

FISCAL YEAR 2018/2019 CITY COUNCIL BUDGET ISSUES

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

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

OVERALL ECONOMIC CONDITION OF THE CITY

Though overall economic conditions in the City of Ames remain relatively strong, there is concern that revenue problems at the state level could lead to a reduction in property tax replacement that was part of recent state-wide property tax reform. Currently, the City receives approximately \$1,000,000 from this source.

The well reported impact of online commerce on traditional retail, coupled with low inflation, appears to be significantly reducing the growth rate of taxable retail sales and associated distribution of local option sales tax. This will have a negative impact on our budget.

We expect a continued modest increase in property valuation to have a positive financial impact on the City budget. The increase in taxable valuation will be partly offset by a reduction in the residential rollback rate from 56.94% to 55.62%.

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

Commercial and industrial property will continue to be taxed at 90% of value regardless of what may happen with replacement tax. A new property classification was implemented in FY 2016/17; multi-residential property, formerly taxed at 90% of value, will take another step toward rollback at the residential rate and will be taxed at 78.75% of value, with no state replacement tax.

Interest revenues for the City investments have increased slightly during FY 2017/18, but remain at relatively low rates. Though this will provide some additional revenue, rates for G.O. Bonds are likely to increase from the current very favorable levels.

GENERAL FUND

The General Fund ended FY 2016/17 with a balance of \$12,217,134, creating a beginning balance for FY 2017/18 that is \$3,051,033 higher than what was anticipated in the adopted budget. Revenues for FY 2016/17 were \$486,231 higher than what was budgeted due to increased Hotel/Motel tax revenue (\$160,210) and building permit revenue (\$514,273). Other City revenues in the General Fund were actually \$188,252 lower than what was budgeted. Expenditures for FY 2016/17 were \$2,564,802 lower than what was budgeted, largely due to incomplete CIP and other special projects, as well as salary and other savings in various City departments.

Of the \$3,051,033 additional General Fund balance, \$2,070,406 has been earmarked for incomplete FY 2016/17 projects that have been carried over into the FY 2017/18 adjusted budget. These projects include the City Hall parking lot reconstruction project (\$650,463), outside consulting for special projects for the Planning Department (\$331,447), the Human Service Agency Capital Grant program (\$300,000), the feasibility study for the Healthy Life Center (\$100,000), body cameras for the Police Department (\$64,000), as well as a number of smaller expenditures. Excluding the carryovers, a balance of \$980,627 remains, which is available for programming into the FY 2017/18 adjusted budget.

Each year the City Manager explains that the Council could decide to use some amount of this additional balance to subsidize operating costs, thereby lowering property tax rates in FY 2018/19. However, he always cautions that this strategy will only lead to a larger increase in the following year when this one-time balance will need to be replaced with a more permanent revenue source. Therefore, it is strongly recommended that funds from this one-time available balance should be used for one-time expenses. As the FY 2018/19 budget is being prepared, the staff will search for opportunities to utilize these one time funds.

CYRIDE – BUDGET CHALLENGES

With the significant increase in student enrollment at ISU over the past years, CyRide's ridership has grown to a record number of over 6.6 million rides per year. While everyone can take great pride in the success of our public transit system, CyRide's Board is concerned about the long-term financial viability of the system. Ridership has stabilized in the past two years, which will allow CyRide, through the newly-designed route structure developed last year and implemented next year, to meet the growing needs and desires of its customers in a financially-constrained manner.

Federal and state funding will remain the same or be slightly increased. Health insurance costs from last year, as a result of the Affordable Care Act (ACA), have been reduced to reflect CyRide's health care costs experienced last year after more part-time drivers were offered health insurance to comply with this federal legislation. Because of our unique

scheduling process for drivers, CyRide will very likely require additional expenditures for administration to assure compliance with the ACA. Even with the additional administration, it is possible that ACA penalties will be incurred.

FIRE AND POLICE RETIREMENT AND IPERS

-MFPRSI

The City contribution rate to the Municipal Fire and Police Retirement System of Iowa (MFPRSI) will be slightly higher. The current rate is 25.68% of covered wages and will be 26.02% for FY 2018/19. The rate remains well above the City's minimum contribution rate of 17% and is expected to remain so in the foreseeable future. The employee contribution share remains fixed at 9.40%. Impact of the City contribution rate increase is estimated at around \$30,000.

-IPERS

The City contribution rate to the Iowa Public Employee Retirement System (IPERS) will also be higher. The current rate is 8.93% of covered wages and will be 9.44% for FY 2018/19, a City-wide budget effect of approximately \$140,000. The employee contribution will increase from 5.95% to 6.29% with the fixed 60/40 sharing of the pension cost.

HEALTH INSURANCE

For several years, the City of Ames experienced health insurance increases between 5% and 9% per year. With recent favorable claims experience and a strong self-insured fund balance, staff is projecting a 5% rate increase for FY 2018/19. With this increase in premiums charged under the self-insured plan, staff expects a small draw down in the fund balance, but the balance will still be above the requirements to maintain a self-insured plan and provide an adequate balance to fund possible claims fluctuations. Staff will review the status of the plan again after the end of December and evaluate the need for a larger increase. The City-wide effect of the 5% health insurance rate increase is approximately \$373,000.

ROLLBACK AND VALUATION

Since 1978, residential and agricultural property has been subject to an assessment limitation order, or "rollback," that limits annual growth of property values (all other classes of property were eventually added). Prior to the 2013 overhaul of the property tax system, property value growth was limited to 4% per year for agricultural, commercial, industrial and residential properties. If property values grew by more than 4%, the taxable value was rolled back to comply with the assessment limitation system.

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

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

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

The legislature created a standing appropriation, beginning in FY 2014/15, to reimburse local governments for the property tax reductions resulting from the new rollback for commercial and industrial property (railroad not included). The “backfill” was funded by the legislature for current fiscal year and future backfill appropriations are capped at the FY 2015/16 level. **Staff is concerned that continued funding of the State obligation to provide backfill for property tax relief may be at risk for FY 2018/19. The total amount of replacement tax backfill included in FY 2017/18 budget is \$973,210, representing 3.5% of levied taxes. If funding of the replacement tax is eliminated and City Council chooses to maintain current service levels, a property tax rate increase of approximately \$0.36 would be required.**

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

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

The following rollback percentages will be phased in over eight years, beginning in budget FY 2016/17. **There is no backfill provision for this class, and estimated valuation in Ames is \$124.7 million, or a reduction of property tax dollars of approximately \$48,500 in FY 2018/19.**

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

The rollback for residential property will be reduced from 56.94% of taxable value to 55.62% for FY 2018/19. The change in rollback will reduce taxable valuation by about \$40 million. The table below shows recent history of rollback.

Rollback Percentage Rates				
Property Class	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Residential	55.7335	55.6259	56.9391	55.6209
Com. & Ind.	90.0000	90.0000	90.0000	90.0000

LOCAL OPTION SALES TAX

Estimated Revenue

For the current year, local option sales tax receipts are expected to be \$7,681,419, which is down \$249,481 or 3.1% from the adopted budget. Though we had seen recent recovery in retail sales, these numbers indicate general weakness in taxable retail sales. **The staff forecast for local option sales tax revenue for FY 2018/19 is for no increase from the FY 2017/18 adopted budget, or \$7,930,900.** Local option sales tax will still need to increase by just over 3% from the FY 2017/18 adjusted revenue to achieve the recommended number. A summary of the Local Option Sales Tax Fund with some illustrative options for the FY 2018/19 budget is included as Attachment 1 to this document and is by no means a recommendation for the upcoming budget. Though we do not need specific budget decisions at this time, staff is requesting Council direction on funding levels for ASSET, COTA, and other outside organizations. **Staff is concerned that weakness in taxable retail sales may be part of a fundamental shift in retail and could have a long-term impact on the capital improvements and services funded by local option revenues as well as the property tax relief provided.**

CAPITAL IMPROVEMENT FUNDING FOR HUMAN SERVICE AGENCIES

The FY 2017/18 Budget includes \$300,000 in General Fund support (carried over from FY 2016/17) and \$200,000 in the Local Option Sales Tax fund to support a Human Services Agency Capital Improvements Program CIP. In September 2017, the City Council directed staff to enter into an agreement with United Way of Story County to administer this program using \$250,000 of City funds. As part of the discussion, the City Council requested a discussion during the Budget Guidelines Session regarding how to proceed with the remaining \$250,000 in City funds.

United Way anticipates receiving requests and allocating the City funds over the next seven months. These funds were allocated entirely from the General Fund, leaving \$50,000 in the General Fund and \$200,000 in the Local Option Sales Tax Fund that have appropriated but not authorized in the Budget for this purpose. Since the demand from the agencies will not be known for several more months, it may be appropriate to carry forward this unspent \$250,000. If the program is successful, the City Council could choose to authorize these additional funds in FY 2018/19.

ASSET Human Services Funding

The City Council adopted the priorities below for human services funding in FY 2018/19:

1. Meet basic needs, with emphasis on low to moderate income:

- Housing cost offset programs, including utility assistance
- Sheltering
- Quality childcare cost offset programs, including daycare and State of Iowa licensed in home facilities
- Food cost offset programs, to assist in providing nutritious perishables and staples
- Transportation cost offset programs for the elderly and families
- Legal assistance
- Disaster response
- Medical and dental aid

2. Meet mental health and chemical dependency needs

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

3. Youth development services and activities

- Provide services for social development

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

	Story County	CICS	United Way	ISU Student Gov't.	City Budgeted Amount	City % Increase	Total
2012/13	\$ 1,029,339	\$ --	\$ 819,607	\$ 136,755	\$ 1,150,278	3.5%	\$ 3,135,979
2013/14	1,193,438	--	883,256	138,178	1,184,786	3.0%	3,299,850
2014/15	1,082,602	--	955,145	152,605	1,139,226	-3.8%	3,329,578
2015/16	879,857	349,856	1,002,833	167,339	1,212,375	6.4%	3,612,260
2016/17	1,031,870	430,718	1,084,827	178,882	1,278,973	5.5%	4,005,270
2017/18	1,072,156	448,724	1,193,303	194,430	1,355,711	6.0%	4,264,324

This year, ASSET added one agency, All Aboard for Kids, to the ASSET process. This agency provides summer enrichment programs for young children with autism spectrum disorders and related developmental disabilities. All Aboard for Kids is requesting \$2,000 in City funds for FY 2018/19.

The prior budget year is not the only way to evaluate the amount to budget for the next fiscal year. The amount budgeted at this time each year can vary if the volunteers do not recommend funding the entire amount. The amount contracted with agencies is often not entirely drawn down each year. In FY 2016/17, \$49,757 (3.6%) of the City allocation was not drawn down by agencies.

<i>Ames Requested FY 16/17</i>	<i>Ames Budget FY 16/17</i>	<i>Ames Contracted FY 16/17</i>	<i>Ames Request FY 17/18</i>	<i>Ames Budget FY 17/18</i>	<i>Ames Contract FY 17/18</i>	<i>Ames Request FY 18/19</i>
\$1,359,822	\$1,278,973	\$1,278,973	\$1,418,203	\$1,355,711	\$1,355,711	\$1,565,663

FY 2018/19 Program and Service Requests

For FY 2018/19, City ASSET funds requested by agencies total \$1,565,663, up \$209,952, or 15.5% over the current FY 2017/18 contracted services of \$1,355,711. The following are the largest dollar or percentage increase requests from the City:

- Ames Community Preschool Center (Day Care – Children)** – ACPC has requested a 25% increase (\$14,919) in City funds for the Children Day Care service. Similar percentage increases are being requested of Story County and United Way. ACPC attributes the increase in costs to challenges in attracting quality staff. ACPC also indicates it will investigate expanding its hours of operation in fall 2018.
- Boys and Girls Club (Daily Program)** – Boys and Girls Club has requested an increase in City funds from \$105,820 in FY 2017/18 to \$160,000 for next year. In total, the request to ASSET has increased from \$211,820 in FY 2017/18 to \$305,000 in FY 2018/19. This increase is due to Boys and Girls Club’s interest in developing an additional site to serve youth. The proposal increases the capacity at the Club from 141 at one time to 221 at one time. Boys and Girls Club has consulted with ASSET about its proposed additional site at Harvest Vineyard Church.
- Emergency Residence Project (Transitional Housing)** – ERP has requested a large increase for Transitional Housing. The City allocated \$5,000 in funding for Transitional Housing in FY 2017/18. ERP is requesting \$29,700 in ASSET funds from the City for FY 2018/19. ERP’s requests to United Way and to Story County are also substantial increases.
- MICA (Dental Clinics)** – The request to the City has increased from \$70,900 in FY 2017/18 to \$103,800 in the proposed FY 2018/19 budget. ASSET funds in total are requested to rise from \$149,897 in FY 2017/18 to \$219,897 in FY 2018/19. The Council may recall substantial ASSET funds were requested in the past two years to support the Dental Clinic in light of decreasing Medicaid reimbursements. Additionally, MICA received ASSET funder support outside the ASSET process (including \$50,000) to keep the Dental Clinic operational during FY 2016/17.
- Raising Readers (Thrive by Five)** – Raising Readers has requested a large increase for Thrive by Five. The City allocated \$8,860 in regular contract funding for Thrive by Five in FY 17/18. Raising Readers is requesting \$18,000 in ASSET funds from the City for FY 18/19, a 103% increase. Raising Readers’ requests to United Way and to Story County are also substantial increases.

In last year’s budgeting cycle, the City Council requested information as to which services indicated they had turned away clients due to a lack of funding. In FY 2018/19, there are 71 individual services for which agencies have requested City funding. The table below shows the breakdown of whether clients were turned away in the last full fiscal year and for what reasons:

Agency response to whether clients were turned away	# of services
No clients turned away	41
Clients turned away	16
No information provided regarding clients turned away	7
Some clients turned away due to ineligibility under criteria or rules violations	5
No clients turned away, but other sources of funding used or services curtailed	1
No data – new service	1

The “Clients Turned Away” category includes services where there is a waiting list. Of the 16 services in which clients were turned away, 12 involved a service where there are capacity limitations due to licensure or the number of available beds. The four remaining services where individuals were turned away are:

1. **MICA Family Development and Education.** MICA is not requesting an increase from the ASSET funders this year for this service.
2. **The Arc of Story County Respite Care.** The Arc of Story County is not requesting an increase from the ASSET funders this year for this service.
3. **The Salvation Army Bill Payer Program.** The Salvation Army noted that one client was turned away due to lack of volunteers. The agency is requesting an increase from \$3,650 in FY 2017/18 to \$4,563 in FY 2018/19.
4. **Youth and Shelter Services Mentoring Program.** YSS indicated that 16 youth were on the waiting list at the end of the school year and would be matched at the beginning of the school year. YSS is requesting an increase from \$25,170 in City funds for FY 2017/18 to \$28,000 in FY 2018/19.

In addition to the amount authorized for human services programs, the City will also budget its share of the ASSET administrative expenses. The City’s estimated share for these expenses in FY 2018/19 is \$4,500.

In the past several budget cycles, the City Council chose to authorize an ASSET increase of a fixed percentage, plus the amount necessary to fully fund the requests where clients were turned away due to a lack of funding. The table below indicates allocation options based on the percentage increases from the FY 2017/18 contracted amount of \$1,355,711.

Increase From Current	Dollar Increase	Total City Funding Authorized
0.28% (amt. to fully fund turn-away svcs.)	\$ 3,743	\$ 1,362,544
1%	13,557	1,369,268
3%	40,671	1,396,382
5%	67,786	1,423,497
15.5% (request)	209,952	1,565,663
+		
<i>ASSET Admin. Share</i>	\$ 4,500	<i>In addition to services</i>

The attached spreadsheet (Attachment A) indicates the services requested from the City compared to the current year, as well as the total amount requested from ASSET funders for each of these services. It does not include funding requested from other funders for services the City does not participate in.

COTA – Performing Arts Funding

The Commission on the Arts (COTA) allocation for FY 2017/18 is \$163,979, which was 5% higher than the \$156,170 allocated for FY 2016/17. **For FY 2018/19, COTA organizations have requested funding in the amount of \$162,885 (excluding special Spring and Fall Grants). This is a 0.6% (\$1,094) decrease from the FY 2017/18 appropriation.**

This year, applications for Annual Grant funding were received from 14 organizations. Three organizations that typically participate in this process did not submit applications: CoMotion Dance Theater, Friends of Ames Strings, and India Cultural Association. Several agencies that requested funds did not participate in the Annual Grant Workshop, which has been mandatory for several years. Although the COTA rules require that agencies may not receive any funds if they do not send a representative to the workshop, it appears reminders were not sent by City staff as they had been in previous years.

To reconcile this situation, the Commission offered to allow agencies that did not send representatives to the workshop to submit applications, but has made it clear that those agencies will not be eligible for funds above what they received for FY 2017/18. This decision affects five agencies. As always, a range of options is available for establishing an authorized allocation for FY 2018/19. It should be noted that COTA sets aside a portion of the funds authorized by the Council for Special Project Grant funds to distribute later in the year. Earlier this year, COTA decided to increase the flexibility of these funds. Awards may now be up to \$1,000 per project (up from \$750 each). Although the requests for Annual Grant funds are down, the City Council may wish to authorize a modest increase to allow for more Special Projects to be supported.

Increase From Current	Dollar Increase	Amount Authorized
-0.6% (request)	\$ -1,094	\$ 162,885
0%	0	163,979
1%	1,639	165,618
3%	4,919	168,898
5%	8,198	172,177

Funding Requests from Outside Organizations

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

The total amount allocated for the outside funding requests in FY 2017/18 was \$179,114. **The total FY 2018/19 request is \$278,220, which is a 55.3% increase over the 2017/18 total. It should be noted that the \$20,000 request from The Ames Foundation and \$14,000 of the request from the Hunziker Youth Sports Complex are for one-time projects (installation of entryway signage along I-35 and installation of a gate and fence at HYSC). Last year, it was the City Council’s preference to separate out one-time requests from ongoing operational requests. The remaining \$244,220 in requests for FY 2018/19 is for ongoing operations of the requesting agencies.**

Organization/Program	17/18 Award	18/19 Operations Request	% Change	18/19 One-Time Request
Ames Historical Society	\$ 40,000	\$ 43,500	8.75%	--
Ames Int’l Partner City Ass’n	8,000	8,000	0%	--
Campustown Action Ass’n	27,000	74,000	274%	--
Hunziker Youth Sports Complex	28,925	29,720	27.5%	\$ 14,000
Main Street Cultural District	41,189	54,000	31%	--
Story County Housing Trust Fund	34,000	35,000	2.9%	--
The Ames Foundation	--	--	--	20,000
TOTAL	\$179,114	\$ 244,220	55.3%	\$ 34,000

OPERATIONAL AND ONE-TIME REQUEST TOTAL: \$278,220

It should be noted that at the 2017 Budget Wrap-Up Session, the City Council approved \$20,000 for the MSCD Downtown Lighting project extension (FY 2016/17 General Fund contingency), \$15,000 for the Leadership Ames Entryway Signage Project (FY 2016/17 General Fund contingency), and \$2,700 for the Ames Historical Society Downtown Building Plaque Project (FY 2016/17 General Fund contingency).

The Council also authorized \$68,000 for a two year (FY 2016/17 and 2017/18) commitment to the Story County Housing Trust Fund Task Force. This funding came from the General Fund (\$34,000 of these funds are reflected in the table above).

With the exception of The Ames Foundation and HYSC requests, the other two large increases are being requested by MSCD and CAA. MSCD is requesting increases to cover its costs of being a designated Main Street Iowa community, hosting the Smithsonian Traveling Exhibit, obtaining Iowa Great Places designation and managing associated grants, downtown beautification, and event management and promotion. CAA’s request is

primarily associated with an increase in clean-up programming, including sidewalk power washing and weekly litter pickup.

Staff has not assumed the City Council will approve these requests. The past practice has been to include the amount approved for the prior fiscal year in the recommended budget. **City staff is seeking direction from the City Council regarding a total amount available to be allocated for the coming year and whether this amount should also cover one-time requests.** The applications will be reviewed by a committee of staff and residents with that budget authority in mind, and recommendations will be made to the City Council. As with other funding processes, a variety of options are available to the City Council:

Increase From Current	Dollar Increase	Amount Authorized
1%	\$ 1,791	\$ 180,905
3%	5,373	184,487
5%	8,956	188,070
36.3% (all requests, excl. one-time requests)	65,106	244,220
55.3% (all requests)	99,106	278,220

PUBLIC ART COMMISSION

City Council will receive the Public Art Commission’s request for funding for FY 2018/19 in January. The funding level of \$41,000 adopted for FY 2017/18 is currently included as the FY 2018/19 allocation for projecting the Local Option Sales Tax Fund balance.

STREET CONDITIONS / ROAD USE TAX FUND

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

The Road Use Tax Fund (RUTF) is accumulated through motor vehicle registration fees, motor vehicle fuel taxes, an excise tax imposed on the rental of automobiles, and a use tax on trailers. The RUTF revenue is restricted in use and the City uses the funds for operations and maintenance of street right-of-ways as well as capital improvements. The DOT is currently forecasting that RUTF distributions will be slightly higher in FY 2017/18. The adopted budget included \$7,046,318 in RUTF revenue; the adjusted budget will be a little less than 1% higher at \$7,105,282. For FY 2018/19, the DOT is forecasting a RUTF distribution of \$7,164,247 for the City of Ames. The FY 2017/18 budget is the second full year of distributions of fuel taxes after the 10 cent increase in the per gallon tax. Past experience has generally indicated that actual receipts are impacted by fuel prices and general economic activity. Both factors have been favorable for strong RUT receipts that could exceed current forecasts.

PARKING FUND

Based upon the May 16, 2017 Council workshop on the City's parking system, major changes will occur on both the expense and revenue sides of the Parking Fund.

One key Council decision was to expand parking revenues to cover capital improvements in the parking system. Parking revenues will now pay for the capital costs to maintain and replace the City's parking lots (parking infrastructure). Current parking rates are only able to cover the base operating costs of staff, equipment, and vehicles needed to manage City-owned parking. A new fee and fine rate structure is an essential step towards running the parking system as a standalone enterprise.

Changes Council has already approved or will consider in the near future include the following:

- Increasing parking meter fees
Beginning July 1, 2018, the City will establish new parking meter rates in the City's central business districts (CBD). The new tiered rate system will be made up of a \$1.00/hr., \$0.75/hr., and \$0.50/hr. meters. The highest rate will be used in the CBD core areas and be reduced in cost as moving further away from the core. Monthly reserved parking will also increase to \$50/month.
- Increasing Campus area parking enforcement through hiring more CSO's
Following the workshop on parking, Council directed the Police Department to hire additional CSO's to increase parking enforcement in the neighborhoods around the university campus. In order to accomplish this, the current year budget is being increased \$45,265. This cost increase will also be carried forward into next year for a total CSO cost of \$113,791.
- New parking payment technology
The City will also purchase new technologies to enhance the customer experience by implementing new technologies, specifically by accepting credit card payments by phone. These technologies will also provide information of real-time parking availability to help minimize driving around looking for an open parking stall.
- Consideration of a higher "special event" parking fine
Over the next several months, Police and the City Attorney's Office will explore the creation of a Special Event parking ordinance. This potential ordinance would establish a fine structure applied during events that have high parking impact, especially in neighborhood areas impacted by the ISU Campus. Staff is expected to report to City Council on this issue in early 2018.
- Other possible changes
There are also the issues of simplifying parking regulations in neighborhoods (e.g., SCAN), as well as exploring creation of a Vendor/Work/Contractor permit in the

CBD areas. Staff will work through the issues of cost, duration, and locations that this permit is good for before a proposal is presented to Council. If adopted, these changes would eventually also will impact the Parking Fund, though that would likely occur after FY 18/19.

Overall, the Parking Fund will be in a very dynamic state over the next two years as these changes are put in place and the financial impacts are evaluated.

Finally, as a follow up to the Council's recent parking system discussion, a question was raised regarding the added cost to acquire software to implement a graduated penalty system such as the one in Iowa City. That step would cost an additional \$15,000 beyond the \$12,000 base cost of software.

RESOURCE RECOVERY PER CAPITA FEE

In addition to user fees charged to the haulers, a *per capita fee* is charged to each jurisdiction served by our Resource Recovery System. This fee, based on the most recent decennial census, is paid by Ames, Story County and the eleven other participating cities; and a comparable fee is paid by ISU. The 2017/18 Adopted Budget shows this fee generating \$264,355, which is approximately 7% of budgeted revenues.

The per capita fee has remained at \$9.10 for the past six years. It had been \$10.50 for the six years before that time, but was reduced during a time when other System revenues were more than adequate. **As emphasized last year, it now appears that the per capita fee will need to be increased – possibly back to the \$10.50 level – in order to maintain a viable fund balance going forward. Whether this increase will be needed in this fiscal year or not until FY 2018/19 will be determined as the staff finishes its recommendation for the operating budget and five year CIP for this utility.**

DEBT SERVICE – COMPLETE STREETS

Approximately 33% of the property taxes that will be collected in the current fiscal year will go to pay for the debt service related to the issuance of General Obligation bonds. The vast majority of this debt is related to street and traffic improvements. Preliminary review of the CIP indicates that the average amount of G.O. Bond debt will increase from \$9,200,000 per year to \$10,005,000 per year. This increase is primarily related to our anticipated commitment to a Complete Streets philosophy requiring more on-street bike lanes associated with street construction as well as off-street bike paths. This increase in debt financing will have an impact on the property tax requirements in the coming years.

TOWN BUDGET MEETING

On October 3, 2017, the annual Town Budget Meeting was held. Minutes from the meeting are included as Attachment 3 to this document.

City Council's Input

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

Service Level Increases

Service Level Decreases

Other Issues

Attachment 1

LOCAL OPTION SALES TAX FUND SUMMARY

	FY 17/18 Adopted	FY 17/18 Adjusted	1% Increase COTA/ASSET FY 18/19 Estimated	3% Increase COTA/ASSET FY 18/19 Estimated	5% Increase COTA/ASSET FY 18/19 Estimated	Full Request COTA/ASSET FY 18/19 Estimated
Revenues						
Local Option Sales Tax	\$ 7,930,900	\$ 7,681,419	\$ 7,930,900	\$ 7,930,900	\$ 7,930,900	\$ 7,930,900
Transfer from Hotel/Motel	130,000	137,143	140,000	140,000	140,000	140,000
Grants	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-
Total Revenues	<u>8,060,900</u>	<u>7,818,562</u>	<u>8,070,900</u>	<u>8,070,900</u>	<u>8,070,900</u>	<u>8,070,900</u>
Transfers						
Ice Arena	20,000	20,000	20,000	20,000	20,000	20,000
Park Development	100,000	100,000	100,000	100,000	100,000	100,000
60% Property Tax Relief	4,758,540	4,608,851	4,758,540	4,758,540	4,758,540	4,758,540
Total Transfers	<u>4,878,540</u>	<u>4,728,851</u>	<u>4,878,540</u>	<u>4,878,540</u>	<u>4,878,540</u>	<u>4,878,540</u>
Expenses						
Human Service Agencies	1,355,711	1,355,711	1,369,268	1,396,382	1,423,497	1,565,663
Commission on the Arts	163,979	163,979	165,618	168,898	172,177	162,885
City Council Spec. Alloc.	149,114	149,114	150,605	153,587	156,644	244,220
Human Services Admin	19,505	20,683	21,303	21,303	21,303	21,303
Public Art	41,000	69,000	41,000	41,000	41,000	41,000
Municipal Band	27,035	27,061	27,170	27,170	27,170	27,170
	-	-	-	-	-	-
Total Expenses	<u>1,756,344</u>	<u>1,785,548</u>	<u>1,774,964</u>	<u>1,808,340</u>	<u>1,841,791</u>	<u>2,062,241</u>
Net Increase/(Decrease)	1,426,016	1,304,163	1,417,396	1,384,020	1,350,569	1,130,119
Beginning Balance	<u>2,694,799</u>	<u>5,812,850</u>	<u>2,155,925</u>	<u>2,155,925</u>	<u>2,155,925</u>	<u>2,155,925</u>
Available for CIP	4,120,815	7,117,013	3,573,321	3,539,945	3,506,494	3,286,044
CIP Projects	<u>1,845,000</u>	<u>4,961,088</u>	<u>1,655,000</u>	<u>1,655,000</u>	<u>1,655,000</u>	<u>1,655,000</u>
Ending Balance	2,278,415	2,155,925	1,918,321	1,884,945	1,851,494	1,631,044
Minimum Fund Bal. Rsv.	930,336	1,716,659	887,491	895,835	904,198	959,310
Avail Un-Resv Fund Bal.	<u>\$ 1,348,079</u>	<u>\$ 439,266</u>	<u>\$ 1,030,830</u>	<u>\$ 989,110</u>	<u>\$ 947,296</u>	<u>\$ 671,734</u>

(1)

(1) Percentage increases same as COTA/ASSET. FY 18/19 full request includes Story County Housing Trust Fund at \$35,000, funded in current year by General Fund.

			City of Ames		Service Statistics			
Agency	Service	Index	Contracted 17/18	Request 18/19	18/19 Proposed Units of Service	Unit of Service	18/19 Proposed Cost per Unit	Clients Turned Away in 16/17
ACCESS	Battering Shelter	2.08	\$ 49,450	\$ 54,890	2,600	24 Hr Period Food/Shelter	\$ 127.00	190 turned away due to lack of space.
ACCESS	Battering Crisis Intervention	3.07	\$ 2,856	\$ 3,142	190	Staff Hours	\$ 132.00	0
ACCESS	Battering Counseling and Support	3.07	\$ 26,952	\$ 29,647	1,550	Staff Hours	\$ 136.00	0
ACCESS	Rape Relief Crisis Intervention	3.08	\$ 2,026	\$ 2,229	370	Staff Hours	\$ 152.00	0
ACCESS	Rape Relief Counseling and Support	3.08	\$ 4,610	\$ 5,071	1,350	Staff Hours	\$ 136.00	0
ACCESS	Battering Courtwatch	3.10	\$ 5,310	\$ 5,841	425	Staff Hours	\$ 138.00	0
ACCESS	Public Education and Awareness	1.12	\$ 3,670	\$ 3,743	380	Staff Hours	\$ 125.00	0
			\$ 94,874	\$ 104,563				
Ames Comm. Preschool Center	Day Care - Infant	2.02	\$ 6,000	\$ 8,320	3,120	Full Days	\$ 62.37	"It is not possible to realistically estimate unmet need since families put their names on multiple waiting lists"
Ames Comm. Preschool Center	Day Care - Children	2.03	\$ 58,200	\$ 73,119	22,176	Full Days	\$ 46.55	Has 100 on waiting list. Hard to guess unmet needs until recontact families.
Ames Comm. Preschool Center	Day Care - School Age	2.04	\$ 27,000	\$ 32,000	55,100	Partial Days	\$ 10.25	Long waiting lists at each school site. Group size capped at 50.
			\$ 91,200	\$ 113,439				
All Aboard for Kids	Out of School Program	1.09	\$ -	\$ 2,000	420	Partial Days	\$ 70.00	No clients were turned away
				\$ 2,000				
American Red Cross	Disaster Services Program	2.12	\$ 9,800	\$ 10,000	20	Staff Hours	\$ 4,135.00	No clients were turned away
			\$ 9,800	\$ 10,000				
Boys and Girls Club	Youth Development and Social Adjustment - Daily Program	1.07	\$ 105,820	\$ 160,000	42,134	Client Contact/Day	\$ 20.65	At least 25 youth were turned away because of limited capacity.
			\$ 105,820	\$ 160,000				
Campfire	Day Care- School Age	2.04	\$ 2,190	\$ 2,300	4,200	Partial Days	\$ 65.04	There were a few weeks of camp where it was at capacity and some families were turned away. No clients turned away due to an inability to pay. Estimate another 90 days of service could have been provided.
Campfire	Day Care - School Age - Scholarships	2.04	\$ 4,870	\$ 5,114	500	Partial Days	\$ 132.69	No families were turned away, even when the dollars ran out.
			\$ 7,060	\$ 7,414				
Center for Creative Justice	Correctional Services - Probation Supervision	2.09	\$ 57,460	\$ 60,333	4,800	Client Hours	\$ 67.27	0
			\$ 57,460	\$ 60,333				
ChildServe	Day Care - Infant	2.02	\$ 6,000	\$ 6,000	8,509	Full Days	\$ 50.47	No spots open most of the year, and 14 to 35 on the waiting list. All ASSET funds were used.
ChildServe	Day Care - Children	2.03	\$ 15,000	\$ 15,000	18,158	Full Days	\$ 44.69	There were about 6 openings through the year.
			\$ 21,000	\$ 21,000				
Emergency Residence Project	Emergency Assistance for Basic Material Needs	2.08	\$ 75,500	\$ 77,010	8,702	24 Hr Period Food/Shelter	\$ 33.60	Some referrals are turned away, especially if the referral has no connection to the Ames/Story County community and the shelter is full.
Emergency Residence Project	Transitional Housing	2.07	\$ 5,000	\$ 29,700	7,403	Full Days	\$ 14.15	Many applicants are turned away due to the limited openings available. The number has been difficult to track and has not been collected.
			\$ 80,500	\$ 106,710				
Eyerly Ball	Primary Treatment/ Health Maintenance - Crisis	3.09	\$ 10,000	\$ -	-	Contacts	N/A	0
			\$ 10,000	\$ -				
Good Neighbor	Emergency Assistance for Basic Material Needs	2.01	\$ 13,917	\$ 18,917	1,238	Client Contacts	\$ 118.77	Turned away 40 households requesting rent/utility assistance during the year. Grant funding was obtained that allowed Good Neighbor to return to all appointments being available.
Good Neighbor	Healthy Food Vouchers	2.01	\$ 3,333	\$ 7,833	1,867	Client Contacts	\$ 39.99	0
			\$ 17,250	\$ 26,750				
Heartland Senior Services	Day Care - Adults , Adult Day Center	3.02	\$ 54,344	\$ 61,844	5,523	Client Days	\$ 72.61	Participation days are reduced on occasion due to space limitations
Heartland Senior Services	Congregate Meals	3.06	\$ 23,462	\$ 24,166	6,624	Meals	\$ 10.61	0
Heartland Senior Services	Home Delivered Meals	3.05	\$ 13,500	\$ 15,000	29,000	Meals	\$ 8.17	0
Heartland Senior Services	Senior Food Program	3.01	\$ 4,177	\$ 4,177	1,345	Client Contacts	\$ 8.08	Not indicated
Heartland Senior Services	Service Coordination - Outreach	3.13	\$ 43,000	\$ 44,290	2,125	Client Hours	\$ 76.44	0
Heartland Senior Services	Activity and Resource Center	3.14	\$ 38,000	\$ 39,140	11,200	Client Contacts	\$ 10.74	0
			\$ 176,483	\$ 188,617				
HIRTA	Transportation - City	2.13	\$ 39,000	\$ 39,000	45,000	One-Way Trip	\$ 17.62	Not indicated
HIRTA	Transportation - Iowa City	2.13	\$ 2,000	\$ 2,000	50	One-Way Trip	\$ 232.00	Not indicated
			\$ 41,000	\$ 41,000				

Agency	Service	Index	City of Ames		18/19 Proposed Units of Service	Unit of Service	18/19 Proposed Cost per Unit	Service Statistics Clients Turned Away in 16/17
			Contracted 17/18	Request 18/19				
Legal Aid	Legal Aid - Society , Legal Aid - Civil	2.10	\$ 95,400	\$ 100,000	4,400	Staff Hours	\$ 67.80	None, except in conflicts of interest or ineligibility under income guidelines
			\$ 95,400	\$ 100,000				
Lutheran Services in Iowa	Crisis Intervention , Crisis Child Care	3.09	\$ 5,700	\$ 5,700	112	Contacts	\$ 525.71	0
Lutheran Services in Iowa	Primary Treat./Health Maint (Outpatient) School Based Ment	3.17	\$ 5,000	\$ 5,000	633	Client Hours	\$ 117.25	0
			\$ 10,700	\$ 10,700				
Mary Greeley Home Health Services	Community Clinics and Health Education	3.01	\$ 16,500	\$ 16,800	4,400	Clinic Hours	\$ 97.00	Not indicated
Mary Greeley Home Health Services	In-Home Health Assistance	3.04	\$ 13,500	\$ 14,500	7,970	Hours	\$ 50.70	0
			\$ 30,000	\$ 31,300				
MICA	Community Clinics - Child Dental	3.01	\$ 1,650	\$ 1,650	130	Clinic Hours	\$ 158.82	0
MICA	Dental Clinics	3.01	\$ 70,900	\$ 103,800	1,920	Clinic Hours	\$ 387.27	No eligible individual was turned away.
MICA	Community Clinics - Fluoride Varnish	3.01	\$ 825	\$ 825	933	Clinic Hours	\$ 58.88	0
MICA	Food Pantry	2.01	\$ 18,802	\$ 21,136	6,500	Client Contacts	\$ 11.03	0
MICA	Family Development/ Education	1.10	\$ 7,279	\$ 7,279	240	Client Hours	\$ 166.83	10 families on the waiting list were unable to participate.
			\$ 99,456	\$ 134,690				
NAMI	Public Education and Awareness	1.12	\$ 500	\$ 7,000	975	Staff Hours	\$ 43.08	0
NAMI	Wellness Center	1.02	\$ 6,000	\$ -	1,242	Staff Hours	\$ 43.88	0
			\$ 6,500	\$ 7,000				
Raising Readers	Thrive by Five	1.10	\$ 8,860	\$ 18,000	10,580	Client Hours	\$ 17.47	0
Raising Readers	Out-of-School Time Learning	1.10	\$ 8,550	\$ 18,000	3,100	Client Hours	\$ 31.99	No clients were turned away.
			\$ 17,410	\$ 36,000				
RSVP	Disaster Services - Volunteer Management for Emergencies	2.12	\$ 6,500	\$ 7,100	500	Staff Hours	\$ 27.78	0
RSVP	Transportation	2.13	\$ 1,000	\$ 1,430	2,150	One-Way Trips	\$ 12.72	0
RSVP	Volunteer Management	1.11	\$ 22,260	\$ 22,500	35,500	Staff Hours	\$ 3.86	0
			\$ 29,760	\$ 31,030				
The Arc of Story County	Special Recreation - Active Lifestyles	3.19	\$ 2,500	\$ 5,075	8,200	Participant Hours	\$ 9.75	0, but ran out of funding for the months of April, May and June. 7,500 units of service that were not billed to ASSET and were paid for with other funding sources
The Arc of Story County	Respite Care	3.11	\$ 4,000	\$ 4,000	650	Client Hours	\$ 18.46	Were not able to provide 8 children with respite funds, mainly due to the State administering the Children At Home grant.
The Arc of Story County	Service Coordination	3.13	\$ 1,200	\$ 1,400	340	Client Hours	\$ 22.94	0
			\$ 7,700	\$ 10,475				
The Salvation Army	Food Pantry	2.01	\$ 6,500	\$ 8,125	1,500	Client Contacts	\$ 40.53	Only turn someone away if they come earlier than 30 days.
The Salvation Army	Homelessness Prevention	2.01	\$ 20,500	\$ 25,625	225	Client Contacts	\$ 311.98	300 clients were turned away due to no available appointment times, household received help in past year, doesn't reside in County, eviction in spite of assistance, failure to follow program requirements, and a pattern of co-dependency on services.
The Salvation Army	Disaster Services	2.12	\$ 629	\$ 787	90	Staff Hours	\$ 94.44	Not indicated
The Salvation Army	Representative Payee Services	2.14	\$ 12,359	\$ 15,449	2,298	Client Contacts	\$ 41.00	24 clients are on the waiting list, but none has been turned away
The Salvation Army	Bill Payer	2.14	\$ 3,650	\$ 4,563	150	Client Contacts	\$ 115.06	1 client turned away due to lack of volunteers
			\$ 43,638	\$ 46,424				
University Community Childcare	Child Care - Infant	2.02	\$ 25,630	\$ 28,193	3,120	Full Days	\$ 72.14	Wait list for services, but remains fluid due to some families no longer being interested in services when contacted. Occupancy was 99% for the year, based on licensed capacity.
University Community Childcare	Child Care - Children	2.03	\$ 31,900	\$ 35,090	8,320	Full Days	\$ 58.95	Wait list for services, but remains fluid due to some families no longer being interested in services when contacted. Occupancy was 99% for the year, based on licensed capacity.
University Community Childcare	Comfort Zone	2.05	\$ 1,000	\$ 1,100	160	Partial Days	\$ 383.65	Children are only turned away if they do not have current immunization information or if they are not "mildly ill"
			\$ 58,530	\$ 64,383				
Volunteer Center of Story County	Volunteer Management	1.11	\$ 8,390	\$ 9,400	7,600	Staff Hours	\$ 17.07	0
Volunteer Center of Story County	Youth Engagement	1.02	\$ 1,400	\$ 2,350	2,500	Staff Hours	\$ 13.41	0
			\$ 9,790	\$ 11,750				
Youth and Shelter Services	Substance Abuse Treatment - Outpatient	3.16	\$ 8,500	\$ 8,500	427	Client Hours	\$ 286.85	0
Youth and Shelter Services	Primary Treatment /Health Maintenance Family Counseling	3.17	\$ 52,000	\$ 52,000	6,171	Client Hours	\$ 178.33	0

Agency	Service	Index	City of Ames		Service Statistics			
			Contracted 17/18	Request 18/19	18/19 Proposed Units of Service	Unit of Service	18/19 Proposed Cost per Unit	Clients Turned Away in 16/17
Youth and Shelter Services	Transitional Living / Homeless	2.01	\$ 2,250	\$ 3,250	5,500	Client Contacts	\$ 29.30	All transitional living locations were full a majority of the time with a waiting list
Youth and Shelter Services	Emergency Shelter - Rosedale	2.08	\$ 31,750	\$ 31,750	750	24 Hr Period Food/Shelter	\$ 362.47	22 Story County adult clients were turned away. 23 Story County youth were turned away.
Youth and Shelter Services	Rosedale Crisis	3.09	\$ 5,000	\$ 5,000	100	Contacts	\$ 100.00	New service
Youth and Shelter Services	Storks Nest	2.11	\$ 6,300	\$ 7,800	832	Client Contacts	\$ 44.57	0
Youth and Shelter Services	YSS Mentoring Program	1.07	\$ 25,170	\$ 28,000	5,450	Client Contact/Days	\$ 33.93	16 youth on waitlist at end of school year who will be matched at start of school year.
Youth and Shelter Services	Youth Development and Social Adjustment	1.07	\$ 28,300	\$ 28,300	2,520	Client Contact/Days	\$ 41.35	0
Youth and Shelter Services	Employment Assistance for Youth - Skills	1.08	\$ 20,515	\$ 17,000	1,800	Staff Hours	\$ 21.30	0
Youth and Shelter Services	Summer Enrichment	1.09	\$ 5,110	\$ 10,000	5,500	Partial Days	\$ 17.45	Not indicated
Youth and Shelter Services	Family Development/Education - Pathways, FADSS	1.10	\$ 9,735	\$ 10,735	2,450	Client Hours	\$ 47.37	0
Youth and Shelter Services	Public Education/ Awareness	1.12	\$ 30,000	\$ 30,000	3,000	Staff Hours	\$ 54.77	0
Youth and Shelter Services	Public Education/ Awareness - Child Safety	1.12	\$ 9,750	\$ 7,750	320	Staff Hours	\$ 94.01	Not indicated, but some school districts are no longer interested in the program
			\$ 234,380	\$ 240,085				
TOTAL			\$ 1,355,711	\$ 1,565,663				

MINUTES OF THE TOWN BUDGET MEETING**AMES, IOWA****OCTOBER 3, 2017**

The Town Budget Meeting was called to order by City Manager Steve Schainker at 7:04 p.m. on the 3rd day of October, 2017, in the Council Chambers of Ames City Hall, 515 Clark Avenue. He introduced Mayor Ann Campbell, City Council Member Tim Gartin, and City staff in attendance: Assistant City Manager Brian Phillips, Finance Director Duane Pitcher, Public Information Officer Susan Gwiasda, Management Analyst Tasheik Kerr, Budget Officer Nancy Masteller, and City Clerk Diane Voss.

Others Present:

Martin Edelson, 2417 Duff Avenue, Ames

John Haila, 2408 Suncrest, Ames

John Hall, representing the Ames Economic Development Commission, 304 Main Street, Ames

Ken Kruempel, 2519 Timberland Road, Ames

Janice Reutter, 2025 Duff Avenue, Ames

Joe Reutter, 2025 Duff Avenue, Ames

Casie Vance, representing the Ames Historical Society, 5006 Todd Drive, Ames

Jon Wolseth, 241 Village Drive, Ames

City Manager Schainker welcomed the audience and informed them that this meeting was the beginning of the process to prepare the 2018/19 City Budget. He invited the audience watching on television to call in or provide written comments and suggestions via email to the City Council. Mr. Schainker explained that residents will be asked tonight to explain where they would like to see more expenditure or less expenditure. The 2018/19 budget calendar and budget adoption process were explained by City Manager Schainker. The first step in the budget process is the Resident Satisfaction Survey. The Survey has gone out, and the results will be presented at the Council meeting to be held on October 10. City Departments have already started gathering information on their capital improvements and operating budgets. Mr. Schainker again emphasized that the purpose of this Town Budget Meeting was to gather input from the community. At its meeting to be held on December 12, 2017, the Council will be provided guidance on its budget priorities. Staff will put together the Operating Budget in November and December. On January 16, 2018, the recommended Capital Improvements Plan (CIP) will be presented. On January 23, public comments on the Capital Improvement Plan will be accepted. On February 2, February 6, 7, and 8, Budget Overview and Department Budget Hearings will be held. Budget Wrap-Up will be on February 13. The final budget hearing and adoption of the FY 2018/19 Budget will be held on March 6.

Finance Director Duane Pitcher explained that the City received approximately one-third (32.80%) of the property taxes that were paid in Ames for 2017/18. The School District received 45.34%; Story County, 19.73%, and DMAACC, 2.10%. Mr. Pitcher showed how the taxable valuation of property had changed from Fiscal Year (FY) 2008/09 to the current fiscal year. He explained the reduction in property taxes from FY 2013/14 to 2017/18 that has resulted from the distribution of Local Option Sales Taxes. Finance Director Pitcher provided a summary of the 2017/18 Adopted Revenues and Expenditures. The cost of services per residence for FY 2017/18

is \$591 per \$100,000 of valuation. A comparison of the City's property tax rate with other large communities in the state of Iowa was also shown. Ames has the second-lowest total tax levy per \$1,000 valuation. Mr. Pitcher showed how the 2017/18 Property Tax Levy, which is a compilation of the General Fund Levy, Trust and Agency Levy (partial Police/Fire benefits), and Transit Levy, was calculated. A sample property tax calculation for a home valued at \$100,000 was given for 2017/18 and the differences between FY 2014/15 to the present were shown. Finance Director Pitcher provided a three-year comparison of the cost of City services.

PUBLIC INPUT:

Martin Edelson, 2417 Duff, Ames, asked if property taxes were the City's only source of revenue. City Manager Schainker answered that they were only a portion of the City's revenues. Finance Director Pitcher stated that property taxes make up only about 15% of the total revenues.

After an inquiry from Joe Reutter, 2025 Duff Avenue, Ames, Mr. Schainker gave the definition of bond revenues. Mr. Reutter also asked if Inspections included permits for new homes. City Manager Schainker stated that it did; it includes Mechanical, Electrical, Plumbing, and Building.

Jon Wolseth, 241 Village Drive, Ames, asked for more funds and more staff time to be dedicated for rental inspections and enforcement and parking enforcement. He would also like to see the City offer buying incentives to convert rental properties to single-family homes. Mr. Wolseth also suggested that low- or no-interest revolving loans be available for low-income homeowners to make exterior home improvements. Another item raised by Mr. Wolseth was for the City to think about the way City services are concentrated in the center and eastern part of town. He pointed out that the residents of West Ames have no direct access to libraries; they have to drive or take CyRide. Mr. Wolseth believes that the services need to be "spread the public good" to the west side of Ames.

Martin Edelson again spoke, commenting about: (1) Roads and Safety. Mr. Edelson noted that he had attended a meeting held by the Public Works Department on the South Duff improvements. At that meeting, one of the comments made by a Public Works staff member was how that Department was impacted by its approved budget. In particular, noted was the Department's inability to maintain markings as "fresh" markings on streets. Apparently, that formerly was done twice a year, but now there are not enough funds in the annual budget. Mr. Edelson shared his belief that prioritization should be given to allocate funds in terms of safety; there should never be an instance where markings could not be maintained due to a lack of funding in the budget. (2) Healthy Neighborhoods. According to Mr. Edelson, a new Neighborhood Liaison is getting answers to many of their questions; however, there appears to be minimal financial support for neighborhoods. He noted that on the City's Web site, there is reference made to funding being available to neighborhoods for newsletters and postage to send them out. According to Mr. Edelson, he sent out a newsletter for the Inis Grove Neighborhood Association and attempted to get reimbursed; however, Planning & Housing staff was uncertain how to do that and mentioned that the Neighborhood Association had to be listed as a non-profit organization; to date, no reimbursement has been made. Mr. Edelson suggested that \$100 - \$150/neighborhood should be allowed. (3) Bridge to Connect Duff Avenue to the

“Undeveloped” Areas of Inis Grove Park. Mr. Edelson said that, formerly, there was a bridge that allowed access to Inis Grove Park from Duff Avenue; however, it fell apart years ago and has never been replaced. He believes that, since there is a lot more activity that will be happening in Inis Grove Park with the future construction of the Miracle Field/All-Inclusive Playground, he wondered if there was any talk about reconstructing such a bridge. City Manager Schainker indicated that he had not heard of any discussions about such a bridge.

John Hall, 304 Main Street, Ames, stated that he was representing the Economic Development Commission and the Ames Chamber of Commerce. On their behalf, Mr. Hall requested the following:

1. Since the annexation of the East Industrial, they would like to see dollars allocated to the Master Planning process and to lessen some of the burden of development particularly related to transportation items (e.g., turning lanes, shared use path, which would require expansion of the bridge).
2. South Grand Extension. They would like to see the next step (down to Airport Road) in the CIP as well as the trail.
3. Welcome signage coming into Ames on Highway 30, particularly at the Dayton Avenue Overpass. The Department of Transportation has made a major commitment on this.
4. Restrooms in Downtown, specifically in Tom Evans Plaza.
5. A parking structure in Downtown. This would be more relevant to the Kellogg and Main Street areas (south side of Main Street).
6. A median through the Campus area, similar to that seen during the community leaders’ trip to Columbia, Missouri, that provides safety for the pedestrians to be able to more safely cross Lincoln Way. They would like to see this item in the CIP for a median along Lincoln Way through the Campus area.
7. Modernization of the Bandshell. This would allow for the concerts that currently occur on the streets to the Bandshell and alleviate a lot of concerns that have been expressed during special concert events.

Joe Reutter said there is a storm water drainage problem around 20th and Duff. He referenced the heavy rain falls that occurred last fall and storm sewers not being able to carry the water., so water backed up in people’s basements. Mr. Reutter said their sump pump was operational, but the storm sewers were not able to keep up with the water. He noted that some things are being done, such as rain gardens on 24th Street; however, he is not sure if their effectiveness has been determined and at what level. City Manager Schainker advised that the City Council has allocated \$3.7 million/year to rehab sanitary sewer and storm sewer intakes. He stated that the City is also working on over-land flooding (from storm sewer) and bank stabilization (river

flooding). Mr. Schainker pointed out that as the City grows, there is more impervious surface. The Council is aware of this and is working on it.

Public Information Officer Susan Gwiasda said one message had been received via *Facebook Live* Curtis Powers. Mr. Powers asked where the City was regarding partnering with Ames High School on building a new pool and if the City would be willing to “quit the Healthy Life Center.” City Manager Schainker explained that the City Council had directed City staff to work with a number of partners to develop the Healthy Life Center concept. One of the things that the School District has to decide is whether it wants to put its competitive pool in with the City’s recreational pool or go it alone. The School District is trying to determine the costs to build what it needs separate from the City or whether it will partner with the City. As far as the Healthy Life Center, that is a policy decision that the Council will have to make.

Casie Vance, 416 Douglas Avenue, Ames, stated that the Ames Historical Society is planning to apply through the normal Outside Funding Request process for its annual funding. She noted that the Historical Society is supportive of anything that helps preserve the historical character of Ames.

City Manager Schainker encouraged the public to stay involved in the budget process.

The meeting adjourned at 8:05 p.m.

Diane Voss, City Clerk

To: Steve Schainker <sschainker@city.ames.ia.us>
From: Debra Lee <deblee58@yahoo.com>
Date: 09/07/2017 09:01AM
Subject: Suggestions for future budgets/CIP

Good morning, Steve,

I am sending this list of budget/CIP ideas early, as my schedule is somewhat uncertain for the next few weeks. I will hope to attend the October 3rd meeting, but am sending this just in case I am unable to be there. Thank you for this opportunity to provide some suggestions.

Sincerely,

Debbie Lee

Suggestions for future budgets/CIP:

1) Install a retaining wall at the southeast corner of O'Neil Park (corner of South Oak and South 4th).

2) Initiate a regular schedule for cleaning out the gutter along the sidewalk on the west side of Grand Avenue from approximately 5th Street south to Lincoln Way. (May be needed on the east side too; I am just familiar with the west side.)

3) Modify the Lincoln Way bridge over Squaw Creek for improved aesthetics.

4) Consider incorporating filling in sidewalk gaps as part of larger public works projects. I recognize that sidewalks are a 'third rail'...but this seemed like a sensible idea...

A neighborhood resident has suggested that it seems it would be most efficient to fill sidewalk gaps in conjunction with other street repair activities. This resident suggested that we might create a fund for use to provide as grants to assist residents with sidewalk installation under these circumstances.

An example is the work in progress on South 2nd Street between Hazel and Oak Avenues. Being an older neighborhood, we have several stretches with no sidewalks. This area is a very popular walking area for DOT employees and Optimae client/residents. It would have been an opportune moment to complete the sidewalks as part of this street replacement project.

5) Initiate effort to make accessing pedestrian crosswalk signals more 'user-friendly':

Step 1: Perform an inventory to identify intersections where accessing the button to initiate the crosswalk signal requires pedestrians to walk off paved surfaces (through mud/snow). (I can give you a starting list :-)

Step 2: Develop and implement plan to improve surfaces so that pedestrians can comfortably access the signal buttons.