

YOUR CITY OF AMES 08/09 PROGRAM BUDGET

COUNCIL PERSON

Ann Campbell, Mayor

Ryan Doll

Matthew Goodman

Jami Larson

Riad Mahayni

Jim Popken

Dan Rice

WARD

At Large

3rd Ward

At Large

2nd Ward

4th Ward

At Large

1st Ward

TERM EXPIRES

12/31/09

12/31/09

12/31/11

12/31/11

12/31/11

12/31/09

12/31/09

CITY STAFF

Steve Schinker, City Manager

Bob Kindred, Assistant City Manager

Sheila Lundt, Assistant City Manager

Duane Pitcher, Director of Finance

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March 2008

To The Mayor and Ames City Council:

Attached is the Adopted Budget for fiscal year 2008-09. This financial/management plan for the City reflects expenditures and revenues for operations and capital improvements associated with the various funds we maintain. You will note that the expenditure total of \$179,861,342 for FY 2008-09 is significantly greater than for the previous year. This difference is attributable to large projects, especially in the Electric Utility, that have moved to the front of the Capital Improvements Plan.

OVERALL FINANCIAL CLIMATE

As we began the preparation of the budget, we were faced with two significant challenges. First, the growth in our taxable valuation is anticipated to be only .4% for the coming year. This very modest increase in taxable valuation for FY 2008-09 can be attributed to: 1) a distressed national economy that has slowed new construction to only \$51,225,000, 2) the continuation of conversions of apartments to condominiums/coops resulted in a loss of \$20,000,000 in taxable valuation, 3) court-ordered reductions in valuation for a few of our major commercial and industrial properties that lowered our valuations by \$15,000,000, and 4) the negative impact of the state mandated rollback on assessed valuation that caused a further erosion of our tax base by \$34,344,030.

Second, the increase in local option sale tax receipts is estimated to be only 1.24%. While no studies have been conducted to explain the causes for this modest increase in sales tax revenue, some have hypothesized that 1) a stagnating national economy has also negatively impacted retail sales and 2) we are experiencing substantial "leakage" as our residents take advantage of other shopping opportunities in the commercial areas to the south of Ames. Regardless of the reasons, the increases associated with these two revenue sources are the lowest that I can recall, and undoubtedly had a direct impact on our property tax asking for FY 2008-09.

To offset this smaller than desired increase in revenues, we will benefit from the following three developments: 1) a \$400,000 decrease in our obligation to finance the Fire and Police Retirement Fund, 2) a significant increase in interest earnings (\$385,260) in all funds due to investment at interest rates higher than prior years, and 3) a larger than expected beginning balance in the General Fund for FY 2007-08 due to staff vacancies and increased interest earnings in FY 2006-07. The larger balance has allowed us to fund needed items, such as capital for the Police Department, in FY 2007-08 rather than in FY 2008-09.

PROPERTY TAX SUPPORT - \$.63 Rate Increase

The FY 2008-09 budget requires a 6% increase in the City tax rate from \$10.43 per \$1,000 of taxable valuation to \$11.06 per \$1,000 of taxable valuation, or an additional \$1,305,154 of new property tax revenue. It should be emphasized that \$ 0.47 of this rate increase, or \$960,000, is attributable to the first year's debt payment for the new Donald and Ruth Furman Aquatics Center that was approved by 76% of the voters last July. Without this payment, the tax rate increase would be only 1.46%.

As you know, the actual impact on the tax bills for our citizens will be less than the rate increase for most of the property owners in the city. Because the state-mandated rollback continues to reduce the amount of property subject to taxes for residential and commercial property owners, the impact of this budget on actual property tax bills will be only 2.56% and 5.72% respectively for these two classifications of owners.

Since it is not possible in this letter to adequately address all of the important services reflected in this budget, I have attempted to highlight several of the new initiatives.

LAW ENFORCEMENT ACTIVITIES

Information Driven Policing is the cornerstone of the FY2008-09 budget. While previous investments built a shared radio and data infrastructure between Ames, ISU and Story County, this budget takes advantage of that infrastructure to implement advancements that will put more information in the hands of individual police employees. The technology requests included in this budget will increase both the efficiency and effectiveness of the Police Department, particularly for the officers on the street.

The addition of mobile data capability to the computers in the patrol vehicles will give the officers on the street immediate access to critical information. Officers will also be able to do more of their routine checks on licenses and vehicle registration from these workstations, thus allowing the communications center staff to allocate more of their attention to incoming calls. In addition, quality digital video will replace obsolete VHS tape systems to provide a more efficient system and a better visual product.

The cost of accomplishing these technology improvements is significant. Along with approximately \$130,000 of local financial support for the start-up costs associated with these new technologies, an additional \$70,000 of Information Technology staff time will be needed to support these new ventures.

As the City embraces data driven decision-making, citizen and staff demands for reports and data summaries continues to increase. Citizens continue to request information about their neighborhoods related to traffic crashes, crime, and special events. In response to this growing need, \$23,000 for additional part-time civilian staff has been added to the budget to improve evidence management and the responsiveness of the records division.

Over the next two years we are anticipating a number of retirements in the Police Department. Typically, it takes six months for a new recruit to complete our internal training program and

State academy. If we wait until an officer retires before we hire a replacement and begin the training process, there could be many months when we are short an officer on the street. In an effort to reduce this delay, I have budgeted \$40,500 in FY 2007-08 to allow us to begin hiring and training new officers before the retirees actually leave the department.

Given the recent discussion of the changing cultural face of Ames, funds also have been included in FY 2007-08 and FY 2008-09 for diversity training for all employees in the department.

FIRE SAFETY ACTIVITIES

Two years ago, I discussed our desire to increase the number of fire fighters who are available to respond to the increasing number of incidents, as well as overlapping calls. In the past it was difficult to address these staff additions because of the cost. I have taken advantage of the significant reduction in the retirement fund obligation in FY 2008-09 to add three new fire fighter positions (\$189,000) in the budget.

It should be emphasized that in addition to adding personnel, our ability to address this availability issue is also impacted by the amount of time off taken for injuries, holiday leave, sick leave, training, and vacation. Therefore, it is our intent that any additional improvements in this situation will be addressed by identifying techniques for better management of controllable leave.

BUILDING SAFETY

Each year we attempt to establish the various permit fees to cover the cost of our inspections. However, because it is difficult to project the magnitude of the construction activity we will experience, sometimes revenues exceed expenses and sometimes the reverse is true. In FY 2007-08, we are projecting expenses to exceed our user fees by \$113,000. Here again, the national economy might be impacting a downturn in new construction activity, although our workload remains challenging with a steady stream of renovation work. Given the magnitude of this revenue shortfall, the FY 2008-09 budget includes increases in the various permit fees.

GEOGRAPHIC INFORMATION SYSTEM (GIS)

The responsibility for coordinating our GIS system was originally assigned to one of our Planners. The demand from our departments, citizens, and City Council members for GIS-related information had grown to the point where almost 60% of our Planner's time was devoted to this assignment. However, as the planning-related workload also is increasing dramatically, I no longer believe we can center this responsibility in the Current Planning program. Therefore, the FY 2008-09 budget reflects a reassignment of this function with the GIS Specialist in Public Works Engineering, along with two interns, assuming responsibility for coordinating the software operations of the GIS system and additional support for the hardware coming from the Information Technology staff. Although the GIS function started as a minor operation with little cost, the service has now blossomed into a \$288,000 annual venture supported by various funds.

RECREATION OPPORTUNITIES

The Parks and Recreation Department continues to do an excellent job in increasing the efficiency of the staff. As a result, the Parks and Recreation Administrative program calls for a 1.5 reduction in FTEs in FY 2008-09 (.5 Project Administrator and 1.0 Secretary).

-Aquatics

Based on our most recent estimates from our architect/engineers for the Donald and Ruth Furman Aquatics Center, the budget reflects the new facility being open for one month in FY 2008-09 and Carr Pool closing after the summer 2008 swim season.

-Community Center/Auditorium/Bandshell

Because there were only two activities shown in Social Programs we have combined these activities (municipal band and craft fair) into the Community Center/Auditorium/Bandshell program.

-Ames/ISU Ice Arena

In order to maintain the viability of this enterprise fund in FY 2007-08, the budget includes a transfer of interest earnings and the annual contribution to the Arena's Capital Reserve Fund to the operations fund. These two actions helped us reach a desired fund balance in the operations fund and still maintain an acceptable capital reserve fund balance.

-Homewood Golf Course

After reviewing the portion of time from various positions that were being assigned to this operation, it was decided to reduce the FTEs by a net of .25, which was transferred to support other programs. The reorganization has allowed us to project a breakeven operation for this enterprise fund in FY 2008-09.

LIBRARY ACTIVITIES

You will notice in the Library Activities section of the budget that most of the program FTE totals reflected for FY 2008-09 are different from the FY 2007-08 levels. These modifications were made by the Library Director to better reflect reorganization within the department based on where actual staff time is now being devoted.

The net result of all the personnel changes is an additional .5 FTE. A new Outreach Supervisor position has been added in FY 2008-09 to direct the Bookmobile, Project Syles, and Homebound programming, while a .5 FTE custodian position was eliminated from the budget.

For the first time, a portion of the state library funding is being budgeted to purchase materials in an effort to reach their target level.

LEGAL SERVICES

In order to assist the City Attorney with an increased workload, an additional .5 FTE (\$27,818) of support staff has been included in the General Fund. This additional staffing should free up our attorneys' time from administering the new case tracking software to handling staff inquiries.

TRANSPORTATION

Additional funds have been included in the budget to improve sign and signal maintenance, pavement marking, and right-of-way maintenance. This new emphasis is being accomplished by increasing a maintenance worker position from .75 FTE to 1.0 FTE (\$23,000) along with a new more efficient line painter (\$7,250), more frequent replacement of our loop detection units (\$8,000), and extra monies (\$10,000) to perform a higher level of maintenance on our right-of-ways.

CYRIDE

The Transit Board is requesting that the City contribute \$1,210,300 to support CyRide in FY 2008-09. This total represents a 5.8% increase in funding, or an additional \$66,349. Included in this request are two minor increases in service totaling \$12,000: earlier Sunday morning service on the Green Route and Sunday evening service on the Silver Route. In addition, the budget reflects the expansion of hours (.50 FTE) of a part-time dispatcher, .50 FTE for a new part-time clerical position in the maintenance division, and 1.0 FTE for new Receptionist.

CITY HALL SPACE NEEDS

Much has changed since we moved into the renovated Central Junior High School building back in 1990. As our workload grew and new service responsibilities were added, additional staff in the Planning and Housing, Public Works, Human Resources, Fire, Police, and Legal Departments were assigned to City Hall. We have reached a point where lack of adequate space in City Hall is impacting the effectiveness of our work. Therefore, in FY 2007-08 I have earmarked \$20,000 for an architectural/engineering study to determine how we could renovate the basement and vacant Police holding cell areas into viable office space. An additional \$60,000 has been budgeted for minor renovations to provide more usable office space on the first and second floors of City Hall.

UTILITIES

-Electric

During the past year, we have emphasized that it is time for us to develop a strategy to meet the future electric demands of our customers until at least 2025. The last major addition made to our base-load capacity was in the early 1980's. Even with aggressive demand side management programs, our aging facilities will require refurbishing or replacement.

We have been working with a consulting firm, Burns and McDonnell, to help us identify the most cost-effective and environmentally sensitive options for meeting our customers' electric needs. Unfortunately, by the time staff had finalized our budget recommendation, we had not received a final report from our consultant. Absent these recommendations, the operating budget and CIP anticipates maintaining our existing units #7 and #8 and gas turbines so that our current installed generating capacity of 153 MWs will be in a condition to function well into the future. Within our planning horizon, we are projecting the need to add 25 MWs of additional base load capacity by constructing a new unit that burns natural gas and/or alternative fuels, or purchasing capacity as part of another generating facility.

We estimate that this strategy will require an 8% rate increase in FY 2008-09 and a 10% rate increase in FY 2009-10. The City Council might want to consider an early implementation of this first increase to improve cash flow and accomplish the adjustment prior to the higher summer rates. In addition to the rate increases, we anticipate that compliance with new environmental standards will necessitate an increase in the Energy Cost Adjustment (ECA) of approximately 5%.

Major expenditure increases reflected in FY 2008-09 are due to the beginning of the capital investment in our existing units and the purchase of allowances to meet 2009 federal emissions requirements.

-Water

Our peak demand in this utility continues to grow primarily due to outdoor watering. While we will continue to work hard to reduce this trend with a more aggressive water conservation program, it appears that major capital expenditures will be required in the near future because of an aging treatment facility. Lacking an engineering analysis, the current CIP reflects an expenditure of \$29,000,000 beginning in FY 2009-10 to expand our Water Plant to satisfy our customers projected needs. The best estimate at this time is that this type of project will require a series of five annual rate increases beginning in 2009-10. The primary task before the staff this year is to work with an engineering firm to develop more definitive cost estimates and funding strategies for this project.

-Water Pollution Control

We are proud to announce that our Water Pollution Control Plant was one of only three such plants nationwide to receive the Platinum-17 Award from the National Association of Clean Water Agencies for 100% compliance with discharge standards for 17 consecutive years.

In accordance with the City Council's direction, the staff has been working with officials at the Iowa Department of Natural Resources (IDNR) to develop discharge limits to incorporate into a new NPDES permit. Our application has been submitted and we are awaiting approval from the State.

In support of the IDNR's Use Attainability Analysis of the South Skunk River, which determined that the segment where we discharge can support "primary contact," we are planning for a \$3,000,000 disinfection project in two years. This project is a major factor in requiring our rates in this utility to be increased 10% in 2009-10 and again in 2011-12. The City Council might want to consider raising our sewer rates earlier in 2008-09 to avoid a second rate increase and the combination of an electric, water, and sewer rate increases in 2009-10.

-Storm Sewer

In addition to our traditional projects in this utility (Low Point Drainage, Intake Rehabilitation, and Outlet Erosion Control), the new \$500,000 Storm Water Facility Rehabilitation Program is being funded by these user fees. Annual expenditures are exceeding annual revenues to a point where, in a few years, if nothing is done the balance in the fund will be insufficient. Therefore, we are projecting the need for a rate increase in this utility in 2009-10 from \$2.60 per month to \$3.00 per month.

-Resource Recovery

The fund balance in this utility is in such good shape that it is our intent to maintain the current \$10.50 per capita charge to all of the partner jurisdictions that contribute financially to our system. The City's portion of the support for this operation is \$423,475 in FY 2008-09.

These are exciting times for this operation. We have contracted with Prairie Rivers RC & D to perform an assessment on our Refuse Derived Fuel (RDF) to determine the viability of converting our RDF into a clean burning, more marketable bio-fuel product. A non-ferrous separation system is being planned that will recover aluminum, copper, and stainless steel for recycling. These materials are currently landfilled. Finally, in FY 2007-08 our glass recycling program has been expanded to the ISU campus and the City of Nevada. We hope to include other member communities in the future.

Each year it seems like we are faced with insurmountable challenges in our quest to provide excellent services at the least possible cost to our citizens. Yet, each year we are able to meet these challenges. Due to the leadership from an outstanding team of department heads, along with a dedicated group of city employees, Fiscal Year 2008-09 will be no different. Also, we must not forget the tireless efforts of Duane Pitcher, Carol Collings, Sharon Hjortshoj, Sheila Lundt, and Bob Kindred. Without them, the national recognition we continue to receive for our program budget would not be possible.

Sincerely,

Steven L. Schainker
City Manager

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CITY COUNCIL GOALS/OBJECTIVES

Established January 12, 2008
To Be Accomplished by January 1, 2010

REJUVENATE CAMPUSTOWN

- **By January 2009 develop viable action steps to rejuvenate Campustown.**

Assigned:

The Mayor and City Manager will work with a small group of Campustown stakeholders to:

- 1) review the “Wilcox Class Study” as well as related studies and
- 2) produce viable action steps for each stakeholder and report back to the City Council with recommendations.

This group should include:

- ISU Administration
- Mayor
- Ex officio* Council Member
- Business/Chamber Representative(s)
- Two SCAN members (one permanent resident and one student resident)

Status:

No Action To Date

“GO GREEN” TO MINIMIZE IMPACT ON GLOBAL CLIMATE CHANGE

- **Build municipal buildings to a LEED standard and take into account life cycle costing considerations when determining design/specifications.**

Assigned:

When reviewing future plans and specifications for City buildings, the City Council will make sure these standards are considered.

Status:

It should be noted that since the design concepts for the CyRide expansion project and Furman Aquatics Center are already completed, these new standards will not be applied to these two projects.

- **Design program and initiatives for implementing Energy Star Ratings for commercial buildings.**

Assigned:

City staff will research the Energy Star Rating System and develop options for implementing this system for commercial buildings.

Status:

The City Manager must identify a staff person to accomplish this task.

- **Promote Resource Recovery Plant and glass recycling through continuous educational efforts.**

Assigned:

The Resource Recovery Plant staff in conjunction with the Public Relations Officer will develop a strategy to accomplish this task.

Status:

No Action To Date

- **Continue to increase promotion of demand-side management for the Electric Utility.**

Assigned:

The Electric Services staff along with the Public Relations Officer will develop a promotional plan.

Status:

In February 2008 we have initiated a comprehensive six week ad campaign promoting our electric demand-side programs.

- **Request Transit Board to evaluate free CyRide for all riders.**

Assigned:

The City Council must pass a motion requesting action from the CyRide Board of Directors.

Status:

It might be too late to make this type of change in FY 2008-09 since an adequate analysis regarding the impact on the operations and capital budgets has not been performed.

- **Conduct a Global Warming Emissions Inventory of the existing City operations by utilizing the software offered by the International Council of Local Environmental Initiatives (ICLEI). Once the baseline is established, the City Council will establish carbon emissions reduction targets.**

Assigned:

The Director of Fleet Services has been assigned the responsibility to master this software and prepare a baseline report to the City Council.

Status:

The Director of Fleet Services completed the global warming emissions inventory and presented the baseline data to the City Council on February 26, 2008. The Director agreed to work with the staff "Cool Cities" committee to bring back recommendations regarding possible reduction targets and associated dates by the end of May 2008.

- **Create a Strategic Plan outlining goals and action steps for the City of Ames government to reduce carbon emissions.**

Assigned:

The Director of Fleet Services will lead an internal team made up of representatives from each department to create specific recommendations that will reduce the City's production of carbon emissions.

Status:

The team has been selected and has met a few times. Members are awaiting the approval of a goal from the City Council. Once established, it should take approximately six months to develop such a plan.

- **Increase alternate fuel sources (other than RDF) for Electric Utility.**

Assigned:

The Director of Electric Services is leading a staff team to develop an overall strategy to provide electric capacity for the next twenty years along with energy needs.

Status:

Currently, approximately 10% of our electric energy in our electric system comes from Refuse Derived Fuel (RDF) from the burning of garbage in lieu of coal. Our goal is to increase by an additional 10% our energy from a source other than RDF. To accomplish this goal, we are partnering

with the Iowa Municipal Utilities Association to explore the possibilities of assisting in the development of a wind farm in close proximity to our electric system. In addition, we have contracted with Prairie Rivers RC&D to explore the feasibility of converting our RDF to bio-crude. We are awaiting their results.

- **Educate the public about 1) the importance of reducing global warming pollutions and 2) what other similar size communities are doing in terms of developing sustainability programs.**

Assigned:

The City Council indicated support for these tasks by earmarking \$20,000 from the FY 2007-08 Contingency Account to accomplish these education ventures.

Status:

The City Council has yet to determine the preferred strategy for accomplishing these tasks.

STRENGTHEN OUR NEIGHBORHOODS

- **Explore a City/ISU partnership to improve tenant/landlord relations.**

Assigned:

The Mayor and City Manager will work with representatives from ISU Administration and GSB on this issue and report back to the City Council by May 2008.

Status:

On February 26, 2008 the City Council approved a CDBG program plan for FY 2008-09 that called for expenditures of approximately \$650,000 that focus on improving neighborhoods, including a new housing rehabilitation program.

- **Hold a workshop to discuss incentives for home improvements in established older neighborhoods.**

Assigned:

Within the next year, the Mayor and City Council will schedule a workshop regarding this topic. In preparation for this meeting, the City staff will prepare a report that will present various incentives (tax abatement, CDBG funding, grants, etc.).

Status:

No Action To Date

- **Hold an annual neighborhood summit.**

Assigned:

The Mayor and City Council will convene this neighborhood association meeting.

Status:

No Action To Date

- **Increase efforts to organize and support neighborhood associations.**

Assigned:

In FY 2008-09, an intern will be hired to accomplish this initiative.

Status:

Funds for this intern will be included in the City Manager's Recommended Budget for FY 2008-09.

PROMOTE "ONE COMMUNITY"

- **Respond to recommendations from the Inclusive Community Task Force.**

Assigned:

The Mayor and City Council will review the recommendations once they are submitted in April 2008.

Status:

No Action Taken To Date

- **Request the Mayor’s Youth Committee to explore hosting a “Junior Citizens” Academy.**

Assigned:

The Mayor will request that the Youth Committee help determine what topics would be of interest to this group so that City staff can develop a four to eight hour curriculum.

Status:

The Mayor has contacted the President of the committee and is awaiting their response.

- **Continue to hold regular meetings with other governmental organizations in the City and County.**

Assigned:

The Mayor and City Council will continue to schedule meetings each year with the City of Gilbert, City of Nevada, the Ames Community School District, Gilbert School District, United Community School District, Ames Economic Development Commission/Chamber of Commerce, Smart Growth Alliance, Convention and Visitors Bureau, Government of the Student Body, Mary Greeley Medical Center, Boone County Board of Supervisors, and Story County Board of Supervisors to discuss and coordinate future plans.

Status:

No Action Taken To Date

- **Increase support for celebrating diversity.**

Assigned:

Further clarification is needed by the City Council to determine in what form this support will come.

Status:

No Action Taken to Date

“BRAND” AMES

- **Determine whether a “branding” process should be implemented.**

Assigned:

This task will include an objective assessment from an outside source to explore the advantages Ames offers to people as they relate to other cities. If adopted, then all stakeholders would incorporate this brand identity into each other’s promotional elements (e.g., brochures and web pages). The Mayor and City Manager will meet with representatives of the AEDC, Chamber, and ACVB to ascertain if there is any interest in accomplishing this as a community-wide goal.

Status:

No Action Taken to Date

DEFINE DESIRED GROWTH

- **Review the current Land Use Policy Plan so that the City Council and the community can gain a better understanding about the background, history, content of this plan.**

Assigned:

The Planning and Housing staff will coordinate a workshop with the Planning and Zoning Commission and developers to review the current LUPP.

Status:

On February 19, 2008 a workshop was held featuring a review of the existing goals and key elements of the current plan by Steve Osguthorpe and a historical review on how the current plan was created by Brian O'Connell, the Planning and Housing Director for the City when the plan was developed.

○ **Update Annexation Study.**

Assigned:

The City staff will first attempt to estimate the amount of time and cost to accomplish this task.

Status:

No Action Taken To Date

○ **Hold a workshop/roundtable on targeted residential growth, followed by reaffirmation or modifications to current strategy.**

Assigned:

Because of the interest expressed by the Fieldstone developers and by a number of developers who hope to build homes immediately north in the near future in the fringe area, this meeting should be held as soon as possible.

Status:

No Action Taken To Date

○ **Annex and develop a large-lot industrial park.**

Assigned:

The City Manager along with appropriate staff will develop recommendations for accomplishing this task.

Status:

The City Manager has developed four possible strategies for accomplishing this project. After reviewing these scenarios with the development community, the options will be brought before the City Council for direction.

○ **Develop job creation action plan with area partners.**

Assigned:

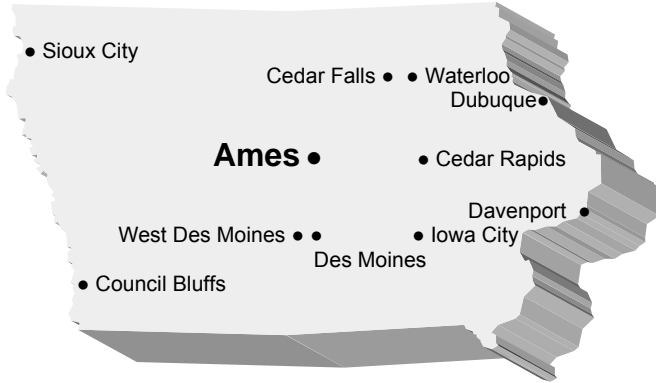
The City Manager will convene a meeting with representatives from AEDC, ISU, and DMACC to request their assistance in developing a plan to create jobs in Ames and the surrounding areas for college graduates. Further clarification by the City Council of expectations for this job creation plan would be helpful.

Status:

No Action Taken To Date

THE AMES COMMUNITY – MISCELLANEOUS STATISTICS

How the town was named....Ames was laid out, owned and named by the Blair Land Company. The company’s chief engineer, John I. Blair, met Oakes Ames, a State Representative from Massachusetts, in 1863 when Mr. Ames’ interest in the expansion of the railroad brought him to the Midwest. A year later, the flat lowlands between the Skunk River and Squaw Creek were named “Ames”.



Conveniently located....Near the crossroads of the nation, where I-35 and I-80 intersect, Ames is centrally located to all points. Interstate road systems place Ames just a few hours drive from Minneapolis, Kansas City, Omaha, Chicago and St. Louis. Des Moines, the state capital, is only 30 minutes away.

Date of Incorporation: 1869

Form of Government: Council – Manager

Fiscal Year: July 1 through June 30

Area: 24.22 square miles

POPULATION

1970	39,505
1980	45,775
1990	47,198
1995	48,691
2000	50,731
Ames is the home of Iowa State University with a student population of about 25,000.	

SCHOOL ENROLLMENT

1970	6,032
1980	5,031
1990	4,802
2000	4,754
2005	4,334
2006	4,432
2007	4,351

UTILITIES CUSTOMERS

Electric	23,883
Water	16,516
Wastewater	16,341
Storm Sewer	24,510
Yard Meter	1,761

MISCELLANEOUS CENSUS INFORMATION

Median Age of Population	23.6 years
Median Household Income	\$ 36,042

CLIMATE

Average Winter Temperature	20.8 degrees
Average Summer Temperature	71.8 degrees
Average Annual Rainfall	33.4 inches
Average Annual Snowfall	30.8 inches

Police Protection – One Station

35 Full-time Officers

Fire Protection – Three Stations

39 Full-time Firefighters

Library – One Main

Bookmobile

RANKED NATIONALLY AS A GREAT PLACE TO LIVE

Ranked #6 in Forbes’ *America’s Smartest Cities* (2008).

Named 2008 “100 Best Communities For Young People” by America’s Promise Alliance.

The City of Ames achieved the second highest grades for quality in ten areas in a new book, *The New Rating Guide to Life in America’s Small Cities* (2006). Ames ranked second out of 189 cities that qualify in the following areas: climate/environment, diversions, economics, education, community assets, health care, public safety, transportation, and urban proximity.

Rated third nationally in *Expansion Management* magazine for having a highly-educated work force that knowledge-based businesses require (2005)

Rated a “5 Star Quality of Life Metro” in *Expansion Management* magazine (2005)

BUDGET CALENDAR

State statute requires a municipality to certify its budget by March 15. This general schedule is followed each fiscal year in order to ensure that the March 15 deadline is met. A goal during the entire process is to encourage citizen involvement in the annual budget decision making process through public hearings and informational meetings.

SPRING

Resident Satisfaction Survey administered to 1,300 residents asking funding priorities, effectiveness of services, and preferred changes in emphasis/service levels. All results are reviewed with the City Council prior to the start of the budget process.

AUGUST SEPTEMBER

Departments prepare Capital Improvement (CIP) project information for the 5-year plan and begin preparation of amended 07/08 and proposed 08/09 operational budgets. Resident Satisfaction Survey results are presented to the City Council.

OCTOBER

November 5 – Public town budget meeting to receive input from residents for budget service levels and projects. The meeting is televised and the public can call in and e-mail questions.

NOVEMBER DECEMBER

December 4 – City Council budget meeting to review issues, priorities, and preferences in service levels for the 08/09 budget. Staff drafts 5-year CIP. PROBE meetings (Productive Review of Budget Entries) are conducted with Assistant City Managers, Finance Director, Budget Officer, and City departments. All revenues, operational program costs, and current year CIP adjustments are reviewed.

JANUARY

City Manager holds budget review meetings with departments. The City Manager's recommended draft budget document is prepared. **January 15 – CIP workshop** with City Council. **January 22 – Public hearing** for resident input on CIP.

FEBRUARY

February 1, 4, 5, 6, 12 – City Council reviews entire program budget with department heads in five (5) **public meetings** held on one afternoon and four evenings.

MARCH

March 4 – Final budget hearing and adoption of amended 07/08 budget and 08/09 budget. State statute requires the budget be certified with the County Auditor by March 15.

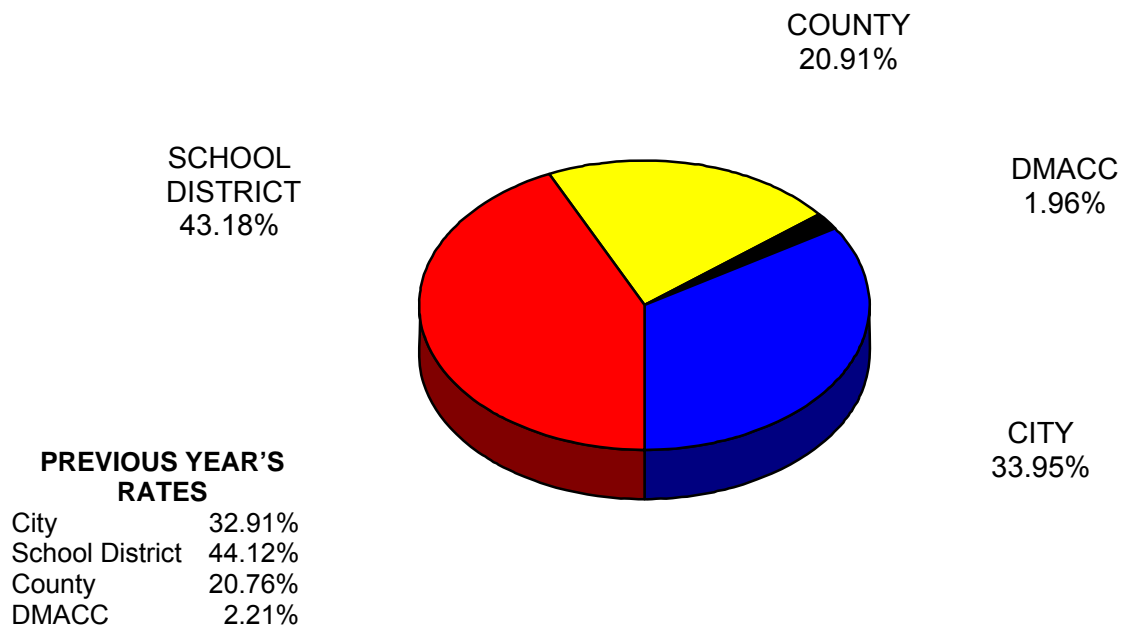
MAY

Departments review their budgeted revenues and expenses in May in order to make adjustments which will more accurately reflect the City's anticipated revenues and expenses for the fiscal year ending June 30. **After City Council review and approval, the amendments are submitted to the County Auditor by the end of May as required by State statute.**

PROPERTY TAXES

Property taxes are certified July 1 with the first half due on or before September 30 and the second half due on or before March 31. The first half taxes become delinquent on October 1 and the second half taxes become delinquent on April 1. There is a 1% per month penalty for delinquency. Taxes are collected by the County and distributed to the City in proportion of its levy to all levies.

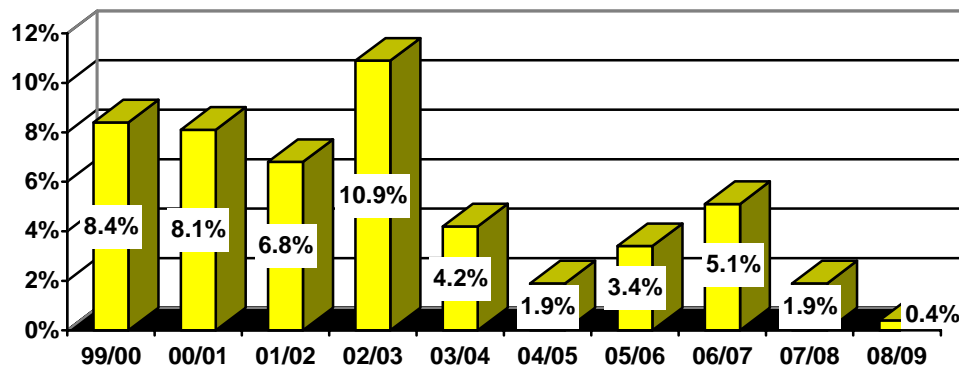
**BREAKDOWN OF PROPERTY TAXES PAID
2007/08 RATES**



City property taxes are about one-third of a resident's total property tax bill. The other taxing bodies are the School District, Story County, and the Des Moines Area Community College.

VALUATION GROWTH

VALUATION PERCENTAGE INCREASE 10 YEARS OF DATA



CITY OF AMES, IOWA

The 2008/09 budget is based on a .4% increase, or \$8,483,460 in additional taxable valuation for the City. The average valuation increase over the last ten years is 5.1%. The total valuation of \$1,941,794,882 is made up of the following components:

	Taxable Valuation	Percentage of Valuation	Change From Prior Year
Residential property	1,002,645,647	51.6%	1.7%
Commercial property	815,275,464	42.0%	(2.1%)
Industrial property	107,483,480	5.5%	7.7%
Utilities	9,410,562	.5%	5.3%
Utilities subject to excise	6,979,729	.4%	15.5%
	1,941,794,882	100.0%	.4%

FACTORS IMPACTING VALUATION GROWTH

The very modest increase in taxable valuation for FY 08/09 of .4% can be attributed to: 1) a distressed national economy that has slowed new construction to only \$51,225,000; 2) the continuation of conversions of apartments to condominiums/co-ops resulted in a loss of \$20,000,000 in taxable valuation; 3) court-ordered reductions in valuation for a few of our major commercial and industrial properties that lowered our valuations by \$15,000,000; and 4) the negative impact of the state mandated rollback on assessed valuation that caused a further erosion of our tax base by \$34,344,030 as residential properties are taxed at 44.08% down from 45.6% the prior year.

GENERAL FUND ENDING BALANCE

The adopted ending General Fund budgeted balance for June 30, 2009 is \$5,874,344, or 24.9% of budgeted expenditures. The City’s General Fund balance policy calls for a balance of at least 20% of expenditures.

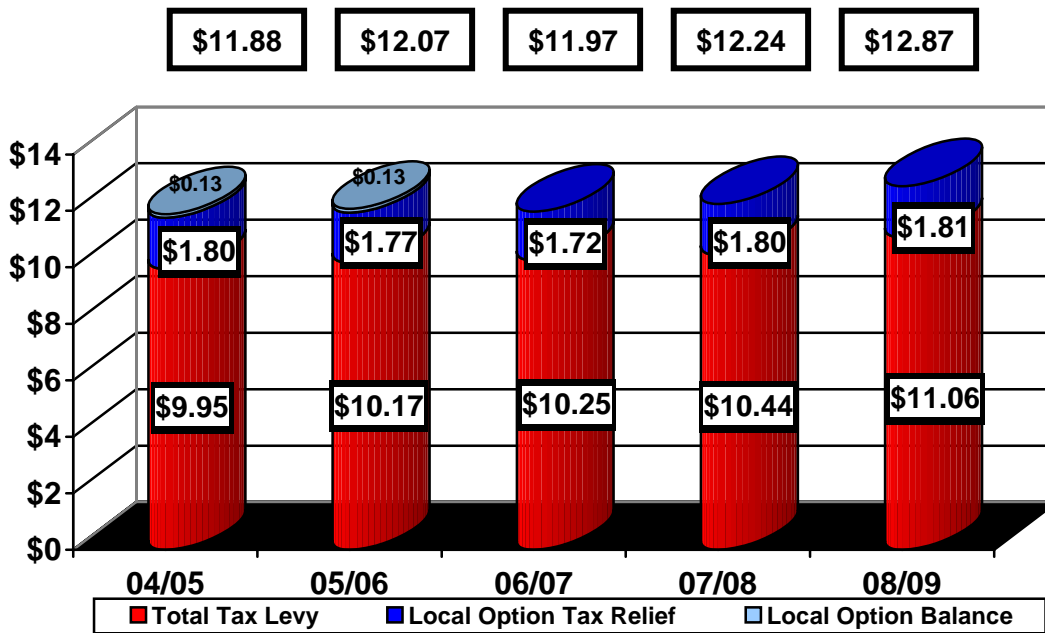
The City Council maintains this fund balance to help cover unexpected changes in expenses in revenues and to mitigate property tax rate increases in future years for capital improvements that have been identified in several pending long-range plans, including transportation, park and recreation facilities, annexation, and fire station location plans. These plans will also identify operational cost increases in addition to normal City growth from the physical expansion of Ames.

EMERGENCY RESERVE

In addition to fund balances, the City Council has for several years had a policy to annually budget a \$100,000 emergency reserve. These are discretionary funds over and above the general fund balance for use as designated by the City Council. This money is used for major projects which occur after the budget has been adopted. Due to budget restraints, only \$50,000 was approved for 2008/09. This is the seventh year Council has budgeted at the lower level.

LOCAL OPTION TAXES LOWER PROPERTY TAXES

EFFECT OF LOCAL OPTION TAX



LEVY/\$1,000 – CITY OF AMES, IOWA

On November 4, 1986, the citizens of Ames approved a Local Option Tax of 1% to be used 60% for property tax relief and 40% for community betterment. 60% of this tax will generate \$3,523,897 in 2008/09 which lowers the total tax levy by \$1.81. The chart illustrates the level the total levy would have to be if the Local Option Tax had not been approved. Adjusted local option tax revenues for FY 07/08 will be (\$73,862) less than the budget amount as retail sales slow. Local option tax revenues for FY 08/09 are projected to be just 1.24% higher than the 07/08 Adopted.

CITY OF AMES, IOWA 2008/09 BUDGET FACTS

Property Valuation \$ 1,941,794,882
 % Increase From 07/08 0.4%

LEVY REQUIRED	RATE PER \$1,000 VALUATION	AMOUNT	RATE CHANGE	%	AMOUNT CHANGE	%
General Fund Requirement	7.60513	14,767,611	0.31845	4.37	680,193	4.83
Less Local Option Property Tax Reduction	1.81476	3,523,897	(0.01439)	(0.80)	(43,218)	(1.24)
Net General Levy	5.79037	11,243,714	0.30406	5.54	636,975	6.01
Trust and Agency Levy (Partial Police/Fire Benefits)	.49436	959,941	(0.17742)	(26.41)	(338,815)	(26.09)
Transit Levy	.62329	1,210,300	0.03158	5.34	66,349	5.80
Total Before Debt Service	6.90802	13,413,955	0.15822	2.34	364,509	2.79
Debt Service Levy	4.15437	8,066,937	0.46832	12.71	940,645	13.20
Grand Total Tax Levy	11.06239	21,480,892	0.62654	6.00	1,305,154	6.47

Ag Levy - Valuation: \$1,189,756 x 3.00375 = \$3,574

STATE OF IOWA'S GENERAL TAX LEVY LIMIT

Iowa law limits a city's tax levy for the general fund to no more than \$8.10 per \$1,000 valuation in any tax year, except for specific levies authorized outside the limit. The City of Ames general fund levy for 2007/08 was \$5.49.

OF IOWA'S 11 LARGEST CITIES, AMES' LEVY RANKS 10TH

CITY	CENSUS	GENERAL LEVY PER \$1,000	TOTAL CITY TAX LEVY PER \$1,000	LEVY RANK	TOTAL CITY TAX LEVY PER CAPITA
Des Moines	198,682	\$ 8.10	\$ 16.59	5	\$ 469.51
Cedar Rapids	120,758	8.10	14.62	7	578.62
Davenport	98,359	8.10	15.58	6	540.38
Sioux City	85,013	8.10	18.47	2	429.01
Waterloo	68,747	8.10	18.77	1	504.01
Iowa City	62,220	8.10	17.30	4	648.28
Council Bluffs	58,268	8.10	18.19	3	586.53
Dubuque	57,686	8.10	10.32	11	315.22
Ames	50,731	5.49	10.44	10	397.86
West Des Moines	46,403	7.94	12.05	9	798.45
Cedar Falls	36,145	8.10	13.61	8	384.80
Average excluding Ames		8.08	15.55		525.48

Uses latest available tax rates - 07/08, and 2000 census.

CITY OF AMES, IOWA PROPERTY TAX COST OF SERVICES PER RESIDENCE 3-YEAR COMPARISON

	06/07	\$100,000 Home * 07/08	08/09
Streets/Traffic	126	128	131
Police Protection	107	109	106
Fire Protection	76	73	71
Recreation & Parks	41	42	59
Library	37	38	40
Transit	26	27	27
General Support Services	24	24	22
Planning	8	9	9
Resource Recovery	9	8	7
Storm Sewer	9	7	7
Animal Control	4	4	4
Inspections/Sanitation	1	3	3
Building and Grounds/Airport	3	3	2
	471	475	488
* Assessed Value	100,000	100,000	100,000
Rollback	45.996	45.5596	44.0803
Taxable Value	45,996	45,560	44,080
Tax Rate per \$1000	10.25190	10.43585	11.06239
Calculated Tax	471	475	488

All categories reflect their applicable amounts for debt.

CITY OF AMES, IOWA
AUTHORIZED EMPLOYMENT LEVELS (F.T.E.)
 (Full-Time Equivalents)

	2006/07 Actual	2007/08 Adopted	2007/08 Adjusted	2008/09 Adopted
City Manager	9.25	9.25	9.25	9.25
Legal Services	5.75	5.75	5.75	6.00
Human Resources	7.25	7.25	7.25	7.25
Planning & Housing	10.50	10.50	10.50	10.50
Finance	38.75	39.75	39.75	40.75
Fleet Services	8.50	8.50	8.50	8.50
Transit	73.70	73.70	73.70	75.70
Fire/Inspections	63.00	65.00	65.00	68.00
Police/Animal Ctrl/Parking Enforcement	74.40	74.40	74.40	74.65
Library	30.50	30.50	31.00	31.00
Parks/Recreation	22.00	22.00	20.50	20.50
Waste Water Treatment	22.25	22.50	22.50	22.50
Water	18.75	19.00	19.00	19.00
Electric	79.00	81.00	81.00	81.00
Public Works:				
Facilities	1.00	1.00	1.00	1.00
Administration	3.00	3.00	3.00	3.00
Traffic/Engineering	6.00	6.00	6.25	6.25
Streets	19.00	19.00	19.00	19.00
Engineering	11.00	12.00	12.00	12.00
Utility Maintenance	11.00	11.00	11.00	11.00
Resource Recovery	15.00	15.00	15.00	15.00
Grounds	5.00	5.00	5.00	5.00
Parking	1.75	1.75	1.75	1.75
Public Works Total	72.75	73.75	74.00	74.00
TOTAL	536.35	542.85	542.10	548.60

DEBT SERVICE COST ALLOCATION FOR 2008/2009 BUDGET

Valuation \$1,941,794,882

Use of Bond Proceeds	Allocated Debt Service	Debt Service Abatements	Property Tax Support	Rate Per \$1,000 Valuation
Fire Department Apparatus	\$ 141,886	\$ 35,472	\$ 106,414	0.05480
Fire Station 3	132,928		132,928	0.06846
Ice Arena	195,687		195,687	0.10078
Ada Hayden Heritage Park	437,276		437,276	0.22519
Resource Recovery/Landfill	465,100	150,100	315,000	0.16222
Aquatic Center	355,375		355,375	0.18301
Water Projects	53,081	53,081		
Urban Renewal – TIF	66,402	66,402		
Downtown Redevelopment	44,268		44,268	0.02280
Storm Sewer	320,116		320,116	0.16486
Streets	5,420,609		5,420,609	2.79153
Special Assessments	287,714	287,714		0.00000
2008/2009 CIP G.O. Bonds	1,398,025	198,759	1,199,266	0.61761
Total G. O. Debt	\$ 9,318,467	\$ 791,528	\$ 8,526,939	4.39126
Use of Fund Balance		460,000	(460,000)	-0.23689
Total Debt Service Cost	\$ 9,318,467	\$ 1,251,528	\$ 8,066,939	4.15437
FY 08/09 Debt Service Levy			\$ 8,066,939	4.15437

2008/2009 CIP G.O. ISSUE

N.E. Area Regional Commercial Improvements	\$ 350,000
Streets Engineering	3,617,573
Concrete Pavement Reconstruction	1,425,000
Donald & Ruth Furman Aquatic Center	5,278,000
Raw Well Water Loop Line	1,500,000
	\$ 12,170,573

* Abated by Water Utility

SUMMARY OF TOTAL REVENUES AND EXPENDITURES

ALL FUNDS - REVENUE SUMMARY

	2006/07 Actuals	2007/08 Adopted	2007/08 Adjusted	2008/09 Adopted	% Change From Adopted
Property Taxes	19,248,212	20,135,841	20,135,841	21,427,254	6.4
Utility Excise Tax	65,627	63,073	63,073	77,212	22.4
Local Option Sales Tax	5,995,753	5,801,132	5,727,270	5,873,162	1.2
Hotel/Motel Taxes	1,298,009	1,316,000	1,316,000	1,344,000	2.1
Other Taxes	7,359,389	7,180,205	7,106,343	7,294,374	1.6
Licenses & Permits	983,238	1,177,297	1,067,970	1,260,643	7.1
Federal Grants	3,140,918	6,906,487	7,625,990	4,999,130	-27.6
State Road Use Taxes	4,244,752	4,281,696	4,281,696	4,301,989	.5
Monies and Credits	15,573	15,000	15,000	15,000	0
State Grants	3,933,395	2,748,058	4,694,317	4,433,866	61.3
County Contributions	172,861	178,065	178,392	177,640	-.2
Government Cont/Partic	3,320,139	3,694,450	3,741,211	3,880,901	5.0
Intergov'tmental Revenue	14,827,638	17,823,756	20,536,606	17,808,526	-.1
Utility Charges	57,005,585	56,257,762	56,271,322	63,666,802	13.2
Other Chgs for Services	8,141,912	8,201,020	8,424,081	8,683,990	5.9
Charges for Services	65,147,497	64,458,782	64,695,403	72,350,792	12.2
Fines, Forfeit & Penalty	679,492	729,060	738,975	758,650	4.1
Interest	3,961,004	2,364,800	3,219,500	2,750,060	16.3
Other Uses of Money	721,087	641,605	746,405	771,995	20.3
Use of Money & Property	4,682,091	3,006,405	3,965,905	3,522,055	17.2
Proceeds from Bonds	5,285,000	6,490,000	9,682,268	23,520,573	262.4
Other Misc. Revenues	2,053,689	3,606,458	4,261,018	1,851,614	-48.7
Miscellaneous Revenues	7,338,689	10,096,458	13,943,286	25,372,187	151.3
Internal Services	10,679,936	11,139,311	11,049,404	11,785,903	5.8
Total Before Transfers	130,946,182	135,747,115	143,239,733	161,580,384	19.0
Transfers	10,629,221	10,309,898	12,429,153	12,370,379	20.0
Grand Total Revenues	141,575,403	146,057,013	155,668,886	173,950,763	19.1%

ALL FUNDS - EXPENDITURES

	2006/07 Actuals	2007/08 Adopted	2007/08 Adjusted	2008/09 Adopted	% Change From Adopted
OPERATIONS					
Public Safety					
421 Law Enforcement	6,274,567	6,588,796	6,818,312	6,795,513	3.1
422 Fire Safety/Admin	4,583,806	4,808,342	4,858,374	5,002,708	4.0
423 Inspection/Building Safety	731,084	986,196	1,041,041	1,078,586	9.4
424 Traffic Control	677,662	715,498	715,011	763,855	6.8
428 Other Community Protect	584,994	589,400	601,200	613,000	4.0
Total Public Safety	12,852,113	13,688,232	14,033,938	14,253,662	4.1
Utilities					
481 Resource Recovery	2,936,243	3,046,024	3,072,811	3,130,925	2.8
482 Water Utility	3,762,635	4,042,136	4,183,552	4,369,837	8.1
483 Storm Water Diversion	189,731	270,157	257,825	266,428	-1.4
484 Wastewater Disposal	2,790,703	2,976,480	2,948,825	3,045,895	2.3
485 Electric Operations	34,971,341	38,124,267	38,483,679	43,451,764	14.0
486 Utility Customer Service	1,219,364	1,272,144	1,269,615	1,323,124	4.0
Total Utilities	45,870,017	49,731,208	50,216,307	55,587,973	11.8
Transportation					
431 Street System	2,212,103	2,530,920	2,536,723	2,558,189	1.1
434 Public Parking	646,424	691,373	689,813	698,636	1.1
426 Transit System	5,715,951	6,170,729	6,205,217	6,590,312	6.8
438 Airport	107,745	104,019	114,733	104,833	.8
Total Transportation	8,682,223	9,497,041	9,546,486	9,951,970	4.8
Community Enrichment					
451 Recreation/Administration	2,148,773	2,258,571	2,260,467	2,404,760	6.5
452 Parks	885,267	953,911	948,114	985,080	3.3
455 Library Services	2,885,904	2,979,530	3,062,632	3,141,982	5.5
456 Library Grants/Donations	193,201	142,035	231,941	94,807	-33.3
441 Health & Sanitation	134,998	148,430	145,657	153,356	3.3
442 Animal Sheltering/Control	290,477	332,150	333,704	330,283	-.6
444 Human Services	847,067	904,108	917,909	956,522	5.8
445 Art Services/Agencies	108,198	128,316	152,693	127,529	-.6
461 Cemetery	127,644	111,018	125,050	116,372	4.8
462 Leased Housing	1,089,167	1,017,891	1,109,295	1,095,587	7.6
463 Affordable Housing	42,291	111,651	351,108	38,702	-65.3
464 Comm. Dev. Block Grant	507,090	487,358	1,313,466	494,001	1.4
465 Economic Development	250,749	160,632	157,387	160,826	.1
466 FEMA Disaster Activity	267,107		17,434		
467 Cable TV	74,751	91,484	106,608	99,990	9.3
Total Community Enrichment	9,852,684	9,827,085	11,233,465	10,199,797	3.8

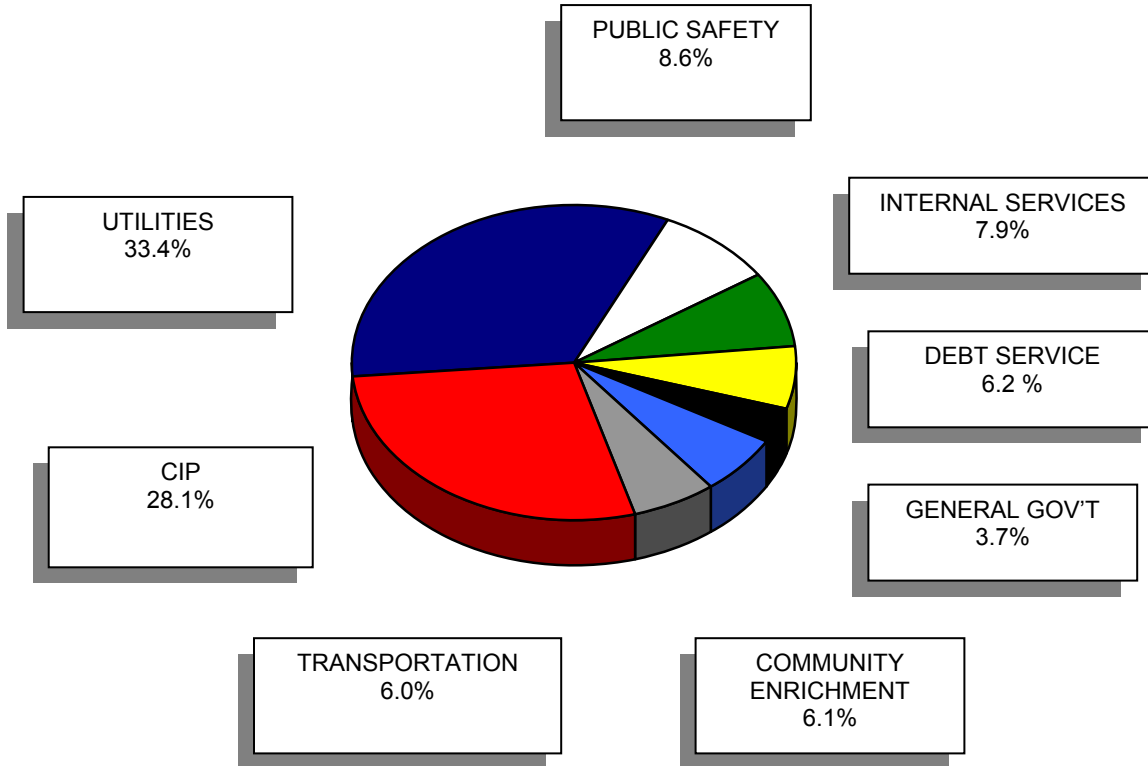
ALL FUNDS – EXPENDITURES, continued

	2006/07 Actuals	2007/08 Adopted	2007/08 Adjusted	2008/09 Adopted	% Change From Adopted
General Government					
410 City Council Spec. Alloc.	169,314	117,000	142,000	43,000	-63.3
411 Legislative	355,633	391,262	419,289	394,783	.9
412 City Council Contingency	44,822	50,000	54,214	50,000	0
413 Executive	544,923	570,936	564,064	562,199	-1.5
414 Financial Services	1,087,697	1,164,825	1,143,719	1,181,594	1.4
415 Administrative Services	1,647,379	1,722,028	1,831,966	1,829,694	6.3
416 Public Works Admin/Engr	1,232,408	1,489,047	1,517,850	1,590,811	6.8
417 Merit Adjustment		207,459		183,126	-11.7
418 Public Buildings	339,244	333,869	422,781	350,998	5.1
Total General Government	5,421,420	6,046,426	6,095,883	6,186,205	2.3
TOTAL OPERATIONS	82,678,457	88,789,992	91,126,079	96,179,607	8.3
CIP					
419 General Gov't CIP	6,368	938,000	1,255,893	50,000	-94.7
429 Public Safety CIP	824,146	1,439,402	2,248,920	2,620,675	82.1
489 Utilities CIP	14,189,962	11,469,172	15,344,397	25,032,695	118.3
439 Transportation CIP	6,696,415	14,687,500	19,151,308	11,900,410	-19.0
459 Community Enrich CIP	544,644	1,041,260	4,855,194	7,065,800	578.6
529 Internal Services CIP		48,000	118,635	97,500	103.1
TOTAL CIP	22,261,535	29,623,334	42,974,347	46,767,080	57.9
DEBT SERVICE					
471 General Obligation Bonds	7,933,303	8,022,578	7,776,642	9,318,467	16.2
472 Electric Revenue Bonds	1,911,800	103,000	103,000	1,070,812	939.6
478 Bond Costs	50,026		42,094		
Total Debt Service	9,895,129	8,125,578	7,921,736	10,389,279	27.9
INTERNAL SERVICES					
511 Information Technology	1,438,279	1,678,661	1,768,969	2,016,720	20.1
512 Telephone & WiFi System	221,379	220,577	271,616	274,063	24.2
513 Purchasing Services	313,210	383,813	383,003	403,701	5.2
521 Risk Administration	1,439,378	1,425,566	1,468,210	1,544,619	8.4
522 Health Ins Management	4,944,507	5,359,819	5,343,236	5,730,230	6.9
525 Fleet Maintenance Svcs	1,644,575	1,662,715	1,700,356	1,730,175	4.1
526 Fleet Acquisition & Disp.	892,074	1,062,437	1,344,350	1,495,489	40.8
Total Internal Services	10,893,402	11,793,588	12,279,740	13,194,997	11.9
Total Expenditures Before Transfers	125,728,523	138,332,492	154,301,902	166,530,963	20.4

ALL FUNDS – EXPENDITURES, continued

	2006/07 Actuals	2007/08 Adopted	2007/08 Adjusted	2008/09 Adopted	% Change From Adopted
TRANSFERS					
598 Transfers	10,629,221	10,309,898	12,429,153	12,370,379	20.0
531 Hotel/Motel Pass Thru	926,779	940,000	940,000	960,000	2.1
Total Transfers	11,556,000	11,249,898	13,369,153	13,330,379	18.5
GRAND TOTAL EXPENDITURES	137,284,523	149,582,390	167,671,055	179,861,342	20.2

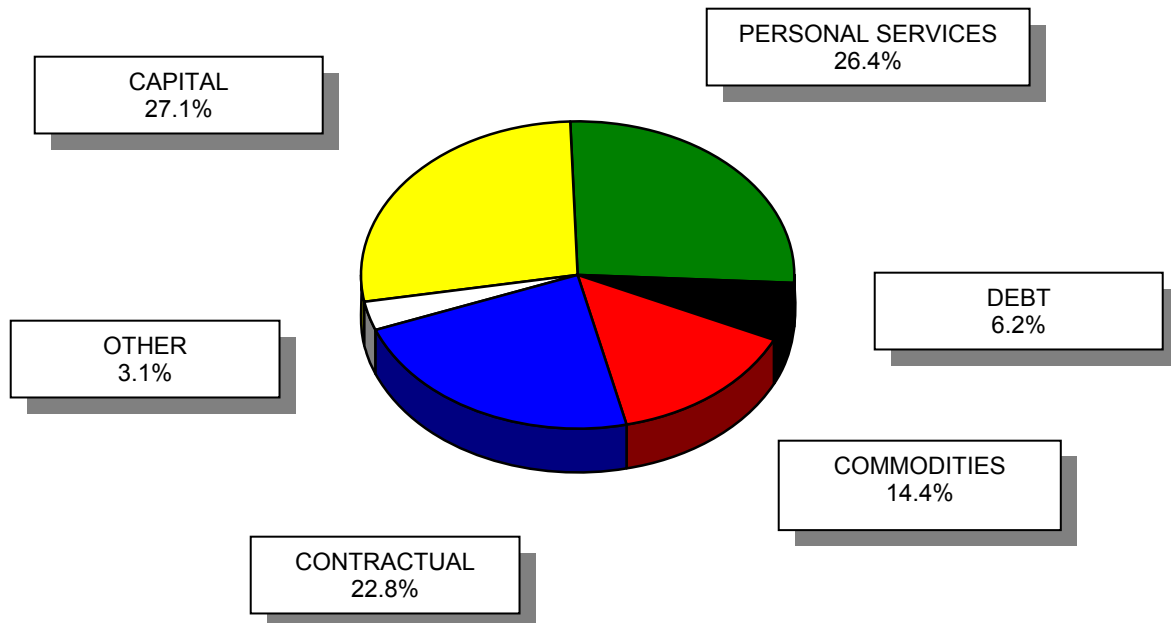
WHERE THE MONEY IS SPENT... 2008/09 ADOPTED



ALL FUNDS - EXPENDITURES BY CATEGORY

	2006/07 Actuals	2007/08 Adopted	2007/08 Adjusted	2008/09 Adopted	% Change From Adopted
Personal Services	38,987,306	42,093,727	41,355,828	43,899,030	4.3
Contractual	32,733,163	28,731,554	41,140,348	37,992,773	32.2
Commodities	19,974,829	23,228,390	17,568,148	23,961,176	3.2
Capital	19,587,819	31,399,080	41,550,087	45,139,505	43.8
Debt	9,895,129	8,125,578	7,921,736	10,389,279	27.9
Other (Refunds, Insurance Claims, etc.)	4,550,277	4,754,163	4,765,755	5,149,200	8.3
Transfers	11,556,000	11,249,898	13,369,153	13,330,379	18.5
Total Expenditures	137,284,523	149,582,390	167,671,055	179,861,342	20.2

BREAKDOWN BY MAJOR EXPENSE CATEGORY 2008/09 ADOPTED

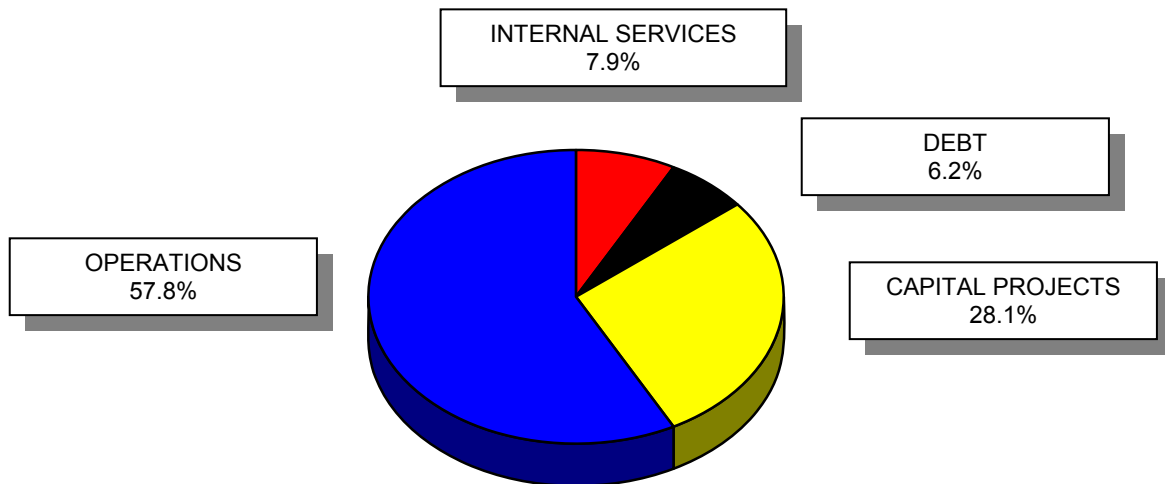


Excluding Transfers

ALL FUNDS - EXPENDITURES BY TYPE

	2006/07 Actuals	2007/08 Adopted	2007/08 Adjusted	2008/09 Adopted	% Change From Adopted
Operations	82,678,457	88,789,992	91,126,079	96,179,607	8.3
CIP	22,261,535	29,623,334	42,730,690	46,767,080	57.9
Debt	9,895,129	8,125,578	7,921,736	10,389,279	27.9
Internal Services	10,893,402	11,793,588	12,279,740	13,194,997	11.9
Sub-Total Before Transfers	125,728,523	138,332,492	154,301,902	166,530,963	20.4
Transfers	11,556,000	11,249,898	13,369,153	13,330,379	18.5
Total Expenditures	137,284,523	149,582,390	167,671,055	179,861,342	20.2

EXPENDITURES BY TYPE 2008/09 ADOPTED



Excluding Transfers

City of Ames Honors

The Water Pollution Control (WPC) Plant received a *Platinum-17 Peak Performance Award* from the National Association of Clean Water Agencies (NACWA). This award recognizes the facility and its staff for 17 consecutive years with 100% compliance with its discharge permit. In the 17+ years since the plant came online, it has met over 20,000 numerical limits without a single violation. According to NACWA's tracking, there are only two facilities in the country with longer compliance records.

In October 2007, Ames' water was voted "best tasting water in Iowa". Ames will be representing Iowa in the national water tasting competition to be held in Atlanta in June 2008.

The City of Ames' Fire Department received an improvement in its fire department rating from the Insurance Services Office (ISO). ISO is a privately funded agency that sets fire insurance rates for many insurance companies. ISO rates communities on a scale of 1 to 10, with 1 being the best a community could obtain. The City of Ames has been rated a 4 for the past two decades. The new ISO rating for the City of Ames is a 3. There is no city in Iowa with an ISO rating higher than a 3.

The City received the Wellness Councils of America (WELCOA) Well Workplace Gold designation in September 2007. For 14 consecutive years, the City of Ames has been designated as a Well Workplace; building from bronze level to the first gold designation in 2000. Gold Well Workplaces are companies that have successfully built comprehensive worksite wellness initiatives and are demonstrating and documenting concrete outcomes.

The City received the Fully Certified Agency award from the Universal Public Purchasing Council in 2005, 2006, and 2007. In 2007, the City also received the Sterling Award, recognizing that the City has maintained the fully certified agency status for three consecutive years. The City was one of six agencies to receive this national award.

Fleet Services received the "Blue Seal of Excellence" award for FY 07/08 for the fourth year in a row from the National Institute for Automotive Service Excellence (ASE). This award requires that 75% of an employer's fleet technicians are ASE certified; Ames' Fleet Technicians are 100% Certified Master Automotive and Master Truck Technicians.

The City of Ames has been recognized by the U.S. EPA as a "Clean Water Partner for the 21st Century". The award is part of the celebration of the 30th anniversary of the Clean Water Act and is intended to recognize local governments that have undertaken extraordinary efforts, beyond the requirements of the Clean Water Act, to protect and improve the overall health of the nation's watersheds. The City's application was based on the outcome of the College Creek Watershed cleanup and on the ongoing efforts at Ada Hayden Heritage Park.

Aaa Bond Rating for 2007, from Moody's Investors Service.

Certificate of Achievement for Excellence in Financial Reporting, Government Finance Officers Association. Every year since 1978/79.

Distinguished Budget Presentation Award, Government Finance Officers Association. Every year since 1986/87.

Tree City USA for 23 consecutive years.

ELECTRIC RATE COMPARISON
For Rates in Effect January 2008
 By Ames Municipal Electric System

RESIDENTIAL RATE COMPARISON

	250 kWh	% *	500 kWh	% *	750 kWh	% *	1,000 kWh	% *
SUMMER								
Ames Electric Svcs.	\$ 27.40	-39%	\$ 50.74	-30%	\$ 73.47	-25%	\$ 96.19	-24%
Alliant Energy	39.62		68.67		92.91		124.66	
MidAmerican Energy	29.57		50.65		71.72		92.79	
Consumers Energy	63.75		97.00		130.25		163.50	
Midland Power Coop	46.50		73.00		99.50		126.00	
WINTER								
Ames Electric Svcs.	25.08	-42%	45.36	-35%	63.94	-33%	82.51	-31%
Alliant Energy	35.00		59.43		79.66		99.90	
MidAmerican Energy	28.95		49.40		69.84		90.29	
Consumers Energy	63.75		97.00		130.25		163.50	
Midland Power Coop	46.50		73.00		99.50		126.00	

COMMERCIAL/GENERAL SERVICE/INDUSTRIAL RATE COMPARISON

	7,500 kWh	% *	10,000 kWh 40KW	% *	12,500 kWh 50KW	% *	30,000 kWh 100 KW	% *
SUMMER								
Ames Electric Svcs.	\$ 687.45	-10%	\$ 898.20	-4%	\$ 1,119.85	-4%	\$ 2,450.60	-7%
Alliant Energy	778.88		1,047.92		1,309.90		2,793.96	
MidAmerican Energy	652.33		835.88		1,019.43		2,304.28	
Consumers Energy	800.80		1,097.60		1,352.40		3,136.00	
Midland Power Coop	815.00		780.00		975.00		2,340.00	
WINTER								
Ames Electric Svcs.	\$663.26	-22%	\$ 786.08	-7%	\$ 972.25	-7%	\$ 2,150.40	-10%
Alliant Energy	601.45		737.36		921.70		1,980.08	
MidAmerican Energy	608.53		773.08		937.63		2,089.48	
Consumers Energy	800.80		1,097.60		1,352.40		3,136.00	
Midland Power Coop	815.00		780.00		975.00		2,340.00	

* % indicates difference in A.M.E.S. rates compared to average of other four utilities.

NOTE: Some utilities also offer optional rates for electric heat, time-of-use, etc.

ENERGY COST ADJUSTMENT FOR 2008 RATE COMPARISON

SUMMER RATE PERIOD

	Residential	Commercial	Industrial		
Ames Electric Svcs.	\$0.01530	\$0.01530	\$0.01530	Ames Electric Svcs.	June, July, Aug, Sep
Alliant Energy	0.01570	0.01570	0.01570	Alliant Energy	June 16 - Sep 15
MidAmerican Energy	N/A	N/A	N/A	MidAmerican Energy	June, July, Aug, Sep
Consumers Energy	0.00000	0.00000	0.00000	Consumers Energy	N/A
Midland Power Coop	0.00541	N/A	N/A	Midland Power Coop	N/A

RESIDENTIAL WATER RATE COMPARISON
Iowa Cities of 10,000 and Over Population
Rates as of September 2007

With Softening

	Population Served	Minimum	600 cf	1,000 cf	10,000 cf	50,000 cf	100,000 cf
Ames	50,731	\$ 7.30	\$ 15.64	\$ 21.20	\$ 168.20	\$ 811.80	\$ 1,623.60
Ankeny	37,000	5.20	16.18	25.98	263.63	1,315.07	2,640.08
Boone	12,803	7.37	22.22	34.10	260.15	884.68	1,666.28
Cedar Rapids	125,000	4.56	12.30	17.46	136.30	637.84	1,253.01
Iowa City	62,649	6.41	21.36	33.32	245.47	1,119.35	2,213.12
Marshalltown	26,009	4.85	12.77	18.05	137.95	673.50	1,340.95
Newton	15,579	7.62	13.34	19.06	117.36	550.36	1,079.41
W. Des Moines	54,591	3.00	17.63	27.38	247.05	1,224.75	2,449.50
Ames Rank Among 21		10	10	14	15	12	11

With Other Treatment

	Population Served	Minimum	600 cf	1,000 cf	10,000 cf	50,000 cf	100,000 cf
Cedar Falls	35,000	\$ 6.83	\$ 10.67	\$ 13.23	\$ 59.28	\$ 253.98	\$ 495.64
Fort Dodge	28,026	8.06	14.06	21.26	149.16	632.41	1,168.66
Marion	26,294	6.11	9.22	13.36	106.02	493.27	962.07
Sioux City	82,000	7.19	15.95	24.71	185.52	730.02	1,409.53
Ames Rank Among 33		14	16	21	21 (tie)	18	16

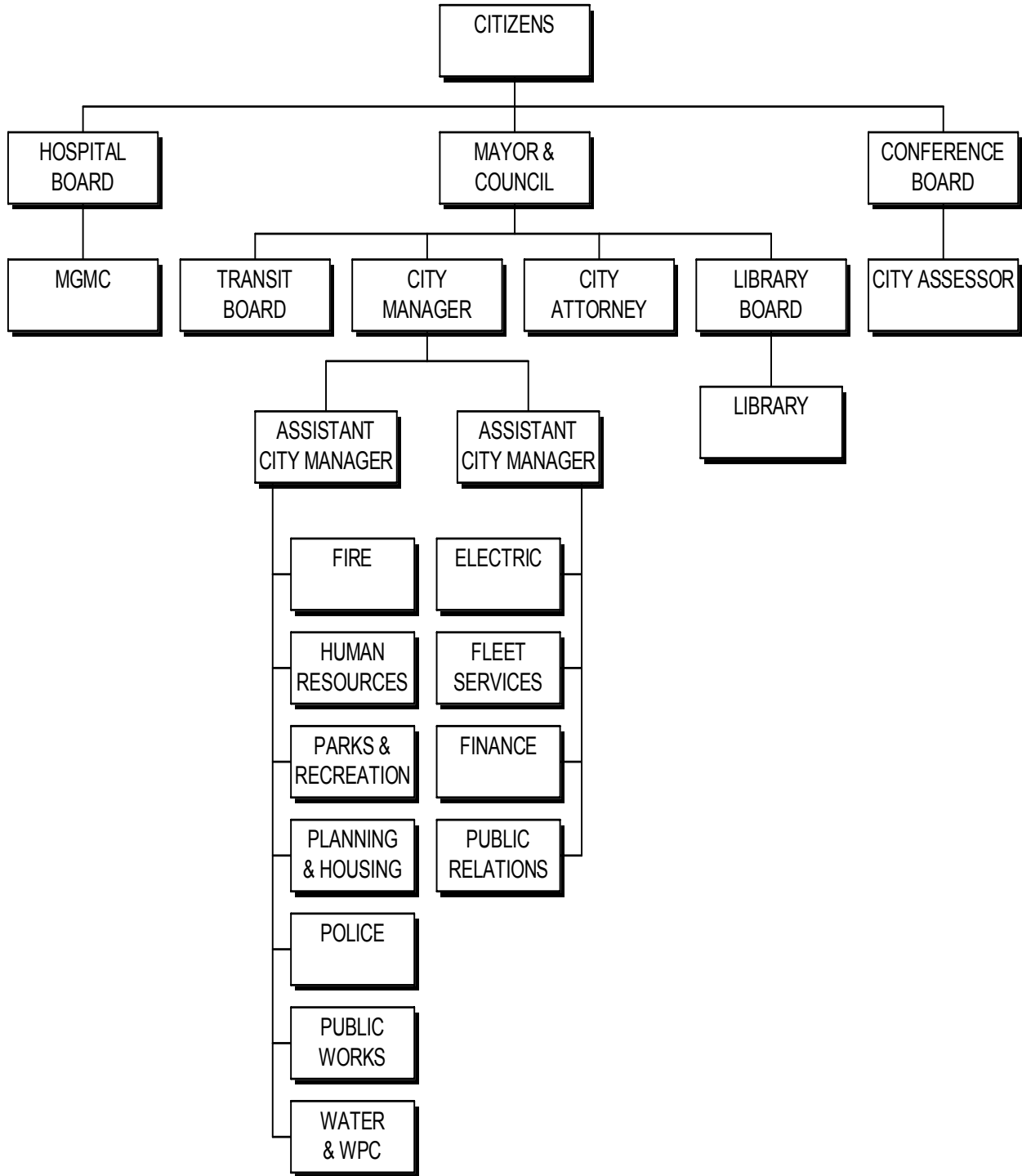
Range		\$ 0.00	\$ 6.00	\$ 9.16	\$ 59.28	\$ 253.98	\$ 495.64
	to	12.31	28.26	41.34	346.25	1,711.25	3,417.50
Median Rate		\$ 6.83	\$ 15.64	\$ 23.08	\$ 180.13	\$ 823.88	\$ 1,615.99
Ames, % of Median		106.9	100.0	91.9	93.4	98.5	100.5

RESIDENTIAL SEWER SERVICE CHARGE COMPARISON
Iowa Cities of 10,000 and Over Population
Rates as of September 2007

	Population Served	Minimum	600 cf	1,000 cf	10,000 cf	50,000 cf	100,000 cf
Ames	50,731	\$ 6.05	\$ 15.35	\$ 21.55	\$ 161.05	\$ 781.05	\$ 1,556.05
Ankeny	37,000	9.96	26.48	37.49	285.21	1,386.21	2,762.46
Boone	12,803	9.89	23.99	33.39	244.89	1,184.89	2,359.89
Cedar Falls	35,000	12.30	18.42	24.54	162.24	774.24	1,539.24
Cedar Rapids	125,000	9.88	15.36	20.84	144.14	692.14	1,377.14
Fort Dodge	28,026	10.27	13.26	19.24	153.57	750.57	1,496.82
Iowa City	62,649	7.76	26.76	41.96	383.96	1,903.96	3,803.96
Marshalltown	26,009	9.51	18.81	25.01	164.51	784.51	1,559.51
Newton	15,579	7.24	16.52	25.80	234.60	1,162.60	2,322.60
Sioux City	82,000	6.91	17.27	27.63	264.74	1,315.49	2,627.63
W. Des Moines	54,591	0.00	15.68	25.13	237.75	1,182.75	2,364.00
Ames Rank Among 35		23	26	25	28	27	26

Range		\$ 0.00	\$ 8.25	\$ 11.25	\$ 78.75	\$ 378.75	\$ 753.75
	to	14.00	29.60	48.58	485.98	2,430.00	4,859.98
Median Rate		\$ 7.00	\$ 16.97	\$ 25.01	\$ 191.69	\$ 936.59	\$ 1,842.21
Ames, % of Median		86.4	90.5	86.2	84.0	83.4	84.5

CITY OF AMES, IOWA ORGANIZATIONAL CHART



AMES CITY COUNCIL APPOINTEES

Name	Title	Phone Number
Steve Schainker	City Manager	515-239-5101
Doug Marek	City Attorney	515-239-5146

CITY OF AMES, IOWA, DEPARTMENT HEADS

Name	Department	Phone Number
Donald Kom	Electric	515-239-5171
Paul Hinderaker	Fleet Services	515-239-5520
Duane Pitcher	Finance	515-239-5113
Clint Petersen	Fire	515-239-5414
Julie Huisman	Human Resources	515-239-5199
Art Weeks	Library	515-239-5630
Nancy Carroll	Parks and Recreation	515-239-5350
Steve Osguthorpe	Planning & Housing	515-239-5400
Chuck Cychosz	Police	515-239-5130
John Joiner	Public Works	515-239-5162
Sheri Kyras	Transportation – CyRide	515-239-5563
John Dunn	Water & Pollution Control	515-239-5150



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