

**\*\* AMENDED \*\***

**AGENDA**

**REGULAR MEETING OF THE AMES CITY COUNCIL  
COUNCIL CHAMBERS - CITY HALL - 515 CLARK AVENUE  
DECEMBER 19, 2017**

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

**CALL TO ORDER:** 6:00 p.m.

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

1. Motion approving payment of claims
2. Motion approving renewal of the following Beer Permits, Wine Permits, and Liquor Licenses:
  - a. Class C Liquor – Cyclone Liquors, 626 Lincoln Way (Back Room Only)
  - b. Class C Liquor – 1 Night Stand, 124 Welch Avenue
3. Motion approving 5-day (January 12-16) Class C Liquor License for Olde Main at CPMI Event Center, 2321 N. Loop Drive
4. Motion approving new Class C Beer & B Wine Permit for Fresh Thyme Farmers Market, 215 S.E. 5<sup>th</sup> Street (pending final inspection)
5. Motion accepting Progress Report from Sustainability Coordinator
6. Resolution approving and adopting Supplement No. 2018-1 to *Municipal Code*
7. Resolution approving appointment of Liz Jeffrey to fill vacancy on Ames Transit Agency Board of Trustees
8. Resolution approving Council Member Gloria Betcher to serve on the NLC University Communities Council
9. Resolution approving Amendment to 2017/18 Pay Plan
10. Resolution approving Contract for COTA Spring Special Project Grant
11. Resolution approving additional funding for prosecution assistance for Legal Department
12. Resolution accepting right-of-way dedication of Sheffield Avenue
13. Resolution authorizing City staff to sign Pre-Application prepared by Main Street Cultural District for Community Catalyst Building Remediation Program Grant for building located at 131 Main Street
14. Asset Management Agreement (AMA)/Pipeline Services for Power Plant:
  - a. Resolution approving renewal of contract with BP Canada Energy Marketing Corp. of Omaha, Nebraska, for AMA Transaction Confirmation
  - b. Resolution approving renewal of contract with BP Canada Energy Marketing Corp. of Omaha, Nebraska, for Transaction Confirmation
  - c. Resolution authorizing purchase of additional natural gas, plus delivery as needed, in an amount not to exceed \$300,000
15. Resolution approving Change Order No. 3 for 2016/17 Water System Improvements Program #1 -

Water Service Transfer (8<sup>th</sup> Street, Hayward Avenue, Little Street)

16. Resolution approving Change Order No. 1 for additional engineering services with Strand Associates, Inc., of Madison, Wisconsin, for the WPCF Digester Pumps, Piping, and Valves Replacement Project
17. Resolution approving partial completion of public improvements for Hayden's Crossing, 2<sup>nd</sup> Addition

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

**HEARINGS:**

18. Hearing on Amendment to the East University Impacted Area Urban Revitalization Plan to include criterion to allow tax abatement for construction of new Greek residences:
  - a. Resolution approving Amendment
19. Hearing on rezoning and Major Site Development Plan for 398 South 500<sup>th</sup> Avenue and property west of 5508 Lincoln Way from Agricultural (A) to Planned Residence District (F-PRD):
  - a. First passage of ordinance
  - b. Resolution approving Major Site Development Plan

**ORDINANCES:**

20. Second passage of ordinance limiting rental occupancy in single- and two-family residences
21. 415 Stanton Avenue (Old Crawford School):
  - a. Resolution approving Contract Rezoning Agreement
  - b. Third passage and adoption of ORDINANCE NO. 4330 rezoning property at 415 Stanton Avenue from Government/Airport Zoning District (S-GA) to Residential High-Density Zoning District (RH)
22. Third passage and adoption of ORDINANCE NO. 4331 to allow dog grooming as permitted use in Village Zoning District

**PLANNING & HOUSING:**

**\*\*Additional Item: 321 State Avenue Affordable Housing Development (Old Middle School):**

- a. Resolution approving Development Agreement with JCORP, Inc.
- b. Resolution awarding contract to Keller Excavating, Inc., of Boone, Iowa, in an amount not to exceed \$1,196,833.26 for public improvements

**FINANCE:**

23. Resolution approving ~~2016~~ 2017 Comprehensive Annual Financial Report

**COUNCIL COMMENTS:**

**ADJOURNMENT:**

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



# MEMO

**TO:** Mayor Ann Campbell and Ames City Council Members 2a-b  
**FROM:** Lieutenant Dan Walter – Ames Police Department  
**DATE:** December 12, 2017  
**SUBJECT:** Beer Permits & Liquor License Renewal Reference City Council Agenda

The Council agenda for December 19, 2017, includes beer permits and liquor license renewals for:

- Class C Liquor - LC0041438 - Cyclone Liquors, 626 Lincoln Way (Back Room Only)
- Class C Liquor - LC0042244 - 1 Night Stand, 124 Welch Avenue

A routine check of police records for the past 12 months found no liquor law violations for **Cyclone Liquors**. We recommend approval of their license.

The records review did identify calls for service at **1 Night Stand** that warrant additional discussion. There were two disorderly calls for service and two public intoxication calls for service at this location. These calls for service were not out of the ordinary and the details of the calls indicate the bar is working with the Police Department when issues occur.

There were 11 calls for service involving citations for minors prohibited on certain premises (underage in the bar). The Police Department, specifically the Safe Neighborhoods Team, has stepped up enforcement of minors on premise in recent months in response to an increase in reports of minors. An increasing number of these calls are related to the use of fraudulent IDs in the form of manufactured IDs or the use of another person's ID. Six of the calls for service were in October of this year with a significant decline in November and December with only one issued in each month, to date. Our October involvement with the bar focused on better control of the entry and improved inspection of IDs. The pattern of these calls suggest the bar made substantial improvement following the problems in October.

The Police Department remains committed to decreasing the admittance of minors in the bars and has actively been working with bar management throughout Campustown. The growing use of manufactured IDs has led us to reemphasize having all employees attend identification training conducted by the Ames Police Department. The use of manufactured IDs present some new challenges to the bar managers. While there are detection techniques that can address this problem, the bar managers will need to be vigilant in order to effectively monitor this problem.

**1 Night Stand** continues to operate their bar satisfactorily in other areas and appears committed to reducing minors at their location. Therefore, the Police Department recommends renewal of **1 Night Stand's** liquor license.

**Applicant License Application ( )**

<b>Name of Applicant:</b> <u>LJPS Inc</u>		
<b>Name of Business (DBA):</b> <u>Olde Main Brewing Company</u>		
<b>Address of Premises:</b> <u>CPMI Center</u>		
<b>City</b> <u>Ames</u>	<b>County:</b> <u>Story</u>	<b>Zip:</b> <u>50010</u>
<b>Business</b> <u>(515) 232-0553</u>		
<b>Mailing</b> <u>PO Box 1928</u>		
<b>City</b> <u>Ames</u>	<b>State</b> <u>IA</u>	<b>Zip:</b> <u>50010</u>

**Contact Person**

<b>Name</b> Matt Sinnwell	
<b>Phone:</b> (505) 400-5981	<b>Email</b> mattombc@gmail.com

**Classification** Class C Liquor License (LC) (Commercial)

**Term:** 5 days

**Effective Date:** 01/12/2017

**Expiration Date:** 01/01/1900

**Privileges:**

Class C Liquor License (LC) (Commercial)

**Status of Business**

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

**Ownership**

**Scott Griffen**

**First Name:** Scott                      **Last Name:** Griffen  
**City:** Ames                                  **State:** Iowa                      **Zip:** 50010  
**Position:** Owner  
**% of Ownership:** 50.00%                      **U.S. Citizen:** Yes

**Susan Griffen**

**First Name:** Susan                      **Last Name:** Griffen  
**City:** Potomac                              **State:** Maryland                      **Zip:** 24854  
**Position:** Owner  
**% of Ownership:** 25.00%                      **U.S. Citizen:** Yes

**Daniel Griffen**

**First Name:** Daniel                      **Last Name:** Griffen  
**City:** Potomac                              **State:** Maryland                      **Zip:** 24854  
**Position:** Owner  
**% of Ownership:** 25.00%                      **U.S. Citizen:** Yes

**Insurance Company Information**

<b>Insurance Company:</b>	<u>Founders Insurance Company</u>
<b>Policy Effective Date:</b>	<b>Policy Expiration</b>
<b>Bond Effective</b>	<b>Dram Cancel Date:</b>
<b>Outdoor Service Effective</b>	<b>Outdoor Service Expiration</b>
<b>Temp Transfer Effective</b>	<b>Temp Transfer Expiration Date:</b>

**Applicant License Application ( )**

<b>Name of Applicant:</b> <u>Lakes Venture, LLC</u>		
<b>Name of Business (DBA):</b> <u>Fresh Thyme Farmers Market</u>		
<b>Address of Premises:</b> <u>215 SE 5th St.</u>		
<b>City</b> <u>Ames</u>	<b>County:</b> <u>Story</u>	<b>Zip:</b> <u>50010</u>
<b>Business</b> <u>(331) 251-7100</u>		
<b>Mailing</b> <u>2650 Warrenville Road, Suite 700</u>		
<b>City</b> <u>Downers Grove</u>	<b>State</b> <u>IL</u>	<b>Zip:</b> <u>60515</u>

**Contact Person**

<b>Name</b> <u>Fran Windsor</u>
<b>Phone:</b> <u>(331) 251-7100</u> <b>Email</b> <u>fwindsor@freshthyme.com</u>

**Classification** Class C Beer Permit (BC)

**Term:**12 months

**Effective Date:** 01/03/2018

**Expiration Date:** 01/01/1900

**Privileges:**

- Class B Wine Permit
- Class C Beer Permit (BC)
- Fills and Sells Growlers
- Sunday Sales

**Status of Business**

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

**Ownership**

**Chris Sherrell**

**First Name:** Chris      **Last Name:** Sherrell  
**City:** Downers Grove      **State:** Illinois      **Zip:** 60515  
**Position:** CEO  
**% of Ownership:** 0.00%      **U.S. Citizen:** Yes

**Fran Windsor**

**First Name:** Fran      **Last Name:** Windsor  
**City:** Downers Grove      **State:** Illinois      **Zip:** 60515  
**Position:** VP, General Counsel & Secretary  
**% of Ownership:** 0.00%      **U.S. Citizen:** Yes

**Carol Okamoto**

**First Name:** Carol      **Last Name:** Okamoto

**City:** Downers Grove                      **State:** Illinois                      **Zip:** 60515  
**Position:** CFO  
**% of Ownership:** 0.00%                      **U.S. Citizen:** Yes  
**Meijer Companies Ltd.**  
**First Name:** Meijer Companies                      **Last Name:** Ltd.  
**City:** Grand Rapids                      **State:** Michigan                      **Zip:** 49544  
**Position:** Manager of Lakes Venture,  
**% of Ownership:** 1.00%                      **U.S. Citizen:** Yes  
**Lakes Venture Holding Company**  
**LLC**  
**First Name:** Lakes Venture Holding                      **Last Name:** LLC  
**City:** Downers Grove                      **State:** Illinois                      **Zip:** 60515  
**Position:** Manager of Lakes Venture,  
**% of Ownership:** 99.00%                      **U.S. Citizen:** Yes

**Insurance Company Information**

<b>Insurance Company:</b>	
<b>Policy Effective Date:</b>	<b>Policy Expiration</b>
<b>Bond Effective</b>	<b>Dram Cancel Date:</b>
<b>Outdoor Service Effective</b>	<b>Outdoor Service Expiration</b>
<b>Temp Transfer Effective</b>	<b>Temp Transfer Expiration Date:</b>



Staff Report

**FY 2017-18 Mid-Year Sustainability Report**

December 19, 2017

This report provides a mid-year update of the FY2017-18 activities and accomplishments related to the Sustainability Advisory Services contract between the City of Ames and Iowa State University.

**BACKGROUND:**

On July 1, 2010, the City entered into a contract with Iowa State University to utilize the services of its full-time Director of Sustainability. The contract covers a maximum of 480 hours annually (or no more than 25 percent of the Director of Sustainability's time). The Initial Scope of Services focused on the reduction of electric consumption. As additional opportunities and needs have been identified related to sustainability, the Scope of Services has expanded and diversified. During FY 2017-18, in keeping with the Council's direction, the Scope of Services targets priority areas related to energy consumption reduction, as well as adding waste reduction and diversion:

- 1) Continue to work with Public Works Department and Water and Pollution Control Department on reuse and diversion programs related to the waste stream, including – but not limited to – the exploration of a composting and food waste program.
  
- 2) Continue to support and strengthen the Smart Business Challenge through outreach and recruitment of participants, oversight of Challenge interns, and marketing of outcomes and accomplishments of Challenge participants.
  
- 3) Continue to represent the City at events that educate residents about ongoing City sustainability efforts, rebates, and waste reduction opportunities including – but not limited to – the Eco Fair and WelcomeFest.
  
- 4) Coordinate the new Rummage RAMPage at the Ames Intermodal Facility in partnership with the Resource Recovery Plant, Public Relations, CyRide, and Iowa State University, to address concerns that usable housewares and furniture are being needlessly discarded and hard-to-process materials are being sent to the Resource Recovery Plant.

5) Continue to assist departments in enhancing and updating the EcoSmart program web pages and all material on the City of Ames website related to sustainability and conservation. Continue to provide student feedback on improving our sustainability marketing and education materials.

### **PROGRESS ON SCOPE OF SERVICES:**

1. ***Continue to work with Public Works Department and Water and Pollution Control Department on reuse and diversion programs related to the waste stream, including – but not limited to – the exploration of a composting and food waste program.***

Mid-year FY2018 accomplishments include the following for Priority Area #1:

- Continue to complete milestones related to the \$20,000 forgivable loan from the Iowa Department of Natural Resources exploring beneficial opportunities and options to improve the Resource Recovery Plant's (RRP) process and improve the quality of refuse derived fuel (RDF):
  - Included survey questions in the 2016 Resident Satisfaction Survey regarding attitudes on composting as a form of organic waste reduction. Followed up with a similar Story County-wide survey.
  - Released a Request for Proposal for the development of a Waste Diversion Enhancement & Recommendation Report through contracted services. "The Consultant is to develop and implement a two part study leading to enhanced waste diversion, increased efficiency of the Resource Recovery Plant (RRP) and increased awareness and understanding of citizen value and interest in additional waste management related services, including organic waste programs."
  - Contracted with SCS Engineers as consultant.
  - Strategized goals for increased efficiency of operations and quality of product at RRP to inform consultant research and identification of waste diversion opportunities for materials determined unsuitable for RRP use.
  - Surveyed business within RRP's service area regarding current waste management practices and interest/need for additional services.

Collaboration partners: Public Works – Bill Schmitt, Mark Peebler and Lorrie Hanson; Purchasing – Karen Server; SCS Engineers and Public Relations Officer – Susan Gwiasda

**2. Continue to support and strengthen the Smart Business Challenge through outreach and recruitment of participants, oversight of Challenge interns, and marketing of outcomes and accomplishments of Challenge participants.**

Mid-year FY2018 accomplishments include the following for Priority Area #2:

- Hired and trained two new Smart Business Challenge interns for the 2017-2018 academic year: Scott Nemece and Taylor Silvestrini.
- Completed survey of all current participants related to Smart Business Challenge benefits and opportunities and began strategizing and implementation.
- Continued recruitment of additional businesses for a total of 24 Smart Business Challenge participants, including seven platinum certified businesses.
- Strategized and facilitated opportunities related to marketing SunSmart Ames to Smart Business Challenge participants and recruiting participation.
- Organizing a Smart Business Challenge Recognition event tentatively set for Jan. 25, 2018, to spotlight businesses showing sustainability leadership and get others involved.

Collaboration partners: Electric Services – Don Kom and Steve Wilson; The Energy Group, and Public Relations Officer – Susan Gwiasda

**3. Continue to represent the City at events that educate residents about ongoing City sustainability efforts, rebates, and waste reduction opportunities including – but not limited to – the Eco Fair and WelcomeFest.**

Mid-year FY2018 accomplishments include the following for Priority Area #3:

- Participated in the Ames Fourth of July Parade.
- Participated in WelcomeFest in August as part of the City of Ames efforts in explaining Ames sustainability initiatives to students.
- Continuing a monthly radio program on KHOI focused on community sustainability accomplishments, initiatives and opportunities, and often featuring City of Ames subject matter experts on conservation topics.
- Continuing to share the City of Ames sustainability efforts as part of speaking engagements.

**4. Coordinate the new Rummage RAMPage at the Ames Intermodal Facility in partnership with the Resource Recovery Plant, Public Relations, CyRide, and Iowa State University, to address concerns that usable housewares and furniture are being needlessly discarded and hard-to-process materials are being sent to the Resource Recovery Plant.**

Mid-year FY2018 accomplishments include the following for Priority Area #4:

- The second annual Rummage RAMPage was held July 28 to Aug 3, 2017. The event surpassed last year's impact, both in tonnage diverted and support provided to community non-profits through sales, with less than 2% of overall items donated being landfilled (~\$1500 lbs.) Thirty-nine tons of furniture and housewares was diverted from being landfilled (an increase of 72%) and \$14,000 was raised for the local non-profit agencies (nearly tripling 2016 proceeds). As with the 2016 event, tremendous support was received from ISU Parking, several City departments, the Volunteer Center of Story County, and more than 50 volunteers representing 13 community non-profit organizations.
- In addition to collecting items to sell, this year's event also included the collection of additional hard-to-process items for the Resource Recovery Plant that were, in turn, donated to community organizations and causes to support their work. These items included more than 1,500 pounds of clothing and shoes donated to Goodwill; approximately 1,000 pounds of linens donated to the Ames Animal Shelter; over 500 pounds of books, DVDs and CDs donated to the Ames Public Library and approximately 100 pounds of food donated to the Mid-Iowa Community Action Food Bank.
- Planning will kick-off in January for 2018 Rummage Rampage event, which is scheduled for July 27-Aug 2 (one day longer than 2017).

Collaboration partners: Iowa State University Parking Services, Volunteer Center of Story County, Resource Recovery Plant, City of Ames Police Department, Ames Electric Services, Public Relations Office, and community non-profit organizations and volunteers

**5. Continue to assist departments in enhancing and updating the EcoSmart program web pages and all material on the City of Ames website related to sustainability and conservation. Continue to provide student feedback on improving our sustainability marketing and education materials.**

Mid-year FY2018 accomplishments include the following for Priority Area #5:

- Ongoing input and feedback regarding City of Ames Smart Energy, Smart Water, Smart Watersheds and other EcoSmart programs.

Collaboration partners: Electric Services, Public Works, Water and Pollution Control and Public Relations Office

**NEXT STEPS**

The past six months have been varied, busy, and productive. Sustainability work for the City of Ames covers many aspects of carbon footprint reduction and focuses on many audiences such as permanent residents, ISU students, Resource Recovery Plant customers, businesses, and non-profit organizations. Although not in the Scope of Services, looking for unique ways to market the SunSmart Ames community solar project continues to be a priority.

Additionally, the City Council recently requested that the Sustainability Coordinator come back to Council with ideas on how the Council can partner with ISU to address carbon reduction. Those partnership opportunities will continue to be a focus into the new year, and some suggestions will be forwarded in the spring.

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION APPROVING AND ADOPTING  
SUPPLEMENT NO. 2018-1 TO THE AMES MUNICIPAL CODE**

BE IT RESOLVED, by the City Council for the City of Ames, Iowa, that in accordance with the provisions of Section 380.8 Code of Iowa, a compilation of ordinances and amendments enacted subsequent to the adoption of the Ames Municipal Code shall be and the same is hereby approved and adopted, under date of January 1, 2018, as Supplement No. 2018-1 to the Ames Municipal Code.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 201\_.

\_\_\_\_\_  
Ann H. Campbell, Mayor

Attest:

\_\_\_\_\_  
Diane R. Voss, City Clerk

**TO:** Members of the City Council

**FROM:** Ann H. Campbell, Mayor

**DATE:** December 19, 2017

**SUBJECT:** Appointment to Fill Vacancy on Ames Transit Agency Board of Trustees

John Haila, Mayor-Elect, has submitted his resignation from the Ames Transit Agency Board of Trustees. Since John's term of office does not expire until May 15, 2019, an appointment needs to be made to fill this vacancy.

Therefore, I request that the City Council approve the appointment of Liz Jeffrey to fill the unexpired term of office on the Board of Trustees.



**To:** Mayor and City Council Members

**From:** Steven L. Schainker, City Manager

**Date:** December 15, 2017

**Subject:** Approval for Gloria Betcher to Serve as Vice Chair of The National League Of Cities University Communities Council

Over the years, we have encouraged the Mayor and City Council members to become active in leadership positions of the Iowa League of Cities and/or National League of Cities. Participation in these positions greatly benefits our city because of the opportunity to impact state and federal policies that are important to municipalities, to learn how other cities are dealing with issues of mutual concern to Ames, and to develop personal contacts with legislative peers from whom advice can be sought for solutions to common challenges.

Over the years, Gloria has been a faithful attendee of the programs offered by the National League of Cities (NLC) University Communities Council (UCC) during the annual conferences. As a result of her participation and obvious interest in this Council, she has been asked to serve as the Vice Chair of the UCC for the next calendar year.

As a member of this Council, she will be expected to attend two conferences, the annual fall NLC conference (which she normally attends now) and a second meeting in Washington D.C. The only cost to the City will be for travel, lodging, and meals for these two meetings. It should be noted that Gloria normally attends two conferences per year, the Fall NLC conference and the spring International Town & Gown Association (ITGA) meeting. Gloria has indicated that during her time in the Vice Chair position she will not attend the annual meeting of the ITGA. **With this trade-off of the ITGA meeting for the second NLC meeting, there should be no additional cost to the City because of Gloria's new position on the UCC.**

**Given the benefits articulated above, I believe the City Council should support her appointment to a leadership position on the UCC. Therefore, I would recommend that a motion be passed by the City Council formally approving Gloria's appointment.**



**COUNCIL ACTION FORM**

**SUBJECT: AMENDMENT TO 2017/18 PAY PLAN FOR CYRIDE DRIVERS <20 HOURS**

**BACKGROUND:**

Each year the City Council approves a Pay Plan that specifies pay ranges and steps for the City’s workforce. The City Council approved the FY 2017/18 Pay Plan on June 13, 2017. This plan contains rates of pay for three separate groups of CyRide drivers:

<b><u>Classification</u></b>	<b><u>Hourly Pay Range</u></b>	
	<b><u>Min</u></b>	<b><u>Max</u></b>
Full Time Transit Drivers	17.35	24.61
Part Time Drivers (≥20 hours/week)	14.84	19.54
Part-Time Transit Drivers (<20 hours/week)	12.6280	14.7960

The wages for Full Time Drivers and Part Time Drivers ≥20 hours/week are set by a collective bargaining agreement and are adjusted based on a step scale. However, the City sets the wage rate for Part Time Drivers who are below 20 hours. This wage rate has been intentionally set lower than the other categories of CyRide drivers to encourage drivers to take enough hours to qualify for the higher rate of pay. **City staff now proposes fixing the hourly rate of pay for Part Time Drivers (<20 hours/week) at \$14.84 for the remainder of the 2017/18 fiscal year. This change is anticipated to affect six Transit Drivers who are currently in the Part Time <20 hours/week category, and will result in approximately \$6,563 in increased cost in the current year’s adopted budget for wages.**

The City has contracted with a firm to evaluate the City’s compliance with the provisions of the Affordable Care Act (ACA). **City staff has concluded that increasing the hourly wage for Part Time Drivers (<20 hours/week) from the existing \$12.6280/hour minimum to \$14.8400/hour will allow CyRide to avoid penalties that otherwise might be experienced based on the ratio of wages to health insurance premiums.**

**Additionally, the low unemployment rate in Ames has made it increasingly difficult to attract prospective transit drivers. Increasing this wage, along with other measures being considered by CyRide, will make employment with CyRide more attractive to the local job market.**

At its meeting on December 12, 2017, the Transit Board of Trustees approved a motion supporting the elimination of the lower wage scale for Part-Time Drivers (<20

hours/week), thereby allowing all Part-Time Drivers to be paid a minimum of \$14.84 per hour.

**ALTERNATIVES:**

1. Approve an amendment to the 2017/18 Pay Plan, effective January 1, 2018, to set the rate of pay for Transit Drivers working less than 20 hours per week at \$14.8400 per hour.
2. Do not approve changes to the adopted 2017/18 Pay Plan.

**MANAGER'S RECOMMENDED ACTION:**

The wage rates in the adopted Pay Plan for Part Time Transit Drivers working less than 20 hours per week cause challenges in recruiting prospective drivers to CyRide, which is currently experiencing a driver shortage. Additionally, the lower wage rate is used in some of the calculations to determine the affordability of the City's health insurance offerings for compliance with the affordability provisions of the Affordable Care Act. **A higher wage would result in a more attractive employment opportunity, reduce the potential for non-compliance with the affordability provisions of the ACA, and reduce the administrative challenges associated with changing wage rates for employees when they modify their hours. The cost to increase this wage rate is minimal.**

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving an amendment to the 2017/18 Pay Plan, effective January 1, 2018, to set the rate of pay for Transit Drivers working less than 20 hours per week at \$14.8400 per hour.

**COUNCIL ACTION FORM**

**SUBJECT: APPROVAL OF COMMISSION ON THE ARTS (COTA) SPECIAL GRANT FOR SPRING 2018**

**BACKGROUND:**

On November 6, 2017, the Commission on the Arts (COTA) finalized its recommendation for the Spring 2018 Special Project Grant Program. One grant request was received from Ames Chamber Artists, totaling \$1,000. COTA has \$2,000 in funding available for this grant.

Based on the merits of the application and the criteria established for the special grants, COTA recommended the following allocation. A contract was sent to the awarded organization for approval and has been returned. The contract is now presented for City Council's approval.

<b><u>Organization</u></b>	<b><u>Request</u></b>	<b><u>Project</u></b>	<b><u>Award</u></b>
Ames Chamber Artists	\$ 1,000	Choral Composition Commissioning	\$ 1,000
<b>Total</b>	<b>\$ 1,000</b>		<b>\$ 1,000</b>

Special Project grant awards are limited to \$1,000 per project. Grant applicants are required to attend a COTA meeting to present their project.

**ALTERNATIVES:**

1. Approve the COTA special grant contract as recommended by Commission on the Arts.
2. Delay approval of this contract and ask the Commission for further information.
3. Do not approve the contract.

**MANAGER'S RECOMMENDED ACTION:**

This project helps advance participation in and awareness of the arts in the Ames community, which is a key goal of the Commission on the Arts. COTA has reviewed the request and has recommended the approval of the contract now presented to the City Council.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the COTA Spring 2018 special grant contract as recommended by the Commission on the Arts.

**COUNCIL ACTION FORM**

**SUBJECT:**                    **REQUEST FOR ADDITIONAL FUNDING FOR OUTSIDE  
COUNSEL TO ASSIST LEGAL DEPARTMENT**

**BACKGROUND:**

On July 25, 2017, the Council approved additional funding to continue the contract with the Coppola Law Firm for criminal prosecution assistance while the Legal Department was short staffed. The Council approved \$30,000 for outside counsel to handle criminal prosecutions and \$25,000 for outside counsel to handle periodic civil matters. Funding for outside counsel for criminal prosecutions has totaled \$158,000 from March 2016 to date.

The current City Attorney was hired by the Council on November 1, 2017, creating a vacancy in one of the two Assistant City Attorney positions. The opening has been advertised, and closes on December 18. There are many good applicants. The Legal Department anticipates that interviews will take place early in January 2018, and that a new Assistant City Attorney will be hired and begin working sometime in February or March 2018.

The use of the outside counsel for criminal prosecutions has provided significant assistance to the Legal Department while it has been short staffed. The Legal Department estimates that the funds for the outside criminal prosecutor will be exhausted at the end of December. The funding the Council approved in July was estimated to last through the end of the 2017 calendar year. **The Legal Department is now seeking an additional \$30,000 to pay for the outside counsel to continue through the end of March. This should allow for some overlap for the outside counsel to train the new Assistant City Attorney.**

**ALTERNATIVES:**

1. The City Council can approve the additional funding request of \$30,000 for the Legal Department to hire outside counsel to assist in its work.
2. The City Council can approve the funding request at different dollar amount.
3. The Council can decline to approve the funding request.

**CITY MANAGER'S RECOMMENDED ACTION:**

Since the Legal Department is short staffed for the next few months while the recruitment of a new Assistant City Attorney is in progress, it is the recommendation of the City Manager that the City Council approve Alternative #1. Failure to approve this additional funding will result in delays in providing legal assistance to our departments which will ultimately impact our customers.

ITEM #: 12  
DATE: 12-19-17

**COUNCIL ACTION FORM**

**SUBJECT: ACCEPTANCE OF SHEFFIELD AVENUE RIGHT-OF-WAY**

**BACKGROUND:**

The owner of the Northridge Village retirement center, CCRC of Ames, recently completed Phase 2 of its facility at 3305 Stange Road. The project required the construction of a cul-de-sac at the north end of Sheffield Avenue, since the project precluded the future extension of the street.

The owner has completed the construction of the street and sidewalks and has prepared an acquisition plat and warranty deed. The street was constructed to City specifications and has been inspected and approved. **The City Council is now being asked to accept the improvements and right-of-way.**

**ALTERNATIVES:**

1. The City Council can approve the resolution accepting the completed Sheffield Avenue cul-de-sac.
2. The City Council can choose not to accept the street as public right-of-way.

**CITY MANAGER'S RECOMMENDED ACTION:**

The Sheffield Avenue stub street required the construction of the cul-de-sac as part of the Phase 2 of Northridge Village. The work was done in accordance with City specifications and has been inspected and approved. **Therefore, it is the recommendation of the City Manager that the City Council act in accordance with Alternative #1, which is to accept the completed Sheffield Avenue cul-de-sac.**

ATTACHMENT 1

INSTRUMENT PREPARED BY:	Brian D. Torresi, 2605 Northridge Pkwy., Ames, IA 50010 (515) 288-2500
RETURN TO:	City of Ames, Iowa, Attn: City Clerk, 515 Clark Ave., Ames, IA 50010
MAIL TAX STATEMENT TO:	City of Ames, Iowa, Attn: City Clerk, 515 Clark Ave., Ames, IA 50010

CORPORATE/BUSINESS ENTITY WARRANTY DEED

KNOW ALL PERSONS BY THIS INSTRUMENT: That **CCRC OF AMES, LLC**, an Iowa limited company (the "Grantor"), for valuable consideration, conveys unto **CITY OF AMES, IOWA** (the "Grantee"), the real property situated in Story County, Iowa, described as follows:

See Legal Description in Acquisition Plat attached hereto as Exhibit A

The undersigned Grantor covenants with the above named Grantee and successors in interest that Grantor holds the real property by title in fee simple; that they have good and lawful authority to sell and convey the same; that the real property is free and clear of all liens and encumbrances whatsoever except as may be above stated; and the Grantor covenants to warrant and defend the real property against the lawful claims of all persons whomsoever, except as may be above stated.

Dated this 4<sup>th</sup> day of ~~November~~, 2017.  
December

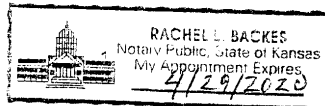
CCRC OF AMES, LLC, Grantor

By: [Signature]  
Manager, Manager

STATE OF KANSAS, JOHNSON COUNTY SS:

This record was acknowledged before me on this 4<sup>th</sup> day of December, 2017, by Gilbert R. Wood, as Manager of CCRC of Ames, LLC.

Rachel L. Backes  
Notary Public in and for the State of Kansas  
My commission expires 4/29/2020



INDEX LEGEND

LOCATION: LOT 2, BAPTIST ACRES SUBDIVISION, AMES  
 REQUESTOR: CCRC OF AMES, LLC  
 PROPRIETOR: CCRC OF AMES, LLC  
 SURVEYOR: MICHAEL LEE  
 COMPANY: CIVIL DESIGN ADVANTAGE  
 RETURN TO: 3405 SE CROSSROADS DRIVE, SUITE G  
 GRIMES, IA. 50111  
 PH: 515-369-4400

EXHIBIT A

ACQUISITION PLAT

AREA SUMMARY:  
 13,517 SQUARE FEET

DATE OF SURVEY:  
 SEPTEMBER 26, 2017

LEGAL DESCRIPTION:





A PART OF LOT 2, BAPTIST ACRES SUBDIVISION, AN OFFICIAL PLAT IN THE CITY OF AMES, STORY COUNTY, IOWA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

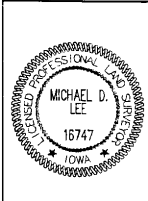
COMMENCING AT THE NORTHEAST CORNER OF OUTLOT 'XX', SOMERSET SUBDIVISION TWENTY-SECOND ADDITION, AN OFFICIAL PLAT IN THE CITY OF AMES; THENCE NORTH 89°24'40" EAST ALONG THE NORTH LINE OF SAID SOMERSET SUBDIVISION TWENTY-SECOND ADDITION, 0.56 FEET TO THE POINT OF BEGINNING; THENCE NORTHWESTERLY ALONG A CURVE CONCAVE SOUTHWESTERLY WHOSE RADIUS IS 36.00 FEET, WHOSE ARC LENGTH IS 44.18 FEET AND WHOSE CHORD BEARS NORTH 35°45'17" WEST, 41.46 FEET; THENCE NORTHEASTERLY ALONG A CURVE CONCAVE SOUTHEASTERLY WHOSE RADIUS IS 59.00 FEET, WHOSE ARC LENGTH IS 257.76 FEET AND WHOSE CHORD BEARS NORTH 54°14'50" EAST, 96.47 FEET; THENCE SOUTH 00°35'45" EAST, 89.45 FEET TO SAID NORTH LINE; THENCE SOUTH 89°24'40" WEST ALONG SAID NORTH LINE, 55.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 0.31 ACRES (13,517 SQUARE FEET). THE PROPERTY IS SUBJECT TO ANY AND ALL EASEMENTS OF RECORD.

FILE: H:\2016\1604220\DWG\1604220-ACQUISITION.DWG  
 DATE PLOTTED: 10/3/2017 2:59 PM

LEGEND:

FOUND SET

SECTION CORNER AS NOTED    
 1/2" REBAR, CAP #16747 (UNLESS OTHERWISE NOTED)    
 PLATTED BEARING & DISTANCE P  
 MEASURED BEARING & DISTANCE M  
 RECORDED BEARING & DISTANCE R  
 DEEDED BEARING & DISTANCE D  
 ARC LENGTH AL  
 CENTERLINE \_\_\_\_\_  
 SECTION LINE \_\_\_\_\_  
 EASEMENT LINE \_\_\_\_\_




I HEREBY CERTIFY THAT THIS LAND SURVEYING DOCUMENT WAS PREPARED AND THE RELATED SURVEY WORK WAS PERFORMED BY ME OR UNDER MY DIRECT PERSONAL SUPERVISION AND THAT I AM A DULY LICENSED PROFESSIONAL LAND SURVEYOR UNDER THE LAWS OF THE STATE OF IOWA.

MICHAEL D. LEE, P.L.S. DATE

MY LICENSE RENEWAL DATE IS DECEMBER 31, 2018  
 PAGES OR SHEETS COVERED BY THIS SEAL:  
 SHEETS 1 & 2

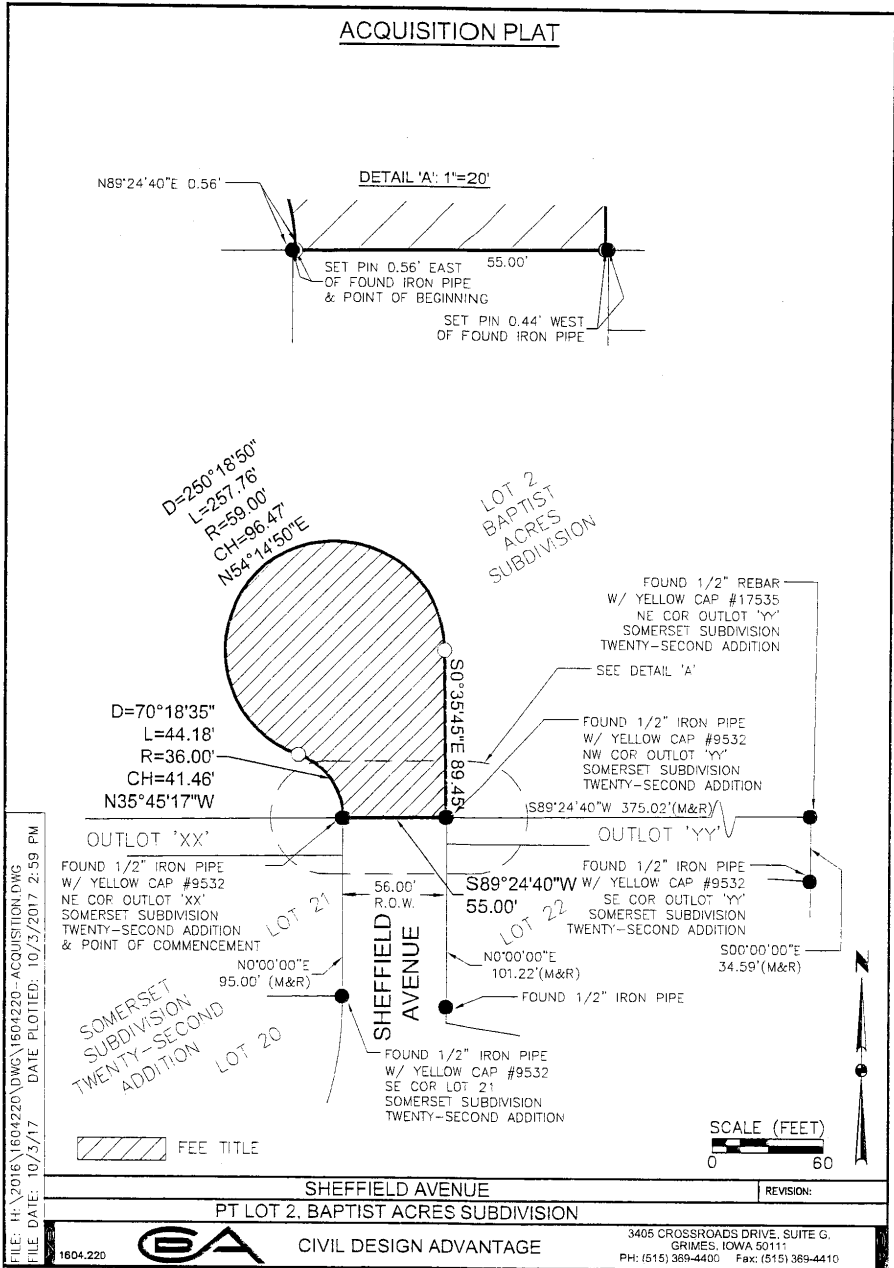
SHEFFIELD AVENUE  
 PT LOT 2, BAPTIST ACRES SUBDIVISION

 CIVIL DESIGN ADVANTAGE

3405 CROSSROADS DRIVE, SUITE G  
 GRIMES, IOWA 50111  
 PH: (515) 369-4400 Fax: (515) 369-4410



# ACQUISITION PLAT



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DATE PLOTTED: 10/3/2017 2:59 PM

**COUNCIL ACTION FORM**

**SUBJECT: REQUEST FROM MAIN STREET CULTURAL DISTRICT TO APPLY FOR COMMUNITY CATALYST BUILDING REMEDIATION GRANT**

**BACKGROUND:**

At the December 12, 2017, City Council meeting, the City Council referred a request from the Main Street Cultural District (MSCD) to apply on behalf of the City of Ames for the Iowa Economic Development Authority (IEDA) Community Catalyst Building Remediation Program (CCBR) grant. The program requirements do not allow MSCD to apply for the grant directly. Rather, a city may apply for the program, but must show some financial or in-kind support for the project. The state has allocated \$1 million total for this program, with awards of up to \$100,000 per project.

MSCD proposes to apply for funds to support the proposed \$745,000 renovation of the building at 131 Main Street, which is currently owned by Avec Holdings. **The owner plans to apply for City funds through the Downtown Façade Grant Program, which could be used as the City's match for the CCBR program.** Staff anticipates the façade grant application will be received this winter. The amount shown in the CCBR grant application for financial or in-kind match from other sources is independent of the amount of CCBR funds sought; although projects showing more non-CCBR commitments receive more points in the grant evaluation.

The deadline for the CCBR pre-application is in late January. If selected to proceed, the full application is due March 1. **The pre-application may be submitted without a commitment of City funds, but City funds would have to be committed prior to submission of the full application in March.** If the Council were to approve MSCD's request, MSCD staff would prepare the application and City staff would sign it to indicate City approval. Staff estimates this will involve minimal commitment of staff time to accomplish. The City would be obligated to manage the contract with IEDA, monitor compliance with the grant requirements, and be the pass through for the grant proceeds.

**It is important for the Council to note that authorizing MSCD to submit this application on behalf of the City does not obligate the City Council to approve the anticipated Façade Grant application. The City Council will have the opportunity to review the merits of that application when it is received and may approve it or deny it as it could with any other Façade Grant application.**

## **ALTERNATIVES:**

1. Authorize staff to sign a pre-application for a Community Catalyst Building Remediation Program grant prepared by Main Street Cultural District for the building located at 131 Main Street.
2. Do not authorize staff to sign a pre-application for a Community Catalyst Building Remediation Program grant.

## **MANAGER'S RECOMMENDED ACTION:**

The Community Catalyst Building Remediation Program grant provides an opportunity to access state funds for a renovation project at a downtown building. This supports the City Council's efforts to strengthen downtown and will be pursued in conjunction with the City's existing Façade Grant program, which will restore historic character to the façade of the building. **Authorizing the submission of this grant pre-application is a minimal investment of staff time and does not obligate the City Council to approve the anticipated façade grant.**

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby authorizing staff to sign a pre-application for a Community Catalyst Building Remediation Program grant prepared by Main Street Cultural District for the building located at 131 Main Street.



November 30, 2017

Mayor and City Council  
City of Ames  
515 Clark Ave  
Ames, IA 50010

Dear Mayor Ann Campbell and City Council,

I am writing this letter to request permission for the Main Street Cultural District to apply on behalf of the City of Ames for the Iowa Economic Development Authority Community Catalyst Building Remediation Program grant. The state of Iowa has allocated \$1 million for this grant program, with the individual maximum grant being \$100,000. It is my belief, the \$745,000 project at 131 Main, the old Iowa Electric and Light Power Company building currently owned by Avec Holdings, LLC, will qualify for this grant. The building, which has been vacant for many years and used as storage, is currently undergoing renovation which meet State Historic Preservation Office standards. We hope this project will serve as a catalyst for renovation of underutilized space, in upper floors in downtown Ames, to be used for technology companies.

As a requirement of the grant, the city must be the applicant and must be providing either financial or in-kind support of the project. After discussing the 131 Main project with Charlie Kuester in the city planning department, the financial support could come in the form of a city façade grant for the project. Mr. Kuester also indicated there will be a winter round of façade grants and the owner of the property plans to apply.

The process involves a pre-application to determine if the project qualifies for the grant. If it is found to qualify, an invitation to apply for the full grant will then be issued. Time is of the essence with this request. The deadline for pre-application is in the last week of January, 2018. However, the pre-applications will be screened as they are received. The sooner I am able to complete that process, the more time I will have to work on the actual grant, which is due in March, 2018.

I have attached an informational sheet with this request, along with photos of the building in question. Please contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Cindy Hicks".

Cindy Hicks  
MSCD Executive Director

**304 Main Street, Ames, IA 50010 515.233.3472 AmesDowntown.org**

**COUNCIL ACTION FORM**

**SUBJECT: ASSET MANAGEMENT AGREEMENT / PIPELINE SERVICES FOR  
POWER PLANT CONTRACT RENEWAL**

**BACKGROUND:**

Electric Services converted both of the Power Plant's coal fired generators to use natural gas. The Power Plant now typically burns up to 12,000 MMBtu of natural gas daily to generate electricity and consume refuse derived fuel.

This contract is for a firm to provide their asset management services to manage the City's natural gas purchases and gas pipeline transportation contracts. The contracted company serves as a bridge between the natural gas commodity already under contract and the delivery services already under contract.

**On October 27, 2015, City Council awarded a contract to BP Canada Energy Marketing Corp., Omaha, NE, for AMA/Pipeline Services for the City of Ames in an amount not to exceed \$30,000 for the base services.** In addition, an amount not to exceed \$3,000,000 was authorized for the purchase of additional natural gas plus delivery as needed to manage the day-to-day fuel needs of the Power Plant. Included in the original contract were terms for up to four additional one-year terms. **This is the second renewal out of four maximum.**

BP has provided two separate renewal agreements, each providing a different service. These are (1) an AMA Transaction Confirmation, and (2) a Transaction Confirmation. Each agreement is attached and is described in further detail below. These contracts are for calendar year 2018.

**AMA Transaction Confirmation**

This agreement outlines the terms and conditions when the actual amount of natural gas burned in a day is less than 12,000 dekatherms. This can typically occur at times when Unit #8 is down for maintenance. For these events, BP will sell or store the excess gas on behalf of the City and credit the City the revenue.

**Transaction Confirmation**

This agreement outlines the terms and conditions when the actual amount of natural gas burned in a day is greater than 12,000 dekatherms. For these events, BP will **purchase both additional natural gas and additional natural gas transport service** on behalf of the City and charge the City for the gas plus their adder. This can typically occur at peak times in the summer when Unit #8 is operated at higher generation levels or when both Unit #7 and Unit #8 are operating at the same time.

Under the AMA Transaction Confirmation and Transaction Confirmation agreements, services are charged based on the price of the natural gas at the time of purchase plus a fee. It is difficult to predict at this time how much of these services will be required each day. Therefore, staff is requesting that an amount not to exceed \$300,000 be approved so that staff, together with BP, can manage the daily gas needs over the coming year. If the net purchases of additional gas approach this limit, staff will return to City Council for additional purchasing approval at that time.

The approved FY 2017/18 operating budget currently includes \$17,000,000 for the purchase of natural gas to operate the Power Plant. It should be noted that these contracts are on a calendar basis and, therefore, cross two budget years.

**ALTERNATIVES:**

1. Approve the renewal of the two contracts described above to BP Canada Energy Marketing Corp., Omaha, NE, for AMA/Pipeline Services for the City of Ames. In addition, authorize an amount not to exceed \$300,000 for the purchase of additional natural gas plus delivery as needed to manage the day-to-day fuel needs of the power plant.
2. Do not renew the agreement and instruct staff to seek new competitive proposals.

**MANAGER'S RECOMMENDED ACTION:**

These two contracts provide Electric Services with a crucial service that will manage the natural gas needed to operate the power plant and burn refuse derived fuel.

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

**COUNCIL ACTION FORM**

**SUBJECT: 2016/17 WATER SYSTEM IMPROVEMENTS PROGRAM #1 – WATER SERVICE TRANSFER (8<sup>TH</sup> STREET, HAYWARD AVE, LITTLE STREET)**

**BACKGROUND:**

The Water System Improvements program provides for replacing water mains in areas that are experiencing rusty water problems. It also provides for installing larger distribution mains in areas that have a high concentration of 4” supply lines, transferring water services from 4” water mains in streets where larger water mains exist, and abandoning 4” water mains. Eliminating duplicate water mains, where possible, improves water flow and helps reduce rusty water. Installing larger distribution lines in areas that have a high concentration of 4” supply lines and less than desirable fire-fighting capacity (predominantly in the older areas of the community) provides larger supply quantities in relation to the current and proposed land uses, in accordance with the Land Use Policy Plan.

**This project is for water service transfers on 8<sup>th</sup> Street (Northwestern Avenue to Duff Avenue), Hayward Avenue (Knapp Street to Storm Street), and Little Street (Hayward Avenue to Welch Avenue).**

At the January 24, 2017 meeting, City Council awarded the contract to Ames Trenching of Ames, Iowa in the amount of \$422,737.00.

Now that construction is substantially complete, a balancing change order is required to adjust the quantities based on field measurements. The balancing change order is for \$20,713.05. The majority of this cost is due to unknown additional water services that needed to be restored along the project areas. Staff previously administratively approved two other change orders in the amounts of \$18,500 and \$24,000. This balancing change order brings the cumulative change order amount to \$63,213.05. Engineering and administration costs are estimated to be \$63,500 which brings the **total estimated project costs to \$549,450.**

The Water System Improvements are shown in the 2016/17 Capital Improvements Plan with \$1,300,000 in funding. From this program, approximately \$700,000 will be utilized for the water main replacements on other projects. **This leaves \$600,000 to fund the project costs shown above.**

**ALTERNATIVES:**

1. Approve Change Order No. 3 in the amount of \$20,713.05

2. Do not proceed with the change order and direct staff to pursue other options.

**MANAGER'S RECOMMENDED ACTION:**

By approving this change order, this project can move towards final acceptance. The project has provided a more reliable and higher quality water system for our citizens in these areas.

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



**COUNCIL ACTION FORM**

**SUBJECT: ENGINEERING SERVICES FOR THE WATER POLLUTION CONTROL FACILITY DIGESTER PUMPS, PIPING, AND VALVES REPLACEMENT PROJECT**

**BACKGROUND:**

On May 9, 2017 the City Council awarded a contract for engineering services to Strand Associates, Inc. of Madison, Wisconsin for design of the Water Pollution Control Facility (WPCF) Pump, Piping, and Valve Replacement Project in an amount not to exceed \$127,700. During preliminary design, Strand reviewed the applicable building code requirements related the digester complex along with standards set by the National Fire Protection Association (NFPA) for wastewater treatment plants (NFPA Standard 820). The overall goal of these standards is to improve workplace safety by providing protection against fire and explosive hazards.

The Digester Complex was originally designed and constructed in accordance with the building codes that were in place at the time. Based on Strand's review, however, the complex does not comply with current NFPA and National Electric Code (NEC) requirements. Strand has recommended the City upgrade the electrical system to meet the current code as a part of the Pump, Piping, and Valve Replacement Project.

A separate Gas Piping and Safety Equipment Replacement project is scheduled for the coming fiscal year (FY 18/19). Similar code deficiencies will arise when that project is initiated. Strand is recommending that the City also proceed with that separate project at the same time. Combining these two projects and addressing the code issues all at once will minimize plant operational issues and help to reduce the overall construction costs.

Combining the two projects together results in an estimated total project cost of \$3,323,000. A summary of the revised project budget is shown below.

Replace Pump Room Pipes & Valves	\$ 543,000
Replace Primary Pumps	360,000
Replace Secondary Pumps	336,000
Replace Gas Piping & Safety Equipment	1,404,000
NFPA Code Upgrades	600,000
Misc. Components	80,000
<u>Combined Project Total</u>	<u>3,323,000</u>

This is an increase of approximately \$856,000 over what was previously shown in the Capital Improvements Plan. The increase will be shown as a new element in Year 1 of

the 2018-2023 CIP that will be presented to Council in January 2018. Staff has identified savings in the current year from other CIP projects to partially offset the increased project cost.

Structural Rehabilitation	\$ 488,661
Screw Pump Rebuild	63,447
<u>Administration Building HVAC Replacement</u>	<u>52,522</u>
Identified Savings	\$ 604,630

**These offsetting reductions will be made as a part of the FY 2017/18 mid-year budget adjustments. The remaining \$251,370 will come from the available Sewer Fund balance.**

Staff has worked with Strand to develop a revised scope of work for the design of the combined project. The contract change order for Strand to complete the additional engineering design will be an increase of \$171,000, bringing their total contract amount to \$298,700. This design fee is approximately 10% of the estimated construction costs, which is in line with the industry standard for similar engineering services.

**ALTERNATIVES:**

1. Authorize Change Order Number 1 for additional engineering services to Strand Associates, Inc. of Madison, Wisconsin for the WPCF Pump, Piping, and Valve Replacement Project in an additional amount not to exceed \$171,000.
2. Do not authorize the change order to the contract at this time.

**MANAGER'S RECOMMENDED ACTION:**

Staff has determined that it is in the best interest of the City to move forward with this change to the contract. Delaying design to issue a new Request for Proposals (RFP) could delay the project six months and leaves the safety issue unaddressed longer. Combining these projects will provide cost savings to the City in both construction and design, and provide less operational cost in taking down digesters multiple times. The working relationship with Strand has been excellent to date for the project and staff expects it to continue into the future. It is staff's opinion that the dollar amount proposed by Strand for the additional work appears to be reasonable for the additional scope of work, and as a rough percentage of the estimated construction costs it is in line with W&PC's recent experience with other consultants on other projects.

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



**Public Works Department**  
515 Clark Avenue, Ames, Iowa 50010  
Phone 515-239-5160 ♦ Fax 515-239-5404

December 13, 2017

Honorable Mayor and Council Members  
City of Ames  
Ames, Iowa 50010

Ladies and Gentlemen:

I hereby certify that the public utility installation, curb and gutter construction, base lift of asphalt paving, erosion control and street lighting required as a condition for approval of the final plat of **Hayden's Crossing 2<sup>nd</sup> Addition** have been completed in an acceptable manner by **Ames Trenching and Excavating of Ames, IA and Manatts, Inc of Ames, IA**. The above-mentioned improvements have been inspected by the Engineering Division of the Public Works Department of the City of Ames, Iowa and found to meet City specifications and standards.

As a result of this certification, it is recommended that the financial security for public improvements on file with the City for this subdivision be set at **\$96,413**. The remaining work covered by this financial security includes installation of the final asphalt surfacing, pedestrian ramps and walks, shared used path, and final adjustment of utility features.

Sincerely,

John C. Joiner, P.E.  
Director

JJ/tw

cc: Finance, Contractor, Planning & Housing, Subdivision file

Description	Unit	Quantity
Mobilization	LS	1
Excavation, Class 13	CY	16,500
Subgrade Preparation	SY	4,500
Sanitary Sewer Gravity Main, Trench 8"	LF	1,101
Sanitary Sewer Service Stub, 4"	EA	23
Storm Sewer, Trench, RCP, 15"	LF	667
Storm Sewer, Trench, RCP, 18"	LF	274
Pipe Apron, RCP, 15" with Footing and Trash Guard	EA	2
Pipe Apron, RCP, 18" with Footing and Trash Guard	EA	3
Subdrain, Perforated PVC, 6"	LF	920
Storm Sewer Service Stub	EA	23
Water Main, Trenched, 8"	LF	1,200
Fittings, 8"	LB	220
Water Service Stub, 1"	EA	23
Valve, 8"	EA	3
Fire Hydrant Assembly, 8"	EA	5
MH, Type SW-301 (Sanitary)	EA	3
MH, Type SW-303 (Sanitary)	EA	1
MH, Type SW-307 (Storm)	EA	1
MH, Type SW-401 (Storm)	EA	2
Intake Type SW-501	EA	3
Intake Type SW-503	EA	3
Intake Type SW-505	EA	2
Intake Type SW-506	EA	1
Stablized Construction Entrance	EA	1
Inlet protection Device	EA	4
30" Curb & Gutter	LF	2,395
8" HMA Pavement	SY	3,270
Shared Use Path	SY	404
Sidewalk 6", PCC	SY	25
Sidewalk 4", PCC	SY	280
Detectable Warnings	SF	40
Native Prairie Seeding	AC	1.2
Wetland Seeding	AC	0.5
Conservation Seeding	AC	1.6
Traditional Seeding	AC	7.0
Check Dams, Rock	Ton	40
Rip Rap, Class 2	Ton	55
Stablized Construction Entrance	EA	1
Turn Reinforcement Mat, Type 2	SY	50
Inlet protection Device	EA	4
<b>GRANT AVENUE TURN LANE ITEMS</b>		
Excavation Class 13	CY	500
Subbase, Granular	SY	940
Storm Sewer, Trench, RCP, 15"	LF	26
Removal of Storm Sewer, RCP, 15"	LF	24
Pipe Apron, RCP, 15" with Footing and Trash Guard	EA	1
Intake Type SW-501	EA	1
Remove Intake	EA	1
Pavement, 8" PCC	SY	755
Curb & Gutter Removal	LF	890

**COUNCIL ACTION FORM**

**SUBJECT:**       **AMENDMENT TO EAST UNIVERSITY IMPACTED AREA URBAN REVITALIZATION PLAN**

**BACKGROUND:**

The City Council, at their November 28 meeting, directed staff to prepare an amendment to the East University Impacted Area Urban Revitalization Plan. The direction was to include new construction of Greek residences as an eligible criterion for tax abatement. The existing criterion of allowing for abatement for rehabilitation and expansion remains. A map of the Urban Revitalization Area is found in Attachment 1. The plan describes the criteria under which a Greek residence house can be eligible for tax abatement on the incremental value of new improvements. The amended plan includes no specific design criteria for eligibility for new construction. The full plan is found in Attachment 2.

Based on the direction given by the City Council, December 19 was published as the date of a public hearing to consider the amendment to the Urban Revitalization Plan. Staff has prepared an amendment to paragraph 7 of the Plan which identifies the criteria for which tax abatement can be approved.

**ALTERNATIVES:**

1. The City Council can approve the amendment to the East University Impacted Area Urban Revitalization Plan as shown in Attachment 3.

This alternative would make new construction of Greek residences eligible for tax abatement. Expansion and rehabilitation of existing Greek houses would maintain their eligibility as long as 70 percent of exterior walls are retained.

2. The City Council can choose not to approve the amendment to the East University Impacted Area Urban Revitalization Plan.

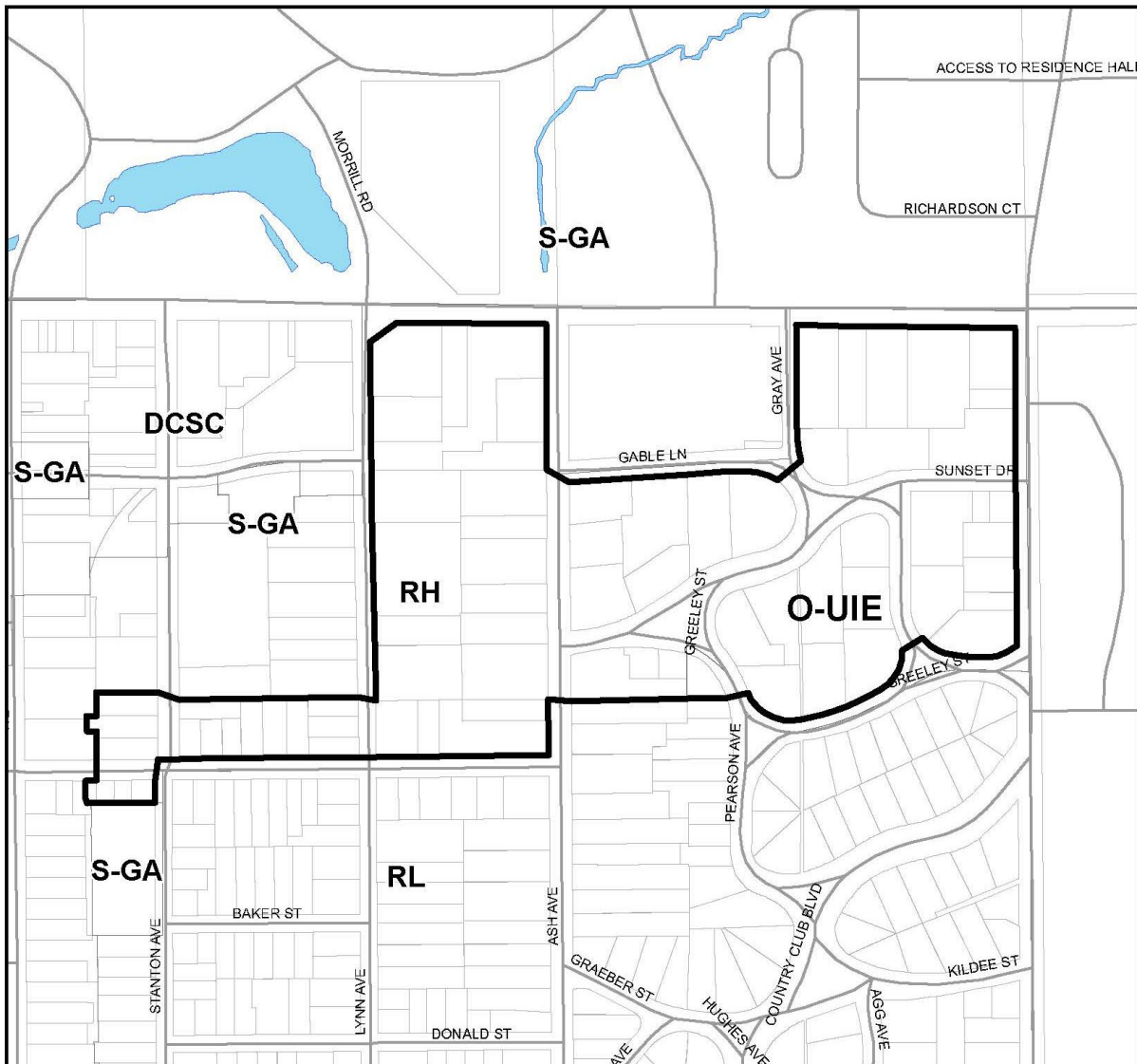
This alternative would retain existing criterion applicable only to the expansion or rehabilitation of existing Greek residences.

**MANAGER'S RECOMMENDED ACTION:**


Following the direction of the City Council, staff has provided published notice of a public hearing for an amendment to the Urban Revitalization Plan. Staff has prepared that amendment to add new construction of Greek residences as an eligible criterion for tax abatement and to retain the existing criterion for the rehabilitation and expansion of existing Greek residences provided 70 percent of the area of exterior walls remain.

Therefore, it is the recommendation of the City Manager at this time that the City Council approve Alternative #1. This alternative will amend the East University Impacted Area Urban Revitalization Plan to include tax abatement for new Greek residences. This abatement will apply to abatement applications received in January, 2018.

**ATTACHMENT 1: EAST UNIVERSITY IMPACTED AREA URBAN REVITALIZATION AREA**  
**Urban Revitalization Plan**  
 East University Impacted Area



**Legend**

 East University Impacted Urban Revitalization Area



Prepared by the Department of Planning and Housing 2/24/06

## ATTACHMENT 2: EAST UNIVERSITY IMPACTED AREA URBAN REVITALIZATION PLAN

### URBAN REVITALIZATION PLAN East University Impacted Area

1. Property Address: See Attachment A
2. Legal Description: See Attachments B & C
3. Assessed Valuation: Land: \$17,176,500      Buildings: \$30,672,600
4. Owners Name & Address: See Attachment A
5. Zoning District and Classification: Residential High Density Zone (RH) and East University Impacted Overlay District (O-UIE)
6. City Services: No enhancements are planned.
7. Applicability of Revitalization: Revitalization shall be applicable only to buildings in the designated area which comply with following conditions-
  - Existing or former residences recognized by Iowa State University as part of the Greek residence system, and
  - 70% of the area of existing exterior walls of the structure will remain.
8. Duration: No end date
9. Relocation: The plan does not require the displacement of any persons, and there will be no relocation benefits provided.
10. Percent Increase in Value Required: The value-added requirement is a five (5) percent increase in actual value.
11. Federal, State, or Private Grant/Loan Programs for Residential Improvements: There are no grants or loans.
12. Existing Land Use: See Attachment A
13. Geocode: See Attachment A
14. Tax Exemption Schedule: See Attachment D



## ATTACHMENT 3: PROPOSED AMENDMENT

### Amendment to East University Impacted Area Urban Revitalization Plan

#### Existing

7. Applicability of Revitalization: Revitalization shall be applicable only to buildings in the designated area which comply with following conditions-
  - Existing or former residences recognized by Iowa State University as part of the Greek residence system, and
  - 70% of the area of existing exterior walls of the structure will remain.

#### Proposed

7. Applicability of Revitalization: Revitalization shall be applicable only to buildings in the designated area which comply with following conditions-
  - Existing or former residences recognized by Iowa State University as part of the Greek residence system, and which, following rehabilitation, 70% of the area of existing exterior walls of the structure will remain, or
  - Construction of a new Greek residence recognized by Iowa State University as part of the Greek residence system.

**COUNCIL ACTION FORM**

**SUBJECT: PLANNED RESIDENCE DISTRICT REZONING AND MAJOR SITE DEVELOPMENT PLAN FOR 398 SOUTH 500<sup>TH</sup> AVENUE AND PROPERTY WEST OF 5508 LINCOLN WAY**

**BACKGROUND:**

Trinitas Development LLC is requesting a Floating Planned Residence District (PRD) rezoning and approval of a Major Site Development Plan at 398 South 500<sup>th</sup> Avenue and the parcel located west of 5508 Lincoln Way to allow for the construction of 263 dwelling units. The proposed plan includes attached dwelling houses (two-family homes), four apartment buildings, a clubhouse and other site amenities. (See *Attachment A Location and Existing Zoning Map*). The subject site totals 33.57 gross acres with 30.51 acres of net lot area for development purposes. The subject site was annexed into the city on March 7, 2017 with a development agreement identifying responsibilities for off-site improvement requirements. Notably, the development agreement requires paving of South 500<sup>th</sup> Avenue adjacent to the sites frontage and to the north of Lincoln Way. Lincoln Way will be improved with a turning lane and the extension of a shared use path to Wilder Avenue to the east.

The initial request for this site came before the City Council for approval of a rezoning of the properties from Agricultural (A) to Planned Residence District, (PRD), Major Site Development Plan for 240 units with 860 bedrooms, and Preliminary Plat at the June 27, 2017 City Council meeting. The City Council's discussion of the project included, among other things, site design for storm water, compatibility with adjacent properties, issues relating to the lack of housing diversity, access to CyRide, and needs for additional student housing. The City Council voted 3-3 on a motion to approve the PRD rezoning request and as a result of the tie vote the project was denied at the June 27<sup>th</sup> meeting.

The applicant has now proposed a PRD rezoning request with a modified arrangement of uses and a new Major Site Development Plan. **The general layout of the site and intent for development of 100% rental property that is principally student rental housing remains the same as the original proposal.** The proposed site plan includes a total unit count of 261 units and a bedroom count of 855. The dwelling types are divided into 214 dwelling units within two-family dwellings, referred to as "attached dwelling houses," four apartment buildings with 46 dwelling units, and one single dwelling unit with the associated maintenance building.

**The newly proposed site plan includes changes to the southeast corner of the development to now include four apartment buildings (townhome style design) rather than all attached dwelling houses. The developer indicates that the intent of including apartments is to provide a "workforce housing" use type.** The developer has included a memo that includes definitions for "non-student residents" that will apply to 46 units within the development, which is the total number of apartment

units. The proposed 46 apartment units account for 11 percent of the total bedrooms available for rent in the proposed project. The developer is willing to enter into an agreement restricting these units to workforce housing.

The “workforce housing” units would not be leased to “students” as defined by the developer. Certain exceptions to the full time student definition are described in the memo (Attachment J), such as if a person is a student and has a dependent, is a veteran, is older than 24 years of age, etc. would be excepted from the student rental restriction. The definition and exceptions are based on federal HUD guidelines for federal housing programs.

Unit Type	Units	Beds	% Units	% Beds
1 br	40	40	15.3%	4.7%
2 br	38	76	14.6%	8.9%
3 br	19	57	7.3%	6.7%
4 br	138	552	52.9%	64.6%
5 br	26	130	10.0%	15.2%
<b>Total</b>	<b>261</b>	<b>855</b>	<b>100.0%</b>	<b>100.0%</b>

Parking requirements have been met throughout the site at a dwelling house parking rate by providing 1 parking space per bedroom and 1.5 per one bedroom unit. This approach exceeds both Zoning Ordinance and proposed Rental Code requirements for two-family dwellings. The applicant has provided 915 parking spaces where 845 spaces are required for apartments and two-family homes.

**The proposed Major Site Development Plan has the same overall layout and circulation system as the original proposal with a new north south public street named Lawrence Avenue that connects to an extension of Norris Street. All other circulation areas are private drives. The developer has agreed to strengthen part of Lawrence Avenue to support bus service if available in the future. The primary changes from the original plan are conformance to the new landscaping ordinance for the private drives by incorporating new overstory trees, changing the building type in the southeast corner, inclusion of additional perimeter landscaping along the east property line, and minor changes to the overall stormwater management plan.** Conditions are included for the Major Site Plan concerning final approval of landscaping plans and stormwater plans.

**The proposed apartments replace 13 two-family dwelling houses (26 units) with four apartment buildings totaling 46 units. The inclusion of four three-story apartment buildings does change how the project interfaces with the existing single-family development to the east.** The single-family homes tend to be primarily single story homes in this area. The three-story apartments are setback sixty feet from the east property line, which exceeds the minimum setback requirements. The units meet the standard 25-foot front yard setback along Lawrence Avenue. The developer describes the apartments as townhomes due to the vertical appearance of the apartment units and the outdoor individual entries to each unit. The ground level units are access at grade with the upper floor units with second level entries access by external steps. Each unit includes a ground level patio or second level deck. The design is similar to the Copper Beech apartment development off of S. 16<sup>th</sup> Street with the exception of roof details and materials and colors. All apartments are served by

surface parking and there are no garages or covered parking provided for the units.

The orientation of the apartment units has the appearance of the back or rear of the units along the new Lawrence Avenue public street with the entrances facing the parking. The front yard includes required landscaping, but the primary building features visible from the street will be the 2<sup>nd</sup> story decks along street frontage. **The City Council could require enhancement of the townhome appearance of the apartments with requirements to reorient the units to have front doors facing the streets or to require more individual unit differentiation with façade relief corresponding to color changes and changes to the roof for creating the appearance of vertical individual units.** Staff has included a condition for the developer to address additional architectural detailing for the Lawrence facades.

Due to the inclusion of apartments, staff has included the RH Apartment checklist as Attachment I for evaluation of a number of issues related to consistency with the LUPP. The purpose of the matrix is to evaluate if a specific site is suitable for multi-family development, the matrix does not set a minimum scoring requirement nor does it evaluate if alternative uses that may be also suitable for the site proposed with apartments. The matrix has been used for various projects that include multi-family housing regardless of zoning class.

The approval of the Site Development Plan and original Annexation Development Agreement are predicated on the City approving a subdivision of the property as well. The applicant has prepared a Preliminary Plat for the site, but it is not included with this request. If the Rezoning and Major Site Development Plan are approved, City Council will still need to approve the Preliminary Plat at a subsequent meeting.

Originally the project also included a request for a text amendment to allow for the renting of the two-family units to up to five unrelated people as attached dwelling houses. Although the applicant intends to make all of the units available for rent for up to five adults subject to bedroom limitations, the prior text amendment is likely moot due to pending changes to the Rental Code for occupancy regulations. Upcoming changes to rental occupancy regulations would no longer create a need for the attached dwelling units to be classified as “attached dwelling house”, they would just be considered two-family units with occupancy based upon the number of bedrooms and parking spaces provided.

**Planning and Zoning Commission Recommendation:**

At the meeting of December 6, 2017, the Planning and Zoning Commission reviewed the proposed project and discussed many elements of the design and proposed use. The Commission raised concerns with the intensity of the project with the number of bedrooms, student housing needs, and the amount of people and lack of public transportation for this location. The Commission discussed the overall layout, CyRide access, apartment design, landscaping, and stormwater features. The developer described their planned private shuttle system for the residents that would operate until such time that CyRide may serve the site. The developer did note that although they do not have specific drop off locations planned at this time, the locations would not interfere with CyRide locations or be on campus. The developer also described their intent for

workforce housing and changes to the project and compared it to a recently completed project in Oxford, Ohio. The developer's engineer also described the storm water management plans and issues with the drainage district.

The Planning and Zoning Commission did not recommend approval of the PRD with 5 members voting not to approve and 2 members voting to approve the plan. The motion to approve failed with 2-5 vote of the Commission.

### **ALTERNATIVES:**

1. The City Council can approve the following requests for the properties at 398 South 500<sup>th</sup> Avenue:
  - A. Rezone the properties from Agriculture (A) to Planned Residence District (F-PRD) with a Medium Density Base Zone; and
  - B. Approval of the Major Site Development Plan, subject to the following conditions:
    - i. Approval of final plat for creation of the proposed lots as depicted on the site plan in relation to the preliminary plat;
    - ii. Recording of easements for public utilities as noted on the site plan plan;
    - iii. Prior to occupancy of the first building, provide an updated landscaping plan for front yard landscaping along Lincoln Way and 500<sup>th</sup> Avenue consisting of a mix of trees, shrubs, and grasses as "foundation plantings" with final approval by the Planning Director.
    - iv. Ensure existing landscaping and fencing is preserved and maintained and if removed that is replaced.
    - v. Replacement landscaping or fencing along the perimeter of the site is subject to the review of the Planning Director to ensure adequate screening is accomplished in accordance with existing conditions and the City's landscape buffer standards.
    - vi. Upon final approval of the Stormwater Management Plan, a complete printed copy of the Plan shall be submitted to the Municipal Engineer.
    - vii. Drainage District tile line utilized by the development shall be the maintenance responsibility of the developer and not the City.
    - viii. Prior to initiating development of the site, the developer shall provide evidence of approval by affected agencies relating to storm water improvements both on-site and off-site. This may include, but not limited to, Boone County, Story County, DNR, and the Drainage District.
    - ix. The developer is solely responsible for securing outside agency approvals for roadway improvements and storm water improvements.
    - x. Include additional façade relief for the two apartment buildings along Lawrence Avenue with changes in the wall plane or roof forms to enhance the individual unit identity. Final architectural plans are subject to Planning Director approval.
    - xi. Enter into an agreement for "workforce" housing rental limitations per the Developer's proposed definitions.

2. The City Council can approve the request for rezoning, Major Site Development Plan, and Preliminary Plat for the properties at 398 South 500<sup>th</sup> Avenue, with modified conditions.
3. The City Council can deny the request for a PRD rezoning and accompanying Major Site Development Plan and Preliminary Plat for the properties at 398 South 500<sup>th</sup> Avenue, if the Council finds that 1) the City's policies do not support the rezoning of the site to PRD, 2) the design and layout of the site does not meet the policies or regulations of the City, and/or 3) it is not in the best interest of the City to rezone the site at this time.
4. The City Council can defer action on this request and refer it back to City staff and/or the applicant for additional information.

#### **CITY MANAGER'S RECOMMENDED ACTION:**

Evaluation of the rezoning request and accompanying development permits is twofold. The first is to consider if the proposed use and density are consistent with the goals of the LUPP and secondly does the design meet the standards and expectations for a PRD versus development under a base zoning district. If a PRD is not approved, the developer can seek rezoning to a standard zoning district.

In terms of consistency with the LUPP, the City considers development broadly across New Lands as achieving an average of 5 units per acre with any one development having the flexibility of meeting individual minimum and maximum density requirements. The overall density for the proposed project is approximately 7.8 units per acre, which is at the high end of low density development ranges, and much higher than typical single-family dwelling developments.

This PRD application is essentially the same request as the Council heard back in June 2017, with the exception of changing out 13 two-family homes for four apartment buildings in the southeast corner and increased landscaping to meet new landscaping standards. The developer describes the apartment units as marketed for "workforce housing" units that does not include students. The remainder of the site would be marketed as student housing. The applicant is in agreement with conditions presented with Alternative #1.

While, the proposal can be found to be consistent with the LUPP in that it provides housing that meets density estimates for New Lands, **the concerns raised regarding the type of housing units, access to public transportation, and the number of student housing oriented units have not substantially changed from the original request that was denied by the City Council as not appropriate for this site. The applicant has not chosen to substantially change the mix of units from the original proposal by creating either ownership housing options or true single-family attached townhomes that include garage parking to distinguish it from basic rental housing options that already exist in the City.**

The alternative use or zoning for the site would include FS-RL for the majority of the site or potentially Convenience Commercial along Lincoln Way. Both of these types of zoning districts could be found to be consistent with the Land Use Policy Plan designations of Village Suburban Residential and the Convenience Commercial Node. However, staff believes that it is likely that the site would not be developed uniformly with single-family detached homes under FS-RL because of the inefficiencies of storm water facility locations, street extensions, and existing development on adjacent lots that affect the developable area of the site. The site may be more conducive to single-family attached townhome developments or a mix of single-family attached to the north part of the site and detached single-family to the south. Conceptually, development under these FS-RL scenarios may range from 75 detached homes to 140 single-family attached townhomes. Townhome development with extensive use of private streets could result in more than 140 townhomes.

In addition to the general land use and zoning consistency described above, the PRD rezoning request includes review of the specific development design and details. The applicant has chosen the PRD process due to the proposed housing type and site layout constraints. The Major Site Development Plan review component of the PRD is meant to review the specific design and landscaping issues related to development that does not follow conventional development patterns. It is critical to consider the design principles that rely upon site planning and landscaping to ensure adequate transition and compatibility to adjacent properties. This concept applies to both the existing neighborhood and the properties to the south that would be expected to develop with single-family homes. The additional landscaping is an enhancement of the overall plan from June, but will still be a tight planting environment due to reduced setbacks through the private drive and parking areas. The apartments are buffered from the homes to the east but have limited architectural interest when viewed from Lawrence Avenue due to second story decks and no front door entries. These elevations could be enhanced with additional architectural details or reorientation. Staff believes the proposed development layout with the recommended conditions, when viewed as an overall development, does comply with the PRD design principles.

**With the minor changes to building types and continued focus on a large scale rental housing project overall that is substantially similar to previously denied submittal, the same issues and reasoning for the earlier denial persist for the project. Therefore, it is the recommendation of the City Manager that the City Council support Alternative #3 thereby denying the PRD Rezoning and accompanying Major Site Development Plan.**

## ADDENDUM

### PROJECT DESCRIPTION:

The site abuts the Bentwood Subdivision to the east which is a single-family detached development. The land that abuts the site to the north, south and west is land located in Story and Boone County, respectively. Development does exist on the lands within Story County and is a mix of commercial to the northwest and residential with a landscaping business to the south.

The applicant requests a rezoning of the parcels from Agriculture (A) to Planned Residential District (F-PRD) to facilitate the development of the property with multiple buildings on an individual lot and for use of private streets. (See *Attachment C, Proposed Zoning*). The concurrent review of a Major Site Development Plan is required with a request for F-PRD zoning. The Major Site Development plan includes the design of buildings, layout of the site, and landscaping.

Approval of a PRD sets a base density standard for the development, but allows for more flexible application of most development standards through the approval of the Major Site Development Plan. Approval of PRD zoning and site development plan requires findings of consistency with design principles relating to the housing variety, efficiency of layout, quality of design, open space, and landscaping that in combination exceeds what can be accomplished with standard zoning (See *Attachment E for Design Principles Findings*) in addition to the findings for approval of Major Site Development Plan.

The site is within a “New Lands” area as described by the Land Use Policy Plan. The site may be zoned one of four options to allow for development. The area can be rezoned to FS-RL (Residential Low Density), FS-RM (Residential Medium Density), F-VR (Village), or for F-PRD. The applicant has chosen to apply for F-PRD with density and uses requested to meet the RM base zone density requirements. The developer refers to FS-RM as the base zone as the area is a “New Lands” area typically subject to Floating Zone requirements compared to the existing areas of the City subject to only base zoning requirements. The proposed density is estimated at just below 8 units per acre, which is consistent with the range of density for FS-RL, but higher than typical low density development.

The City’s development trends for multi-family and rental projects have included construction of approximately 3,500 bedrooms of capacity over the past three years. ([City Building Permits Issued Memo](#)) Based upon issued building permits, an additional 1,200 bedrooms of rental development is anticipated to be completed in 2018. This boom in construction has allowed the City to catch up with recent housing demands caused by previous ISU enrollment increases. However, the demand for additional student housing may be tempering with a slight drop in ISU enrollment in 2017 and expected flat enrollment for the next few years. City staff believes priorities for future housing development include some additional rental development, but of a style and design that is marketable to a wide range of interests and not exclusively thought of as student housing. This is important to the City as it looks diversify its housing options beyond student housing needs to meet general housing diversity interests.



## **Project Design**

The overall project includes three developable areas configured around the creation of a public street (Lawrence Avenue) and the extension of Norris Street from the east to connect to Lawrence Avenue. The layout also includes a large central stormwater detention pond and stormwater management features for the outlet to the east that becomes College Creek. Off site stormwater improvements are also planned to the east of the site along 500<sup>th</sup> Avenue. The proposed lots all have frontage on a public street. Lawrence and Norris will meet local street improvement requirements with 26-foot wide street section, sidewalks, and street trees. The applicant intends to request deferral of the sidewalk improvements along the east side of Lawrence between Lincoln Way and Norris as part of the Preliminary Plat. Although CyRide does not provide service to the project area, CyRide has requested for strengthening of the public streets for future bus service. The requested improvement is a condition of approval for the associated Preliminary Plat for Lawrence Avenue to the clubhouse area of the plan.

Internally, a series of internal private drives provide access to parking and provides access and connections through the site to serve the new development. Connections are made to the public streets of Lincoln Way, Norris, Lawrence, and S. 500<sup>th</sup> Avenue. The plan also includes walking paths for pedestrian connectivity.

The applicant has provided 915 parking spaces for the development. The applicant based parking upon the dwelling house parking standard. The Zoning Ordinance and proposed Rental Code standards would require only two parking spaces for the two-family units of 1,2, or 3 bedrooms and an additional parking space per bedroom for 4 and 5 bedroom units. Apartments are required to provide one parking space per bedroom. Based upon the two-family and apartment parking requirements of the City, 845 parking spaces are required. Applying the dwelling house and apartment parking requirement would increase the overall required parking to 875 parking spaces.

The proposed Major Site Development Plan accounts for all building configurations and features of the site layout. The project includes 261 housing units with a total of 855 bedrooms. Typical elevations of the attached units and apartments are included. The applicant will include a variety of housing facades and include high quality durable materials of cement board siding for the homes. The attached dwelling houses are all two-story units. The newly proposed apartment buildings are three stories in height. A clubhouse and recreation facilities are planned near the intersection of Norris and Lawrence. Walking trails and sidewalks will connect throughout the development. The applicant proposes a perimeter buffer/setback of 25 feet along the north and south property lines and a 50-foot separation for dwelling houses and 60 feet for apartments to the east property line abutting the existing homes.

Additional street trees have been planted along the private drives and parking areas compared to the original proposal. When the proposed development came before the City Council last June, there were no residential landscaping requirements for single-family attached or detached units or parking lot landscaping requirements. Since then a new landscaping ordinance has been adopted that now includes 10% landscaping requirements for all parking areas. In addition to the new parking lot landscaping, the project also includes front yard residential landscaping in front of the apartments along

Lawrence. Front yard landscaping has also been conditioned for the public street frontages of all building types. The private drive areas include additional landscaping to enhance each structure's appearance in support of the design principles of the PRD.

The applicant and Staff met to discuss options for landscaping along the private streets in order to meet or exceed the base district (RM) requirements, as required by the PRD criteria. The applicant has complied with the residential parking lot requirements in terms of number of total trees required for the all areas, except along Lawrence Avenue and where the townhomes are located. Based on the residential parking lot calculation 125 overstory trees are required. The landscaping plan includes 126 overstory trees along the private streets. The applicant has shown on the landscape plan compliant spacing of the trees at least three feet away from paving and 15 feet from a structure to allow for maturity of the trees over time. Many of the planting area are very tight within these envelope of minimum dimensions. The applicant could remove up to 40 parking spaces to expand planting areas due to the amount of parking that exceeds minimum code requirements.

The PRD includes a number of variations from typical lotting standards of RM to accommodate the proposed use of attached dwelling houses without an individual lot for each home. The plan includes proposed adjustments to front yards setbacks, side yard setbacks, and lot widths. Additional information concerning the proposed plans are included within the addendum.

Through initial discussions with the developer about the subject site and evaluation of the proposed PRD design, staff has focused discussions on three key issues:

1. Adequate circulation for the proposed development and future needs,
2. Design principles of the PRD for housing quality and design with amenities
3. Compatibility with the adjacent single-family neighborhood to the east and potential development to the south.

The initial factor for the layout of the site is use of public streets versus private drives for circulation and access. Staff supports the current public street design as meeting the minimum needs for future circulation needs to the south and connecting to an existing neighborhood to the east. The public street extensions make logical connections to the abutting properties with an extension of Norris to the west deemed to be not necessary because of existing commercial development abutting the development site. The spacing of intersections along Lawrence is consistent with the FS zoning standards of no more than 660 feet without a crossing. The typical spacing is approximately 640 feet between intersections on Lawrence Avenue.

After discussion of the design interest of the development and other circulation needs, the private drive arrangement was proposed to give the developer flexibility in lotting and parking arrangement. Staff determined that the spacing of access to South 500<sup>th</sup> Avenue with Salinger Street was a priority for coordinating with future improvements, but having public circulation through the area was not a priority and a private street could be found to be appropriate. An additional street stub to the south from Salinger Street was then not requested as it would be affect the public versus private circulation system and hierarchy of streets. If the site included additional public streets, on-street

parking would not count towards the development needs and would require a redesign of the site.

The circulation design throughout the site is mostly on private drives. The site layout tries to match that of a typical residential subdivision by laying out the units so a majority of them appear to have street frontage. In order to try and replicate a typical residential street layout, the site tries to replicate the same level of convenience and functionality as public streets, with some allowances for alternative configurations with less right-of-way. The design considerations for the private drives focused on requiring sidewalks, lighting, and street trees within these areas. The developer's typical design of the private streets with parking is for a 24-foot drive aisle and 17-foot parking stall with 2 feet of overhang along the 6-foot wide walkways. The proposed six-foot wide sidewalks are a unique proposal compared to our current sidewalk requirements that require a five-foot wide sidewalk along a street rather than four feet. The two feet of overhang onto the sidewalk has been approved in commercial and apartment developments when the walkways are 7 feet in width. The applicant requests this arrangement as a consideration of the proposed units as single-family structures rather than high intensity uses where five-foot wide sidewalks are required.

The City's PRD zoning is based upon the concept of providing for substantial open space and to promote housing options that might not be available with conventional subdivisions. The applicant contends that this proposed development is promoting a housing option that isn't currently available in Ames. They are proposing a cottage type development with two-family attached residential units. To achieve the density of units requested by the applicant, variations to lotting and setback requirements are included within the PRD. The developer believes they have provided for high quality housing through variety of building types, architectural interest, and quality of the building materials.

The project proposal provides passive and active open space that will be available to residents within the development and meets the overall open space standards. The site exceeds 50% open space on the site. The applicant has provided typical landscaping design for each unit. The PRD allows for the developer to propose a custom landscape plan for the overall site, but that it should exceed typical landscape standards.

Ames does not require single-family homes to meet specific landscape requirements; however, medium density development would typically trigger buffering, parking lot, and foundation plantings. The proposed dwelling house concept is a hybrid of single-family structures at medium level of development density. The developer is proposing to use existing vegetation on the perimeter of site to serve as screening with a minimal number of additional planting. To the east there is additional setback, while to the south there is the minimum rear yard setback. Staff believes that accounting for existing landscaping is important but that the site also stands on its own in achieving compatibility and transitions that are appropriate for the proposed use. Additional landscaping or fencing could be required along the perimeter of the site to mitigate the density of uses and along the south the spacing of units as an element of the PRD to provide enhanced landscaping that exceeds minimum standards.

Since the previous submittal the applicant has added some additional landscaping

along the east property line at the request of the adjacent property owners and to ensure adequate screening where needed between this development and single family homes to the east. Front yard landscaping along Lincoln Way and S 500<sup>th</sup> Avenue, similar to required front yard planting requirements will be added as a condition of approval and have been shown on the landscaping plan.

Street trees within a subdivision are required per the Subdivision Code, Section 29.402, for residential subdivisions along both sides of the public street to be spaced between 30 and 50 feet. The street trees along both sides of Lawrence Avenue and Norris Street have not changed from the previous submittal and the submitted Street Tree Planting Plan is in accordance with the minimum subdivision requirements.

Development in a PRD looks to include a mix of housing types, integrated design, open space, site amenities, and landscaping that exceeds the requirements that exist in other residential zone development standards. Open Space is currently defined as “useable open space designed and intended for the use of all residents, included space dedicated to the public.” Common Open Space includes areas planned for active or passive recreation as well as areas of recreational activities. **A minimum landscaped open space requirement of 40% is required for the PRD zone.** The overall project is noted to provide 52.6% open space. The sidewalks along Lincoln Way and the private street network allow for an interconnected sidewalk system and provides for access and pedestrian use throughout the development. There is an interior sidewalk that connects the west side of the development with the area where the clubhouse, pool and other amenities are located.

**Planned Residential Development (PRD) Development Principles**

Property that is zoned F-PRD must adhere to the development principles in Ames Municipal Code Section 1203(2). Attachment E reviews the Plan with respect to these principles. A table has been included to compare this development as an F-PRD against the site development requirements for a typical RM zoned development.

DEVELOPMENT STANDARDS	RESIDENTIAL MEDIUM DENSITY	Proposed PRD Development Typical Minimums, Assumed Lot Lines
Minimum Lot Area:	3,500 sf per unit for the two family units	5,538 sf per unit for two units
Building Setbacks: Front Lot Line	25 ft.	Private Streets 14 ft. to building 10 ft. to porch 25 feet to Public Streets
Side Lot Line	8 ft. for 2 stories	5 ft. minimum
Rear Lot Line	25 ft.	25 ft.
Minimum Frontage:	35 ft @ street line 50 ft @ building line	47 ft. – 67 ft. typical

**Planned Residential Development (PRD) Supplemental Development Standards**

Property that is zoned F-PRD must also adhere to and exceed the development principles in Ames Municipal Code Section 29.1203(2).

The proposed attached dwelling house development type and apartments could be developed under the FS-RM regulations, however, the layout and site regulation associated with the FS base zones does not permit the use of private streets or the development of lots without frontage on a public streets as the PRD plan is proposed. It allows for multiple buildings on a lot that are not apartments. The PRD zoning designation allows for the proposed private streets to accommodate the interior oriented dwelling unit layout on private streets and for residential units to not be on individual platted lots.

**Infrastructure.** The site will be fully served by City infrastructure. Sanitary sewer and water will be installed as part of the development. The water connection will come from the north side of Lincoln Way. Water lines will need to be extended along Lincoln Way to the western boundary of the proposed development and looped through the site. The sewer connection will come east, just south of Norris Street from the existing residential development. Electric Services will be supplied by Alliant Energy, as the development area is not within the City of Ames electric service territory. Easements are shown on the Preliminary Plat/Site Plan and any additional easements needed to accommodate the proposed development for utilities will be recorded with the Final Plat at the time of subdivision of the individual lots.

The Public Works Department is reviewing the submitted Storm Water Management Plan for this subdivision and is working through the plan with the developer. The proposed plan includes a substantial amount of off-site grading to the west of the site to make improvements to the area. The approach to stormwater management can meet

the City's standards, but conditions are included to verify final compliance and seek other agency approvals prior to development.

**Access.** Vehicular access is provided to the site from Lincoln Way, South 500<sup>th</sup> Avenue, and Norris Street. A traffic study was done prior to approval of the annexation. The traffic study called for a turn lane on Lincoln Way. This turn lane and other improvements to Lincoln Way and 500<sup>th</sup> Avenue are included in the previously approved Pre-Annexation Agreement. No impacts to vehicle operations were identified for the adjacent Wilder and Lincoln Way intersection. Pedestrian connections will be made from Norris Street to the project site and along Lincoln Way. A shared use path will be extended along the south side of Lincoln Way to Wilder Avenue as well. The developer intends to request a deferral/waiver of installation of sidewalk along the east side of Lawrence Avenue from Norris to Lincoln Way, this would be a determination of the City Council during review of the subdivision plat.

Bus service is currently not available to the property. The nearest bus stop is approximately ½ mile to the east of the site at Thackeray and Lincoln Way. Lincoln Way and S. 500<sup>th</sup> Avenue are high order streets for the City and would be able to sustain the weight of a bus in the future.

#### **Major Site Development Plan Criteria.**

Additional criteria and standards, beyond those of the PRD Zone, apply to the review of all Major Site Development Plans. The standards are found in Ames *Municipal Code* Section 29.1502(4)(d) and include the following requirements. *When acting upon an application for a Major Site Development Plan approval, the Planning and Zoning Commission and the City Council shall rely upon generally accepted site planning criteria and design standards. These criteria and standards are necessary to fulfill the intent of the Zoning Ordinance, the Land Use Policy Plan, and are the minimum necessary to safeguard the public health, safety, aesthetics, and general welfare.* See Attachment G for a full review of the individual Development criteria for the Major Site Development Plan.

#### **Land Use Policy Plan and Zoning.**

The LUPP Map designates the property as Village Suburban Residential. The existing zoning of the property is Agriculture (A). *See Attachment A and B, Existing Zoning and LUPP Maps.*

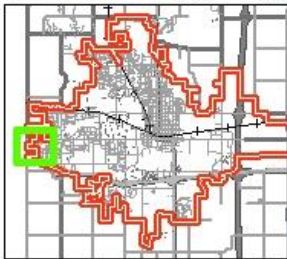
The land use designation of Village Suburban Residential does allow for the zoning of the property to either of the Floating Suburban zones (FS-RL or FS-RM) or Planned Residential Development (F-PRD). The site is also part of the New Lands designation of the Land Use Policy Plan. The principles of suburban development rely on use of landscaping and buffering of disparate uses for compatibility and accommodation of convenient vehicle access into and through sites. In general the City plans for a mix of low and medium density development in New Lands based upon an 80% low density and 20% medium density development pattern. Each rezoning request for residential development is evaluated for consistency with growth projections and housing needs to balance the range of permissible uses in the Village Suburban Residential designation.

Property developed according to the F-PRD (Planned Residence District) requirements allows for innovative housing types and creates a development pattern that is more aesthetic in design and sensitive to the natural features of the site and to surrounding uses of land than would customarily result from the application of the requirements of other residential zoning districts. Development is to include a mix of housing types, integrated design, open space, site amenities, and landscaping that exceeds the requirements that exist in other residential zone development standards.

**Public Notice.** Notice was mailed to property owners within 200 feet of the subject site and a sign was posted on the subject property. As of this writing, no comments have been received for the City Council meeting. Comments were received by the Planning Commission from a resident on Frost that had concerns about the project.

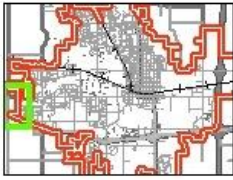
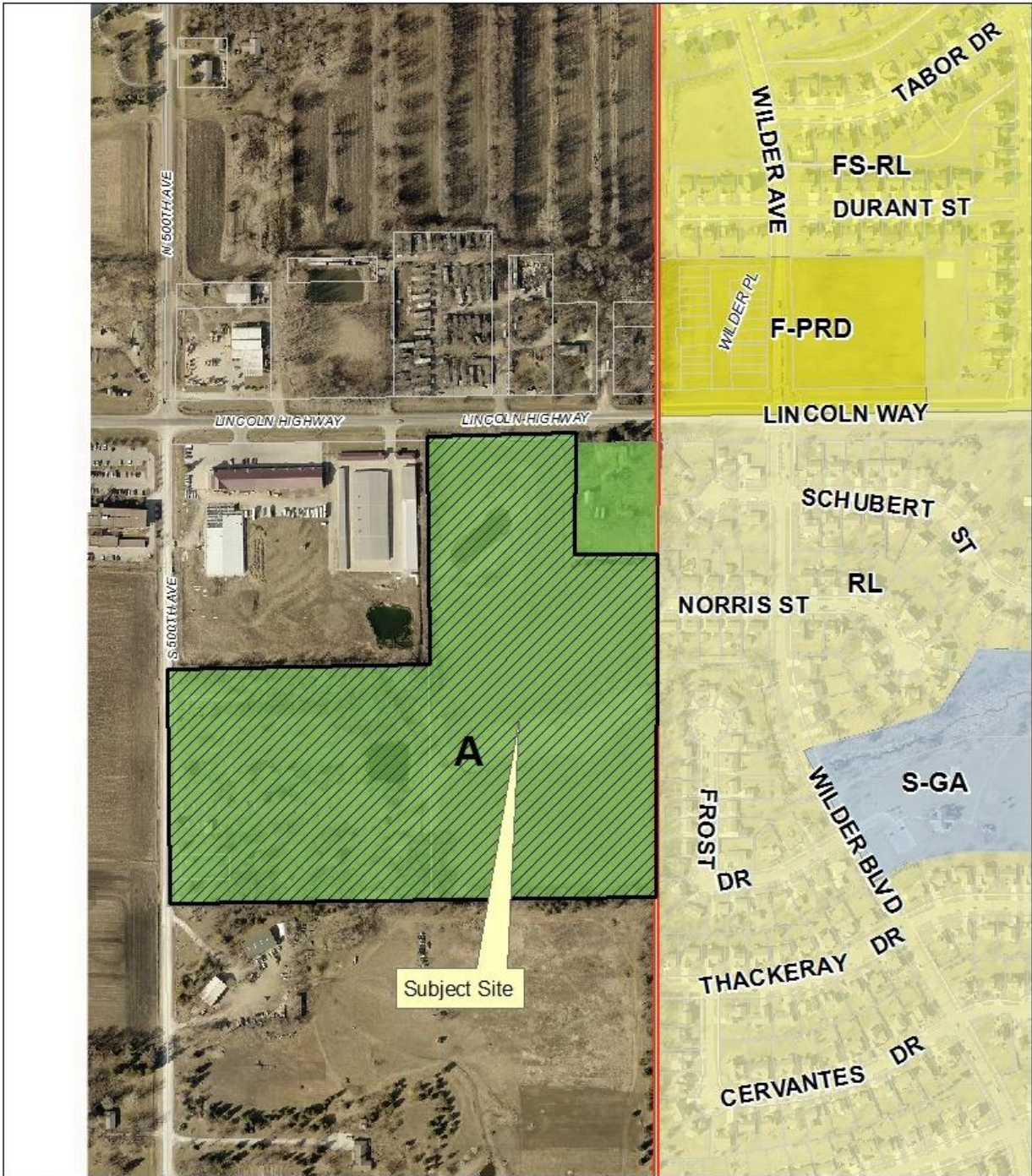
# Attachment A

## Location and Existing Zoning Map



**Proposed Planned Residence Development  
398 S 500th Ave and adjacent parcel**

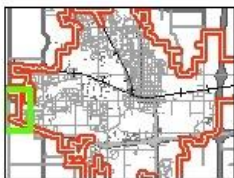
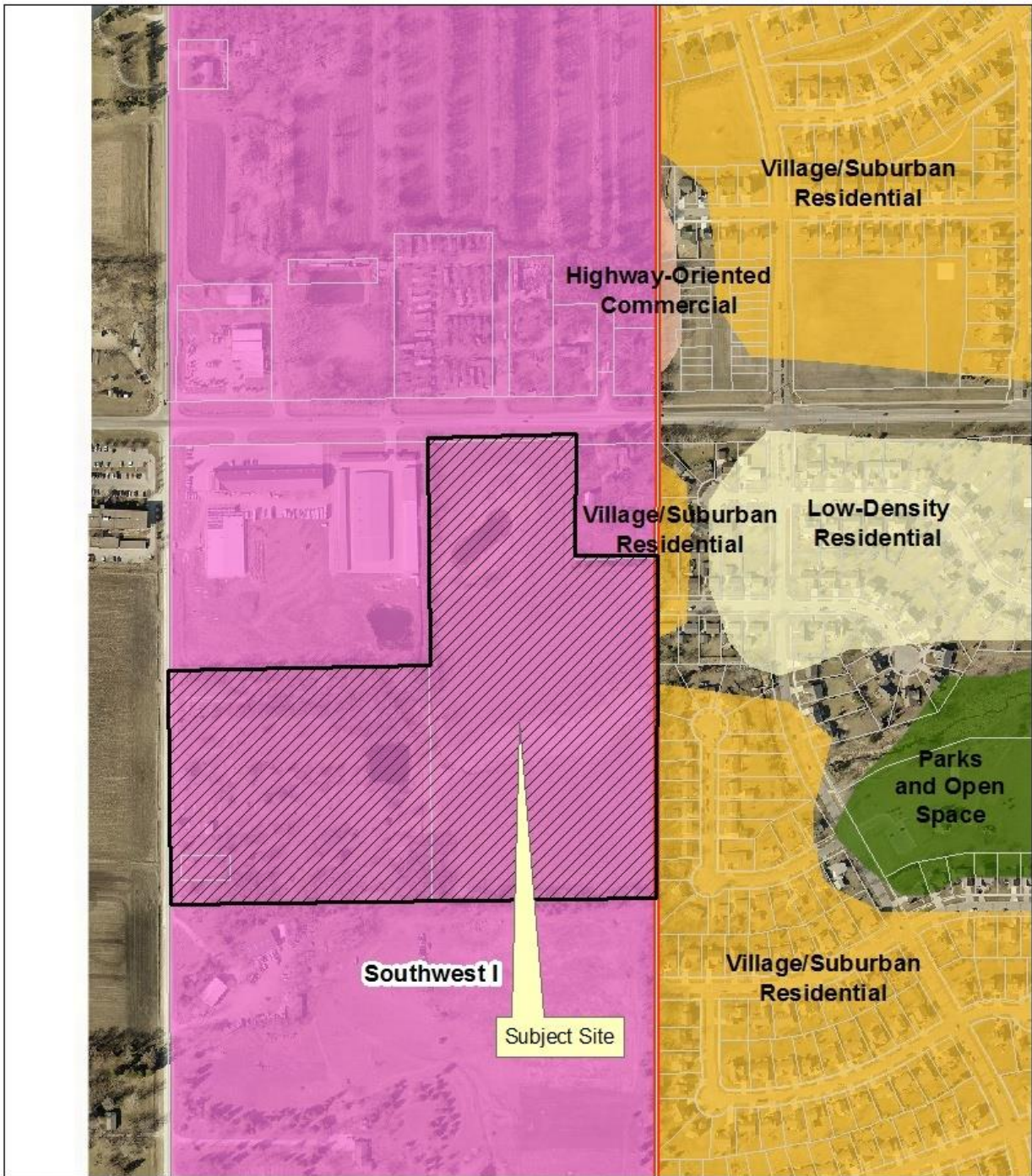




**Location and Existing Zoning Map**  
**398 S 500th Avenue**  
**(The Collegiate Subdivision)**

# Attachment B

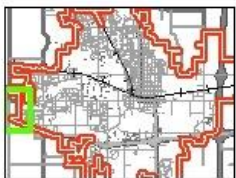
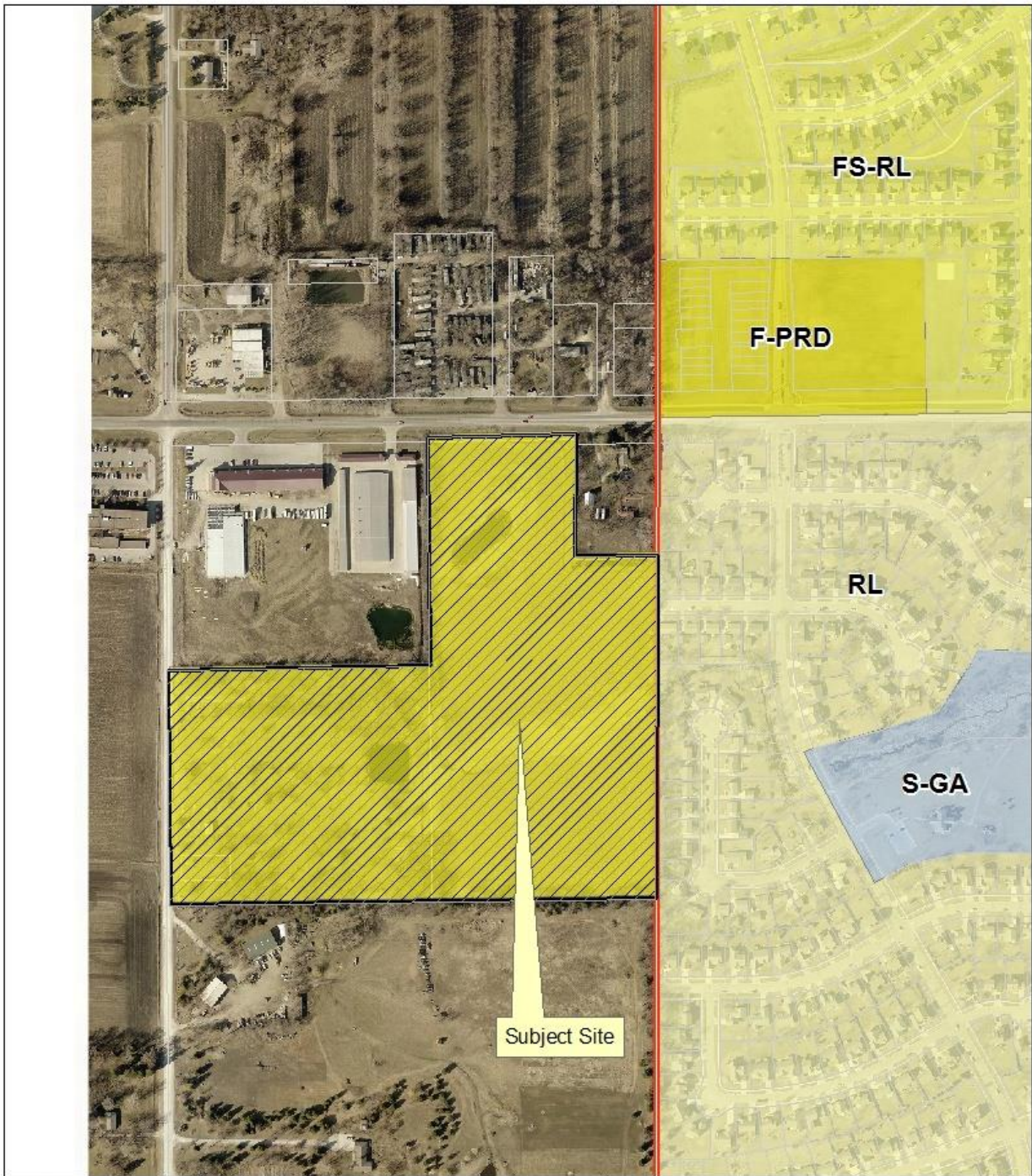
## Land Use Policy Plan Future Land Use Map



Land Use Policy Plan Map  
398 S 500th Avenue  
(The Collegiate Subdivision)

# Attachment C

## Proposed Zoning



**Proposed Zoning Map**  
**398 S 500th Avenue**  
**(The Collegiate Subdivision)**

# Attachment D

## *Applicable Policies and Regulations*

- Land Use Policy Plan (LUPP) Goals, Policies and the Future Land Use Map:

The Land Use Policy Plan (LUPP) Future Land Use Map identifies the land use designations for the property proposed for rezoning.

### Related LUPP Goals and Objectives

**Goal No. 2.** In preparing for the target population and employment growth, it is the goal of Ames to assure the adequate provision and availability of developable land. It is the further goal of the community to guide the character, location, and compatibility of growth with the area's natural resources and rural areas.

Objectives. In assuring and guiding areas for growth, Ames seeks the following objectives.

2.A. Ames seeks to provide at least 600 to 2,500 acres of additional developable land within the present City and Planning Area by the year 2030. Since the potential demand exceeds the supply within the current corporate limits, alternate sources shall be sought by the community through limited intensification of existing areas while concentrating on the annexation and development of new areas. The use of existing and new areas should be selective rather than general.

2.B. *Ames seeks to assure the availability of sufficient suitable land resources to accommodate the range of land uses that are planned to meet growth. Sufficient land resources shall be sought to eliminate market constraints.*

2.C. *Ames seeks a development process that achieves greater compatibility among new and existing development.*

2.D. Ames seeks a development process that achieves greater conservation of natural resources and compatibility between development and the environment.

2.E. Ames seeks to integrate its planning with that of Story County and surrounding counties in assuring an efficient and compatible development pattern, and in assuring that there are adequate agricultural resources to serve the region.

**Goal No. 6.** It is the goal of Ames to increase the supply of housing and to provide a wider range of housing choices.

Objectives. In increasing housing opportunities, Ames seeks the following objectives.

6.A. Ames seeks to increase the overall supply of low and moderate-income housing through the following means: (1) conservation of such units in existing areas that are not designated for redevelopment or intensification; and, (2) inclusion of such units in new market-driven housing developments through zoning incentives.

6.B. Ames seeks to establish densities of a net average 5.6 dwelling units per acre in maximizing the number of housing units in new areas.

6.C. Ames seeks to establish higher densities in existing areas where residential intensification is designated with the further objective that there shall be use and appearance compatibility among existing and new development.

6.D. Ames seeks to make housing ownership and rental more available and accessible through relieving the current constraints to land supply/availability. Relief is sought through increasing the supply of land by the following means: (1) releasing lands for development that are currently controlled by institutions; (2) annexing new lands; and (3) expediting development by targeting areas for public and private cooperative efforts.

- Ames *Municipal Code* Chapter 29, Section 1507, Zoning Text and Map Amendments, includes requirements for owners of land to submit a petition for amendment, a provision to allow the City Council to impose conditions on map amendments, provisions for notice to the public, and time limits for the processing of rezoning proposals.
- Ames *Municipal Code* Chapter 29, Section 1203, Planned Residence District, includes a list of uses that are permitted in the zone and the zone supplemental development standards that apply to properties in those zones.

**Sec. 29.1203. “F-PRD” PLANNED RESIDENCE DISTRICT**

(1) **Purpose.** The F-PRD is intended to provide for development of a variety of innovative housing types, including: attached and detached dwellings, zero lot line detached housing, clustered housing development, residential condominiums and innovative multiple family housing projects. In all instances, development that occurs in areas zoned F-PRD shall include integrated design, open space, site amenities and landscaping that exceeds the requirements that exist in underlying base zone development standards.

(2) **Planned Residence District Development Principles.** Property developed according to the requirements of this district shall create a development pattern that is more aesthetic in design and sensitive to the natural features of the site and to surrounding uses of land than would customarily result from the application of Base Zone requirements. Innovation and flexibility in the design and development of the property shall create a more efficient and effective utilization of land. Property that is zoned F-PRD shall adhere to the following development principles:

(a) Provide for innovative and imaginative approaches to residential development that would not occur as a result of the underlying zoning regulations;

(b) Result in a more efficient, aesthetic, desirable and economic use of land and other resources while maintaining the density of use, as provided for in the Land Use Policy Plan and the underlying base zone regulations;

(c) Promote innovative housing development that emphasizes efficient and affordable Home ownership and rental occupancy;

(d) Provide for flexibility in the design, height and placement of buildings that are compatible with and integrate with existing developed neighborhoods and the natural environment;

(e) Promote aesthetic building architecture, significant availability of open space, well designed and landscaped off-street parking facilities that meet or exceeds the underlying zone development standards, more recreation facilities than would result with conventional development, and pedestrian and vehicular linkages within and adjacent to the property;

(f) Provide for the preservation of identified natural, geologic, historic and cultural resources, drainage ways, floodplains, water bodies and other unique site features through the careful placement of buildings and site improvements; and

(g) Provide for a development design that can be more efficiently served by existing and proposed infrastructure, including: street, water, sewer, and storm water infrastructure, than would be otherwise required as a result of conventional development.

(3) **Establishment.** The F-PRD zone is hereby established and applies to all lands that are rezoned to F-PRD on the Zoning Map. A Zoning Map Amendment as described in Section 29.1507(2) may be approved provided the City Council makes the following findings:

(a) The designation is consistent with the Land Use Policy Plan;

(b) The development complies with all requirement of Article 29.1203 as stated herein;

(c) The existing infrastructure system to be utilized by the land proposed to be zoned F-PRD has the capacity to support the development contemplated;

(d) The designation and contemplated development of the land proposed to be zoned F-PRD has been selected by the property owner as an alternative to the F-VR or the F-S zoning designation.

# Attachment E

## ***Findings Regarding Planned Residential District Development Principles.***

The Plan modifications are reviewed below with respect to the following development principles in Ames Municipal Code Section 29.1203(2). (For an existing PRD, “underlying zoning” referred to in the criteria statements is not applicable.)

- 1. Provide for innovative and imaginative approaches to residential development that would not occur as a result of the underlying zoning regulations.***

The layout of the proposed attached dwelling house development with a private drive and parking areas allow the site layout to be more similar to that of a single-family or single-family attached subdivision. Four apartment buildings have been added to the development in order to provide a ‘workforce housing’ rental product.

- 2. Result in a more efficient, aesthetic, desirable and economic use of land and other resources while maintaining density of use, as provided for in the Land Use Policy Plan and the underlying zoning.***

The development layout is efficient and maintains an approximate density of 7.8 units per net acre which is anticipated in the Village Suburban Residential Land Use designation as well as within the medium density base zone density requirements. The proposed layout allows for a large amount of open space and common area for the development while maintaining the existing natural topography.

- 3. Promote innovative housing development that emphasizes efficient and affordable home ownership and occupancy.***

Most units provided for in this development will be two-family attached units. Under current code, in order to be rented some of the attached units will be considered a dwelling house. A dwelling house is a residential unit in which five bedrooms are allowed. With impending changes to the rental code and occupancy regulation this dwelling will eventually be considered two-family attached and not impacted by the changes. Based on the initial submittal, the proposed development will be entirely rental and rented by the bedroom. The applicant has added an apartment area to the development. A memo was provided that described 46 ‘workforce housing’ units and the terms under which they can be leased. All the buildings will be attached units, but the number of bedrooms in each unit will vary between one and five bedrooms across the entire development.

- 4. Provide for flexibility in the design, height, and placement of buildings that are compatible with and integrate with existing, developed neighborhoods and the natural environment.***

Most of the residential units will be designed in a manner that resembles single

family homes. Both, the attached residential and apartments will include varied colors, styles, and details. Example elevations have been included as Attachment K.

5. ***Promote aesthetic building architecture, significant availability of open space, well designed and landscaped off-street parking facilities that meet or exceed the underlying zone development standards, more recreation facilities than would result from conventional development, and pedestrian and vehicular linkages within and adjacent to the property.***

As mentioned previously, this is mostly a residential attached development with four apartment buildings. The developer is providing the required open space for the development through the use of the large open space and provided amenities, such as a pool, fire pit, gazebo and other features.

All of the parking will be provided as on-street parking along the private streets. The developer is also proposing pedestrian connections through the site and to Lincoln Way.

6. ***Provide for the preservation of identified natural, geologic, historic and cultural resources, drainage ways, floodplains, water bodies, and other unique site features through the careful placement of buildings and site improvements.***

The development is working with the existing topography and expanding the water features. This will help alleviate flood issues in the neighborhood to the east and provide a site amenity.

7. ***Provide for a development design that can be more efficiently served by existing and proposed infrastructure, including: street, water, sewer, and storm water infrastructure, than would be otherwise required as a result of conventional development.***

All utilities will be able to be extended in order to serve the site. No changes to the street system are proposed. Sanitary sewer and water are available through connection to the east and north, respectively. Electric Services will be supplied by Alliant Energy. The Public Works Department is in the process of reviewing the storm water management plan.

# Attachment F

## Planned Residential Development (PRD) Supplemental Development Standards.

Property that is zoned F-PRD shall be developed in accordance with the Zone Development Standards listed in Table 29.1203(5). Each of those standards is addressed below. Refer to Table 29.1203(5) for the detailed standards.

1. ***Area Requirement. A minimum of two (2) acres shall be required for all areas developed as F-PRD.***

The subject site includes 33.57 acres.

2. ***Density. Densities shall comply with the densities provided for in the Land Use Policy Plan and the underlying base zone regulations. In the case of more than one base zone designation, each area of the PRD project shall comply with the density limitation that is established for the base zone of that area. Density transfer from one area of a PRD project to another area of the same project with a lower base zone density is not permitted.***

The proposed density of the development is 7.8 units per net acre. This density is consistent with the FS-RM base zone which allows for a density range of 7.26 to 22.31 units per acre. The number of units is 261 and still falls within the allowed density range for FS-RM.

3. ***Height Limitations. Structures proposed to be developed in areas zoned PRD shall be compatible with the predominant height of the structures in adjacent neighborhoods.***

In this PRD, none of the attached residential structures or clubhouse will exceed two stories. This is consistent with the existing residential development to the east and is in compliance with what is allowed in an FS-RM district. The proposed apartments are three stories and will be adjacent to the single family development to the east.

4. ***Minimum Yard and Setback Requirements.***

This development is exceeding the bulk standards for minimum building setbacks and yards as set by the FS base zone supplemental development standards. There are three large lots. Therefore, each lot has several residential structures on it. The residential structures will not have a required side yard setback between them, since there are no lot lines between them. However, none of the buildings will be closer than ten feet.



**5. *Parking Requirements.***

The parking for the development will be provided along the private streets throughout the development. The parking requirement is based on the unit type. The code requirement for parking varies from 1.5 stalls per unit to one stall per bedroom depending on the unit type. The apartment area meets the parking requirements for 1 and 2+ bedroom units.

**6. *Open Space Design Requirements.***

The open space proposed includes common open space areas. Open Space is currently defined as “useable open space designed and intended for the use of all residents.” Common Open Space includes areas planned for active or passive recreation as well as areas of recreational activities such as swimming pools, tennis courts, shuffleboard courts, etc., but not including areas within required setbacks. A system of interconnected sidewalks exists throughout the development. As well as an amenity area that consists of a fitness center, pool, grilling stations, basketball, and volleyball courts.

**7. *Open Space Area Requirement.***

A minimum landscaped open space requirement of 40% is required for the PRD zone. The overall project is noted to provide 56% open space. The common open space proposed will be maintained by the developer. This meets the requirements of the F-PRD zone.

**8. *Open Space Improvements and Amenities.***

The Plan includes areas for both active recreation and passive open space.

**9. *Maintenance of Open Space and Site Amenities.***

All open spaces will be maintained by the developer.

# Attachment G

## Major Site Development Plan Criteria.

1. ***The design of the proposed development shall make adequate provisions for surface and subsurface drainage to limit the rate of increased runoff of surface water to adjacent and downstream property.***

The Public Works Department is currently reviewing the storm water management plan. City staff is continuing to work with the developer to finalize the plan but feels that the project can comply with the requirements. The Storm Water Management Plan will need to be finalized prior to City Council approval of the Preliminary Plat.

2. ***The design of the proposed development shall make adequate provision for connection to water, sanitary sewer, electrical, and other utility lines within the capacity limits of those utility lines.***

The existing utilities were reviewed and found adequate to support the anticipated load of the proposed development.

3. ***The design of the proposed development shall make adequate provision for fire protection through building placement, acceptable location of flammable materials, and other measures to ensure fire safety.***

The fire inspector has reviewed access and fire truck circulation and found that the needs of the fire department are met. The main access into the site is a public street, Lawrence Avenue. The private street network has been review and found to meet the needs of the fire department and fire truck circulation.

4. ***The design of the proposed development shall not increase the danger of erosion, flooding, landslide, or other endangerment to adjoining and surrounding property.***

It is not anticipated that this proposed development will be a danger due to its location on the site. The water features have been enlarged to help reduce potential future flooding within this site and the subdivision to the east.

5. ***Natural topographic and landscape features of the site shall be incorporated into the development design.***

The developer is working with the existing topography of the site.

6. ***The design of the interior vehicle and pedestrian circulation shall provide for convenient flow of vehicles and movement of pedestrians and shall prevent hazards to adjacent streets or property.***

The proposed development will provide vehicular access off Lincoln Way and S 500<sup>th</sup> Avenue. The on-site sidewalks will connect with a proposed eight foot shared use path along Lincoln Way that will extend to the east to tie in with the existing shared use path network..

- 7. The design of outdoor parking areas, storage yards, trash and dumpster areas, and other exterior features shall be adequately landscaped or screened to minimize potential nuisance and impairment to the use of adjoining property.***

The general development standards of the zoning ordinance have been met. Dumpsters will be located within an enclosure. If those enclosures are visible to surrounding property owners additional landscaping has been proposed around the enclosures. Parking will be provided as on street parking throughout the private street network.

- 8. The proposed development shall limit entrances and exits upon adjacent streets in order to prevent congestion on adjacent and surrounding streets and in order to provide for safe and orderly vehicle movement.***

Norris Street will be extended into the development from the east. However, none of the proposed residential structure front on and there is no on street parking proposed. One Norris Street. Lawrence Avenue will serve as the collector street within the development and carry traffic to Lincoln Way.

- 9. Exterior lighting shall relate to the scale and location of the development in order to maintain adequate security, while preventing a nuisance or hardship to adjacent property or streets.***

A street lighting plan was provided to the developer by Alliant Energy.

- 10. The proposed development shall ensure that dust and other forms of air pollution, noise disturbances, odor, glare, and other nuisances will be limited to acceptable levels as prescribed in other applicable State and City regulations.***

The proposed residential use is not expected to generate any nuisances.

- 11. Site coverage, building scale, setbacks, and open spaces shall be in proportion with the development property and with existing and planned development and structures, in adjacent and surrounding property.***

The layout of individual residential structures is proposed to meet the development standards of the PRD zone site coverage and open space requirements for the development. The individual residential structures will comply with the FS base zone supplemental developmental standards. The proposed housing type and layout of the development is compatible with the character and scale of the surrounding single family home developments. Common and private open areas meet the quantitative standards of the code.

# Attachment H Applicant's Statement



TRINITAS  
201 Main Street, Suite 1000  
Lafayette, IN 47901  
phone: (765) 464-2800  
fax: (765) 464-2804

## MEMORANDUM

Re: Trinitas Response to the F-PRD Application Packet

10/09/17

To the City of Ames Department of Planning and Housing:

Trinitas Development LLC (applicant) would like to formally submit for the applicable Rezoning, Text Amendment to the Zoning Ordinance, and Preliminary Plat Approval of a Major Subdivision. In regards to the Planned Residence (F-PRD) Development Application Packet, please find the below responses and attached materials per application requirements.

- **Property Address/General Location:**

"Parcel 1:

Lots 1 through 39 and A Street and B Street and the West 33.00 feet of said Northwest Quarter lying adjacent to the West line of said Lots 1-8, all in Seymour Heights Subdivision in the Northwest Quarter; all in Section 7, Township 83 North, Range 24 West of the 5th P.M., Story County, Iowa.

Parcel 2:

The West Half of the Northwest Quarter of Section 7, Township 83 North, Range 24 West of the 5th P.M., Story County, Iowa,

Except the South 40 Acres thereof, and

Except Seymour Heights Subdivision therein, and

Except a tract of land described as follows: Beginning at the Northwest Corner of said Section 7; thence running East, 783 feet along the north line thereof; thence South, 747 feet; thence West, parallel with the North line of said Section 7, 791.65 feet to the West line of said Section 7; thence North, 747.05 feet along said West line to the point of beginning, and

Except a parcel described as follows: Commencing at the Northwest Corner of said Section 7; thence East, 1247 feet along the North line thereof; thence South 80 feet to the point of beginning; thence East 250 feet; thence S1\*25W, 348.5 feet; thence West 250 feet; thence N1\*25E, 348.5 feet to the point of beginning, and

Except all roadways and easements of record previously granted to the State of Iowa, Story County, Iowa, or others.”

- **Property Owners:**  
Parcel 1- John Crane, 632 N 500<sup>th</sup> Ave. Ames, IA 50014.  
Parcel 2- Dr. George Belitsos, Dr. Peter Wolfe, 5508 Lincoln Way Ames, IA 50014
- **The Name of the Proposed Subdivision and/or proposed development:**  
Trinitas Development LLC has initially been referring this project as ‘The Collegiate Ames’, but will likely be officially branded at a later date.
- **The name, address, and other pertinent information about the property owner, the applicant, or other preparer of the proposal for a Planned Residence Development:**  
Applicant and Current Owner’s info provided elsewhere, please also find Civil Engineer information:  
**Fox Engineering, Scott Renaud, 414 S 17<sup>th</sup> St.** Suite 107, Ames IA 50010
- **North Arrow and the preparation or submission date:**  
Please see/reference date on Major Site Development Plan submission with this application.
- **The general location, areas, and dimensions of any lots to be platted by the proposed subdivision:**  
Please see/reference the Major Site Development Plan submission with this application as well as the Preliminary Plat Application submittal.
- **The general location of any existing or proposed infrastructure including water mains, sanitary sewer mains, storm sewer mains, and facilities and other infrastructure:**  
Please see/reference the Major Site Development Plan submission with this application as well as the Preliminary Plat Application submittal.
- **The location, width and character of all existing and proposed utility easements on or abutting the area of land proposed to be subdivided:**  
Please see/reference the Major Site Development Plan submission with this application as well as the Preliminary Plat Application submittal.
- **An indication of the land use of each lot in sufficient detail to determine compliance with the requirements of the Zoning Ordinance and other requirements of the City:**  
All three lots will be zoned under this F-PRD application. Please see/reference the Major Site Development Plan submission with this application as well as the Preliminary Plat Application submittal.
- **The Pattern of Surface water drainage on the tract; and, the development potential of abutting property:**  
Please see/reference the Major Site Development Plan submission with this application as well as the Preliminary Plat Application submittal. Specifically, the Campus Fortress

property's drainage will be improved by this development, and future developments to the South of this site will also have paved access along with the required setbacks and natural buffers.

- 
- ***Provide for innovative and imaginative approaches to residential development that would not occur as a result of the underlying zoning regulations. Explain how the proposal meets this Development Principle:***

This proposed F-PRD would allow for the development of a village or 'cottage' style development that is not currently in Ames. The development will be pedestrian and bicycle oriented and friendly, it will offer outdoor and indoor amenities, and it will aesthetically form a cohesive sense of place and community while meshing with surrounding neighborhoods. The use of the proposed product or building type and offering of indoor amenities and clubhouse space would not be possible in underlying zoning regulations.

- ***Result in a more efficient, aesthetic, desirable and economic use of land and other resources while maintaining density of use, as provided for in the Land Use Policy Plan and the underlying zoning. Explain how the proposal meets this Development Principle:***

The proposed development of this currently unused land will have a density level consistent with the Land Use Policy Plan as noted previously. The land is within the "Southwest 1 Allowable Growth Area" as well as having a "Village/Suburban Residential" designation upon annexation.

- ***Promote innovative housing development that emphasizes efficient and affordable home ownership and occupancy. Explain how the proposal meets this Development Principle:***

The proposed development will be innovative rental housing occupancy option that does not yet exist in Ames. The development of this project will likely provide a more efficient housing solution than more traditional single family home neighborhoods that are currently being used as 'rentals'; thus providing an opportunity for these existing neighborhoods to return to their originally intended Owner Occupied orientation.

- ***Provide for flexibility in the design, height, and placement of buildings that are compatible with and integrate with existing, developed neighborhoods and the natural environment. Explain how the proposal meets this Development Principle:***

The proposed building heights, sizes, and spacing allow for seamless integration with neighboring subdivisions. Also, the proposed development will retain and expand existing aspects of the topography and water features to improve the area's storm drainage.

- ***Promote aesthetic building architecture, significant availability of open space, well designed and landscaped off-street parking facilities that meet or exceed the underlying zone development standards, more recreation facilities than would result from***

*conventional development, and pedestrian and vehicular linkages within and adjacent to the property. Explain how the proposal meets this Development Principle.*

The proposed buildings within the development will utilize durable and quality exterior materials such as 'hardie' board panels and planks. The building color scheme will also create a sense of place within the development. With the use and expansion of existing water features, the extension of an 8' wide shared use path to the development, and the construction of an indoor/outdoor amenity building this proposed development exceeds underlying standards. Landscape features are also to be prominent throughout the development.

- *Provide for the preservation of identified natural, geologic, historic and cultural resources, drainage ways, floodplains, water bodies, and other unique site features through the careful placement of buildings and site improvements. Explain how the proposal meets this Development Principle.*

Again, the proposed development will utilize existing topography and expand water features to their benefit along with proper improvement as to reduce or eliminate current neighboring flood issues.

- *Provide for a development design that can be more efficiently served by existing and proposed infrastructure, including: street, water, sewer, and storm water infrastructure, than would be otherwise required as a result of conventional development. Explain how the proposal meets this Development Principle.*

The proposed development will mainly be served via existing utilities off of Lincoln Way and sewer systems located in the east neighboring development. All systems have been noted to have capacity to serve this development and extensions beyond this proposed development site will be made for future developments.

- 
- *Planned Residence District (F-PRD) Floating Zone Permitted Uses. The uses permitted in the F-PRD zoning district is set out in Table 29.1203(4) of the Zoning Ordinance, and include as principal uses: single family house, two family house, apartment building and townhouse. List the types of principal uses that will be included in this PRD project, the number of each type of structure, and the number of dwelling units in each structure.*

1. Attached Dwelling House (See Text Amendment Application)
2. Resident Recreational Facility (Permitted Accessory Use per Table 29.1203)
3. Potential for Single Family House

- 
- *Density. Densities shall comply with the densities provided for in the Land Use Policy Plan and the underlying base zone regulations. In the case of more than one base zone designation, each area of the PRD project shall comply with the density limitation that is established for the base zone of that area. Density transfer from one area of a PRD project to another area of the same project with a lower base zone density is not*

*permitted. What is the residential density (dwelling units per acre) for each base zone designation in this PRD project?*

The density of this project is approximately 7.8 units per acre. This density level dictates that the 'underlying base zone' would be RM as this range is 7.26 units per acre to 22.31 units per acre. Note that our density level is at the lower end of the RM zone.

- **Height Limitations.** *Structures proposed to be developed in areas zoned PRD shall be compatible with the predominant height of the structures in adjacent neighborhoods. Explain how this PRD project meets this supplemental standard.*

The proposed project is not only compatible with the adjacent neighborhoods, but also with the 'underlying base zone' (RM) which has a limit of 4 stories. The proposed project has Attached Dwelling Units and other uses (clubhouse) that do NOT exceed 2 stories.

- **Minimum Yard and Setback Requirements.** *There are no specified yard and setback requirements in areas zoned PRD, except that structures constructed adjacent to public right-of-way and adjacent to the exterior boundary of an area zoned PRD shall comply with setback standards of the underlying base zoning regulations, unless there are physical features on the site that would justify a different setback than provided for in the base zone. Explain how this PUD meets this supplemental standard. Also clearly show on the Major Site Development Plan all actual setbacks to the public right-of-way, to private streets and drives, to the exterior boundary of the area zoned PRD, to internal lot lines and distances between structures.*

This PUD/F-PRD not only meets the supplemental standard for the 'underlying base zone' regulation, it exceeds it.

- The setback from Lincoln Way is approximately 25',
- the setback from the eastern subdivision development is approximately 50',
- the setback from the southern undeveloped property is approximately 30'
- and the setback from the western boarder (500<sup>th</sup> ave.) is approximately 25'.

Spacing between structures is at least 10' as driven by fire code.

- **Open Space Design Requirements.** *Open Space shall be designed as a significant and integrated feature of the entire area to be developed as a PRD project. Features may include: Larger recreation areas for all residents of the PRD; Miniparks for selected residents; Pedestrian open space systems; and Environmental features, drainage ways, flood prone areas, and other areas of geologic, cultural and historic significance. Describe the open space features that are proposed as a part of this PRD project and explain how this supplemental standard is being met.*

The major site plan shows how the site is utilizing existing water features as well as creating another water/pond feature by way of improving the local storm water and drainage systems. The clubhouse area of the site will be a major recreation area for our residents- it will include a fitness center, study and conference room space, a swimming pool, and grilling stations. Sidewalks and other pathways will be plentiful throughout the



site and will also be connect to a shared use path along Lincoln Way. A gazebo and other outdoor recreation spaces such as a volleyball court are also being considered.

- **Open Space Area Requirement.** *The area devoted to open space in a PRD project shall meet the landscape and open space requirements as set forth in the base zone standards. These standards are: Residential Low Density – 40% open space; Residential Medium Density – 40% open space; and Residential High Density – 35% open space. What is the actual percentage of open space for each base zone in the PRD project?*

As RM density dictates, the proposed project will achieve greater than or equal to 40%. Please see Major Site Plan for specific calculation.

- **Open Space Improvements and Amenities.** *Open Space and amenity features shall include such features as: Pathway systems; Clubhouses and meeting room facilities; Playground facilities; Swimming pool improvements; Tennis courts; volleyball improvements; Picnic shelters; and Other similar improvements. Describe the open space improvements and amenities that will be provided for this PRD project, and locate all these improvements and amenities on the Major Site Development Plan.*

The clubhouse area of the site will be a major recreation area for our residents- it will include a fitness center complete with cardio and weight equipment, study and conference room space, a technology station, a swimming pool, and grilling stations. Sidewalks and other pathways will be plentiful throughout the site and will also be connect to a shared use path along Lincoln Way. A gazebo and other outdoor recreation spaces such as a volleyball court are also being considered. Also see Major Site Plan.

- **Maintenance of Open Space and Site Amenities.** *Open space and site amenities for areas developed as a PRD project shall be in the ownership maintenance responsibilities of a Homeowner's Association. Attach a copy of the proposed Homeowner's Association Declaration of Covenants and Restrictions with this application for approval of a PRD project.*

This proposed project is intended to be managed and owned by affiliated entities that rely on these Open Space and site amenities to sell leases. It is believed this requirement is meant for developments that sell off individual lots, with common area and site amenities needing an Association to define improvement/maintenance protocols. If required, Trinitas can provide a statement or show maintenance procedures that detail how Site Amenities are to be maintained and kept in service.

- 
- **The designation is consistent with the Land Use Policy Plan (LUPP).** *Explain how the proposal meets this requirement for rezoning.*

The Purpose of the F-PRD as stated in the Sec. 29.1200 FLOATING ZONES: (1) Purpose. The "floating" zone concept provides flexibility in determining the style and layout of residential development in newly-annexed areas of the city that the Land Use Policy Plan designates as Village/Suburban Residential or that the Ames Urban Fringe Plan designates as Urban Residential.

Also, per Planning and Housing staff's most recent Council Action form dated 03-07-17 (item 28a&b): "Lands within the Urban Residential designation [which this project is] are intended for future annexation into the City with development of **urban densities and design standards**. Lands designated as Highway Oriented Commercial may be annexed into the City if it is within an Urban Service Area designation. If approved for annexation, the LUPP designation would be "Village/Suburban Residential", **allowing for a broad range of residential development types.**"

- ***The development complies with the requirements of Section 29.1203, "F-PRD" Planned Residence District. Explain how the proposal meets this requirement for rezoning.***

The Purpose of the F-PRD as stated in the Sec. 29.1203: The F-PRD is intended to provide for development of a **variety of innovative housing types**, including: **attached and detached dwellings**, zero lot line detached housing, clustered housing development, residential condominiums and innovative multiple family housing projects. In all instances, **development that occurs in areas zoned F-PRD shall include integrated design, open space, site amenities and landscaping that exceeds the requirements that exist in underlying base zone development standards.**

This proposed project meets the purpose of the F-PRD very well in that:

1. It provides a housing type/product that is not yet in Ames.
2. Its integrated design includes Open Space, Site Amenities, and Landscaping that exceeds the underlying requirements.

- ***The existing infrastructure system to be utilized by the land proposed to be zoned F-PRD has the capacity to support the development contemplated. Explain how the proposal meets this requirement for rezoning.***

A utility Will Serve letter has been received for Gas and Electric, both of which are utilities with close proximity to the site. Water, Sewer, and Storm have been coordinated with the Public Works Department and also in close proximity to the site. These utilities are also being 'improved or extended' as part of the Trinitas pre-annexation agreement. Telecommunications are also abutting the site.

- ***The designation and contemplated development of the land proposed to be zoned F-PRD has been selected by the property owner as an alternative to the F-VR or F-S zoning designation. Explain how the proposal meets this requirement for rezoning.***

Yes. This is the case. F-PRD has been discussed as a valid and appropriate approach for this potential project with the Department of Planning and Housing for over 6 months.

# Attachment I: RH Matrix

RH Site Evaluation Matrix	Project Consistency		
	High	Average	Low
<b>Location/Surroundings</b>			
Integrates into an existing neighborhood with appropriate interfaces and transitions High=part of a neighborhood, no significant physical barriers, includes transitions; Average=adjacent to neighborhood, some physical barriers, minor transitions; Low=separated from an residential existing area, physical barriers, no transitions available		x	
Located near daily services and amenities (school, park ,variety of commercial) High=Walk 10 minutes to range of service; Average=10 to 20 minutes to range of service; Low= Walk in excess of 20 minutes to range of service. *Parks and Recreation has specific service objectives for park proximity to residential			x
Creates new neighborhood, not an isolated project (If not part of neighborhood, Does it create a critical mass or identifiable place, support to provide more services?)		x	
Located near employment centers or ISU Campus (High=10 minute bike/walk or 5 minute drive; Average is 20 minute walk or 15 minute drive; Low= exceeds 15 minute drive or no walkability)			x
<b>Site</b>			
Contains no substantial natural features on the site (woodlands, wetlands, waterways)		x	
Located outside of the Floodway Fringe	x		
Separated adequately from adjacent noise, business operations, air quality (trains, highways, industrial uses, airport approach)	x		
Ability to preserve or sustain natural features	x		
<b>Housing Types and Design</b>			
Needed housing or building type or variety of housing types		x	
Architectural interest and character			x
Site design for landscape buffering		x	
Includes affordable housing (Low and Moderate Income)			x
<b>Continued next page...</b>			

<b>Transportation</b>			
Adjacent to CyRide line to employment/campus High=majority of site is 1/8 miles walk from bus stop; Average= majority of site 1/4 mile walk from bus stop; Low= majority of site exceeds 1/4 miles walk from bus stop.			X
CyRide service has adequate schedule and capacity High=seating capacity at peak times with schedule for full service Average=seating capacity at peak times with limited schedule Low=either no capacity for peak trips or schedule does not provide reliable service			X
Pedestrian and Bike path or lanes with connectivity to neighborhood or commute		X	
Roadway capacity and intersection operations (existing and planned at LOS C)	X		
Site access and safety	X		
<b>Public Utilities/Services</b>			
Adequate storm, water, sewer capacity for intensification High=infrastructure in place with high capacity Average=infrastructure located nearby, developer obligation to extend and serve Low=system capacity is low, major extension needed or requires unplanned city participation in cost.		X	
Consistent with emergency response goals High=Fire average response time less than 3 minutes Average=Fire average response time within 3-5 minutes Low=Fire average response time exceeds 5 minutes, or projected substantial increase in service calls			
<b>Investment/Catalyst</b>			
Support prior City sponsored neighborhood/district investments or sub-area planning			X
Creates character/identity/sense of place			X
Encourages economic development or diversification of retail commercial (Mixed Use Development)			X

# Attachment J: Workforce Housing Memo



TRINITAS®

Chase Center  
201 Main Street, Suite 1000  
Lafayette, IN 47901  
phone: (765) 807-2700  
fax: (765) 464-2804

Dear Kelly,

Trinitas is requesting to place the following qualifications on our Lincoln Way project. We would purpose that the following "Work Force Housing" requirement be placed on the townhome section of our project. It would apply to these units as a covenant and part of the PRD and could be removed only if and when both parties (owner and city) agree. The purpose of this provision is to define requirements for Workforce Housing, that will apply to the townhome style units within our proposed development located in Ames, Iowa.

Trinitas agrees to provide Workforce Housing as part of the request for rezoning to a PRD. As a condition of the rezoning Trinitas will provide Workforce Housing as defined below. This workforce housing will be located in the Townhomes of the development and will be operated as defined. Trinitas will lease these units to qualified non-student residents based on the definitions below, if a unit is vacant for more than 60 days and has been marketed to qualified residents, it may then be leased to non-qualified residents, however, when that unit becomes vacant again it must be first marketed and leased to a qualified resident.

*Workforce Housing Units will only be leased to Qualified Residents, except to the extent such Applicable Units may qualify as Open Units, in which case, Open Units may be leased to persons who are not Qualified Residents.*

*For purposes of these requirements, the following terms have the following definitions:*

1. "Applicable Unit(s)" mean [46] units located on the Property commonly referred to as the Townhomes and located on the southeast part of the site.
2. "Open Units" means Applicable Units that remain vacant following a period of sixty (60) days.
3. "Property" means that certain real property located at approximately 5508 Lincoln Way, Ames, Iowa, consisting of approximately [33.57] acres.
4. "Qualified Resident(s)" means one or more individuals who are not Students and who meet landlord's qualification standards (including but not limited to credit and background checks).
5. "Student" means an individual who, at the time of lease application, (A) is enrolled in more than 10 credit hours at an institution of higher education, (B) is employed on average less than thirty (30) hours per week, (C) is not a veteran, (D) is younger than twenty-four (24) years old, (F) is not married, and (G) does not have dependent children.

*Applicable Units will only be leased to Qualified Residents, except to the extent such Applicable Units may qualify as Open Units, in which case, Open Units may be leased to persons who are not Qualified Residents.*

We ask that you include this information in the PRD documents as we moved forward and we are happy to discuss any questions you might have.

Thanks

Travis J. Vencel

**Attachment K: Site Plan and Architectural Plans**

Street trees will not be more than 20% of one species of tree.  
 Deciduous landscape trees will not be more than 10% of one species of tree.  
 Coniferous landscape trees will not be more than 35% of one species of tree.  
 Location of trees to be shown on the construction plans.  
 Varieties may change upon availability. Engineer to review substitution changes before trees are delivered.  
 Substitutions shall be from the list of allowed trees below. Evergreens cannot be substituted for deciduous. Deciduous cannot be substituted for evergreens.

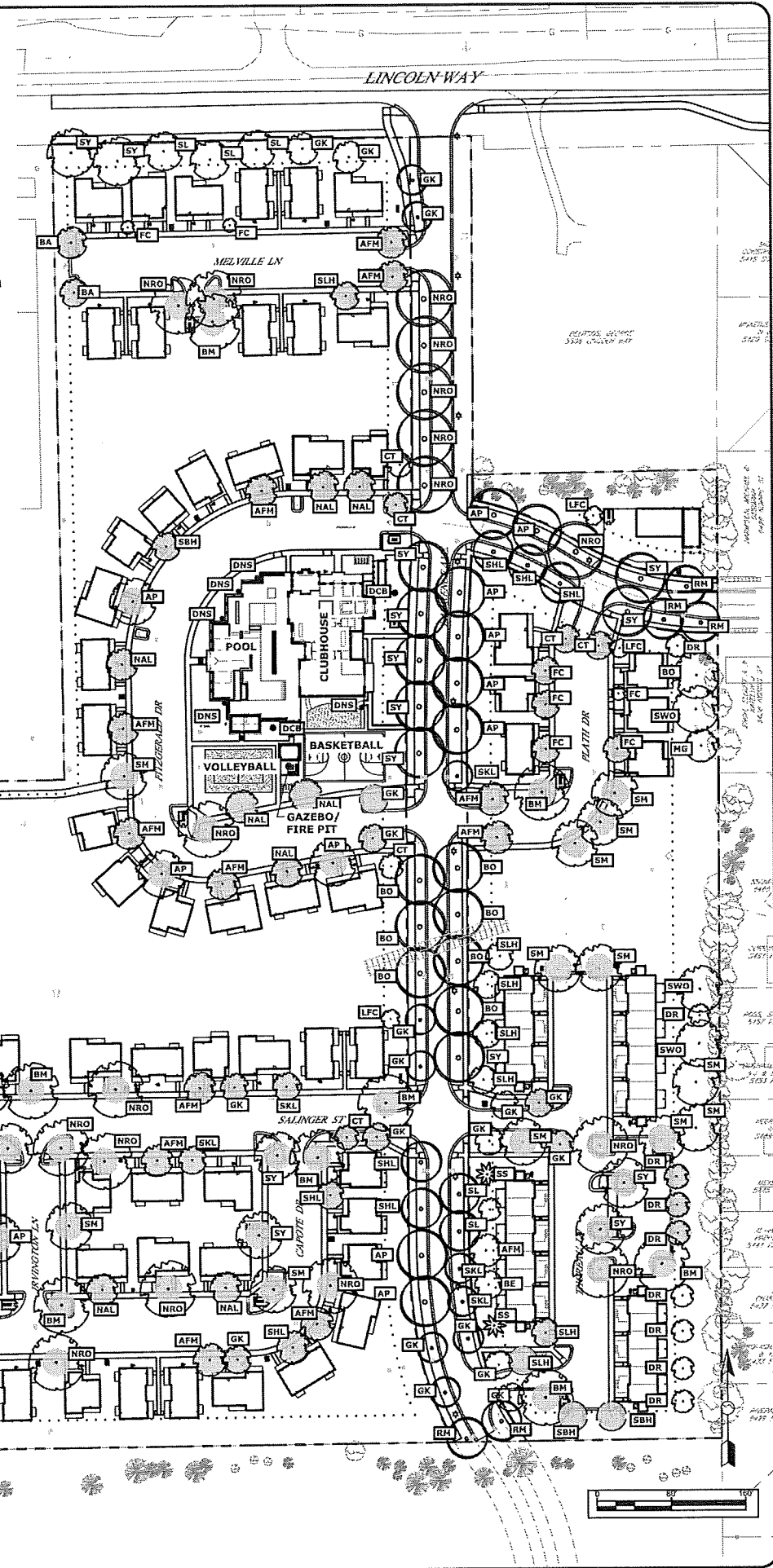
Symbol	Number	Common Name	Botanical Name	Size	Mature Height	Mature Width	Comments	Salt Tolerance
HB		Hackberry	Celtis occidentalis	1 1/2" Caliper	75	50	Does not tolerate herbicide drift.	
BO	8	Bur Oak	Quercus macrocarpa	1 1/2" Caliper	70	50	Unlimited street tree use. Very good landscape in or near prairie.	M
SY	19	Sycamore	Platanus occidentalis	1 1/2" Caliper	100	50	Can use frequently. Reliable	
AP	21	American Planetree	Platanus occidentalis	1 1/2" Caliper	75	50	Variant of sycamore. Use frequently and reliably.	
NRO	24	Northern Red Oak	Quercus borealis	1 1/2" Caliper	80	60	Can use frequently. Reliable. Fast growing for an oak.	M
RM	7	Red Maple	Acer rubrum	1 1/2" Caliper	70	40	Requires good soil. Does not tolerate compaction.	M
GC	28	Ginkgo	Ginkgo biloba	1 1/2" Caliper	60	30	Male only. Very reliable tree.	
SO		Scarlet Oak	Quercus scarlet	1 1/2" Caliper	75	70	Needs good soil conditions.	M
SWO	3	Swamp White Oak	Quercus bicolor	1 1/2" Caliper	70	50	Plant in favorable soil and water conditions.	M
SHL	14	Thornless Honeylocust	Gleditsia triacanthos	1 1/2" Caliper	50	40	Shademaster	H
SKL	9	Thornless Honeylocust	Gleditsia triacanthos	1 1/2" Caliper	60	30	Stylee	H
NAL	15	Thornless Honeylocust	Gleditsia triacanthos	1 1/2" Caliper	45	35	Northern Action - upright branching - use close to buildings	H
SL	5	Silver Linden	Tilia tomentosa	1 1/2" Caliper	50	40	Prefers moist soil conditions	

Symbol	Number	Common Name	Botanical Name	Size	Mature Height	Mature Width	Comments	Salt Tolerance
<b>List of Additionally Allowed Landscape Trees</b>								
<i>All Trees Listed on Street Trees</i>								
<b>Deciduous</b>								
BA	2	Black Alder	Alnus glutinosa	1 1/2" Caliper	50	30	Var; fast growth. Good buffer tree. Tolerates wet conditions.	
SM	15	Sugar Maple	Acer saccharum	1 1/2" Caliper	80	50	Fast growing. Not too close to buildings & sewers. Not salt tolerant.	
CT	10	Catalpa Speciosa	Catalpa speciosa	1 1/2" Caliper	50	25	Distant from streets and parking areas	M
BM	15	Black Maple	Acer nigrum	1 1/2" Caliper	75	60	Pollable tree. Use often in many soil different soil types.	
TP		Tulip tree	Liriodendron tulipifera	1 1/2" Caliper	100	80	Use where have high moisture. Tree needs moisture.	
AFM	18	Autumn Flame Maple	Acer rubrum cv.	1 1/2" Caliper	50	35	One of many cultivars available.	
SBH	6	Shagbark Hickory	Carya ovata	1 1/2" Caliper	75	30	Tolerates wet conditions.	H
SH	7	Shelbark Hickory	Carya laciniosa	1 1/2" Caliper	70	30	Tolerates wet conditions.	H
EG		Blackgum	Nyssa sylvatica	1 1/2" Caliper	45	25	Tolerates wet conditions. Not easy to transplant. Limited use.	
PB		Paper Birch	Betula papyrifera	1 1/2" Caliper	60	30	Wet areas. Does produce lots of sticks.	M
RB		River Birch	Betula nigra	1" Nominal	60	40	Multiple stems are acceptable	M
BE	1	Buckeye	Aesculus sylvatica	1 1/2" Caliper	40	30	Fast growing. Prefers moist areas	
DR	15	Dawn Redwood	Metasequoia glyptostroboides	3 foot ht.	75	25	Buffer tree. Tolerates wet conditions	
MG	1	Magnolia	Magnolia acuminata	1 1/2" Caliper	60	35	In protected areas with moisture.	
<b>Evergreen Trees</b>								
AU		Austrian Pine	Pinus nigra	5 foot ht.	60	50	Drier, upland sites. Unlimited use.	
DF	4	Douglas Fir	Pseudotsuga menziesii	5 foot ht.	80	40	Drier, upland sites. Does not tolerate salt.	
SS	5	Scrub Spruce	Picea omarika	5 foot ht.	60	25	Well drained soils only.	
WP	5	White Pine	Pinus strobus	5 foot ht.	75	50	Well drained soils only.	
RS		Rowan Spruce	Picea abies	5 foot ht.	80	40	Use as buffer tree on driver sites.	

Symbol	Number	Common Name	Botanical Name	Size	Mature Height	Mature Width	Comments	Salt Tolerance
<b>List of Allowed Ornamental Landscape Trees</b>								
<i>All Trees Listed on Street Trees</i>								
<b>Deciduous</b>								
FC	8	Flowering Crabapple	Malus - various cultivars	# 10 Container	35	15	Use cultivars who minimum mature size is 35' x 35'.	
LFC	3	Largo Flowering Crabapple	Malus - various cultivars	# 10 Container	20	20	Same as above but a minimum mature size of 20' x 20'	
SFS		Shagbark Sycamore	Bolus typhina	# 10 Container	24	12	To be used as a small tree. Not a shrub	
AM		Amur Maple	Acer amuricum	# 10 Container	20	20	Single stem plantings only	
TM		Tatarian Maple	Acer tataricum	# 10 Container	25	15	Single stem plantings only	
PD		Pagoda Dogwood	Cornus alternifolia	# 10 Container	20	15	Grown as a tree. Slow growing tree	
JL		Japanese Tree Lilac	Syringa amurensis japonica	# 10 Container	20	20	Grown as a tree.	H
IV		Ironwood	Ostrya virginiana	1 1/2" Caliper	80	30	Tolerant of urban conditions.	
<b>Evergreen Trees</b>								
DNS	5	Dwarf Norway Spruce	Picea abies 'Pumila'	3 foot	35	4		
DCB	2	Dwarf Colorado Blue Spruce	Picea pungens 'The Star of David'	3 foot	25	6		
TA		Techy Arborvitae	Thuja occidentalis cv.	3 foot	25	8		
275		Total Trees						

TREE NOTES

- Trees shall be planted within the right-of-way of all streets proposed within the subdivision. Trees shall be planted in accordance with the requirements of Section 23.402 of the Subdivision Ordinance.
- Trees planted in the public right-of-way shall be of the species shown on the accompanying "Street Tree Table".
- Spacing Between Trees - No trees shall be planted closer than the distance of their full spread from the next tree in the parking. Minimum spacings will be measured from center to center of each street tree.
- Placement in Parking Strip - No tree shall be planted nearer than 2-1/2 feet to the curb and sidewalk line and centered in parkings 8 feet and less in width. Planting in parkings of 8 feet in width and over shall be planted 4 feet from the edge of the sidewalk.
- Intersections (Corner Lots) - No tree shall be planted closer than 30 feet from the corner at intersections and must be at least 20 feet back of the property corner.
- Driveways - No trees shall be planted closer than 10 feet from a driveway.
- Minimum Spacing From Light Standard or Transmission Pole - No tree shall be planted closer to a standard or pole than the width of its spread. The distances will be measured from the center of the street tree to the center of the standard or pole.
- Area Requirements Per Tree - At least 9 square feet of ground shall be maintained for each tree and no impervious material shall be placed nearer than 30 inches to the trunk of the tree.
- No more than 10% of any one species of street tree shall be planted within the public right-of-way of the development.
- No substitutions of tree varieties shall be made without approval of FOX Engineering and the City of Ames planning department.



**LEGEND**

- STREET TREE
- PARKING LOT SHADE TREE (OVERSTORY)
- SITE LANDSCAPE TREE (DECIDUOUS)
- SITE LANDSCAPE TREE (EVERGREEN)
- DUMPSTER ENCLOSURE
- BUS STOP SHELTER
- BIKE RACKS
- EXISTING DECIDUOUS TREE (APPROX)
- EXISTING EVERGREEN TREE (APPROX)

**PARKING LOT SHADE TREE CALCULATIONS:**

PARKING LOT AREA FOR DUPLEXES / CLUBHOUSE	=	249,937 S.F.
10% TREES REQUIRED @ 1/ 200 S.F.	=	24,994 TREES
TREES PROVIDED	=	126 TREES
PARKING LOT AREA FOR TOWNHOMES	=	36,639 S.F.
10% TREES REQUIRED @ 1/ 200 S.F.	=	3,664 TREES
TREES PROVIDED	=	19 TREES

DATE: 12/12/17	BY: SKR	DATE: 12/17
REVISION: 13/17/17	DESIGNED: SKR	DATE: 12/17
DATE: 12/17/17	DRAWN: SRS	DATE: 12/17
DATE: 12/17/17	CHECKED: SRS	DATE: 12/17
DATE: 12/17/17	LAST UPDATE: 12/12/17	

FOX Engineering Associates, Inc.  
 414 South 17th Street, Suite 107  
 Ames, Iowa 50010  
 Phone: (515) 233-0000  
 FAX: (515) 233-0103

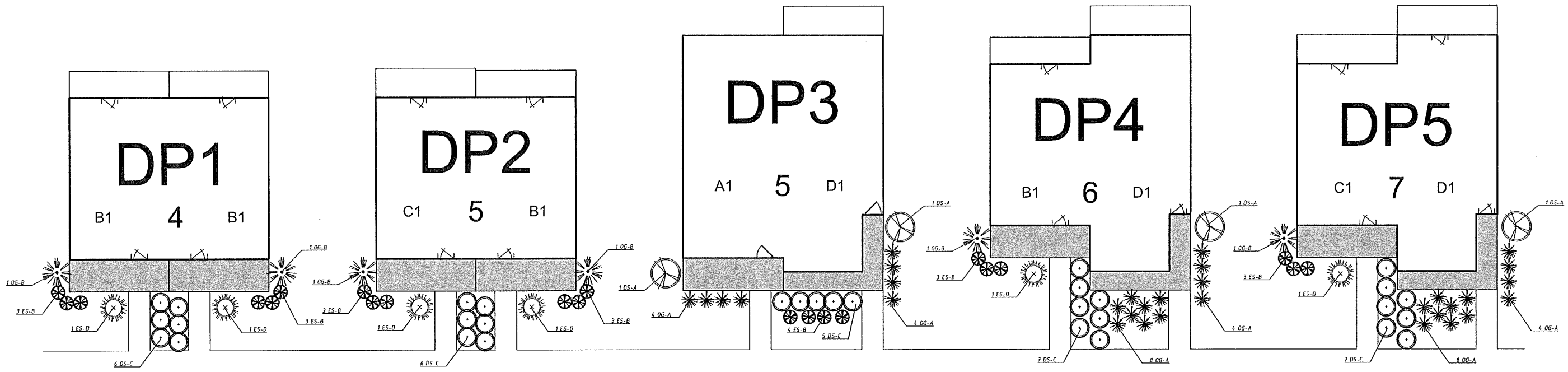
**FOX engineering**

TREE PLANTING PLAN  
 THE COLLEGIATE AMES  
 BY TRINITAS  
 LINCOLN WAY & 500TH AVE  
 AMES, IA

PROJECT NO:  
 5430-16A

SHEET  
 C2.0





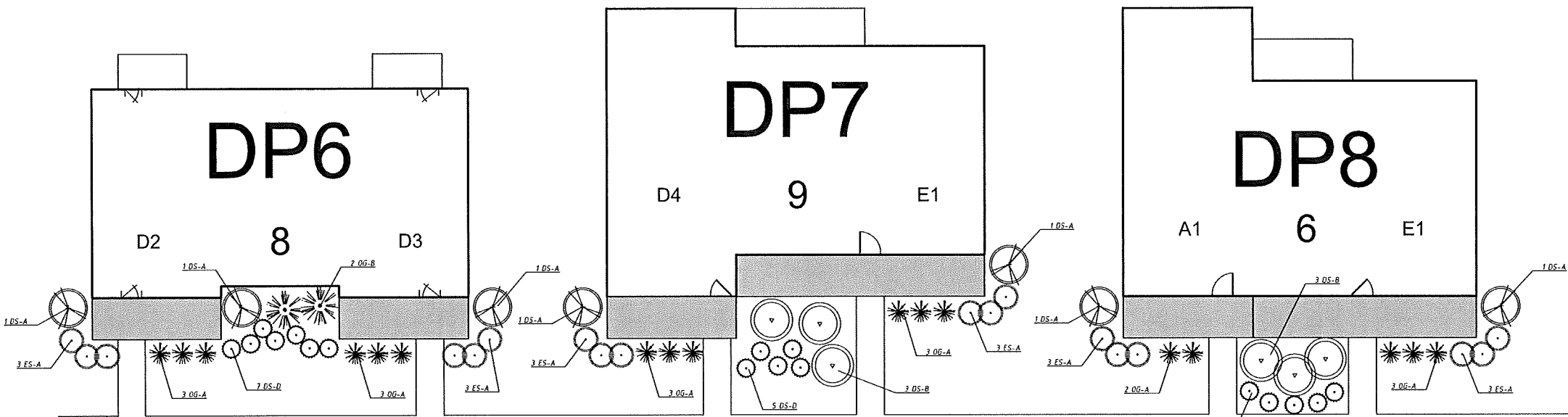
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2 TYPICAL FOUNDATION PLANTING  
BLDG TYPE DP2

3 TYPICAL FOUNDATION PLANTING  
BLDG TYPE DP3

4 TYPICAL FOUNDATION PLANTING  
BLDG TYPE DP4

5 TYPICAL FOUNDATION PLANTING  
BLDG TYPE DP5

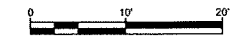


6 TYPICAL FOUNDATION PLANTING  
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7 TYPICAL FOUNDATION PLANTING  
BLDG TYPE DP7

8 TYPICAL FOUNDATION PLANTING  
BLDG TYPE DP8

9 JUNCTION BOX PLANTINGS  
TYPICAL of 3



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REVISION	DATE	BY	DATE
DESIGNED:	11/17	SLR	11/17
DRAWN:	11/17	SRS	11/17
CHECKED:			
LAST UPDATE: 11/17/17			

FOX Engineering Associates, Inc.  
 414 South 17th Street, Suite 107  
 Ames, Iowa 50010  
 Phone: (515) 233-0000  
 FAX: (515) 233-0103

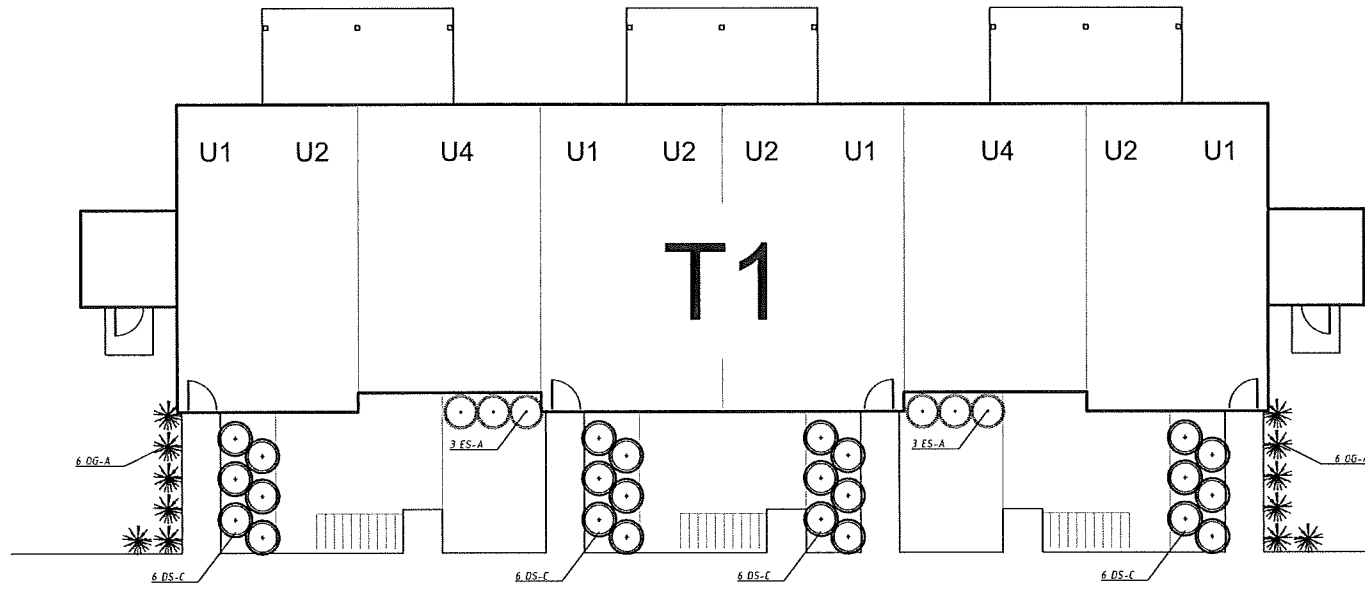


TYPICAL FOUNDATION PLANTING DETAIL  
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 BY TRINITAS  
 LINCOLN WAY & SOUTH AVE  
 AMES, IA

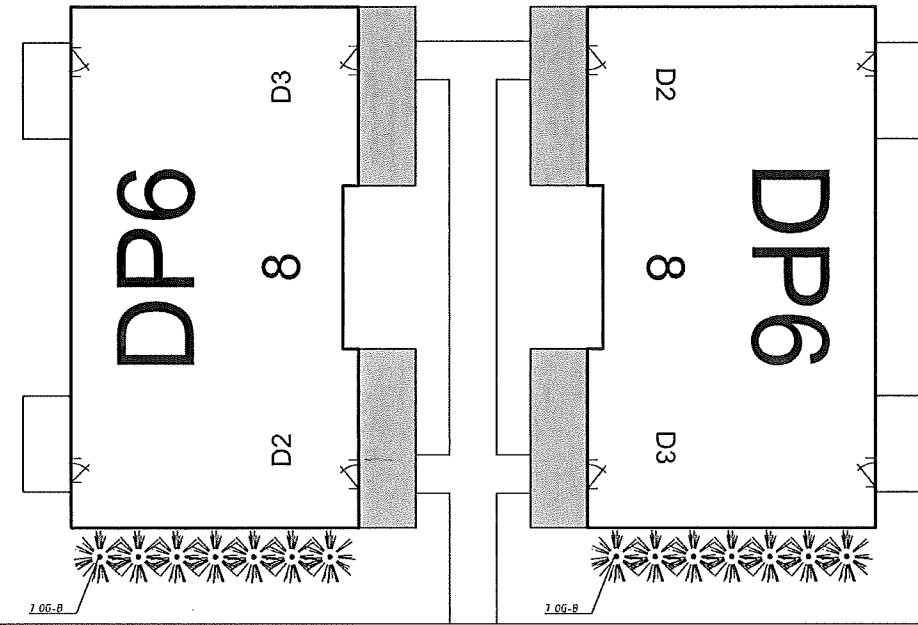
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 5430-16A  
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 C2.1

SEE SHEET C2.3 FOR  
PLANT SCHEDULE

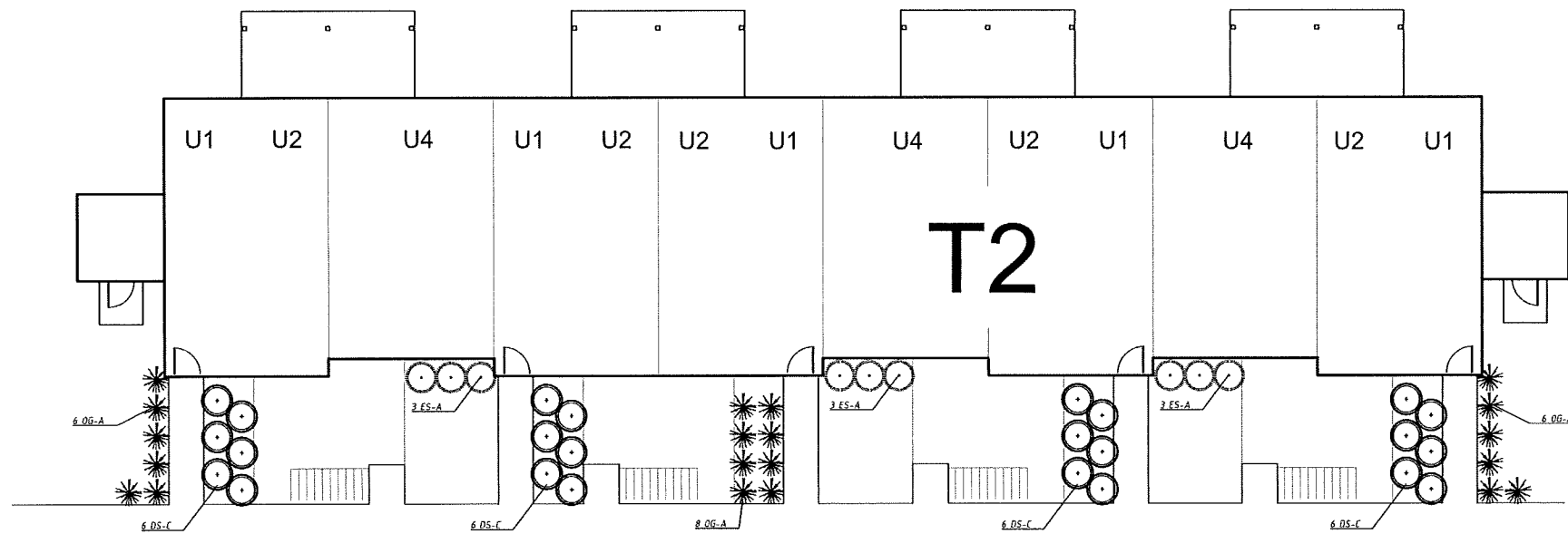
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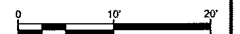


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 BLDG TYPE DP6 (PAIR)



3 TYPICAL FOUNDATION PLANTING  
 BLDG TYPE T2

SEE SHEET C2.3 FOR  
 PLANT SCHEDULE



REVISION	DATE	BY	DATE
DESIGNED: SLR	11/17	SLR	11/17
DRAWN: SRS		SRS	11/17
CHECKED:			
LAST UPDATE:	11/17/17		

REVISION	DATE

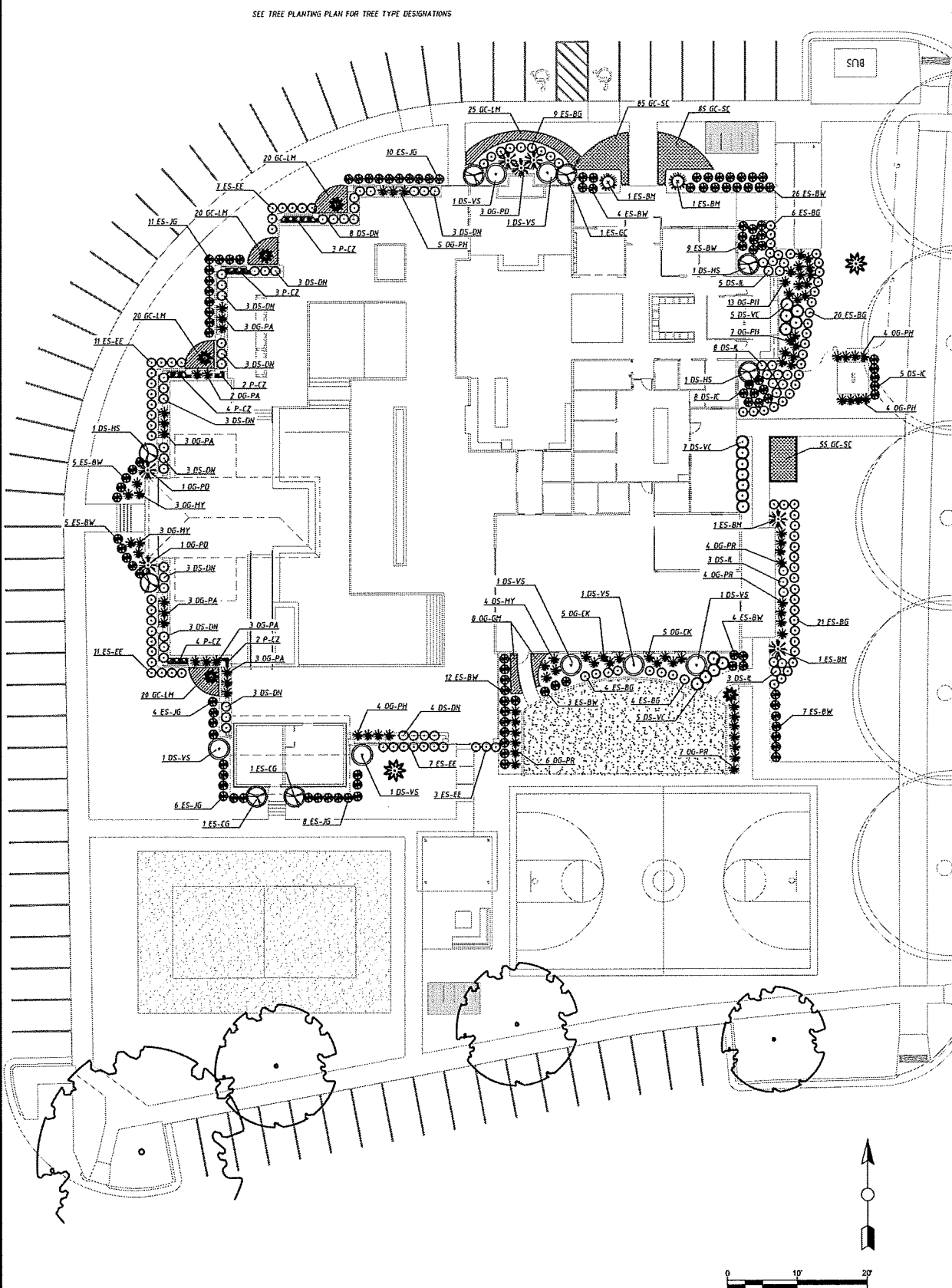
FOX Engineering Associates, Inc.  
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TYPICAL FOUNDATION PLANTING DETAIL  
 THE COLL  
 BY TRINTAS  
 LINCOLN WAY & SOUTH AVE  
 AMES, IA

PROJECT NO.  
 5430-16A  
 SHEET  
 C2.2

PLANT LIST - DUPLEXES & TOWNHOMES



Duplex Shrubs

Key	Bldg Type DP1	Bldg Type DP2	Bldg Type DP3	Bldg Type DP4	Bldg Type DP5	Bldg Type DP6	Bldg Type DP6 (pair)	Bldg Type DP7	Bldg Type DP8	Bldg Type T1	Bldg Type T2	Latin	Common	Size	Install	Notes
DS-A			2	1	1	3		2	2			<i>Aesolus parvifolia</i>	Bottlebrush Buckeye	30" ht	#2 Cont.	Full & Well Formed
												<i>Hydrangea quercifolia</i> 'Snow Queen'	Snow Queen Oakleaf Hydrangea	30" ht	#2 Cont.	Full & Well Formed
												<i>Lonicera frarantissima</i>	Fragrant Honeysuckle	30" ht	#2 Cont.	Full & Well Formed
												<i>Physocarpus opulifolius</i> 'Little Devil'	Little Devil Ninebark	30" ht	#2 Cont.	Full & Well Formed
DS-B								3				<i>Aroria arbutifolia</i> 'Brilliantissima'	Red Chokeberry	30" ht	#2 Cont.	Full & Well Formed
												<i>Lindera benzoin</i>	Spicebush	30" ht	#2 Cont.	Full & Well Formed
												<i>Myrica pensylvanica</i>	Northern Bayberry	30" ht	#2 Cont.	Full & Well Formed
												<i>Viburnum plicatum</i> var. <i>tomentosum</i> 'Shasta'	Shasta Viburnum	30" ht	#2 Cont.	Full & Well Formed
DS-C	6	6	5	7	7					3	24	<i>Berberis thunbergii</i> var. <i>atropurpurea</i> 'Crimson Pygmy'	Crimson Pygmy Barberry	15" ht	#2 Cont.	Full & Well Formed
												<i>Deutzia gracilis</i>	Slender Deutzia 'Nikko'	15" ht	#2 Cont.	Full & Well Formed
												<i>Hypericum frondosum</i> 'Sunburst'	St. Johnswort	15" ht	#2 Cont.	Full & Well Formed
												<i>Spiraea x bumalda</i> 'Goldflame'	Goldflame Spirea	15" ht	#2 Cont.	Full & Well Formed
DS-D						7		5	5			<i>Hydrangea macrophylla</i> 'Goliath'	Goliath Hydrangea	15" ht	#2 Cont.	Full & Well Formed
												<i>Itea virginiana</i> 'Little Henry'	Little Henry's Itea	15" ht	#2 Cont.	Full & Well Formed
												<i>Rosa RADtko</i> p.p. 16202 'Double Knockout'	Double Knockout Rose	15" ht	#2 Cont.	Full & Well Formed
												<i>Viburnum carlesii</i> 'Cayuga'	Korean Spice Viburnum	15" ht	#2 Cont.	Full & Well Formed
ES-A						6		6	6	6	9	<i>Ilex verticillata</i> 'Red Sprite' / 'Jim Dandy'	Red Sprite Winterberry	15" ht	#2 Cont.	Full & Well Formed
												<i>Juniperus chinensis</i> 'Nick's Compact'	Nick's Compact Juniper	15" ht	#2 Cont.	Full & Well Formed
ES-B	6	6	4	3	3							<i>Juniperus virginiana</i> 'Grey Owl'	Grey Owl Juniper	15" ht	#2 Cont.	Full & Well Formed
												<i>Buxus x 'Green Gem'</i>	Green Gem Boxwood	15" ht	#2 Cont.	Full & Well Formed
ES-C												<i>Buxus sinica insularis</i> 'Wintergreen'	Wintergreen Boxwood	15" ht	#2 Cont.	Full & Well Formed
												<i>Ilex crenata</i> 'Green Lustre'	Green Lustre Japanese Holly	15" ht	#2 Cont.	Plant 1 Jim Dandy per grouping
ES-D	2	2		1	1							<i>Buxus x 'Green Mountain'</i>	Green Mountain Boxwood	30" ht	#2 Cont.	Full & Well Formed
												<i>Juniperus communis</i> 'Kalebab'	Kalebab Juniper	30" ht	#2 Cont.	Full & Well Formed
												<i>Picea pungens</i> 'Montgomery'	Dwarf Colorado Blue Spruce	30" ht	#2 Cont.	Full & Well Formed
												<i>Chamaecyparis pisifera</i> 'filifera Golden Mop'	Golden Mop False Cypress	30" ht	#2 Cont.	Full & Well Formed
												<i>Euonymus fortunei</i> 'Emerald Gaiety'	Emerald Gaiety Euonymus	30" ht	#2 Cont.	Full & Well Formed
												<i>Juniperus chinensis</i> 'Hetzli Glauca'	Hetz Blue Juniper	30" ht	#2 Cont.	Full & Well Formed
Shrubs/ Bldg	14	14	11	12	12	16	0	16	16	30	33					
# of Bldgs	3	3	15	11	6	17	26	20	6	2	2					
Total Shrubs	42	42	165	132	72	272	0	320	96	60	66	1267				NOTE: FRONT YARD LANDSCAPING NOT INCLUDED IN SHRUB COUNT, SEE SHEET C2.4

Ornamental Grasses, Groundcover

Key	Bldg Type DP1	Bldg Type DP2	Bldg Type DP3	Bldg Type DP4	Bldg Type DP5	Bldg Type DP6	Bldg Type DP6 (pair)	Bldg Type DP7	Bldg Type DP8	Bldg Type T1	Bldg Type T2	Latin	Common	Size	Install	Notes
OG-A			8	12	12	6		6	5	12	20	<i>Calamagrostis x acutifolia</i> 'Karl Forester'	Karl Forester Reed Grass	#2	#2 #2 Cont.	Clump, spaced as shown
												<i>Miscanthus sinensis</i> 'Yaku Shima'	Dwarf Maiden Grass	#2	#2 #2 Cont.	Clump, spaced as shown
												<i>Panicum virgatum</i> 'Heavy Metal'	Heavy Metal Switch Grass	#2	#2 #2 Cont.	Clump, spaced as shown
												<i>Panicum virgatum</i> 'Ripstrahlbusch'	Purple Maiden Grass	#2	#2 #2 Cont.	Clump, spaced as shown
OG-B	2	2		1	1	2	7					<i>Miscanthus sinensis</i> 'Gracillma'	Maiden Grass	#5	#2 #2 Cont.	Clump, spaced as shown
												<i>Miscanthus sinensis</i> 'Malpartus'	Malpartus Maiden Grass	#5	#2 #2 Cont.	Clump, spaced as shown
												<i>Panicum virgatum</i> 'Dallas Blues'	Dallas Blues Switch Grass	#5	#2 #2 Cont.	Clump, spaced as shown
Shrubs/ Bldg	2	2	8	13	13	8	7	6	5	12	20					
# of Bldgs	3	3	15	11	6	17	26	20	6	2	2					
Total Shrubs	6	6	120	143	78	136	182	120	30	24	40	885				NOTE: FRONT YARD LANDSCAPING NOT INCLUDED IN SHRUB COUNT, SEE SHEET C2.4

PLANT LIST - CLUBHOUSE

Clubhouse Shrubs

Key	Qty	Latin	Common	Size	Install	Notes
DS-DN	39	<i>Deutzia gracilis</i>	Slender Deutzia 'Nikko'	15" ht	Cont.	Full & Well Formed
DS-HS	4	<i>Hydrangea quercifolia</i> 'Snow Queen'	Snow Queen Oakleaf Hydrangea	30" ht	B&B	Full & Well Formed
DS-IC	13	<i>Ilex crenata</i> 'Green Lustre'	Green Lustre Japanese Holly	15" ht	Cont.	Plant 1 Jim Dandy per grouping
DS-IL	19	<i>Itea virginiana</i> 'Little Henry'	Little Henry's Itea	15" ht	Cont.	Full & Well Formed
DS-VC	17	<i>Viburnum carlesii</i> 'Cayuga'	Korean Spice Viburnum	15" ht	Cont.	Full & Well Formed
DS-VS	7	<i>Viburnum plicatum</i> var. <i>tomentosum</i> 'Shasta'	Shasta Viburnum	30" ht	B&B	Full & Well Formed
ES-BG	64	<i>Buxus x 'Green Gem'</i>	Green Gem Boxwood	15" ht	Cont.	Full & Well Formed
ES-BM	4	<i>Buxus x 'Green Mountain'</i>	Green Mountain Boxwood	30" ht	B&B	Full & Well Formed
ES-BW	49	<i>Buxus sinica insularis</i> 'Wintergreen'	Wintergreen Boxwood	15" ht	Cont.	Full & Well Formed
ES-CG	4	<i>Chamaecyparis pisifera</i> 'filifera Golden Mop'	Golden Mop False Cypress	30" ht	B&B	Full & Well Formed
ES-EE	39	<i>Euonymus fortunei</i> 'Emerald Gaiety'	Emerald Gaiety Euonymus	30" ht	B&B	Full & Well Formed
ES-JG	39	<i>Juniperus virginiana</i> 'Grey Owl'	Grey Owl Juniper	15" ht	Cont.	Full & Well Formed
ES-PA	2	<i>Phyllostachys aureosulcata</i>	Yellow Groove Bamboo	6' ht	Cont.	Full & Well Formed
	300	Total Shrubs				

Ornamental Grasses, Groundcover & Perennials

Key	Qty	Latin	Common	Size	Install	Notes
GC-LM	113	<i>Liriope muscari</i> 'Variegata'	Variegated Liriope	#1	Cont.	18" o.c.
GC-SC	225	Seasonal Color	Annuals By Owner	4.5"	Cont.	12" o.c.
OG-CK	10	<i>Calamagrostis x acutifolia</i> 'Karl Forester'	Karl Forester Reed Grass	#2	Cont.	Clump, spaced as shown
OG-MY	10	<i>Miscanthus sinensis</i> 'Yaku Shima'	Dwarf Maiden Grass	#2	Cont.	Clump, spaced as shown
OG-PA	8	<i>Pennisetum alopecuroides</i> 'Hameln'	Dwarf Fountain Grass	#2	Cont.	Clump, spaced as shown
OG-PD	5	<i>Panicum virgatum</i> 'Dallas Blues'	Dallas Blues Switch Grass	#5	Cont.	Clump, spaced as shown
OG-PH	44	<i>Panicum virgatum</i> 'Heavy Metal'	Heavy Metal Switch Grass	#2	Cont.	Clump, spaced as shown
OG-PR	25	<i>Panicum virgatum</i> 'Ripstrahlbusch'	Purple Maiden Grass	#2	Cont.	Clump, spaced as shown
P-CZ	17	<i>Coreopsis verticillata</i> 'Zegrab'	Zegrab Coreopsis	#1	Cont.	18" o.c.
	457	Total Ornamental Grasses, Groundcover & Perennials				

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 FOX ENGINEERING

DATE: 11/17/17	BY: SLR	DATE: 12/12/17
REVISION: 1	DESIGNED: SLR	CHECKED: SLR
2	DRAWN: SRS	LAST UPDATE: 12/12/17

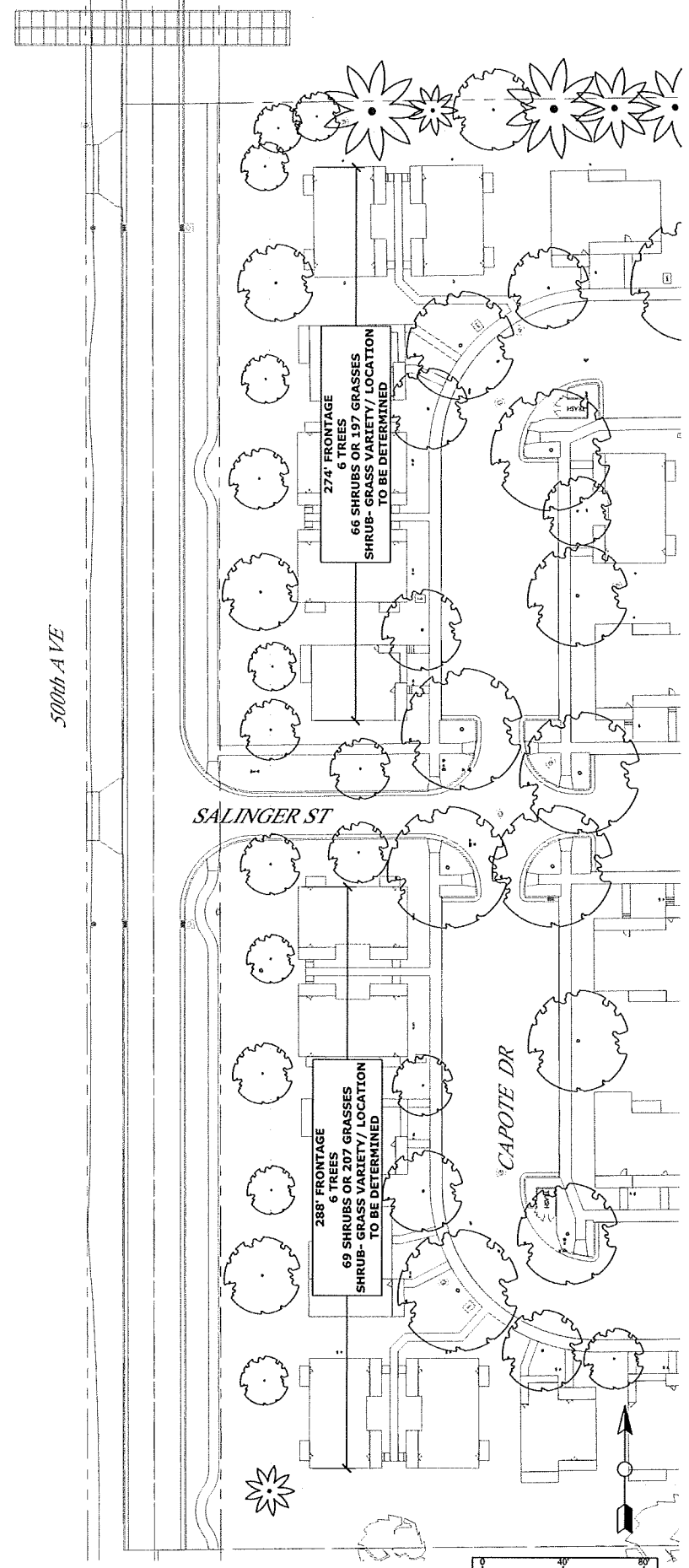
FOX Engineering Associates, Inc.  
 414 South 17th Street, Suite 107  
 Ames, Iowa 50010  
 Phone: (515) 233-0000  
 Fax: (515) 233-0103

FOX Engineering

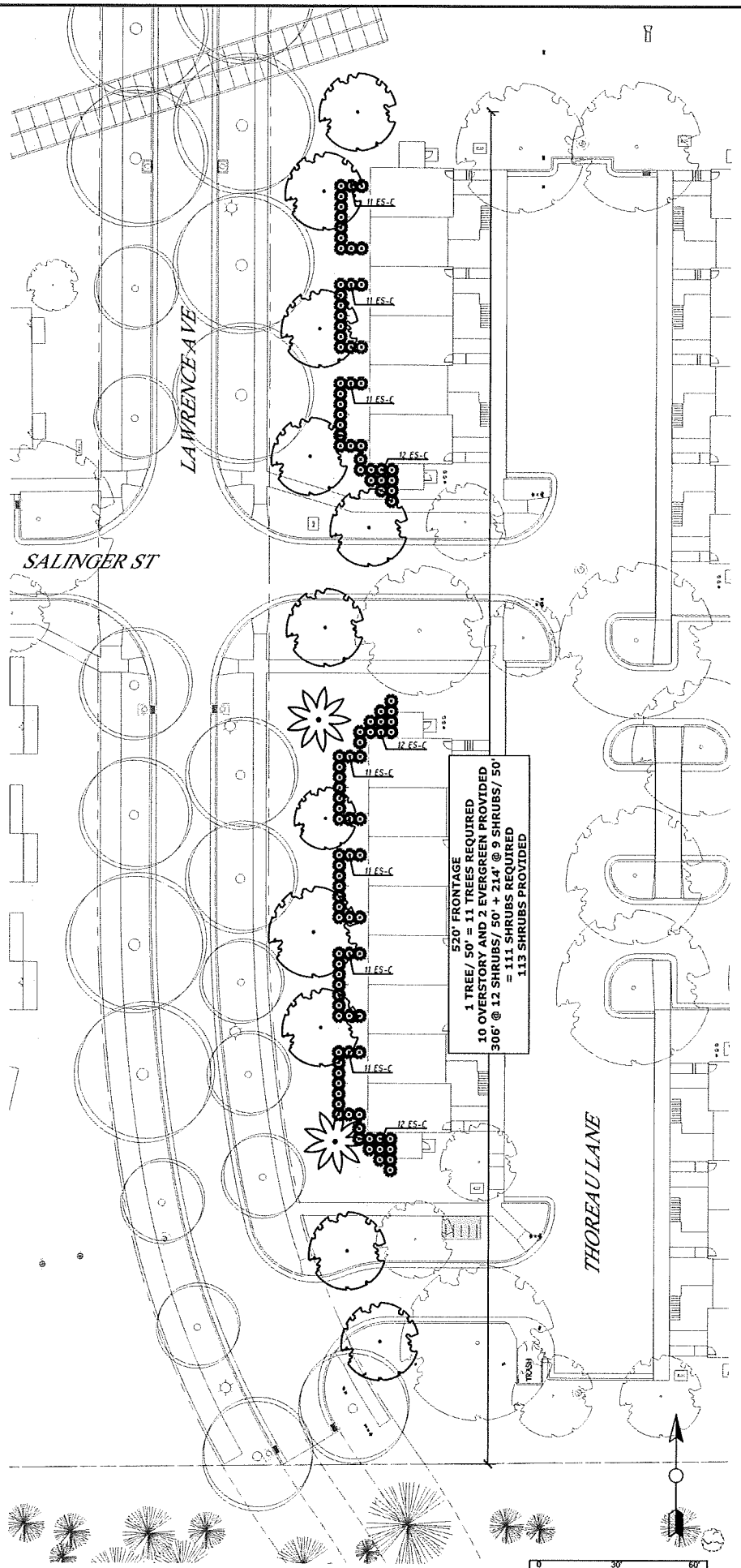
TYPICAL FOUNDATION PLANTING DETAIL  
 THE COLL. BY TRINITAS  
 LINCOLN WAY & 500TH AVE  
 AMES, IA

PROJECT NO. 5430-16A  
 SHEET C2.3

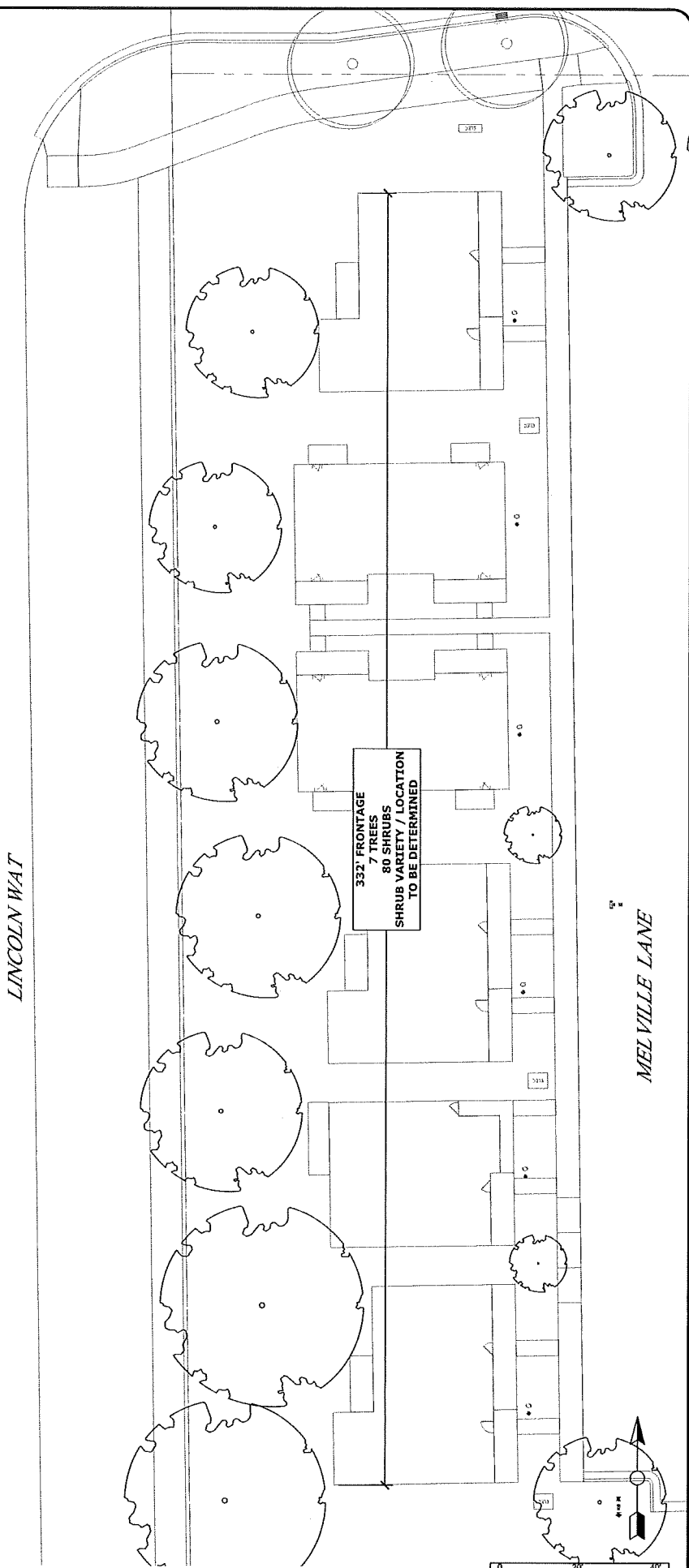
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FOXENR	C2.4



**1 "FRONT YARD" LANDSCAPING PLAN**  
ALONG 500TH AVE  
SEE SHEET C2.0 FOR TREE IDENTIFICATION  
SEE SHEET C2.3 FRO SHRUB IDENTIFICATION



**2 "FRONT YARD" LANDSCAPING PLAN**  
ALONG LAWRENCE AVE  
SEE SHEET C2.0 FOR TREE IDENTIFICATION  
SEE SHEET C2.3 FRO SHRUB IDENTIFICATION



**3 "FRONT YARD" LANDSCAPING PLAN**  
ALONG LINCOLN WAY  
SEE SHEET C2.0 FOR TREE IDENTIFICATION  
SEE SHEET C2.3 FRO SHRUB IDENTIFICATION

DATE	REVISION	BY	DATE
11/17/17	AS PER DIS COMMENTS DATED 10/10/17	SR	11/17
		SRS	11/17
		CHECKED:	LAST UPDATE: 11/17/17

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**FOX** Engineering

**FRONT YARD LANDSCAPING PLAN**  
THE COLLEGIATE AVES  
BY TRINITAS  
LINCOLN WAY & 500TH AVE  
AMES, IA

PROJECT NO.  
5430-16A  
SHEET  
**C2.4**

UNIT/ PARKING INFORMATION BY PHASE/ LOT

PHASE 1 - LOT 1

BLDG ID	1 BED UNITS	2 BED UNITS	3 BED UNITS	4 BED UNITS	5 BED UNITS	# OF BLDGS	# OF BEDS	PRKG REQ'D
DP1 (B1+B1)		2				1	4	4
DP2 (C1+B1)		1	1			0	0	0
DP3 (A1+D1) *	1			1		4	20	22
DP4 (B1+D1) *		1		1		6	36	36
DP5 (C1+D1) *			1	1		5	35	35
DP6 (D2+D3)				2		20	160	160
DP7 (D4+E1)				1		10	90	90
DP8 (E1+A1)	1				1	4	24	26
CLUBHOUSE						1	0	18
						<b>51</b>	<b>369</b>	<b>391</b>

	8	8	5	65	14	Total
Number of units	8%	8%	5%	65%	14%	100
Percentage of units	2%	4%	4%	70%	19%	
Percentage of beds						

391 Stalls Required  
399 Stalls Shown

\* - SEE PLAN FOR LOCATION OF UNIT TYPE D1A (ACCESSIBLE UNITS)

PHASE 1 - LOT 2

BLDG ID	1 BED UNITS	2 BED UNITS	3 BED UNITS	4 BED UNITS	5 BED UNITS	# OF BLDGS	# OF BEDS	PRKG REQ'D
DP1 (B1+B1)		2				0	0	0
DP2 (C1+B1)		1	1			0	0	0
DP3 (A1+D1) *	1			1		1	5	6
DP4 (B1+D1) *		1		1		2	12	12
DP5 (C1+D1) *			1	1		1	7	7
DP6 (D2+D3)				2		1	8	8
DP7 (D4+E1)				1		1	9	9
DP8 (E1+A1)	1				1	0	0	0
T1 [(TH1x4)+(TH2x4)+(TH3x2)]	4	4	2			2	36	40
T2 [(TH1x5)+(TH2x5)+(TH3x3)]	5	5	3			2	48	53
CLUBHOUSE							0	0
						<b>10</b>	<b>125</b>	<b>135</b>

	19	20	11	7	1	Total
Number of units	33%	34%	19%	12%	2%	58
Percentage of units	15%	32%	26%	22%	4%	
Percentage of beds						

135 Stalls Required  
145 Stalls Shown

\* - SEE PLAN FOR LOCATION OF UNIT TYPE D1A & U1A (ACCESSIBLE UNITS)

PHASE 1 - LOT 3

1 - 1 B ED UNIT W/ GARAGE NO ADDITIONAL PARKING REQUIRED

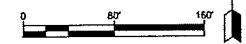
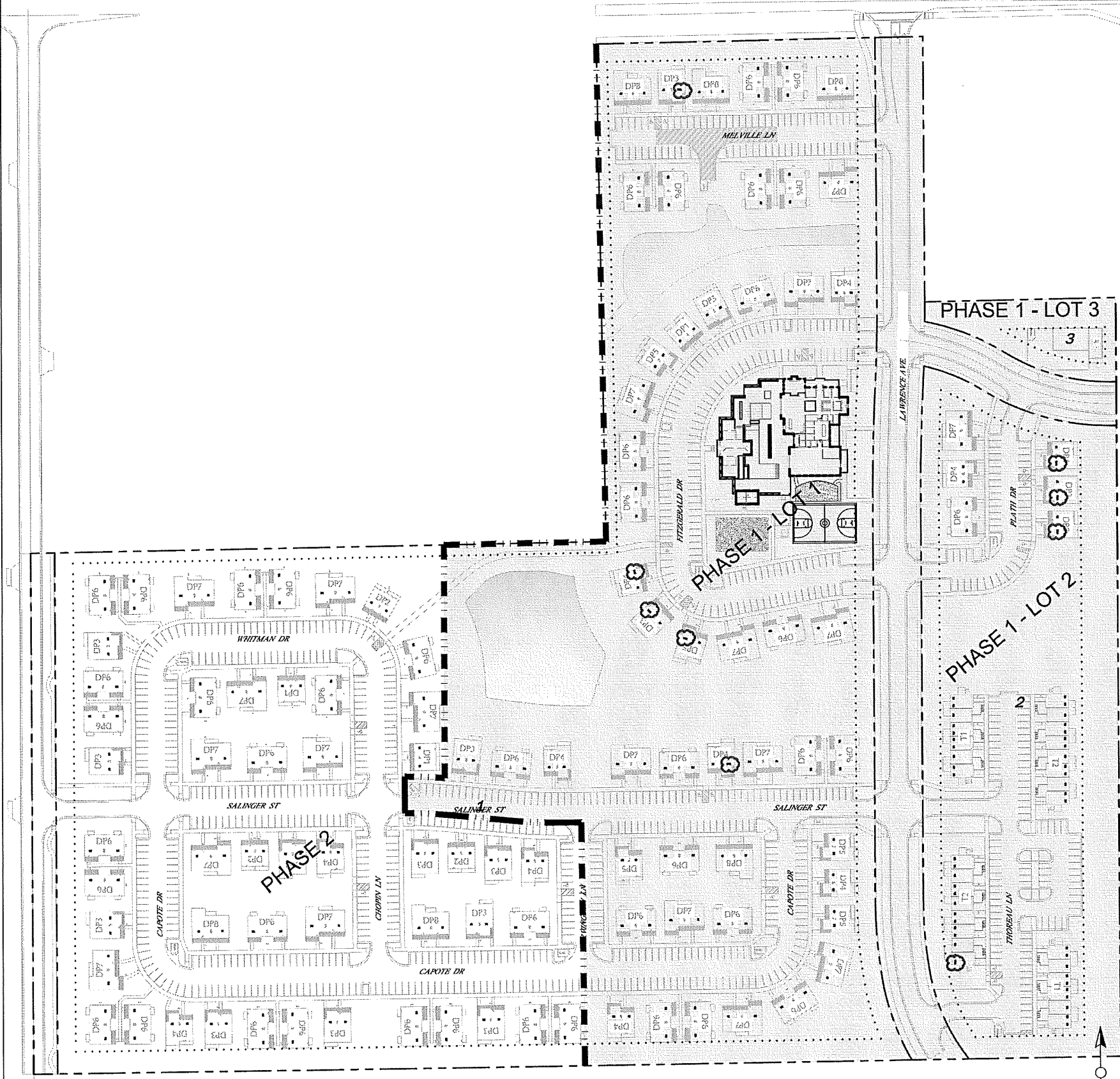
PHASE 2 - LOT 1

BLDG ID	1 BED UNITS	2 BED UNITS	3 BED UNITS	4 BED UNITS	5 BED UNITS	# OF BLDGS	# OF BEDS	PRKG REQ'D
DP1 (B1+B1)		2				2	8	8
DP2 (C1+B1)		1	1			3	15	15
DP3 (A1+D1)	1			1		10	50	55
DP4 (B1+D1)		1		1		3	18	18
DP5 (C1+D1)			1	1		0	0	0
DP6 (D2+D3)				2		22	176	176
DP7 (D4+E1)				1		9	81	81
DP8 (E1+A1)	1				1	2	12	13
CLUBHOUSE							0	0
						<b>51</b>	<b>360</b>	<b>366</b>

	12	10	3	66	11	Total
Number of units	12%	10%	3%	65%	11%	102
Percentage of units	3%	6%	3%	73%	15%	
Percentage of beds						

366 Stalls Required  
371 Stalls Shown

NOTE: PHASING LINE REPRESENTED ON THIS SHEET IS FOR REFERENCE PURPOSES ONLY. ACTUAL PHASE LINE MAY BE ADJUSTED TO MEET MARKET DEMANDS AND CONSTRUCTION ENVIRONMENT WITHOUT THE NEED FOR RE-APPROVAL OF THESE PLANS. PHASING LINE, SPECIFICALLY PHASE 1, IS MEANT TO APPROXIMATELY CONVEY THE UNITS TO ACHIEVE OCCUPANCY AUGUST 2018. 2ND PHASE TO BE ACHIEVE OCCUPANCY SHORTLY AFTER.



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		CHECKED:		
		LAST UPDATE:	12/12/17	

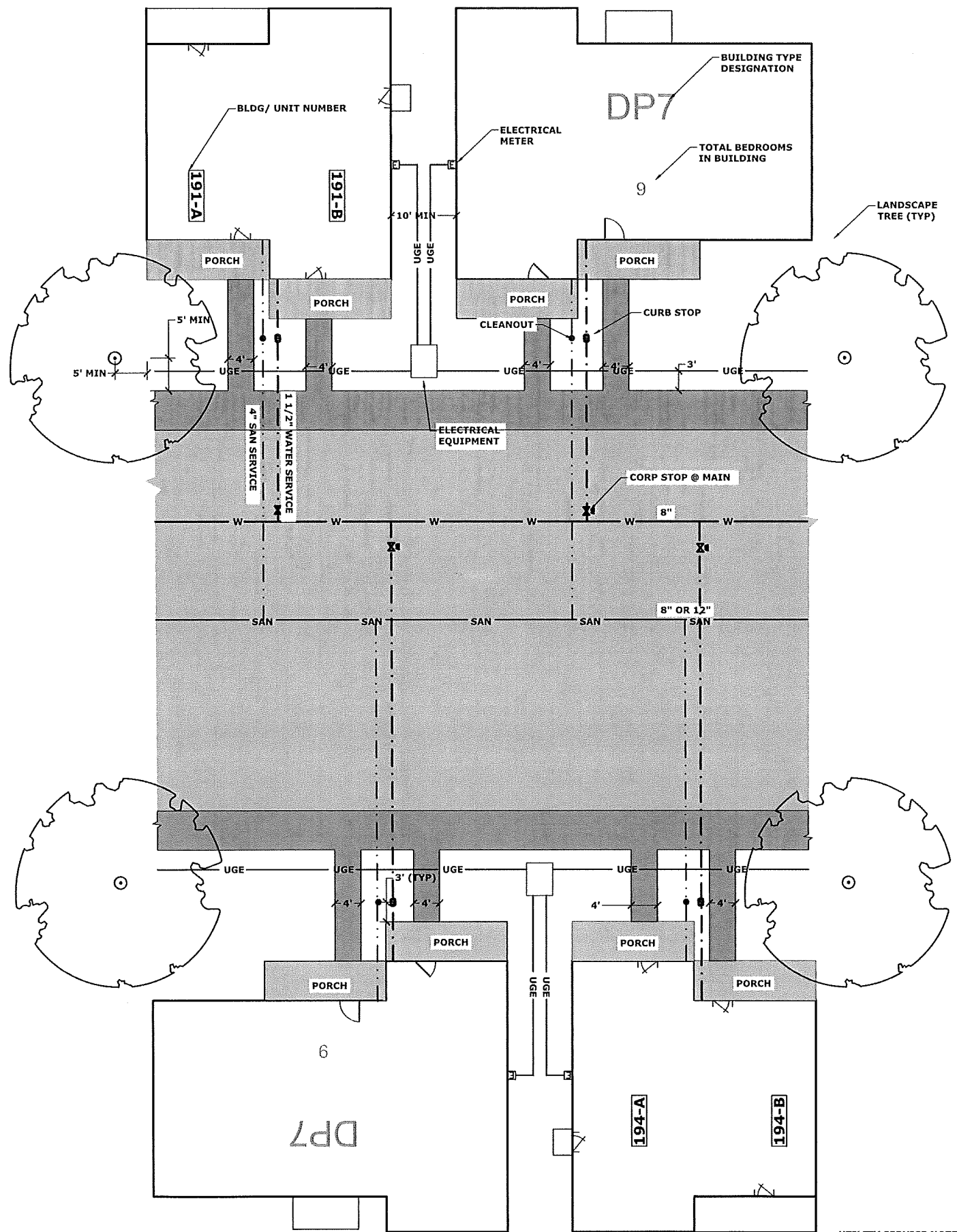
FOX Engineering Associates, Inc.  
 414 South 17th Street, Suite 107  
 Ames, Iowa 50010  
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**FOX** Engineering

PHASING PLAN  
 THE COLLIGATE AMES  
 BY TRINITAS  
 LINCOLN WAY & 500TH AVE  
 AMES, IOWA

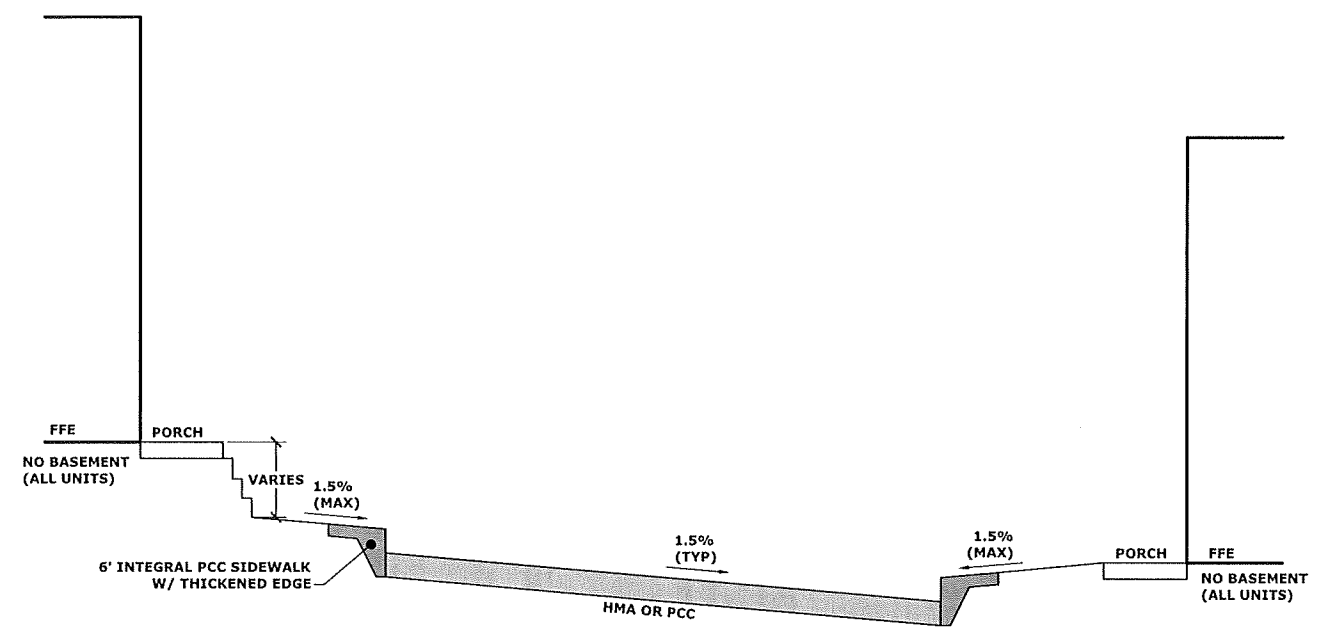
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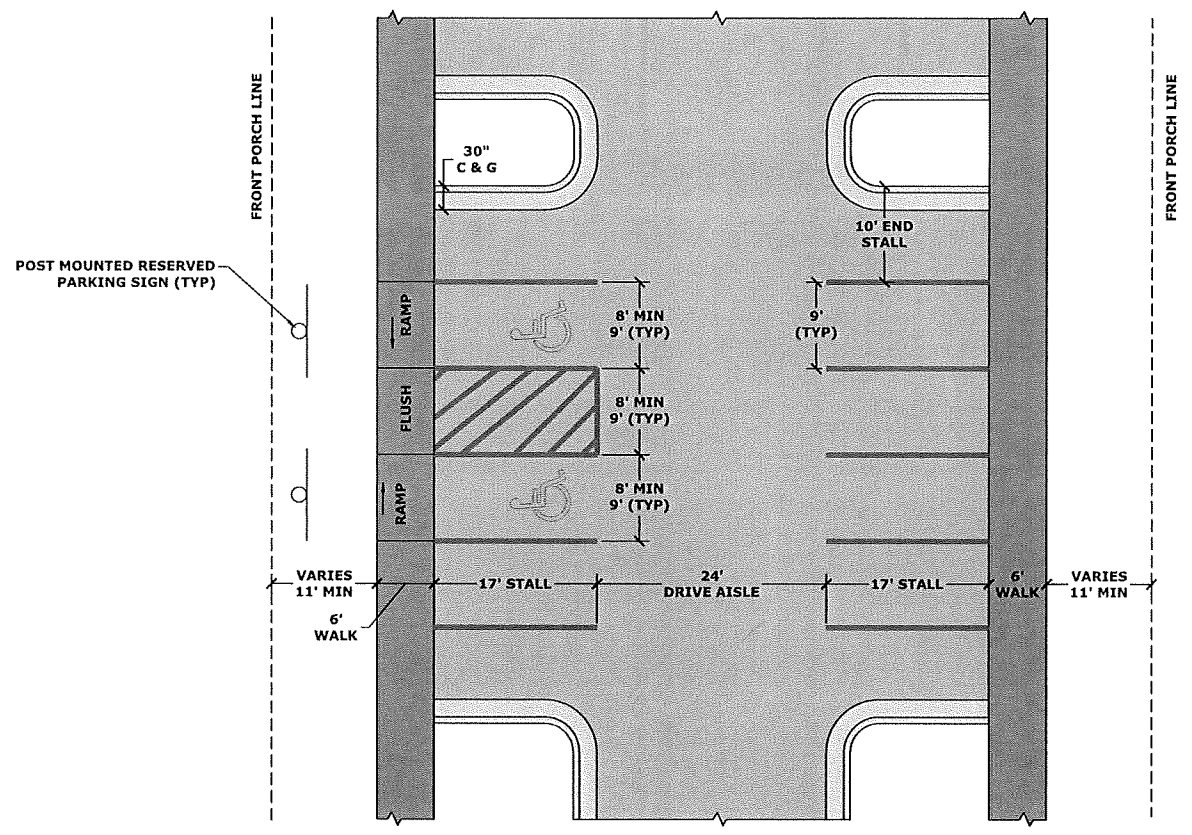


**1 TYPICAL BUILDING AND UTILITY LAYOUT**  
NTS

**UTILITY SERVICE NOTES:**  
 -SANITARY SEWER SERVICE FOR BUILDINGS 153-159 AND 171-177 WILL BE FROM THE REAR OF THE BUILDING  
 -2 UNITS SERVED BY ONE SANITARY SERVICE  
 -ONE WATER SERVICE TO THE BUILDING - ONE METER  
 -ONE ELECTRIC SERVICE TO THE BUILDING - ONE METER



**SECTION**



**2 TYPICAL PARKING LAYOUT**  
NTS

DATE	BY	REVISION
11/17/17	SLR	AS PER DRC COMMENTS DATED 10/19/17
10/17	SLR	DESIGNER
10/17	SRS	DRAWN
10/17	SRS	CHECKED
11/17/17		LAST UPDATE

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**TYPICAL PARKING & BUILDING LAYOUT**  
 THE COLLEGE AT AMES  
 BY TRINITAS  
 LINCOLN WAY & 500TH AVE  
 AMES, IOWA

PROJECT NO.  
5430-16A  
SHEET  
**G2.0**

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 527 Sycamore Parkway W, Suite 101  
 West Lafayette, Indiana 47906  
 Office: 765.497.4598 Fax: 765.497.4599  
 www.kjgarchitecture.com

PROJECT TITLE:  
**THE COLLEGIATE AT AMES  
 A TRINITAS DEVELOPMENT**

AMES, IOWA

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PROFESSIONAL SEAL:

**PRELIMINARY - NOT FOR  
 CONSTRUCTION**

PROJECT DATE:  
**10/25/17**

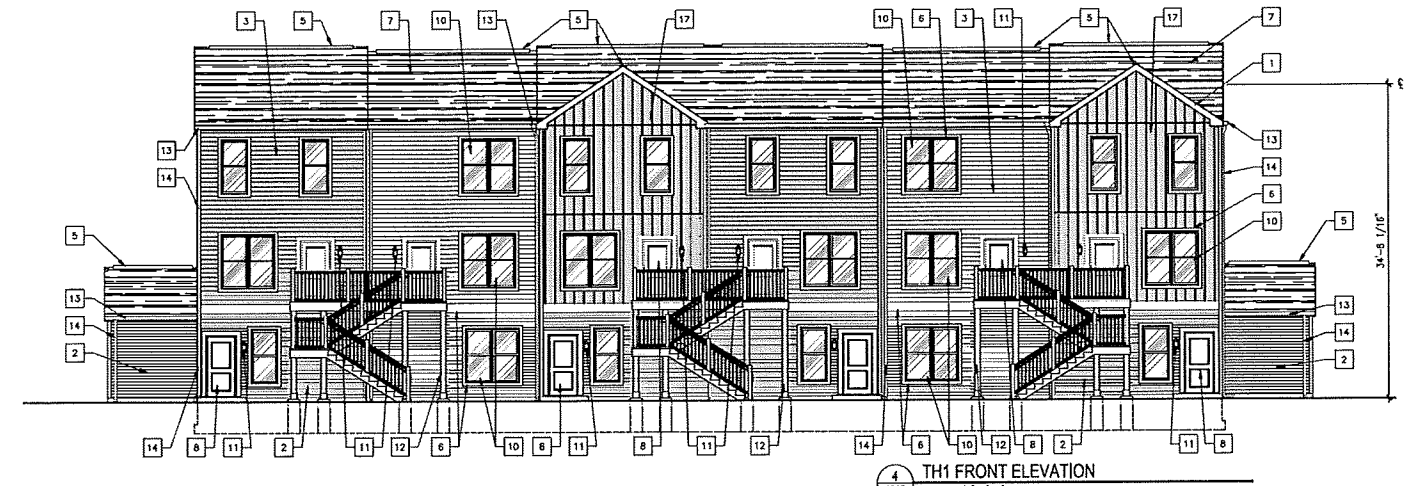
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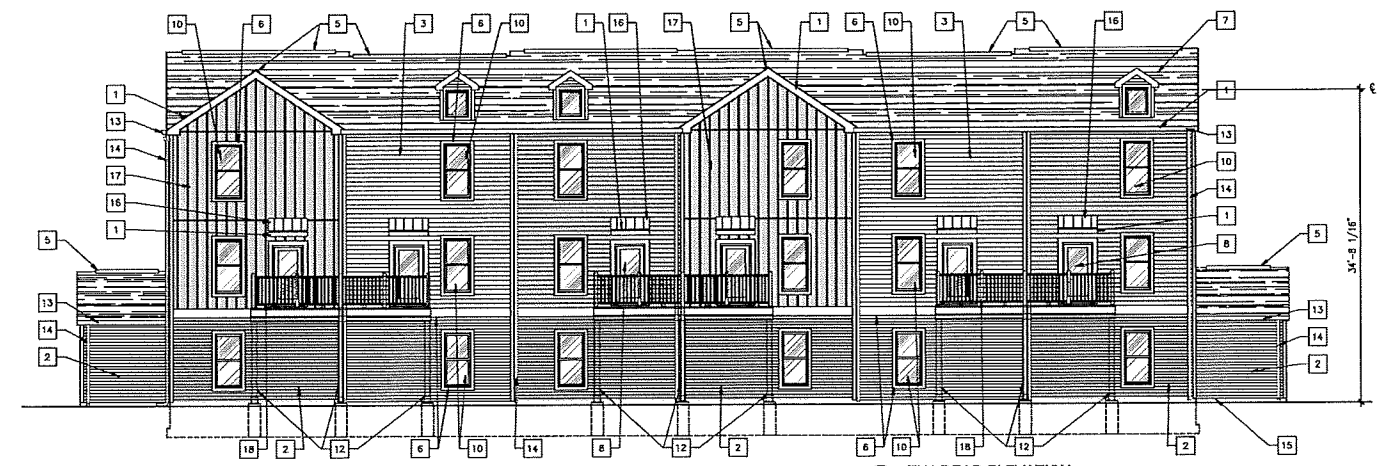
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 EXTERIOR  
 ELEVATIONS**

SHEET NUMBER:

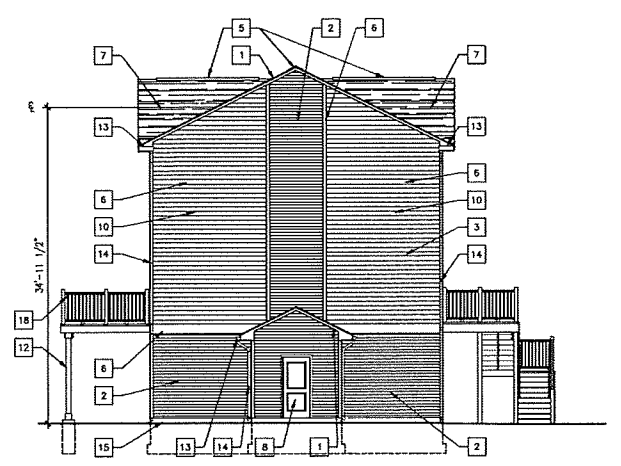
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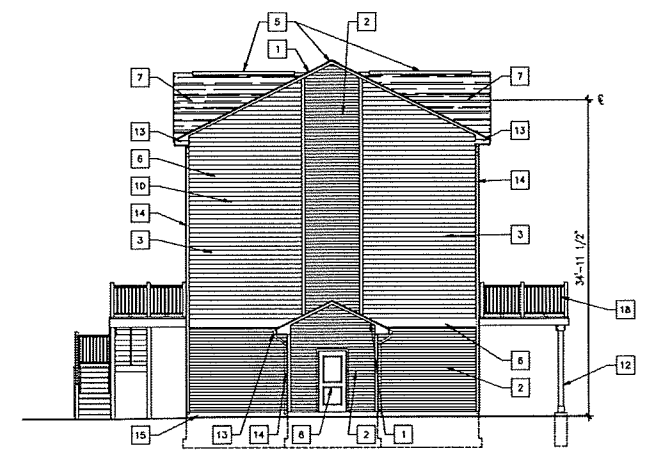
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**TH1 REAR ELEVATION**  
 SCALE: 1/8"=1'-0"

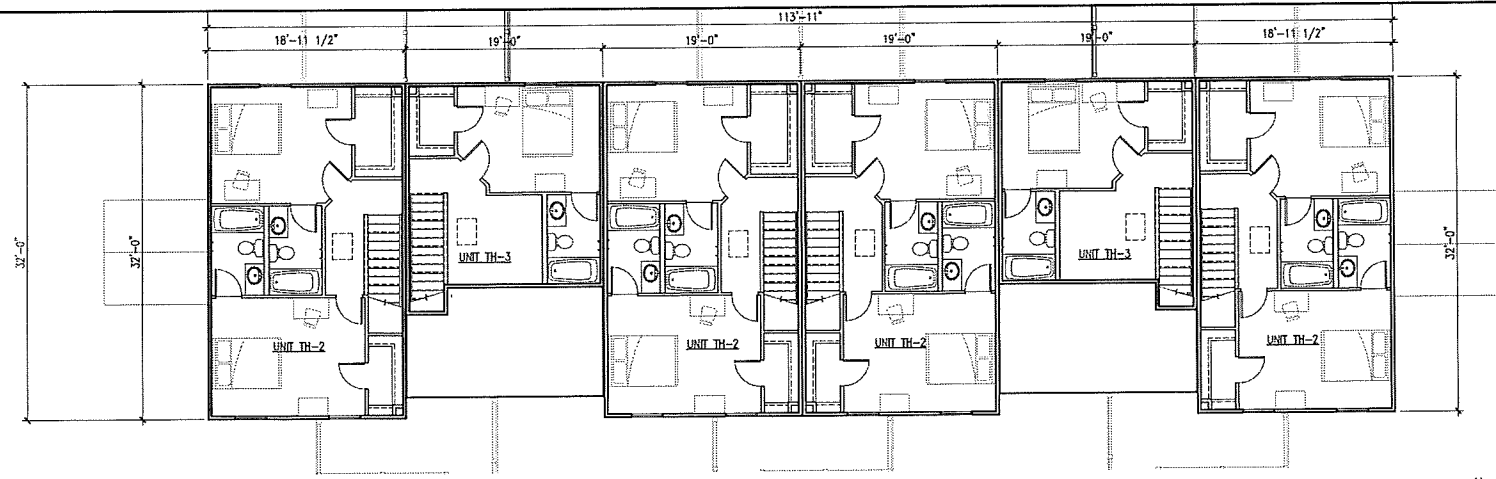


**TH1 LEFT SIDE ELEVATION**  
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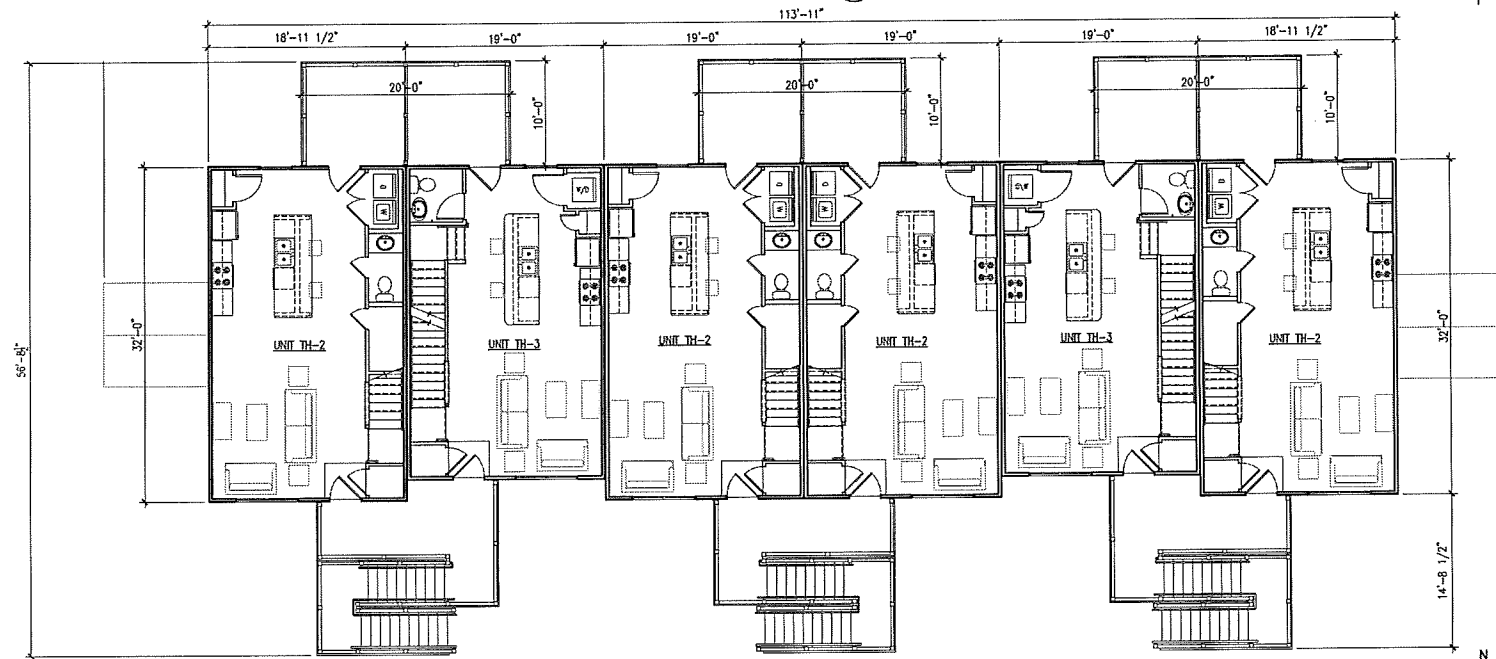


**TH1 RIGHT SIDE ELEVATION**  
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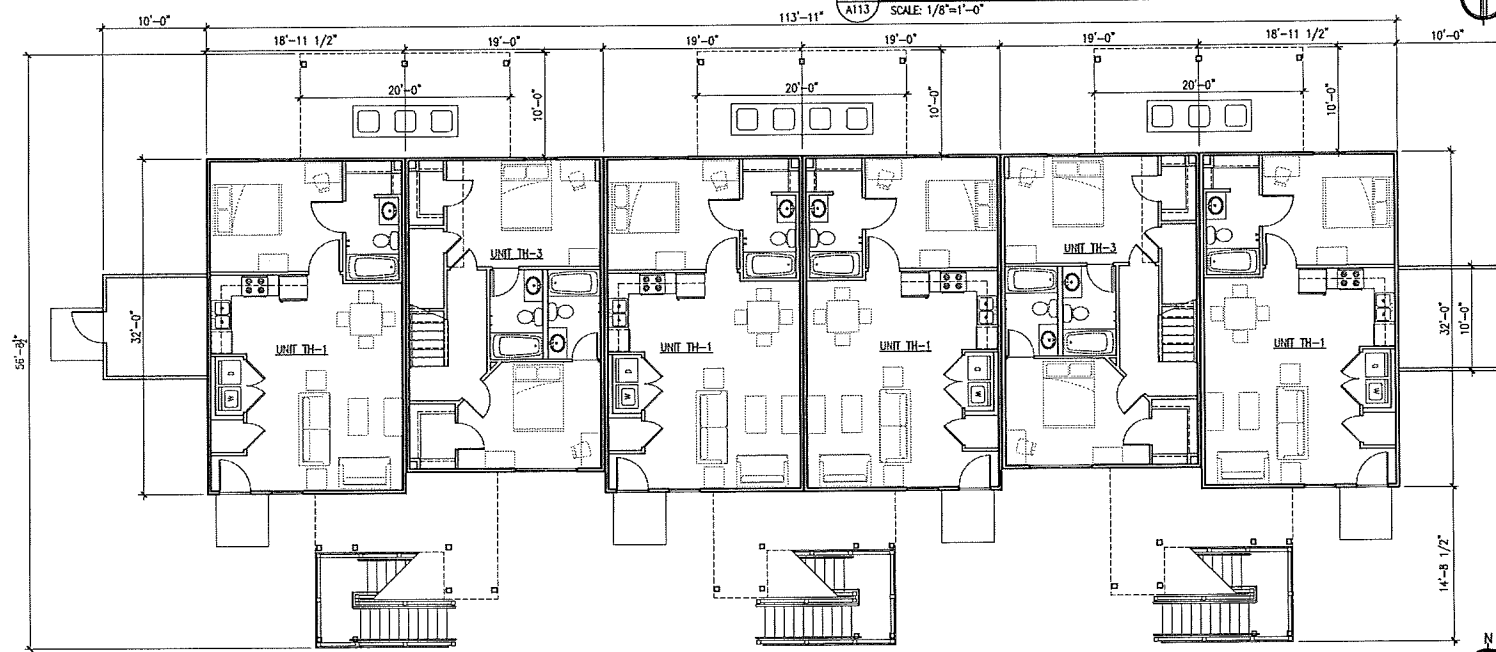
- KEY NOTES:**
- TYPICAL FASCIA TRIM: 1X8 FIBER-CEMENT FASCIA BOARD W/ALUMINUM DRIP EDGE ABOVE & ROOF PERIMETER. SOFFIT BELOW TO BE CONTINUOUS VENTED FIBER-CEMENT BOARD SOFFIT PANELS, PAINTED.
  - EXTERIOR FIBER-CEMENT HORIZONTAL SIDING 4" LAP EXPOSURE.
  - EXTERIOR FIBER-CEMENT HORIZONTAL SIDING 6" LAP EXPOSURE.
  - EXTERIOR BOARD AND BATTEN SIDING.
  - CONTINUOUS SHINGLE-OVER ROOF VENT.
  - 1" THICK SHAKYH FACE FIBER-CEMENT TRIM BOARD, 4" TRIM AT EDGE OF BUILDING, 6" TRIM AT WINDOWS AND DOORS, 8" TRIM AT HORIZONTAL BANDING UNLESS NOTED OTHERWISE.
  - FIBERGLASS/ASPHALT SHINGLES W/30 YR MIN WARRANTY AND CLASS A RATED.
  - INSULATED METAL ENTRY DOOR PER SCHEDULE.
  - VINYL FRAMED BI-SWING PATIO DOOR.
  - VINYL FRAME SINGLE HINGED WINDOW.
  - EXTERIOR WALL MOUNT LIGHT.
  - PRESSURE TREATED WOOD STRUCTURAL POST & FRAMING WRAPPED IN FIBER-CEMENT TRIM.
  - ALUM. CONTINUOUS GUTTER.
  - 3"x4" PREFINISHED ALUMINUM DOWNSPOUT.
  - POURED CONCRETE FOUNDATION, SEE STRUCTURAL.
  - METAL ROOFING.
  - VERTICAL SIGNS.
  - BALCONY RAILING.



3 TOWNHOME T1 THIRD FLOOR PLAN  
A113 SCALE: 1/8"=1'-0"



2 TOWNHOME T1 SECOND FLOOR PLAN  
A113 SCALE: 1/8"=1'-0"



1 TOWNHOME T1 FIRST FLOOR PLAN  
A113 SCALE: 1/8"=1'-0"



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PROJECT TITLE:  
THE COLLEGIATE AT AMES  
A TRINITAS DEVELOPMENT

AMES, IOWA

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PROFESSIONAL SEAL:

PROJECT DATE:  
12/04/17

No.	DESCRIPTION	DRAWN BY	DATE

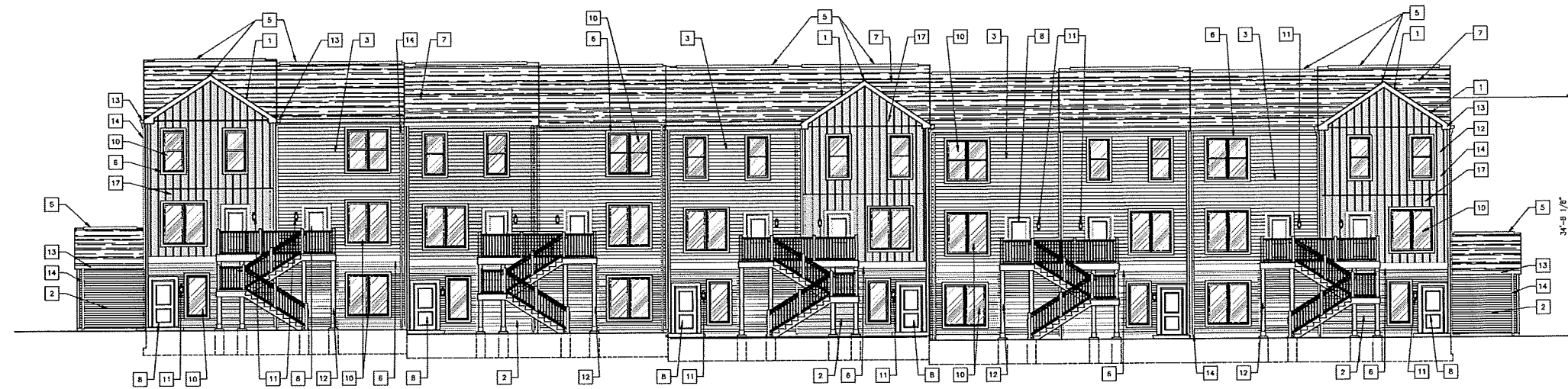
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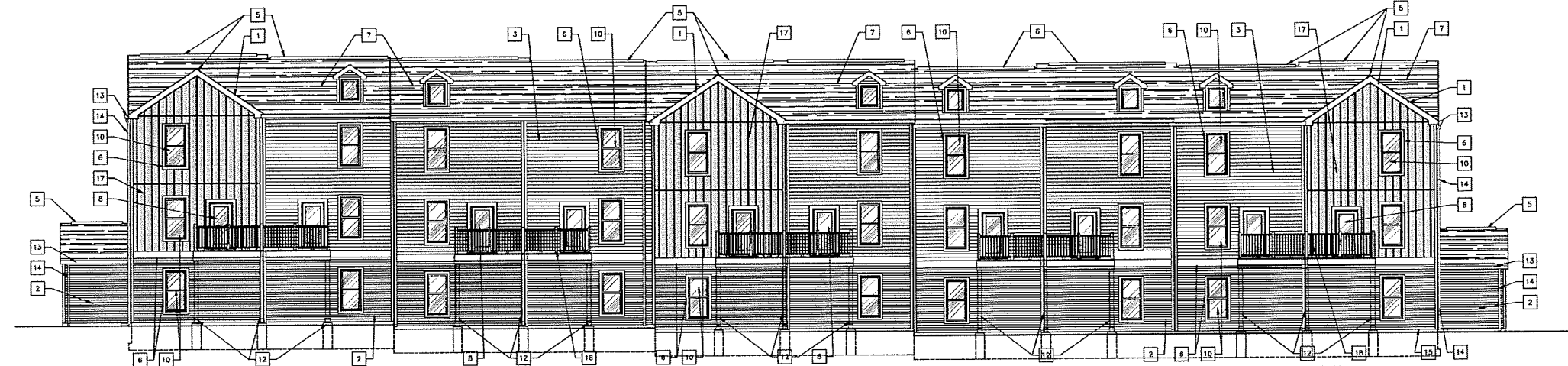
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TOWNHOME  
BUILDING PLAN

SHEET NUMBER:

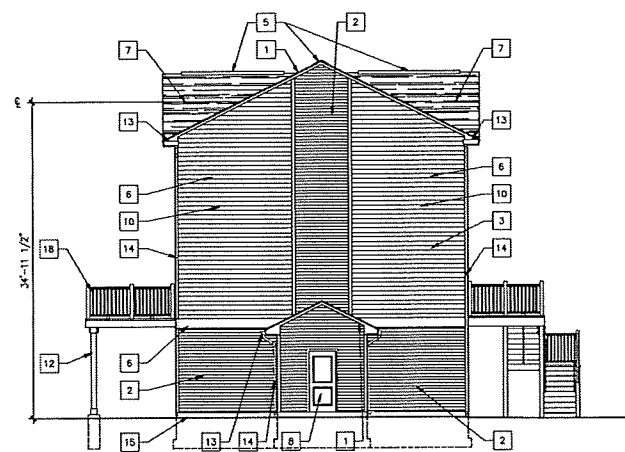
**A113**



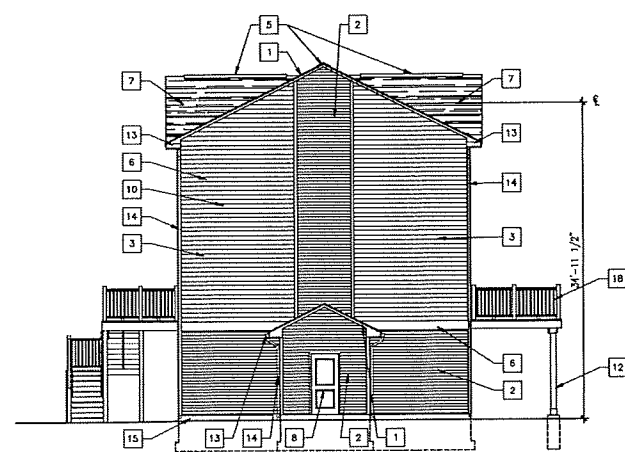
4 TH2 FRONT ELEVATION  
SCALE: 1/8"=1'-0"



3 TH2 REAR ELEVATION  
SCALE: 1/8"=1'-0"



2 TH2 LEFT SIDE ELEVATION  
SCALE: 1/8"=1'-0"



1 TH2 RIGHT SIDE ELEVATION  
SCALE: 1/8"=1'-0"

**KEY NOTES:**

1. TYPICAL FASCIA TRIM: 1X2 FIBER CEMENT FASCIA BOARD W/ALUMINUM DRIP EDGE ABOVE ROOF PERIMETER. SOFFIT BELOW TO BE CONTINUOUS VENTED FIBER CEMENT BOARD SOFFIT PANELS, PAINTED.
2. EXTERIOR FIBER-CEMENT HORIZONTAL SIDING 4" LAP EXPOSURE
3. EXTERIOR FIBER-CEMENT HORIZONTAL SIDING 6" LAP EXPOSURE
4. EXTERIOR BOARD AND BATTEN SIDING
5. CONTINUOUS SHINGLE-OVER RIDGE VENT
6. 1" THICK SMOOTH FACE FIBER CEMENT TRIM BOARD. 4" TRIM AT EDGE OF BUILDING, 6" TRIM AT WINDOWS AND DOORS, 8" TRIM AT HORIZONTAL BANDING UNLESS NOTED OTHERWISE.
7. FIBERGLASS/ASPHALT SHINGLES W/30 YR MIN WARRANTY AND CLASS A RATED.
8. INSULATED METAL ENTRY DOOR PER SCHEDULE
9. VENTILATED IN-SWING PATIO DOOR
10. VENTILATED SINGLE HUNG WINDOW
11. EXTERIOR WALL MOUNT LIGHT
12. PRESSURE TREATED WOOD STRUCTURAL POST & FRAMING WRAPPED IN FIBER-CEMENT TRIM
13. ALUM. CONTINUOUS GUTTER
14. 3"x4" PREFINISHED ALUMINUM DOWNSPOUT
15. POLISHED CONCRETE FOUNDATION, SEE STRUCTURAL
16. METAL ROOFING
17. VERTICAL SIDING
18. BALCONY RAILING



**KJG Architecture, Inc.**  
527 Sagamore Parkway W., Suite 101  
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Office: 765.497.4529 Fax: 765.497.4599  
www.kjgarchitecture.com

PROJECT TITLE:  
**THE COLLEGIATE AT AMES  
A TRINITAS DEVELOPMENT**

AMES, IOWA

DISCLAIMER:  
This is an original design prepared by KJG Architecture, Inc. The client, owner, contractor and others are to hold KJG Architecture, Inc. harmless from all claims, damages, losses, costs of the project and shall be held liable for any claims, damages, losses or costs of the project without the prior written permission of KJG Architecture, Inc.

PROFESSIONAL SEAL:  
**PRELIMINARY - NOT FOR  
CONSTRUCTION**

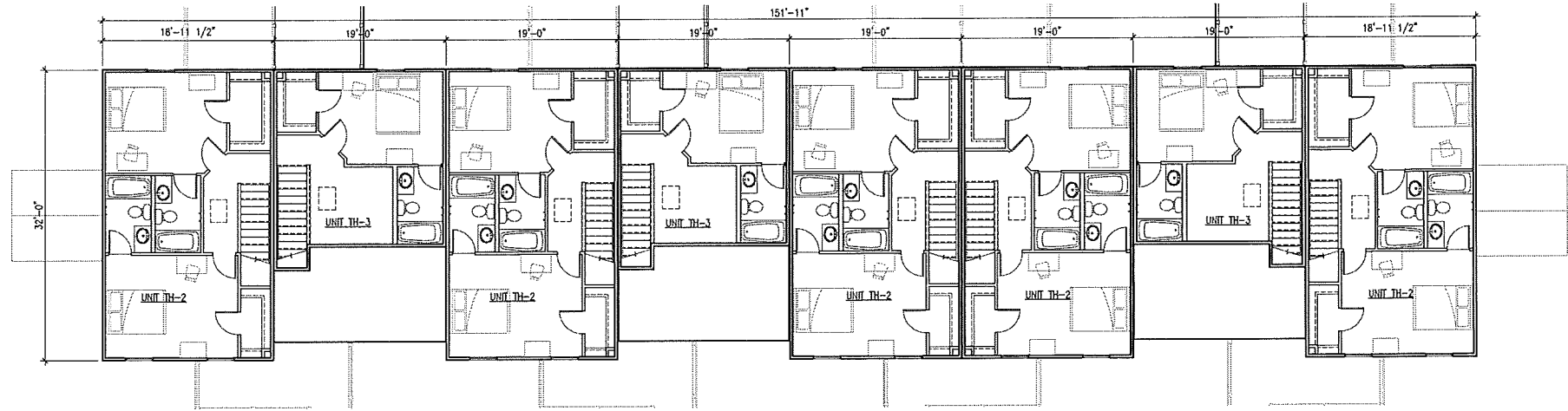
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10/25/17

NO.	DESCRIPTION	DRAWN BY	CHECKED BY

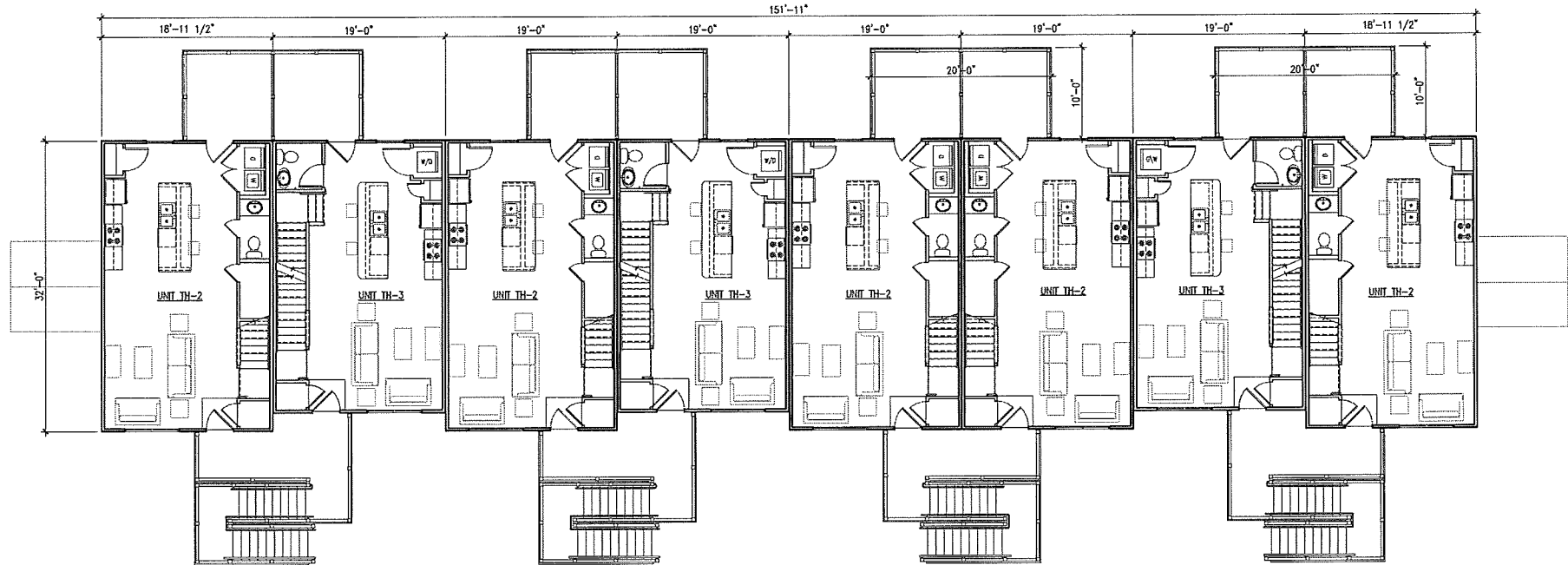
PROJECT NUMBER:  
A2017.033

DRAWING TITLE:  
**TOWNHOME TH2  
EXTERIOR  
ELEVATIONS**

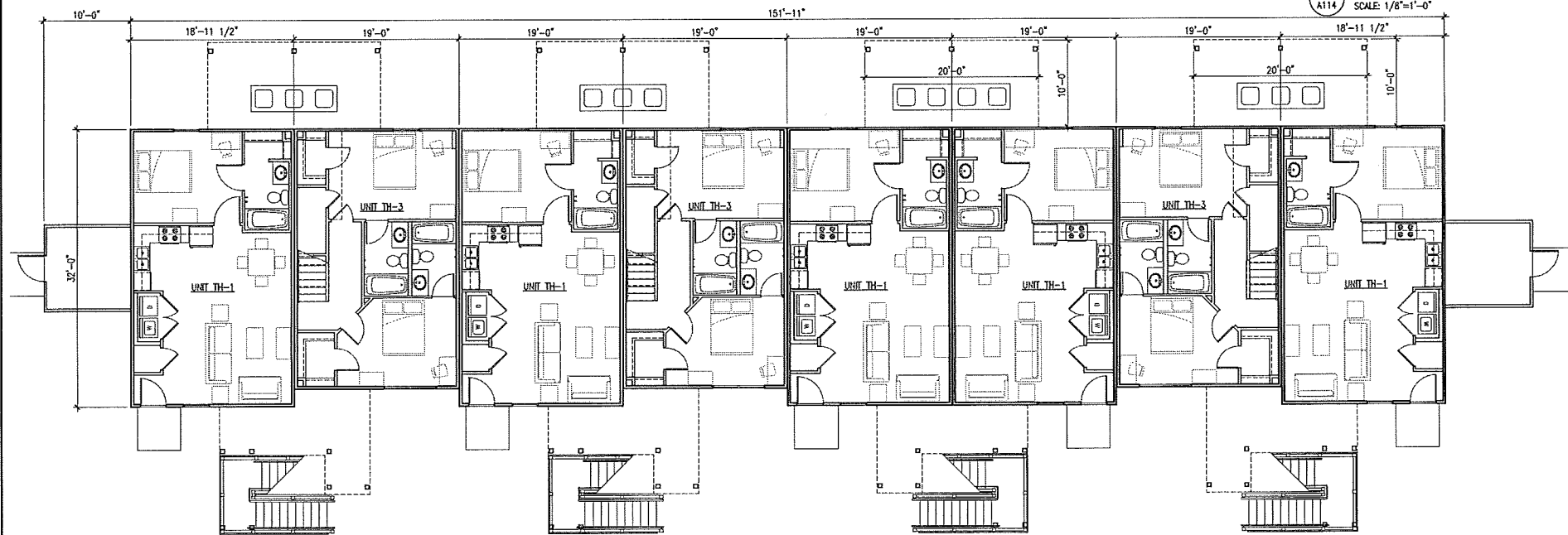
SHEET NUMBER:  
**A206**



3 TOWNHOME T2 THIRD FLOOR PLAN  
SCALE: 1/8"=1'-0"



2 TOWNHOME T2 SECOND FLOOR PLAN  
SCALE: 1/8"=1'-0"



1 TOWNHOME T2 FIRST FLOOR PLAN  
SCALE: 1/8"=1'-0"



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PROJECT TITLE:  
THE COLLEGIATE AT AMES  
A TRINITAS DEVELOPMENT

AMES, IOWA

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without the prior written permission of KJG Architecture, Inc.

PROFESSIONAL SEAL:

PROJECT DATE:  
12/04/17

NO.	DESCRIPTION	DATE

PROJECT NUMBER:  
A2017.033

DRAWN BY:

DRAWING TITLE:  
TOWNHOME  
BUILDING PLAN

SHEET NUMBER:

A114

**ORDINANCE NO.**

**AN ORDINANCE TO AMEND THE MUNICIPAL CODE OF THE CITY OF AMES, IOWA, BY REPEALING SECTION 13.104 (1)(c), SECTION 13.201 TERM OF “FAMILY”, SECTION 13.406(5)(a)(b)(c), SECTION 13.503(4),(5) AND ENACTING A NEW SECTION 13.104(1)(c), SECTION 13.406(5)(a)(b)(c)(d)(e)(f), SECTION 13.503(4)(a),(b),(c)(i)(ii),(d),(e)(i)(ii)(iii)(iv) THEREOF, FOR THE PURPOSE OF RESIDENTIAL OCCUPANCY; REPEALING ANY AND ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT TO THE EXTENT OF SUCH CONFLICT; PROVIDING A PENALTY; AND ESTABLISHING AN EFFECTIVE DATE.**

**BE IT ENACTED**, by the City Council for the City of Ames, Iowa, that:

Section One. The Municipal Code of the City of Ames, Iowa shall be and the same is hereby amended by enacting a new Section 13.104(1)(c), Section 13.406(5)(a)(b)(c)(d)(e)(f), Section 13.503(4)(a),(b),(c)(i)(ii),(d),(e)(i)(ii)(iii)(iv) as follows:

**“Sec. 13.104. VIOLATIONS AND ENFORCEMENT.**  
**(1) Violations.**

\*\*\*

(c) No person shall occupy, nor shall the owner or operator allow any persons to occupy, any dwelling unit in excess of the maximum occupancy permitted in this chapter.

\*\*\*

**Sec. 13.406. EXTERIOR PROPERTY AREAS**

\*\*\*

**(5) Computation of required off-street parking spaces.**

Number and dimensions of off-street parking spaces must comply with standards in the Zoning Ordinance Section 29.406, and the following:

(a) A parking space for each vehicle must be no less than 19 feet in length and 9 feet in width, and located upon an approved driveway that leads to the side or rear yard or to a garage. The area allocated for each vehicle must be available for parking at all times. Stacked parking for single family and two family dwellings is permitted for all required parking spaces.

(b) Garage parking spaces shall be counted as approved off-street parking spaces if the required area for each vehicle is available for parking at all times.

(c) Specific site conditions that may prevent compliance with these requirements shall be reviewed and may be approved on an individual case basis by the Building Official.

(d) Single family or two family rental dwelling units with one, two, or three bedrooms shall have at least two off-street parking spaces.

(e) Single family or two family dwelling units with four or more bedrooms shall have at least one off-street parking space for each bedroom accounted for in determining maximum occupancy.

(f) Prior to May 1, 2018, off-street parking spaces shall be limited to a garage, driveway or other legal parking spaces existing as of January 1, 2018. Additional off-street parking spaces may be added after April 30, 2018.

\*\*\*

**Sec. 13.503. OCCUPANCY LIMITATIONS**

The maximum occupancy for dwelling houses and apartment units shall be based upon compliance with all standards of the Code, including but not limited to parking spaces, area requirements, habitable space requirements, and the following:

\*\*\*



(4) **Limits based on Zoning District - Maximum Occupancy**

- (a) In all cases, each dwelling unit shall provide habitable floor space totaling at least eighty (80) square feet for the first occupant and sixty (60) square feet for each additional occupant.
- (b) For Dwelling Houses, where permitted as a use in the Zoning Ordinance, the maximum occupancy of a dwelling unit shall be one more adult than the number of bedrooms, up to five adults, provided there is one parking space per bedroom for units with two bedrooms or more, or in University Impacted areas 1.25 parking spaces per bedroom in units with two or more bedrooms, and one bedroom units shall have 1.5 parking spaces per unit.
- (c) Apartments in Residential Zones.
- (i) The maximum occupancy is one more adult than the number of bedrooms, up to five adults, provided there is one parking space per bedroom for units with two bedrooms or more, or in University Impacted areas 1.25 parking spaces per bedroom in units with two or more bedrooms, and one bedroom units shall have 1.5 parking spaces per unit.
- (ii) Provided, however, that with respect to dwelling units that, as of May 1, 2000, had a current Letter of Compliance stating an occupancy limit greater than the aforesaid, such occupancy limit shall be allowed to continue until such time as negated by a change of use or conditions in the property that would restrict the number of occupants in accordance with this subsection.
- (d) Apartment Buildings Commercial Zoning. Maximum occupancy is one more adult than the number of bedrooms, up to five adults, when parking is provided consistent with the Zoning standards and Site Development Plan approval.
- (e) The maximum occupancy for a single-family or a two-family dwelling unit shall be based upon compliance with all standards of the Code, including but not limited to parking spaces, area requirements, habitable space requirements, and the following:
- (i) Three adult occupants for one, two and three bedroom dwelling units.
- (ii) One adult occupant per bedroom, with a maximum of five adult occupants, for dwelling units with four or more bedrooms.
- (iii) For rental dwelling units registered as of January 1, 2018, the number of bedrooms for determining maximum occupancy shall be determined by the number of bedrooms listed in the records of the Ames City Assessor as of January 1, 2018, or by the number of bedrooms reflected in the inspection records of the City of Ames Inspections Division as of January 1, 2018, whichever number is higher.
- (iv) For rental dwellings for which a registration is being sought after January 1, 2018, the number of bedrooms for determining maximum occupancy shall be determined by an inspection by the Inspections Division.”

Section Two. Violation of the provisions of this ordinance shall constitute a municipal infraction punishable as set out by law.

Section Three. All ordinances, or parts of ordinances, in conflict herewith are hereby repealed to the extent of such conflict, if any.

Section Four. This ordinance shall be in full force and effect from and after its passage and publication as required by law.

Passed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

---

Diane R. Voss, City Clerk

---

Ann H. Campbell, Mayor

**COUNCIL ACTION FORM**

**SUBJECT: REZONING CONTRACT FOR PROPERTY LOCATED AT 415 STANTON AVENUE FROM S-GA (GOVERNMENT/AIRPORT DISTRICT) TO RH (RESIDENTIAL HIGH DENSITY).**

**BACKGROUND:**

The City Council approved the first reading for the rezoning of the property at 415 Stanton Avenue to Residential High Density (RH) on November 28, 2017 with the condition to complete a contract rezoning agreement to limit the use. Staff has prepared a contract rezoning agreement consistent with the limitation described in the November 28, 2017 Council Action Form. **The attached draft agreement limits the site use to Senior Living for individuals 55 years or older, that the existing Crawford School building will be retained and adapted to residential use, and that the new development is restricted to a maximum of three stories and 50 feet. (Attachment A)** A contract rezoning agreement must be agreed upon and approved prior to third reading of a rezoning ordinance approving a change of zoning for a property.

**AGE RESTRICTION TO 55 OR OLDER:**

**The applicant requests that the City Council consider allowing for the 55 or older age restriction to apply to one or more members of the household, rather than all members of the household.** The applicant identified this as an interest of theirs early in the process with a referral request from City Council in October to review the Zoning Ordinance definition of an Independent Senior Living Facility. City Council directed in October for staff to prepare a background memorandum on the definition of the Independent Senior Living Facility use, which has not been prepared by staff at this time.

Allowing for only one member of household to be 55 or older would broaden the range of potential residents and allow for potential couples or partners that are not of the same age to be residents of the development. However, by requiring only one 55 or older resident it would not preclude occupancy of the apartments that included younger residents or that a majority of the residents in an apartment are younger than 55 years of age.

The applicant prefers at this time to address the age restriction in the contract rezoning agreement rather than pursue a text amendment that would be applicable citywide. The proposed project does not need the benefit of the reduced parking allowed by Independent Senior Living Facilities and could be viewed as an age restricted general apartment use through contract rezoning. A contract rezoning can be more restrictive than the Zoning Ordinance, but not more permissive.

**The attached draft agreement includes language requiring 100% of the occupants to be 55 or older and it would need to be revised to match the applicant's request if directed by the City Council.**

**ALTERNATIVES:**

1. The City Council can defer the third reading of the rezoning ordinance and direct staff to finalize a contract rezoning agreement that specifies the use is limited to Senior Living with all occupants restricted to 55 years or older for signature by the property owner prior to approval of the rezoning.
2. The City Council can defer the third reading of the rezoning ordinance and direct the staff to amend the attached agreement and specify that the use is limited to Senior Living and that at least one occupant of each dwelling is 55 years or older for signature by the property owner prior to approval of the rezoning. (Applicant's request)
3. The City Council can defer the third reading and provide staff with different direction on the contract rezoning agreement or for a zoning text amendment.

**CITY MANAGER'S RECOMMENDATION:**

The attached contract rezoning agreement requires the re-use of the existing Crawford School site and new building to be used for residential purposes restricted to all individuals age 55 years or older. The proposed rezoning limitations are consistent with the applicant's intended use of the site. The contract rezoning agreement is a permissible method of restricting use of a site at the time of rezoning when agreed upon with the applicant.

Alternative #1 reflects the direction from November 28<sup>th</sup> that would require all occupants to be 55 years or older. Alternative #2 is the preference of the applicant to specify a limit of Senior Living with a minimum of one occupant per dwelling as 55 or older. Either of these two alternatives is permissible for consistency with zoning standards. By choosing one of these two alternatives it would also eliminate the need to consider the prior City Council referral for review of citywide text amendment in the context of this project.

**Therefore, it is the City Manager's recommendation that the City Council provide direction to staff on Alternative #1 or #2 as their preference in lieu of considering a zoning text amendment for Independent Senior Living Facilities that would apply citywide. With City Council's direction on the age restriction, staff and the applicant can finalize the contract rezoning agreement for the property owner's signature and completion of the rezoning of the property can be accomplished at a future City Council meeting.**

**S P A C E   A B O V E   R E S E R V E D   F O R   O F F I C I A L   U S E**

**Legal description:** See page 4.

**Return document to:** City Clerk, 515 Clark Avenue, Ames IA 50010

**Document prepared by:** Victoria A. Feilmeyer, City of Ames Legal Department, 515 Clark Ave., Ames, IA 50010 – 515-239-5146

**CONTRACT REZONING AGREEMENT PERTAINING TO THE  
LAND AT 415 STANTON AVENUE**

**THIS AGREEMENT**, made and entered into this \_\_\_\_ day of \_\_\_\_\_, 201\_\_, by and between the City of Ames, Iowa (hereinafter called “City”) and The Crawford Ames, LLC, an Iowa limited liability company (hereinafter called “Developer”), its successors and assigns.

**WITNESSETH THAT:**

**WHEREAS**, the Developer owns real property which had formerly been used by the Ames Community School District for an elementary school and later for school district offices, legally described as set out on Attachment A and locally addressed as 415 Stanton Avenue, Ames, Iowa, (hereinafter called the “Property”); and

**WHEREAS**, the Developer desires to redevelop the property so that it may be used as an Independent Senior Living Facility, as defined by Ames Municipal Code section 29.200(105), for use by residents aged 55 and older; and

**WHEREAS**, the City approved a Minor Map Amendment to the Land Use Policy Plan (LUPP) designation for the subject real property by Resolution 17-676, which changed its designation from Low-Density Residential/Governmental Lands to High Density Residential to provide for a LUPP designation compatible with the proposed Independent Senior Living Facility; and

**WHEREAS**, the Developer has applied for a zoning designation of RH (Residential High Density) for the subject property in order to advance its plan of renovating the site to be used as an Independent Senior Living Facility; and

**WHEREAS**, as contemplated by Iowa Code section 414.5, the City desires to impose certain additional conditions on the property owner in addition to existing regulations in connection with granting the base zoning; and

**WHEREAS**, both City and the Developer expressly agree that said additional conditions are reasonable and imposed to satisfy public needs which are directly caused by the requested zoning change to RH (Residential High-Density).

**NOW, THEREFORE**, the parties hereto have agreed and do agree as follows:

## **I. INTENT AND PURPOSE**

A. It is the intent of this Agreement to:

1. Recognize that the Developer, The Crawford Ames, LLC, is the owner of the real property being rezoned and expressly agrees to the imposition of additional conditions as authorized by Iowa Code section 414.5.
2. Confirm and document that the Parties recognize and acknowledge that a substantial benefit to the public will be realized by imposition of the additional conditions for rezoning.
3. Grant rezoning of the real property from Government/Airport Lands (S-GA) to Residential High Density (RH) subject to these additional conditions:
  - a. The residential use of the site is age restricted to Senior Living with all occupants aged 55 years or older.
  - b. The existing Crawford School Building will be retained and adapted to residential use.
  - c. New development shall be restricted to a maximum of three stories no more than 50 feet in height in the aggregate.
  - d. Prior to the approval of the third reading of the Ordinance rezoning the property, this rezoning agreement must be signed by the Developer and delivered to the City.

## **II. GENERAL PROVISIONS**

A. Modification. The parties agree that this Agreement may be modified, amended or supplemented only by written agreement of the parties, and their successors and/or assigns.

B. General Applicability of Other Laws and Ordinances. The Developer understands and agrees that all work done by or on its behalf shall be made in compliance with Iowa Code, the Ames Municipal Code, Iowa Statewide Urban Design and Specifications and all other federal, state and local laws of general application, whether

or not such requirements are specifically stated in this agreement. All ordinances, regulations and policies of the City now existing, or as may hereafter be enacted, shall apply to activity or uses on the site.

C. Incorporation of Recitals and Exhibits. The recitals, together with any and all exhibits attached hereto, are confirmed by the parties as true and incorporated herein by reference as if fully set forth verbatim. The recitals and exhibits are a substantive contractual part of this agreement.

### III. COVENANTS RUN WITH THE LAND

This Agreement shall run with the site and shall be binding upon the Developer, its successors, subsequent purchasers and assigns. Each party hereto agrees to cooperate with the other in executing a Memorandum of Agreement that may be recorded in place of this document.

**IN WITNESS WHEREOF**, the parties hereto have caused this instrument to be executed effective as of the date first above written.

<p><b>CITY OF AMES, IOWA</b></p> <p>By _____ Ann H. Campbell, Mayor</p> <p>Attest _____ Diane R. Voss, City Clerk</p> <p>STATE OF IOWA, COUNTY OF STORY, ss:</p> <p>On this _____ day of _____, 2016, before me, a Notary Public in and for the State of Iowa, personally appeared Ann H. Campbell and Diane R. Voss, to me personally known, who, being by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Ames, Iowa; that the seal affixed to the foregoing instrument is the corporate seal of the corporation, and that the instrument was signed and sealed on behalf of the corporation by authority of its City Council, as contained in Resolution No. _____ adopted by the City Council on the _____ day of _____, 2016, and that Ann H. Campbell and Diane R. Voss acknowledged the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the corporation, by it voluntarily executed.</p> <p>_____ Notary Public in and for the State of Iowa</p>	<p><b>THE CRAWFORD AMES, LLC</b></p> <p>By _____</p> <p>STATE OF IOWA, COUNTY OF STORY, ss: This instrument was acknowledged before me on _____, 2017, by _____, as Manager, of The Crawford Ames, LLC.</p> <p>_____ Notary Public in and for the State of Iowa</p>
--	---

**Legal Description – Exhibit ‘A’**

Lots Two (2), Three (3), Four (4), Five (5), Six (6) and Seven (7), except the South five (5) feet of Lot Seven (7), all in W.T. Smith's addition to Ames, Story County, Iowa, **AND** the East fifteen (15) feet of Lots Three (3), Four (4), Five (5), Six (6) and Seven (7), and the East fifteen (15) feet of the North forty-five (45) feet of Lot Eight (8), all in Block One (1), Lee & Little's Addition to Ames, Story County, Iowa

**COUNCIL ACTION FORM**

**SUBJECT: APPROVAL OF DEVELOPERS AGREEMENT AND AWARD OF PUBLIC IMPROVEMENTS CONTRACT FOR THE 321 STATE AVENUE (OLD MIDDLE SCHOOL) AFFORDABLE HOUSING PROJECT**

**BACKGROUND:**

The City Council, at its July 11, 2017, meeting, provided direction to staff to proceed with development of a 37-lot subdivision at 321 State Avenue in partnership with JCorp, Inc., as the developer of the site. The development concept includes platting of 37 lots as Phase 1 of development of the site with an option for a second phase of development in the future for a total of 43 lots. The planned subdivision will include a minimum of 20 affordable homes to be constructed for low and moderate-income households and 17 market rate homes. JCorp, Inc. will be the developer for both the affordable and the market rate homes and they will be the builder of the all of the affordable low and moderate income homes.

City Council directed staff on December 12<sup>th</sup> to proceed with increasing the City's financial participation in the project by \$350,000 to cover the additional public improvement costs for the project. City staff then proceeded to draft a development agreement reflecting the JCorp, Inc. proposal from July, its updated house plans from December, and public improvement (street, water, sewers) plans from October. Staff and the developer are working to complete a final agreement for City Council review at its December 19<sup>th</sup> meeting. In addition to reviewing and approving development agreement, the City Council is being asked to award a contract to Keller Excavating of Boone in an amount not to exceed \$1,196,833.26 for public improvements.

A summary of the primary points for financial participation and housing construction are summarized below. Staff has attached the exhibits for the agreement reflecting the subdivision layout and house design.

**FINANCIAL RESPONSIBILITIES CONTAINED IN THE DEVELOPERS AGREEMENT:**

1. The City of Ames shall provide funding of up to \$900,000 for cost of construction of the public improvements for water, sewer, and streets consistent with the improvement plans.
2. The City shall provide land at no cost to the developer. (estimated value of \$550,000).



3. The City of Ames shall provide first-time homebuyer assistance of \$200,000 reflected in the FY 2017-18 CDBG Annual Action Plan. Any subsequent City funding for first-time homebuyers will be subject to future CDBG funding and City Council allocation at its discretion.
4. The Developer is responsible for the cost of preparing all subdivision, public improvements, and building plans.
5. The Developer must provide to the City \$400,000 for the completion of public improvements.
6. The Developer must provide a letter of credit to City upon execution of the agreement in the amount of \$400,000 to ensure their payment of the share of costs for public improvements. (The developer shall make two equal payments to the City, one payment on April 1, 2018 and a second payment upon completion of 90% of the public improvements.)
7. The Developer is responsible for all other site costs to improve lots and complete the subdivision.
8. If the City Council elects to pursue Phase II (b) with eight attached single-family homes off the north alley and Manning Avenue, all costs for public improvements and subdivision plans will be the responsibility of the City.
9. The City will retain ownership of the site and all lots until conveyed to a LMI homebuyer or market rate lots to JCorp, Inc. in accordance with the agreement.

**HOME CONSTRUCTION REQUIREMENTS:**

1. The City must approve all LMI homebuyers, whether receiving City assistance or not.
2. The Developer must start construction of a LMI home within 45 days of notice of an eligible buyer by the City and complete the homes within 7 months.
3. The Developer has a maximum limit of construction of five LMI homes at a time.
4. The agreement includes typical house plans as an exhibit. However, the final design and details of the plans may be modified to lower costs to match the affordability level of an eligible LMI homebuyer. (See attached plans)

5. The Developer has identified the lowest cost home option as \$128,000 sales price for approximately 930 square feet of first floor living area, two-bedrooms, a garage, and partially finished basement. Larger homes may have substantially higher sales prices of \$155,000 or more to qualified LMI households. Note that the City will place resale restrictions upon LMI lots prior to their conveyance to an LMI homebuyer.
6. JCorp, Inc. will obtain ownership of market rate lots at a rate of one lot for the sale of the first two LMI homes and then at ratio of one market rate lot for each sold LMI home.
7. The agreement specifies the City will record a covenant to restrict all LMI and market rate lots to “owner occupied” housing.

### **PUBLIC IMPROVEMENTS CONTRACT WITH KELLER EXCAVATING:**

The City Council approved specifications for public improvement plans at its October 10<sup>th</sup> meeting and set November 14<sup>th</sup> as the public hearing on the review of the bids. The lowest bidder was reported on November 14<sup>th</sup> as Keller Excavating of Boone with a bid of \$1,196,833.26. The low bid by Keller exceeded the Engineer’s estimate for the project. The bid is good for 60 days and expires on January 5, 2018.

### **ALTERNATIVES:**

1. The City Council can accept a signed Developers Agreement and financial security from JCorp, Inc. and award the contract to Keller Excavating in the amount not to exceed \$1,196,833.26 for public improvements associated with 321 State Avenue.
2. The City Council can decline to enter into a Developers Agreement and reject the bids. This option will require the Council to determine a different strategy in the future to accomplish their goal for an affordable housing project.
3. The City Council can defer action on the Developers Agreement and request that Staff negotiate different terms for the contract. This option will require that a special meeting be scheduled prior to January 5, 2018.

### **CITY MANAGER’S RECOMMENDED ACTION:**

The City staff has worked on various issues with the Developer over the past week to complete an acceptable agreement for the City Council’s approval. The agreement includes commitments by the Developer and the City to complete public improvements and a subdivision for a minimum of 37 houses with 20 LMI homes. The agreement binds the Developer to work with the City through completion of the project with the sale of all

20 LMI homes. Buildout of the development is projected to take three or more construction seasons depending on the ability to identify qualified homebuyers for the LMI homes.

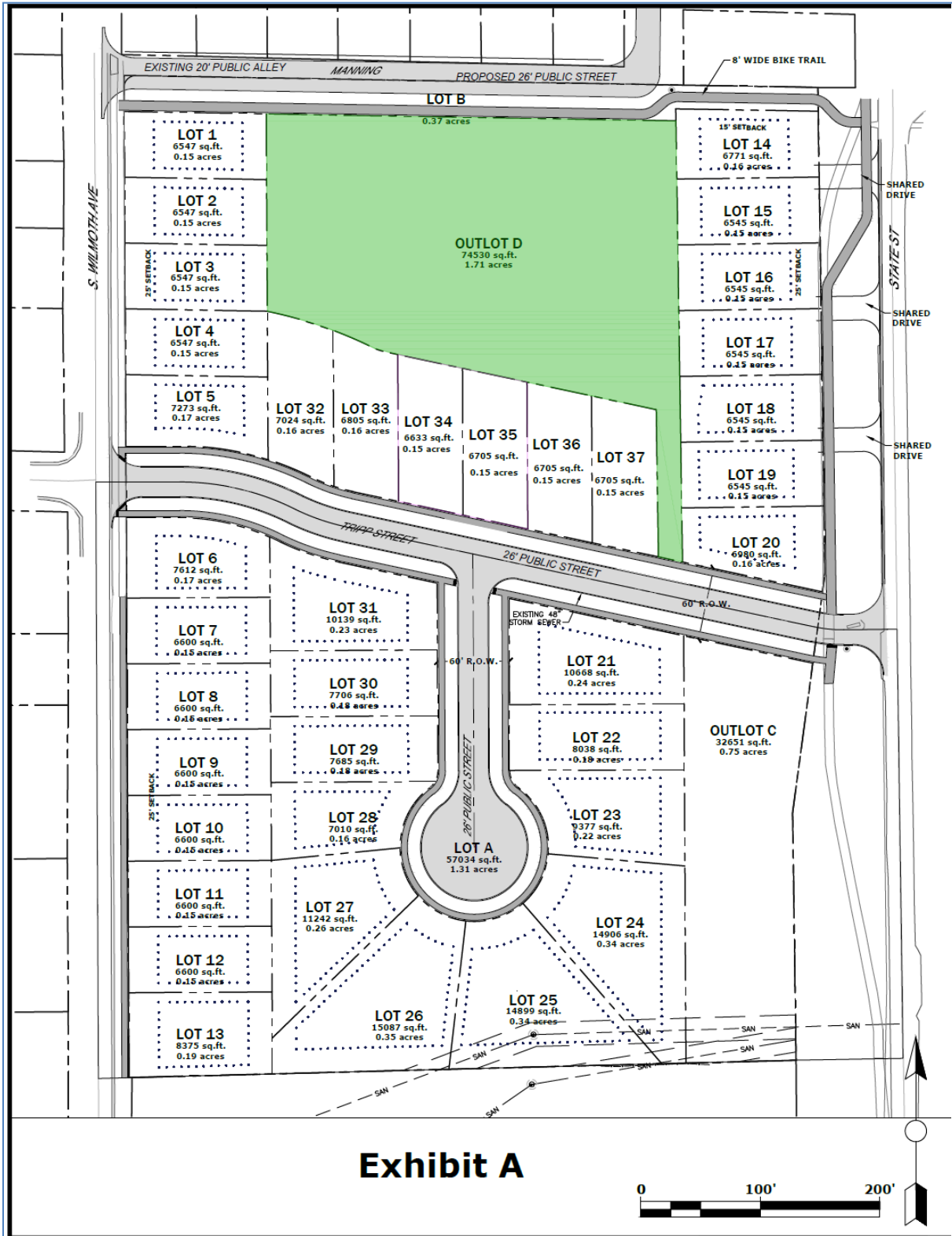
It should be noted that the Developers agreement must be signed and financial security provided in order for the City to move forward on the proposed project and award the construction contract for public improvements.

**Assuming that the Developer will sign the agreement proposed by the Staff prior to the beginning of the December 19<sup>th</sup> meeting, it is the recommendation of the City Manager that the City Council act in accordance with Alternative #1 and approve the Developer agreement and award the contract to Keller Excavating.**

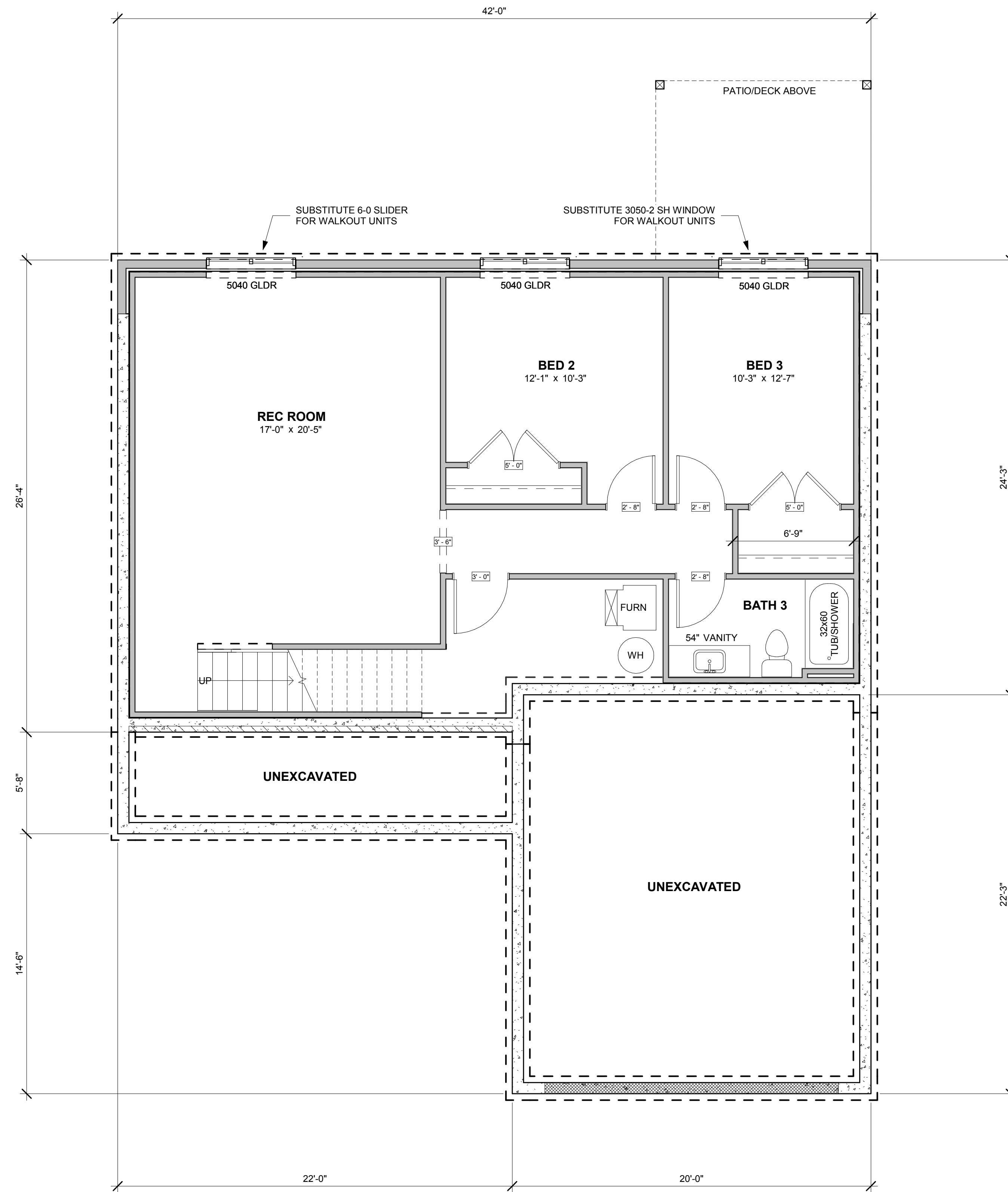
**If, however, the Developer decides that he will not sign the agreement because he finds the provisions proposed by Staff to be unacceptable, then the recommendation is to support Alternative #2 and move on to a different affordable housing project.**

**Should the Developer ask for additional time to review the proposed agreement, the City Council will have to agree to hold a special meeting to finalize the contract prior to January 5, 2018, when the bids from Keller will expire.**

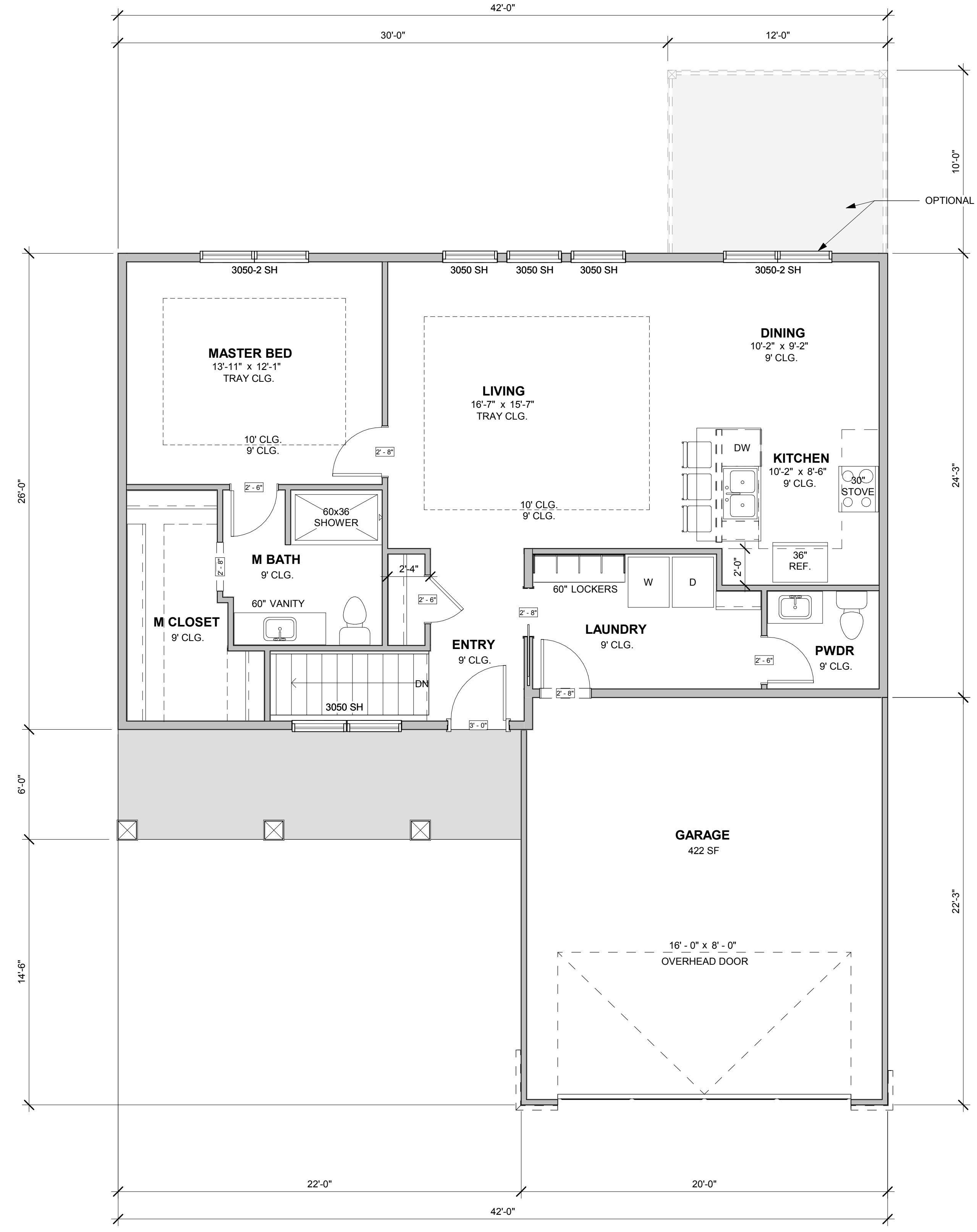
## Site Plan Layout



NOTE: ALL WINDOW DIMENSIONS ARE IN FEET AND INCHES UNLESS NOTED OTHERWISE. SO A 3050 IS A 3'-0" WIDE X 5'-0" HIGH WINDOW. WINDOW ROUGH OPENINGS MAY VARY. FINISHING SIZES PER WINDOW MANUFACTURER.



**2** Basement Plan  
 SCALE: 1/4" = 1'-0"



**1** First Floor Plan  
 SCALE: 1/4" = 1'-0"

SQUARE FOOTAGE	
1st Floor	1,063 SF
Basement Finished	838 SF
Basement Unfinished	86 SF
Grand total	1,987 SF

PROJECT:  
**LMI - Plan A**  
 321 State Street  
 Ames, IA

- REVISIONS:
- 1
  - 2
  - 3

DATE: 10 / 02 / 2017  
 PROJECT NO: 17-029

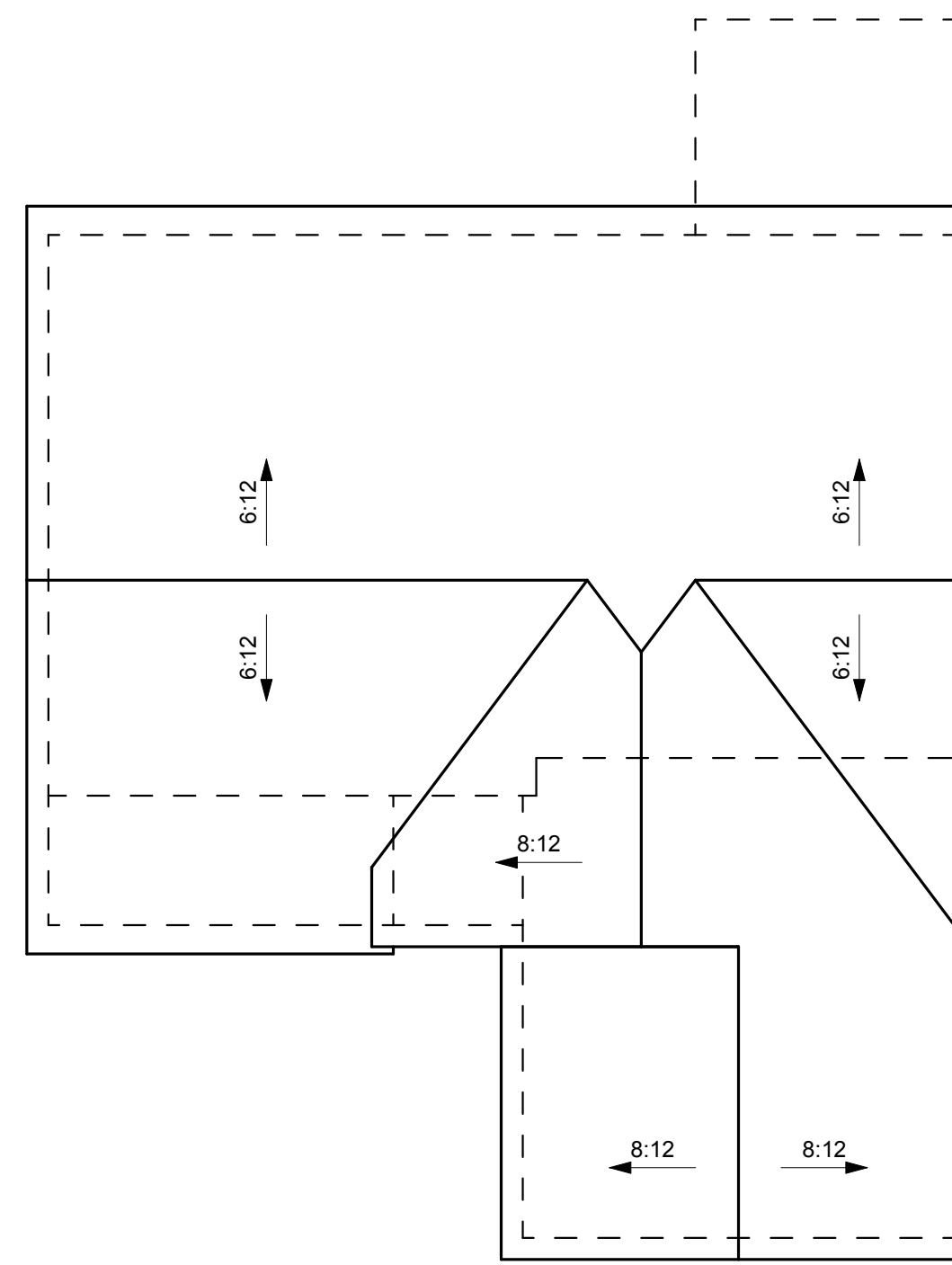
CONTENTS:  
 Floor Plans

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**A100**

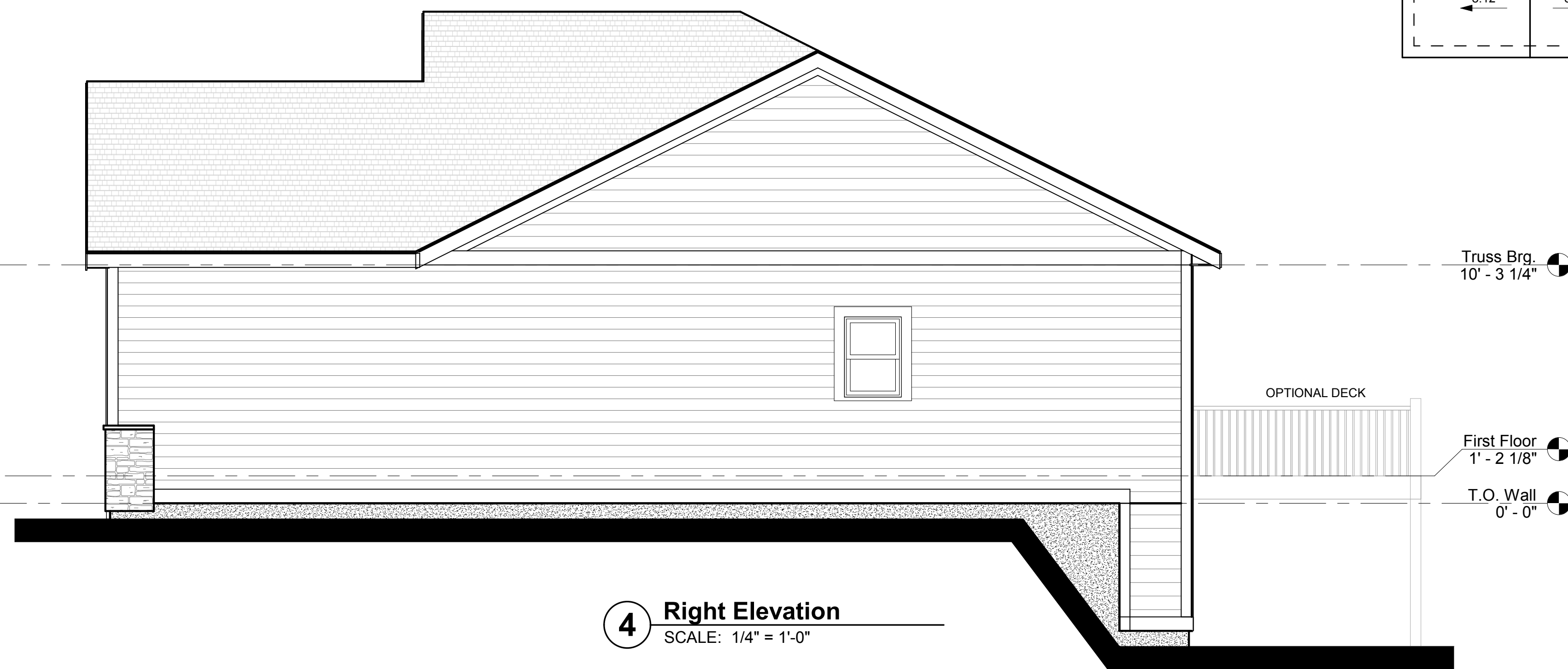


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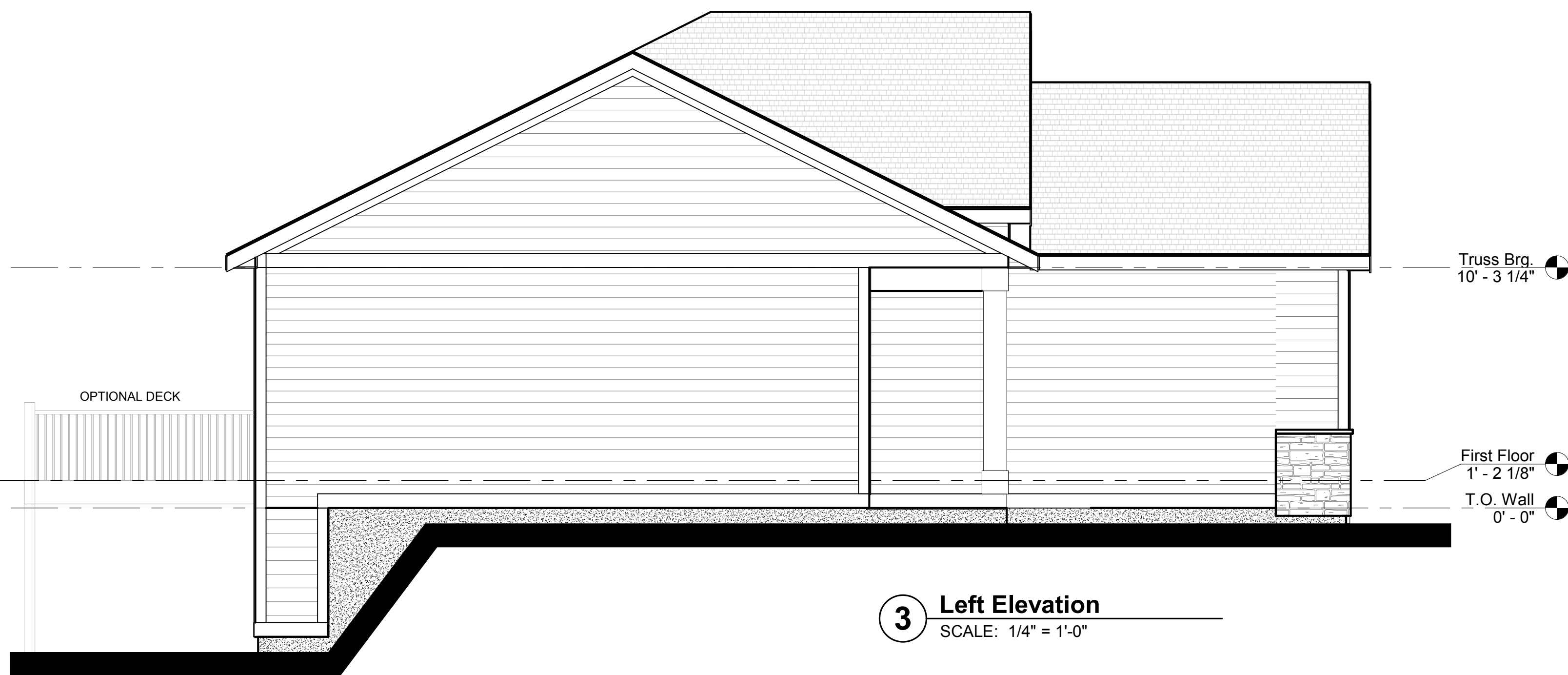
**5 Roof Plan**  
SCALE: 1/8" = 1'-0"



**4 Right Elevation**  
SCALE: 1/4" = 1'-0"



**2 Rear Elevation**  
SCALE: 1/4" = 1'-0"



**3 Left Elevation**  
SCALE: 1/4" = 1'-0"



**1 Front Elevation**  
SCALE: 1/4" = 1'-0"

PROJECT:  
**LMI - Plan A**  
321 State Street  
Ames, IA

REVISIONS:	DATE:
1	
2	
3	

DATE: 10 / 02 / 2017

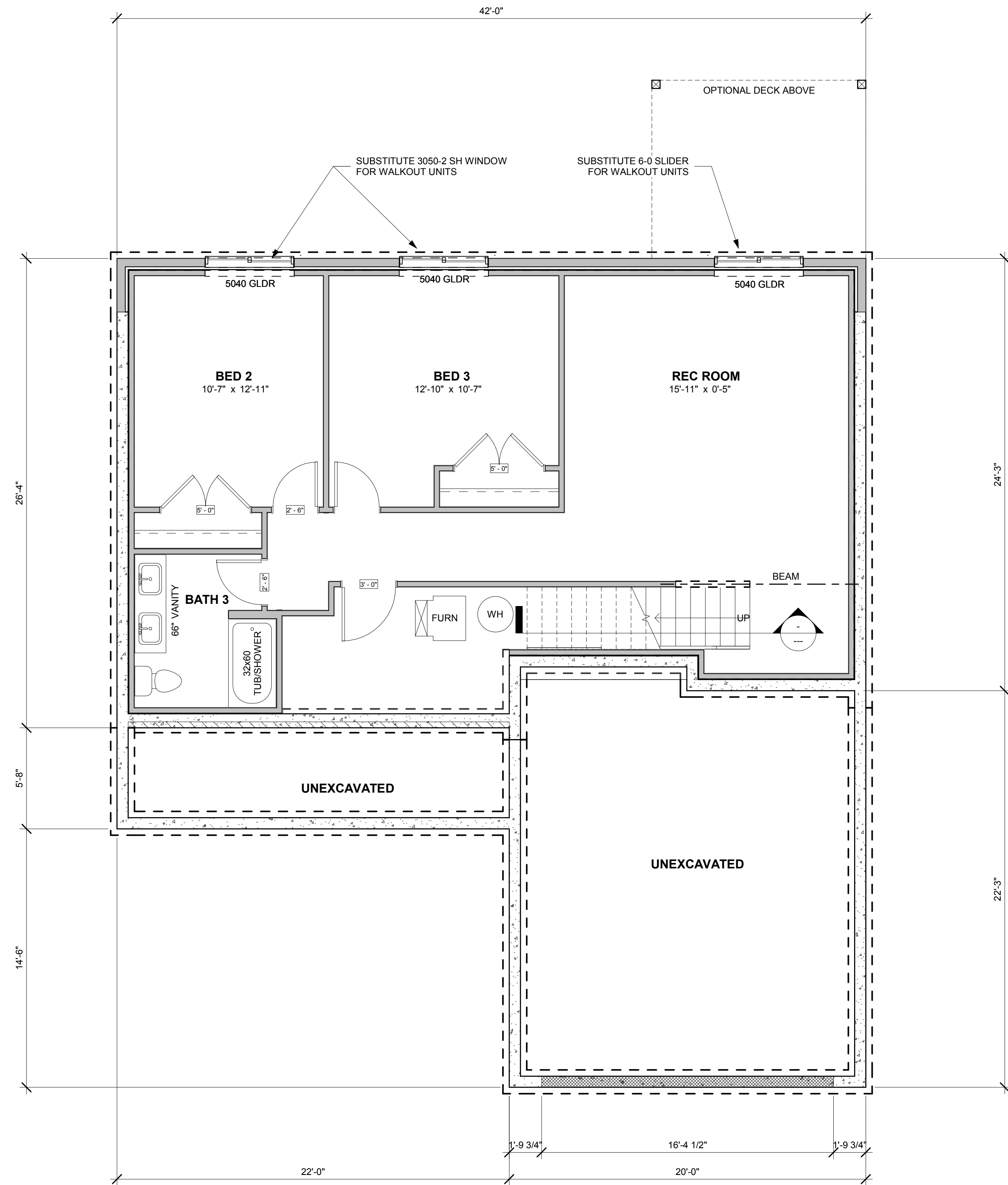
PROJECT NO: 17-029

CONTENTS:  
Elevations

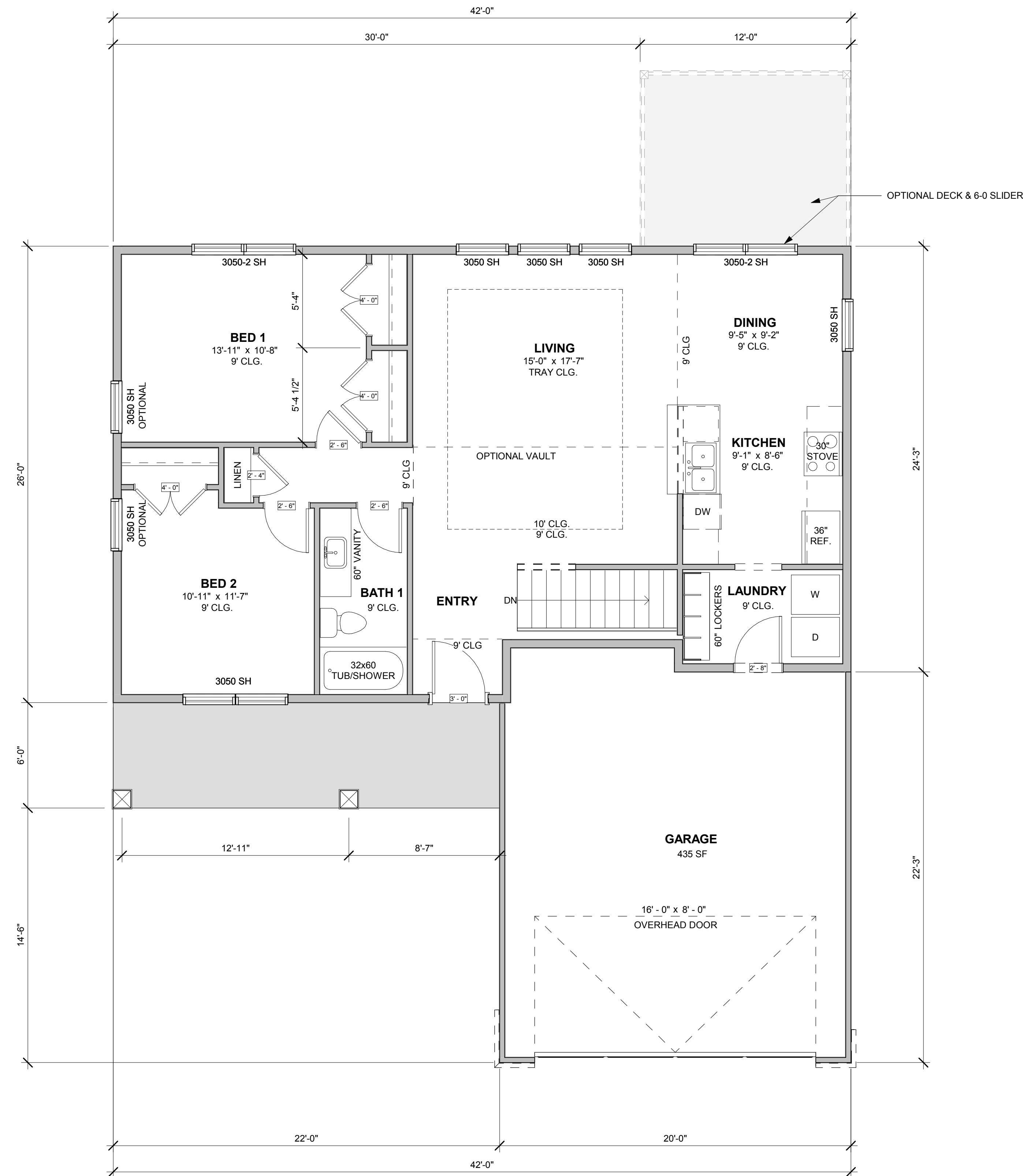
SHEET NO:

**A200**

NOTE: ALL WINDOW DIMENSIONS ARE IN FEET AND INCHES UNLESS NOTED OTHERWISE. SO A 3050 IS A 3'-0" WIDE X 5'-0" HIGH WINDOW. WINDOW ROUGH OPENINGS MAY VARY. FINISHING SIZES PER WINDOW MANUFACTURER.



**2** Basement Plan  
 SCALE: 1/4" = 1'-0"



**1** First Floor Plan  
 SCALE: 1/4" = 1'-0"

SQUARE FOOTAGE	
1st Floor	1,050 SF
Basement Finished	817 SF
Basement Unfinished	93 SF
Grand total	1,960 SF

PROJECT:  
**LMI - Plan B**  
 321 State Street  
 Ames, IA

REVISIONS:

- 1
- 2
- 3

DATE: **09 / 27 / 2017**

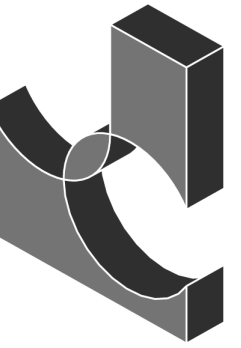
PROJECT NO: **17-029**

CONTENTS:  
 Floor Plans

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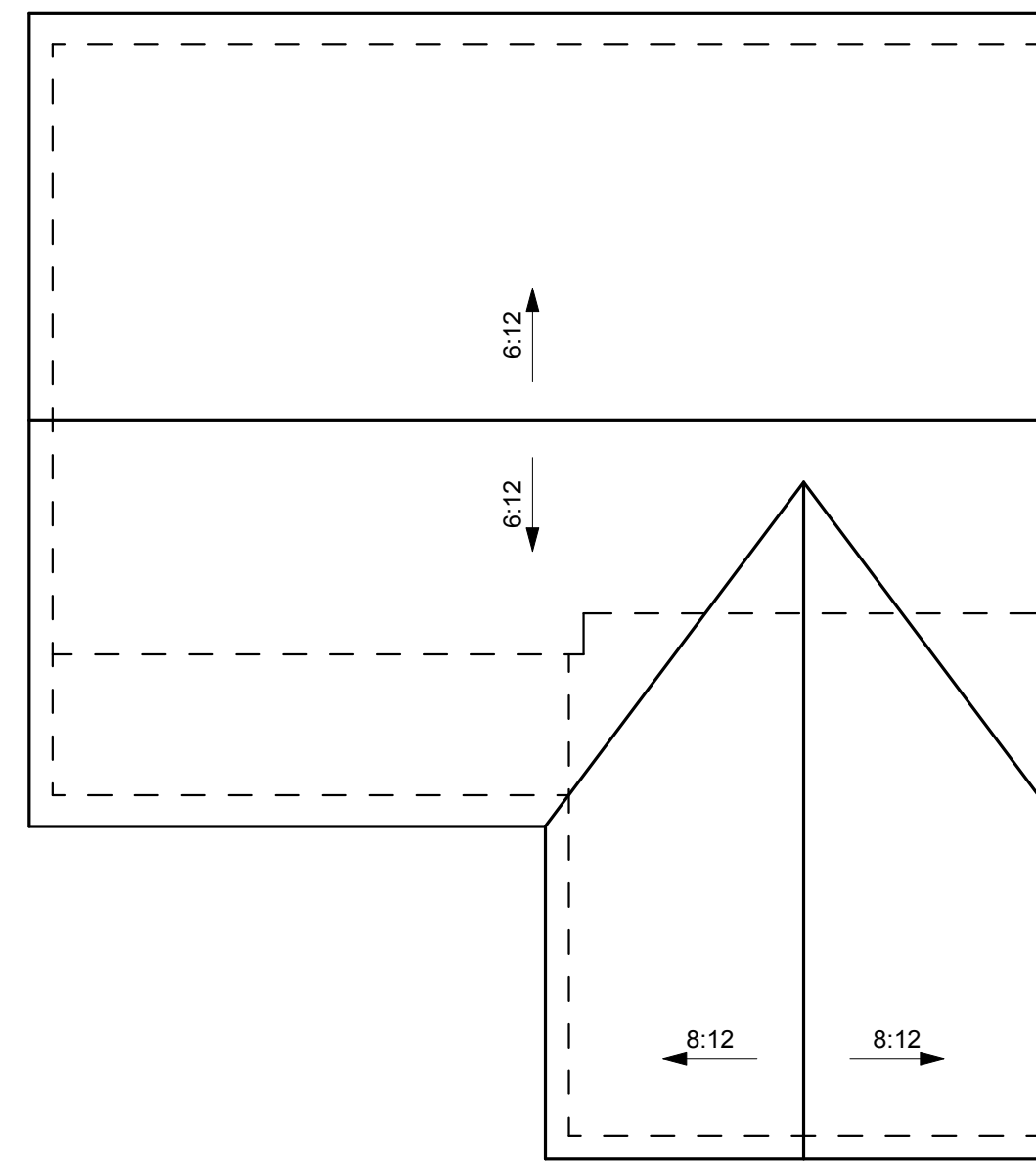
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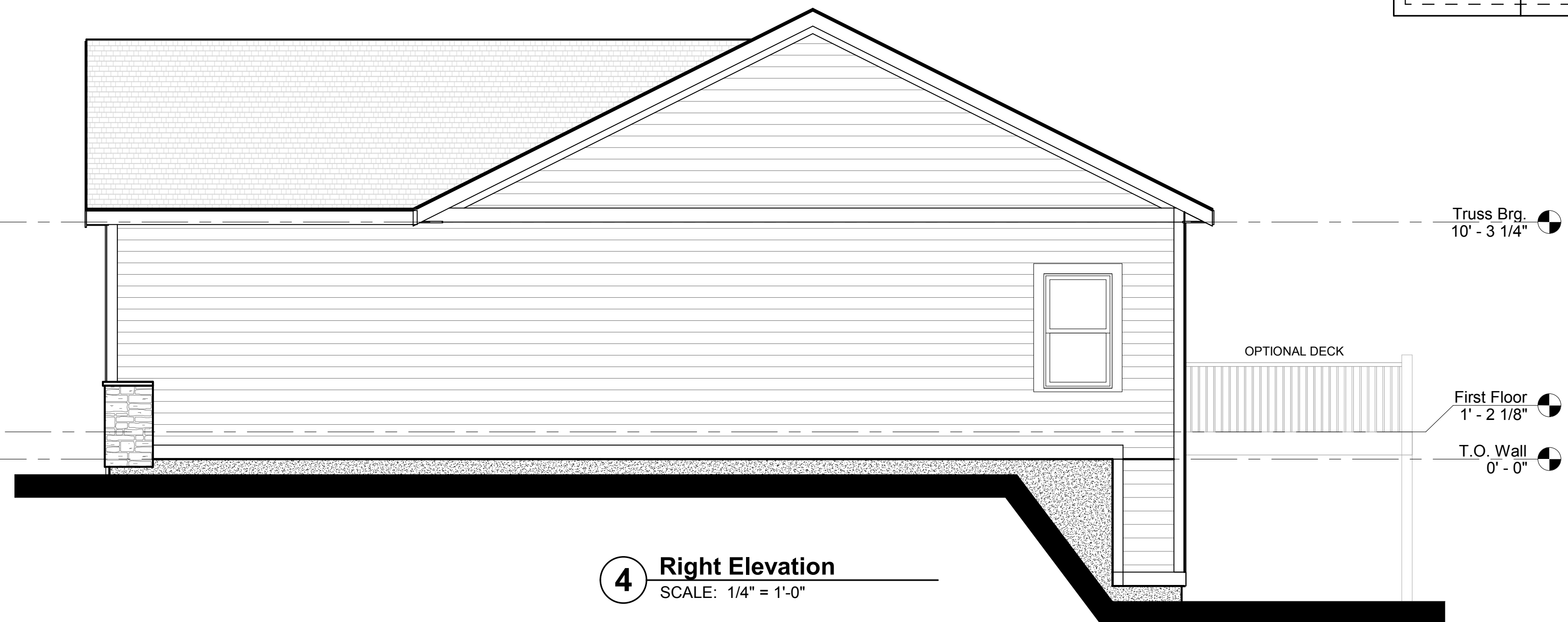


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**5 Roof Plan**  
SCALE: 1/8" = 1'-0"



**4 Right Elevation**  
SCALE: 1/4" = 1'-0"



**2 Rear Elevation**  
SCALE: 1/4" = 1'-0"



**3 Left Elevation**  
SCALE: 1/4" = 1'-0"



**1 Front Elevation**  
SCALE: 1/4" = 1'-0"

PROJECT:  
**LMI - Plan B**  
321 State Street  
Ames, IA

REVISIONS:
1
2
3

DATE: **09 / 27 / 2017**  
PROJECT NO: **17-029**

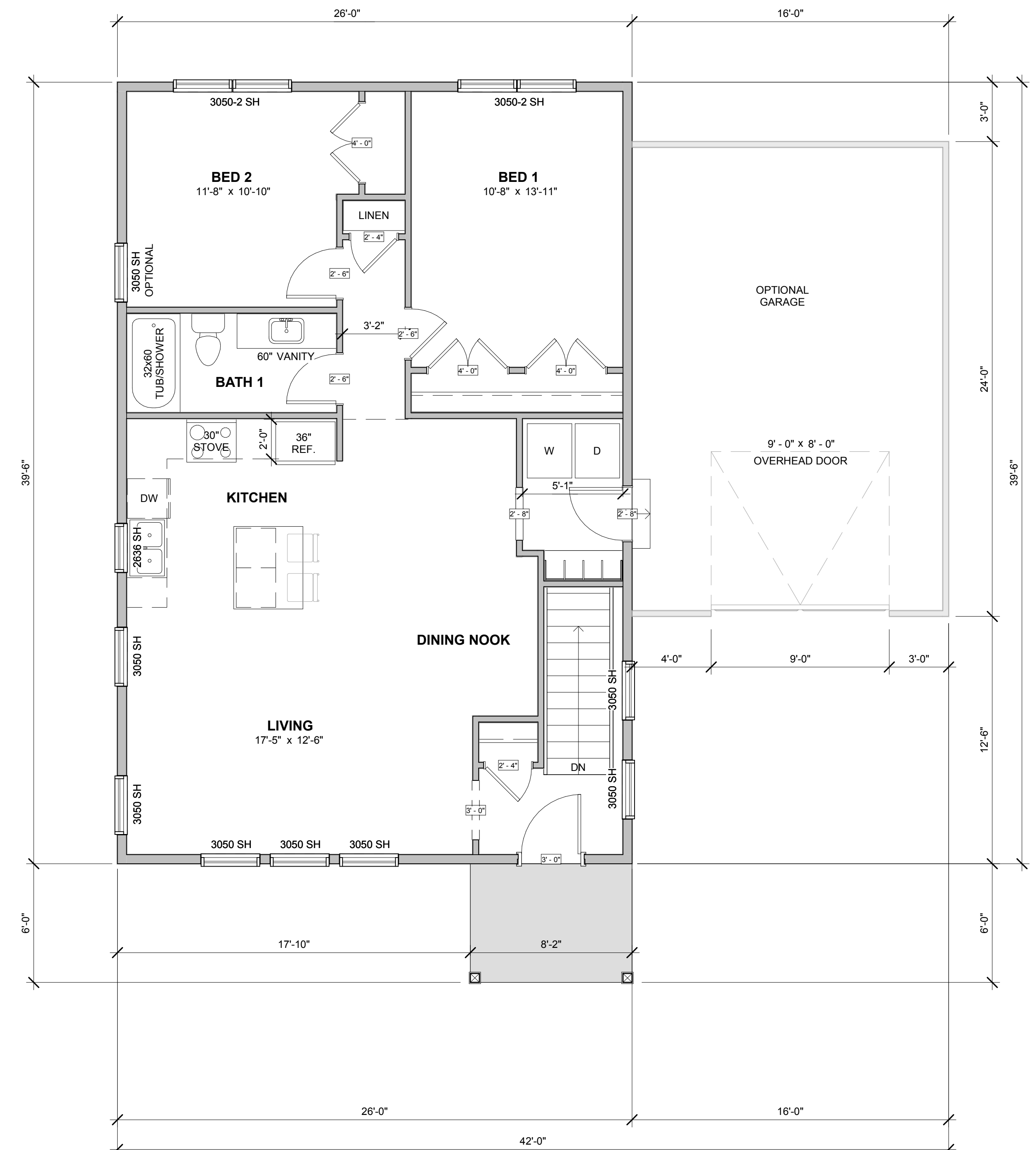
CONTENTS:  
Elevations  
SHEET NO:  
**A200**

**Abbreviations**

@	AT
AFF	ABOVE FINISHED FLOOR
ALLOW	ALLOWABLE
BJ	BOTTOM OF
CJ	CONTROL JOINT
CLG	CEILING
CONC	CONCRETE
CPT	CARPET
DN	DOWN
DS	DOWNSPOUT
EQ	EQUAL
EQUIP	EQUIPMENT
EXIST	EXISTING
EW	EACH WAY
FD	FLOOR DRAIN
FDN	FOUNDATION
FO	FACE OF
FTG	FOOTING
GWB	GYPSUM WALL BOARD
INSUL	INSULATION
MANFR	MANUFACTURER
MATL	MATERIAL
MAX	MAXIMUM
MECH	MECHANICAL
MIN	MINIMUM
NA	NOT APPLICABLE
NOM	NOMINAL
ON CENTER	ON CENTER
OPT	OPTIONAL
ROD	REQUIRED
REF	REFERENCE
T.O.	TOP OF
TYP	TYPICAL
W/	WITH



**2** Basement  
SCALE: 1/4" = 1'-0"



**1** First Floor Plan  
SCALE: 1/4" = 1'-0"

SQUARE FOOTAGE	
1st Floor	1,032 SF
Basement Finished	843 SF
Basement Unfinished	98 SF
Grand total	1,973 SF



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PROJECT:  
**LMI - Plan C**  
321 State Street  
Ames, IA

REVISIONS:

1	_____
2	_____
3	_____

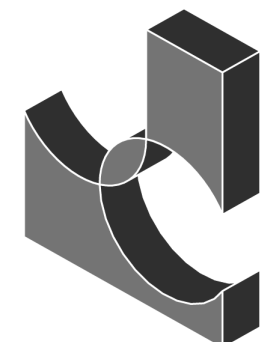
DATE: **12 / 06 / 2017**

PROJECT NO: **17-029**

CONTENTS:  
Floor Plans

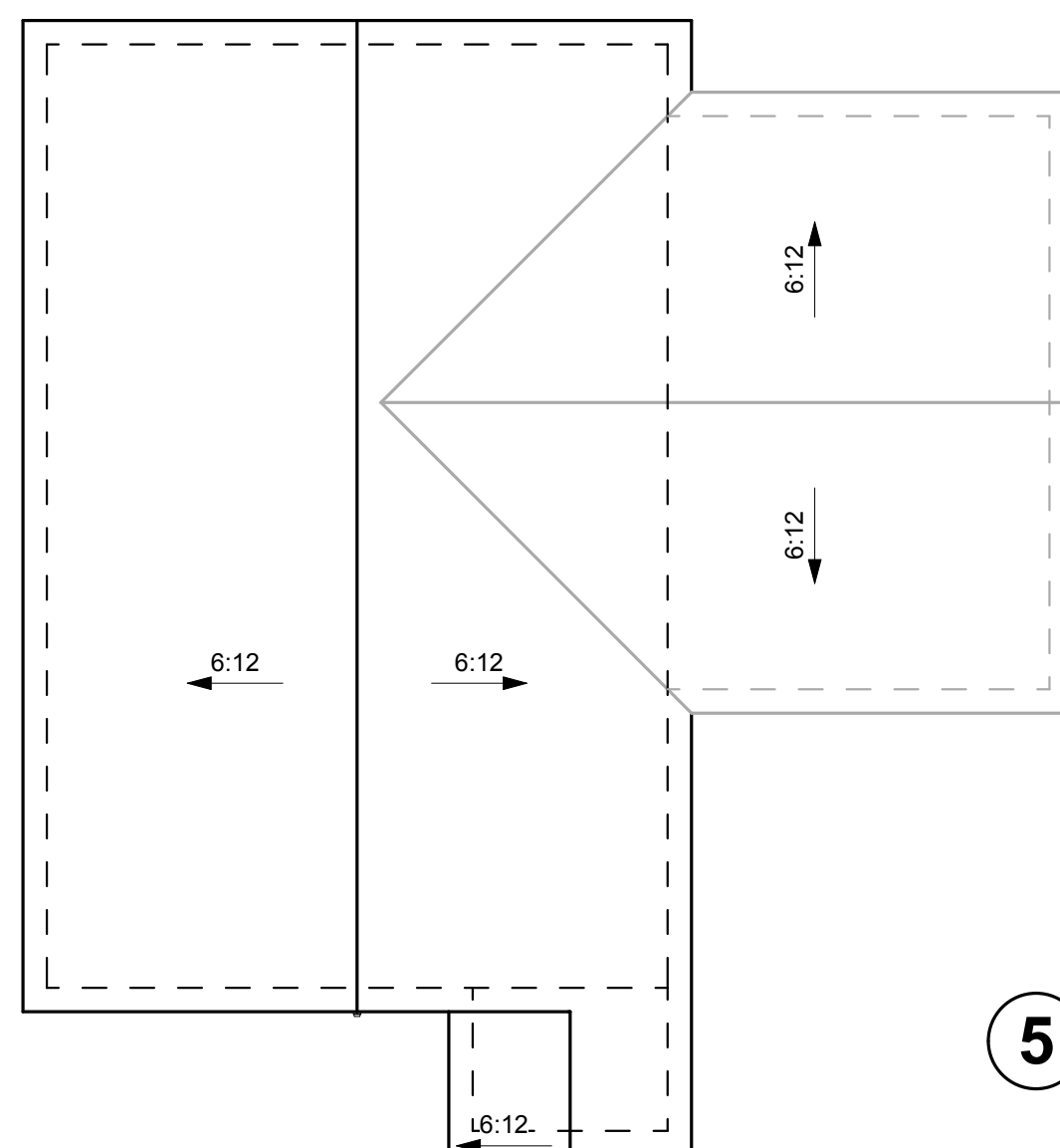
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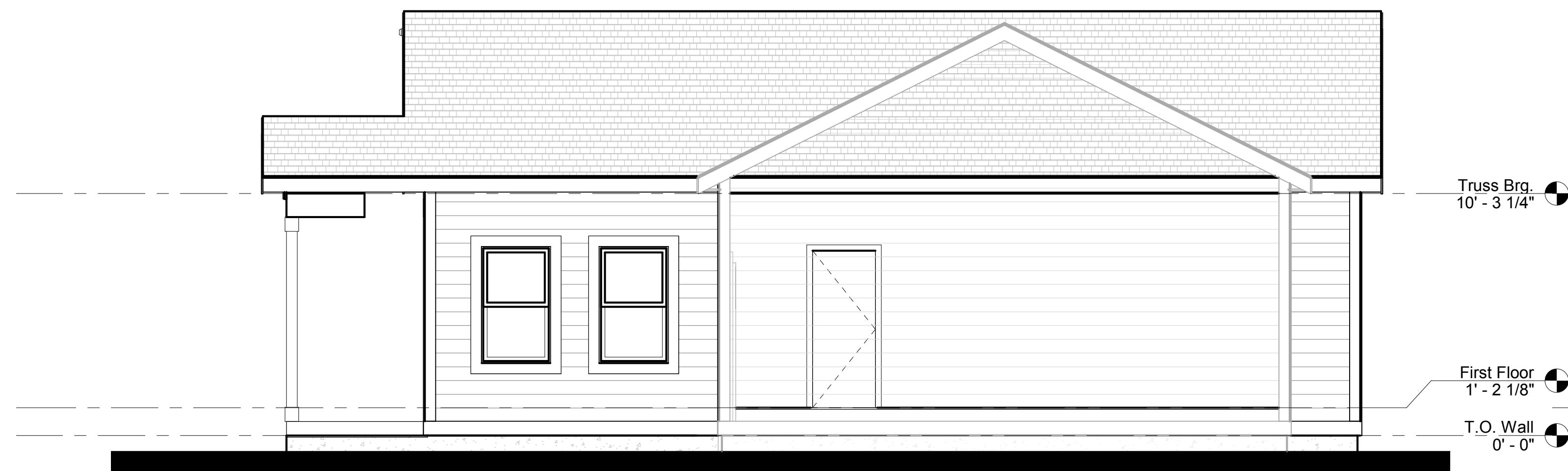


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**5 Roof Plan**  
SCALE: 1/8" = 1'-0"



**4 Right Elevation**  
SCALE: 1/4" = 1'-0"



**2 Rear Elevation**  
SCALE: 1/4" = 1'-0"



**3 Left Elevation**  
SCALE: 1/4" = 1'-0"



**1 Front Elevation**  
SCALE: 1/4" = 1'-0"

PROJECT:  
**LMI - Plan C**  
321 State Street  
Ames, IA

REVISIONS:

- 1
- 2
- 3

DATE: 12 / 06 / 2017

PROJECT NO: 17-029

CONTENTS:  
Elevations

SHEET NO:

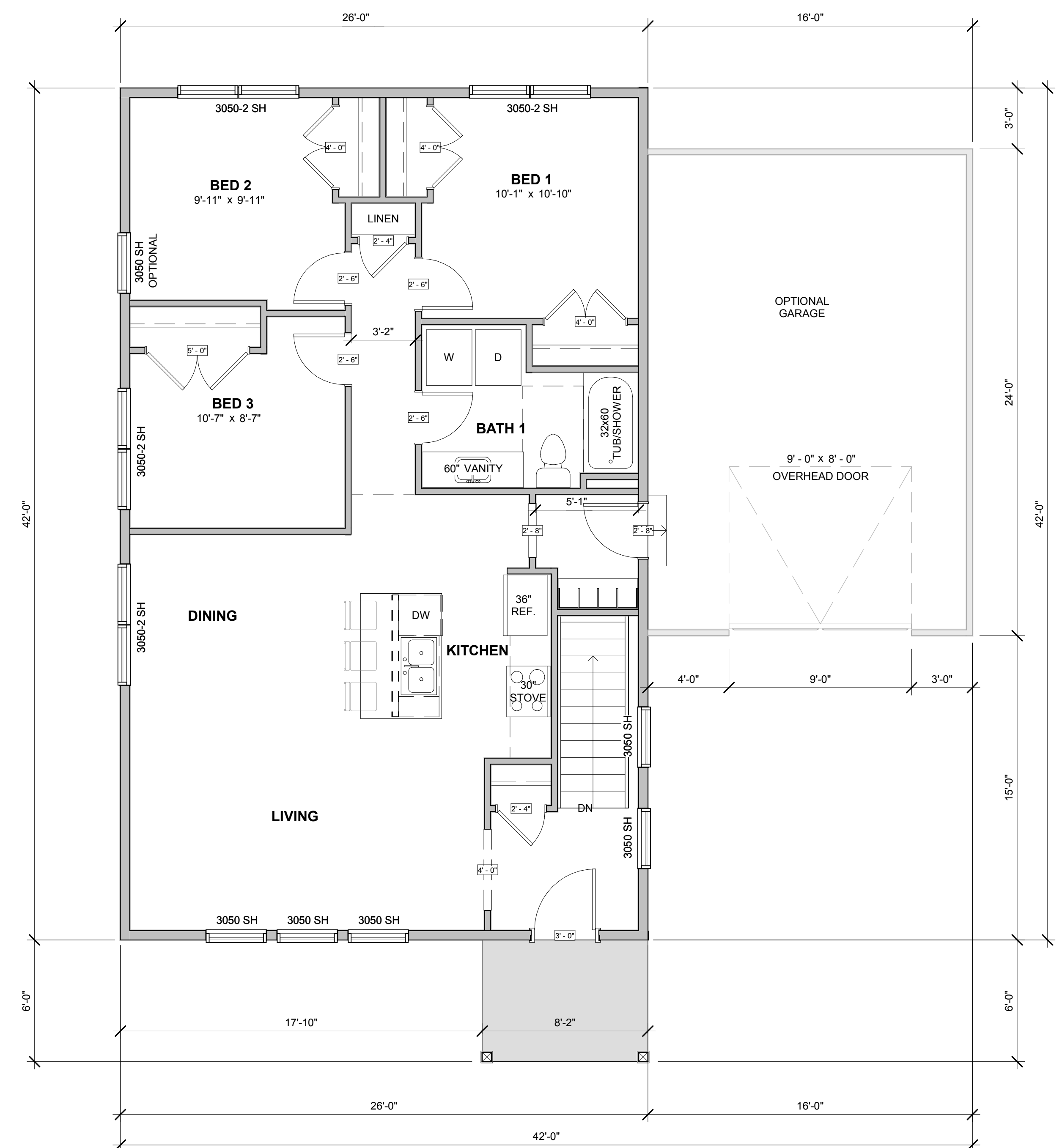
**A200**

**Abbreviations**

@	AT
AFF	ABOVE FINISHED FLOOR
ALLOW	ALLOWABLE
BJ	BOTTOM OF
CJ	CONTROL JOINT
CLG	CEILING
CONC	CONCRETE
CPT	CARPET
DN	DOWN
DS	DOWNSPOUT
EQ	EQUAL
EQUIP	EQUIPMENT
EXST	EXISTING
EW	EACH WAY
FD	FLOOR DRAIN
FDN	FOUNDATION
FO	FACE OF
FTG	FOOTING
GWB	GYPSUM WALL BOARD
INSUL	INSULATION
MANFR	MANUFACTURER
MATL	MATERIAL
MAX	MAXIMUM
MECH	MECHANICAL
MIN	MINIMUM
NA	NOT APPLICABLE
NOM	NOMINAL
OC	ON CENTER
OPT	OPTIONAL
ROD	REQUIRED
REF	REFERENCE
T.O.	TOP OF
TYP	TYPICAL
W/	WITH

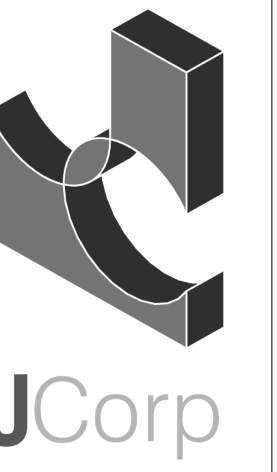


**2** Basement  
SCALE: 1/4" = 1'-0"



**1** First Floor Plan  
SCALE: 1/4" = 1'-0"

SQUARE FOOTAGE	
1st Floor	1,097 SF
Basement Finished	897 SF
Basement Unfinished	57 SF
Grand total	2,051 SF



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PROJECT:  
**LMI - Plan D**  
321 State Street  
Ames, IA

REVISIONS:

- 1
- 2
- 3

DATE: **10 / 06 / 2017**

PROJECT NO: **17-029**

CONTENTS:  
Floor Plans

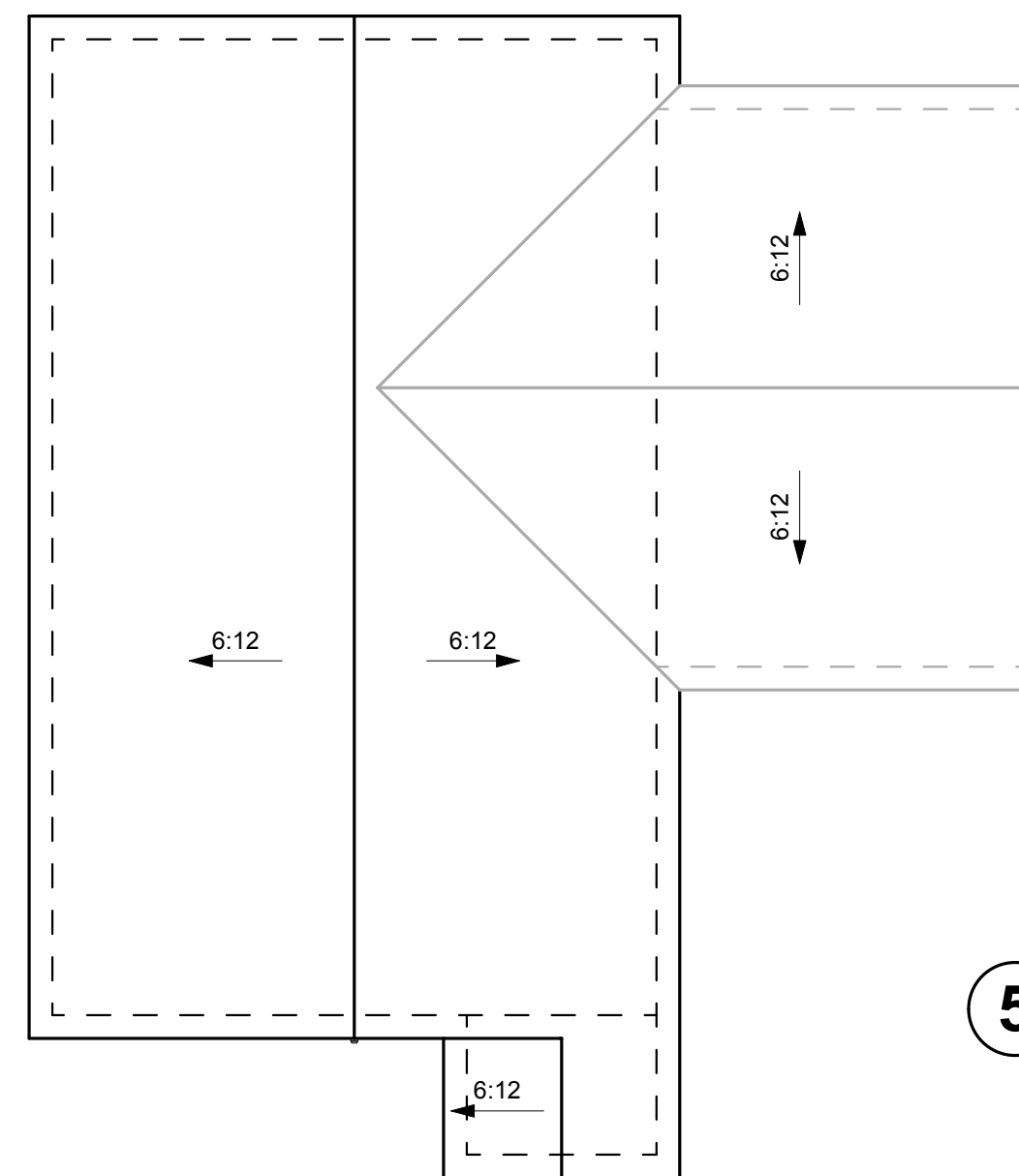
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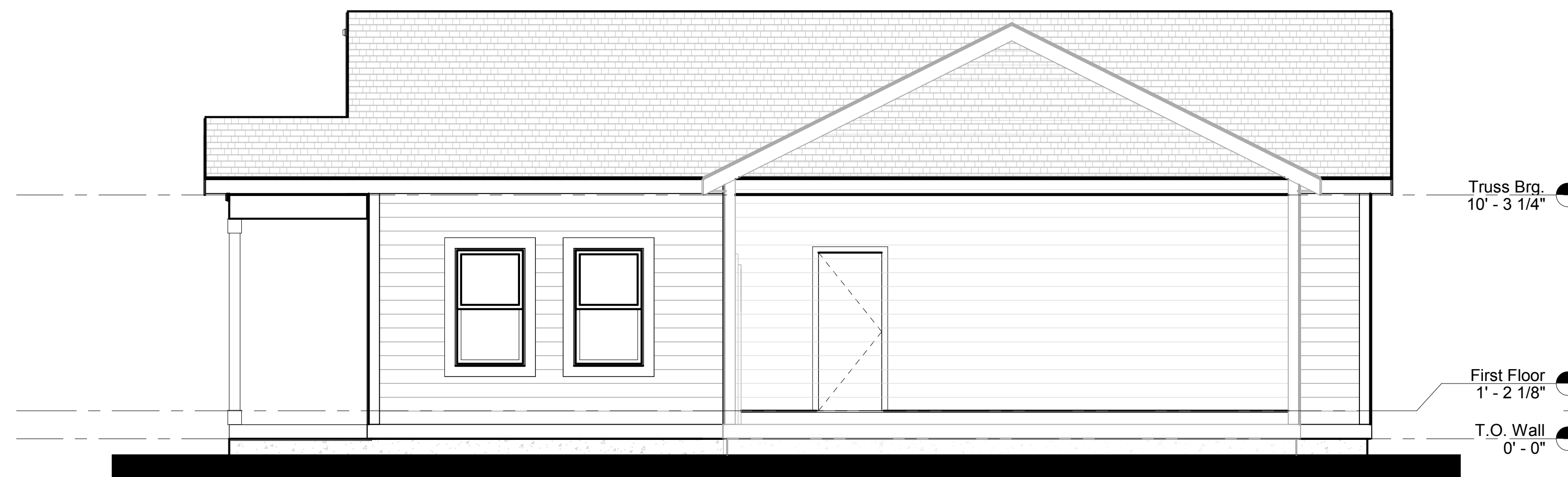


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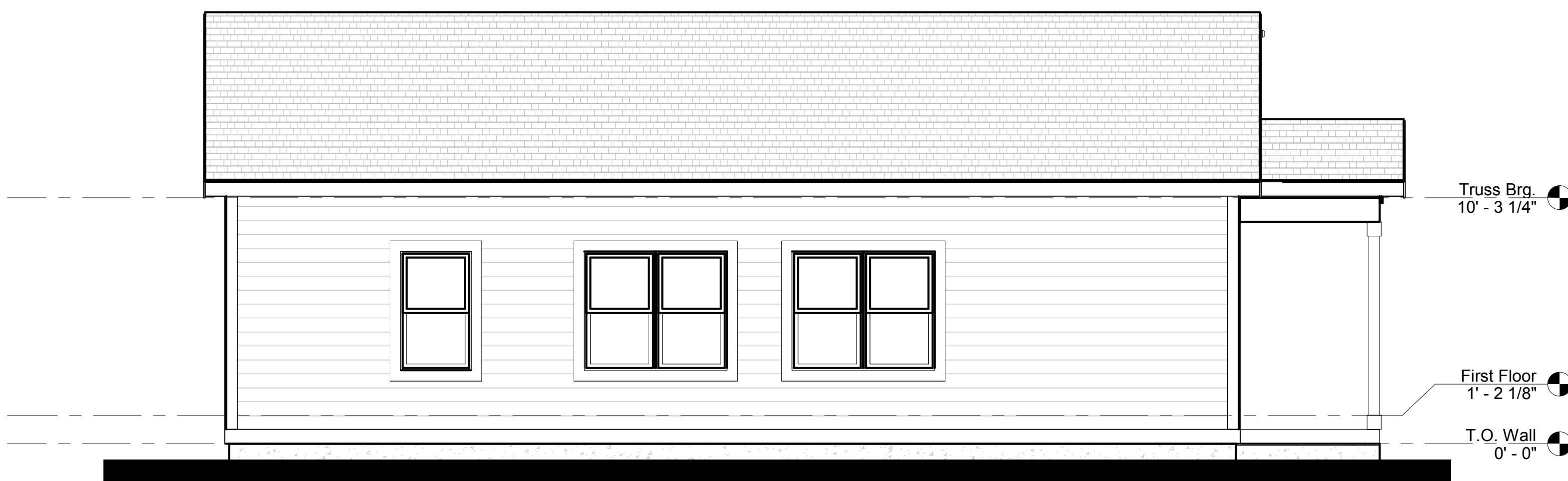
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SCALE: 1/8" = 1'-0"



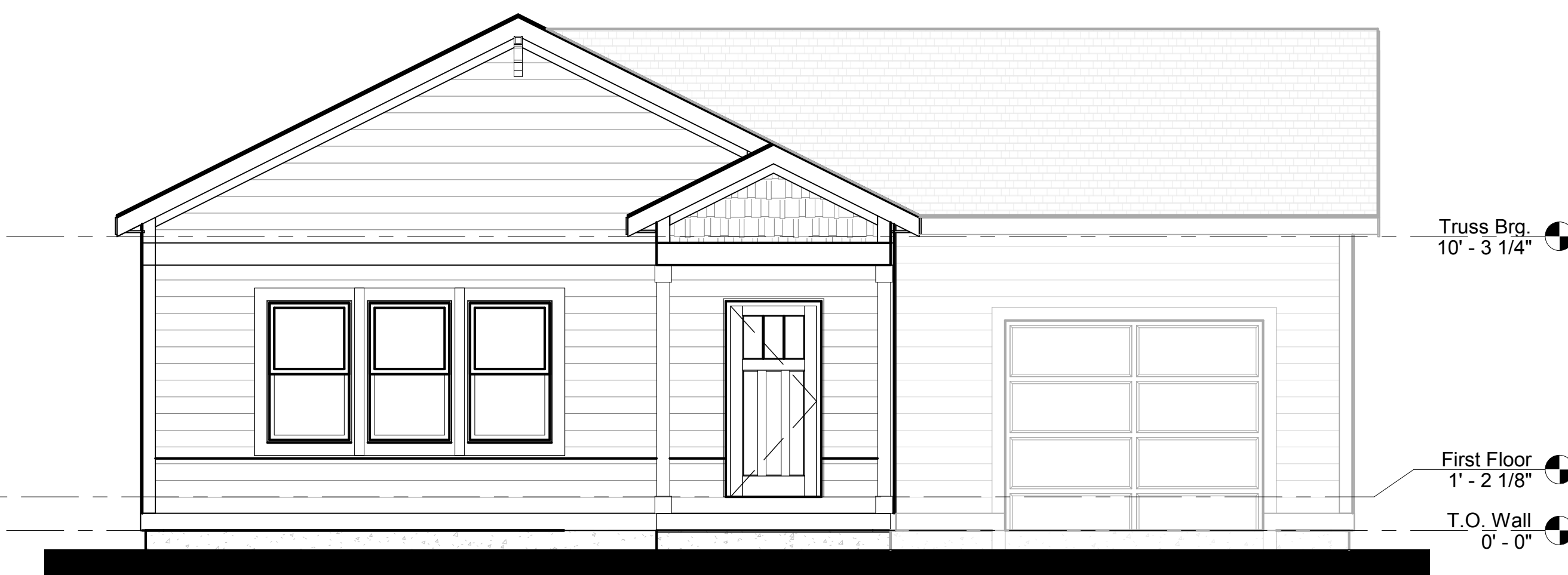
**4 Right Elevation**  
SCALE: 1/4" = 1'-0"



**2 Rear Elevation**  
SCALE: 1/4" = 1'-0"



**3 Left Elevation**  
SCALE: 1/4" = 1'-0"



**1 Front Elevation**  
SCALE: 1/4" = 1'-0"

PROJECT:  
**LMI - Plan D**  
321 State Street  
Ames, IA

REVISIONS:

- 1
- 2
- 3

DATE: **10 / 06 / 2017**

PROJECT NO: **17-029**

CONTENTS:  
Elevations

SHEET NO:

**A200**

**COUNCIL ACTION FORM**

**SUBJECT: COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2017**

**BACKGROUND:**

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

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

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

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

Eide Bailly LLP, Certified Public Accountants, has audited the City's financial statements as of and for the year ended June 30, 2017, and expressed its opinion on these

statements based on the audit. In the auditor's opinion, the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**The auditor's report is an unmodified, or "clean," opinion with no significant deficiencies noted and no noncompliance material to the financial statements noted. There was one material weakness found. An adjustment to beginning net position in the Transit Fund was necessary to correctly match revenues and expenses of a reimbursable grant. Staff has met with the Transit Board to explain the need for this change and to correctly account for funds in the future.**

Also included with the report is the management letter that discloses any findings, difficulties in performing the audit, misstatements, disagreements with management, and other issues that came up during the audit. **The letter confirms that there were no other issues to report related to the June 30, 2017 audit. It does include a statement related to the adjustment of the net position for the Transit Fund as reported in the CAFR.**

**ALTERNATIVES:**

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

**MANAGER'S RECOMMENDED ACTION:**

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

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



CITY OF  
**Ames**<sup>TM</sup>



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**  
**CITY OF AMES, IOWA**



**CITY OF AMES, IOWA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2017**

Prepared by:  
Department of Finance  
Accounting Division



## Mission Statement

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

### We Value...

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

### We Are...

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

**Caring People, Quality Programs, Exceptional Service**

**City of Ames  
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June 30, 2017**

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# SOLID CONTACT UNIT



# INTRODUCTORY SECTION



December 14, 2017

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

The City of Ames, Iowa (City) is required by the Code of Iowa to publish a complete set of audited financial statements presented in conformity with generally accepted accounting principles. Pursuant to these requirements, the Comprehensive Annual Financial Report (CAFR) of the City for the fiscal year ended June 30, 2017, is hereby submitted.

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

Eide Bailly LLP, a firm of licensed certified public accountants, has issued an unmodified (“clean”) opinion on the City’s financial statements for the year ended June 30, 2017. The independent auditor’s report is presented as the first component of the financial section in this report.

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

***Profile of the City of Ames***

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

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

The City provides a full range of services, including police and fire protection; snow removal; construction and maintenance of highways, streets, and other infrastructure; recreational and cultural activities; library services; community development; electric, water, and sewer systems; parking lot facilities; resource recovery; a municipal airport; transit services; and a municipal hospital. The City is also financially accountable for a legally separate hospital foundation reported separately within the City's financial statements. Additional information on the hospital foundation can be found in the notes to the financial statements (see note I(B)).

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

### ***Local economy***

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

In September 2017, the U.S. Bureau of Labor Statistics reported that the Ames metropolitan statistical area (MSA) ranked as the fifth lowest unemployment rate in the nation at 2.0%, well below the national rate of 4.1% and Iowa rate of 3.2%. The City has continued a trend of seven years of steady employment growth. Much of this growth comes from the private sector, indicating expanded diversity in the local economy. The City has also experienced steady growth in population, increasing from 50,731 in the 2000 census to 58,965 in 2010, a 16% increase over ten years. The U.S. Census Bureau 2016 population estimate was 66,191, indicating continued population growth.

Ames has continued steady, moderate, and sustainable growth in both population and property valuation. The assessed valuation for property in Ames grew by 2.5% from January 2015 to January 2016. ISU recorded the second highest enrollment in school history with 36,321 students enrolled for the fall 2017 semester.

The commercial and industrial sectors have continued to grow in Ames as the recently completed expansion to the ISU Research Park has seen the addition of services to help attract and retain employees in the area with a new fitness center, restaurant, medical clinic, and child care center. The largest industrial property in Ames has begun a significant expansion with Barilla America's \$62 million project providing additional pasta production facilities. This follows a \$26.5 million expansion in 2015 to add popular gluten free product lines.

The retail, service, and housing sectors have also seen continued growth. Retail sales grew by 3.8% for the fiscal year ended June 30, 2017. Major redevelopment projects continue in

Campustown with additional high-rise, mixed use development underway as well as residential redevelopment of the former Ames School District Property. The Ames Municipal Airport has seen the addition of a new hanger and the opening of a new airport terminal building. Expansion of local business include the completion of a Super WalMart and Aldi grocery, both extended replacements of existing businesses.

### ***Long-term financial planning and major initiatives***

The construction of the new water treatment plant was completed and, with design for expansion, is expected to provide water service capacity well into the future. Work has continued on improving major arterial transportation corridors with reconfiguration of the Duff Avenue major retail commercial corridor and continued work to extend Grand Avenue. These and other street improvements have also included facilities to support bike and pedestrian modes of transportation. The City has also begun work to modify low head dams to improve safety for users of the waterways as well as provide greatly enhanced recreational opportunities.

### ***Relevant financial policies***

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

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

### ***Awards and acknowledgements***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended June 30, 2016. This is the 38th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable program requirements.

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

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2017. To qualify for this award, the City's budget document had to be judged proficient as a policy document, an operations guide, a financial plan, and a communication device. This is the 32nd consecutive year the City has received this award.



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

Respectfully submitted,



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Steven L. Schainker  
City Manager



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Duane R. Pitcher, CPA, CPFO  
Director of Finance



Government Finance Officers Association

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

Presented to

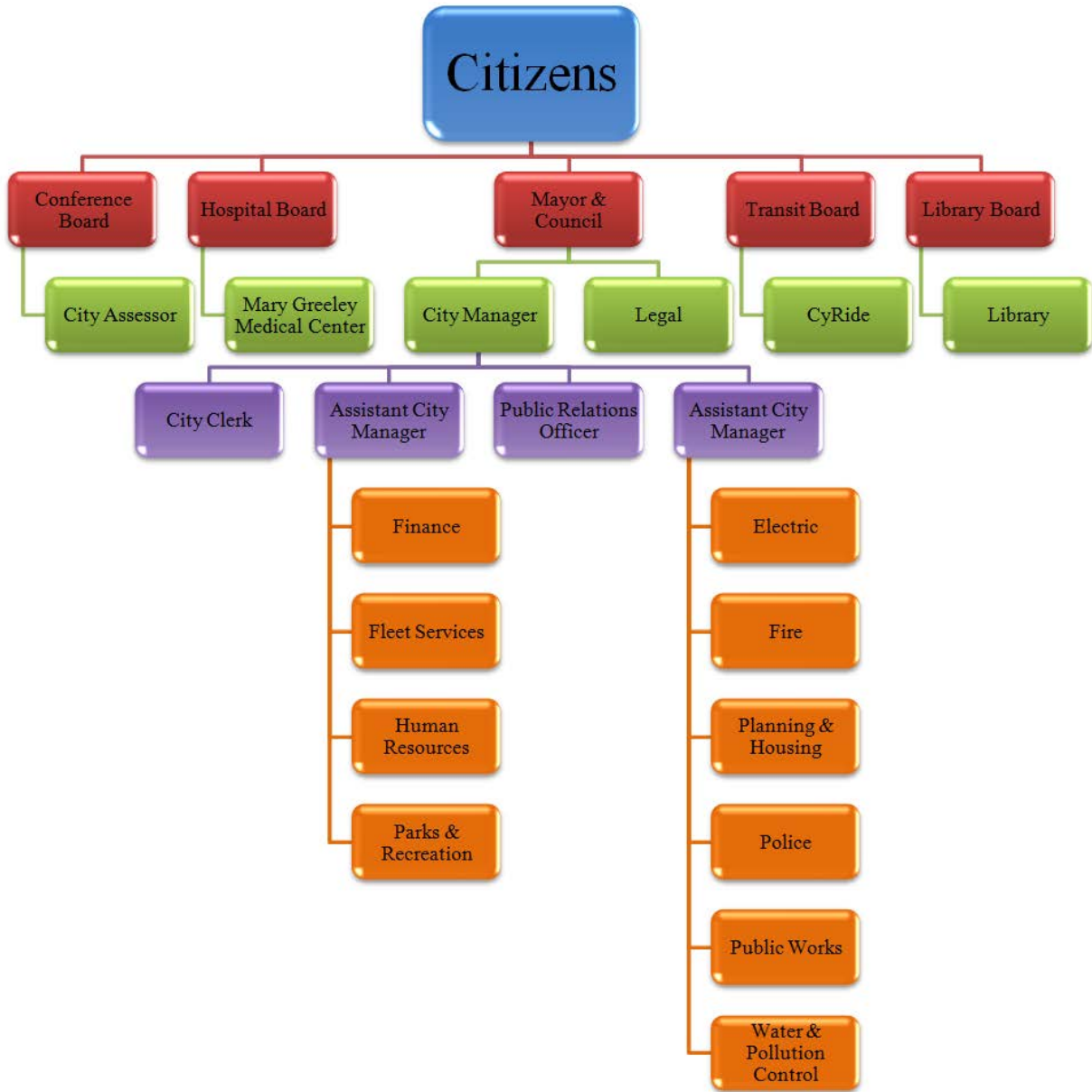
**City of Ames  
Iowa**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO

**City of Ames  
Organizational Chart  
June 30, 2017**



**City of Ames**  
**List of Elected and Appointed Officials**  
**June 30, 2017**

Elected Officials:

Mayor	Ann Campbell
Council Member – Ward One	Gloria Betcher
Council Member – Ward Two	Tim Gartin
Council Member – Ward Three	Peter Orazem
Council Member – Ward Four	Chris Nelson
Council Member – At Large	Bronwyn Beatty-Hansen
Council Member – At Large	Amber Corrieri

Council-Appointed Officials:

City Manager	Steven Schainker
City Attorney	Vacant

City Manager-Appointed / Council-Approved Official:

City Clerk	Diane Voss
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City Manager-Appointed Officials:

Assistant City Manager	Bob Kindred
Assistant City Manager	Brian Phillips
City Treasurer	Roger Wisecup II
Director of Electric Utility	Don Kom
Director of Finance	Duane Pitcher
Director of Fleet Services	Corey Mellies
Director of Human Resources	Kaila Boothroy
Director of Parks and Recreation	Keith Abraham
Director of Planning and Housing	Kelly Diekmann
Director of Public Works	John Joiner
Director of Water and Pollution Control	John Dunn
Fire Chief	Shawn Bayouth
Police Chief	Chuck Cychosz

Other Officials:

Director of Transportation	Sheri Kyras
Library Director	Lynne Carey

Hospital Administration:

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

# CASCADE AERATORS



## FINANCIAL SECTION



## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Ames, Iowa (City) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Mary Greeley Medical Center (presented as an enterprise fund), which is both a major fund and 57 percent, 55 percent, and 63 percent, respectively, of the assets, net position, and revenues of the business-type activities. We did not audit the financial statements of the component unit, which represents 100 percent of the assets, net position, and revenues of the component unit. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Mary Greeley Medical Center and the component unit, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the component unit were not audited in accordance with *Government Auditing Standards*.

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

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

### **Opinions**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ames, Iowa, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

#### *Net Position Restatement*

As discussed in Note IV(P) to the financial statements, the City identified and corrected an error in previously reported receivables. Accordingly, adjustments were made to restate beginning net position. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

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

*Other Information*

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

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated December 14, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Dubuque, Iowa  
December 14, 2017



## Management's Discussion and Analysis

As management of the City of Ames (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-4 of this report.

### Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$786,691,601 (*net position*). Of this amount, \$304,966,683 represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$57,045,378, most of which was attributable to the business-type activities. Mary Greeley Medical Center's (hospital) favorable investment performance accounted for approximately \$27 million of the increase.
- As of the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$45,056,349, an increase of \$1,422,033 in comparison with the prior year. Approximately 18.93% of this amount (\$8,528,973) is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (*the total of the committed, assigned, and unassigned components of fund balance*) for the General Fund was \$12,079,766, or approximately 40.29% of total General Fund expenditures.
- The City's total long-term outstanding debt increased by \$25,538,461 during the current fiscal year, because of approximately \$30 million in funds drawn down on State Revolving Funds for construction of the new water plant.
- Within the City's business-type activities, revenues exceeded expenses by \$47,243,552. The City policy is to set rates that fund operational expenses of business-type activities and most capital improvements. The increase in net position represents funds accumulated for planned future capital expenses, including capital investment to stay current with technology at the hospital and construction of a new water plant.

### Overview of the Financial Statements

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

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

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

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

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

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

The government-wide financial statements can be found on pages 25-27 of this report.

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

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

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

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

The City maintains 23 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, capital projects fund, and debt service fund, all of which are considered to be major funds. Data from the other 20 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining fund statements and schedules section of this report.

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

The basic governmental fund financial statements can be found on pages 28-31 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 32-36 of this report.

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

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

The fiduciary fund financial statements can be found on page 37 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38-88 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's net pension liability, obligation to provide other post-employment benefits to its employees, and budgetary comparisons. Required supplementary information can be found on pages 90-98 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, non-major enterprise funds, internal service funds, and agency funds are presented immediately following the required supplementary information. Combining fund statements and schedules can be found on pages 102-120 of this report.

### Government-Wide Overall Financial Analysis

As noted earlier, net position, over time, may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$786,691,601 at the close of the most recent fiscal year.

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

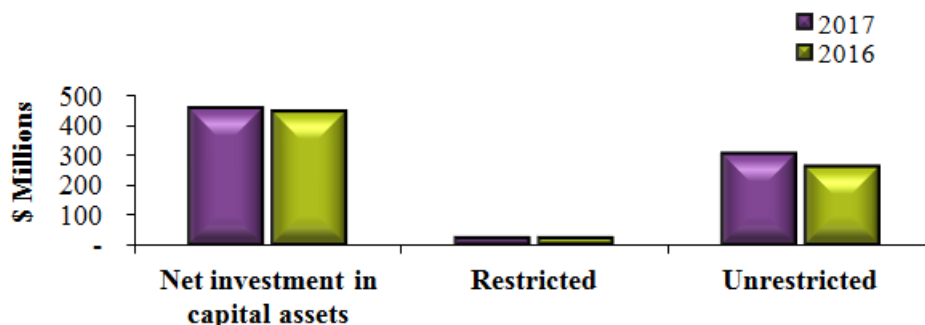
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 88,005,243	\$ 87,270,834	\$ 397,623,534	\$ 350,331,399	\$ 485,628,777	\$ 437,602,233
Net capital assets	189,992,928	182,903,760	479,279,198	450,304,237	669,272,126	633,207,997
Total assets	277,998,171	270,174,594	876,902,732	800,635,636	1,154,900,903	1,070,810,230
Deferred outflows of resources	8,968,435	4,963,345	26,340,698	18,306,418	35,309,133	23,269,763
Long-term liabilities outstanding	68,137,746	69,260,429	182,135,041	157,604,343	250,272,787	226,864,772
Other liabilities	30,910,504	27,401,085	91,270,936	76,745,646	122,181,440	104,146,731
Total liabilities	99,048,250	96,661,514	273,405,977	234,349,989	372,454,227	331,011,503
Deferred inflows of resources	28,659,364	29,019,259	2,404,844	6,377,312	31,064,208	35,396,571
Net position:						
Net investment in capital assets	137,632,652	129,469,743	320,823,796	317,734,901	458,456,448	447,204,644
Restricted	20,842,946	19,116,323	2,425,524	2,262,200	23,268,470	21,378,523
Unrestricted	783,394	871,100	304,183,289	258,217,652	304,966,683	259,088,752
Total net position	\$ 159,258,992	\$ 149,457,166	\$ 627,432,609	\$ 578,214,753	\$ 786,691,601	\$ 727,671,919

The largest portion of the City's net position (58.28%) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure) less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (\$23,268,470, or 2.96%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$304,966,683 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

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

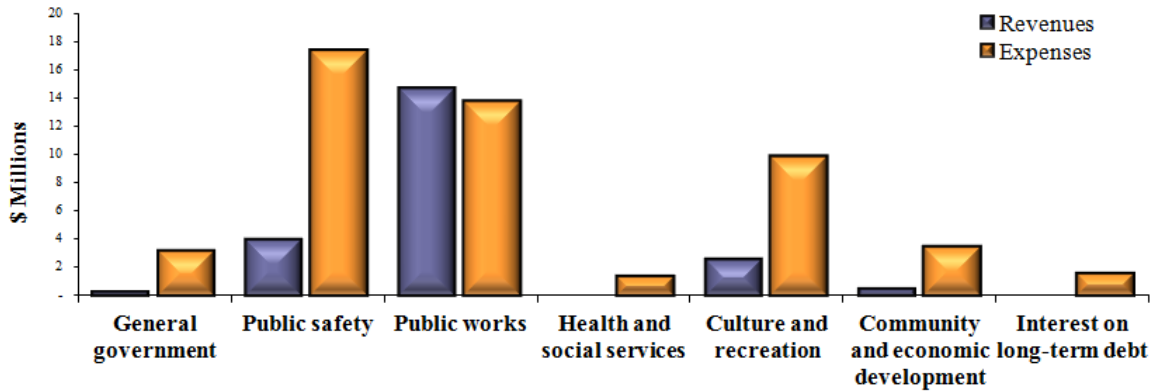
The following chart shows the components of net position for the years ended June 30, 2017 and 2016:



**Governmental Activities.** During the current fiscal year, net position for governmental activities increased \$9,801,826 for an ending balance of \$159,258,992. Taxes are the largest source of governmental revenue with property taxes of \$28,166,804 and local option sales taxes of \$7,711,124 in 2017. The \$1,052,531 increase in property tax collections in 2017 over 2016 is due to an increase in taxable valuation. Charges for services increased \$0.6 million over 2016 revenues, with most of that increase coming from an increase in building, electrical, mechanical, and plumbing permits. Valuations for both residential and commercial permits increased because of the multiple construction projects going on in the City.

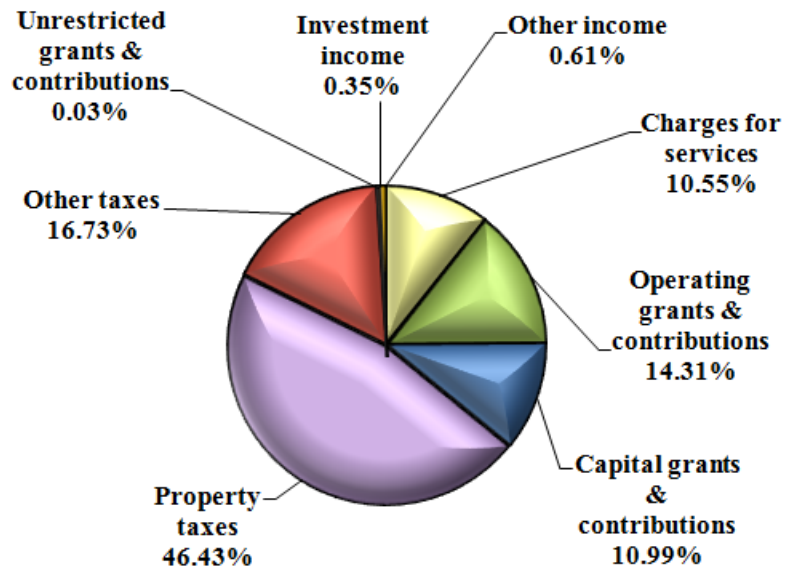
Governmental activities expenses increased \$3.0 million from 2016, or 6.44% mainly due to adding staff to fill vacancies and an increase to authorized positions in public safety.

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



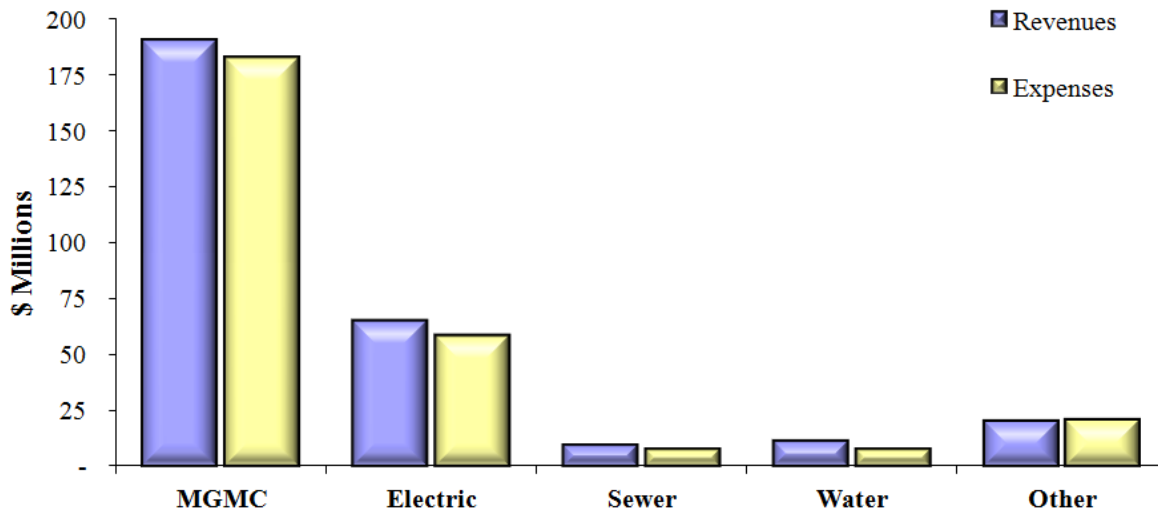
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 6,401,588	\$ 5,759,076	\$ 286,788,902	\$ 270,753,572	\$ 293,190,490	\$ 276,512,648
Operating grants & contributions	8,681,507	8,521,814	5,080,151	3,405,067	13,761,658	11,926,881
Capital grants & contributions	6,664,323	6,822,367	4,752,319	1,474,384	11,416,642	8,296,751
General revenues						
Property taxes	28,166,804	27,114,273	-	-	28,166,804	27,114,273
Other taxes	10,146,880	10,103,618	-	-	10,146,880	10,103,618
Unrestricted grants & contributions	20,565	20,527	-	-	20,565	20,527
Investment earnings	211,126	699,289	27,543,163	1,001,761	27,754,289	1,701,050
Other	370,386	591,165	466,358	40,083	836,744	631,248
<b>Total revenues</b>	<b>60,663,179</b>	<b>59,632,129</b>	<b>324,630,893</b>	<b>276,674,867</b>	<b>385,294,072</b>	<b>336,306,996</b>
<b>Expenses:</b>						
General government	3,136,291	2,686,082	-	-	3,136,291	2,686,082
Public safety	17,292,304	15,524,747	-	-	17,292,304	15,524,747
Public works	13,698,162	13,650,452	-	-	13,698,162	13,650,452
Health & social services	1,342,880	1,180,361	-	-	1,342,880	1,180,361
Culture & recreation	9,872,288	9,770,521	-	-	9,872,288	9,770,521
Community & economic development	3,461,393	2,898,115	-	-	3,461,393	2,898,115
Interest on long-term debt	1,592,039	1,635,789	-	-	1,592,039	1,635,789
Mary Greeley Medical Center	-	-	182,728,675	176,918,607	182,728,675	176,918,607
Electric	-	-	58,618,483	54,906,155	58,618,483	54,906,155
Sewer	-	-	7,574,949	7,229,003	7,574,949	7,229,003
Water	-	-	8,122,396	7,383,824	8,122,396	7,383,824
Parking	-	-	887,679	900,939	887,679	900,939
Transit	-	-	13,208,178	12,216,003	13,208,178	12,216,003
Storm sewer	-	-	1,231,885	557,890	1,231,885	557,890
Ames/ISU Ice Arena	-	-	602,774	605,291	602,774	605,291
Homewood Golf Course	-	-	258,459	243,309	258,459	243,309
Resource Recovery	-	-	4,619,859	4,320,344	4,619,859	4,320,344
<b>Total expenses</b>	<b>50,395,357</b>	<b>47,346,067</b>	<b>277,853,337</b>	<b>265,281,365</b>	<b>328,248,694</b>	<b>312,627,432</b>
Increase in net position before transfers	10,267,822	12,286,062	46,777,556	11,393,502	57,045,378	23,679,564
Transfers	(465,996)	(13,399)	465,996	13,399	-	-
<b>Increase in net position</b>	<b>9,801,826</b>	<b>12,272,663</b>	<b>47,243,552</b>	<b>11,406,901</b>	<b>57,045,378</b>	<b>23,679,564</b>
Net position, beginning (as previously reported)	149,457,166	137,184,503	578,214,753	566,807,852	727,671,919	703,992,355
Net position restatement	-	-	1,974,304	-	1,974,304	-
Net position, beginning (as restated)	149,457,166	137,184,503	580,189,057	566,807,852	729,646,223	703,992,355
<b>Net position, ending</b>	<b>\$ 159,258,992</b>	<b>\$ 149,457,166</b>	<b>\$ 627,432,609</b>	<b>\$ 578,214,753</b>	<b>\$ 786,691,601</b>	<b>\$ 727,671,919</b>

The following chart shows revenues by source for governmental activities:



**Business-Type Activities.** Business-type activities increased net position by \$47,243,552, accounting for 82.82% of the City's growth at June 30, 2017. The hospital's increase in adjusted admissions (8.1% higher than budget) led to net revenues of \$7.8 million. Investment income for the hospital was \$27 million compared to \$0.3 million in 2016 due to favorable investment performance and joint venture operations.

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



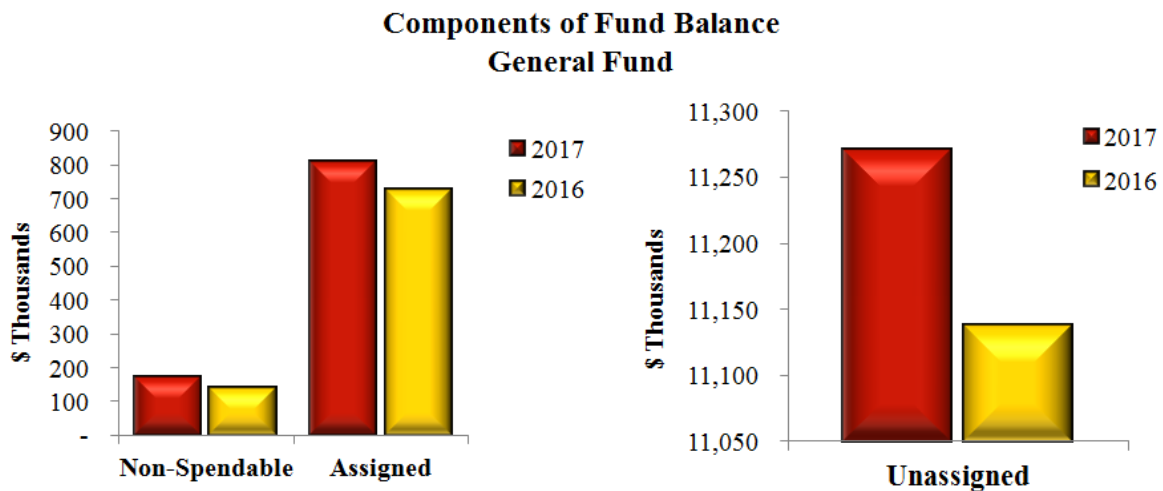
## Financial Analysis of Governmental Funds

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

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

The City's governmental funds reported combined fund balances of \$45,056,349 at June 30, 2017, an increase of \$1,422,033 from the prior year. Approximately 19% of this amount (\$8,528,973) constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of the fund balance is either *non-spendable, restricted, committed, or assigned* to indicate that it is 1) not in spendable form (\$269,368); 2) legally required to be maintained intact (\$1,962,853); 3) restricted for particular purposes (\$31,507,537); 4) committed for particular purposes (\$1,978,585); or 5) assigned for particular purposes (\$809,033).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$11,270,733, while total fund balance increased by \$247,591 to \$12,252,002. The ending fund balance is 40.86% of the fiscal year expenditures, exceeding the City's goal of 20% of expenditures.

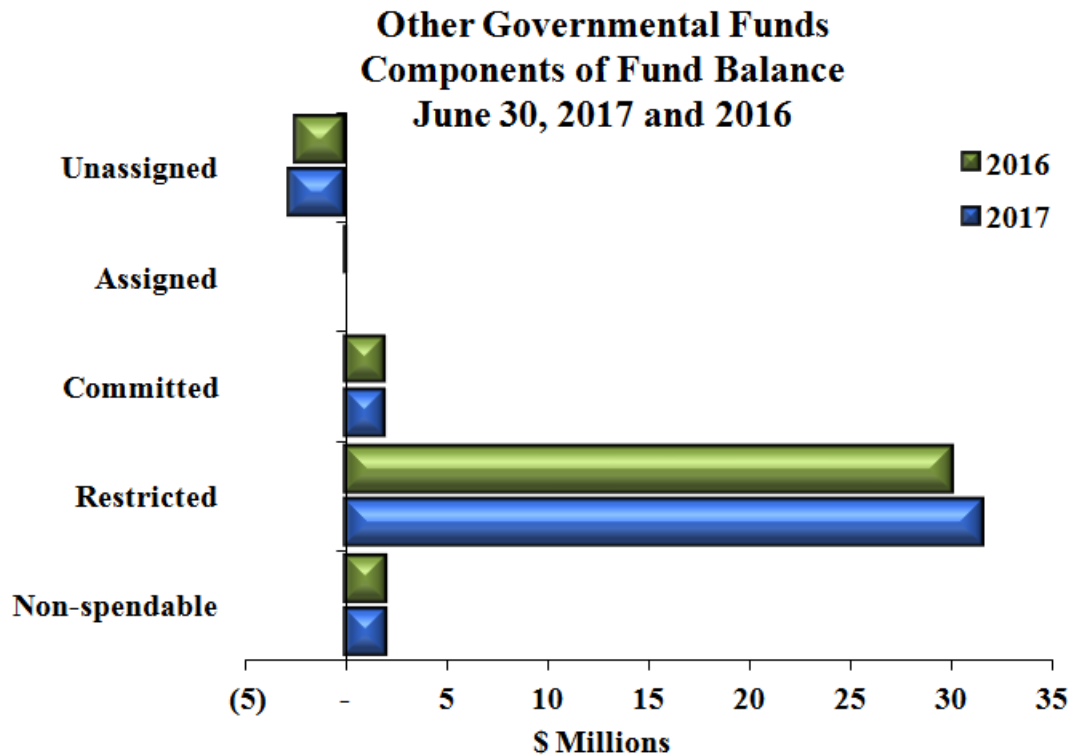


The Capital Projects Fund had a decrease of \$35,403 in fund balance during the fiscal year, which put the overall fund balance at \$13,301,606. Some of the capital projects for the year include work on a new airport terminal; low-point drainage improvements; street improvements to accommodate new subdivisions, improve traffic flow, and improve safety for bicycle traffic; extension of a major arterial street; as well as annual street maintenance and improvement.



The Debt Service Fund's fund balance is just over \$1.1 million at the end of the fiscal year, an increase of \$400,136 over the prior year. The City refunded the 2008 bonds to reduce future debt service payments by over \$200,000.

The fund balances of other governmental funds increased by \$809,709 from the 2016 balances. A large part of this increase is in the Road Use Tax fund, with a 4.2% increase in road use taxes and 10.8% decrease in expenditures due to the timing of projects.



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

The combined net position of the enterprise funds at June 30, 2017, totaled \$618,152,358, of which 47.71% (\$294,903,038) is unrestricted. This is a \$46,329,156, or 8.13%, increase in net position for the fiscal year. The net position of the internal service funds is \$25,725,148, a \$2,080,974 increase in net position. Unrestricted net position accounts for \$16,528,441 (64.25%) of the total internal service fund net position balance.

As in prior years, a majority of the increase in net position is attributable to the hospital (approximately \$35 million). Investment earnings were over 90% higher than the prior year because of favorable investment performance. The hospital's operating income was \$10.75 million with an operating margin of 4%.

Charges for services increased 8.66% over the prior year for the internal service funds, with a 9.66% increase in operating expenses. The increases are mainly due to higher fleet maintenance and health insurance costs.

## General Fund Budgetary Highlights

**Original Budget Compared to Final Budget.** There were three amendments to the City's 2017 budget. The first amendment was approved in September 2016, primarily to reflect carryovers of capital project expenditures from the prior year. The second and third amendments were approved in March and May of 2017 to more accurately reflect year-end expenditures and revenues.

The main source of variation in the General Fund budget is the carryover of funds from fiscal year 2016 for reconstruction of the City Hall parking lot, a new HVAC system in the community center, and a new roof at City Hall.

## Capital Assets and Debt Administration

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2017, amounts to \$669,272,126 (net of accumulated depreciation), an increase of \$36,064,129, or 5.70%, over the 2016 investment in capital assets. The investment in capital assets includes land, buildings, infrastructure, plant and distribution systems, machinery, and equipment.

Some of the major capital asset additions include:

- \$26.6 million for the new water treatment plant
- \$2.8 million in airport improvements
- \$2.8 million in transit buses
- \$8.8 million in street construction and improvements
- \$1.4 million to convert the power plant from coal to natural gas
- \$5.9 million for the hospital's last phase of the master facility plan

Additional information on the City's capital assets can be found in note IV(E) on pages 56-57 of this report.

### Capital Assets (net of accumulated depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 12,190,878	\$ 12,024,658	\$ 12,435,709	\$ 12,142,333	\$ 24,626,587	\$ 24,166,991
Other non-depreciable assets	1,928,419	1,922,919	-	-	1,928,419	1,922,919
Depreciable assets	167,690,536	152,355,764	369,427,038	358,409,607	537,117,574	510,765,371
Construction in progress	8,183,095	16,600,419	97,416,451	79,752,297	105,599,546	96,352,716
Total	<u>\$ 189,992,928</u>	<u>\$ 182,903,760</u>	<u>\$ 479,279,198</u>	<u>\$ 450,304,237</u>	<u>\$ 669,272,126</u>	<u>\$ 633,207,997</u>

**Long-term Debt.** At the end of the current fiscal year, the City had \$167,682,365 in outstanding bonded debt. Of this amount, \$71,522,251 is debt backed by the full faith and credit of the government and \$96,160,114 is revenue bonds issued by proprietary funds.

### Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
General obligation bonds, net	\$ 64,987,720	\$ 66,260,584	\$ 6,534,531	\$ 5,399,300	\$ 71,522,251	\$ 71,659,884
Revenue bonds	-	-	96,160,114	100,601,136	96,160,114	100,601,136
Loans payable	-	-	66,093,486	35,976,370	66,093,486	35,976,370
Total	<u>\$ 64,987,720</u>	<u>\$ 66,260,584</u>	<u>\$ 168,788,131</u>	<u>\$ 141,976,806</u>	<u>\$ 233,775,851</u>	<u>\$ 208,237,390</u>

The City's total debt increased by \$25,538,461 (12.26%) during the current fiscal year. The increase was mostly from \$30 million in additional loans for construction of the new water plant.

State statutes limit the amount of general obligation debt an Iowa city may issue to five percent (5%) of the actual assessed valuation at January 1, 2015, related to the 2016-2017 fiscal year. The current debt limitation for the City is \$202,620,917. A portion of the outstanding general obligation debt is abated by revenue sources other than the property tax levy. Additional information on the City's long-term debt can be found in note IV(K) on pages 74-80 of this report.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following economic factors currently affect the City and were considered in developing the 2017-2018 fiscal year budget:

- The City of Ames MSA employment remains strong and other economic indicators such as retail sales and new construction generally indicate a strong local economy
- No rate increases for the water and sanitary sewer utilities
- A 4% increase in electric utility rates (the first in eight years) to cover operating expenses and capital improvement projects scheduled for the next five years
- A 4.27% tipping fee increase for Resource Recovery due to a loss in revenue from the decrease demand for scrap metal and the loss of waste deliveries during the power plant conversion to natural gas
- A 5.32% monthly fee increase for the storm sewer utility due to increased development, the frequency and severity of rainfall events, and more rain water diverted to the system as progress is made repairing holes in the system
- A very slight overall property tax rate increase of 0.025%. Taxable values on existing property changed due to an increase in the roll-back rate for residential property, changes in classification, and continued implementation of reduced taxable value of multi-residential property.
- A 4.9% levy increase for transit to handle the increased ridership due to increasing enrollment at Iowa State University and the increase in costs to comply with the Affordable Care Act
- An increase in full-time equivalents of 2.00; one firefighter to assist with vacancies across all three shifts and one police officer to maintain service levels in the community
- A 4% increase in health insurance costs, which the fund balance in the self-insured health insurance fund will help to absorb

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

# **Basic Financial Statements**

**City of Ames**  
**Statement of Net Position**  
**June 30, 2017**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 16,192,721	\$ 43,289,392	\$ 59,482,113	\$ 330,327
Investments	43,604,314	62,761,434	106,365,748	-
Taxes receivable	37,839	-	37,839	-
Special assessments receivable	110,085	-	110,085	-
Accrued interest receivable	68,426	86,827	155,253	-
Accounts receivable, net	759,147	30,096,599	30,855,746	-
Pledges receivable, net	-	-	-	174,907
Intergovernmental receivable	4,214,385	5,089,217	9,303,602	-
Loans receivable	6,206	-	6,206	-
Internal balances	(6,703,480)	6,703,480	-	-
Inventories	187,557	6,947,433	7,134,990	-
Assets held for resale	934,104	-	934,104	-
Prepaid items	258,316	3,639,742	3,898,058	-
Restricted current assets:				
Cash and cash equivalents	-	1,391,952	1,391,952	-
Investments	-	1,033,572	1,033,572	-
Accrued interest receivable	-	347,475	347,475	-
Total current assets	59,669,620	161,387,123	221,056,743	505,234
Non-current assets:				
Investments	-	1,994,020	1,994,020	12,703,075
Succeeding year taxes receivable	28,067,952	-	28,067,952	-
Long-term loans receivable	16,027	-	16,027	-
Long-term special assessments receivable	251,644	-	251,644	-
Other assets	-	8,477,191	8,477,191	-
Non-depreciable assets	22,302,392	109,852,160	132,154,552	-
Depreciable assets, net of accumulated depreciation	167,690,536	369,427,038	537,117,574	-
Restricted non-current assets:				
Long-term investments	-	225,765,200	225,765,200	-
Total non-current assets	218,328,551	715,515,609	933,844,160	12,703,075
Total assets	277,998,171	876,902,732	1,154,900,903	13,208,309
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	-	8,681,697	8,681,697	-
Deferred outflows related to pensions	8,968,435	17,659,001	26,627,436	-
Total deferred outflows of resources	8,968,435	26,340,698	35,309,133	-

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

**City of Ames**  
**Statement of Net Position (continued)**  
**June 30, 2017**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	1,835,142	13,816,260	15,651,402	274,179
Accrued payroll	435,289	7,549,193	7,984,482	-
Accrued compensated absences	108,733	537,286	646,019	-
Accrued interest payable	155,281	301,272	456,553	-
Retainage payable	309,425	4,301,555	4,610,980	-
Customer deposits	548,530	866,789	1,415,319	-
Intergovernmental payable	169,382	359,739	529,121	-
Claims payable	350,000	1,384,191	1,734,191	-
Loans payable	-	3,313,000	3,313,000	-
Bonds payable, net	8,584,435	5,397,593	13,982,028	-
Unearned revenue	521,626	5,980	527,606	-
Accrued landfill post-closure costs	-	17,493	17,493	-
Total current liabilities	13,017,843	37,850,351	50,868,194	274,179
Non-current liabilities:				
Accrued compensated absences	2,109,521	7,568,487	9,678,008	-
Accrued other post-employment benefits	931,772	5,102,973	6,034,745	-
Net pension liability	26,585,829	62,685,957	89,271,786	-
Annuities payable	-	-	-	63,967
Loans payable	-	62,780,486	62,780,486	-
Bonds payable, net	56,403,285	97,297,052	153,700,337	-
Accrued landfill post-closure costs	-	120,671	120,671	-
Total non-current liabilities	86,030,407	235,555,626	321,586,033	63,967
Total liabilities	99,048,250	273,405,977	372,454,227	338,146
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Succeeding year property taxes	28,067,952	-	28,067,952	-
Deferred charge on refunding	33,278	9,354	42,632	-
Deferred inflows related to pensions	558,134	2,395,490	2,953,624	-
Total deferred inflows of resources	28,659,364	2,404,844	31,064,208	-
<b>NET POSITION</b>				
Net investment in capital assets	137,632,652	320,823,796	458,456,448	-
Restricted:				
Expendable for:				
Debt service	1,173,608	2,425,524	3,599,132	-
Capital projects	8,921,450	-	8,921,450	-
Public safety	273,768	-	273,768	-
Employee benefits	384,592	-	384,592	-
Library services	336,533	-	336,533	-
Aquatic center	122,129	-	122,129	-
Community welfare	3,409	-	3,409	-
Housing services	949,032	-	949,032	-
Economic development	902,549	-	902,549	-
Community betterment	5,813,023	-	5,813,023	-
Mary Greeley Medical Center	-	-	-	8,327,885
Non-expendable for:				
Perpetual care	962,853	-	962,853	-
Aquatic center	1,000,000	-	1,000,000	-
Bliss Cancer Endowment Fund	-	-	-	253,390
Unrestricted	783,394	304,183,289	304,966,683	4,288,888
Total net position	\$ 159,258,992	\$ 627,432,609	\$ 786,691,601	\$ 12,870,163

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

**City of Ames**  
**Statement of Activities**  
**For the Year Ended June 30, 2017**

Functions / Programs:	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-type Activities	Total	
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 3,136,291	\$ 203,609	\$ 15,030	\$ -	\$ (2,917,652)	\$ -	\$ (2,917,652)	\$ -
Public safety	17,292,304	3,768,480	141,370	-	(13,382,454)	-	(13,382,454)	-
Public works	13,698,162	268,565	7,692,072	6,664,323	926,798	-	926,798	-
Health and social services	1,342,880	-	15,836	-	(1,327,044)	-	(1,327,044)	-
Culture and recreation	9,872,288	2,135,274	423,061	-	(7,313,953)	-	(7,313,953)	-
Community and economic development	3,461,393	25,660	394,138	-	(3,041,595)	-	(3,041,595)	-
Interest	1,592,039	-	-	-	(1,592,039)	-	(1,592,039)	-
Total governmental activities	50,395,357	6,401,588	8,681,507	6,664,323	(28,647,939)	-	(28,647,939)	-
Business-type activities:								
Mary Greeley Medical Center	182,728,675	189,926,814	17,739	552,990	-	7,768,868	7,768,868	-
Electric	58,618,483	64,339,637	980,023	-	-	6,701,177	6,701,177	-
Sewer	7,574,949	8,856,136	52,821	616,064	-	1,950,072	1,950,072	-
Water	8,122,396	10,502,276	27,201	621,025	-	3,028,106	3,028,106	-
Parking	887,679	899,705	-	-	-	12,026	12,026	-
Transit	13,208,178	6,576,578	3,302,053	2,942,240	-	(387,307)	(387,307)	-
Storm sewer	1,231,885	1,700,529	435,959	-	-	904,603	904,603	-
Ice arena	602,774	481,831	-	20,000	-	(100,943)	(100,943)	-
Golf course	258,459	191,186	-	-	-	(67,273)	(67,273)	-
Resource recovery	4,619,859	3,314,210	264,355	-	-	(1,041,294)	(1,041,294)	-
Total business-type activities	277,853,337	286,788,902	5,080,151	4,752,319	-	18,768,035	18,768,035	-
Total primary government	\$ 328,248,694	\$ 293,190,490	\$ 13,761,658	\$ 11,416,642	(28,647,939)	18,768,035	(9,879,904)	-
<b>Component unit:</b>								
Mary Greeley Medical Center Foundation	\$ 1,877,188	\$ -	\$ 1,306,615	\$ -				(570,573)
General revenues:								
Property taxes					28,166,804	-	28,166,804	-
Sales taxes					7,711,124	-	7,711,124	-
Hotel/motel taxes					2,435,756	-	2,435,756	-
Unrestricted grants and contributions					20,565	-	20,565	-
Investment income					211,126	27,543,163	27,754,289	1,302,676
Other income					251,997	417,879	669,876	-
Gain on disposal of capital assets					118,389	48,479	166,868	-
Transfers					(465,996)	465,996	-	-
Total general revenues and transfers					38,449,765	28,475,517	66,925,282	1,302,676
Change in net position					9,801,826	47,243,552	57,045,378	732,103
Net position, beginning (as previously reported)					149,457,166	578,214,753	727,671,919	12,138,060
Net position restatement					-	1,974,304	1,974,304	-
Net position, beginning (as restated)					149,457,166	580,189,057	729,646,223	12,138,060
Net position, ending					\$ 159,258,992	\$ 627,432,609	\$ 786,691,601	\$ 12,870,163

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



**City of Ames  
Balance Sheet  
Governmental Funds  
June 30, 2017**

	General	Capital Projects	Debt Service	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,397,766	\$ 2,447,410	\$ 334,604	\$ 5,103,808	\$ 11,283,588
Investments	7,971,297	10,674,435	831,693	12,680,691	32,158,116
Taxes receivable	22,774	-	12,442	2,623	37,839
Special assessments receivable	-	110,085	-	-	110,085
Accrued interest receivable	31,252	18,180	1,604	2,177	53,213
Accounts receivable, net	441,945	304,786	-	7,167	753,898
Intergovernmental receivable	105,800	1,843,094	-	2,092,402	4,041,296
Loans receivable	-	-	-	6,206	6,206
Due from other funds	1,613,646	1,782,724	-	638,812	4,035,182
Inventories	34,864	-	-	70,142	105,006
Property held for resale	-	-	-	934,104	934,104
Prepaid items	137,372	-	-	26,990	164,362
Succeeding year taxes receivable	16,988,606	-	9,121,325	1,958,021	28,067,952
Long-term loans receivable	-	-	-	16,027	16,027
Long-term special assessments receivable	-	251,644	-	-	251,644
Total assets	<u>\$ 30,745,322</u>	<u>\$ 17,432,358</u>	<u>\$ 10,301,668</u>	<u>\$ 23,539,170</u>	<u>\$ 82,018,518</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 369,942	\$ 944,734	\$ -	\$ 332,923	\$ 1,647,599
Accrued payroll	299,336	11,475	-	108,849	419,660
Retainage payable	33,595	193,682	-	72,144	299,421
Accrued interest payable	-	-	-	304	304
Customer deposits	17,546	-	-	530,984	548,530
Intergovernmental payable	73,248	-	-	69,254	142,502
Due to other funds	609,925	671,558	6,735	1,471,516	2,759,734
Total liabilities	<u>1,403,592</u>	<u>1,821,449</u>	<u>6,735</u>	<u>2,585,974</u>	<u>5,817,750</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue:					
Property taxes	16,988,606	-	9,121,325	1,958,021	28,067,952
Special assessments	-	361,729	-	-	361,729
Hotel/motel taxes	-	-	-	648,536	648,536
Charges for services	46,738	-	-	-	46,738
Licenses and permits	54,384	-	-	-	54,384
Grants	-	1,638,592	-	17,506	1,656,098
Refunds	-	308,982	-	-	308,982
Total deferred inflows of resources	<u>17,089,728</u>	<u>2,309,303</u>	<u>9,121,325</u>	<u>2,624,063</u>	<u>31,144,419</u>
<b>FUND BALANCES</b>					
Non-spendable	172,236	-	-	2,059,985	2,232,221
Restricted	-	14,549,372	1,173,608	15,784,557	31,507,537
Committed	-	705,492	-	1,273,093	1,978,585
Assigned	809,033	-	-	-	809,033
Unassigned	11,270,733	(1,953,258)	-	(788,502)	8,528,973
Total fund balances	<u>12,252,002</u>	<u>13,301,606</u>	<u>1,173,608</u>	<u>18,329,133</u>	<u>45,056,349</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 30,745,322</u>	<u>\$ 17,432,358</u>	<u>\$ 10,301,668</u>	<u>\$ 23,539,170</u>	<u>\$ 82,018,518</u>

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

**City of Ames**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2017**

Amounts reported for governmental activities in the statement of net position (page 27) are different because:

Fund balance - total governmental funds (page 28)	\$ 45,056,349
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	180,796,221
Revenues not collected within 60 days of the end of the fiscal year are not available to pay for current period expenditures and, therefore, are unavailable.	
Hotel/motel tax	185,481
Special assessments	361,729
Other revenues	2,066,202
Pension-related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds.	
Deferred outflows of resources	8,705,071
Deferred inflows of resources	(547,717)
Internal service funds are used by management to charge the costs of fleet management, information services, risk management, and health insurance to individual funds. The assets and liabilities of internal service funds are split between the governmental and business-type activities in the statement of net position.	16,444,897
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
General obligation bonds payable	(62,234,247)
Interest payable on general obligation bonds	(154,977)
Deferred charges on general obligation bonds refunded	(33,278)
Unamortized premiums on the issuance of general obligation bonds	(2,753,473)
Accrued compensated absences	(2,089,950)
Net other post-employment benefits payable	(853,185)
Net pension liability	<u>(25,690,131)</u>
Net position of governmental activities	<u>\$ 159,258,992</u>

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

**City of Ames**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2017**

	General	Capital Projects	Debt Service	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 16,787,185	\$ -	\$ 9,205,566	\$ 12,320,395	\$ 38,313,146
Special assessments	-	298,227	-	-	298,227
Licenses and permits	2,059,688	-	-	-	2,059,688
Intergovernmental	414,802	2,582,904	15,030	7,970,762	10,983,498
Charges for services	3,778,453	-	-	20,360	3,798,813
Fines and forfeitures	67,584	-	-	-	67,584
Investment income	67,488	75,990	25,185	1,010	169,673
Miscellaneous	473,848	73,077	-	383,581	930,506
Total revenues	<u>23,649,048</u>	<u>3,030,198</u>	<u>9,245,781</u>	<u>20,696,108</u>	<u>56,621,135</u>
<b>EXPENDITURES</b>					
Current:					
General government	3,241,928	102,860	17,465	158,059	3,520,312
Public safety	16,984,726	-	-	113,045	17,097,771
Public works	1,053,989	-	-	4,814,587	5,868,576
Health and social services	-	-	-	1,342,880	1,342,880
Culture and recreation	7,812,946	-	-	835,621	8,648,567
Community and economic development	890,347	-	-	2,574,228	3,464,575
Debt service:					
Principal	-	-	10,481,762	-	10,481,762
Interest and fiscal charges	-	-	2,064,652	-	2,064,652
Capital outlay	-	9,510,500	-	2,609,280	12,119,780
Total expenditures	<u>29,983,936</u>	<u>9,613,360</u>	<u>12,563,879</u>	<u>12,447,700</u>	<u>64,608,875</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,334,888)</u>	<u>(6,583,162)</u>	<u>(3,318,098)</u>	<u>8,248,408</u>	<u>(7,987,740)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	8,969,890	157,208	1,398,679	139,460	10,665,237
Transfers out	(2,387,411)	(975,403)	-	(7,578,159)	(10,940,973)
General obligation bonds issued	-	6,890,605	-	-	6,890,605
Premium on general obligation bonds	-	475,349	-	-	475,349
Refunding bonds issued	-	-	2,130,000	-	2,130,000
Premium on refunding bonds	-	-	189,555	-	189,555
Total other financing sources (uses)	<u>6,582,479</u>	<u>6,547,759</u>	<u>3,718,234</u>	<u>(7,438,699)</u>	<u>9,409,773</u>
Net change in fund balances	247,591	(35,403)	400,136	809,709	1,422,033
Fund balances, beginning	<u>12,004,411</u>	<u>13,337,009</u>	<u>773,472</u>	<u>17,519,424</u>	<u>43,634,316</u>
Fund balances, ending	<u>\$ 12,252,002</u>	<u>\$ 13,301,606</u>	<u>\$ 1,173,608</u>	<u>\$ 18,329,133</u>	<u>\$ 45,056,349</u>

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

**City of Ames**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2017**

Amounts reported for governmental activities in the statement of activities (page 27) are different because:

Net changes in fund balances - total governmental funds (page 30)	\$ 1,422,033
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Hotel/motel tax	538
Special assessments	(281,462)
Other revenues	584,805
Contributed capital assets do not provide current financial resources	3,578,320
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	12,773,897
Disposals	(3,436)
Depreciation expense	(10,065,551)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Current year premium on issuance of bonds	(664,904)
Amortization of bond premiums	449,762
Amortization of deferred charges on refunding debt	17,773
Proceeds from issuance of bonds	(9,020,605)
Principal payments	10,481,762
Interest payments	5,078
The change in deferred outflows of resources and deferred inflows of resources is not recorded in the governmental funds.	5,290,519
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Increase in accrued compensated absences	(115,075)
Increase in accrued other post-employment benefits	(42,359)
Increase in net pension liability	(5,775,847)
The internal service funds are used by management to charge the costs of fleet management, information services, risk management, and health insurance to individual funds. The net revenue of certain activities of internal service funds is reported with both governmental and business-type activities.	1,166,578
Changes in net position of governmental activities	\$ 9,801,826

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

**City of Ames  
Statement of Net Position  
Proprietary Funds  
June 30, 2017**

	Business-Type Activities						Governmental
	Mary Greeley Medical Center	Electric	Sewer	Water	Other Enterprise Funds	Totals	Internal Service Funds
<b>ASSETS</b>							
Current assets:							
Cash and cash equivalents	\$ 28,705,315	\$ 1,712,589	\$ 3,097,542	\$ 6,643,423	\$ 2,738,095	\$ 42,896,964	\$ 5,301,561
Investments	-	31,975,803	7,256,214	16,220,844	6,389,068	61,841,929	12,365,703
Accrued interest receivable	-	45,093	10,135	20,578	9,385	85,191	16,849
Accounts receivable, net	19,443,613	7,963,649	917,422	1,238,151	518,737	30,081,572	20,276
Due from other funds	-	684,416	47,775	215,659	71,956	1,019,806	712,921
Intergovernmental receivable	-	873,829	296,988	27,395	3,891,005	5,089,217	173,089
Inventories	3,539,547	2,706,990	-	404,073	296,823	6,947,433	82,551
Prepaid items	3,112,555	9,600	-	-	6,264	3,128,419	605,277
Restricted current assets:							
Cash and cash equivalents	-	1,032,109	17,803	342,040	-	1,391,952	-
Investments	1,033,572	-	-	-	-	1,033,572	-
Interest receivable	347,475	-	-	-	-	347,475	-
Total current assets	56,182,077	47,004,078	11,643,879	25,112,163	13,921,333	153,863,530	19,278,227
Non-current assets:							
Investments	-	1,994,020	-	-	-	1,994,020	-
Other assets	8,477,191	-	-	-	-	8,477,191	-
Capital assets:							
Land	4,470,719	2,223,783	1,910,222	1,526,565	2,304,420	12,435,709	-
Land improvements	816,511	-	-	-	3,164,722	3,981,233	192,433
Plant and distribution systems	-	182,548,637	85,333,573	63,406,801	-	331,289,011	-
Buildings	242,894,258	-	-	-	39,331,557	282,225,815	878,665
Equipment	118,460,728	-	-	-	36,143,620	154,604,348	17,406,351
Construction in progress	905,948	27,309,323	1,544,271	67,119,215	537,694	97,416,451	-
Less accumulated depreciation	(168,515,430)	(117,154,443)	(51,546,623)	(27,256,770)	(38,200,103)	(402,673,369)	(9,280,742)
Restricted non-current assets:							
Investments	225,765,200	-	-	-	-	225,765,200	-
Total non-current assets	433,275,125	96,921,320	37,241,443	104,795,811	43,281,910	715,515,609	9,196,707
Total assets	489,457,202	143,925,398	48,885,322	129,907,974	57,203,243	869,379,139	28,474,934
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred charge on refunding	8,681,697	-	-	-	-	8,681,697	-
Deferred outflows related to pensions	14,551,799	733,501	205,568	259,342	1,901,255	17,651,465	270,900
	23,233,496	733,501	205,568	259,342	1,901,255	26,333,162	270,900

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

**City of Ames**  
**Statement of Net Position (continued)**  
**Proprietary Funds**  
**June 30, 2017**

	Business-Type Activities					Governmental Activities	
	Mary Greeley Medical Center	Electric	Sewer	Water	Other Enterprise Funds	Totals	Internal Service Funds
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	7,526,631	3,804,219	526,850	1,340,728	545,030	13,743,458	260,345
Accrued payroll	7,203,708	121,794	7,130	22,992	193,218	7,548,842	15,980
Accrued compensated absences	458,672	32,885	6,629	10,807	28,293	537,286	6,682
Due to other funds	-	364,931	1,224,966	824,189	175,641	2,589,727	418,448
Claims payable	687,656	-	-	-	-	687,656	1,046,535
Retainage payable	673,169	648,585	93,971	2,824,923	60,907	4,301,555	10,004
Customer deposits	-	866,789	-	-	-	866,789	-
Accrued interest	125,752	44,681	16,302	112,147	2,390	301,272	-
Loans payable	-	-	172,000	3,141,000	-	3,313,000	-
Intergovernmental payable	-	126,639	7,982	35,834	189,284	359,739	26,880
Accrued landfill post-closure costs	-	-	-	-	17,493	17,493	-
Bonds payable, net	3,822,021	723,198	309,142	402,377	140,855	5,397,593	-
Unearned revenue	-	-	-	-	5,980	5,980	58,571
Total current liabilities	<u>20,497,609</u>	<u>6,733,721</u>	<u>2,364,972</u>	<u>8,714,997</u>	<u>1,359,091</u>	<u>39,670,390</u>	<u>1,843,445</u>
Non-current liabilities:							
Accrued compensated absences	6,189,646	543,097	131,494	213,781	490,469	7,568,487	121,622
Post-employment benefits	4,375,066	311,440	85,126	97,439	232,375	5,101,446	80,114
Net pension liability	52,317,998	2,363,914	760,027	745,055	6,429,659	62,616,653	965,002
Loans payable	-	-	2,695,331	60,085,155	-	62,780,486	-
Accrued landfill post-closure costs	-	-	-	-	120,671	120,671	-
Bonds payable, net	83,581,109	8,033,786	3,123,016	1,518,933	1,040,208	97,297,052	-
Total non-current liabilities	<u>146,463,819</u>	<u>11,252,237</u>	<u>6,794,994</u>	<u>62,660,363</u>	<u>8,313,382</u>	<u>235,484,795</u>	<u>1,166,738</u>
Total liabilities	<u>166,961,428</u>	<u>17,985,958</u>	<u>9,159,966</u>	<u>71,375,360</u>	<u>9,672,473</u>	<u>275,155,185</u>	<u>3,010,183</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred charge on refunding	-	-	-	9,354	-	9,354	-
Deferred inflows related to pensions	2,270,041	30,188	8,350	10,205	76,620	2,395,404	10,503
	<u>2,270,041</u>	<u>30,188</u>	<u>8,350</u>	<u>19,559</u>	<u>76,620</u>	<u>2,404,758</u>	<u>10,503</u>
<b>NET POSITION</b>							
Net investment in capital assets	120,311,301	86,170,316	32,034,995	40,206,337	42,100,847	320,823,796	9,196,707
Restricted for debt service	1,033,572	1,032,109	17,803	342,040	-	2,425,524	-
Unrestricted	222,114,356	39,440,328	7,869,776	18,224,020	7,254,558	294,903,038	16,528,441
Total net position	<u>\$ 343,459,229</u>	<u>\$ 126,642,753</u>	<u>\$ 39,922,574</u>	<u>\$ 58,772,397</u>	<u>\$ 49,355,405</u>	<u>618,152,358</u>	<u>\$ 25,725,148</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time						<u>9,280,251</u>	
Net position of business-type activities						<u>\$ 627,432,609</u>	

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

**City of Ames**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2017**

	Business-Type Activities					Governmental Activities	
	Mary Greeley Medical Center	Electric	Sewer	Water	Other Enterprise Funds	Totals	Internal Service Funds
Operating revenues:							
Charges for services	\$ 189,926,814	\$ 64,339,637	\$ 8,856,136	\$ 10,502,276	\$ 13,164,039	\$ 286,788,902	\$ 17,949,673
Operating expenses:							
Cost of goods and services	130,823,844	52,546,638	4,793,333	5,752,986	15,527,751	209,444,552	14,706,180
Administration	31,187,628	1,150,406	353,728	388,065	2,324,186	35,404,013	-
Depreciation	17,164,889	4,101,251	2,435,201	1,197,021	3,192,810	28,091,172	1,132,102
Total operating expenses	179,176,361	57,798,295	7,582,262	7,338,072	21,044,747	272,939,737	15,838,282
Operating income (loss)	10,750,453	6,541,342	1,273,874	3,164,204	(7,880,708)	13,849,165	2,111,391
Non-operating revenues (expenses):							
Intergovernmental	17,739	-	37,484	27,201	3,588,264	3,670,688	-
Reimbursements	-	980,023	15,337	-	414,103	1,409,463	-
Investment income	27,262,954	164,280	34,989	60,023	20,917	27,543,163	41,454
Interest expense	(3,083,453)	(301,383)	(135,601)	(935,956)	(25,308)	(4,481,701)	-
Gain (loss) on disposal of capital assets	(468,861)	(868,611)	-	48,479	(8,823)	(1,297,816)	118,389
Miscellaneous	-	124,951	88,146	80,021	124,761	417,879	-
Total non-operating revenues (expenses)	23,728,379	99,260	40,355	(720,232)	4,113,914	27,261,676	159,843
Income (loss) before capital contributions and transfers	34,478,832	6,640,602	1,314,229	2,443,972	(3,766,794)	41,110,841	2,271,234
Capital contributions	552,990	-	616,064	621,025	2,962,240	4,752,319	-
Transfers in	-	361,000	-	150,000	2,200,203	2,711,203	170,740
Transfers out	-	(2,131,381)	(56,913)	(56,913)	-	(2,245,207)	(361,000)
Change in net position	35,031,822	4,870,221	1,873,380	3,158,084	1,395,649	46,329,156	2,080,974
Net position, beginning (as previously reported)	308,427,407	121,772,532	38,049,194	55,614,313	45,985,452		23,644,174
Net position restatement	-	-	-	-	1,974,304		-
Net position, beginning (as restated)	308,427,407	121,772,532	38,049,194	55,614,313	47,959,756		23,644,174
Net position, ending	\$ 343,459,229	\$ 126,642,753	\$ 39,922,574	\$ 58,772,397	\$ 49,355,405		\$ 25,725,148
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds						914,396	
Change in net position of business-type activities						\$ 47,243,552	

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

**City of Ames**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2017**

	Business-Type Activities					Governmental Activities	
	Mary Greeley Medical Center	Electric	Sewer	Water	Other Enterprise Funds	Totals	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from customers	\$ 189,171,485	\$ 61,570,433	\$ 8,584,329	\$ 10,319,370	\$ 13,247,090	\$ 282,892,707	\$ 17,668,477
Payments to suppliers	(78,169,804)	(42,646,990)	(1,117,629)	(1,410,117)	(5,665,307)	(129,009,847)	(12,187,381)
Payments to employees	(85,314,387)	(9,201,672)	(2,049,419)	(2,985,910)	(10,253,809)	(109,805,197)	(1,940,312)
Payments to other funds for services provided	-	(2,328,859)	(959,012)	(354,542)	(1,613,337)	(5,255,750)	(218,413)
Net cash provided by (used for) operating activities	25,687,294	7,392,912	4,458,269	5,568,801	(4,285,363)	38,821,913	3,322,371
<b>CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES</b>							
Operating grants	17,739	-	37,484	27,201	2,598,480	2,680,904	-
Reimbursements	-	980,023	15,337	-	414,103	1,409,463	-
Miscellaneous	-	124,951	88,146	80,021	124,761	417,879	-
Transfers in	-	361,000	-	150,000	2,200,203	2,711,203	170,740
Transfers out	-	(2,131,381)	(56,913)	(56,913)	-	(2,245,207)	(361,000)
Net cash provided by (used for) non-capital financing activities	17,739	(665,407)	84,054	200,309	5,337,547	4,974,242	(190,260)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Acquisition and construction of capital assets	(16,853,904)	(4,602,546)	(3,247,065)	(27,825,298)	(4,753,747)	(57,282,560)	(2,410,646)
Proceeds from the sale of capital assets	92,000	-	-	59,700	4,000	155,700	590,995
Proceeds from the issuance of bonds	-	-	1,317,446	1,663,011	-	2,980,457	-
Principal paid on capital debt	(3,070,000)	(625,000)	(268,276)	(1,359,962)	(135,000)	(5,458,238)	-
Interest paid on capital debt	(3,172,934)	(343,556)	(118,552)	(62,682)	(31,388)	(3,729,112)	-
Proceeds from loans	-	-	641,332	29,644,785	-	30,286,117	-
Principal paid on loans	-	-	(169,000)	-	-	(169,000)	-
Interest paid on loans	-	-	(42,951)	(857,786)	-	(900,737)	-
Capital contributions	552,990	-	-	-	2,962,240	3,515,230	-
Net cash provided by (used for) capital and related financing activities	(22,451,848)	(5,571,102)	(1,887,066)	1,261,768	(1,953,895)	(30,602,143)	(1,819,651)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of investments	(94,509,935)	(24,339,188)	(3,799,929)	(9,911,629)	(487,562)	(133,048,243)	(2,987,688)
Proceeds from sale of investments	89,119,897	22,048,456	1,819,405	4,745,688	978,878	118,712,324	1,844,346
Interest on investments	21,411,590	157,435	30,678	52,738	19,426	21,671,867	36,544
Net cash provided by (used for) investing activities	16,021,552	(2,133,297)	(1,949,846)	(5,113,203)	510,742	7,335,948	(1,106,798)
Net increase (decrease) in cash and cash equivalents	19,274,737	(976,894)	705,411	1,917,675	(390,969)	20,529,960	205,662
Cash and cash equivalents, beginning	9,430,578	2,608,666	2,380,346	4,974,244	3,129,064	22,522,898	5,095,899
Cash and cash equivalents, ending	28,705,315	1,631,772	3,085,757	6,891,919	2,738,095	43,052,858	5,301,561
Plus: beginning amount reported in restricted assets	-	1,112,926	29,588	93,544	-	1,236,058	-
Less: ending amount reported in restricted assets	-	1,032,109	17,803	342,040	-	1,391,952	-
Cash and cash equivalents, ending - statement of net position	\$ 28,705,315	\$ 1,712,589	\$ 3,097,542	\$ 6,643,423	\$ 2,738,095	\$ 42,896,964	\$ 5,301,561

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



**City of Ames**  
**Statement of Cash Flows (continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2017**

	Business-Type Activities					Governmental	
	Mary Greeley Medical Center	Electric	Sewer	Water	Other Enterprise Funds	Totals	Internal Service Funds
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>							
Operating income (loss)	\$ 10,750,453	\$ 6,541,342	\$ 1,273,874	\$ 3,164,204	\$ (7,880,708)	\$ 13,849,165	\$ 2,111,391
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:							
Depreciation expense	17,164,889	4,101,251	2,435,201	1,197,021	3,192,810	28,091,172	1,132,102
(Increase) decrease in accounts receivable	(755,328)	(1,679,170)	(137,594)	(78,928)	82,925	(2,568,095)	16,463
(Increase) decrease in due from other funds	-	(509,477)	73,769	(78,725)	21,601	(492,832)	(152,439)
Increase in intergovernmental receivable	-	(611,466)	(207,982)	(25,253)	(22,150)	(866,851)	(143,308)
(Increase) decrease in inventories	(98,341)	(109,022)	-	(91,119)	(6,784)	(305,266)	13,449
(Increase) decrease in prepaid items	(822,572)	66,221	-	-	2,361	(753,990)	21,387
Increase in deferred outflows of resources	(6,619,250)	(353,864)	(77,388)	(144,270)	(846,268)	(8,041,040)	(109,089)
Increase (decrease) in accounts payable	978,312	(361,829)	58,750	(424,470)	126,618	377,381	56,861
Increase (decrease) in accrued payroll	2,780,704	1,434	(1,388)	(59)	6,902	2,787,593	(528)
Increase (decrease) in accrued compensated absences	(2,690,597)	24,610	(25,407)	(698)	(43,639)	(2,735,731)	(11,927)
Increase in due to other funds	-	28,471	1,046,337	674,083	21,052	1,769,943	386,773
Increase (decrease) in claims payable	94,536	-	-	-	-	94,536	(137,693)
Increase (decrease) in retainage payable	(3,157,949)	(206,476)	(80,595)	1,194,023	39,342	(2,211,655)	10,004
Decrease in customer deposits	-	30,909	-	-	-	30,909	-
Decrease in accrued interest on customer deposits	-	370	-	-	-	370	-
Increase (decrease) in intergovernmental payable	-	4,194	3,564	14,924	35,998	58,680	(1,741)
Decrease in accrued landfill post-closure costs	-	-	-	-	(15,879)	(15,879)	-
Increase (decrease) in unearned revenue	-	-	-	-	675	675	(1,912)
Increase in post-employment benefits	435,615	15,463	4,226	4,838	11,537	471,679	3,978
Increase in pension liability	11,069,968	526,569	145,651	178,005	1,333,779	13,253,972	183,183
Decrease in deferred inflows of resources	(3,443,146)	(116,618)	(52,749)	(14,775)	(345,535)	(3,972,823)	(54,583)
Total adjustments	14,936,841	851,570	3,184,395	2,404,597	3,595,345	24,972,748	1,210,980
Net cash provided by (used for) operating activities	\$ 25,687,294	\$ 7,392,912	\$ 4,458,269	\$ 5,568,801	\$ (4,285,363)	\$ 38,821,913	\$ 3,322,371
<b>Schedule of non-cash capital and related financing activities:</b>							
Capitalized interest included in capital assets	256,000	-	-	-	-	256,000	-
Capital asset contributions	-	-	616,064	621,025	-	1,237,089	-
Capital asset trade ins	-	-	-	-	-	-	6,939
Total non-cash capital and related financing activities	\$ 256,000	\$ -	\$ 616,064	\$ 621,025	\$ -	\$ 1,493,089	\$ 6,939

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

**City of Ames**  
**Statement of Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**June 30, 2017**

	<b>Agency Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 167,605
Investments	255,793
Total assets	\$ 423,398
 <b>LIABILITIES</b>	
Accounts payable	\$ 56,455
Due to other governments	366,943
Total liabilities	\$ 423,398

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

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

**I. Summary of significant accounting policies**

**A. Description of government-wide financial statements**

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

**B. Reporting entity**

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

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

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

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

**I. Summary of significant accounting policies (continued)**

**C. Basis of presentation - government-wide financial statements**

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

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

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

**D. Basis of presentation - fund financial statements**

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

The City reports the following major governmental funds:

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

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

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

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

**I. Summary of significant accounting policies (continued)**

**D. Basis of presentation - fund financial statements (continued)**

The City reports the following major enterprise funds:

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

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

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

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

Additionally, the City reports the following fund types:

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

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

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

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

**I. Summary of significant accounting policies (continued)**

**D. Basis of presentation - fund financial statements (continued)**

the funds included in governmental activities are eliminated so that only the net amount is included as a transfer in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as a transfer in the business-type activities column.

**E. Measurement focus and basis of accounting**

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

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

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

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

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

**I. Summary of significant accounting policies (continued)**

**E. Measurement focus and basis of accounting (continued)**

expenditures have been incurred, all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

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

**F. Budgetary information**

***1. Budgetary basis of accounting***

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

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

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

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

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

**I. Summary of significant accounting policies (continued)**

**F. Budgetary information (continued)**

*1. Budgetary basis of accounting (continued)*

budgeted funds in total. The budgetary comparison and related disclosures are reported as required supplementary information.

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

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

*2. Excess of expenditures over appropriations*

For the year ended June 30, 2017, there were no expenditures that exceeded appropriations.

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

*1. Cash and cash equivalents*

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

*2. Investments*

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



**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

**I. Summary of significant accounting policies (continued)**

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

***3. Inventories and prepaid items***

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

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

***4. Capital assets***

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

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

Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed. The amount of interest capitalized depends on the specific circumstances. The hospital capitalized \$256,000 of bond interest in the fiscal year ended June 30, 2017.

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

**I. Summary of significant accounting policies (continued)**

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

***4. Capital assets (continued)***

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

<b>Capital Asset Class</b>	<b>Life in Years</b>
Buildings	25-45
Improvements	20-40
Machinery and Equipment	3-50
General infrastructure	15-50
Plant and Distribution System	25-50

***5. Deferred outflows/inflows of resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows of resources for unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer's reporting period. The City also reports deferred charges on refunding in this category, which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

**I. Summary of significant accounting policies (continued)**

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

***6. Pensions***

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

***7. Net position flow assumption***

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

***8. Fund balance flow assumptions***

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

***9. Fund balance policies***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

**I. Summary of significant accounting policies (continued)**

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

***9. Fund balance policies (continued)***

itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has authorized the Finance Director to assign fund balance through the approval of the annual budget. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**H. Revenues and expenditures/expenses**

***1. Program revenues***

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

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

**I. Summary of significant accounting policies (continued)**

**H. Revenues and expenditures/expenses (continued)**

***2. Property taxes***

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

***3. Net patient service revenue***

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

***4. Compensated absences***

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

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

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

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

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

**II. Reconciliation of government-wide and fund financial statements**

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

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position of governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that, "Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds." The details of this \$180,796,221 are as follows:

Land	\$ 12,190,878
Land improvements	1,384,118
Public art collection	544,301
Construction in progress	8,183,095
Buildings	33,181,889
Less: accumulated depreciation	(8,187,615)
Equipment	8,391,762
Less: accumulated depreciation	(3,900,122)
Infrastructure	249,084,861
Less: accumulated depreciation	<u>(120,076,946)</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position in governmental activities</i>	<u>\$ 180,796,221</u>

Another element of that reconciliation explains, "Internal service funds are used by management to charge the costs of fleet management, information services, risk management, and health insurance to individual funds. The assets and liabilities of internal service funds are split between the governmental and business-type activities in the statement of net position." The details of this \$16,444,897 are as follows:

Net position of the internal service funds	\$25,725,148
Less: Internal payable representing charges in excess of cost to business-type activities - prior years	(8,365,855)
Less: Internal payable representing charges in excess of cost to business-type activities - current year	<u>(914,396)</u>
	<u>\$ 16,444,897</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**B. Explanation of certain difference between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities (continued)**

the government-wide statement of activities. One element of that reconciliation states that, "The internal service funds are used by management to charge the costs of fleet management, information services, risk management, and health insurance to individual funds. The net revenue of certain activities of internal service funds is reported with both governmental and business-type activities." The details of this \$1,166,578 are as follows:

Change in net position of the internal service funds	\$ 2,080,974
Less: gain from charges to business-type activities	<u>(914,396)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 1,166,578</u>

**III. Stewardship, compliance, and accountability**

**A. Violations of legal or contractual provisions**

As stated in Note I(F)(2), *Excess of expenditures over appropriations*, there were no budgetary violations that occurred in the fiscal year ended June 30, 2017.

**B. Deficit fund equity**

At June 30, 2017, the TIF fund, a non-major special revenue fund, had a deficit fund balance of \$788,502. The incremental property tax revenue will increase in future years to offset the transfers to the Debt Service Fund and reverse the deficit.

**IV. Detailed notes on all activities and funds**

**A. Cash deposits with financial institutions**

*Custodial credit risk - deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of June 30, 2017, the City's deposits were entirely covered by federal depository insurance or collateralized in accordance with Chapter 12c of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds. The amount of pledged collateral is based on an approved method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using this method report the adequacy of their pooled collateral covering uninsured deposits to the State

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**A. Cash deposits with financial institutions (continued)**

Treasurer, who does not confirm the information with the City. Because of the inability to measure the exact amounts of collateral pledged for the City under this method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer enforces strict standards of financial stability for each depository that collateralizes public deposits.

**B. Investments**

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

Authorized Investment Type	Maximum Maturity for Operating Funds (Days)	Maximum Maturity for Non- Operating Funds (Years)	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Agencies	397	7	n/a	n/a
Certificates of Deposit	397	7	n/a	n/a
Prime Banker Acceptances	270	270 days	10%	5%
Commercial Paper	270	270 days	10%	5%
Repurchase Agreements	397	7	n/a	n/a
Joint Investment Trusts	397	7	n/a	n/a
Warrants of Improvement				
Certificates of a Levee or Drainage District	397	7	n/a	n/a
U.S. Treasury Obligations	17 years	n/a	n/a	n/a
Corporate Debt Securities	n/a	30	n/a	5%



**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**B. Investments (continued)**

At June 30, 2017, the City had the following investments:

Investment Type	Fair Value	Maturity
U.S. Agency coupon securities	\$ 106,044,240	07/03/17-05/16/59
U.S. Treasury obligations	25,487,485	09/30/17-02/15/31
Commercial paper	9,950,250	08/21/17-04/30/18
Municipal bonds	112,259	11/01/18-02/15/24
Mutual funds	184,189,323	n/a
Corporate debt	9,630,776	07/15/17-05/13/25
	<u>\$ 335,414,333</u>	

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

All of the City's investments are valued using level 1 inputs, except for U.S. Agencies and U.S. Treasuries, which are valued using level 2 inputs. There have been no changes in valuation methodologies at June 30, 2017 compared to June 30, 2016.

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

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

Investment Type	Fair Value	Remaining Maturity			
		12 Months or Less	13 - 24 Months	25-60 Months	More Than 60 Months
U.S. Agency coupon securities	\$ 106,044,240	\$ 41,049,191	\$ 22,002,197	\$ 16,239,929	\$ 26,752,923
U.S. Treasury obligations	25,487,485	8,724,464	5,428,114	3,828,415	7,506,492
Commercial paper	9,950,250	9,950,250	-	-	-
Municipal bonds	112,259	-	25,171	26,228	60,860
Mutual funds	184,189,323	184,189,323	-	-	-
Corporate debt	9,630,776	645,086	1,788,240	6,683,033	514,417
	<u>\$ 335,414,333</u>	<u>\$ 244,558,314</u>	<u>\$ 29,243,722</u>	<u>\$ 26,777,605</u>	<u>\$ 34,834,692</u>

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**B. Investments (continued)**

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

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

The following shows the actual ratings as of June 30, 2017, for each investment type:

Investment Type	Fair Value	Rating
U.S. Agency coupon securities	\$ 106,044,240	AAA
U.S. Treasury obligations	25,487,485	not rated
Commercial paper	9,950,250	A1/P1
Municipal bonds	112,259	AAA-AA
Mutual funds	184,189,323	not rated
Corporate debt	9,630,776	AA3-B1
	<u>\$ 335,414,333</u>	

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

Issuer	Investment Type	Amount	Percent of Portfolio
Federal National Mortgage Association	U.S. agency securities	\$ 22,458,667	6.70%
Federal Home Loan Mortgage Co.	U.S. agency securities	42,484,044	12.67%
Federal Home Loan Bank	U.S. agency securities	17,423,043	5.19%
Federal Farm Credit	U.S. agency securities	19,458,622	5.80%
United States Treasury	U.S. agency securities	27,982,310	8.34%

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**B. Investments (continued)**

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

1. All trades, where applicable, will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts,
2. City investment officials shall be bonded to protect loss of public funds against possible embezzlement and/or malfeasance, and
3. The Investment Officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. The internal controls shall address the following points:
  - a. Control of collusion,
  - b. Separation of transaction authority from accounting and record keeping,
  - c. Custodial safekeeping,
  - d. Delivery versus payment,
  - e. Clear delegation of authority, and
  - f. Confirmation of transactions for investments and wire transfers.

As of June 30, 2017, the City's investments in the following were held by the same third-party custodian that was used by the City to buy the securities and evidenced by safekeeping receipts:

Issuer	Investment Type	Amount
Federal National Mortgage Association	U.S. agency securities	\$ 22,458,667
Federal Home Loan Mortgage Co.	U.S. agency securities	42,484,044
Federal Home Loan Bank	U.S. agency securities	17,423,043
Federal Farm Credit	U.S. agency securities	19,458,622
United States Treasury	U.S. agency securities	27,982,310

*Foreign currency risk.* As of June 30, 2017, the City had no exposure to foreign currency rate risk.

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**B. Investments (continued)**

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

**C. Foundation investments**

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

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

The following is a detail of the foundation's investments at June 30, 2017:

<u>Investment Type</u>	<u>Fair Value</u>
Equity mutual funds	\$ 11,196,406
Corporate debt securities	579,609
Hedge funds	927,060
	<u>\$ 12,703,075</u>

**D. Receivables**

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

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**E. Capital assets**

Capital asset activity for the fiscal year ended June 30, 2017, is as follows:

*Governmental activities:*

	Balance June 30, 2016	Increases	Decreases	Balance June 30, 2017
<i>Non-depreciable capital assets:</i>				
Land	\$ 12,024,658	\$ 166,220	\$ -	\$ 12,190,878
Land improvements	1,384,118	-	-	1,384,118
Public art collection	538,801	5,500	-	544,301
Construction in progress	16,600,419	6,594,136	(15,011,460)	8,183,095
Total non-depreciable capital assets	<u>30,547,996</u>	<u>6,765,856</u>	<u>(15,011,460)</u>	<u>22,302,392</u>
<i>Depreciable capital assets:</i>				
Buildings	32,293,043	1,777,328	(9,817)	34,060,554
Equipment	25,064,172	2,808,770	(2,074,829)	25,798,113
Infrastructure	226,869,817	22,415,430	(7,953)	249,277,294
	<u>284,227,032</u>	<u>27,001,528</u>	<u>(2,092,599)</u>	<u>309,135,961</u>
<i>Less accumulated depreciation:</i>				
Buildings	7,913,654	848,950	(6,381)	8,756,223
Equipment	12,182,792	1,847,931	(1,609,163)	12,421,560
Infrastructure	111,774,822	8,500,773	(7,953)	120,267,642
	<u>131,871,268</u>	<u>11,197,654</u>	<u>(1,623,497)</u>	<u>141,445,425</u>
Total depreciable capital assets	<u>152,355,764</u>	<u>15,803,874</u>	<u>(469,102)</u>	<u>167,690,536</u>
Total capital assets	<u>\$ 182,903,760</u>	<u>\$ 22,569,730</u>	<u>\$ (15,480,562)</u>	<u>\$ 189,992,928</u>

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

General government	\$ 324,334
Public safety	481,211
Public works	8,227,873
Culture and recreation	2,157,850
Community and economic development	6,386
Total depreciation expense - governmental activities	<u>\$ 11,197,654</u>

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**E. Capital assets (continued)**

*Business-type activities:*

	Balance June 30, 2016	Increases	Decreases	Balance June 30, 2017
Non-depreciable capital assets:				
Land	\$ 12,142,333	\$ 376,110	\$ (82,734)	\$ 12,435,709
Construction in progress	79,752,297	44,816,220	(27,152,066)	97,416,451
Total non-depreciable capital assets	<u>91,894,630</u>	<u>45,192,330</u>	<u>(27,234,800)</u>	<u>109,852,160</u>
Depreciable capital assets:				
Plant and distribution systems	323,719,550	14,175,105	(6,605,644)	331,289,011
Buildings	267,721,091	16,276,309	(1,771,585)	282,225,815
Equipment	156,509,731	9,011,539	(10,916,922)	154,604,348
Improvements	3,192,820	1,018,602	(230,189)	3,981,233
	<u>751,143,192</u>	<u>40,481,555</u>	<u>(19,524,340)</u>	<u>772,100,407</u>
Less accumulated depreciation:				
Plant and distribution systems	193,961,398	7,733,472	(5,737,033)	195,957,837
Buildings	81,612,866	10,294,436	(1,466,315)	90,440,987
Equipment	115,202,792	9,972,444	(10,717,847)	114,457,389
Improvements	1,956,529	90,818	(230,191)	1,817,156
	<u>392,733,585</u>	<u>28,091,170</u>	<u>(18,151,386)</u>	<u>402,673,369</u>
Total depreciable capital assets	<u>358,409,607</u>	<u>12,390,385</u>	<u>(1,372,954)</u>	<u>369,427,038</u>
Total capital assets	<u>\$ 450,304,237</u>	<u>\$ 57,582,715</u>	<u>\$ (28,607,754)</u>	<u>\$ 479,279,198</u>

**F. Pension obligations**

***Iowa Public Employees Retirement System (IPERS)***

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

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

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**F. Pension obligations (continued)**

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

During the fiscal year ended June 30, 2017, regular members contributed 5.95% and the City contributed 8.93% of covered wages. Rates for the fiscal year beginning July 1, 2017, remain the same. Emergency responder members contributed 6.56%, and the hospital contributed 9.84% of covered wages for the fiscal year ended June 30, 2017. As of July 1, 2017, the rates for emergency responders remain the same. The City's total contributions to IPERS for the years ended June 30, 2017, 2016, and 2015 were \$7,654,501, \$7,543,219, \$7,272,880, respectively, and were equal to 100% of the required contributions for each year.

*Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions.* At June 30, 2017, the City reported a liability of \$72,702,715 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all employers participating in IPERS, actuarially determined. At June 30, 2016, the City's proportion was 1.1552%, which was a decrease of 0.0064 from its proportion measured as of June 30, 2015.

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**F. Pension obligations (continued)**

For the year ended June 30, 2017, the City recognized pension expense of \$8,397,018. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 641,870	\$ 892,475
Changes in assumptions	1,108,050	336
Net difference between projected and actual earnings on pension plan investments	10,526,965	-
Changes in proportion and differences between City contributions and proportionate share of contributions	652,551	1,620,512
City contributions subsequent to the measurement date	7,654,501	-
	\$ 20,583,937	\$ 2,513,323

\$7,654,501 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,		
2018	\$	1,051,976
2019		1,051,976
2020		5,286,036
2021		3,073,664
2022		(47,539)
		\$ 10,416,113

There were no non-employer contributing entities at IPERS.



**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**F. Pension obligations (continued)**

*Actuarial assumptions.* The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation	3.00% per annum
Rates of salary increase	4.00 to 17.00%, depending on years of service
Long-term investment rate of return	7.50%, compounded annually, net of investment expense, including inflation

The actuarial assumptions used in the June 30, 2016 valuation are based on the results of an actuarial experience study for the period July 1, 2009 through June 30, 2013. That experience report is dated May 27, 2014.

Mortality rates were based on the RP-2000 Employee and Healthy Annuitant Tables, with generational scaling and age adjustments.

Several factors are considered in evaluating the actuarial assumed investment return including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the actuarial assumed investment return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the actuarial assumed investment return for funding pension plans, which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**F. Pension obligations (continued)**

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Core-plus fixed income	28%	1.90%
Domestic equity	24%	5.85%
International equity	16%	6.32%
Private equity/debt	11%	10.31%
Real estate	8%	3.87%
Credit opportunities	5%	4.48%
U.S. TIPS	5%	1.36%
Other real assets	2%	6.42%
Cash	1%	-0.26%
	<u>100%</u>	

*Discount rate.* The discount rate used to calculate the total pension liability is 7.50%. The projection of cash flows used to determine the discount rate assumes that contributions from employees and the City will be made at the contractually required rates, which are set by the contribution rate funding policy and derived from the actuarial valuation. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the actuarial assumed investment return was applied to all periods of projected benefit payments to determine the total pension liability.

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

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**F. Pension obligations (continued)**

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability	\$ 118,249,508	\$ 72,702,715	\$ 34,261,434

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately-issued IPERS financial report, which is available on the IPERS website at [www.ipers.org](http://www.ipers.org).

*Payables to the pension plan.* At June 30, 2017, the City reported a payable to the defined benefit pension plan of \$1,285,259 for legally required employer contributions and employee contributions that were withheld from employee wages but not yet remitted to IPERS.

***Municipal Fire and Police Retirement System of Iowa (MFPRSI)***

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

*Funding policy.* The contribution rate structure is established by Chapter 411 of the Code of Iowa. The member contribution rate, currently at 9.40%, is set by state statute. The rate for the City is established each year by the board of trustees following the completion of an annual actuarial valuation. The City's rate for the fiscal year ended June 30, 2017, was 25.92%. As of July 1, 2017, the rate is 25.68%. The City's total contributions to MFPRSI for the years ended June 30, 2017, 2016, and 2015 were \$1,946,357, \$1,994,209, and \$2,150,611, respectively, and were equal to 100 percent of the required contributions for each year.

If approved by the state legislature, state appropriation may further reduce the employer's contribution rate, but not below the minimum statutory contribution rate of 17.00% of earnable compensation. The State of Iowa, therefore, is considered to be a non-employer

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**F. Pension obligations (continued)**

contributing entity in accordance with the provisions of GASB Statement No. 67 - Financial Reporting for Pension Plans.

There were no state appropriations to MFPRSI during the fiscal year ended June 30, 2017.

*Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions.* At June 30, 2017, the City reported a liability of \$16,569,071 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all MFPRSI participating employers. At June 30, 2016, the City's proportion was 2.6499%, which is an increase of 0.0468 from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the City recognized pension expense of \$2,231,731. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Difference between expected and actual experience	\$ 427,627	\$ 15,366
Changes in assumptions	699,555	226,951
Net difference between projected and actual earnings on pension plan investments	2,929,794	-
Changes in proportion and differences between City contributions and proportionate share of contributions	40,166	197,984
City contributions subsequent to the measurement date	1,946,357	-
	<u>\$ 6,043,499</u>	<u>\$ 440,301</u>

\$1,946,357 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**F. Pension obligations (continued)**

deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,		
2018	\$	554,296
2019		554,296
2020		1,626,527
2021		948,557
2022		(26,835)
	<u>\$</u>	<u>3,656,841</u>

*Actuarial assumptions.* The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation	3.00% per annum
Rate of salary increases	4.50 to 15.11%, including inflation
Investment rate of return	7.50%, net of investment expense, including inflation
Wage growth (effective June 30, 1990)	4.00% per annum based on 3.00% inflation and 1.00% real wage inflation

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period of July 1, 2002 to June 30, 2012. There were no significant changes of benefit terms.

Mortality rates were based on RP 2000 Blue Collar Combined Healthy table with males set back two years, females set forward one year, and disabled persons set forward one year (male only rates), with no projection of future mortality improvement.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**F. Pension obligations (continued)**

geometric real rates of return for each major asset class included in the pension plan's target asset allocations as of October 1, 2013 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Large cap	6.0%
Small cap	5.8%
International large cap	7.0%
Emerging markets	8.8%
Emerging market debt	6.5%
Private non-core real estate	9.30%
Master limited partnerships	8.50%
Private equity	9.80%
Core plus fixed income	3.80%
Private core real estate	6.80%
Treasury inflation protected securities	2.80%
Tactical asset allocation	6.00%

*Discount rate.* The discount rate used to measure the total pension liability as of June 30, 2016, was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**F. Pension obligations (continued)**

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability	\$ 26,004,317	\$ 16,569,071	\$ 8,711,526

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately-issued MFPRSI financial report, which is available on the MFPRSI website at [www.mfprsi.org](http://www.mfprsi.org).

*Payables to the pension plan.* At June 30, 2017, the City did not have a payable to the defined benefit pension plan.

***Ames Municipal Utility Retirement Plan***

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

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

*Funding policy.* Participants contribute 5.40%, and the City contributes 7.93% of eligible compensation. Participants may also make voluntary, unmatched contributions up to 10% of the participant's annual compensation. Participant contributions were \$374,895, and City contributions were \$550,543 for the fiscal year ended June 30, 2017.

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

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

*City of Ames General Employees' Other Post-employment Benefits Plan*

*Plan description.* The City and hospital provide health and dental care benefits for retired employees and their beneficiaries through a single-employer, defined benefit plan. The hospital also provides a life insurance benefit. The City has the authority to establish and amend benefit provisions of the plan.

*Funding policy.* Participants must be at least 55 years old, have been employed by the City for the preceding four years, and be enrolled in a sponsored insurance plan at the time of retirement. Benefits terminate upon attaining Medicare eligibility.

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

*Annual OPEB cost and net OPEB obligation.* The net OPEB obligation as of June 30, 2017, is determined as follows:

	City	MGMC	Total
Annual required contribution (ARC)	\$ 170,000	\$ 458,581	\$ 628,581
Interest on net OPEB obligation	63,000	196,973	259,973
Adjustment to ARC	(56,000)	(140,204)	(196,204)
Annual OPEB cost	177,000	515,350	692,350
Contributions and payments made	(94,599)	(79,735)	(174,334)
Increase in net OPEB obligation	82,401	435,615	518,016
Net OPEB obligation, beginning	1,577,278	3,939,451	5,516,729
Net OPEB obligation, ending	<u>\$1,659,679</u>	<u>\$4,375,066</u>	<u>\$6,034,745</u>

The City's annual OPEB cost, percentage of OPEB cost contributed, and net post-employment benefit obligation for the plan for the current fiscal year and two most recent fiscal years is as follows:



**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**G. OPEB (continued)**

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2017	\$ 692,350	25.18%	\$6,034,745
June 30, 2016	698,318	11.46%	5,516,729
June 30, 2015	704,742	-11.15%	4,898,412

*Funded status and funding progress.* As of July 1, 2016 (July 1, 2015 for the hospital), the most recent actuarial valuation date, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$ 6,123,374
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 6,123,374</u>
Funded ratio (actuarial value of plan assets / AAL)	0.00%
Covered payroll (annual payroll of active employees covered by the plan)	\$ 92,032,648
UAAL as a percentage of covered payroll	6.65%

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These actuarially-determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented immediately following the financial statements as required supplementary information, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

*Actuarial methods and assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the type of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial calculations of the OPEB plan reflect a long-term perspective. Consistent with this perspective, actuarial valuations use actuarial methods and assumptions that include techniques that are designed to reduce the effects of short-term volatility in the actuarial accrued liabilities and the actuarial value of the assets.

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**G. OPEB (continued)**

The ARC for the City was determined as part of the July 1, 2016 actuarial valuation using the following methods and assumptions:

Actuarial cost method	Projected unit credit
Amortization method	Level percentage of projected payroll
Amortization period	30 years
Inflation rate	3.5%
Asset valuation method	n/a - OPEB obligation not funded
Investment return	4.0%
Projected salary increases	3.5%
Cost of living adjustments	3.0%
Healthcare cost trend rate	8.0% initial rate, reduced annually by 0.5% to ultimate rate of 4.5%

The ARC for the hospital was determined as part of the July 1, 2015 actuarial valuation using the following methods and assumptions:

Actuarial cost method	Projected unit credit
Amortization method	Level percentage of projected payroll, open
Amortization period	30 years
Inflation rate	3.0%
Asset valuation method	n/a - OPEB obligation not funded
Investment return	5.0%
Projected salary increases	4.0%
Post-retirement benefit increases	4.0%
Healthcare cost trend rate	9.0% initial rate, reduced annually by 0.5% to ultimate rate of 5.0%

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**H. Construction and other significant commitments**

*Construction commitments.* As of June 30, 2017, the City's commitments with contractors were as follows:

Project	Spent to Date	Remaining Commitment
Streets & bridges	\$ 1,880,749	\$ 5,287,629
Shared-use path	107,362	96,626
City hall	638,307	502,026
Airport	1,533,255	435,160
Water	50,584,159	4,044,415
Sewer	1,208,671	2,320,587
Electric	1,964,814	245,437
Storm sewer	287,364	47,967
Transit	239,634	74,686
Maintenance facility	19,076	16,774
	<u>\$58,463,391</u>	<u>\$13,071,307</u>

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

*Encumbrances.* As discussed in note I(F)(1), budgetary information - budgetary basis of accounting, encumbrance accounting is utilized to the extent necessary to ensure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year was as follows:

General fund	\$ 1,064,069
Capital projects fund	5,083,408
Non-major governmental funds	2,179,369
Electric	2,432,837
Water	5,469,573
Sewer	3,199,762
Non-major business-type funds	2,367,630
	<u>\$21,796,648</u>

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**I. Risk management**

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

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

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

ICAP's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. As of June 30, 2017, settled claims have not exceeded the risk pool or reinsurance coverage since the pool's inception.

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

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**I. Risk management (continued)**

Changes in the balance of claims liabilities during the years ended June 30, 2017 and 2016 were as follows:

	2017	2016
Liability, July 1	\$ 684,228	\$ 818,868
Claims incurred & claims adjustments	799,305	378,646
Claim payments	(786,998)	(513,286)
Liability, June 30	\$ 696,535	\$ 684,228

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

	2017	2016
Liability, July 1	\$ 500,000	\$ 460,000
Claims incurred & claims adjustments	7,318,301	7,067,386
Claim payments	(7,468,301)	(7,027,386)
Liability, June 30	\$ 350,000	\$ 500,000

The hospital carries professional liability insurance on a claims-made policy. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured. The hospital has accrued \$176,674 as an estimate for professional liability claims that were incurred but not reported as of June 30, 2017.

The hospital is self-insured for health care coverage of employees and covered dependents and carries stop-loss insurance coverage, which assumes liability for claims in excess of \$175,000 per individual claim and 120% aggregate of expected paid claims. Accrued costs related to health care coverage amounted to \$1,038,699 at June 30, 2017.

The hospital is self-insured for workers' compensation coverage of employees, and carries stop-loss insurance coverage, which assumes liability for claims in excess of \$475,000 per occurrence. Accrued costs related to workers' compensation coverage were \$792,528 at June 30, 2017.

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**I. Risk management (continued)**

Changes in the balance of the hospital's accrued claims for professional liabilities, health care, and workers' compensation coverage for the years ended June 30, 2017 and 2016 were as follows:

	Professional Liability		Health Insurance	
	2017	2016	2017	2016
Liability, July 1	\$ 184,565	\$ 184,287	\$ 1,063,009	\$ 903,026
Claims incurred & claims adjustments	(7,790)	347	10,572,657	9,745,393
Claim payments	(101)	(69)	(10,596,967)	(9,585,410)
Liability, June 30	\$ 176,674	\$ 184,565	\$ 1,038,699	\$ 1,063,009
	Workers' Compensation			
	2017	2016		
Liability, July 1	\$ 536,132	\$ 647,493		
Claims incurred & claims adjustments	985,810	551,688		
Claim payments	(729,414)	(663,049)		
Liability, June 30	\$ 792,528	\$ 536,132		

**J. Lease obligations**

*Operating leases.* The City leases a parking lot in Campustown for public parking on a year-to-year basis. Rent expense for this lease during the fiscal year ended June 30, 2017, was \$15,142. The hospital leases various equipment for use in the medical center. Rent expense for these leases was \$601,000 for the fiscal year ended June 30, 2017.

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

Year Ending June 30,	Total Rent
2018	\$ 227,477
2019	-
2020	-
2021	-
2022	-
	\$ 227,477

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**K. Long-term liabilities**

General obligation bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and equipment. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds are generally issued with maturities ranging from 10 to 20 years. Debt service on general obligation bonds is paid from the debt service fund. General obligation bonds outstanding at June 30, 2017 are as follows:

Governmental Activities					
General Obligation Bonds	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding June 30, 2017
Corporate purpose	2009	\$ 11,165,000	2.00-3.500 %	2021	\$ 4,285,000
Corporate purpose	2010	6,690,000	2.00-2.500	2022	3,090,000
Refunding	2011	5,980,000	2.00-3.350	2021	960,000
Corporate purpose	2011	6,675,000	1.00-2.400	2023	3,510,000
Corporate purpose	2012	11,325,000	1.50-3.000	2032	7,815,000
Corporate purpose/refunding	2013	21,220,000	2.00-3.125	2032	15,020,000
Corporate purpose	2014	9,395,000	2.00-2.500	2026	7,105,000
Corporate purpose/refunding	2015	16,585,000	3.00-5.000	2035	12,349,469
Corporate purpose	2016	9,020,605	2.00-5.000	2028	8,099,778
		<u>\$ 98,055,605</u>			<u>\$ 62,234,247</u>

Business-Type Activities					
General Obligation Bonds	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding June 30, 2017
Corporate purpose	2012	\$ 1,335,000	1.50-3.00 %	2024	\$ 830,000
Corporate purpose	2013	1,320,000	2.00-3.00	2025	915,000
Corporate purpose	2014	300,000	2.00-2.50	2024	220,000
Corporate purpose/refunding	2015	2,061,714	3.00-5.00	2027	1,750,531
Corporate purpose/refunding	2016	2,629,395	2.00-5.00	2028	2,280,222
		<u>\$ 7,646,109</u>			<u>\$ 5,995,753</u>

On August 23, 2016, the City issued \$8,600,000 of general obligation, corporate purpose bonds to be used for improvements to streets, water mains, sanitary and storm sewers, bridges, and related improvements; and flood mitigation and remediation. Maturity dates

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**K. Long-term liabilities (continued)**

on the bonds range from June 1, 2017 to June 1, 2028. Debt service payments are scheduled to be paid semi-annually in amounts that range from \$861,900 to \$1,723,150. Bonds due after June 1, 2024 may be subject to call prior to maturity at the option of the City.

On August 23, 2016, the City also issued \$3,050,000 of general obligation, refunding bonds. The proceeds from the current refunding were used to refund \$3,290,000 of the 2008A bonds, which had interest rates ranging from 3.75% to 4.15%. The net carrying value of the old debt exceeded the reacquisition price by \$38,517. This amount has been recorded as deferred charges on refunding debt. The refunding was undertaken to reduce total future debt service payments by \$215,353 over four years and to obtain an economic gain of \$206,338.

Revenue bonds

The City also issues revenue bonds, where the City pledges income derived from certain assets or programs to pay the debt service. Revenue bonds outstanding as of June 30, 2017 are as follows:

Revenue Bonds	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding June 30, 2017
Hospital improvement and refunding	2012	\$ 26,000,000	2.070 %	2027	\$ 15,165,000
Electric	2015	9,500,000	2.125-5.000	2027	8,075,000
Hospital refunding	2016	64,790,000	3.000-5.000	2036	64,130,000
		<u>\$ 100,290,000</u>			<u>\$ 87,370,000</u>

The hospital has pledged future net revenue to repay the 2012 and 2016 revenue bonds with original borrowings of \$26,000,000 and \$64,790,000, respectively. Net revenue is defined in the supplemental master trust indenture of trust dated November 1, 2012, and in the supplemental trust indenture dated June 1, 2016, as operating revenue, less operating expenses plus depreciation. The purpose of the 2012 and 2016 bonds is to refund the 2003 and 2011 bonds, respectively, and to finance the expansion and renovation of the medical facility. The bonds are payable solely from net revenues and are payable through 2027 and 2036, respectively. The total principal and interest remaining to be paid on the bonds as of June 30, 2017, is \$114,096,051. Principal and interest paid during the fiscal year ended June 30, 2017, was \$6,242,934 and net revenue for the same period, as defined above, was \$27,915,342.



**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**K. Long-term liabilities (continued)**

Under the indenture of trust, the hospital is responsible for all payments of principal, interest, and related expenses of the bonds, and certain funds are required to be maintained by the trustee for interest and principal payments. The hospital is required to comply with various covenants (primarily the debt service coverage ratio, days cash on hand, and the capitalization ratio) and meet certain operating and financial tests. Monthly deposits of one-sixth of the next semi-annual interest payment and one-twelfth of the next annual principal maturity must be made into debt service reserve funds.

The City has pledged future net revenue to repay the 2015 electric revenue bonds. Net revenue is defined as operating revenue less operating expenses, excluding depreciation. The total principal and interest remaining to be paid on the bonds as of June 30, 2017, is \$9,664,631. Principal and interest paid during the fiscal year ended June 30, 2017, was \$968,556 and net revenue for the same period, as defined above, was \$10,642,593.

**Landfill post-closure costs**

The City stopped accepting solid waste at its landfill effective June 30, 1992, and has since been closed. 100% of the capacity of the landfill has been used.

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

The liability for post-closure care costs is based on the landfill capacity used to date with no remaining life. The estimated liability for post-closure care costs is \$138,164 at June 30, 2017, with a current portion of \$17,493.

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

**Revenue capital loan notes**

The City has a revenue capital loan note agreement with the Iowa Finance Authority (IFA) in an amount not to exceed \$76,325,000. Proceeds from the loan will be used for the purpose of paying the cost of planning, designing, and constructing improvements

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**K. Long-term liabilities (continued)**

and extensions to the water utility. The loan bears interest at 1.75% per annum plus a servicing fee of 0.25% per annum. A loan initiation fee of \$100,000 was withheld from the proceeds and added to the amount owed by the City. Repayment of the loan will come from the water fund. The City borrowed \$29,644,785 during the fiscal year. The amount of principal outstanding is \$63,226,155, and the City has \$13,098,845 of capital loan notes still available as of June 30, 2017.

The capital loan note agreement requires the water utility to produce revenues to meet the operation and maintenance expenses of the facility and to maintain net revenues at a level not less than 110% of the amount of principal and interest on the revenue bond and any other obligations secured by a pledge of the net revenues falling due in the same year. In the fiscal year ended June 30, 2017, the water fund had net revenues of \$4,361,225 and the amount of principal and interest due was \$857,786.

The City has a second revenue capital loan note agreement with the IFA in an amount not to exceed \$3,121,000. The funds were used to pay for a new ultraviolet light disinfection system for the Water Pollution Control Plant, which is required under the terms of the discharge permit for the facility. The loan bears interest at 1.75% per annum plus a servicing fee of 0.25% per annum. A loan initiation fee of \$15,605 (0.50%) was withheld from the proceeds and added to the amount owed by the City. Repayment of the loan will come from the sewer fund. The City received its final disbursement for the loan during fiscal year 2015, with total proceeds, including the loan initiation fee, totaling \$2,469,250. The balance of the loan was \$1,940,249 as of June 30, 2017.

The City has a third capital loan note agreement with the IFA in an amount not to exceed \$375,000. The funds are to be used for planning, designing, and construction improvements and extensions to the sanitary sewer system. The notes bears interest at 0% and is payable as to principal three years from the project note date. Repayment of the loan will come from the sewer fund. The balance of the loan was \$318,750 as of June 30, 2017.

The City has a fourth revenue capital loan note agreement with the IFA in an amount not to exceed \$797,000. The funds are to be used for improvements to two wastewater lift stations that are nearing the end of their useful lives. The loan bears interest at 1.75% per annum plus a servicing fee of 0.25% per annum. A loan initiation fee of \$3,985 (0.50%) was withheld from the proceeds and added to the amount owed by the City. Repayment of the loan will come from the sewer fund. The City borrowed \$641,332 during the fiscal year, and the amount of principal outstanding as of June 30, 2017 is \$608,332. The City has \$155,668 in capital loan notes still available as of June 30, 2017.

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**K. Long-term liabilities (continued)**

The capital loan note agreements above require the sewer utility to produce revenues to meet the operation and maintenance expenses of the facility and to maintain net revenues at a level not less than 110% of the amount of principal and interest on the revenue bond and any other obligations secured by a pledge of the net revenues falling due in the same year. In the fiscal year ended June 30, 2017, the sewer fund had net revenues of \$3,709,075, and the amount of principal and interest due was \$211,951.

*Legal debt margin.* State statutes limit the amount of general obligation debt an Iowa city may issue to 5% of the actual assessed valuation at January 1, 2015, related to the 2016-2017 fiscal year. At June 30, 2017, the outstanding debt of \$68,230,000 is below the limit of \$202,620,917, leaving a debt margin of over \$134 million.

*Changes in long-term liabilities.* Changes in the City's long-term liabilities for the fiscal year ended June 30, 2017, are as follows:

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017	Due Within One Year
<i>Governmental activities:</i>					
Bonds payable:					
General obligation bonds	\$ 63,695,404	\$ 9,020,605	\$ (10,481,762)	\$ 62,234,247	\$ 8,152,150
Premiums	2,565,180	664,904	(476,611)	2,753,473	432,285
Total bonds payable	66,260,584	9,685,509	(10,958,373)	64,987,720	8,584,435
Compensated absences	2,114,334	3,059,928	(2,956,008)	2,218,254	108,733
Other post-employment benefits	885,511	46,261	-	931,772	-
Governmental activities long-term debt	<u>\$ 69,260,429</u>	<u>\$ 12,791,698</u>	<u>\$ (13,914,381)</u>	<u>\$ 68,137,746</u>	<u>\$ 8,693,168</u>

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

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017	Due Within One Year
<i>Business-type activities:</i>					
Bonds payable:					
Revenue bonds	\$ 91,065,000	\$ -	\$ (3,695,000)	\$ 87,370,000	\$ 3,805,000
Premiums	9,536,136	-	(746,022)	8,790,114	740,219
Total revenue bonds	100,601,136	-	(4,441,022)	96,160,114	4,545,219
General obligation bonds	5,129,596	2,629,395	(1,763,238)	5,995,753	782,850
Premiums	269,704	351,061	(81,987)	538,778	69,524
Total general obligation bonds	5,399,300	2,980,456	(1,845,225)	6,534,531	852,374
Total bonds payable	106,000,436	2,980,456	(6,286,247)	102,694,645	5,397,593
Compensated absences	10,842,276	8,622,776	(11,359,279)	8,105,773	537,286
Loans payable	318,750	-	-	318,750	-
Capital loan notes payable	35,657,620	30,286,116	(169,000)	65,774,736	3,313,000
Other post-employment benefits	4,631,218	471,755	-	5,102,973	-
Landfill post-closure costs	154,043	-	(15,879)	138,164	17,493
Business-type activities long-term debt	<u>\$ 157,604,343</u>	<u>\$ 42,361,103</u>	<u>\$ (17,830,405)</u>	<u>\$ 182,135,041</u>	<u>\$ 9,265,372</u>

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**K. Long-term liabilities (continued)**

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

*Governmental activities:*

Year Ending June 30,	General Obligation Bonds	
	Principal	Interest
2018	\$ 8,152,150	\$ 1,903,663
2019	7,897,109	1,623,991
2020	7,203,882	1,353,851
2021	6,851,484	1,117,598
2022	5,669,044	929,883
2023-2027	19,792,100	2,439,945
2028-2032	6,488,478	557,487
2033-2037	180,000	11,625
Total	<u>\$ 62,234,247</u>	<u>\$ 9,938,043</u>

*Business-type activities:*

Year Ending June 30,	General Obligation Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2018	\$ 782,850	\$ 204,266	\$ 3,805,000	\$ 3,402,353
2019	817,891	176,175	3,920,000	3,284,328
2020	786,118	148,898	4,050,000	3,162,017
2021	553,516	120,501	4,180,000	3,034,525
2022	565,956	107,461	4,310,000	2,901,998
2023-2027	2,332,900	292,894	24,270,000	11,779,693
2028-2032	156,522	26,632	21,870,000	6,834,556
2033-2037	-	-	20,965,000	1,991,212
Total	<u>\$ 5,995,753</u>	<u>\$ 1,076,827</u>	<u>\$ 87,370,000</u>	<u>\$ 36,390,682</u>

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**K. Long-term liabilities (continued)**

Year Ending June 30,	Loans		Capital Loan Notes	
	Principal	Interest	Principal	Interest
2018	\$ -	\$ -	\$ 3,313,000	\$ 1,315,495
2019	-	-	3,380,000	1,249,235
2020	318,750	-	3,448,000	1,181,634
2021	-	-	3,518,000	1,112,674
2022	-	-	3,586,000	1,042,315
2023-2027	-	-	19,040,000	4,106,394
2028-2032	-	-	20,556,250	2,132,444
2033-2037	-	-	8,933,486	279,436
Total	\$ 318,750	\$ -	\$ 65,774,736	\$ 12,419,627

Year Ending June 30,	Total Business - Type Activities		Total Primary Government Debt	
	Principal	Interest	Principal	Interest
2018	\$ 7,900,850	\$ 4,922,114	\$ 16,053,000	\$ 6,825,777
2019	8,117,891	4,709,738	16,015,000	6,333,729
2020	8,602,868	4,492,549	15,806,750	5,846,400
2021	8,251,516	4,267,700	15,103,000	5,385,298
2022	8,461,956	4,051,774	14,131,000	4,981,657
2023-2027	45,642,900	16,178,981	65,435,000	18,618,926
2028-2032	42,582,772	8,993,632	49,071,250	9,551,119
2033-2037	29,898,486	2,270,648	30,078,486	2,282,273
Total	\$ 159,459,239	\$ 49,887,136	\$ 221,693,486	\$ 59,825,179

**L. Fund balance**

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

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

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**L. Fund balance (continued)**

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

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

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**L. Fund balance (continued)**

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

	General	Capital Projects	Debt Service	Special Revenues	Permanent Funds	Total
Nonspendable:						
Inventory	\$ 34,864	\$ -	\$ -	\$ 70,142	\$ -	\$ 105,006
Prepaid items	137,372	-	-	26,990	-	164,362
Perpetual care principal	-	-	-	-	962,853	962,853
Aquatic center endowment	-	-	-	-	1,000,000	1,000,000
Total nonspendable fund balance	<u>172,236</u>	<u>-</u>	<u>-</u>	<u>97,132</u>	<u>1,962,853</u>	<u>2,232,221</u>
Restricted:						
Debt service	-	-	1,173,608	-	-	1,173,608
Airport construction	-	91,463	-	-	-	91,463
Aquatic center	-	-	-	-	122,129	122,129
Street construction	-	-	-	6,999,522	-	6,999,522
Environment and economic betterment	-	-	-	6,501,333	-	6,501,333
General obligation bond projects	-	12,627,444	-	-	-	12,627,444
Housing assistance	-	-	-	949,032	-	949,032
Public safety	-	-	-	273,768	-	273,768
Public safety pension	-	-	-	384,592	-	384,592
Library	-	-	-	336,533	-	336,533
Parks and recreation	-	1,830,465	-	-	-	1,830,465
Project Share	-	-	-	3,409	-	3,409
Public art	-	-	-	173	-	173
Developers' projects	-	-	-	214,066	-	214,066
Total restricted fund balance	<u>-</u>	<u>14,549,372</u>	<u>1,173,608</u>	<u>15,662,428</u>	<u>122,129</u>	<u>31,507,537</u>
Committed:						
Bike trails	-	-	-	9,424	-	9,424
Parks and recreation	-	705,492	-	108,676	-	814,168
Housing assistance	-	-	-	605,673	-	605,673
Green energy projects	-	-	-	7,359	-	7,359
Environment and economic betterment	-	-	-	541,961	-	541,961
Total committed fund balance	<u>-</u>	<u>705,492</u>	<u>-</u>	<u>1,273,093</u>	<u>-</u>	<u>1,978,585</u>
Assigned:						
Administration	164,246	-	-	-	-	164,246
City Hall parking lot	529,435	-	-	-	-	529,435
City Hall HVAC system	10,261	-	-	-	-	10,261
City Hall maintenance	6,819	-	-	-	-	6,819
Fire prevention	1,530	-	-	-	-	1,530
Inspections	6,812	-	-	-	-	6,812
Other public safety	10,670	-	-	-	-	10,670
Parks and recreation	42,881	-	-	-	-	42,881
Corridor planning	26,060	-	-	-	-	26,060
Airport	4,482	-	-	-	-	4,482
Cemetery maintenance	5,837	-	-	-	-	5,837
Total assigned fund balance	<u>809,033</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>809,033</u>
Unassigned	11,270,733	(1,953,258)	-	(788,502)	-	8,528,973
Total fund balance	<u>\$12,252,002</u>	<u>\$13,301,606</u>	<u>\$ 1,173,608</u>	<u>\$16,244,151</u>	<u>\$ 2,084,982</u>	<u>\$45,056,349</u>

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**M. Inter-fund receivables and payables**

The composition of inter-fund balances as of June 30, 2017, is as follows:

Receivable Fund	Payable Fund					
	General Fund	Capital Projects	Debt Service	Electric	Sewer	Water
Major Funds:						
General Fund	\$ -	\$ 729	\$ -	\$ 140,570	\$ 48,676	\$ 54,420
Capital Projects	57,208	369,911	-	-	902,318	453,287
Electric	148,602	18,000	-	-	44,356	100,758
Sewer	152	-	-	18,857	-	27,665
Water	150,000	-	6,735	21,982	36,567	-
Non-Major Funds:						
Permanent	22,005	-	-	-	-	-
Special Revenue	26,537	275,600	-	5,010	112,569	101,761
Enterprise	7,127	5,998	-	58,831	-	-
Internal Service	198,294	1,320	-	119,681	80,480	86,298
Total	<u>\$ 609,925</u>	<u>\$ 671,558</u>	<u>\$ 6,735</u>	<u>\$ 364,931</u>	<u>\$ 1,224,966</u>	<u>\$ 824,189</u>

Receivable Fund	Payable Fund			
	Non-Major Special Revenue Funds	Non-Major Enterprise Funds	Internal Service Funds	Total
Major Funds:				
General Fund	\$ 1,283,048	\$ 55,610	\$ 30,593	\$ 1,613,646
Capital Projects	-	-	-	1,782,724
Electric	-	-	372,700	684,416
Sewer	-	-	1,101	47,775
Water	-	375	-	215,659
Non-Major Funds:				
Permanent	-	-	-	22,005
Special Revenue	3,550	79,868	11,912	616,807
Enterprise	-	-	-	71,956
Internal Service	184,918	39,788	2,142	712,921
Total	<u>\$ 1,471,516</u>	<u>\$ 175,641</u>	<u>\$ 418,448</u>	<u>\$ 5,767,909</u>

The outstanding balances between funds result mainly from the time lag between the dates that inter-fund goods and services are provided or reimbursable expenditures occur.



**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**N. Inter-fund transfers**

The composition of inter-fund transfers for the year ended June 30, 2017, is as follows:

Transfers In	Transfers Out						Internal Service	Total
	General Fund	Capital Projects	Electric	Sewer	Water	Non-Major Special Revenue Funds		
<b>Major Funds:</b>								
General Fund	\$ -	\$ -	\$ 2,131,381	\$ -	\$ -	\$ 6,838,509	\$ -	\$ 8,969,890
Capital Projects	57,208	-	-	-	-	100,000	-	157,208
Debt Service	-	975,403	-	-	-	423,276	-	1,398,679
Electric	-	-	-	-	-	-	361,000	361,000
Water	150,000	-	-	-	-	-	-	150,000
<b>Non-Major Funds:</b>								
Special Revenue	-	-	-	-	-	139,460	-	139,460
Enterprise	2,180,203	-	-	-	-	20,000	-	2,200,203
Internal Service	-	-	-	56,913	56,913	56,914	-	170,740
<b>Total</b>	<b>\$ 2,387,411</b>	<b>\$ 975,403</b>	<b>\$ 2,131,381</b>	<b>\$ 56,913</b>	<b>\$ 56,913</b>	<b>\$ 7,578,159</b>	<b>\$ 361,000</b>	<b>\$ 13,547,180</b>

Inter-fund transfers are authorized in the City budget and usually involve transfers from the fund receiving the revenue to the fund through which the authorized expenditure is to be made. For example, the road use tax funds are received into the special revenue fund and are transferred to the capital projects fund where the funds will be spent.

**O. Donor-restricted endowment**

Earnings from the investment of the Furman Aquatic Center endowment of \$122,129 at June 30, 2017, are shown as restricted net position. These funds can be used at the aquatic center to minimize the City's ongoing operational costs, to fund future repairs and enhancements, and to replace equipment. Chapter 540A of the Code of Iowa permits the City to appropriate an amount of net appreciation as the City determines, in good faith, while considering the duration and preservation of the endowment fund, the purposes of the City and the fund, general economic conditions, the possible effect of inflation or deflation, the expected total return from income and the appreciation of investments, other resources of the City, and the investment policy of the City.

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**P. Net position restatement**

The City made the following restatement to net position as of July 1, 2016:

	Other Enterprise Funds	Business-Type Activities
Net position June 30, 2016, as previously reported	\$ 45,985,452	\$ 578,214,753
Transit grant revenue	1,974,304	1,974,304
Net position July 1, 2016, as restated	\$ 47,959,756	\$ 580,189,057

The net position restatement is to properly recognize transit operating grant funds in the fiscal year in which the corresponding expenses were incurred.

**Q. Urban renewal development agreements**

The City has entered into various development agreements for urban renewal projects. The agreements require the City to rebate portions of the incremental property tax paid by the developer in exchange for infrastructure, improvements, rehabilitation, and development of commercial projects by the developer. The total to be paid by the City under the agreements is not to exceed \$2,064,530. Certain agreements include provisions for the payment of interest.

During the fiscal year ended June 30, 2017, the City rebated \$195,468 of incremental property tax to developers, which was all for principal. The total cumulative principal amount rebated on the agreements is \$195,468. The outstanding balance on the agreements at June 30, 2017 was \$1,869,062.

The agreements are not general obligations of the City and, due to their nature, are not recorded as a liability in the City's financial statements. However, the agreements are subject to the constitutional debt limitation of the City.

Certain agreements include an annual appropriation clause and, accordingly, only the amount payable in the succeeding year on the agreements is subject to the constitutional debt limitation. The entire outstanding principal balance of agreements, not including an annual appropriation clause, is subject to the constitutional debt limitation.

**R. Tax abatements**

GASB Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**R. Tax abatements (continued)**

otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City provides tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Chapters 15A and 403 of the Code of Iowa. For these types of projects, the City enters into agreements with developers which require the City, after developers meet the terms of the agreements, to rebate a portion of the property tax paid by the developers, pay the developers an economic development grant, or pay the developers a pre-determined dollar amount. No other commitments were made by the City as part of these agreements.

For the fiscal year ended June 30, 2017, the City abated \$195,468 of property tax under urban renewal and economic development projects. The City's property tax revenue was not reduced by any amount under agreements entered into by any other entities for the year ended June 30, 2017.

**S. Contingencies**

The City's Legal Department reported to management that, as of June 30, 2017, claims and lawsuits were on file against the City. The Legal Department estimates that the portion of these potential claims and lawsuits not covered by insurance would not materially affect the financial position of the City. The City has authority to levy additional taxes outside the regular limit to cover cases resulting in an uninsured judgment.

The City participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act, as amended. Accordingly, the City's compliance with applicable grant requirements will be established at a future date. The amount of expenditures that may be disallowed by the granting agencies cannot be determined at this time, although the City anticipates such amounts, if any, will be immaterial.

**Hospital contingencies**

*Net patient service revenue.* As a provider of health care services, the hospital has agreements with third-party payers that provide for payment of services at amounts different from established rates. The basis for payment varies by payer and includes prospectively-determined rates per discharge, discounts from established charges, and retroactively-determined, cost-based rates. Approximately 97% of gross patient charges

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**S. Contingencies (continued)**

determined at established rates resulted from patients covered by these third-party reimbursement programs for the fiscal year ended June 30, 2017. Changes have been and may be made in certain programs, which could have a material adverse impact on the financial condition of the hospital in future years.

*Laws and regulations.* The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown and unasserted at this time. These laws and regulations include, but are not limited to, accreditation, licensure, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in exclusion from government health care program participation, together with the imposition of significant fines and penalties, as well as significant repayment for past reimbursement for patient services received. While the hospital is subject to similar regulatory reviews, management believes that the outcome of any such regulatory review will not have a material adverse effect on the hospital's financial position.

*Current economic conditions.* The current economic environment presents hospitals with unprecedented circumstances and challenges, which in some cases have resulted in large declines in the fair value of investments and other assets, large declines in contributions, constraints on liquidity, and difficulty obtaining financing. The hospital's financial statements have been prepared using values and information currently available to the hospital.

The current economic environment has also made it difficult for certain patients to pay for services rendered. As employers make adjustments to health insurance plans and more patients become unemployed, services provided to uninsured and underinsured patients may significantly impact net patient service revenue, which could have an adverse impact on the hospital's future operating results. Further, the effect of economic conditions on the State of Iowa may have an adverse effect on cash flows related to the Medicaid program.

Given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values and the allowances for accounts and contributions receivable. This could negatively impact the hospital's ability to meet debt covenants or maintain sufficient liquidity.

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**T. Joint venture**

The hospital has a joint venture with McFarland Clinic, P.C. to form Health Ventures of Central Iowa, LLC (Health Ventures), of which it owns 50%. A joint venture also exists with Garner Dialysis, LLC, which is owned 40% by the hospital, and Health Enterprises Cooperative, of which the hospital owns 14.1%. The hospital uses the equity method of accounting for joint ventures in which it has the ability to exercise significant influence over operating and financial policies of the investee. Financial statements of the joint ventures are available at Mary Greeley Medical Center, 1111 Duff Avenue, Ames, IA 50010.

**U. Related party transactions**

The hospital's board of trustees approved the guarantee of certain debt on behalf of the Health Ventures joint venture mentioned above. During the fiscal year ended June 30, 2017, the debt was paid in full by Health Ventures, and there was no performance on the guarantee by the hospital.

**V. Subsequent Events**

On September 12, 2017, the City issued \$10,975,000 of general obligation, corporate purpose and refunding bonds for the purpose of paying the cost of constructing street, sanitary and storm sewer, bridge, and related improvements and to current refund the outstanding portion of the 2009B bonds. The interest rates on the bonds range from 2.00-5.00% with final maturity on June 1, 2029.

In the months since the fiscal year ended, the City received an additional \$1,722,798 in loan proceeds from IFA for the new water treatment plant per the water revenue loan and disbursement agreement anticipation note. This brings the total amount outstanding to \$64,948,953 as of the date of this report.

# FILTERS



REQUIRED SUPPLEMENTARY  
INFORMATION

**City of Ames**  
**Schedule of the City's Proportionate Share of the Net Pension Liability**  
**Iowa Public Employees' Retirement System**  
**Last Three Fiscal Years\***

	2017	2016	2015
City's proportion of the net pension liability	1.1552370%	1.1616104%	1.2008652%
City's proportionate share of the net pension liability	\$ 72,702,712	\$ 57,389,174	\$ 47,625,187
City's covered payroll*	\$ 84,237,577	\$ 81,269,880	\$ 80,486,286
City's proportionate share of the net pension liability as a percentage of its covered payroll	86.31%	70.62%	59.17%
Plan fiduciary net position as a percentage of the total pension liability	81.82%	85.19%	87.61%

\*Prior year amounts of covered payroll were changed to comply with GASB Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73.*

In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding year.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full ten-year trend is compiled, the City will present information for those years for which information is available.

The notes to the required supplementary information are an integral part of this schedule.

**City of Ames  
Schedule of City Contributions  
Iowa Public Employees' Retirement System  
Last Ten Fiscal Years**

Fiscal Year Ended	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2017	\$ 7,654,501	\$ 7,654,501	-	\$ 85,610,198	8.94%
2016	7,543,219	7,543,219	-	84,237,577	8.95%
2015	7,272,880	7,272,880	-	81,269,880	8.95%
2014	7,202,625	7,202,625	-	80,486,286	8.95%
2013	6,861,788	6,861,788	-	78,907,943	8.70%
2012	6,180,045	6,180,045	-	76,283,278	8.10%
2011	5,241,681	5,241,681	-	74,876,651	7.00%
2010	4,964,111	4,964,111	-	74,177,643	6.69%
2009	4,808,898	4,808,898	-	75,297,546	6.39%
2008	3,680,401	3,680,401	-	not available	n/a

Note: Prior year amounts of covered payroll were changed to comply with GASB Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73*. Covered payroll is not available for the fiscal year ended June 30, 2008.

The notes to the required supplementary information are an integral part of this schedule.



**City of Ames**  
**Schedule of the City's Proportionate Share of the Net Pension Liability**  
**Municipal Fire and Police Retirement System of Iowa**  
**Last Three Fiscal Years\***

	2017	2016	2015
City's proportion of the net pension liability	2.649945%	2.696727%	2.684406%
City's proportionate share of the net pension liability	\$ 16,569,071	\$ 12,669,610	\$ 9,730,925
City's covered payroll*	\$ 7,180,220	\$ 7,004,314	\$ 6,855,169
City's proportionate share of the net pension liability as a percentage of its covered payroll	230.76%	180.88%	141.95%
Plan fiduciary net position as a percentage of the total pension liability	78.20%	83.04%	86.27%

\*Prior year amounts of covered payroll were changed to comply with GASB Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73.*

In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding year.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full ten-year trend is compiled, the City will present information for those years for which information is available.

The notes to the required supplementary information are an integral part of this schedule.

**City of Ames**  
**Schedule of City Contributions**  
**Municipal Fire and Police Retirement System of Iowa**  
**Last Ten Fiscal Years**

Fiscal Year Ended	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2017	\$ 1,946,357	\$ 1,946,357	-	\$ 7,506,515	25.93%
2016	1,994,209	1,994,209	-	7,180,220	27.77%
2015	2,150,611	2,150,611	-	7,004,314	30.70%
2014	2,064,780	2,064,780	-	6,855,169	30.12%
2013	1,758,163	1,758,163	-	6,653,706	26.42%
2012	1,630,807	1,630,807	-	6,586,460	24.76%
2011	1,253,345	1,253,345	-	6,298,219	19.90%
2010	1,024,685	1,024,685	-	6,025,172	17.01%
2009	1,095,325	1,095,325	-	5,841,733	18.75%
2008	1,412,973	1,412,973	-	5,545,418	25.48%

Note: Prior year amounts of covered payroll were changed to comply with GASB Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73.*

The notes to the required supplementary information are an integral part of this schedule.

**City of Ames**  
**Schedule of Funding Progress**  
**General Employees' Other Post-Employment Benefits Plan**

FY	City Actuarial Valuation Date	Hospital Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -			Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
				Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)				
2017	07/01/16	07/01/15	\$ -	\$ 6,123,374	\$ 6,123,374	0.00%	\$92,032,648	6.65%	
2016	07/01/15	07/01/15	-	6,263,374	6,263,374	0.00%	92,552,473	6.77%	
2015	07/01/14	07/01/13	-	6,091,907	6,091,907	0.00%	86,598,974	7.03%	
2014	07/01/12	07/01/13	-	6,808,907	6,808,907	0.00%	85,922,739	7.92%	
2013	07/01/12	07/01/11	-	5,876,864	5,876,864	0.00%	90,590,827	6.49%	
2012	07/01/10	07/01/11	-	5,065,864	5,065,864	0.00%	82,680,630	6.13%	

The notes to the required supplementary information are an integral part of this schedule.

**City of Ames**  
**Budgetary Comparison Schedule**  
**Governmental and Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2017**

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Original Budget	Final Budget	Variance - Actual to Final
<b>Revenues and other financing sources:</b>						
Taxes levied on property	\$ 26,861,649	\$ -	\$ 26,861,649	\$ 26,989,155	\$ 26,989,155	\$ (127,506)
Delinquent property taxes	957	-	957	-	-	957
TIF revenues	241,161	-	241,161	245,892	245,892	(4,731)
Other taxes	10,236,171	-	10,236,171	9,913,236	10,059,368	176,803
Licenses and permits	2,088,417	34,939	2,123,356	1,637,422	1,830,097	293,259
Use of money and property	445,853	28,224,239	28,670,092	9,732,777	10,852,639	17,817,453
Intergovernmental	11,706,707	12,361,190	24,067,897	23,556,609	32,100,669	(8,032,772)
Charges for services	3,740,778	276,726,553	280,467,331	272,389,265	277,398,836	3,068,495
Special assessments	298,227	-	298,227	457,082	457,082	(158,855)
Miscellaneous	1,054,199	6,530,841	7,585,040	1,904,474	8,128,590	(543,550)
Other financing sources	23,627,362	36,144,531	59,771,893	43,614,843	78,391,253	(18,619,360)
Total revenues and other financing sources	80,301,481	360,022,293	440,323,774	390,440,755	446,453,581	(6,129,807)
<b>Expenditures and other financing uses:</b>						
General government	2,689,344	-	2,689,344	2,530,591	2,898,895	209,551
Public safety	17,830,199	-	17,830,199	17,818,239	18,833,554	1,003,355
Public works	5,063,088	-	5,063,088	6,467,085	5,591,821	528,733
Health and social services	1,326,442	-	1,326,442	1,302,478	1,376,171	49,729
Culture and recreation	8,255,323	-	8,255,323	8,186,651	8,658,603	403,280
Community and economic development	3,591,659	-	3,591,659	3,379,096	4,395,467	803,808
Debt service	13,527,273	-	13,527,273	11,366,737	14,539,737	1,012,464
Capital outlay	13,306,418	-	13,306,418	13,791,682	36,463,378	23,156,960
Total governmental expenditures	65,589,746	-	65,589,746	64,842,559	92,757,626	27,167,880
Business-type expenditures	-	289,881,539	289,881,539	293,358,253	337,012,903	47,131,364
Total expenditures and other financing uses	65,589,746	289,881,539	355,471,285	358,200,812	429,770,529	74,299,244
Other financing uses	13,236,730	3,587,065	16,823,795	15,633,343	16,850,480	26,685
Total expenditures, other financing uses, and transfers out	78,826,476	293,468,604	372,295,080	373,834,155	446,621,009	74,325,929
<b>Excess revenues and other financing sources over (under) expenditures, other financing uses, and transfers out</b>						
	1,475,005	66,553,689	68,028,694	16,606,600	(167,428)	68,196,122
Fund balances, beginning (as previously reported)	47,389,687	545,271,095	592,660,782	626,536,840	592,660,782	-
Prior period adjustment	-	1,974,304	1,974,304	-	-	1,974,304
Fund balances, beginning (as restated)	47,389,687	547,245,399	594,635,086	626,536,840	592,660,782	1,974,304
Fund balances, ending	\$ 48,864,692	\$ 613,799,088	\$ 662,663,780	\$ 643,143,440	\$ 592,493,354	\$ 70,170,426

The notes to the required supplementary information are an integral part of this schedule.

**City of Ames**  
**Budgetary Comparison Schedule**  
**Budget to GAAP Reconciliation**  
**For the Fiscal Year Ended June 30, 2017**

	Governmental Funds			Proprietary Funds		
	Budget Basis	Adjustments	Modified Accrual Basis	Budget Basis	Adjustments	Accrual Basis
Revenues and other financing sources	\$ 80,301,481	\$ (3,329,600)	\$ 76,971,881	\$ 360,022,293	\$ (32,680,197)	\$ 327,342,096
Expenditures and other financing uses	78,826,476	(3,276,628)	75,549,848	293,468,604	(12,455,664)	281,012,940
Excess revenues and other financing sources over expenditures and other financing uses	1,475,005	(52,972)	1,422,033	66,553,689	(20,224,533)	46,329,156
Fund balances, beginning (as previously reported)	47,389,687	(3,755,371)	43,634,316	545,271,095	24,577,803	569,848,898
Prior period adjustment	-	-	-	1,974,304	-	1,974,304
Fund balances, beginning (as restated)	47,389,687	(3,755,371)	43,634,316	547,245,399	24,577,803	571,823,202
Fund balances, ending	<u>\$ 48,864,692</u>	<u>\$ (3,808,343)</u>	<u>\$ 45,056,349</u>	<u>\$ 613,799,088</u>	<u>\$ 4,353,270</u>	<u>\$ 618,152,358</u>

The notes to the required supplementary information are an integral part of this schedule.

**City of Ames**  
**Notes to the Required Supplementary Information**  
**June 30, 2017**

**I. Pension Liability**

**IPERS:**

*Changes in benefit terms.* Legislation passed in 2010 modified benefit terms for current regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3% per year measured from the member's first unreduced retirement age to a 6% reduction for each year of retirement before age 65.

In 2008, legislative action transferred four groups - emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers - from regular membership to the protection occupation group for future service only.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits was lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained at 22 or more. Their contribution rates were also changed to be shared 50/50 by the employee and employer, instead of the previous 40/60 split.

*Changes in assumptions.* The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year
- Adjusted male mortality rates for retirees in the regular membership group
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64
- Moved from an open, 30-year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed, 20-year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions
- Modified retirement rates to reflect fewer retirements
- Lowered disability rates at most ages
- Lowered employment termination rates
- Generally increased the probability of terminating members receiving a deferred retirement benefit
- Modified salary increase assumptions based on various service duration

**City of Ames**  
**Notes to the Required Supplementary Information (continued)**  
**June 30, 2017**

The 2007 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary-increase assumptions to service-based assumptions
- Decreased the assumed interest rate credited on employee contributions from 4.25% to 4.00%
- Lowered the inflation assumption from 3.50% to 3.25%
- Lowered the disability rates for sheriffs and deputies and protection occupation members

**MFPRSI:**

*Changes in benefit terms.* There were no significant changes of benefit terms.

*Changes in assumptions:* Effective July 1, 2014, two additional steps to phase in the 1994 Group Annuity Mortality (GAM) Table for post-retirement mortality. The two additional steps result in a weighting of 2/12 of the 1971 GAM and 10/12 of the 1994 GAM.

**II. Budgetary Information**

The budgetary comparison is presented as required supplementary information in accordance with Governmental Accounting Standards Board (GASB) Statement 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major special revenue fund.

In accordance with the Code of Iowa, the City Council annually adopts a budget on the modified accrual basis of accounting and follows the public notice and hearing requirements. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the budget basis and appropriations lapse at the end of the fiscal year.

Formal and legal budgetary control is based upon nine major classes of expenditures, referred to as functions, not by fund or fund type. The nine functions are general government, public safety, public works, health and social services, culture and recreation, community and economic development, debt service, capital projects, and business-type activities. Expenditures of functions required to be budgeted include expenditures for the General Fund, special revenue funds, the Debt Service Fund, the Capital Projects Fund, and the enterprise funds. Although the budget document presents function expenditures by fund, the legal level of control is at the aggregated function level, not by fund.

Three budget amendments during the fiscal year increased budgeted expenditures by \$72,786,854. These amendments are reflected in the final budget amounts.

# HIGH SERVICE PUMP STATION



SUPPLEMENTARY  
INFORMATION



## **Non-Major Governmental Funds**

### **Special Revenue Funds**

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

Local Option Tax Fund - to account for the funds generated by the voter-approved 1% local option sales tax. 60% is used for property tax relief and forty percent is for community betterment.

Hotel/Motel Tax Fund - to account for funds generated through the imposition of a hotel/motel tax. Proceeds are used for community betterment and economic development.

Road Use Tax Fund - to account for the City's share of state gasoline taxes received on a per capita basis. Funds are required to be used for a purpose related to the construction or maintenance of public streets.

Bike Licenses Fund - to account for funds generated by the sale of bike licenses to be used for bike trails and maps.

Police Forfeiture and Grants Fund - to account for funds generated from the forfeiture of property as a result of criminal activities and for government grants received for law enforcement costs.

Housing Assistance Fund - to account for grant-funded housing assistance programs.

TIF Fund - to account for tax-increment financing revenues on abated debt.

Employee Benefit Property Tax Fund - to account for tax revenues used to pay the City's share of selected employee benefits.

Police and Fire 411 Fund - to account for the funds remaining from the transition to Municipal Fire and Police Retirement System of Iowa (MFPRSI). Funds may only be used to offset City contributions to MFPRSI.

Parks and Recreation Programs Fund - to account for revenues used for specific park and recreation programs and improvements.

Library Donations, Project Share, Police and Fire Donations, Animal Shelter Donations, and Public Art Donations Funds - to account for donations to be used for specific purposes and activities.

Community Development Block Grant (CDBG) Fund - to account for funds received from the U.S. Department of Housing and Urban Development to be used according to the CDBG program.

## **Non-Major Governmental Funds**

### **Special Revenue Funds**

Developers' Projects Fund - to account for funds received from developers to be used for City infrastructure.

Economic Development and Loans Fund - to account for funds from block grants and funds to be loaned to businesses to increase development in the City.

### **Permanent Funds**

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

Perpetual Care Fund - to account for principal amounts received for perpetual care. The investment earnings are recorded in the General Fund and are used to maintain the cemetery.

Furman Aquatic Center Endowment Fund - to account for a donation to cover future operating expenditures, fund future repairs and enhancements, and to replace equipment at the aquatic center.

**City of Ames  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2017**

	<u>Permanent Funds</u>			
	Non-Major Special Revenue Funds	Perpetual Care	Furman Aquatic Center Endowment	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,761,152	\$ 7,005	\$ 335,651	\$ 5,103,808
Investments	10,961,919	933,353	785,419	12,680,691
Taxes receivable	2,623	-	-	2,623
Accrued interest receivable	1,118	-	1,059	2,177
Accounts receivable, net	6,677	490	-	7,167
Intergovernmental receivable	2,092,402	-	-	2,092,402
Loans receivable	6,206	-	-	6,206
Due from other funds	616,807	22,005	-	638,812
Inventories	70,142	-	-	70,142
Property held for resale	934,104	-	-	934,104
Prepaid items	26,990	-	-	26,990
Succeeding year taxes receivable	1,958,021	-	-	1,958,021
Long-term loans receivable	16,027	-	-	16,027
Total assets	<u>\$ 21,454,188</u>	<u>\$ 962,853</u>	<u>\$ 1,122,129</u>	<u>\$ 23,539,170</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 332,923	\$ -	\$ -	\$ 332,923
Accrued payroll	108,849	-	-	108,849
Retainage payable	72,144	-	-	72,144
Accrued interest	304	-	-	304
Customer deposits	530,984	-	-	530,984
Intergovernmental payable	69,254	-	-	69,254
Due to other funds	1,471,516	-	-	1,471,516
Total liabilities	<u>2,585,974</u>	<u>-</u>	<u>-</u>	<u>2,585,974</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue:				
Property taxes	1,958,021	-	-	1,958,021
Other taxes	648,536	-	-	648,536
Grants	17,506	-	-	17,506
Total deferred inflows of resources	<u>2,624,063</u>	<u>-</u>	<u>-</u>	<u>2,624,063</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	97,132	962,853	1,000,000	2,059,985
Restricted	15,662,428	-	122,129	15,784,557
Committed	1,273,093	-	-	1,273,093
Unassigned	(788,502)	-	-	(788,502)
Total fund balances	<u>16,244,151</u>	<u>962,853</u>	<u>1,122,129</u>	<u>18,329,133</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 21,454,188</u>	<u>\$ 962,853</u>	<u>\$ 1,122,129</u>	<u>\$ 23,539,170</u>

**City of Ames**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2017**

	<u>Permanent Funds</u>			
	<b>Non-Major Special Revenue Funds</b>	<b>Perpetual Care</b>	<b>Furman Aquatic Center Endowment</b>	
<b>REVENUES</b>				
Taxes	\$ 12,320,395	\$ -	\$ -	\$ 12,320,395
Intergovernmental	7,970,762	-	-	7,970,762
Charges for services	-	20,360	-	20,360
Investment income	(1,268)	-	2,278	1,010
Miscellaneous	383,581	-	-	383,581
Total revenues	<u>20,673,470</u>	<u>20,360</u>	<u>2,278</u>	<u>20,696,108</u>
<b>EXPENDITURES</b>				
Current:				
General government	158,059	-	-	158,059
Public safety	113,045	-	-	113,045
Public works	4,814,587	-	-	4,814,587
Health and social services	1,342,880	-	-	1,342,880
Culture and recreation	835,621	-	-	835,621
Community and economic development	2,574,228	-	-	2,574,228
Capital outlay	2,609,280	-	-	2,609,280
Total expenditures	<u>12,447,700</u>	<u>-</u>	<u>-</u>	<u>12,447,700</u>
Excess of revenues over expenditures	<u>8,225,770</u>	<u>20,360</u>	<u>2,278</u>	<u>8,248,408</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	139,460	-	-	139,460
Transfers out	(7,578,159)	-	-	(7,578,159)
Total other financing sources (uses)	<u>(7,438,699)</u>	<u>-</u>	<u>-</u>	<u>(7,438,699)</u>
Net change in fund balance	787,071	20,360	2,278	809,709
Fund balances, beginning	<u>15,457,080</u>	<u>942,493</u>	<u>1,119,851</u>	<u>17,519,424</u>
Fund balances, ending	<u>\$ 16,244,151</u>	<u>\$ 962,853</u>	<u>\$ 1,122,129</u>	<u>\$ 18,329,133</u>

**City of Ames  
Combining Balance Sheet  
Non-Major Special Revenue Funds  
June 30, 2017**

	<b>Local Option Tax</b>	<b>Hotel/ Motel Tax</b>	<b>Road Use Tax</b>	<b>Bike Licenses</b>	<b>Police Forfeiture &amp; Grants</b>	<b>Housing Assistance</b>	<b>TIF</b>	<b>Employee Benefit Property Tax</b>	<b>Police &amp; Fire 411</b>	<b>Parks &amp; Recreation Programs</b>
<b>ASSETS</b>										
Cash and cash equivalents	\$ 1,730,423	\$ 232,624	\$ 1,860,885	\$ 2,856	\$ 19,091	\$ 183,473	\$ -	\$ -	\$ 134,696	\$ 34,194
Investments	3,979,735	535,004	4,279,780	6,568	43,907	421,962	-	-	319,465	74,379
Taxes receivable	-	-	-	-	-	-	-	2,623	-	-
Accrued interest receivable	-	-	-	-	-	-	-	-	431	103
Accounts receivable, net	-	-	66	-	-	550	-	-	-	-
Intergovernmental receivable	656,415	648,536	763,937	-	8,068	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-	-	-	-
Due from other funds	17	-	615,936	-	79	275	-	-	-	-
Inventories	-	-	70,142	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	10,333	-	-	470	-	-	-	-
Succeeding year taxes receivable	-	-	-	-	-	-	-	1,958,021	-	-
Long-term loans receivable	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 6,366,590</u>	<u>\$ 1,416,164</u>	<u>\$ 7,601,079</u>	<u>\$ 9,424</u>	<u>\$ 71,145</u>	<u>\$ 606,730</u>	<u>\$ -</u>	<u>\$ 1,960,644</u>	<u>\$ 454,592</u>	<u>\$ 108,676</u>
<b>LIABILITIES</b>										
Accounts payable	\$ 102,131	\$ 76,323	\$ 134,599	\$ -	\$ 1,395	\$ 192	\$ -	\$ -	\$ -	\$ -
Accrued payroll	4,240	-	100,437	-	820	-	-	-	-	-
Retainage payable	49,840	-	16,600	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	304	-	-	-
Customer deposits	-	-	-	-	-	-	-	-	-	-
Intergovernmental payable	-	-	67,129	-	1,839	-	-	-	-	-
Due to other funds	397,529	2,822	202,317	-	2,932	395	788,198	2,623	70,000	-
Total liabilities	<u>553,740</u>	<u>79,145</u>	<u>521,082</u>	<u>-</u>	<u>6,986</u>	<u>587</u>	<u>788,502</u>	<u>2,623</u>	<u>70,000</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Unavailable revenue:										
Property taxes	-	-	-	-	-	-	-	1,958,021	-	-
Other taxes	-	648,536	-	-	-	-	-	-	-	-
Grants	-	-	-	-	2,060	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>648,536</u>	<u>-</u>	<u>-</u>	<u>2,060</u>	<u>-</u>	<u>-</u>	<u>1,958,021</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>										
Nonspendable	-	-	80,475	-	-	470	-	-	-	-
Restricted	5,812,850	688,483	6,999,522	-	62,099	-	-	-	384,592	-
Committed	-	-	-	9,424	-	605,673	-	-	-	108,676
Unassigned	-	-	-	-	-	-	(788,502)	-	-	-
Total fund balances (deficits)	<u>5,812,850</u>	<u>688,483</u>	<u>7,079,997</u>	<u>9,424</u>	<u>62,099</u>	<u>606,143</u>	<u>(788,502)</u>	<u>-</u>	<u>384,592</u>	<u>108,676</u>
Total liabilities, deferred outflows of resources, and fund balances (deficits)	<u>\$ 6,366,590</u>	<u>\$ 1,416,164</u>	<u>\$ 7,601,079</u>	<u>\$ 9,424</u>	<u>\$ 71,145</u>	<u>\$ 606,730</u>	<u>\$ -</u>	<u>\$ 1,960,644</u>	<u>\$ 454,592</u>	<u>\$ 108,676</u>

**City of Ames**  
**Combining Balance Sheet (continued)**  
**Non-Major Special Revenue Funds**  
**June 30, 2017**

	Library Donations	Project Share	Police & Fire Donations	CDBG	Animal Shelter Donations	Public Art Donations	Developers' Projects	Economic Development & Loans	Total Non-Major Special Revenue Funds
<b>ASSETS</b>									
Cash and cash equivalents	\$ 105,279	\$ 3,095	\$ -	\$ -	\$ 64,052	\$ 63	\$ 226,184	\$ 164,237	\$ 4,761,152
Investments	246,309	7,121	-	-	149,578	110	520,277	377,724	10,961,919
Taxes receivable	-	-	-	-	-	-	-	-	2,623
Accrued interest receivable	337	-	-	-	203	-	44	-	1,118
Accounts receivable, net	-	552	4,756	-	753	-	-	-	6,677
Intergovernmental receivable	-	-	-	15,446	-	-	-	-	2,092,402
Loans receivable	-	-	-	6,206	-	-	-	-	6,206
Due from other funds	-	-	-	500	-	-	-	-	616,807
Inventories	-	-	-	-	-	-	-	-	70,142
Property held for resale	-	-	-	934,104	-	-	-	-	934,104
Prepaid items	15,717	-	-	470	-	-	-	-	26,990
Succeeding year taxes receivable	-	-	-	-	-	-	-	-	1,958,021
Long-term loans receivable	-	-	-	16,027	-	-	-	-	16,027
Total assets	<u>\$ 367,642</u>	<u>\$ 10,768</u>	<u>\$ 4,756</u>	<u>\$ 972,753</u>	<u>\$ 214,586</u>	<u>\$ 173</u>	<u>\$ 746,505</u>	<u>\$ 541,961</u>	<u>\$21,454,188</u>
<b>LIABILITIES</b>									
Accounts payable	\$ 11,788	\$ -	\$ 495	\$ 536	\$ 5,464	\$ -	\$ -	\$ -	\$ 332,923
Accrued payroll	3,352	-	-	-	-	-	-	-	108,849
Retainage payable	-	-	-	4,249	-	-	1,455	-	72,144
Accrued interest	-	-	-	-	-	-	-	-	304
Customer deposits	-	-	-	-	-	-	530,984	-	530,984
Intergovernmental payable	-	-	-	-	286	-	-	-	69,254
Due to other funds	252	-	1,428	3,020	-	-	-	-	1,471,516
Total liabilities	<u>15,392</u>	<u>-</u>	<u>1,923</u>	<u>7,805</u>	<u>5,750</u>	<u>-</u>	<u>532,439</u>	<u>-</u>	<u>2,585,974</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable revenue:									
Property taxes	-	-	-	-	-	-	-	-	1,958,021
Other taxes	-	-	-	-	-	-	-	-	648,536
Grants	-	-	-	15,446	-	-	-	-	17,506
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,446</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,624,063</u>
<b>FUND BALANCES (DEFICITS)</b>									
Nonspendable	15,717	-	-	470	-	-	-	-	97,132
Restricted	336,533	3,409	2,833	949,032	208,836	173	214,066	-	15,662,428
Committed	-	7,359	-	-	-	-	-	541,961	1,273,093
Unassigned	-	-	-	-	-	-	-	-	(788,502)
Total fund balances (deficits)	<u>352,250</u>	<u>10,768</u>	<u>2,833</u>	<u>949,502</u>	<u>208,836</u>	<u>173</u>	<u>214,066</u>	<u>541,961</u>	<u>16,244,151</u>
Total liabilities, deferred outflows of resources, and fund balances (deficits)	<u>\$ 367,642</u>	<u>\$ 10,768</u>	<u>\$ 4,756</u>	<u>\$ 972,753</u>	<u>\$ 214,586</u>	<u>\$ 173</u>	<u>\$ 746,505</u>	<u>\$ 541,961</u>	<u>\$21,454,188</u>

**City of Ames**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Special Revenue Funds**  
**For the Year Ended June 30, 2017**

	<b>Local Option Tax</b>	<b>Hotel/ Motel Tax</b>	<b>Road Use Tax</b>	<b>Bike Licenses</b>	<b>Police Forfeiture &amp; Grants</b>	<b>Housing Assistance</b>	<b>TIF</b>	<b>Employee Benefit Property Tax</b>	<b>Police &amp; Fire 411</b>	<b>Parks &amp; Recreation Programs</b>
<b>REVENUES</b>										
Taxes	\$ 7,711,124	\$ 2,435,218	\$ -	\$ -	\$ -	\$ -	\$ 241,160	\$ 1,932,893	\$ -	\$ -
Intergovernmental	-	-	7,535,306	-	51,530	-	-	-	-	-
Investment income	-	-	-	-	-	-	(3,541)	-	918	229
Miscellaneous	-	-	-	974	5,467	700	-	-	-	24,364
Total revenues	<u>7,711,124</u>	<u>2,435,218</u>	<u>7,535,306</u>	<u>974</u>	<u>56,997</u>	<u>700</u>	<u>237,619</u>	<u>1,932,893</u>	<u>918</u>	<u>24,593</u>
<b>EXPENDITURES</b>										
Current:										
General government	-	-	116,060	-	-	41,999	-	-	-	-
Public safety	-	-	-	-	67,478	-	-	-	-	-
Public works	-	-	4,814,587	-	-	-	-	-	-	-
Health and social services	1,326,440	-	-	-	-	-	-	-	-	-
Culture and recreation	588,897	-	-	-	-	-	-	-	-	11,204
Community and economic development	62,579	1,891,567	-	-	-	-	195,468	-	-	-
Capital outlay	1,192,066	250,000	1,116,274	8,604	-	-	-	-	-	13,242
Total expenditures	<u>3,169,982</u>	<u>2,141,567</u>	<u>6,046,921</u>	<u>8,604</u>	<u>67,478</u>	<u>41,999</u>	<u>195,468</u>	<u>-</u>	<u>-</u>	<u>24,446</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,541,142</u>	<u>293,651</u>	<u>1,488,385</u>	<u>(7,630)</u>	<u>(10,481)</u>	<u>(41,299)</u>	<u>42,151</u>	<u>1,932,893</u>	<u>918</u>	<u>147</u>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	139,294	-	-	-	-	-	-	-	-	166
Transfers out	(4,746,675)	(348,236)	(56,913)	-	-	-	(423,276)	(1,932,893)	(70,000)	-
Total other financing sources (uses)	<u>(4,607,381)</u>	<u>(348,236)</u>	<u>(56,913)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(423,276)</u>	<u>(1,932,893)</u>	<u>(70,000)</u>	<u>166</u>
Net change in fund balances	(66,239)	(54,585)	1,431,472	(7,630)	(10,481)	(41,299)	(381,125)	-	(69,082)	313
Fund balances, beginning	5,879,089	743,068	5,648,525	17,054	72,580	647,442	(407,377)	-	453,674	108,363
Fund balances, ending	<u>\$ 5,812,850</u>	<u>\$ 688,483</u>	<u>\$ 7,079,997</u>	<u>\$ 9,424</u>	<u>\$ 62,099</u>	<u>\$ 606,143</u>	<u>\$ (788,502)</u>	<u>\$ -</u>	<u>\$ 384,592</u>	<u>\$ 108,676</u>

**City of Ames**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)**  
**Non-Major Special Revenue Funds**  
**For the Year Ended June 30, 2017**

	Library Donations	Project Share	Police & Fire Donations	CDBG	Animal Shelter Donations	Public Art Donations	Developers' Projects	Economic Development & Loans	Total Non-Major Special Revenue Funds
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,320,395
Intergovernmental	12,049	-	-	371,877	-	-	-	-	7,970,762
Investment income	597	-	-	-	435	-	94	-	(1,268)
Miscellaneous	177,089	15,836	6,051	22,520	37,970	-	92,610	-	383,581
Total revenues	189,735	15,836	6,051	394,397	38,405	-	92,704	-	20,673,470
<b>EXPENDITURES</b>									
Current:									
General government	-	-	-	-	-	-	-	-	158,059
Public safety	-	-	5,682	-	39,885	-	-	-	113,045
Public works	-	-	-	-	-	-	-	-	4,814,587
Health and social services	-	16,440	-	-	-	-	-	-	1,342,880
Culture and recreation	235,520	-	-	-	-	-	-	-	835,621
Community and economic development	-	-	-	424,614	-	-	-	-	2,574,228
Capital outlay	-	-	-	-	-	-	29,094	-	2,609,280
Total expenditures	235,520	16,440	5,682	424,614	39,885	-	29,094	-	12,447,700
Excess (deficiency) of revenues over (under) expenditures	(45,785)	(604)	369	(30,217)	(1,480)	-	63,610	-	8,225,770
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	-	-	-	-	-	-	-	-	139,460
Transfers out	-	-	(166)	-	-	-	-	-	(7,578,159)
Total other financing sources (uses)	-	-	(166)	-	-	-	-	-	(7,438,699)
Net change in fund balances	(45,785)	(604)	203	(30,217)	(1,480)	-	63,610	-	787,071
Fund balances, beginning	398,035	11,372	2,630	979,719	210,316	173	150,456	541,961	15,457,080
Fund balances, ending	\$ 352,250	\$ 10,768	\$ 2,833	\$ 949,502	\$ 208,836	\$ 173	\$ 214,066	\$ 541,961	\$ 16,244,151



## **Non-Major Enterprise Funds**

Enterprise funds are used to report activities for which a fee is charged to external users for goods or services.

Parking Lot Fund - to account for the operation of parking meters on streets and in designated parking lots.

Transit Fund - to account for operations of transit services.

Storm Sewer Utility Fund - to account for the fees paid by residents for the maintenance of the City's storm sewer system.

Ames/Iowa State University (ISU) Ice Arena Fund - to account for the operations of a recreational ice facility, which is jointly owned by the City and ISU.

Homewood Golf Course Fund - to account for the operations of a nine-hole golf course.

Resource Recovery Fund - to account for the operation of the City-owned resource recovery plant.

**City of Ames**  
**Combining Statement of Net Position**  
**Non-Major Enterprise Funds**  
**June 30, 2017**

	<b>Parking</b>	<b>Transit</b>	<b>Storm Sewer Utility</b>	<b>Ames / ISU Ice Arena</b>	<b>Homewood Golf Course</b>	<b>Resource Recovery</b>	<b>Total Non-Major Enterprise Funds</b>
<b>ASSETS</b>							
Current assets:							
Cash and cash equivalents	\$ 138,868	\$ 1,065,937	\$ 823,806	\$ 116,015	\$ 56,934	\$ 536,535	\$ 2,738,095
Investments	323,791	2,494,663	1,921,862	265,729	131,373	1,251,650	6,389,068
Accrued interest receivable	447	3,792	2,783	380	179	1,804	9,385
Accounts receivable, net	3,137	42,443	198,155	12,754	-	262,248	518,737
Due from other funds	-	2,344	13,181	-	797	55,634	71,956
Intergovernmental receivable	1,716	2,964,088	478,609	20,000	-	426,592	3,891,005
Inventories	16,887	273,793	-	3,498	2,645	-	296,823
Prepaid items	-	1,300	-	-	4,964	-	6,264
Total current assets	<u>484,846</u>	<u>6,848,360</u>	<u>3,438,396</u>	<u>418,376</u>	<u>196,892</u>	<u>2,534,463</u>	<u>13,921,333</u>
Noncurrent assets:							
Capital assets:							
Land	910,547	41,500	627,606	-	193,250	531,517	2,304,420
Land improvements	623,538	175,441	2,013,060	63,578	127,581	161,524	3,164,722
Buildings	-	26,031,816	-	1,870,329	87,003	11,342,409	39,331,557
Equipment	56,130	27,785,371	8,390	275,340	5,700	8,012,689	36,143,620
Construction in progress	-	531,094	6,600	-	-	-	537,694
Less accumulated depreciation	<u>(606,248)</u>	<u>(22,849,548)</u>	<u>(265,305)</u>	<u>(1,084,649)</u>	<u>(170,652)</u>	<u>(13,223,701)</u>	<u>(38,200,103)</u>
Total noncurrent assets	<u>983,967</u>	<u>31,715,674</u>	<u>2,390,351</u>	<u>1,124,598</u>	<u>242,882</u>	<u>6,824,438</u>	<u>43,281,910</u>
Total assets	<u>1,468,813</u>	<u>38,564,034</u>	<u>5,828,747</u>	<u>1,542,974</u>	<u>439,774</u>	<u>9,358,901</u>	<u>57,203,243</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred outflows related to pensions	97,665	1,480,498	40,923	39,183	15,247	227,739	1,901,255
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	7,446	339,761	107,829	13,431	3,631	72,932	545,030
Accrued payroll	16,603	163,764	2,204	3,514	3,819	3,314	193,218
Accrued compensated absences	2,044	20,989	1,174	534	234	3,318	28,293
Due to other funds	13,187	23,966	65,492	1,232	4,319	67,445	175,641
Retainage payable	-	31,010	20,317	2,242	-	7,338	60,907
Accrued interest	-	-	-	-	-	2,390	2,390
Intergovernmental payable	792	7,387	958	141	727	179,279	189,284
Accrued landfill post-closure costs	-	-	-	-	-	17,493	17,493
Bonds payable, net	-	-	-	-	-	140,855	140,855
Unearned revenue	5,795	-	-	185	-	-	5,980
Total current liabilities	<u>45,867</u>	<u>586,877</u>	<u>197,974</u>	<u>21,279</u>	<u>12,730</u>	<u>494,364</u>	<u>1,359,091</u>
Noncurrent liabilities:							
Accrued compensated absences	38,660	371,794	19,716	10,998	2,825	46,476	490,469
Post-employment benefits	16,864	143,148	11,818	3,618	2,888	54,039	232,375
Net pension liability	337,530	4,905,783	150,557	138,583	63,211	833,995	6,429,659
Accrued landfill post-closure costs	-	-	-	-	-	120,671	120,671
Bonds payable, net	-	-	-	-	-	1,040,208	1,040,208
Total noncurrent liabilities	<u>393,054</u>	<u>5,420,725</u>	<u>182,091</u>	<u>153,199</u>	<u>68,924</u>	<u>2,095,389</u>	<u>8,313,382</u>
Total liabilities	<u>438,921</u>	<u>6,007,602</u>	<u>380,065</u>	<u>174,478</u>	<u>81,654</u>	<u>2,589,753</u>	<u>9,672,473</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred inflows related to pensions	4,085	59,174	1,670	1,578	741	9,372	76,620
<b>NET POSITION</b>							
Net investment in capital assets	983,967	31,715,674	2,390,351	1,124,598	242,882	5,643,375	42,100,847
Unrestricted	139,505	2,262,082	3,097,584	281,503	129,744	1,344,140	7,254,558
Total net position	<u>\$ 1,123,472</u>	<u>\$33,977,756</u>	<u>\$ 5,487,935</u>	<u>\$ 1,406,101</u>	<u>\$ 372,626</u>	<u>\$ 6,987,515</u>	<u>\$49,355,405</u>

**City of Ames**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Non-Major Enterprise Funds**  
**For the Year Ended June 30, 2017**

	<b>Parking</b>	<b>Transit</b>	<b>Storm Sewer</b>	<b>Ames / ISU Ice Arena</b>	<b>Homewood Golf Course</b>	<b>Resource Recovery</b>	<b>Total Non-Major Enterprise Funds</b>
Operating revenues:							
Charges for services	\$ 899,705	\$ 6,576,578	\$ 1,700,529	\$ 481,831	\$ 191,186	\$ 3,314,210	\$13,164,039
Operating expenses:							
Cost of goods and services	835,088	8,735,591	1,219,078	526,248	260,632	3,951,114	15,527,751
Administration	68,537	2,012,630	8,743	-	-	234,276	2,324,186
Depreciation	10,643	2,536,613	31,092	85,194	9,012	520,256	3,192,810
Total operating expenses	914,268	13,284,834	1,258,913	611,442	269,644	4,705,646	21,044,747
Operating income (loss)	(14,563)	(6,708,256)	441,616	(129,611)	(78,458)	(1,391,436)	(7,880,708)
Non-operating revenues (expenses):							
Intergovernmental	-	3,152,305	435,959	-	-	-	3,588,264
Reimbursements	-	149,748	-	-	-	264,355	414,103
Investment income	996	9,422	6,500	783	385	2,831	20,917
Interest expense	-	-	-	-	-	(25,308)	(25,308)
Loss on disposal of capital assets	-	(8,823)	-	-	-	-	(8,823)
Miscellaneous	-	8,166	-	55,037	61,558	-	124,761
Total non-operating revenues	996	3,310,818	442,459	55,820	61,943	241,878	4,113,914
Income (loss) before capital contributions and transfers	(13,567)	(3,397,438)	884,075	(73,791)	(16,515)	(1,149,558)	(3,766,794)
Capital contributions	-	2,942,240	-	20,000	-	-	2,962,240
Transfers in	-	1,727,341	-	20,000	-	452,862	2,200,203
Change in net position	(13,567)	1,272,143	884,075	(33,791)	(16,515)	(696,696)	1,395,649
Net position, beginning (as previously reported)	1,137,039	30,731,309	4,603,860	1,439,892	389,141	7,684,211	45,985,452
Net position restatement	-	1,974,304	-	-	-	-	1,974,304
Net position, beginning (as restated)	1,137,039	32,705,613	4,603,860	1,439,892	389,141	7,684,211	47,959,756
Net position, ending	\$ 1,123,472	\$33,977,756	\$ 5,487,935	\$ 1,406,101	\$ 372,626	\$ 6,987,515	\$49,355,405

**City of Ames**  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds**  
**For the Year Ended June 30, 2017**

	<b>Parking</b>	<b>Transit</b>	<b>Storm Sewer Utility</b>	<b>Ames / ISU Ice Arena</b>	<b>Homewood Golf Course</b>	<b>Resource Recovery</b>	<b>Total Non-Major Enterprise Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from customers	\$ 896,924	\$ 7,140,203	\$ 1,270,648	\$ 467,053	\$ 190,609	\$ 3,281,653	\$ 13,247,090
Payments to suppliers	(125,164)	(2,326,626)	(761,763)	(255,263)	(77,331)	(2,119,160)	(5,665,307)
Payments to employees	(625,570)	(7,594,069)	(265,116)	(247,775)	(138,834)	(1,382,445)	(10,253,809)
Payments to other funds for services provided	(137,140)	(540,275)	(170,175)	(39,521)	(45,140)	(681,086)	(1,613,337)
Net cash provided by (used for) operating activities	<u>9,050</u>	<u>(3,320,767)</u>	<u>73,594</u>	<u>(75,506)</u>	<u>(70,696)</u>	<u>(901,038)</u>	<u>(4,285,363)</u>
<b>CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES</b>							
Operating grants	-	2,162,521	435,959	-	-	-	2,598,480
Reimbursements	-	149,748	-	-	-	264,355	414,103
Miscellaneous income	-	8,166	-	55,037	61,558	-	124,761
Transfers in	-	1,727,341	-	20,000	-	452,862	2,200,203
Net cash provided by non-capital financing activities	<u>-</u>	<u>4,047,776</u>	<u>435,959</u>	<u>75,037</u>	<u>61,558</u>	<u>717,217</u>	<u>5,337,547</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Acquisition and construction of capital assets	-	(3,786,206)	(763,998)	(46,512)	-	(157,031)	(4,753,747)
Proceeds from the sale of capital assets	-	4,000	-	-	-	-	4,000
Principal paid on capital debt	-	-	-	-	-	(135,000)	(135,000)
Interest paid on capital debt	-	-	-	-	-	(31,388)	(31,388)
Capital contributions	-	2,942,240	-	20,000	-	-	2,962,240
Net cash used for capital and related financing activities	<u>-</u>	<u>(839,966)</u>	<u>(763,998)</u>	<u>(26,512)</u>	<u>-</u>	<u>(323,419)</u>	<u>(1,953,895)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of investments	(24,488)	(24,711)	(124,497)	(12,447)	(3,575)	(297,844)	(487,562)
Proceeds from sale of investments	11,725	51,610	260,019	25,996	7,467	622,061	978,878
Interest on investments	904	8,614	5,925	743	351	2,889	19,426
Net cash provided by (used for) investing activities	<u>(11,859)</u>	<u>35,513</u>	<u>141,447</u>	<u>14,292</u>	<u>4,243</u>	<u>327,106</u>	<u>510,742</u>
Net decrease in cash and cash equivalents	(2,809)	(77,444)	(112,998)	(12,689)	(4,895)	(180,134)	(390,969)
Cash and cash equivalents, beginning	141,677	1,143,381	936,804	128,704	61,829	716,669	3,129,064
Cash and cash equivalents, ending	<u>\$ 138,868</u>	<u>\$ 1,065,937</u>	<u>\$ 823,806</u>	<u>\$ 116,015</u>	<u>\$ 56,934</u>	<u>\$ 536,535</u>	<u>\$ 2,738,095</u>

**City of Ames**  
**Combining Statement of Cash Flows (continued)**  
**Non-Major Enterprise Funds**  
**For the Year Ended June 30, 2017**

	<b>Parking</b>	<b>Transit</b>	<b>Storm Sewer Utility</b>	<b>Ames / ISU Ice Arena</b>	<b>Homewood Golf Course</b>	<b>Resource Recovery</b>	<b>Total Non-Major Enterprise Funds</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>							
Operating income (loss)	\$ (14,563)	\$ (6,708,256)	\$ 441,616	\$ (129,611)	\$ (78,458)	\$ (1,391,436)	\$ (7,880,708)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:							
Depreciation expense	10,643	2,536,613	31,092	85,194	9,012	520,256	3,192,810
(Increase) decrease in accounts receivable	(3,137)	115,445	(42,863)	3,321	-	10,159	82,925
(Increase) decrease in due from other funds	-	622	13,028	-	(577)	8,528	21,601
Increase in intergovernmental receivable	(134)	447,558	(400,046)	(18,284)	-	(51,244)	(22,150)
(Increase) decrease in inventories	83	(6,900)	-	207	(174)	-	(6,784)
Decrease in prepaid items	-	2,211	-	-	-	150	2,361
Increase in deferred outflows of resources	(41,296)	(681,069)	(15,584)	(16,113)	(4,465)	(87,741)	(846,268)
Increase (decrease) in accounts payable	(501)	169,529	(12,249)	1,405	(1,293)	(30,273)	126,618
Increase (decrease) in accrued payroll	6,385	(1,106)	1,171	1,534	(796)	(286)	6,902
Increase (decrease) in accrued compensated absences	1,296	(23,657)	(5,193)	(2,658)	618	(14,045)	(43,639)
Increase (decrease) in due to other funds	178	(926)	22,873	(9,778)	(547)	9,252	21,052
Increase (decrease) in retainage payable	-	31,010	20,240	(10,130)	-	(1,778)	39,342
Increase (decrease) in intergovernmental payable	262	41	236	(3)	-	35,462	35,998
Decrease in accrued landfill post-closure costs	-	-	-	-	-	(15,879)	(15,879)
Increase in unearned revenue	490	-	-	185	-	-	675
Increase in post-employment benefits	837	7,107	587	180	143	2,683	11,537
Increase in pension liability	68,552	1,032,182	29,125	27,523	12,917	163,480	1,333,779
Decrease in deferred inflows of resources	(20,045)	(241,171)	(10,439)	(8,478)	(7,076)	(58,326)	(345,535)
Total adjustments	23,613	3,387,489	(368,022)	54,105	7,762	490,398	3,595,345
Net cash provided by (used for) operating activities	\$ 9,050	\$ (3,320,767)	\$ 73,594	\$ (75,506)	\$ (70,696)	\$ (901,038)	\$ (4,285,363)

## **Internal Service Funds**

Internal service funds are used to account for services provided to other departments or agencies of the government, or to other governments on a cost-reimbursement basis.

Fleet Services Fund - to account for capital equipment other than those accounted for in other funds. A central garage is used and appropriate charges are made to other City departments for maintenance and replacement.

Information Technology Fund - to account for all information technology services provided to City departments.

Risk Management Fund - to account for the self-insured workers' compensation insurance and all other insurance premiums and claims payments, other than for health insurance.

Health Insurance Fund - to account for self-insured health insurance claims payments and stop-loss premiums.

**City of Ames**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2017**

	<b>Fleet Services</b>	<b>Information Technology</b>	<b>Risk Management</b>	<b>Health Insurance</b>	<b>Total Internal Service Funds</b>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 2,822,527	\$ 708,526	\$ 392,428	\$ 1,378,080	\$ 5,301,561
Investments	6,576,753	1,649,935	919,505	3,219,510	12,365,703
Accrued interest receivable	8,858	2,170	1,636	4,185	16,849
Accounts receivable, net	5,249	-	15,027	-	20,276
Due from other funds	544,391	168,402	-	128	712,921
Intergovernmental receivable	21,697	145,963	-	5,429	173,089
Inventories	82,551	-	-	-	82,551
Prepaid items	3,637	90,317	511,323	-	605,277
Total current assets	<u>10,065,663</u>	<u>2,765,313</u>	<u>1,839,919</u>	<u>4,607,332</u>	<u>19,278,227</u>
Noncurrent assets:					
Capital assets:					
Land improvements	-	192,433	-	-	192,433
Buildings	878,665	-	-	-	878,665
Equipment	15,027,502	2,378,849	-	-	17,406,351
Less accumulated depreciation	(7,603,667)	(1,677,075)	-	-	(9,280,742)
Total noncurrent assets	<u>8,302,500</u>	<u>894,207</u>	<u>-</u>	<u>-</u>	<u>9,196,707</u>
Total assets	<u>18,368,163</u>	<u>3,659,520</u>	<u>1,839,919</u>	<u>4,607,332</u>	<u>28,474,934</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pensions	146,614	93,735	7,536	23,015	270,900
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	18,833	18,218	72,802	150,492	260,345
Accrued payroll	14,189	1,440	351	-	15,980
Accrued compensated absences	1,981	4,327	-	374	6,682
Due to other funds	396,740	3,832	394	17,482	418,448
Retainage payable	10,004	-	-	-	10,004
Claims payable	-	-	696,535	350,000	1,046,535
Intergovernmental payable	23,572	10	-	3,298	26,880
Unearned revenue	-	58,571	-	-	58,571
Total current liabilities	<u>465,319</u>	<u>86,398</u>	<u>770,082</u>	<u>521,646</u>	<u>1,843,445</u>
Noncurrent liabilities:					
Accrued compensated absences	32,538	84,969	-	4,115	121,622
Post-employment benefits	40,314	34,506	1,527	3,767	80,114
Net pension liability	497,071	317,766	69,304	80,861	965,002
Total noncurrent liabilities	<u>569,923</u>	<u>437,241</u>	<u>70,831</u>	<u>88,743</u>	<u>1,166,738</u>
Total liabilities	<u>1,035,242</u>	<u>523,639</u>	<u>840,913</u>	<u>610,389</u>	<u>3,010,183</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to pensions	5,912	3,555	86	950	10,503
<b>NET POSITION</b>					
Net investment in capital assets	8,302,500	894,207	-	-	9,196,707
Unrestricted	9,171,123	2,331,854	1,006,456	4,019,008	16,528,441
Total net position	<u>\$ 17,473,623</u>	<u>\$ 3,226,061</u>	<u>\$ 1,006,456</u>	<u>\$ 4,019,008</u>	<u>\$ 25,725,148</u>

**City of Ames**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2017**

	<b>Fleet Services</b>	<b>Information Technology</b>	<b>Risk Management</b>	<b>Health Insurance</b>	<b>Total Internal Service Funds</b>
Operating revenues:					
Charges for services	\$ 4,147,320	\$ 2,477,048	\$ 2,421,527	\$ 8,903,778	\$ 17,949,673
Operating expenses:					
Cost of goods and services	2,042,275	2,247,472	2,390,042	8,026,391	14,706,180
Depreciation	980,470	151,632	-	-	1,132,102
Total operating expenses	3,022,745	2,399,104	2,390,042	8,026,391	15,838,282
Operating income	1,124,575	77,944	31,485	877,387	2,111,391
Non-operating revenues:					
Investment income	21,196	4,169	5,852	10,237	41,454
Gain on disposal of capital assets	118,389	-	-	-	118,389
Total non-operating revenues	139,585	4,169	5,852	10,237	159,843
Income before transfers	1,264,160	82,113	37,337	887,624	2,271,234
Transfers in	170,740	-	-	-	170,740
Transfers out	(361,000)	-	-	-	(361,000)
Change in net position	1,073,900	82,113	37,337	887,624	2,080,974
Net position, beginning	16,399,723	3,143,948	969,119	3,131,384	23,644,174
Net position, ending	\$ 17,473,623	\$ 3,226,061	\$ 1,006,456	\$ 4,019,008	\$ 25,725,148



**City of Ames**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2017**

	<b>Fleet Services</b>	<b>Information Technology</b>	<b>Risk Management</b>	<b>Health Insurance</b>	<b>Total Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 3,931,248	\$ 2,396,101	\$ 2,442,907	\$ 8,898,221	\$17,668,477
Payments to suppliers	(919,999)	(904,820)	(2,320,623)	(8,041,939)	(12,187,381)
Payments to employees	(818,223)	(973,343)	(10,475)	(138,271)	(1,940,312)
Payments to other funds for services provided	129,434	(344,453)	(5,967)	2,573	(218,413)
Net cash provided by operating activities	<u>2,322,460</u>	<u>173,485</u>	<u>105,842</u>	<u>720,584</u>	<u>3,322,371</u>
<b>CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Transfers in	170,740	-	-	-	170,740
Transfers out	(361,000)	-	-	-	(361,000)
Net cash used for non-capital financing activities	<u>(190,260)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(190,260)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(1,784,533)	(626,113)	-	-	(2,410,646)
Proceeds from the sale of capital assets	590,995	-	-	-	590,995
Net cash used for capital and related financing activities	<u>(1,193,538)</u>	<u>(626,113)</u>	<u>-</u>	<u>-</u>	<u>(1,819,651)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investments	(1,485,623)	(257,084)	(173,241)	(1,071,740)	(2,987,688)
Proceeds from sale of investments	711,317	536,932	82,948	513,149	1,844,346
Interest on investments	18,287	4,072	5,360	8,825	36,544
Net cash provided by (used for) investing activities	<u>(756,019)</u>	<u>283,920</u>	<u>(84,933)</u>	<u>(549,766)</u>	<u>(1,106,798)</u>
Net increase (decrease) in cash and cash equivalents	182,643	(168,708)	20,909	170,818	205,662
Cash and cash equivalents, beginning	2,639,884	877,234	371,519	1,207,262	5,095,899
Cash and cash equivalents, ending	<u>\$ 2,822,527</u>	<u>\$ 708,526</u>	<u>\$ 392,428</u>	<u>\$ 1,378,080</u>	<u>\$ 5,301,561</u>

**City of Ames**  
**Combining Statement of Cash Flows (continued)**  
**Internal Service Funds**  
**For the Year Ended June 30, 2017**

	<b>Fleet Services</b>	<b>Information Technology</b>	<b>Risk Management</b>	<b>Health Insurance</b>	<b>Total Internal Service Funds</b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>					
Operating income	\$ 1,124,575	\$ 77,944	\$ 31,485	\$ 877,387	\$ 2,111,391
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation expense	980,470	151,632	-	-	1,132,102
(Increase) decrease in accounts receivable	(4,917)	-	21,380	-	16,463
(Increase) decrease in due from other funds	(213,725)	61,414	-	(128)	(152,439)
(Increase) decrease in intergovernmental receivable	2,570	(140,449)	-	(5,429)	(143,308)
Decrease in inventories	13,449	-	-	-	13,449
(Increase) decrease in prepaid items	6,375	16,157	(1,145)	-	21,387
(Increase) decrease in deferred outflows of resources	(65,058)	(41,163)	6,760	(9,628)	(109,089)
Increase (decrease) in accounts payable	(11,802)	12,531	42,172	13,960	56,861
Increase (decrease) in accrued payroll	(230)	(85)	242	(455)	(528)
Increase (decrease) in accrued compensated absences	3,793	(9,824)	(772)	(5,124)	(11,927)
Increase (decrease) in due to other funds	379,071	(2,251)	(62)	10,015	386,773
Increase in retainage payable	10,004	-	-	-	10,004
Increase (decrease) in claims payable	-	-	12,307	(150,000)	(137,693)
Increase (decrease) in intergovernmental payable	19,842	10	-	(21,593)	(1,741)
Decrease in unearned revenue	-	(1,912)	-	-	(1,912)
Increase in post-employment benefits	2,002	1,713	76	187	3,978
Increase in pension liability	103,117	62,007	1,493	16,566	183,183
Decrease in deferred inflows of resources	(27,076)	(14,239)	(8,094)	(5,174)	(54,583)
Total adjustments	1,197,885	95,541	74,357	(156,803)	1,210,980
Net cash provided by operating activities	\$ 2,322,460	\$ 173,485	\$ 105,842	\$ 720,584	\$ 3,322,371
<b>Schedule of non-cash capital and related financing activities:</b>					
Capital asset trade ins	\$ 6,939	\$ -	\$ -	\$ -	\$ 6,939

## **Fiduciary Funds**

### **Agency Funds**

Agency funds are used to account for short-term custodial collections on resources on behalf of another individual, entity, or government.

Payroll Clearing Fund - to hold payroll taxes withheld from employees until they are paid to the appropriate authorities.

Flex Benefits Fund - to hold Section 125 flex benefits withheld from employees.

**City of Ames**  
**Combining Statement of Assets and Liabilities**  
**Agency Funds**  
**June 30, 2017**

	<b>Payroll Clearing</b>	<b>Flex Benefits</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 111,218	\$ 56,387	\$ 167,605
Investments	255,787	6	255,793
Total assets	\$ 367,005	\$ 56,393	\$ 423,398
<b>LIABILITIES</b>			
Accounts payable	\$ 62	\$ 56,393	\$ 56,455
Due to other governments	366,943	-	366,943
Total liabilities	\$ 367,005	\$ 56,393	\$ 423,398

**City of Ames**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended June 30, 2017**

	<b>Total Agency Funds</b>			
	<b>Balance</b>			<b>Balance</b>
	<b>07/01/16</b>	<b>Additions</b>	<b>Deductions</b>	<b>06/30/17</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 149,127	\$29,165,456	\$29,146,978	\$ 167,605
Investments	248,321	14,337	6,865	255,793
Total assets	\$ 397,448	\$29,179,793	\$29,153,843	\$ 423,398

<b>LIABILITIES</b>				
Accounts payable	\$ 37,981	\$31,661,394	\$31,642,920	\$ 56,455
Due to other governments	359,467	17,421,086	17,413,610	366,943
Total liabilities	\$ 397,448	\$49,082,480	\$49,056,530	\$ 423,398

	<b>Payroll Clearing Fund</b>			
	<b>Balance</b>			<b>Balance</b>
	<b>07/01/16</b>	<b>Additions</b>	<b>Deductions</b>	<b>06/30/17</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 111,146	\$28,198,305	\$28,198,233	\$ 111,218
Investments	248,321	14,325	6,859	255,787
Total assets	\$ 359,467	\$28,212,630	\$28,205,092	\$ 367,005

<b>LIABILITIES</b>				
Accounts payable	\$ -	\$30,683,705	\$30,683,643	\$ 62
Due to other governments	359,467	17,421,086	17,413,610	366,943
Total liabilities	\$ 359,467	\$48,104,791	\$48,097,253	\$ 367,005

	<b>Flexible Benefits Fund</b>			
	<b>Balance</b>			<b>Balance</b>
	<b>07/01/16</b>	<b>Additions</b>	<b>Deductions</b>	<b>06/30/17</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 37,981	\$ 967,151	\$ 948,745	\$ 56,387
Investments	-	12	6	6
Total assets	\$ 37,981	\$ 967,163	\$ 948,751	\$ 56,393

<b>LIABILITIES</b>				
Accounts payable	\$ 37,981	\$ 977,689	\$ 959,277	\$ 56,393

# PIPE GALLERY



# STATISTICAL SECTION

# STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	123
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	128
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.</i>	132
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	138
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	140

**City of Ames**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental activities</b>										
Net investment in capital assets	\$ 95,550,370	\$ 101,940,741	\$ 115,002,627	\$ 110,348,921	\$ 111,810,541	\$ 112,305,532	\$ 116,792,110	\$ 120,231,602	\$ 129,469,743	\$ 137,632,652
Restricted	12,523,636	9,681,837	14,864,552	15,338,746	20,794,194	12,081,140	18,009,657	19,525,973	19,116,323	20,842,946
Unrestricted	19,525,162	20,852,226	10,530,303	15,638,160	12,237,776	21,194,735	15,726,615	(2,573,072)	871,100	783,394
Total governmental activities	127,599,168	132,474,804	140,397,482	141,325,827	144,842,511	145,581,407	150,528,382	137,184,503	149,457,166	159,258,992
<b>Business-type activities</b>										
Net investment in capital assets	226,464,780	233,486,481	239,942,242	243,495,813	251,498,597	272,253,133	277,649,147	303,949,791	317,734,901	320,823,796
Restricted	1,582,837	1,559,234	2,717,216	2,708,889	2,814,032	1,001,294	1,015,822	1,027,652	2,262,200	2,425,524
Unrestricted	147,185,413	143,372,402	169,009,627	218,617,981	249,745,121	268,805,782	310,375,526	261,830,409	258,217,652	304,183,289
Total business-type activities	375,233,030	378,418,117	411,669,085	464,822,683	504,057,750	542,060,209	589,040,495	566,807,852	578,214,753	627,432,609
<b>Primary government</b>										
Net investment in capital assets	322,015,150	335,427,222	354,944,869	353,844,734	363,309,138	384,558,665	394,441,257	424,181,393	447,204,644	458,456,448
Restricted	14,106,473	11,241,071	17,581,768	18,047,635	23,608,226	13,082,434	19,025,479	20,553,625	21,378,523	23,268,470
Unrestricted	166,710,575	164,224,628	179,539,930	234,256,141	261,982,897	290,000,517	326,102,141	259,257,337	259,088,752	304,966,683
Total primary government	\$ 502,832,198	\$ 510,892,921	\$ 552,066,567	\$ 606,148,510	\$ 648,900,261	\$ 687,641,616	\$ 739,568,877	\$ 703,992,355	\$ 727,671,919	\$ 786,691,601



**City of Ames**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Governmental activities:										
General government	\$ 2,417,083	\$ 2,518,339	\$ 2,492,116	\$ 2,629,067	\$ 2,559,365	\$ 2,755,166	\$ 2,915,560	\$ 4,165,152	\$ 2,686,082	\$ 3,136,291
Public safety	13,102,633	13,011,464	13,133,701	14,281,351	15,144,853	15,589,369	15,943,465	12,730,107	15,524,747	17,292,304
Public works	11,675,389	13,090,595	13,780,841	16,339,571	14,938,688	15,352,458	12,721,868	12,482,265	13,650,452	13,698,162
Health and social services	1,034,327	1,159,050	1,151,848	1,250,292	1,159,849	1,005,458	1,078,118	1,161,242	1,180,361	1,342,880
Culture and recreation	6,591,544	6,668,942	7,043,477	7,703,519	8,818,851	9,082,953	8,536,548	9,857,775	9,770,521	9,872,288
Community and economic development	3,219,621	3,850,712	3,042,375	4,262,698	2,875,118	2,366,904	2,477,986	2,972,753	2,898,115	3,461,393
Interest	1,537,842	1,571,257	1,471,758	1,469,661	1,298,010	1,369,323	2,174,303	1,577,883	1,635,789	1,592,039
Total governmental activities	<u>39,578,439</u>	<u>41,870,359</u>	<u>42,116,116</u>	<u>47,936,159</u>	<u>46,794,734</u>	<u>47,521,631</u>	<u>45,847,848</u>	<u>44,947,177</u>	<u>47,346,067</u>	<u>50,395,357</u>
Business-type activities:										
Mary Greeley Medical Center	145,581,895	153,741,531	146,809,782	146,292,855	155,374,830	160,369,431	161,792,473	168,891,942	176,918,607	182,728,675
Electric	43,727,636	39,716,298	41,642,821	48,241,832	50,159,375	52,411,173	54,791,141	53,024,205	54,906,155	58,618,483
Sewer	5,979,526	6,485,535	6,923,605	6,719,787	7,956,963	9,122,173	7,848,323	7,435,226	7,229,003	7,574,949
Water	6,054,928	6,514,499	6,827,194	7,099,299	6,630,919	6,856,515	6,894,305	6,866,001	7,383,824	8,122,396
Parking	856,518	766,381	819,988	805,253	767,154	846,825	876,916	888,452	900,939	887,679
Transit	7,597,860	7,685,829	8,682,833	10,010,387	10,002,499	10,629,183	11,391,087	11,859,395	12,216,003	13,208,178
Storm sewer	458,119	1,080,705	782,489	917,771	918,495	655,522	467,378	644,411	557,890	1,231,885
Ice arena	480,418	511,334	565,303	526,660	521,670	606,215	578,163	584,702	605,291	602,774
Golf course	217,964	218,708	218,021	230,698	232,689	211,279	206,620	253,997	243,309	258,459
Resource recovery	3,636,402	3,914,713	3,855,039	4,310,188	4,184,929	4,375,362	4,670,459	4,577,441	4,320,344	4,619,859
Total business-type activities	<u>214,591,266</u>	<u>220,635,533</u>	<u>217,127,075</u>	<u>225,154,730</u>	<u>236,749,523</u>	<u>246,083,678</u>	<u>249,516,865</u>	<u>255,025,772</u>	<u>265,281,365</u>	<u>277,853,337</u>
Total expenses	<u>254,169,705</u>	<u>262,505,892</u>	<u>259,243,191</u>	<u>273,090,889</u>	<u>283,544,257</u>	<u>293,605,309</u>	<u>295,364,713</u>	<u>299,972,949</u>	<u>312,627,432</u>	<u>328,248,694</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	837,787	1,367,765	1,308,062	1,404,478	118,459	130,627	163,655	134,239	172,126	203,609
Public safety	2,356,887	2,387,020	2,371,581	2,571,060	2,864,844	3,194,059	3,433,170	3,652,787	3,345,400	3,768,480
Public works	4,461,876	5,181,523	5,865,263	5,231,237	6,601,518	6,026,315	295,874	715,898	277,437	268,565
Culture and recreation	1,066,913	1,059,095	1,326,197	1,490,008	2,031,204	1,980,793	1,974,037	2,029,655	1,939,498	2,135,274
Other activities	197,556	73,674	34,005	24,163	7,630	11,140	15,925	23,015	24,615	25,660
Operating grants and contributions	3,545,354	2,437,772	2,524,027	2,758,176	1,091,752	1,192,687	6,940,124	7,173,301	8,521,814	8,681,507
Capital grants and contributions	6,119,361	2,901,619	6,256,045	4,742,929	4,985,082	3,211,001	3,516,122	1,632,753	6,822,367	6,664,323
Total governmental activities	<u>18,585,734</u>	<u>15,408,468</u>	<u>19,685,180</u>	<u>18,222,051</u>	<u>17,700,489</u>	<u>15,746,622</u>	<u>16,338,907</u>	<u>15,361,648</u>	<u>21,103,257</u>	<u>21,747,418</u>

**City of Ames**  
**Changes in Net Position (continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Business-type activities:</b>										
Charges for services										
Mary Greeley Medical Center	152,684,036	156,095,243	156,880,212	160,115,058	171,389,850	175,011,409	174,265,003	184,201,460	181,534,863	189,926,814
Electric	47,973,171	50,432,375	50,113,108	57,545,144	57,195,559	57,353,200	60,016,205	56,636,062	58,511,422	64,339,637
Sewer	4,811,331	5,126,681	5,171,859	5,402,162	6,188,602	6,648,263	7,491,746	8,267,051	8,370,811	8,856,136
Water	6,474,046	6,742,803	7,516,283	7,650,007	8,824,494	9,125,922	9,647,203	9,584,813	9,987,307	10,502,276
Parking	860,255	792,023	762,746	872,625	779,976	883,899	870,246	891,983	925,177	899,705
Transit	4,079,218	4,507,801	4,626,529	5,588,406	4,828,097	5,108,154	5,463,677	5,814,552	6,337,415	6,576,578
Storm sewer	828,644	878,597	984,077	957,122	1,155,583	1,136,621	1,179,495	1,215,233	1,241,840	1,700,529
Ice arena	417,715	444,671	433,628	472,015	475,743	471,760	507,203	532,001	544,300	481,831
Golf course	215,923	234,701	246,357	220,388	235,824	220,643	256,221	248,853	268,440	191,186
Resource recovery	3,813,799	3,444,001	3,676,954	4,374,268	3,583,946	3,731,936	3,469,877	3,687,927	3,031,997	3,314,210
Operating grants and contributions	2,721,873	2,681,074	2,922,399	2,567,137	2,751,186	2,723,226	3,059,305	3,161,366	3,405,067	5,080,151
Capital grants and contributions	3,290,701	1,345,340	5,819,635	5,541,433	8,991,024	8,604,246	4,708,511	3,304,381	1,474,384	4,752,319
Total business-type activities	228,170,712	232,725,310	239,153,787	251,305,765	266,399,884	271,019,279	270,934,692	277,545,682	275,633,023	296,621,372
Total program revenues	246,756,446	248,133,778	258,838,967	269,527,816	284,100,373	286,765,901	287,273,599	292,907,330	296,736,280	318,368,790
<b>Net (expense) / revenue</b>										
Governmental activities	(20,992,705)	(26,461,891)	(22,430,936)	(29,714,108)	(29,094,245)	(31,775,009)	(29,508,941)	(29,585,529)	(26,242,810)	(28,647,939)
Business-type activities	13,579,446	12,089,777	22,026,712	26,151,035	29,650,361	24,935,601	21,417,827	22,519,910	10,351,658	18,768,035
Total net (expense) / revenue	(7,413,259)	(14,372,114)	(404,224)	(3,563,073)	556,116	(6,839,408)	(8,091,114)	(7,065,619)	(15,891,152)	(9,879,904)
<b>General revenues</b>										
Governmental activities:										
Taxes										
Property taxes	20,147,655	21,436,807	22,215,888	22,821,388	23,485,295	23,913,389	25,273,931	25,988,892	27,114,273	28,166,804
Sales taxes	5,890,362	6,246,630	5,954,773	6,117,664	6,935,154	6,655,355	6,648,615	7,996,943	7,831,295	7,711,124
Hotel / motel taxes	1,106,797	1,822,205	1,142,162	1,416,830	1,518,571	1,760,462	1,845,940	2,113,310	2,272,323	2,435,756
Unrestricted grants and contribution	20,676	15,842	15,842	15,990	17,040	17,726	17,819	19,108	20,527	20,565
Investment income	2,058,452	1,508,776	673,003	499,004	436,302	18,067	544,414	455,916	699,289	211,126
Other income	-	-	-	-	314,699	120,071	118,097	133,787	450,340	251,997
Gain on disposal of assets	-	-	-	-	127,182	16,084	25,501	63,228	140,825	118,389
Transfers	292,383	307,267	351,946	(228,423)	(223,314)	12,751	(18,401)	117,020	(13,399)	(465,996)
Total governmental activities	29,516,325	31,337,527	30,353,614	30,642,453	32,610,929	32,513,905	34,455,916	36,888,204	38,515,473	38,449,765
Business-type activities:										
Investment income	(750,318)	(8,598,734)	11,575,051	17,372,875	4,197,199	13,003,757	26,013,566	8,201,914	1,001,761	27,543,163
Other income	-	-	-	-	-	40,761	66,660	64,714	40,083	417,879
Gain on disposal of assets	2,814	1,311	1,151	18,421	5,164,193	35,091	551,139	25,700	-	48,479
Special item	-	-	-	9,382,844	-	-	-	-	-	-
Transfers	(292,383)	(307,267)	(351,946)	228,423	223,314	(12,751)	18,401	(117,020)	13,399	465,996
Total business-type activities	(1,039,887)	(8,904,690)	11,224,256	27,002,563	9,584,706	13,066,858	26,649,766	8,175,308	1,055,243	28,475,517
Total primary government	28,476,438	22,432,837	41,577,870	57,645,016	42,195,635	45,580,763	61,105,682	45,063,512	39,570,716	66,925,282
<b>Change in net position</b>										
Governmental activities	8,523,620	4,875,636	7,922,678	928,345	3,516,684	738,896	4,946,975	7,302,675	12,272,663	9,801,826
Business-type activities	12,539,559	3,185,087	33,250,968	53,153,598	39,235,067	38,002,459	48,067,593	30,695,218	11,406,901	47,243,552
Total change in net position	\$21,063,179	\$ 8,060,723	\$41,173,646	\$54,081,943	\$42,751,751	\$38,741,355	\$53,014,568	\$37,997,893	\$23,679,564	\$57,045,378

**City of Ames**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund										
Reserved	\$ 276,068	\$ 190,599	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	6,377,565	6,933,392	-	-	-	-	-	-	-	-
Nonspendable	-	-	68,171	97,918	96,235	73,623	68,428	90,538	141,713	172,236
Assigned	-	-	74,962	124,097	147,752	382,930	253,059	296,803	725,077	809,033
Unassigned	-	-	7,248,755	7,751,289	7,924,363	7,902,465	9,046,946	10,332,050	11,137,621	11,270,733
Total general fund	<u>\$ 6,653,633</u>	<u>\$ 7,123,991</u>	<u>\$ 7,391,888</u>	<u>\$ 7,973,304</u>	<u>\$ 8,168,350</u>	<u>\$ 8,359,018</u>	<u>\$ 9,368,433</u>	<u>\$ 10,719,391</u>	<u>\$ 12,004,411</u>	<u>\$ 12,252,002</u>
All other governmental funds										
Reserved	\$ 14,663,188	\$ 11,630,104	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Non-major special revenue funds	12,239,249	10,376,299	-	-	-	-	-	-	-	-
Nonspendable	-	-	2,063,375	1,999,501	1,976,152	2,019,699	1,998,143	2,007,044	2,023,387	2,059,985
Restricted	-	-	17,214,109	16,940,269	24,621,403	47,672,976	30,630,963	31,882,923	30,000,397	31,507,537
Committed	-	-	6,239,090	5,577,769	1,399,913	1,547,185	1,461,826	1,397,635	2,013,730	1,978,585
Assigned	-	-	678,764	1,259,956	316,669	-	-	-	71,393	-
Unassigned	-	-	-	(470,818)	(308,456)	(669,214)	(448,098)	(1,811,003)	(2,479,002)	(2,741,760)
Total all other governmental funds	<u>\$ 26,902,437</u>	<u>\$ 22,006,403</u>	<u>\$ 26,195,338</u>	<u>\$ 25,306,677</u>	<u>\$ 28,005,681</u>	<u>\$ 50,570,646</u>	<u>\$ 33,642,834</u>	<u>\$ 33,476,599</u>	<u>\$ 31,629,905</u>	<u>\$ 32,804,347</u>

Note: GASB Statement 54 was implemented in 2010. Prior to 2010, fund balance information in the GASB 54 format is not readily available.

**City of Ames**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>REVENUES</b>										
Taxes	\$ 27,144,814	\$ 29,505,642	\$ 29,312,823	\$ 30,355,882	\$ 31,908,563	\$ 32,319,668	\$ 33,755,016	\$ 36,080,369	\$ 37,207,916	\$ 38,313,146
Special assessments	117,218	136,817	301,709	238,106	217,885	306,761	16,590	362,306	222,895	298,227
Licenses and permits	1,083,017	1,071,936	1,068,920	1,138,714	1,327,206	1,707,463	1,892,634	2,017,035	1,687,317	2,059,688
Intergovernmental	8,260,076	7,889,894	11,276,398	11,408,113	9,098,425	9,084,528	10,658,992	8,277,965	14,500,743	10,983,498
Charges for services	3,396,848	3,451,677	3,643,428	3,969,212	4,039,097	3,298,578	3,393,715	3,517,164	3,596,467	3,798,813
Fines and forfeitures	186,848	214,672	180,059	196,748	214,641	111,014	146,485	138,720	93,652	67,584
Investment income	1,824,426	1,345,607	664,464	635,176	320,693	70,115	419,786	404,297	529,364	169,673
Miscellaneous	3,365,417	875,643	412,881	476,659	3,027,255	1,219,633	863,337	825,429	852,639	930,506
Total revenues	45,378,664	44,491,888	46,860,682	48,418,610	50,153,765	48,117,760	51,146,555	51,623,285	58,690,993	56,621,135
<b>EXPENDITURES</b>										
Current:										
General government	2,207,062	2,293,741	2,286,774	2,398,630	2,405,265	2,906,491	2,720,623	3,308,736	2,655,547	3,520,312
Public safety	12,927,372	12,917,525	13,250,208	14,252,764	14,938,537	15,287,766	15,839,280	16,237,949	16,664,555	17,097,771
Public works	5,117,634	5,499,791	5,980,354	5,463,593	5,538,204	5,388,832	5,434,191	5,488,851	5,871,433	5,868,576
Health and social services	1,033,776	1,159,726	1,156,893	1,252,377	1,159,849	1,005,458	1,078,118	1,161,242	1,180,361	1,342,880
Culture and recreation	6,160,922	6,327,050	6,685,162	6,869,276	7,224,794	7,088,894	7,179,033	7,613,063	8,263,043	8,648,567
Community and economic development	3,217,968	3,851,231	3,053,279	4,266,580	2,870,859	2,363,783	2,481,609	2,875,879	2,909,942	3,464,575
Debt service:										
Principal	5,630,919	6,109,953	6,483,396	5,741,838	7,385,280	9,713,723	7,671,776	7,364,829	13,142,882	10,481,762
Interest and fiscal charges	1,620,271	1,681,184	1,595,367	1,595,755	1,389,368	1,440,738	1,815,272	1,765,082	1,995,674	2,064,652
Capital outlay	11,463,042	15,349,040	13,676,401	12,643,534	10,884,449	13,972,053	22,817,899	14,294,598	24,428,030	12,119,780
Total expenditures	49,378,966	55,189,241	54,167,834	54,484,347	53,796,605	59,167,738	67,037,801	60,110,229	77,111,467	64,608,875
Excess (deficiency) of revenues over (under) expenditures	(4,000,302)	(10,697,353)	(7,307,152)	(6,065,737)	(3,642,840)	(11,049,978)	(15,891,246)	(8,486,944)	(18,420,474)	(7,987,740)
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	8,384,379	7,413,364	8,546,195	7,625,145	8,476,754	8,695,389	8,725,886	9,917,519	13,410,870	10,665,237
Transfers out	(8,101,641)	(7,107,780)	(8,194,249)	(7,484,112)	(8,627,749)	(8,794,765)	(8,753,037)	(9,879,039)	(13,474,329)	(10,940,973)
General obligation bonds issued	9,059,781	5,825,000	11,165,000	6,690,000	6,675,000	30,455,000	-	9,395,000	11,435,000	6,890,605
Premium on general obligation bonds	69,583	85,108	247,038	197,459	12,885	1,302,774	-	238,187	901,045	475,349
Refunding bonds issued	-	6,995,000	-	5,980,000	-	2,090,000	-	-	5,150,000	2,130,000
Premium on refunding bonds	-	210,985	-	-	-	57,213	-	-	436,214	189,555
Payment to refunded bond escrow	-	(7,150,000)	-	(7,250,000)	-	-	-	-	-	-
Total other financing sources (uses)	9,412,102	6,271,677	11,763,984	5,758,492	6,536,890	33,805,611	(27,151)	9,671,667	17,858,800	9,409,773
Net change in fund balances	\$ 5,411,800	\$ (4,425,676)	\$ 4,456,832	\$ (307,245)	\$ 2,894,050	\$ 22,755,633	\$ (15,918,397)	\$ 1,184,723	\$ (561,674)	\$ 1,422,033
Debt service as a percentage of non-capital expenditures	19.8%	19.5%	19.6%	15.9%	19.2%	23.0%	21.0%	20.0%	28.2%	24.2%

**City of Ames**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30,</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Utilities</b>	<b>Multi-Residential<sup>1</sup></b>	<b>Other Property<sup>1</sup></b>	<b>Less: Military Tax Exemption</b>	<b>Total Taxable Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Assessed Value</b>	<b>Taxable Value as a Percentage of Estimated Actual Assessed Value</b>
2008	\$ 988,802,548	\$ 832,616,846	\$ 99,794,440	\$ 14,985,782	\$ -	\$ -	\$ 2,888,194	\$1,933,311,422	\$10.4359	\$3,120,176,952	61.96%
2009	1,005,587,549	815,275,464	107,483,480	16,390,291	-	-	2,941,902	1,941,794,882	11.0624	3,224,629,664	60.22%
2010	1,081,452,054	825,225,818	110,467,400	16,557,530	-	-	2,927,086	2,030,775,716	10.8582	3,327,852,693	61.02%
2011	1,145,943,933	834,382,923	132,671,800	16,025,529	-	-	2,849,302	2,126,174,883	10.8458	3,431,600,584	61.96%
2012	1,203,280,867	821,428,238	129,708,000	16,640,931	-	-	2,797,446	2,168,260,590	10.8437	3,453,383,950	62.79%
2013	1,274,315,462	817,189,995	132,577,960	18,490,587	-	-	2,727,070	2,239,846,934	10.7213	3,485,543,532	64.26%
2014	1,343,486,699	836,448,468	130,392,785	18,309,505	-	-	2,667,806	2,325,969,651	10.8578	3,536,735,367	65.77%
2015	1,420,669,916	791,068,230	125,969,430	18,255,332	-	-	2,606,690	2,353,356,218	10.8554	3,604,369,966	65.29%
2016	1,552,353,357	757,802,880	120,629,790	16,686,705	-	-	2,514,090	2,444,958,642	10.6294	3,789,598,226	64.52%
2017	1,647,904,615	696,992,705	136,333,800	16,846,075	106,897,191	441,500	2,350,188	2,603,065,698	10.3733	4,052,418,330	64.23%

Source: Story County Auditor

<sup>1</sup> Fiscal year 2017 is the first fiscal year to have these classifications.

**City of Ames  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years**

Fiscal Year	City Direct Rates				Overlapping Rates <sup>1</sup>				Total Direct & Overlapping Rates
	General <sup>2</sup>	Public Transit	Employee Benefits	Debt Service	Total Direct Tax Rate <sup>3</sup>	Ames School District <sup>4</sup>	Consolidated County <sup>5</sup>	Area Vocational <sup>6</sup>	
2008	5.48631	0.59171	0.67178	3.68605	10.43585	13.27297	6.42527	0.60276	30.73685
2009	5.79037	0.62329	0.49436	4.15437	11.06239	13.62557	6.52666	0.56386	31.77848
2010	5.81420	0.62580	0.47270	3.94549	10.85819	13.58764	6.67330	0.56778	31.68691
2011	6.14501	0.61862	0.51112	3.57104	10.84579	14.65339	6.57299	0.56008	32.63225
2012	6.00441	0.63491	0.67239	3.53194	10.84365	14.51772	6.34859	0.59018	32.30014
2013	5.83418	0.65737	0.70627	3.52343	10.72125	14.47262	6.58192	0.58466	32.36045
2014	5.85539	0.64949	0.75345	3.59946	10.85779	14.34904	6.50266	0.69120	32.40069
2015	5.83299	0.65719	0.78331	3.58189	10.85538	14.34759	6.39469	0.65724	32.25490
2016	5.77474	0.65200	0.71216	3.49047	10.62937	14.20276	6.72830	0.67574	32.23617
2017	5.60071	0.64261	0.71908	3.41087	10.37327	14.34101	6.21998	0.72334	31.65760

<sup>1</sup> Overlapping rates are those of local and county governments that may apply to property owners within the City of Ames. Not all overlapping rates apply to all Ames property taxpayers.

<sup>2</sup> State law limits the maximum tax rate for the general fund to \$8.10 per thousand dollars of assessed valuation.

<sup>3</sup> City Council sets the rate.

<sup>4</sup> School district board of education sets the rate.

<sup>5</sup> Story County board of supervisors, the county and city's assessors board, county agricultural extension board, and county hospital board set the rate.

<sup>6</sup> Area community college sets the rate.

Source: Story County Auditor

**City of Ames  
Principal Property Taxpayers  
Current Year and Nine Years Ago**

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Iowa State University Research	\$ 46,140,974	1	1.77%	\$ 10,635,000	6	0.55%
Barilla America, Inc.	32,579,100	2	1.25%	26,183,300	2	1.35%
Campus Investors IS, LLC	32,296,378	3	1.24%	9,458,900	7	0.49%
GPT Ames Owner LLC <sup>2</sup>	21,780,000	4	0.84%	12,674,400	5	0.66%
Clinic Building Company, Inc.	19,687,410	5	0.76%	15,981,000	3	0.83%
US Bank, NA Trustee <sup>1</sup>	19,019,520	6	0.73%	29,000,000	1	1.50%
Wal-Mart Stores, Inc.	18,810,000	7	0.72%			
Dayton Park, LLC	17,194,782	8	0.66%			
University West Property Owner, LLC	15,353,447	9	0.59%			
West Towne Condos, LLC	14,373,661	10	0.55%			
Midwest Centers				12,752,000	4	0.66%
SUSA Holding of Story County, Inc.				8,775,000	8	0.45%
BRHC Ames LLC				8,739,000	9	0.45%
Minnesota Mining & Manufacturing Co.				8,695,000	10	0.45%
	<u>\$ 237,235,272</u>		<u>9.11%</u>	<u>\$ 142,893,600</u>		<u>7.39%</u>

<sup>1</sup> Formerly North Grand Mall Partners, LLC

<sup>2</sup> Formerly Cycloneball, LLC

Source: Story County Auditor

**City of Ames  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30,</b>	<b>Tax Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount Collected</b>	<b>Percentage of Levy</b>		<b>Amount Collected</b>	<b>Percentage of Levy</b>
2008	\$ 20,178,912	\$ 19,828,739	98.26%	\$ 224	\$ 19,828,963	98.27%
2009	21,484,466	21,089,753	98.16%	8,062	21,097,815	98.20%
2010	22,054,085	21,869,568	99.16%	152	21,869,720	99.16%
2011	23,064,211	22,514,535	97.62%	3,546	22,518,081	97.63%
2012	23,516,201	23,178,276	98.56%	5,943	23,184,219	98.59%
2013	24,018,714	23,540,944	98.01%	1,970	23,542,914	98.02%
2014	25,261,403	24,795,918	98.16%	2,516	24,798,434	98.17%
2015	25,557,159	24,772,538	96.93%	13	24,772,551	96.93%
2016	26,000,394	25,108,284	96.57%	-	25,108,284	96.57%
2017	27,044,391	25,919,190	95.84%	-	25,919,190	95.84%

Sources: Story County Auditor and City Finance Department



**City of Ames**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities		Business-Type Activities			Total Outstanding Debt	Percentage of Personal Income <sup>2</sup>	Population <sup>3</sup>	Per Capita
	General Obligation Bonds <sup>1</sup>	General Obligation Bonds <sup>1</sup>	Revenue Bonds <sup>1</sup>	Notes Payable	Loans Payable				
2008	\$40,083,868	\$ 1,355,644	\$22,582,909	\$ -	\$ -	\$64,022,421	5.08%	55,599	\$1,152
2009	39,883,464	3,329,193	21,516,866	3,197,834	-	67,927,357	5.17%	56,510	1,202
2010	44,714,741	2,673,753	20,421,954	5,813,116	726,804	74,350,368	5.65%	56,657	1,312
2011	44,448,603	2,442,080	19,077,870	4,395,970	683,896	71,048,419	5.56%	58,965	1,205
2012	43,633,557	2,203,850	83,391,700	2,933,922	535,182	132,698,211	9.63%	58,965	2,250
2013	67,647,632	4,660,760	89,571,199	1,611,285	4,167,950	167,658,826	12.08%	58,965	2,843
2014	59,811,442	4,191,151	86,942,752	568,517	8,884,606	160,398,468	11.47%	58,965	2,720
2015	61,891,291	4,001,571	84,078,724	122,457	14,519,773	164,613,816	11.77%	58,965	2,792
2016	66,260,584	5,399,300	100,601,136	-	35,976,370	208,237,390	14.66%	58,965	3,532
2017	64,987,720	6,534,531	96,160,114	-	66,093,486	233,775,851	14.35%	58,965	3,965

<sup>1</sup> Presented net of original issuance discounts and premiums and deferred charges.

<sup>2</sup> Personal income is presented on page 138.

<sup>3</sup> United States Census Bureau

**City of Ames**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Obligation Bonds<sup>1</sup></b>	<b>Less: Amounts Available in Debt Service Fund<sup>2</sup></b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property<sup>3</sup></b>	<b>Per Capita<sup>4</sup></b>
2008	\$41,439,512	\$ 1,423,410	\$40,016,102	1.28%	\$ 720
2009	43,212,657	1,990,754	41,221,903	1.28%	729
2010	47,388,494	2,467,664	44,920,830	1.35%	793
2011	46,890,683	1,942,412	44,948,271	1.31%	762
2012	45,837,407	1,658,922	44,178,485	1.28%	749
2013	72,308,392	1,260,206	71,048,186	2.04%	1,205
2014	64,002,593	603,260	63,399,333	1.79%	1,075
2015	65,892,862	594,468	65,298,394	1.81%	1,107
2016	65,892,862	773,472	65,119,390	1.72%	1,104
2017	71,522,251	1,173,608	70,348,643	1.74%	1,193

<sup>1</sup> General bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums and deferred charges

<sup>2</sup> Amount restricted for debt service payments

<sup>3</sup> See page 128 for property value data.

<sup>4</sup> See page 138 for population data.

**City of Ames**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2017**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Amount Applicable to Primary Government</b>
Debt repaid with property taxes:			
Ames Community School District	\$20,350,000	97.98%	\$ 19,938,930
Gilbert Community School District	17,770,000	50.10%	8,902,770
Des Moines Area Community College <sup>1</sup>	50,915,000	6.19%	3,151,639
Nevada Community School District	6,785,000	0.09%	6,107
Story County	6,580,882	59.79%	3,934,709
Other debt:			
Ames Community School District revenue bonds	14,030,000	97.98%	13,746,594
Gilbert Community School District revenue bonds	10,465,000	50.10%	5,242,965
Des Moines Area Community College revenue bonds	2,715,000	6.19%	168,059
Des Moines Area Community College capital notes	25,190,000	6.19%	1,559,261
Nevada Community School District revenue bonds	13,315,000	0.09%	11,984
Subtotal, overlapping debt			56,663,018
City direct debt			64,987,720
Total direct and overlapping debt			<u>\$ 121,650,738</u>

<sup>1</sup> New jobs training certificates payable primarily from credits and incremental property tax revenue derived from jobs training program. The certificates are further secured by a back-up levy of general taxes.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: Debt outstanding provided by each governmental unit. Applicable percentages calculated based on assessed value data from the Story County Auditor.

**City of Ames  
Legal Debt Margin  
June 30, 2017**

Legal debt margin for the fiscal year ended June 30, 2017:

Assessed value	\$ 4,052,418,330
Debt limit (5% of actual value)	\$ 202,620,917
Debt applicable to limit:	
General obligation bonds	68,230,000
Legal debt margin	\$ 134,390,917
Percentage of net debt margin available	66.33%
Percentage of net debt margin exhausted	33.67%

Year	Debt Limit	Outstanding Debt	Percentage of Net Debt Margin Available
2017	\$ 202,620,917	\$ 68,230,000	66.33%
2016	189,479,911	68,825,000	63.68%
2015	180,218,498	64,110,000	64.43%
2014	176,836,768	62,260,000	64.79%
2013	174,277,177	70,385,000	59.61%
2012	172,669,198	45,240,000	73.80%
2011	171,580,029	46,185,000	73.08%
2010	166,392,635	46,735,000	71.91%
2009	161,231,483	42,700,000	73.52%
2008	156,008,848	41,195,000	73.59%

Note: State of Iowa statutory debt limit is 5% of total actual assessed valuation.

**City of Ames  
Pledged-Revenue Coverage  
Last Ten Fiscal Years**

**Hospital Revenue Bond**

Fiscal Year	Gross Revenues <sup>3</sup>	Less: Operating Expenses	Net Available Revenue	Debt Service <sup>1</sup>		Coverage
				Principal	Interest	
2008	\$ 152,684,036	\$ 133,102,085	\$ 19,581,951	\$ 1,030,000	\$ 1,056,313	9.39
2009	156,095,243	140,766,706	15,328,537	1,060,000	1,025,413	7.35
2010	156,880,212	133,553,941	23,326,271	1,090,000	993,613	11.20
2011	160,115,058	132,028,206	28,086,852	1,340,000	954,863	12.24
2012	171,389,850	139,964,878	31,424,972	1,375,000	3,069,633	7.07
2013	175,011,409	145,546,625	29,464,784	1,915,000	3,682,094	5.26
2014	174,265,003	145,968,125	28,296,878	2,755,000	3,869,900	4.27
2015	184,201,460	147,149,250	37,052,210	2,825,000	3,803,608	5.59
2016	181,534,863	153,761,276	27,773,587	2,890,000	3,735,480	4.19
2017	189,926,814	162,011,472	27,915,342	3,070,000	3,172,934	4.47

**Electric Revenue Bond**

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2008	\$ 48,984,018	\$ 40,719,115	\$ 8,264,903	\$ 100,000	\$ 3,000	80.24
2009	-	-	-	-	-	-
2010	-	-	-	-	-	-
2011	-	-	-	-	-	-
2012	-	-	-	-	-	-
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	58,511,422	51,059,004	7,452,418	800,000	161,946	7.75
2017	64,339,637	53,697,044	10,642,593	625,000	343,556	10.99

**City of Ames  
Pledged-Revenue Coverage (Continued)  
Last Ten Fiscal Years**

**Sewer Capital Loan Note**

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service <sup>2</sup>		Coverage
				Principal	Interest	
2008	\$ -	\$ -	\$ -	\$ -	\$ -	-
2009	-	-	-	-	-	-
2010	-	-	-	-	-	-
2011	-	-	-	-	-	-
2012	-	-	-	-	-	-
2013	6,643,819	7,083,679	(439,860)	-	3,019	(145.70)
2014	7,491,746	5,809,744	1,682,002	128,000	20,300	11.34
2015	8,267,051	5,334,578	2,932,473	131,000	38,999	17.25
2016	8,370,811	4,751,416	3,619,395	134,000	44,520	20.27
2017	8,856,136	5,147,061	3,709,075	169,000	42,951	17.50

**Water Capital Loan Note**

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2008	\$ -	\$ -	\$ -	\$ -	\$ -	-
2009	-	-	-	-	-	-
2010	-	-	-	-	-	-
2011	-	-	-	-	-	-
2012	-	-	-	-	-	-
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	9,584,813	5,560,459	4,024,354	-	64,982	61.93
2016	9,987,307	5,771,458	4,215,849	-	454,561	9.27
2017	10,502,276	6,141,051	4,361,225	-	857,786	5.08

<sup>1</sup> Debt service payments do not include payments to refund revenue bonds.

<sup>2</sup> 2013 was the year of issuance. Accordingly no principal payments were scheduled. Further, there was not any debt outstanding in the previous nine years that was secured by pledged revenues.

<sup>3</sup> Prior year gross revenues were restated to accurately reflect operating revenue.

**City of Ames  
Demographic and Economic Statistics  
Last Ten Calendar Years**

<b>Calendar Year</b>	<b>Population<sup>1</sup></b>	<b>Per Capita Personal Income<sup>1</sup></b>	<b>Personal Income</b>	<b>School Enrollment<sup>2</sup></b>	<b>Unemployment Rate<sup>3</sup></b>
2007	55,599	\$ 22,657	\$1,259,706,543	4,351	2.5%
2008	56,510	23,231	1,312,783,810	4,340	2.7%
2009	56,657	23,231	1,316,198,767	4,358	3.9%
2010	58,965	21,655	1,276,887,075	4,280	4.1%
2011	58,965	23,363	1,377,599,295	4,224	4.1%
2012	58,965	23,547	1,388,448,855	4,229	3.9%
2013	58,965	23,713	1,398,237,045	4,247	3.2%
2014	58,965	23,713	1,398,237,045	4,171	2.7%
2015	58,965	24,082	1,419,995,130	4,181	2.4%
2016	58,965	27,629	1,629,143,985	4,188	2.4%

<sup>1</sup> United States Census Bureau

<sup>2</sup> Ames School District

<sup>3</sup> Iowa Workforce Development

**City of Ames  
Principal Employers  
Current Year and Nine Years Ago**

<b>Employer</b>	<b>2017</b>			<b>2008</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Iowa State University	16,811	1	29.55%	13,882	1	28.87%
City of Ames	1,327	2	2.33%	814	5	1.69%
Mary Greeley Medical Center	1,276	3	2.24%	1,365	2	2.84%
Iowa Department of Transportation	959	4	1.69%	1,200	3	2.50%
McFarland Clinic, P.C.	930	5	1.63%	825	4	1.72%
Danfoss <sup>1</sup>	925	6	1.63%	802	6	1.67%
Hy-Vee Food Stores	798	7	1.40%			
Ames Community School District	632	8	1.11%	680	7	1.41%
Workiva	455	9	0.80%			
Wal-Mart	439	10	0.77%			
3M Company				400	8	0.83%
Hach Companies				340	9	0.71%
Ames Laboratories				309	10	0.64%
Total			43.15%			42.88%

<sup>1</sup> Formerly Sauer-Danfoss

Sources: United States Department of Labor, City of Ames, and company inquiries.



**City of Ames**  
**Full-Time Equivalent Employees by Function**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
General government:										
Management services	22.25	22.50	23.50	22.50	22.25	23.25	23.25	23.25	23.25	24.25
Finance	39.75	40.75	40.75	40.75	40.75	40.75	40.75	40.75	40.75	40.75
Planning and housing	10.50	10.50	10.50	10.50	8.00	8.00	8.00	7.00	7.00	7.00
Administrative services <sup>1</sup>	-	-	-	-	-	-	-	6.50	6.00	6.00
Fleet services/facilities	8.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50
Transit	73.70	75.70	75.70	75.95	75.95	75.95	75.95	81.55	84.05	84.05
Fire/inspections	65.00	68.00	68.00	68.00	68.50	68.50	68.50	65.00	65.00	68.00
Police/animal control/parking	74.40	74.65	74.65	77.65	77.65	77.65	77.65	77.65	77.65	79.65
Library	31.00	31.00	31.00	31.00	31.50	31.50	31.50	35.25	35.50	35.75
Parks and recreation	20.50	20.50	20.50	20.50	19.50	19.50	19.50	19.50	19.50	25.00
Water and pollution control	41.50	41.50	41.50	41.50	41.50	41.50	41.25	40.05	40.05	40.30
Electric	81.00	81.00	81.00	81.00	81.00	81.00	81.00	81.00	81.00	81.00
Public works:										
Administration	3.00	3.00	3.00	3.00	3.00	3.00	3.00	1.50	2.00	2.00
Engineering	13.00	13.00	13.00	13.00	14.00	14.00	14.00	14.00	15.75	15.75
Resource recovery	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Streets	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	22.00
Utility maintenance	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Other	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	8.00
Hospital	1,055.70	1,088.50	1,044.00	1,055.00	1,064.00	1,092.00	1,082.00	1,050.00	1,071.00	1,067.00
Total	<u>1,597.80</u>	<u>1,638.10</u>	<u>1,594.60</u>	<u>1,607.85</u>	<u>1,615.10</u>	<u>1,644.10</u>	<u>1,633.85</u>	<u>1,610.50</u>	<u>1,636.00</u>	<u>1,642.00</u>

<sup>1</sup> Administrative services was formed with employees from the planning and housing, fire/inspections, and public works administration divisions.

Source: City Finance Department

## City of Ames Operating Indicators by Function Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government:										
Number of licenses/permits processed <sup>1</sup>	1,003	650	537	512	462	539	524	617	559	714
Subdivision requests	14	15	13	13	7	18	17	15	27	22
Police:										
Physical arrests	1,468	1,599	1,417	1,415	1,395	1,463	1,588	1,531	1,362	1,215
Parking violations	57,931	54,754	46,354	52,147	48,947	44,100	45,530	46,759	50,280	47,272
Traffic violations	3,012	2,724	3,080	2,953	4,068	3,204	2,543	2,981	2,451	2,614
Fire:										
Number of fires	165	162	148	175	188	137	150	107	126	89
Number of ambulance assists	1,877	1,927	2,099	2,211	2,178	2,325	2,471	2,464	2,442	2,663
Inspections	1,018	632	731	1,011	829	1,058	1,263	1,205	1,435	1,074
Library:										
Total circulation	1,346,924	1,386,273	1,431,023	1,388,273	1,343,758	1,222,547	1,205,620	1,255,953	1,304,434	1,280,305
Library visits	462,967	424,504	435,572	416,908	443,895	323,859	226,690	426,608	506,034	523,673
Parks and recreation:										
Total number of participant visits <sup>2</sup>	251,445	244,856	254,365	303,012	320,533	287,504	294,978	279,103	293,757	255,227
Total number of activities	146	147	147	149	148	154	160	175	187	194
Resource recovery:										
Tons of refuse processed	52,482	50,057	50,614	56,789	53,731	48,244	27,878	50,035	41,646	45,598
Tipping fee per ton	52.75	52.75	52.75	52.75	52.75	52.75	52.75	52.75	52.75	52.75
Other public works:										
Blocks of streets crack sealed	108	51	45	65	110	92	123	90	66	73
Blocks of streets slurry sealed	46	-	-	-	-	-	11	22	36	33
Blocks of seal coat reconstruction	12	14	17	8	6	7	8	4	16	-
Hospital:										
Total admissions	10,002	9,748	9,292	9,918	9,617	8,768	8,289	8,298	7,867	8,368
Average percent of occupancy	57.9%	62.1%	59.6%	57.1%	56.3%	54.1%	52.1%	50.5%	49.3%	49.7%
Electric:										
Kilowatt hours produced at plant	429,927,000	413,485,892	340,892,874	341,229,148	307,447,978	318,394,938	282,348,784	278,471,640	243,388,530	244,149,566
Meters in service	23,946	24,237	24,290	24,436	24,844	25,141	25,353	26,023	26,232	26,475
Transit:										
Passengers	4,646,554	5,002,146	5,377,155	5,447,289	5,759,883	5,892,786	6,619,182	6,711,665	6,785,479	6,658,027
Total miles driven	1,287,789	1,317,336	1,381,832	1,421,852	1,412,162	1,384,270	1,493,983	1,599,493	1,658,443	1,635,781
Water:										
Billion gallons per year pumped	2.330	2.029	1.961	2.074	2.151	2.082	2.131	2.022	2.110	2.131
Utility locates performed	5,502	5,650	5,417	6,471	6,466	6,247	6,185	6,615	8,121	7,383
Water main breaks	44	29	23	37	18	42	47	19	19	18
Wastewater:										
Billion gallons per year treated	2.507	2.438	2.385	2.501	1.906	2.093	1.936	2.389	2.690	2.427

<sup>1</sup> The State of Iowa took over issuing plumbing, electrical, and mechanical licenses in 2009.

<sup>2</sup> Aquatic center opened in 2010.

Sources: City departments and Mary Greeley Medical Center

**City of Ames  
Capital Asset Statistics by Function  
Last Ten Fiscal Years**

Function	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	8	9	9	9	9	9	11	11	11	11
Fire stations	3	3	3	3	3	3	3	3	3	3
Parks and recreation:										
Total number of parks	34	36	36	36	36	37	37	37	37	36
Total number of park acres	1,199	1,213	1,213	1,213	1,213	1,224	1,227	1,227	1,227	1,223
Total number of athletic fields	18	18	18	18	18	18	18	18	18	18
Other public works:										
Miles of streets	246	250	254	260	272	288	290	291	291	300
Number of traffic signals	59	63	70	70	70	70	67	67	67	68
Number of signs	9,274	9,441	9,575	9,759	9,852	9,486	9,489	9,485	9,509	9,854
Hospital:										
Beds in operation	199	199	199	199	199	199	199	199	199	199
Transit:										
Buses owned	66	70	72	79	84	89	93	104	105	104
New buses purchased	-	4	14	7	7	2	-	6	9	5
Water:										
Miles of water mains	235	236	240	241	241	241	243	247	254	247
Fire hydrants	2,577	2,586	2,619	2,650	2,648	2,663	2,700	2,771	2,847	2,906
Wells	28	28	28	28	28	28	28	28	28	25
Wastewater:										
Sanitary sewer miles	201	199	200	201	202	202	203	204	204	210
Storm sewer miles	249	257	257	261	263	265	260	263	271	276

Note: No capital asset indicators are available for general government, library, resource recovery, or electric functions.

Sources: City departments and Mary Greeley Medical Center

# CHEMICAL FEED PUMPS



COMPLIANCE SECTION



**Independent Auditor's Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ames, Iowa (City), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated December 14, 2017. Other auditors audited the financial statements of Mary Greeley Medical Center (presented as an enterprise fund), as described in our report on the financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Other auditors also audited the financial statements of the Mary Greeley Medical Center Foundation, the discretely presented component unit. Those financial statements were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not extend to those financial statements.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying *schedule of findings and questioned costs*, we identified a certain deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described as item 2017-A in Part II of the accompanying schedule of findings and questioned costs to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2017, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City and are reported in Part IV of the accompanying Schedule of Findings and Questioned Costs. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

### **City's Response to Finding**

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dubuque, Iowa  
December 14, 2017



## **Independent Auditor's Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance**

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

### **Report on Compliance for The Major Federal Program**

We have audited the City of Ames, Iowa's (City), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2017. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

### **Opinion on the Major Federal Program**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major Federal program for the year ended June 30, 2017.

## Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Dubuque, Iowa  
December 14, 2017



City of Ames, Iowa  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development:			
Direct program:			
CDBG - Entitlement Grants Cluster:			
Community Development Block Grants/Entitlement Grants	14.218		\$ 403,053
U.S. Department of Justice			
Direct program:			
Bulletproof Vest Partnership Program	16.607		3,845
Edward Byrne Memorial Justice Assistance Grant Program	16.738		5,629
Total U.S. Department of Justice			9,474
U.S. Department of Transportation:			
Highway Planning and Construction Cluster:			
Pass-through program from:			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	STP-U-0155(691) --70-85	822,878
Highway Planning and Construction	20.205	STP-U-0155(693) --70-85	749,016
Highway Planning and Construction	20.205	17MPO-AAMPO	150,912
Highway Planning and Construction	20.205	2016-017-015-16	74,755
Highway Planning and Construction	20.205	2017-006-00- 0015-FY17	154,719
Total Highway Planning and Construction Cluster			1,952,280
Federal Transit Cluster:			
Direct program:			
Federal Transit – Capital Investment Grants	20.500		2,441,882
Federal Transit – Capital Investment Grants	20.500		172,389
			2,614,271
Federal Transit - Formula Grants	20.507		3,976,120
Total Federal Transit Cluster			6,590,391
Pass-through program from:			
Iowa Department of Transportation:			
Metropolitan Transportation Planning and State and Non-metropolitan Planning and Research	20.505	17MPO-AAMPO	62,781

City of Ames, Iowa  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Transportation: (continued)			
Transit Services Program Cluster:			
Pass-through program from:			
Iowa Department of Transportation:			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	2016-026-015-17	\$ 123,688
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	16-X0005-375 -015-16	70,334
Job Access and Reverse Commute Program	20.516	37-X022-015-17	14,515
Total Transit Services Program Cluster			<u>208,537</u>
Direct program:			
Alternatives Analysis	20.522		<u>5,149</u>
Highway Safety Cluster:			
Pass-through program from:			
Iowa Department of Public Safety:			
State and Community Highway Safety	20.600	PAP 17-402-M0AL, Task 01-00-00	25,109
State and Community Highway Safety	20.600	PAP 16-402-M0AL, Task 01-00-00	6,709
Total Highway Safety Cluster			<u>31,818</u>
Total U.S. Department of Transportation			<u>8,850,956</u>
U.S. Department of Health and Human Services:			
Pass-through program from:			
Iowa Department of Public Health			
Immunization Cooperative Agreements	93.268	5886I471	<u>1,997</u>
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	5886I471	<u>15,742</u>
Total U.S. Department of Health and Human Services			<u>17,739</u>

City of Ames, Iowa  
 Schedule of Expenditures of Federal Awards  
 Year Ended June 30, 2017

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Homeland Security:			
Pass-through program from:			
Iowa Department of Homeland Security and Emergency Management:			
Hazard Mitigation Grant	97.039	HMGP-DR-1998- 0033 01	<u>\$ 296,434</u>
 Total			<u><u>\$ 9,577,656</u></u>

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Ames, Iowa, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. The City received federal awards both directly from federal agencies and indirectly through pass-through entities. Federal financial assistance provided to a subrecipient is treated as an expenditure when it is paid to the subrecipient. There was no assistance provided to subrecipients during the year ended June 30, 2017.

**Note 2 - Significant Accounting Policies**

Governmental fund types account for the City's federal grant activity. Therefore, expenditures in the schedule of expenditures of federal awards are recognized on the modified accrual basis – when they become a demand on current available financial resources in the governmental fund types and on the full accrual basis – when expenditures are incurred in the proprietary fund types. The City's summary of significant accounting policies is presented in Note 1 in the City's basic financial statements.

The City has not elected to use the 10% de minimis cost rate.

**Part I: Summary of the Independent Auditor’s Results:**

**Financial Statements**

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	Yes
Significant deficiency not considered to be a material weakness	None reported
Noncompliance material to financial statements noted	No

**Federal Awards**

Internal control over major programs:	
Material weakness identified	No
Significant deficiency not considered to be a material weakness	None reported
Type of auditor’s report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516	No

**Identification of major programs:**

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Federal Transit Cluster	
Federal Transit – Capital Investment Grants	20.500
Federal Transit - Formula Grants	20.507
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee	No

**Part II: Findings Related to the Financial Statements:**

**Material Weakness**

**2017-A Net Position Restatement**

**Criteria** – A properly designed system of internal control over financial reporting allows entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles.

**Condition** – During the year ended June 30, 2017, the City identified and corrected a prior year misstatement related to the transit grant receivable balance.

**Cause** – The restatement was caused by the timing of grant reimbursements.

**Effect** – The effect of this condition was financial data not in accordance with generally accepted accounting principles.

**Recommendation** – We recommend that additional financial statement review procedures be implemented.

**Views of Responsible Officials** – The City agrees with the recommendation.

**Part III: Findings and Questioned Costs for Federal Awards:**

There were no federal findings and questioned costs to report.

**Part IV: Other Findings Related to Required Statutory Reporting:**

- 2017-IA-A     **Certified Budget** – Disbursements during the year ended June 30, 2017, did not exceed the amount budgeted.
  
- 2017-IA-B     **Questionable Expenditures** – We noted no expenditures that we believe may fail to meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979.
  
- 2017-IA-C     **Travel Expense** – No expenditures of City money for travel expenses of spouses of City officials or employees were noted.
  
- 2017-IA-D     **Business Transactions** – Business transactions between the City and City officials or employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Jan Heuss, Employee, Daughter is owner of Heuss Printing, Inc.	Printing Services	\$       4,968
Karen Stephan, Account Clerk Husband is owner of Scott’s Heating, Cooling & Plumbing	Services	3,351
Kylie Ploessl, Employee, Husband, Marc, is owner of Ames Lawn Care and Maintenance	Lawn Care	2,627
Justin Kepley, Employee, Father, Dave Kepley, is owner of Dave’s Auto & Truck Service, Inc.	Towing Services	70

In accordance with Chapter 362.5(10) of the Code of Iowa, the transactions with Dave’s Auto Truck and Service, Inc. do not appear to represent conflicts of interest since total transactions were less than \$1,500 during the fiscal year. The transactions with Scott’s Heating, Cooling & Plumbing, Ames Lawn Care and Maintenance, and Heuss Printing, Inc. do not appear to represent conflicts of interest since they were entered into through competitive bidding in accordance with Chapter 362.5(4) of the Code of Iowa.

- 2017-IA-E     **Bond Coverage** – Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure the coverage is adequate for current operations.
  
- 2017-IA-F     **Council Minutes** – No transactions were found that we believe should have been approved in the Council minutes but were not.

**Part IV: Other Findings Related to Required Statutory Reporting: (continued)**

- 2017-IA-G      **Deposits and Investments** – No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City’s investment policy were noted.
- 2017-IA-H      **Revenue Bonds** – No instances of noncompliance with the provisions of the City’s revenue bond resolutions were noted.
- 2017-IA-I      **Annual Urban Renewal Report** – The annual urban renewal report was properly approved and certified to the Iowa Department of Management on or before December 1.





December 14, 2017

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

We have audited the financial statements of the City of Ames, Iowa (City) as of and for the year ended June 30, 2017, and have issued our report thereon dated December 14, 2017. Professional standards require that we advise you of the following matters relating to our audit. We did not audit the financial statements of the Mary Greeley Medical Center (presented as an enterprise fund) or the financial statements of the component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Mary Greeley Medical Center and the component unit is based solely on the reports of the other auditors.

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

As communicated in our letter dated May 5, 2017, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

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

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

We have provided our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated December 14, 2017 and our Independent Auditor's Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance dated December 14, 2017.

## **Planned Scope and Timing of the Audit**

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

## **Compliance with All Ethics Requirements Regarding Independence**

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

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended June 30, 2017. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

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

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

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

Management's estimate of the other postemployment benefits is based on a calculation of actuarially determined contributions for health insurance benefits. We evaluated the key factors and assumptions used to develop the other postemployment benefits liability in determining that it is reasonable in relation to the financial statements taken as a whole.

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

## **Financial Statement Disclosures**

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

## **Significant Difficulties Encountered during the Audit**

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

## **Corrected and Uncorrected Misstatements**

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

## **Disagreements with Management**

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

## **Representations Requested from Management**

We have requested certain written representations from management that are included in the management representation letter dated December 14, 2017.

## **Management's Consultations with Other Accountants**

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

## **Other Significant Matters, Findings, or Issues**

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

## **Modification of the Auditor's Report**

We have made the following modification to our auditor's report

**Emphasis-of-Matter**

*Net Position Restatement*

As discussed in Note IV(P) to the financial statements, the City identified and corrected an error in previously reported receivables. Accordingly, adjustments were made to restate beginning net position. Our opinion is not modified with respect to this matter.

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

Sincerely,

EIDE BAILLY LLP

  
Dubuque, Iowa