

ITEM # 32
DATE: 9-28-21

COUNCIL ACTION FORM

SUBJECT: AMENDMENT TO FISCAL YEAR 2021/22 ADOPTED BUDGET FOR CARRYOVERS FROM FISCAL YEAR 2020/21

BACKGROUND:

The Code of Iowa requires that city spending by program not exceed Council approved budget amounts at any time during the fiscal year. To maintain this level of compliance, the City's budget is typically amended three times during the fiscal year. The first amendment is submitted in the fall for carryovers of uncompleted projects from the prior fiscal year. A second amendment is approved with the new fiscal year budget in March, and a final amendment is prepared in May.

At this time, the fall amendment has been prepared for City Council approval. Each year the City has capital projects and specific operating projects that either span fiscal years or are delayed due to unforeseen circumstances. A summary is attached describing the carryovers, which total \$102,757,232.

Please note that all the projects and associated budgeted expenditures and funding sources were approved by City Council as part of the fiscal year 2020/21 budget but were not completed during the year. This amendment provides formal Council authority to carry forward the appropriation for projects and other work that will not be spent until fiscal year 2021/22.

Amending the budget for carryover amounts improves the ability of departments to monitor project spending and for Finance staff to track budget compliance.

ALTERNATIVES:

1. Adopt a resolution amending the fiscal year 2021/22 budget to increase expenditures by \$102,757,232 for carryover amounts from fiscal year 2020/21.
2. Refer this item back to staff for additional information or other adjustments to the amendments.

CITY MANAGER'S RECOMMENDED ACTION:

Amending the FY 2021/22 budget for carryover amounts from the FY 2020/21 budget early in the fiscal year will provide for improved budget monitoring and tracking. It will also provide assurance that Council-approved projects and work not completed in the prior year will not be delayed for spending authority.

Therefore, it is recommended that City Council approve Alternative No. 1, thereby adopting a resolution amending the fiscal year 2021/22 budget by increasing expenditures by \$102,757,232 for carryover amounts from fiscal year 2020/21.

CITY OF AMES, IOWA

2021/22

**FALL BUDGET AMENDMENT
SUMMARY**

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EXPENDITURE CHANGES BY PROGRAM

<i>Program:</i>	2021/22 Adopted	2020/21 Carryover	2021/22 Adjusted	Percentage Change from Adopted
Public Safety:				
Law Enforcement	10,937,377	90,670	11,028,047	0.8%
Fire Safety	8,037,128	25,474	8,062,602	0.3%
Building Safety	1,730,043	-	1,730,043	0.0%
Animal Control	588,432	8,632	597,064	1.5%
Storm Warning System	15,458	-	15,458	0.0%
Public Safety CIP	-	1,269,256	1,269,256	
Total Public Safety	21,308,438	1,394,032	22,702,470	6.5%
Utilities:				
Electric Services	56,792,448	1,058,604	57,851,052	1.9%
Water and Pollution Control	8,690,806	12,000	8,702,806	0.1%
Water Distribution System	1,648,534	-	1,648,534	0.0%
Sanitary Sewer System	954,982	-	954,982	0.0%
Storm Water Management	767,344	-	767,344	0.0%
Resource Recovery	4,215,431	-	4,215,431	0.0%
Utility Customer Service	1,866,477	-	1,866,477	0.0%
Utilities CIP	20,033,650	51,224,662	71,258,312	255.7%
Total Utilities	94,969,672	52,295,266	147,264,938	55.1%
Transportation:				
Streets/Traffic System	7,417,681	238,238	7,655,919	3.2%
Transit System	12,540,000	-	12,540,000	0.0%
Parking System	1,022,434	-	1,022,434	0.0%
Airport Operations	157,971	143,229	301,200	90.7%
Transportation CIP	21,357,411	39,727,651	61,085,062	186.0%
Total Transportation	42,495,497	40,109,118	82,604,615	94.4%
Community Enrichment:				
Parks and Recreation	4,651,329	162,813	4,814,142	3.5%
Library Services	5,147,226	37,628	5,184,854	0.7%
Art Services	279,733	88,768	368,501	31.7%
Cemetery	202,870	-	202,870	0.0%
Human Services	1,628,056	169,395	1,797,451	10.4%
Housing Services	1,096,230	-	1,096,230	0.0%
Economic Development	2,356,451	166,064	2,522,515	7.1%
FEMA/Disaster Relief	-	-	-	
Community Enrichment CIP	1,625,000	3,871,613	5,496,613	238.3%
Total Community Enrichment	16,986,895	4,496,281	21,483,176	26.5%

EXPENDITURE CHANGES BY PROGRAM, continued

<i>Program:</i>	2021/22 Adopted	2020/21 Carryover	2021/22 Adjusted	Percentage Change from Adopted
General Government:				
City Council	564,776	316,345	881,121	56.0%
City Clerk	481,976	42,000	523,976	8.7%
City Manager	814,715	450	815,165	0.1%
Public Relations	229,907	10,135	240,042	4.4%
Media Production Services	191,082	-	191,082	0.0%
Planning Services	913,342	96,132	1,009,474	10.5%
Financial Services	2,090,573	1,838	2,092,411	0.1%
Legal Services	880,674	-	880,674	0.0%
Human Resources	741,389	98,606	839,995	13.3%
Facilities	470,655	41,089	511,744	8.7%
General Government CIP	50,000	1,871,739	1,921,739	3743.5%
Total General Government	7,429,089	2,478,334	9,907,423	33.4%
Debt Service:				
General Obligation Bonds	11,988,237	-	11,988,237	0.0%
Electric Revenue Bonds	966,306	-	966,306	0.0%
SRF Loan Payments	4,751,088	-	4,751,088	0.0%
Total Debt Service	17,705,631	-	17,705,631	0.0%
Internal Services:				
Fleet Services	3,153,808	1,467,130	4,620,938	46.5%
Information Technology	2,826,041	-	2,826,041	0.0%
Printing Services	-	124,900	124,900	
Messenger Service	-	104,814	104,814	
Risk Management	2,850,001	-	2,850,001	0.0%
Health Insurance	10,539,050	-	10,539,050	0.0%
Internal Services CIP	-	287,357	287,357	
Total Internal Services	19,368,900	1,984,201	21,353,101	10.2%
Total Expenditures Before Transfers	220,264,122	102,757,232	323,021,354	46.7%
Transfers	23,537,089	-	23,537,089	0.0%
Total Expenditures	243,801,211	102,757,232	346,558,443	42.2%

2021/22 AMENDMENTS BY PROGRAM

Public Safety Program \$1,394,032

Public Safety operating expenses are being increased by \$124,776 for delayed equipment and capital purchases for the Police Department (\$90,670), the Fire Department (\$25,474), and Animal Control (\$8,632).

Funding of \$1,269,256 is being carried over in the Public Safety CIP for the following projects:

Utilities Program \$52,295,266

Operating expenses of \$1,070,604 are being carried over in the Utilities program. Of this amount, \$1,058,604 is for delayed equipment purchases or projects at the Power Plant, Electric Distribution, and Electric Engineering. The \$12,000 balance in Utility operating carryovers is for delayed equipment purchases at the Water Treatment Plant.

A total of \$51,224,662 of Utility CIP project funds are being carried over for the following projects:

Transportation Program \$40,109,118

Operating expenses of \$381,467 are being carried over in the Transportation program. The carryover amount includes funding to upgrade software in Public Works Engineering and Traffic Engineering (\$63,200), to modify an existing hoop building for salt storage for Public Works Snow and Ice (\$75,000), and to continue the Emerald Ash Borer (EAB) program (\$100,038) in Right-of-Way Maintenance. Expenditures covered by COVID relief grant funding have also been carried over in Airport Operations. This funding, totaling \$143,229, will be used to replace hangar doors at the Ames Municipal Airport.

Transportation CIP funding carryovers total \$39,727,651 and consist of the following programs and projects:

- Street improvement projects (\$21,001,940):
 - *Grand Avenue extension* \$5,541,969
 - *Concrete pavement improvements* 4,330,334
 - *Arterial street improvements* 3,269,939
 - *Cherry Avenue extension* 2,667,422
 - *Collector street improvements* 1,397,988
 - *Asphalt pavement improvements* 1,288,148
 - *Other street improvement projects* 2,506,140
- Shared use path projects 3,408,994
- Street rehabilitation projects 1,446,299
- Traffic improvement projects 4,311,508
- Transit system improvements 9,450,145
- Airport improvements 108,765

Community Enrichment Program \$4,496,281

Community Enrichment operating expenses of \$624,668 are being carried forward. Of this amount, \$162,813 is for Parks and Recreation projects and equipment, primarily funded through donations. The Library is carrying forward \$37,628 to purchase new print/copy/scan kiosks. Funding of \$88,768 is being carried forward in Art Services for Public Art (\$68,768), the Small Art Grant Program (\$10,000), and the Downtown Transformer Painting project (\$10,000).

In Economic Development, \$56,064 is being included in the amended budget to repay the Iowa Department of Transportation for a portion of the RISE grant received for the ISU Research Park. The City will pay for its half of the \$56,064 repayment using Road Use Tax funds and will be reimbursed by ISU Research Park for the other half of the grant repayment. Funding allocated to the Ames Convention and Visitors Bureau for COVID-19 relief is also being carried over into FY 2020/21. This funding consists of a one-time payment (\$35,000) and a COVID-19 and a separate loan (\$75,000).

The remaining \$169,395 in operating expense carryovers are for Human Service agency funding for Bridge Home (\$17,052), Heartland Senior Services (\$101,932), MICA (\$6,228), University Community Childcare (\$15,358), and Youth and Shelter Services (\$31,300). An adjustment was also made to the contract with Primary Health Care to lower their allocation by \$2,475, and the allocation to the Volunteer Center (\$3,285) has been left in the Human Service Agency budget but shifted to unallocated funds.

Funding of \$3,871,613 is being carried over for the following Community Enrichment CIP projects:

- Parks and Recreation CIP projects (\$3,418,475):
 - *Downtown plaza* \$1,300,329
 - *Splash pad* 561,740
 - *Park play equipment* 407,750
 - *Ada Hayden Heritage Park improvements* 216,794
 - *Municipal Pool improvements* 194,791
 - *River Valley Park improvements* 132,568
 - *Homewood shared use path* 125,000
 - *Hira Park development* 106,209
 - *Other park and facility improvements* 373,294
- Library from entryway improvements 63,600
- Cemetery improvements 59,537
- Arts capital grants program 200,000
- Downtown Façade Grant program 130,001

General Government Program \$2,478,334

Operating expenditures of \$606,595 are being carried forward in the General Government program. In the City Council budget, funding has been carried over for the Climate Action Plan (\$123,862) and the Internet Improvement Study (\$125,000). Unspent contingency funds of \$67,483 are also being carried forward. Of this amount, \$3,004 is reserved for the City’s Mental Health Wellness Initiative and \$1,000 is reserved for the ISU Public Engagement project. The remaining \$63,479 of contingency funds remains unallocated. In Planning Services, \$96,132 is being carried forward to complete the Comprehensive Plan and for other additional studies or outside professional services needed for projects as directed by City Council. Savings of \$98,606 have also been carried over in the Human Resources budget for diversity training and temporary staffing needs, as well as \$42,000 in the City Clerk’s Office to upgrade the City’s record management system. The remaining balance of \$53,512 in carryover funds is for delayed equipment purchases and special projects for the City Manager’s Office, Public Relations, Financial Services, and the Facilities program.

The General Government CIP carryover of \$1,871,739 is for the following projects:

- City Hall additional parking \$691,483
- City Hall improvements 614,064
- Auditorium HVAC system 399,462
- City Hall access control 166,730

Internal Services: \$1,984,201

In the Internal Services program, \$1,467,130 is being carried over in the Fleet Services budget for delayed vehicle and equipment purchases. Funding for Printing Services (\$124,900) and Messenger Services (\$104,814) has also been shifted to the Internal Services program from the General Government program.

There is also an Internal Services CIP carryover of \$287,357 for improvements at the Fleet Maintenance facility.

Total Carryovers \$102,757,232

2020/21 CARRYOVERS BY FUND

Fund:	2021/22 Adopted	2020/21 Carryover	2021/22 Adjusted	Percentage Change from Adopted
General Fund	40,112,482	4,874,198	44,986,680	12.2%
Special Revenue Funds:				
Local Option Sales Tax	9,612,831	4,465,449	14,078,280	46.5%
Hotel/Motel Tax	1,882,088	235,329	2,117,417	12.5%
Road Use Tax	8,144,377	3,309,854	11,454,231	40.6%
Public Safety Special Revenues	97,000	8,290	105,290	8.6%
City-Wide Housing Programs	24,909	-	24,909	0.0%
CDBG Program	602,550	-	602,550	0.0%
HOME Program	468,771	-	468,771	0.0%
Employee Benefit Property Tax	2,400,125	-	2,400,125	0.0%
Police/Fire Retirement	95,000	-	95,000	0.0%
Parks & Rec Grants/Donations	50,150	185,378	235,528	369.7%
American Rescue Plan	-	899,729	899,729	
Library Direct State Aid	15,500	-	15,500	0.0%
Library Friends Foundation	281,489	-	281,489	0.0%
Library Grants/Donations	6,146	-	6,146	0.0%
Utility Assistance	15,500	-	15,500	0.0%
Miscellaneous Special Revenues	60,000	10,026	70,026	16.7%
Developer Projects	-	-	-	
Economic Development	-	28,032	28,032	
Tax Increment Financing (TIF)	1,285,033	-	1,285,033	0.0%
Total Special Revenue Funds	25,041,469	9,142,087	34,183,556	36.5%
Capital Project Funds:				
Special Assessments	318,313	-	318,313	0.0%
Street Construction	4,090,900	6,591,973	10,682,873	161.1%
Airport Construction	341,667	108,765	450,432	31.8%
Park Development	-	164,187	164,187	
General Obligation Bonds	13,763,538	19,887,241	33,650,779	144.5%
Total Capital Project Funds	18,514,418	26,752,166	45,266,584	144.5%
Permanent Funds:				
Cemetery Perpetual Care	-	-	-	
Furman Aquatic Center Trust	-	-	-	
Total Permanent Funds	-	-	-	

2020/21 CARRYOVERS BY FUND, continued

Fund:	2021/22 Adopted	2020/21 Carryover	2021/22 Adjusted	Percentage Change from Adopted
Enterprise Funds:				
Water Utility/Construction	19,827,944	17,183,069	37,011,013	86.7%
Sewer Utility/Construction	11,983,380	8,532,349	20,515,729	71.2%
Electric Utility/Sinking	70,466,709	16,126,919	86,593,628	22.9%
Parking/Parking Reserve	1,148,402	-	1,148,402	0.0%
Transit/Transit Reserve	17,141,044	9,450,145	26,591,189	55.1%
Storm Water Utility/Construction	2,288,338	8,433,118	10,721,456	368.5%
Ames/ISU Ice Arena	533,177	36,046	569,223	6.8%
Ice Arena Capital Reserve	-	-	-	
Homewood Golf Course	291,521	-	291,521	0.0%
Resource Recovery	5,095,190	242,934	5,338,124	4.8%
Total Enterprise Funds	128,775,705	60,004,580	188,780,285	46.6%
Debt Service	11,988,237	-	11,988,237	0.0%
Internal Service Funds:				
Fleet Services	2,435,308	-	2,435,308	0.0%
Fleet Replacement Reserve	718,500	1,455,130	2,173,630	202.5%
Fleet Services Reserve	-	299,357	299,357	
Information Technology	2,067,129	-	2,067,129	0.0%
Departmental Technology Reserve	491,500	(246,000)	245,500	-50.1%
Shared Communications	267,412	-	267,412	0.0%
IT Technology Reserve	-	246,000	246,000	
Printing Services	-	124,900	124,900	
Messenger Services	-	104,814	104,814	
Risk Insurance	2,850,001	-	2,850,001	0.0%
Health Insurance	10,539,050	-	10,539,050	0.0%
Total Internal Service Funds	19,368,900	1,984,201	21,353,101	10.2%
Total Expenditures	243,801,211	102,757,232	346,558,443	42.2%

NOTICE OF PUBLIC HEARING - AMENDMENT OF CURRENT BUDGET

AMES
Fiscal Year July 1, 2021 - June 30, 2022

The City of AMES will conduct a public hearing for the purpose of amending the current budget for fiscal year ending June 30, 2022

Meeting Date/Time: 9/28/2021 06:00 PM

Contact: Duane Pitcher

Phone: (515) 239-5113

Meeting Location: Ames City Hall - Council Chambers
515 Clark Avenue, Ames, IA

There will be no increase in taxes. Any residents or taxpayers will be heard for or against the proposed amendment at the time and place specified above. A detailed statement of: additional receipts, cash balances on hand at the close of the preceding fiscal year, and proposed disbursements, both past and anticipated, will be available at the hearing.

REVENUES & OTHER FINANCING SOURCES		Total Budget as Certified or Last Amended	Current Amendment	Total Budget After Current Amendment
Taxes Levied on Property	1	32,343,273	0	32,343,273
Less: Uncollected Delinquent Taxes - Levy Year	2	0	0	0
Net Current Property Tax	3	32,343,273	0	32,343,273
Delinquent Property Tax Revenue	4	0	0	0
TIF Revenues	5	1,918,072	0	1,918,072
Other City Taxes	6	11,015,944	0	11,015,944
Licenses & Permits	7	1,628,340	0	1,628,340
Use of Money & Property	8	15,328,826	0	15,328,826
Intergovernmental	9	29,571,848	0	29,571,848
Charges for Service	10	300,905,633	0	300,905,633
Special Assessments	11	318,313	0	318,313
Miscellaneous	12	695,191	0	695,191
Other Financing Sources	13	17,681,400	0	17,681,400
Transfers In	14	16,944,645	0	16,944,645
Total Revenues & Other Sources	15	428,351,485	0	428,351,485
EXPENDITURES & OTHER FINANCING USES				
Public Safety	16	21,308,438	124,776	21,433,214
Public Works	17	7,591,152	381,467	7,972,619
Health and Social Services	18	1,628,056	169,395	1,797,451
Culture and Recreation	19	9,690,222	289,209	9,979,431
Community and Economic Development	20	4,557,105	262,196	4,819,301
General Government	21	3,212,079	510,463	3,722,542
Debt Service	22	11,988,237	0	11,988,237
Capital Projects	23	21,764,505	39,030,945	60,795,450
Total Government Activities Expenditures	24	81,739,794	40,768,451	122,508,245
Business Type/Enterprise	25	304,388,935	61,759,067	366,148,002
Total Gov Activities & Business Expenditures	26	386,128,729	102,527,518	488,656,247
Tranfers Out	27	16,944,645	0	16,944,645
Total Expenditures/Transfers Out	28	403,073,374	102,527,518	505,600,892
Excess Revenues & Other Sources Over (Under) Expenditures/Transfers Out	29	25,278,111	-102,527,518	-77,249,407
Beginning Fund Balance July 1, 2021	30	775,673,312	0	775,673,312
Ending Fund Balance June 30, 2022	31	800,951,423	-102,527,518	698,423,905

Explanation of Changes: Increases to the budget primarily include fiscal year 2021 carryovers. The majority of the carryovers are delayed capital projects.