

**COUNCIL ACTION FORM**

**SUBJECT: AMENDMENT TO FISCAL YEAR 2022/23 ADOPTED BUDGET FOR CARRYOVERS FROM FISCAL YEAR 2021/22**

**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 \$99,338,193.

Please note that all the projects and associated budgeted expenditures and funding sources were approved by City Council as part of the fiscal year 2021/22 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 2022/23.

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 2022/23 budget to increase expenditures by \$99,338,193 for carryover amounts from fiscal year 2021/22.
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 2021/22 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 2022/23 budget by increasing expenditures by \$99,338,193 for carryover amounts from fiscal year 2021/22.

**CITY OF AMES, IOWA**

**2022/23**

**FALL BUDGET AMENDMENT  
SUMMARY**

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## Expenditure Changes by Program

<i>Program:</i>	2022/23 Adopted	2021/22 Carryover	2022/23 Adjusted	Percentage Change from Adopted
<i>Public Safety:</i>				
Law Enforcement	11,013,098	108,240	11,121,338	1.0%
Fire Safety	8,295,077	37,467	8,332,544	0.5%
Building Safety	1,847,428	-	1,847,428	0.0%
Animal Control	601,900	10,864	612,764	1.8%
Storm Warning System	15,100	-	15,100	0.0%
Public Safety CIP	1,089,338	708,489	1,797,827	
<i>Total Public Safety</i>	<u>22,861,941</u>	<u>865,060</u>	<u>23,727,001</u>	<u>3.8%</u>
<i>Utilities:</i>				
Electric Services	57,219,719	1,752,451	58,972,170	3.1%
Water and Pollution Control	9,111,237	550,362	9,661,599	6.0%
Water Distribution System	1,688,231	4,000	1,692,231	0.2%
Sanitary Sewer System	924,725	16,500	941,225	1.8%
Stormwater Management	869,642	12,500	882,142	1.4%
Resource Recovery	4,204,169	7,438	4,211,607	0.2%
Utility Customer Service	1,813,044	-	1,813,044	0.0%
Utilities CIP	32,107,481	42,567,898	74,675,379	132.6%
<i>Total Utilities</i>	<u>107,938,248</u>	<u>44,911,149</u>	<u>152,849,397</u>	<u>41.6%</u>
<i>Transportation:</i>				
Streets/Traffic System	7,897,286	243,314	8,140,600	3.1%
Transit System	12,918,406	-	12,918,406	0.0%
Parking System	1,016,277	-	1,016,277	0.0%
Airport Operations	176,610	-	176,610	0.0%
Transportation CIP	23,165,211	42,615,300	65,780,511	184.0%
<i>Total Transportation</i>	<u>45,173,790</u>	<u>42,858,614</u>	<u>88,032,404</u>	<u>94.9%</u>
<i>Culture and Recreation:</i>				
Parks and Recreation	4,779,207	223,634	5,002,841	4.7%
Library Services	5,322,080	78,402	5,400,482	1.5%
Art Services	262,470	109,751	372,221	41.8%
Cemetery	216,802	-	216,802	0.0%
Culture and Recreation CIP	18,474,676	5,552,770	24,027,446	30.1%
<i>Total Culture and Recreation</i>	<u>29,055,235</u>	<u>5,964,557</u>	<u>35,019,792</u>	<u>20.5%</u>

## Expenditure Changes by Program, continued

<i>Program:</i>	2022/23 Adopted	2021/22 Carryover	2022/23 Adjusted	Percentage Change from Adopted
<i>Community Development:</i>				
Planning Services	963,914	94,735	1,058,649	9.8%
Economic Development	2,483,267	-	2,483,267	0.0%
Housing Services	971,786	-	971,786	0.0%
Human Services	1,757,204	-	1,757,204	0.0%
FEMA/Disaster Relief	-	-	-	
Community Development CIP	150,000	119,001	269,001	
<i>Total Community Development</i>	<u>6,326,171</u>	<u>213,736</u>	<u>6,539,907</u>	<u>3.4%</u>
<i>General Government:</i>				
City Council	619,255	599,835	1,219,090	96.9%
City Clerk	476,070	32,000	508,070	6.7%
City Manager	844,869	-	844,869	0.0%
Public Relations	242,422	-	242,422	0.0%
Media Production Services	213,710	-	213,710	0.0%
Financial Services	2,211,760	24,700	2,236,460	1.1%
Legal Services	923,595	-	923,595	0.0%
Human Resources	779,183	71,532	850,715	9.2%
Facilities	475,659	261,089	736,748	54.9%
General Government CIP	75,000	1,294,631	1,369,631	1726.2%
<i>Total General Government</i>	<u>6,861,523</u>	<u>2,283,787</u>	<u>9,145,310</u>	<u>33.3%</u>
<i>Debt Service:</i>				
General Obligation Bonds	12,334,750	-	12,334,750	0.0%
Electric Revenue Bonds	966,556	-	966,556	0.0%
SRF Loan Payments	4,269,684	-	4,269,684	0.0%
<i>Total Debt Service</i>	<u>17,570,990</u>	<u>-</u>	<u>17,570,990</u>	<u>0.0%</u>
<i>Internal Services:</i>				
Fleet Services	3,233,578	2,068,892	5,302,470	64.0%
Information Technology	3,346,430	172,398	3,518,828	5.2%
Printing Services	122,538		122,538	
Messenger Service	108,732		108,732	
Risk Management	2,882,293	-	2,882,293	0.0%
Health Insurance	10,911,590	-	10,911,590	0.0%
Internal Services CIP	-	-	-	
<i>Total Internal Services</i>	<u>20,605,161</u>	<u>2,241,290</u>	<u>22,846,451</u>	<u>10.9%</u>
<i>Total Expenditures Before Transfers</i>	256,393,059	99,338,193	355,731,252	38.7%
<i>Transfers</i>	<u>23,906,999</u>	<u>-</u>	<u>23,906,999</u>	<u>0.0%</u>
<i>Total Expenditures</i>	<u>280,300,058</u>	<u>99,338,193</u>	<u>379,638,251</u>	<u>35.4%</u>

## 2022/23 Amendments by Program

### Public Safety Program \$865,060

Public Safety operating expenses are being increased by \$156,571 for delayed equipment and capital purchases for the Police Department (\$108,240), the Fire Department (\$37,467), and Animal Control (\$10,864).

Funding of \$708,489 is being carried over in the Public Safety CIP for the following projects:



### Utilities Program \$44,911,149

Operating expenses of \$2,343,251 are being carried over in the Utilities program. Of this amount, \$1,752,451 is for delayed equipment purchases or projects for Electric Production, Electric Technical Services, and Electric Engineering. Water and Pollution Control is carrying over funding for lime sludge removal at the Water Treatment Plant (\$295,052), water meter purchases that were delayed due to supply chain issues (\$190,000), and equipment and special projects at the Water Treatment Plant (\$44,810) and Water Pollution Control Facility (\$20,500). The \$40,438 balance in Utility operating carryovers is for delayed equipment purchases and projects for Public Works in Water Distribution System Maintenance, Sanitary Sewer System Maintenance, Stormwater Management, and Resource Recovery.

A total of \$42,567,898 of Utility CIP project funds are being carried over for the following projects:

**Transportation Program \$42,858,614**

Operating expenses of \$243,314 are being carried over in the Transportation program. The carryover amount includes funding to upgrade software in Public Works Engineering (\$64,200), to cover the cost of delayed concrete crushing and to complete the salt storage hoop building for Street Maintenance (\$63,181), and to continue the Emerald Ash Borer (EAB) program (\$115,933) in Right-of-Way Maintenance.

Transportation CIP funding carryovers total \$42,615,300 and consist of the following programs and projects:

- Street improvement projects (\$23,693,588):
  - *Concrete pavement improvements* \$6,342,618
  - *Grand Avenue extension* 4,152,745
  - *Arterial street improvements* 3,528,020
  - *Collector street improvements* 2,824,946
  - *Cherry Avenue extension* 2,648,080
  - *Asphalt pavement improvements* 1,505,531
  - *Other street improvement projects* 2,691,648
- Shared use path projects 3,771,909
- Street rehabilitation projects 1,491,728
- Traffic improvement projects 4,672,038
- Transit system improvements 8,878,210
- Airport improvements 107,827

**Culture and Recreation Program \$5,964,557**

Culture and Recreation operating expenses of \$411,787 are being carried forward. Of this amount, \$223,634 is for Parks and Recreation projects and equipment, primarily funded through donations. The Library is carrying forward \$78,402 for equipment and projects that were delayed due to supply chain issues. Funding of \$109,751 is being carried forward in Art Services for Public Art (\$79,001), the Small Art Grant Program (\$30,000), and the Storm Drain Painting project (\$750).

Funding of \$5,552,770 is being carried over for the following Culture and Recreation CIP projects:

- Parks and Recreation CIP projects (\$5,251,975):
  - *Downtown plaza* \$2,588,932
  - *Indoor Aquatic Center* 663,282
  - *Splash pad* 558,840
  - *Park play equipment* 464,987
  - *Ada Hayden Heritage Park improvements* 188,806
  - *River Valley Park improvements* 132,568
  - *Homewood improvements* 105,030
  - *Inis Grove Park improvements* 90,000
  - *Other park and facility improvements* 459,530
- Cemetery improvements 105,520
- Arts capital grant program 195,275

**Community Development \$213,736**

In Community Development, \$94,735 is being carried over in operating expenses for Planning Services. This amount includes \$80,735 in outside professional services funding for consulting services that may be needed for projects as directed by City Council. Funding of \$14,000 has also been included to reflect the cost of two interns that will be hired to collect historic preservation data in conjunction with the Historic Preservation Commission. The cost of the two interns will be reimbursed by a Certified Local Government (CLG) grant received by the City.

Funding of \$119,001 is also being carried over in Community Development CIP funding for the Downtown Façade grant program.

**General Government Program \$2,283,787**

Operating expenditures of \$989,156 are being carried forward in the General Government program. In the City Council budget, \$599,835 in funding has been carried over for the Climate Action Plan (\$41,468), the Internet Improvement Study (\$50,000), and the City’s website upgrade (\$75,000). Funding of \$175,000 in the Council Priorities fund is also being carried over for sustainability projects or other projects as directed by City Council. Funding earmarked in FY 2021/22 for the Ames History Museum (\$150,000) and Home Allies (\$25,000) is also being carried over. Unspent contingency funds of \$83,367 are also being carried forward. Of this amount, contingency funding has been reserved by City Council for the City’s Mid-Iowa Planning Alliance (MIPA) membership (\$9,964), City Council Diversity, Equity, and Inclusion (DEI) training (\$5,000), Cyclone Welcome weekend (\$5,000), and the ISU Community and Regional Planning Community Engagement project (\$10,000). The remaining \$53,403 of contingency funding carried over to FY 2022/23 remains unallocated.

Funding of \$71,532 has also been carried over in the Human Resources budget for the Excellence Through People (ETP) program. The remaining balance of \$317,789 is funding being carried over for the City Clerk Office’s files management system upgrade (\$32,000), audit funding for the Finance Department needed due to audit delays (\$24,700), and funding being carried over in the Facilities program for space needs and remodeling projects in City Hall (\$261,089).

The General Government CIP carryover of \$1,294,631 is for the following projects:

- City Hall improvements \$616,351
- Auditorium HVAC system 599,462
- Sixth Street parking lot 66,278
- City Hall access control 12,540

**Internal Services: \$2,241,290**

In the Internal Services program, \$2,068,892 is being carried over in the Fleet Services budget for delayed vehicle and equipment purchases. Funding of \$172,398 is also being carried over in the Information Technology budget for delayed equipment purchases.

**Total Carryovers: \$99,338,193**

## Expenditure Changes by Fund

<i>Fund:</i>	2022/23 Adopted	2021/22 Carryover	2022/23 Adjusted	Percentage Change from Adopted
<i>General Fund</i>	41,242,813	4,454,013	45,696,826	10.8%
<i>Special Revenue Funds:</i>				
Local Option Sales Tax	10,465,881	4,686,084	15,151,965	44.8%
Hotel/Motel Tax	1,882,288	342,071	2,224,359	18.2%
Road Use Tax	9,314,461	2,541,231	11,855,692	27.3%
Public Safety Special Revenues	97,000	-	97,000	0.0%
City-Wide Housing Programs	22,066	-	22,066	0.0%
CDBG Program	599,177	-	599,177	0.0%
HOME Program	350,543	-	350,543	0.0%
Employee Benefit Property Tax	2,236,059	-	2,236,059	0.0%
Police/Fire Retirement	90,000	-	90,000	0.0%
Parks & Rec Grants/Donations	27,500	154,562	182,062	562.0%
American Rescue Plan	4,717,478	2,899,755	7,617,233	
Library Grants/Donations	291,283	20,829	312,112	7.2%
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)	1,099,252	-	1,099,252	0.0%
<i>Total Special Revenue Funds</i>	31,296,520	10,654,558	41,951,078	34.0%
<i>Capital Project Funds:</i>				
Special Assessments	320,472	-	320,472	0.0%
Street Construction	3,241,280	9,788,389	13,029,669	302.0%
Airport Construction	1,120,000	(1,120,000)	-	-100.0%
Park Development	-	56,462	56,462	
Winakor Donation	1,294,500	655,500	1,950,000	
Indoor Aquatic Center Donations	7,751,667	-	7,751,667	
Council Priorities Fund	1,000,000	939,579	1,939,579	
General Obligation Bonds	18,368,040	18,541,659	36,909,699	101.0%
<i>Total Capital Project Funds</i>	33,095,959	28,861,589	61,957,548	87.2%
<i>Permanent Funds:</i>				
Cemetery Perpetual Care	-	-	-	
Furman Aquatic Center Trust	-	2,511	2,511	
<i>Total Permanent Funds</i>	-	2,511	2,511	

## Expenditure Changes by Fund, continued

<i>Fund:</i>	2022/23 Adopted	2021/22 Carryover	2022/23 Adjusted	Percentage Change from Adopted
<i>Enterprise Funds:</i>				
Airport Operations	-	176,610	176,610	
Airport Capital Reserve	-	1,227,827	1,227,827	
Water Utility/Construction	26,500,043	8,730,517	35,230,560	33.0%
Sewer Utility/Construction	16,186,384	7,009,910	23,196,294	43.3%
Electric Utility/Sinking	70,294,302	21,270,839	91,565,141	30.3%
Parking/Parking Reserve	1,121,302	-	1,121,302	0.0%
Transit/Transit Reserve	19,377,037	8,878,210	28,255,247	45.8%
Stormwater Utility/Construction	2,389,353	5,352,003	7,741,356	224.0%
Ames/ISU Ice Arena	517,070	8,830	525,900	1.7%
Ice Arena Capital Reserve	75,000	36,046	111,046	
Homewood Golf Course	310,120	-	310,120	0.0%
Resource Recovery	4,954,244	433,440	5,387,684	8.8%
<i>Total Enterprise Funds</i>	<u>141,724,855</u>	<u>53,124,232</u>	<u>194,849,087</u>	<u>37.5%</u>
<i>Debt Service</i>	<u>12,334,750</u>	<u>-</u>	<u>12,334,750</u>	<u>0.0%</u>
<i>Internal Service Funds:</i>				
Fleet Services	2,426,878	-	2,426,878	0.0%
Fleet Replacement Reserve	806,700	2,007,746	2,814,446	248.9%
Fleet Services Reserve	-	61,146	61,146	
Information Technology Departmental Technology Reserve	2,128,401	-	2,128,401	0.0%
Shared Communications	370,350	139,448	509,798	37.7%
IT Technology Reserve	347,679	-	347,679	0.0%
Printing Services	500,000	32,950	532,950	
Messenger Services	122,538	-	122,538	
Risk Insurance	108,732	-	108,732	
Health Insurance	2,882,293	-	2,882,293	0.0%
<i>Total Internal Service Funds</i>	<u>10,911,590</u>	<u>-</u>	<u>10,911,590</u>	<u>0.0%</u>
<i>Total Expenditures</i>	<u><u>280,300,058</u></u>	<u><u>99,338,193</u></u>	<u><u>379,638,251</u></u>	<u><u>35.4%</u></u>

**NOTICE OF PUBLIC HEARING - AMENDMENT OF CURRENT BUDGET**

City of AMES

Fiscal Year July 1, 2022 - June 30, 2023

The City of AMES will conduct a public hearing for the purpose of amending the current budget for fiscal year ending June 30, 2023

**Meeting Date/Time:** 9/27/2022 06:00 PM

**Contact:** Nancy Masteller

**Phone:** (515) 239-5122

**Meeting Location:** 515 Clark Avenue, Ames, IA 50010

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	33,537,181	0	33,537,181
Less: Uncollected Delinquent Taxes - Levy Year	2	0	0	0
Net Current Property Tax	3	33,537,181	0	33,537,181
Delinquent Property Tax Revenue	4	0	0	0
TIF Revenues	5	1,331,440	0	1,331,440
Other City Taxes	6	11,901,183	0	11,901,183
Licenses & Permits	7	1,681,190	0	1,681,190
Use of Money & Property	8	21,748,881	0	21,748,881
Intergovernmental	9	33,707,771	0	33,707,771
Charges for Service	10	323,729,280	0	323,729,280
Special Assessments	11	236,763	0	236,763
Miscellaneous	12	8,511,828	0	8,511,828
Other Financing Sources	13	30,690,410	0	30,690,410
Transfers In	14	17,155,860	0	17,155,860
<b>Total Revenues &amp; Other Sources</b>	<b>15</b>	<b>484,231,787</b>	<b>0</b>	<b>484,231,787</b>
<b>EXPENDITURES &amp; OTHER FINANCING USES</b>				
Public Safety	16	21,772,603	156,571	21,929,174
Public Works	17	8,089,396	51,204	8,140,600
Health and Social Services	18	1,757,204	15,500	1,772,704
Culture and Recreation	19	9,753,369	402,207	10,155,576
Community and Economic Development	20	4,632,677	-118,975	4,513,702
General Government	21	3,616,489	1,211,496	4,827,985
Debt Service	22	12,334,750	0	12,334,750
Capital Projects	23	41,896,205	42,254,668	84,150,873
Total Government Activities Expenditures	24	103,852,693	43,972,671	147,825,364
Business Type/Enterprise	25	348,553,180	53,840,950	402,394,130
<b>Total Gov Activities &amp; Business Expenditures</b>	<b>26</b>	<b>452,405,873</b>	<b>97,813,621</b>	<b>550,219,494</b>
Transfers Out	27	17,155,860	0	17,155,860
<b>Total Expenditures/Transfers Out</b>	<b>28</b>	<b>469,561,733</b>	<b>97,813,621</b>	<b>567,375,354</b>
<b>Excess Revenues &amp; Other Sources Over (Under) Expenditures/Transfers Out</b>	<b>29</b>	<b>14,670,054</b>	<b>-97,813,621</b>	<b>-83,143,567</b>
Beginning Fund Balance July 1, 2022	30	912,389,570	0	912,389,570
<b>Ending Fund Balance June 30, 2023</b>	<b>31</b>	<b>927,059,624</b>	<b>-97,813,621</b>	<b>829,246,003</b>

**Explanation of Changes:** Increases to the budget primarily include fiscal year 2022 carryovers. The majority of the carryovers are delayed capital projects.