Damion Pregetzer, City of Ames (project sponsor)

Kelly Diekmann, City of Ames
Drew Kamp, Ames Chamber of Commerce
Kurt Jensen, First National Bank
Pat Breen, Aunt Maude's
Sara Sponhheimer, Frame Shop

An overview of the study, process, and schedule was presented followed by a discussion of downtown parking related issues.

ISSUE IDENTIFICATION AND DISCUSSION

- Employee parking v. customer parking uses and needs;
- Parking enforcement practices;
- Is enforcement being carried out consistently and fairly;
- Parking rate escalations and the context for rate changes;
- Parking system operational requirements;
- Library parking;
- First National Bank parking;
- Main Street retail and restaurant parking needs and specific uses;
- Monthly parking;
- The mix of parking lot time limited spaces;
- Parking benefits district or business improvement district;
- Walking distance tolerances in downtown;
- Seasonality factors
- Biking storage requirements;
- Planning for future development parking needs;
- Door front access mentality;
- Farmers Market parking needs;
- Parking technology opportunities;
- Age demographics of community and comfort using technology;
- Meters accepting additional forms of payment;
- City Hall parking;

- New redevelopment opportunities;
- Heavy daytime usage today reflecting current mix of businesses;

The general group consensus is that parking space availability is typically not an issue in the downtown, however, there are peak hours of the day and days of the week in which parking space availability can become an issue on a block-to-block basis. The mix of on-street and off-street public parking options has provided business patrons and employees with available parking options. Walking between destinations and parking areas has been an issue in the downtown. Generally, people like to be able to be within front-door proximity to their destination and do not like to walk very far, said the group. Seasonality factors influence walking tolerances. Warmer weather encourages greater walking distances.

Parking rate increases have recently been an issue for certain Main Street businesses. However, available, free off-street parking has helped allay some concerns about customer and employee parking. The group agrees that parking for their employees is currently a greater challenge than for their customers. Steering committee members would like to see the Study address current parking needs and future parking considerations and explore program enhancement opportunities to support the goal of maintaining public parking access and space availability for customers and employees downtown.





December 12, 2019

Mayor and City Council
City of Ames
515 Clark Ave
Ames, IA 50010

Dear Mayor Haila and Members of the Ames City Council,

Thank you for your ongoing efforts related to finding the best possible solution to parking throughout Downtown Ames. You have listened to input from all who have given it, which is shown by the community input provided on the Downtown Parking Study, as well as the engagement, involvement, and recommendations of the Steering Committee.

Ames Main Street as an organization was well represented on the Steering Committee and we were pleased to see the growth, development, and overall flexibility of the plan and its recommendations throughout the planning process.

That said, Ames Main Street is supportive of the plan's recommendations, but we do feel it necessary to specifically note the importance of the following:

- Moving forward, it will be important to ensure we continue to aim for a maximum occupancy of the Downtown Ames public lots of 85% or less. This aligns with best practices in the industry and will ensure there is sufficient turnover and enough spots for new customers to find a spot as close to their final destination as possible.
- Ames Main Street agrees with the time limitations on parking in the CBD lots of 3-hours on the north side of the island and 10-hours on south side. This will prevent any overnight parking in the non-reserved spaces on the far south side of the CBD lots, and will provide employees of Downtown Ames businesses sufficient time to park for the entire work day without needing to move their car or risk getting a ticket and fine.
 - o If this is the path forward, the hang tag system would no longer be needed.
- With regards to increases in meter rates throughout Downtown Ames, it is imperative any increases are done in an incremental fashion, never exceed an increase of 40%, and align with our peer communities. Increases need to be reviewed and assessed for effectiveness and impact every two-years, with input from a to-be-created Downtown Parking Advisory Committee.
 - o This Advisory Committee will serve as a technical committee and not make any policy decisions, rather it will make recommendations to the Mayor and Council (with assistance from City staff), who will ultimately make all policy decisions.
- Parking revenue created by meter rates, fines, reserved spaces, etc. will need to meet operational expenses, but not capital expenses. Capital projects will need to utilize a multitude of public financing options to make them financially viable and sustainable.

- Smart meters, with credit card readers, need to be installed in Downtown Ames. The data collected by these meters can then be used to make informed parking policy decisions.
- Using Lot W along Gilchrist south of the railroad tracks between Kellogg Avenue and Duff Avenue for additional free parking is an option, but the area will need to be cleared of overgrown plants and shrubs, and lighting will need to be sufficient to provide sightlines to Main Street, thereby ensuring the necessary level of safety and comfort for lot users.

On behalf of Ames Main Street, we submit these recommendations to the Mayor and Council and note Ames Main Street feels these items are a true way to address the issues surrounding parking in Downtown Ames and will best serve all users of Downtown Ames' public parking options.

We thank you for your consideration of these recommendations and look forward to continuing to work with the City to find amenable solutions to parking in Downtown Ames.

Sincerely,



Kristin Roach
2019 Ames Main Street Board President



Drew Kamp
Executive Director

COUNCIL ACTION FORM

SUBJECT: EAST INDUSTRIAL AREA UTILITY EXTENSION PROJECT (LAND ACQUISITION AND RE-ZONING)

BACKGROUND:

The East Industrial Area Utility Extension Project consists of the extension of water and sanitary sewer to the recently annexed area east of Interstate 35. More specifically, it involves the installation of water main and gravity sewer between I-35 and Potter Ave (formerly 590th), and force sewer from Teller Ave (formerly 580th) to west of Freel Drive.

A key component of this project is the acquisition of a site for a sanitary sewer lift station. In addition to the lift station, the site is large enough to also accommodate a future elevated water tank that is being planned by the Water and Pollution Control Department. Therefore, 2.27 total acres of land at 207 South Teller Avenue has been negotiated for purchase from the property owner for a total of \$73,450.

Included with the purchase agreement (Attachment A) is a plat of survey for the new parcel. As shown on the plat, approximately 0.34 acres of the 2.27 acre site will be dedicated as street right-of-way, leaving a new 1.93 acre parcel.

This parcel and the surrounding land are currently zoned Agricultural (A). If purchase is approved, it is recommended that the new parcel be re-zoned to Government/Airport (S-GA) after closing on the property purchase.

ALTERNATIVES:

1. a. Approve the plat of survey for the lift station and future elevated water tank site.
b. Approve the purchase agreement for the site from, Janice S. Schroer Revocable Trust UTA October 30, 1997 in the amount of \$73,450.
c. Direct staff to begin the process of rezoning the site from Agricultural (A) to Government/Airport (S-GA).
2. Do not approve the purchase of this site.

MANAGER'S RECOMMENDED ACTION:

The purchase of this site is essential to the finalization of the plans for the East Industrial Area Utility Extension Project, which will need to be completed before any future development may occur within the new industrial park area. In addition, the purchase of this site will also secure land for the planned future elevated water tank, which will provide improved water service to this area of the City. **Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.**

ATTACHMENT A

PURCHASE AGREEMENT

PARCEL NO. 12 COUNTY Story
 PROJECT Ames East Industrial Sewer CITY Ames, IA

SELLER: Janice S. Schroer as Trustee of the Janice S. Schroer Revocable Trust UTA October 30, 1997

THIS PURCHASE AGREEMENT ("Agreement") made and entered into this _____ day of _____, 2019, by and between Seller and the CITY OF AMES, IOWA, Buyer.

SELLER AGREES to sell and furnish to Buyer a trustee warranty deed, on form(s) furnished by Buyer, and Buyer agrees to buy the following real estate, hereinafter referred to as the "Premises," legally described as follows:

Parcels "G" and "H" located in the East Half (E 1/2) of the Northeast Quarter (NE 1/4) of Section Eight (8), Township Eighty-three (83) North, Range Twenty-three (23) West of the 5th P.M., Story County, Iowa, and more particularly shown on the attached Plat of Survey which is made a part of this Agreement.

2. Possession of the Premises is the essence of this Agreement and Buyer may enter and assume full use and enjoyment of the Premises per the terms of this Agreement upon receipt of the payment described below by Seller and the recording of the subject trustee warranty deed in the records of the Story County Recorder.

3. Buyer agrees to pay and SELLER AGREES to grant the right of possession, convey title and surrender physical possession of the Premises as shown on or before the dates listed below. The parties acknowledge that Buyer shall not have possession of the Premises until such time as Seller has received the full payment amount and the subject trustee warranty deed has been recorded in the records of the Story County Recorder.

<u>PAYMENT AMOUNT</u>	<u>AGREED PERFORMANCE</u>	<u>DATE OF PERFORMANCE</u>
\$ _____	on conveyance of title	_____
\$ <u>73,450.00</u>	on surrender of possession	_____
\$ _____	on possession and conveyance	_____
\$ <u>73,450.00</u>	TOTAL LUMP SUM	<u>No later than 60 days after Buyer approval, unless the parties mutually agree otherwise</u>

<u>Breakdown</u>	<u>Ac./Sq.Ft.</u>	
Land by Fee Title	<u>1.93</u>	acres Fence: _____ rods woven
Underlying Fee Title	<u>0.34</u>	acres Fence: _____ rods barbed
Public Utility Easement	_____	acres
Temporary Easement	_____	acres

4. SELLER WARRANTS that there are no tenants on the Premises holding under lease except:

Eric Jensen
 58176 210th Street
 Nevada, IA 50201

This Agreement is subject to the leasehold rights of the tenant presently occupying the Premises. At the Closing, Seller shall assign and transfer to Buyer effective on the Closing Date the existing lease insofar as it covers the Premises by executing a partial assignment thereof. Seller represents that Seller has the right to partially assign said lease to Buyer as contemplated herein.

5. This Agreement shall apply to and bind the legal successors in interest of the Seller and SELLER AGREES to pay all liens and assessments against the Premises, including all taxes and special assessments payable until surrender of possession as required by the Code of Iowa, and agrees to warrant good and sufficient title. Names and addresses of lienholders are:

None

6. Buyer may include mortgagees, lienholders, encumbrancers and taxing authorities, if any, as payees on warrants issued in payment of this Agreement. Included in the Total Lump Sum on page 1 of this Agreement is \$150,000 for the cost of adding title documents required by this transaction to Seller's abstract of title.

7. If Seller holds title to the Premises in joint tenancy with full rights of survivorship and not as tenants in common at the time of this Agreement, Buyer will pay any remaining proceeds to the survivor of that joint tenancy and will accept title solely from that survivor, provided the joint tenancy has not been destroyed by operation of law or acts of Seller.

8. The Premises are being acquired for public purposes under the threat of condemnation, and this transfer is exempt from the requirements for the filing of a Declaration of Value by the Code of Iowa. **Buyer** will be responsible for the payment of transfer tax incurred as a part of this real estate transaction, if any required by law, as agreed to by the Public Works Department for the City of Ames, Iowa.

DISTRIBUTION: TWO COPIES RETURNED TO BUYER - ONE COPY RETAINED BY SELLER

9. Buyer hereby gives notice of Seller's five-year right to renegotiate construction or maintenance damages not apparent at the time of the signing of this Agreement as required by the Code of Iowa, Section 6B.52.
10. This Agreement constitutes the entire agreement between Buyer and Seller and there is no agreement to do or not to do any act or deed except as specifically provided for herein.
11. Seller states and warrants that, to the best of Seller's knowledge, there is no burial site, well, solid waste disposal site, hazardous substance, nor underground storage tank on the Premises.
12. Buyer agrees that the lift station site to be constructed on Parcel "G" of the Premises ("Lift Station Site") will be surrounded by an 8-foot high chain link fence with barbed wire on top of the chain link. Materials of the fence will be similar to the photos provided by the Buyer to the Seller on April 17, 2019. All costs to construct and maintain said fence will be paid solely by the Buyer.
13. The Buyer shall plant landscaping on the East side of the Lift Station Site which shall meet the Buyer's requirement for buffering, and will be maintained by the Buyer according to City of Ames standards, at the Buyer's cost. Included in the Total Lump Sum on page 1 of this Agreement is \$25,000 compensation for a landscape buffer on the North, West, and South sides of the Lift Station Site. The Buyer shall pay no additional funds for a landscaping buffer. If they so choose, a landscape buffer may be installed, and maintained, by the Seller on their private property surrounding the North, West and South sides of the Lift Station Site. Any existing drain tile encountered during construction of the Lift Station Site shall be repaired by the Buyer at the Buyer's sole expense.
14. The Seller, their successors and assigns, shall be allowed to connect to the gravity sewer, adjacent to their property, by paying the same acreage fee as other property owners in the service area.
15. The Buyer shall be responsible to pay for damages to growing crops caused by the Buyer during the construction of this project. Damage to crops shall be determined as follows:
 - (i) At the time of any damage to growing crops due to the activities of the Buyer, the area of damage shall be measured and documented by the Buyer in consultation with Seller and the farm tenant;
 - (ii) At the time the crop is harvested on the subject property, the average per acre yield shall be verified by the farm tenant and the yield shall be applied to the total area where crop damage occurred due to the activities of the Buyer; and
 - (iii) The commodity per bushel or per acre price at the time of harvest in Story County, Iowa shall control, and the Seller/farm tenant shall be paid as if the growing crops had not been damaged by the activities of the Buyer.

SELLER'S SIGNATURE AND CLAIMANT'S CERTIFICATION: Upon due approval and execution by the Buyer, the undersigned claimant certifies the Total Lump Sum payment shown herein is just and unpaid.

JANICE S. SCHROER REVOCABLE TRUST UTA OCTOBER 30, 1997

X *Janice S. Schroer, Trustee*
Janice S. Schroer, Trustee

289 Scanland Farm Rd. _____

Montgomery City, MO 63361 _____

(Mailing Address)

(NOTARY PUBLIC: PLEASE COMPLETE LEFT AND RIGHT SIDES)

SELLER'S ALL-PURPOSE ACKNOWLEDGMENT

STATE OF MISSOURI }
COUNTY OF Callaway } ss:

On this 26th day of November, A.D. 2019, before me, the undersigned, a Notary Public in and for said State, personally appeared

Janice S. Schroer,

to me personally known

or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within record and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the record the person(s), or the entity upon behalf of which the person(s) acted, executed the record.

Ashly Moore
Signature of Notary Public (Sign in Ink)

CAPACITY CLAIMED BY SIGNER:

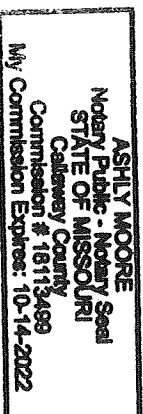
- INDIVIDUAL
- CORPORATE

Title(s) of Corporate Officer(s): _____

- Corporate Seal is affixed
- No Corporate Seal procured
- PARTNER(S):
- Limited Partnership
- General Partnership
- ATTORNEY-IN-FACT
- EXECUTOR(S) or TRUSTEE(S)
- GUARDIAN(S) or CONSERVATOR(S)
- OTHER:

SIGNER IS REPRESENTING:

List name(s) of entity (ies) or person(s)
Janice S. Schroer Revocable Trust
UTA October 30, 1997



BUYER'S ACKNOWLEDGMENT

STATE OF IOWA,
COUNTY OF STORY, ss:

On this _____ day of _____, 20__, before me, the undersigned, personally appeared John A. Haila, known to me to be the Mayor, and Diane Voss, known to me to be the City Clerk, of Buyer and who did say that said record was signed on behalf of Buyer by its authority duly recorded in its minutes, and said acknowledged the execution of said record, which signature appears hereon, to be the voluntary act and deed of Buyer and by it voluntarily executed.

Signature of Notary Public

BUYER'S APPROVAL

BY _____ Date: _____
Recommended by: Ryan K. Gurnwell, Project Manager

BY _____ Date: _____
Approved by: John A. Haila, Mayor
City of Ames, Iowa

BY _____ Date: _____
Approved by: Diane Voss, City Clerk
City of Ames, Iowa

INDEX LEGEND

COUNTY: STORY	SECTION	TOWNSHIP	RANGE	1/4 1/4	1/4
	8	83	23	NE1/4	NE1/4

CITY: AMES
 PROPRIETOR (S): JANICE S SCHROER REV. TRUST
 REQUESTED BY: CITY OF AMES
 PROFESSIONAL LAND SURVEYOR: JEFFREY A. GADDIS, PLS

CIVIL ENGINEERING CONSULTANTS, INC
 ATTN: JEFFREY A. GADDIS, PLS
 2400 86TH STREET, SUITE #12
 URBANDALE, IA 50322
 PHONE: 515-276-4884
RETURN TO:



VICINITY SKETCH

NOT TO SCALE

LEGEND

- ▲ FOUND SECTION CORNERS
- FOUND CORNERS
- SET PROPERTY CORNER (5/8" I.R. W/B BLUE CAP #18381 UNLESS OTHERWISE NOTED)
- PROPERTY BOUNDARY LINES
- - - SECTION LINES
- - - EXISTING LOT OR TAX PARCEL LINES
- - - ORIGINAL PLAT LOT LINES
- - - EASEMENT LINES
- D. DEEDED BEARING & DISTANCE
- P. PREVIOUSLY RECORDED BEARING & DISTANCE
- M. MEASURED BEARING & DISTANCE
- I.R. IRON ROD
- I.P. IRON PIPE
- BK. XXX, PG. XXX COUNTY RECORDER'S INDEXING BOOK
- P.U.E. PUBLIC UTILITY EASEMENT
- R.O.M. RIGHT-OF-WAY
- P.O.B. POINT OF BEGINNING

SHEET INDEX

- SHEET # SHEET TITLE
- 1 COVER
- 2 PLAT OF SURVEY - OVERALL
- 3 PLAT OF SURVEY

CITY OF AMES APPROVAL

THE AMES CITY COUNCIL APPROVED THIS PLAT OF SURVEY ON _____, 2019, WITH RESOLUTION NUMBER _____, I CERTIFY THAT IT CONFORMS TO ALL CONDITIONS OF APPROVAL.
 PLANNING & HOUSING DIRECTOR _____

**PLAT OF SURVEY
 PARCELS 'G' & 'H'
 207 S. TELLER AVENUE
 AMES, IOWA**

PROPRIETORS:

JANICE S SCHROER REV. TRUST
 ATTN: JANICE S SCHROER, TRUSTEE
 289 SCANLAND FARM ROAD
 MONTGOMERY CITY MO 63361

**APPLICANT &
 PREPARED FOR:**

CITY OF AMES
 ROOM 214, CITY HALL
 515 CLARK AVENUE
 AMES, IOWA 50010

PROPERTY ADDRESS:

207 S. TELLER AVENUE
 AMES, IOWA

**PROFESSIONAL
 LAND SURVEYOR:**

CIVIL ENGINEERING CONSULTANTS, INC.
 ATTN: JEFFREY A. GADDIS, PLS
 2400 86TH STREET, SUITE 12
 URBANDALE, IA 50322
 PHONE: (515) 276-4884
 FAX: (515) 276-7084
 EMAIL: GADDIS@CECLAC.COM

COUNTY PARCEL ID:

PROPERTY ID: 10-08-200-200

LEGAL DESCRIPTION: ORIGINAL PROPERTY

(TRUSTEE WARRANTY DEED INSTRUMENT #2012-00010207

THE EAST HALF (E1/2) OF THE NORTHEAST (NE1/4) OF SECTION EIGHT (8), TOWNSHIP 83N, RANGE 23W OF THE FIFTH (5TH) P.M., STORY COUNTY, IOWA SUBJECT TO ANY EASEMENTS OF RECORD.

LEGAL DESCRIPTIONS:

SEE SHEET 2

LAND AREA:

SEE SHEET 2

PLAT OF SURVEY PURPOSE:

PARCEL TO BE ACQUIRED BY GOVERNMENTAL AGENCY FOR PUBLIC IMPROVEMENTS PER CODE OF IOWA 354.6(1).
 *** SEE PARCEL NOTES ON SHEET 4 ***

CERTIFICATION

I HEREBY CERTIFY THAT THIS LAND SURVEYING DOCUMENT WAS PREPARED AND THE RELATED SURVEY WORK WAS PERFORMED BY ME OR UNDER MY DIRECT PERSONAL SUPERVISION AND THAT I AM A DULY LICENSED PROFESSIONAL LAND SURVEYOR UNDER THE LAWS OF THE STATE OF IOWA.

October 15, 2019
 JEFFREY A. GADDIS, IOWA LICENSE NO. 18381 DATE MY LICENSE RENEWAL DATE IS DECEMBER 31, 2020
 PAGES OR SHEETS COVERED BY THIS SEAL: _____

SHEETS 1 - 4



Civil Engineering Consultants, Inc.
 2400 86th Street, Unit 12, Des Moines, Iowa 50322
 515.276.4884 . Fax: 515.276.7084 . mail@ceclac.com

DATE:	SEP. 17, 2019
DATE OF SURVEY:	OCT. 11, 2019
DESIGNED BY:	JAG
DRAWN BY:	JAG

PARCELS 'G' & 'H'
NE1/4 NE1/4, SEC. 08-83-23
 207 S. TELLER AVENUE, AMES, IOWA
COVER

LEGAL DESCRIPTION: ORIGINAL PROPERTY
(TRUSTEE WARRANTY DEED INSTRUMENT #2012-00010207)

THE EAST HALF (E/2) OF THE NORTHEAST (NE/4) OF SECTION EIGHT (8), TOWNSHIP 83N, RANGE 23N OF THE FIFTH (5TH) P.M., STORY COUNTY, IOWA SUBJECT TO ANY EASEMENTS OF RECORD.

LEGAL DESCRIPTIONS:

SURVEY BOUNDARY

THE SOUTH 330.00 FEET OF THE NORTH 990.00 FEET OF THE EAST 300.00 FEET OF THE NE1/4 NE1/4 OF SECTION 08, TOWNSHIP 83 NORTH, RANGE 23 WEST OF THE 5TH P.M., CITY OF AMES, STORY COUNTY, IOWA AND CONTAINING 2.27 ACRES INCLUDING 0.34 ACRES OF PUBLIC RIGHT-OF-WAY MORE OR LESS.

PARCEL 'G' OF NE1/4 NE1/4, SEC. 08-83-23

THE SOUTH 330.00 FEET OF THE NORTH 990.00 FEET OF THE WEST 255.00 FEET OF THE EAST 300.00 FEET OF THE NE1/4 NE1/4 OF SECTION 08, TOWNSHIP 83 NORTH, RANGE 23 WEST OF THE 5TH P.M., CITY OF AMES, STORY COUNTY, IOWA THAT IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AS A POINT OF REFERENCE AT THE NE CORNER OF SAID SECTION 08; THENCE 500°06'34"E, 990.01 FEET ALONG THE WEST LINE OF SAID NE1/4 NE1/4 TO THE SE CORNER OF THE SOUTH 330.00 FEET OF THE NORTH 990.00 FEET OF SAID NE1/4 NE1/4; THENCE N89°49'31"W, 45.00 FEET ALONG THE SOUTH LINE OF THE NORTH 990.00 FEET OF SAID NE1/4 NE1/4 TO THE POINT OF BEGINNING; THENCE CONTINUING N89°49'31"W, 255.00 FEET ALONG SAID SOUTH LINE TO THE SW CORNER OF SAID SOUTH 330.00 FEET OF THE NORTH 990.00 FEET OF THE WEST 255.00 FEET OF THE EAST 300.00 FEET OF THE NE1/4 NE1/4 TO THE NW CORNER OF THE SOUTH 330.00 FEET OF THE NORTH 990.00 FEET OF THE EAST 300.00 FEET OF SAID NE1/4 NE1/4; THENCE S89°49'31"E, 255.00 FEET ALONG THE NORTH LINE OF SAID SOUTH 330.00 FEET OF THE NORTH 990.00 FEET OF THE EAST 300.00 FEET OF THE NE1/4 NE1/4 TO THE NE CORNER OF SAID SOUTH 330.00 FEET OF THE NORTH 990.00 FEET OF THE WEST 255.00 FEET OF THE EAST 300.00 FEET OF THE NE1/4 NE1/4; THENCE 500°06'34"E, 330.00 FEET ALONG THE EAST LINE OF SAID SOUTH 330.00 FEET OF THE NORTH 990.00 FEET OF THE WEST 255.00 FEET OF THE EAST 300.00 FEET OF THE NE1/4 NE1/4 TO THE POINT OF BEGINNING AND CONTAINING 1.93 ACRES (84,151 S.F.) MORE OR LESS.

PLAT OF SURVEY
PARCELS 'G' & 'H'
NE1/4 NE1/4, SEC. 08-83-23

207 S. TELLER AVENUE
AMES, IOWA

PARCEL 'H' OF NE1/4 NE1/4, SEC. 08-83-23

TO BE DEDICATED AS PUBLIC RIGHT-OF-WAY, SEE NOTES ON SHEET 4

THE SOUTH 330.00 FEET OF THE NORTH 990.00 FEET OF THE EAST 45.00 FEET OF THE NE1/4 NE1/4 OF SECTION 08, TOWNSHIP 83 NORTH, RANGE 23 WEST OF THE 5TH P.M., CITY OF AMES, STORY COUNTY, IOWA THAT IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AS A POINT OF REFERENCE AT THE NE CORNER OF SAID SECTION 08; THENCE 500°06'34"E, 660.01 FEET ALONG THE WEST LINE OF SAID NE1/4 NE1/4 TO THE NE CORNER OF THE SOUTH 330.00 FEET OF THE NORTH 990.00 FEET OF SAID NE1/4 NE1/4; THENCE CONTINUING 500°06'34"E, 330.00 FEET ALONG THE WEST LINE OF SAID NE1/4 NE1/4 TO THE SE CORNER OF SAID SOUTH 330.00 FEET OF THE NORTH 990.00 FEET OF SAID NE1/4 NE1/4; THENCE N89°49'31"W, 45.00 FEET ALONG THE SOUTH LINE OF SAID SOUTH 330.00 FEET OF THE NORTH 990.00 FEET OF SAID NE1/4 NE1/4 TO THE SW CORNER OF SAID SOUTH 330.00 FEET OF THE NORTH 990.00 FEET OF THE NE1/4 NE1/4; THENCE N00°06'34"E, 330.00 FEET ALONG THE WEST LINE OF SAID SOUTH 330.00 FEET OF THE NORTH 990.00 FEET OF THE EAST 45.00 FEET OF THE NE1/4 NE1/4 TO THE NW CORNER OF SAID SOUTH 330.00 FEET OF THE NORTH 990.00 FEET OF THE EAST 45.00 FEET OF THE NE1/4 NE1/4; THENCE S89°49'31"E, 45.00 FEET ALONG THE NORTH LINE OF THE SOUTH 330.00 FEET OF THE NORTH 990.00 FEET OF SAID NE1/4 NE1/4 TO THE POINT OF BEGINNING AND CONTAINING 0.34 ACRES (14,850 S.F.) MORE OR LESS ALL BEING PUBLIC RIGHT-OF-WAY EASEMENT.

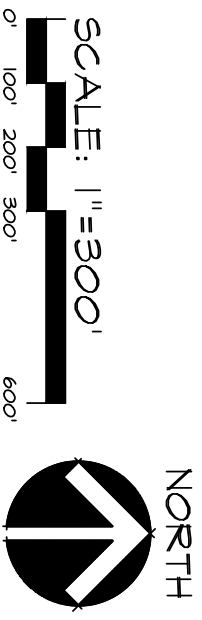
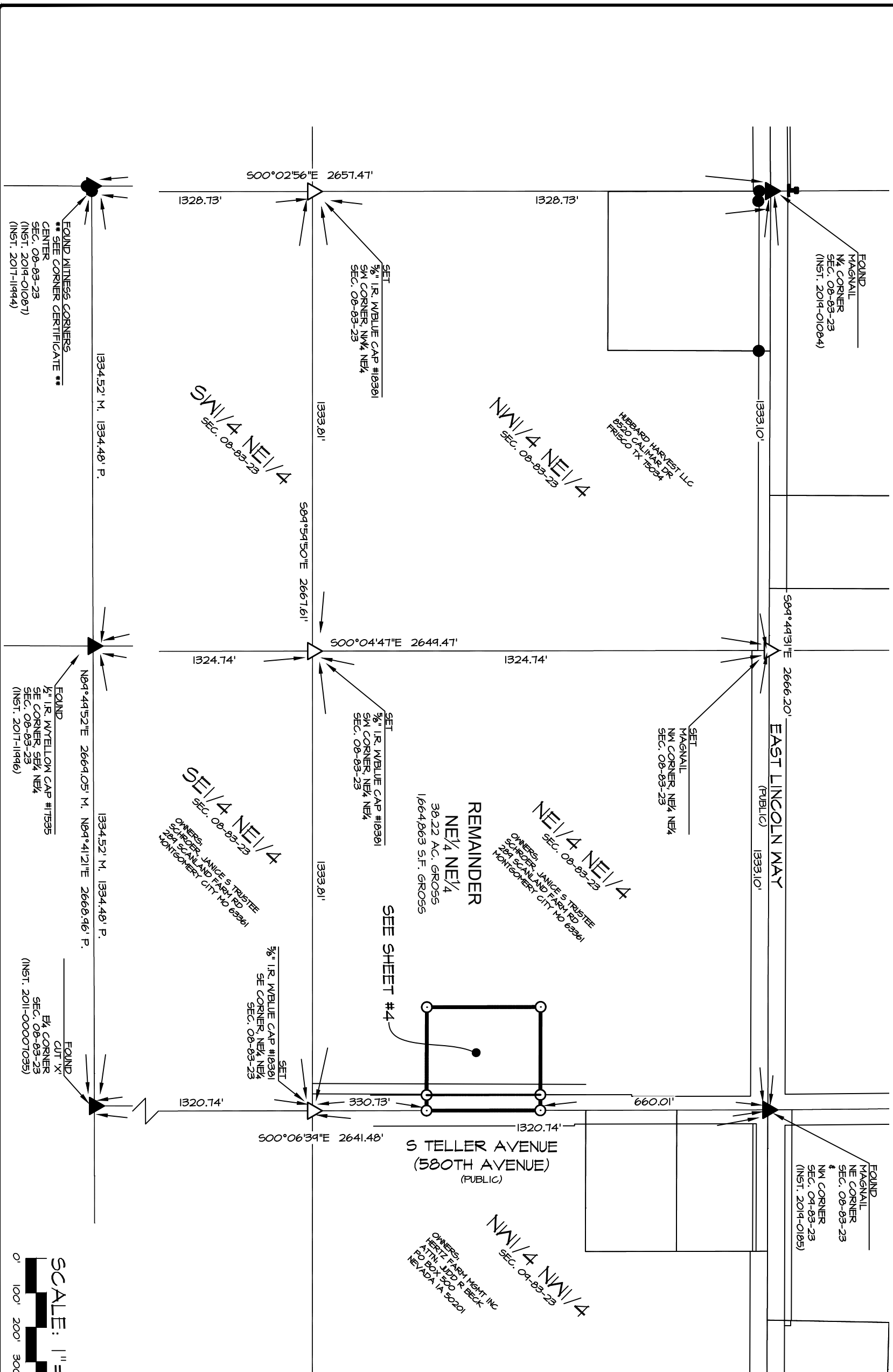
Civil Engineering Consultants, Inc.
2400 86th Street, Unit 12, Des Moines, Iowa 50322
515.276.4884 . Fax: 515.276.7084 . mail@ceclac.com



DATE:	SEP. 17, 2019
DATE OF SURVEY:	OCT. 11, 2018
DESIGNED BY:	JAG
DRAWN BY:	JAG

PARCELS 'G' & 'H'
NE1/4 NE1/4, SEC. 08-83-23
207 S. TELLER AVENUE, AMES, IOWA
LEGAL DESCRIPTIONS

PLAT OF SURVEY
PARCELS 'G' & 'H'
OF NE1/4 NE1/4
SEC. 08-83-23
 AMES, IOWA



FOUND WITNESS CORNERS
 ** SEE CORNER CERTIFICATE **
 CENTER
 SEC. 08-83-23
 (INST. 2014-01097)
 (INST. 2017-11944)

FOUND
 1/2" I.R. W/ YELLOW CAP #17595
 SE CORNER SE1/4 NE1/4
 (INST. 2017-11946)

FOUND
 CUT 'X'
 SE CORNER
 SEC. 08-83-23
 (INST. 2011-00007035)

PARCELS 'G' & 'H'
 NE1/4 NE1/4, SEC. 08-83-23
 207 S. TELLER AVENUE, AMES, IOWA
PLAT OF SURVEY - OVERALL

DATE: SEP. 17, 2019
 OCT. 11, 2019
 DATE OF SURVEY: JULY 17, 2018
 DESIGNED BY: JAG
 DRAWN BY: JAG



Civil Engineering Consultants, Inc.
 2400 86th Street, Unit 12, Des Moines, Iowa 50322
 515.276.4884 . Fax: 515.276.7084 . mail@ceclac.com

FOUND
MAGNAIL
NE CORNER
SEC. 08-83-23

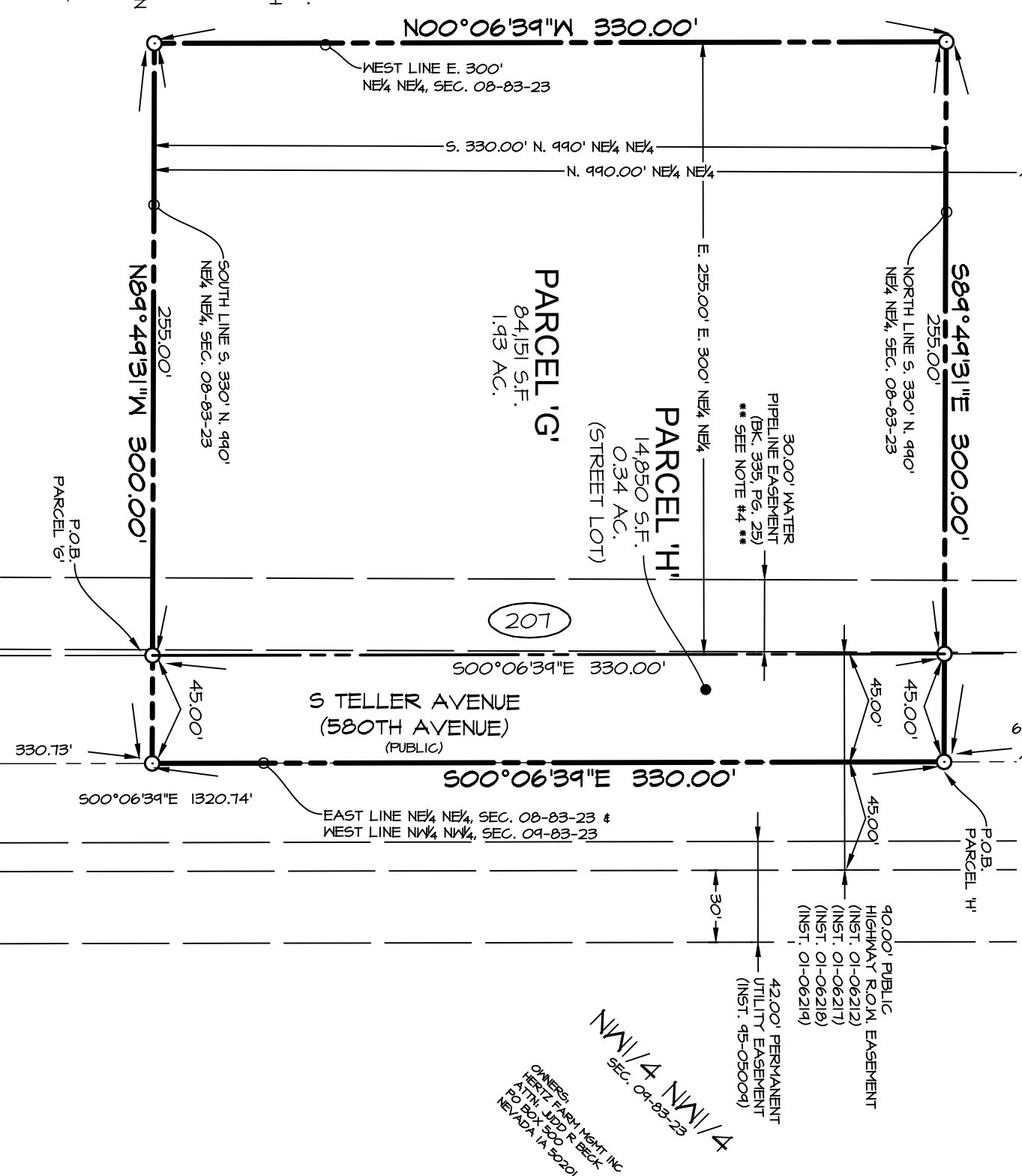
EAST LINCOLN WAY
(PUBLIC)

NORTH LINE NE $\frac{1}{4}$, NE $\frac{1}{4}$, SEC. 08-83-23
SOUTH LINE SW $\frac{1}{4}$, SW $\frac{1}{4}$, SEC. 08-83-23

FOUND
MAGNAIL
NE CORNER
SEC. 08-83-23
NW CORNER
SEC. 04-83-23

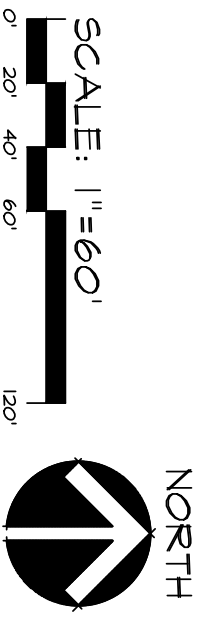
PLAT OF SURVEY
PARCELS 'G' & 'H'
OF NE $\frac{1}{4}$ NE $\frac{1}{4}$
SEC. 08-83-23
AMES, IOWA

REMAINDER
NE $\frac{1}{4}$ NE $\frac{1}{4}$
38.22 AC. GROSS
1664.863 S.F. GROSS
OWNERS: JANICE S. TRUSTEE
SHERIDAN AND FARM RD
104 SCARLETT RD
MONTICELLY CITY, MO 63861



- NOTES**
1. THIS PARCEL MAY BE SUBJECT TO EASEMENTS OF RECORD. NO TITLE WORK WAS PROVIDED TO THIS SURVEYOR.
 2. THE PLAT OF SURVEY BEARINGS ARE BASED ON THE NORTH LINE OF NE $\frac{1}{4}$ NE $\frac{1}{4}$, SEC. 08-83-23 BEARING WAS MEASURED AS S89°49'31\"E.
 3. THE UNADJUSTED ERROR OF CLOSURE IS NOT GREATER THAN 1:10000 FOR THE BOUNDARY AND 1:5000 FOR INDIVIDUAL LOTS.
 4. THE WATER PIPELINE EASEMENT IS NOT PLOTTABLE FROM THE RECORDED DOCUMENT; HOWEVER, THE EASEMENT SHOWN ON THIS SURVEY WAS TRANSCRIBED FROM A IOWA REGIONAL UTILITIES ASSOCIATION SKETCH DATED 07/03/2012. THIS LOCATION IS APPROXIMATE BASED ON THE EVIDENCE PROVIDED TO THIS SURVEYOR AND SUBJECT TO CHANGE BASED ON THE CENTERLINE OF THE EXISTING WATER PIPELINE AS INSTALLED.

- PARCEL NOTES**
1. NO DEVELOPMENT SHALL OCCUR ON ANY PARCEL WITHOUT THE FORMAL DEVELOPMENT APPLICATION PROCEDURES AS REQUIRED BY THE CITY OF AMES DEPARTMENT OF PLANNING AND HOUSING.
 2. PARCEL 'H' IS TO BE DEDICATED TO THE CITY OF AMES AS PUBLIC RIGHT-OF-WAY.



DATE:	SEP. 17, 2019
DATE OF SURVEY:	JULY 17, 2018
DESIGNED BY:	JAG
DRAWN BY:	JAG



Civil Engineering Consultants, Inc.
2400 86th Street, Unit 12, Des Moines, Iowa 50322
515.276.4884 . Fax: 515.276.7084 . mail@ceclac.com

PARCELS 'G' & 'H'
NE $\frac{1}{4}$ NE $\frac{1}{4}$, SEC. 08-83-23
207 S. TELLER AVENUE, AMES, IOWA
PLAT OF SURVEY

COUNCIL ACTION FORM

**SUBJECT: EAST INDUSTRIAL AREA UTILITY EXTENSION PROJECT –
PROFESSIONAL SERVICES AGREEMENT AMENDMENT NO. 2**

BACKGROUND:

The East Industrial Area Utility Extension Project consists of the extension of water main and sanitary sewer main along the Lincoln Way corridor to serve development of an industrial park east of I-35. This project is currently in the land acquisition phase and the plans will be finalized after site purchase is approved. Therefore, this project is anticipated to be bid this winter with construction expected to begin in the spring of 2020. Project completion is expected in the spring of 2021.

City Council approved a professional services agreement with Stanley Consultants Inc. in an amount not to exceed \$254,070 for the design of this project. On February 12, 2019, Contract Amendment No. 1 in the amount of \$82,300 (total contract not to exceed \$336,370) was approved by City Council.

Because the original lift station site location has since been changed, additional services are required to update the plat, the appraisal, and redesign the plans for the new site. Furthermore, because stormwater management is required for the lift station site per Chapter 5B of the Municipal Code, Stanley Consultants will provide staff with stormwater modeling information (staff is preparing the stormwater management report). Additional time is also required in coordinating the relocation of utilities along the north side of East Lincoln Way.

With these additional services, Stanley Consultants has requested that their professional services agreement be amended (see Attachment A) for an additional amount not to exceed \$60,200 (**total contract not to exceed \$396,570**). The amount budgeted for **engineering and project inspection totals \$800,000**. A total of \$5,300,000 from General Obligation bonds (Sewer and Water Utility revenue abated) has been budgeted for this project.

ALTERNATIVES:

1. Approve Amendment No. 2 to the professional services agreement with Stanley Consultants Inc. for the East Industrial Area Utility Extension Project for an additional amount not to exceed \$60,200 (total contract not to exceed \$396,570).
2. Do not approve the amendment to the professional services agreement.
3. Direct staff to re-negotiate the amendment to the professional services agreement.

MANAGER'S RECOMMENDED ACTION:

These additional engineering services were reviewed by staff and deemed necessary to the completion of this project. **Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.**



SUPPLEMENTAL AGREEMENT NO. 2

This Supplemental Agreement, made and entered into by and between STANLEY CONSULTANTS, INC. (Consultant) and CITY OF AMES (Client) amends their agreement of July 12, 2016 for Consultant to provide services to the Client for the East Industrial Area Utility Extension Project, as follows:

Scope of Services

1. Additional coordination with other utilities for rerouting to a Public Utility Easement (PUE).
2. Prepare and submit additional review submittal and final signed bid documents to include the following revisions:
 - a. Update pump calculations.
 - b. Relocate pump station and reconfigure layout.
 - c. Revise gravity sewer and force main P&P drawings and add drawings as required.
 - d. Update traffic control plan.
 - e. Coordinate with electrical provider and revise electrical drawings.
 - f. Prepare planting layout plan and notes.
 - g. Submit "Final for Review" plans.
 - h. Incorporate additional review comments into the final bid documents.
 - i. Update unit price descriptions and construction quantities.
 - j. Review initial evaluation of capacity of stormwater discharge pipes.
 - k. Update cost estimate.
3. Provide additional acquisition services for relocated pump station and EWST site including:
 - a. Revise survey plat.
 - b. Increase number of acquisition and negotiation services from 11 to 12.
 - c. Update appraisal report and prepare valuation documentation.
4. Prepare stormwater model for pump station site using SWMM to include:
 - a. data collection,
 - b. computations,
 - c. input of existing and project conditions,
 - d. adjust SWMM project conditions model to release rates,
 - e. prepare and submit memo with results.

Time of Beginning and Completion

October 31, 2019 – March 20, 2020

Fees and Payments

Compensation for Professional Services described in this Supplemental Agreement No. 2 shall be a not-to-exceed amount of Sixty Thousand Two Hundred Dollars (60,200.00) per breakdown below.

Utility PUE Coordination	\$ 1,700.00
Plan Revisions	\$ 43,900.00
Survey Plat	\$ 2,000.00
Acquisition & Negotiation Services	\$ 3,800.00
Report and Documentation	\$ 5,000.00
Stormwater model	<u>\$ 3,800.00</u>
Total SA No. 2	<u>\$ 60,200.00</u>

Except as specifically amended by this Supplemental Agreement, all the terms and conditions of the original Agreement dated July 12, 2016 shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Supplemental Agreement to be executed on the date below indicated.

STANLEY CONSULTANTS, INC.

CITY OF AMES, IOWA

By: *Daniel R. Fullerton*
Daniel R. Fullerton, PE.
Client Service Manager

By: _____

Date: 12/4/2019

Date: _____

Attest:

Attest:

By: *Debra K. Matthias*

By: _____

APPROVED AS TO FORM
BY *Vikki A. Feilmeyer*
Vikki Feilmeyer
Assistant City Attorney

COUNCIL ACTION FORM

SUBJECT: SOUTH GRAND AVENUE EXTENSION PROJECT (PROFESSIONAL SERVICES AGREEMENT AMENDMENT # 4)

BACKGROUND:

This project is the extension of South Grand Avenue from Squaw Creek Drive to South 16th Street. Included is an extension of South 5th Street (South Grand Avenue to South Duff Avenue) as well as intersection improvements to the South Duff Avenue (US Hwy. 69)/South 16th Street and South Grand Avenue/S 16th Street.

The project was originally broken into three phases to allow for potential flexibility in timing of construction and funding. The phases are:

- 1) S. 5th St extension and the portion of S. Grand Ave from Squaw Creek Drive (the existing dead end) to S. 5th St. **This contract has been awarded to Peterson Contractors, Inc. (PCI) of Reinbeck, Iowa, in the amount of \$3,159,304.15.**
- 2) S Grand Ave South of S. 5th Street (this portion includes two bridges to accommodate Squaw Creek under the roadway). **This project is scheduled for February 19th, 2020 Iowa DOT bid letting.**
- 3) Reconstruction and widening additional turn lanes at S. Duff Ave and S. 16th St. **This project is still in the design phase.**

On January 10, 2017, City Council approved the engineering services agreement with Shive-Hattery, Inc. from West Des Moines, Iowa, in an amount not to exceed \$1,045,000. As design has continued, a few design services have been identified that were not covered under the original contract. Three amendments were approved. On October 25, 2017, City Council approved amendment No. 1 in the amount of \$102,891; on June 28, 2018, staff approved amendment No. 2 in the amount of \$48,250; and on June 25, 2019, City Council approved amendment No. 3 in the amount of \$21,300.

This request (Amendment No. 4) is for \$147,900 of additional design work required for Phases 2 and 3. Details for the additional scope of work are shown, as follows:

1. **Worle Creek Slope Stability Design (\$4,200)** – The analysis of the S. Grand Avenue slope along Worle Creek showed a factor of safety less than recommended.

- Determine the necessary soil parameters required for an acceptable factor of safety and incorporate the requirement for the contractor to import and place appropriate soil into the plans.
2. **S. Grand Avenue underpass (\$35,000)** – Through the right-of-way acquisition process a concern over the planned 12' wide underpass arose. It has been determined that a redesign to 16' feet wide is warranted.
- Design of the 16-foot-wide underpass utilizing a custom design in lieu of the Iowa DOT standard culvert/underpass standard details. **The underpass was widened as part of the settlement with the property owner.**
3. **S. Grand Avenue maintenance access to Coldwater Golf Links (\$10,000)** – Through the right-of-way acquisition process it was determined that a maintenance access from S. Grand Ave to the west half of the golf course would need to be added to the plans in order to accommodate larger golf course maintenance equipment.
- **This maintenance access to Coldwater Golf Links was added as part of the land settlement.**
4. **South 16th Street and South Duff Avenue Improvements (\$65,000)** – A median is to be added to S 16th Street as well as an additional eastbound lane, east of S Duff Avenue. The additional improvements are the result of discussions with the Iowa DOT regarding the traffic safety funding for the project. Multiple exhibits and options have been provided to the Iowa DOT. The project is to include the following:
- Redesign of S 16th St., both east and west of S Duff Ave to accommodate the median and additional eastbound lane on S 16th Street. **(The original contract agreement only planned for pavement markings, not a median like is now needed due to increased traffic volumes.)**
 - Additional widening on the north side of S 16th St. for approximately 425 feet east of S Duff Avenue to accommodate an additional eastbound lane on S 16th Street, **(originally widening was only planned along the south side of S 16th St).**
 - Replacement of the entire traffic signal system at South Duff Avenue and South 16th Street. **(The original contract agreement included relocation of two of the four signal poles.)**
 - Additional property acquisition services for three (3) parcels; Availa Bank, Story County Operating Company LLC, and GDH Properties CO LC. It is assumed that these parcels will not require an appraisal to be completed. **(This additional property acquisition was due to widening the road.)**

- Additional field survey necessary shall be by City of Ames staff and provided to Shive-Hattery
5. **Eminent Domain Process Support (\$6,200)** – The design team continues to provide support to the City during the condemnation process. Condemnation support includes preparation of graphics for condemnation hearings and coordination with City of Ames legal staff prior to condemnation as well as attendance at the condemnation hearing. The condemnation process involves the following properties:
 - Property owned by Scott Randall and associated with Coldwater Golf Links (this acquisition has been completed)
 - Tomco LLC- the southwest corner of S Duff Ave and S 16th Street (this acquisition is still in progress)
 6. **Additional Project Management/Project Reactivation/Inflation (\$32,000)** – The schedule of the project has been revised and lengthened from the original professional services agreement. Due to the extended schedule, the need has arisen for additional project management. The schedule has also required additional coordination with property owners, staff, and stakeholders over a longer period of time than originally included. Lastly, portions of the work were delayed with the extension of schedule and therefore the cost to complete this work has risen with inflation. **(The original contract agreement stated that inflationary adjustments for work beyond calendar year 2017 will be applied.)**
 7. **Deduction of Tree Clearing Bid package (-\$4,500)** – The original Professional Services agreement included the preparation of plans for a tree clearing bid package. To date a tree clearing bid package has not been required and is not anticipated. In lieu of the separate tree clearing bid package the tree clearing limits have been provided to City of Ames staff in order that the trees be marked for removal.

The South Grand Avenue Extension has been included in the Capital Improvements Plan with **\$20,153,000 in total funding** provided from the following sources: \$11,580,000 in G.O. Bonds, \$4,300,000 in MPO/STP Funds, and \$4,273,000 in Federal/State Grant Funds. Of this total amount, \$3,703,000 is estimated to be allocated for engineering, \$700,000 for land acquisition, and \$15,750,000 for construction.

ALTERNATIVES:

1. Approve the amendment to the engineering services agreement for the South Grand Avenue Extension Project with Shive-Hattery, Inc., of West Des Moines, Iowa, in the amount not to exceed \$147,900 bringing their contract total to \$1,365,341.

2. Direct staff to renegotiate an engineering agreement amendment.

MANAGER'S RECOMMENDED ACTION:

City staff has worked closely with the consultant throughout the design of these project phases and is confident these amendments are necessary and warranted.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.

COUNCIL ACTION FORM

SUBJECT: 2019/20 PAVEMENT RESTORATION PROGRAM (SLURRY SEAL)

BACKGROUND:

This is an annual program for preventative and proactive maintenance activities on City streets. This program allows for a wide variety of pavement maintenance techniques to preserve and enhance City street infrastructure. The techniques in this program are typically more specialized or larger in scope than can be performed with City street maintenance staff. The goal of projects in this program will be to repair and extend the lifespan of the City streets.

The Slurry Seal project will level dips in joints and provided a new thin wearing surface for traffic. This work will take place predominately on residential streets with the disruption to residents being typically no more than one day. Work in all locations will be coordinated with other local projects to minimize traffic disruptions.

On December 11, 2019 bids were received as follows:

<i>Bidder</i>	<i>Total Bid Amount</i>
Engineer's estimate	\$305,297.20
Fort Dodge Asphalt Company	\$240,787.76

There is \$250,000 of Road Use Tax funding allocated to this program annually in the Capital Improvement Plan. These funds have been accumulated and carried over in the current budget. **A number of smaller pavement improvement and patching projects have been funded through this program leaving \$388,223.77 of available revenue to fund the project.**

Remaining revenue will be utilized for other pavement restoration priorities.

ALTERNATIVES:

- 1a. Accept the report of bids for the 2019/20 Pavement Restoration Program (Slurry Seal)
- b. Approve the final plans and specifications for this project.
- c. Award the 2019/20 Pavement Restoration Program (Slurry Seal) to Fort Dodge Asphalt Company of Fort Dodge, IA, in the amount of \$240,787.76.

2. Do not proceed with this project.

MANAGER'S RECOMMENDED ACTION:

This project will repair and extend the lifespan of the City streets in the program and provide a better travelling experience for users of the corridors and for those living in the neighborhoods. Awarding this project will allow for work to be completed in calendar year 2020.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as noted above.



MEMO

Legal Department

Item No. 32

To: Mayor Haila and Ames City Council

From: Mark O. Lambert, City Attorney

Date: December 13, 2019

Subject: Ordinance changing the term of office of the City Council member serving on the Ames Transit Agency Board of Trustees

At the December 10, 2019 Ames City Council meeting, the Council directed the City Attorney to draft an ordinance changing the term of office of the City Council member serving on the Ames Transit Agency Board of Trustees to begin on January 1.

The attached ordinance accomplishes this. The terms of the other Transit Board members will still begin on May 15.

In order to make the appointment to the Transit Board at the December 17, 2019 meeting, all three readings of the ordinance will have to take place at the December 17, 2019 meeting.

#

ORDINANCE NO.

AN ORDINANCE TO AMEND THE MUNICIPAL CODE OF THE CITY OF AMES, IOWA, BY REPEALING SECTION 26A. 3 (2) AND ENACTING A NEW SECTION 26A. 3 (2) THEREOF, FOR THE PURPOSE OF QUALIFICATIONS OF MEMBERS OF THE AMES TRANSIT AGENCY BOARD OF TRUSTEES REPEALING ANY AND ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT TO THE EXTENT OF SUCH CONFLICT; AND ESTABLISHING AN EFFECTIVE DATE.

BE IT ENACTED, by the City Council for the City of Ames, Iowa, that:

Section One. The Municipal Code of the City of Ames, Iowa shall be and the same is hereby amended by repealing Section 26A.3 (2) and enacting a new Section 26A.3 (2) as follows:

“Sec. 26A.3. QUALIFICATIONS, TERMS OF OFFICE, OATHS AND BONDS, VACANCIES.

(2) All terms shall run from May 15 of the year of appointment, except for the term of the Ames City Council member provided for in 26A.3(1)(a), which shall run from the first day of January each year.”

Section Two. All ordinances, or parts of ordinances, in conflict herewith are hereby repealed to the extent of such conflict, if any.

Section Three. This ordinance shall be in full force and effect from and after its passage and publication as required by law.

Passed this _____ day of _____, _____.

Diane R. Voss, City Clerk

John A. Haila, Mayor



CITY OF
Ames™

Caring People ♦ Quality Programs ♦ Exceptional Service

MEMO

ITEM: 36

To: Mayor and Ames City Council

From: Steven L. Schainker, City Manager

Date: December 13, 2019

Subject: Budget Guideline Materials

The staff is still working on compiling the information needed for the Budget Guidelines Report. It is our intent to send the material out to you on Monday.