

ITEM #: 39  
DATE: 09-26-23  
DEPT: Finance

**COUNCIL ACTION FORM**

**SUBJECT: AMENDMENT TO FY 2023/24 ADOPTED BUDGET FOR CARRYOVERS FROM FY 2022/23 AND OTHER BUDGET CHANGES**

**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 compliance, the City's budget is typically amended three times during the fiscal year. The following is the customary amendment schedule:

Amendment #1 - A first amendment is prepared to carry over unspent project amounts from the prior fiscal year in the fall.

Amendment #2 - The second amendment is completed as part of the adoption process for the next fiscal year's budget. This is typically done in March or April.

Amendment #3 - A final spring amendment is done to adjust for any significant changes that have occurred since the prior amendment. This amendment is typically restricted to the early start of CIP projects approved for the following fiscal year, new grants received and their associated project expenses, and any significant changes in CIP projects, operating expenses, or revenues.

Staff has prepared the first amendment (#1) to the FY 2023/24 City budget. As noted above, this amendment includes capital projects and specific operating projects that either span fiscal years or are delayed due to unforeseen circumstances. Also included in the amendment are other modifications to the budget that were unexpected when the original budget was adopted on April 25, 2023. A summary is attached describing the carryovers and other budget changes, which total \$113,200,264.

**Please note that the projects and associated budgeted expenditures and funding sources for carryovers were approved by City Council as part of the fiscal year 2022/23 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 is expected to be spent in fiscal year 2023/24.**

Amending the budget for carryover amounts and other budget changes 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 2023/24 budget to increase expenditures by \$113,200,264 for carryover amounts from fiscal year 2022/23 and other significant changes to the fiscal year 2023/24 budget.
2. Refer this item back to staff for additional information or other adjustments to the amendments.

**CITY MANAGER'S RECOMMENDED ACTION:**

**Amending the FY 2023/24 budget for carryover amounts from the FY 2022/23 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, as described above.

**CITY OF AMES, IOWA**

**2023/24**

**FALL BUDGET AMENDMENT  
SUMMARY**

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## Expenditure Changes by Program

<i>Program:</i>	2023/24 Adopted	2022/23 Carryover	2023/24 Adjusted	Percentage Change from Adopted
<i>Public Safety:</i>				
Law Enforcement	11,337,051	263,574	11,600,625	2.3%
Fire Safety	8,583,251	120,198	8,703,449	1.4%
Building Safety	1,915,022	-	1,915,022	0.0%
Animal Control	659,270	11,182	670,452	1.7%
Other Public Safety	17,548	-	17,548	0.0%
Public Safety CIP	-	540,344	540,344	
<b>Total Public Safety</b>	<b>22,512,142</b>	<b>935,298</b>	<b>23,447,440</b>	<b>4.2%</b>
<i>Utilities:</i>				
Electric Services	60,297,117	3,711,799	64,008,916	6.2%
Water and Pollution Control	9,982,356	-	9,982,356	0.0%
Water Distribution System	1,766,830	-	1,766,830	0.0%
Sanitary Sewer System	994,190	-	994,190	0.0%
Stormwater Management	901,809	-	901,809	0.0%
Resource Recovery	4,516,803	-	4,516,803	0.0%
Utility Customer Service	1,870,873	-	1,870,873	0.0%
Utilities CIP	27,752,481	56,079,731	83,832,212	202.1%
<b>Total Utilities</b>	<b>108,082,459</b>	<b>59,791,530</b>	<b>167,873,989</b>	<b>55.3%</b>
<i>Transportation:</i>				
Streets/Traffic System	8,387,469	111,902	8,499,371	1.3%
Transit System	14,949,683	-	14,949,683	0.0%
Parking System	934,303	-	934,303	0.0%
Airport Operations	174,921	-	174,921	0.0%
Transportation CIP	30,945,543	38,648,045	69,593,588	124.9%
<b>Total Transportation</b>	<b>55,391,919</b>	<b>38,759,947</b>	<b>94,151,866</b>	<b>70.0%</b>
<i>Culture and Recreation:</i>				
Parks and Recreation	5,251,743	122,946	5,374,689	2.3%
Library Services	5,607,939	-	5,607,939	0.0%
Art Services	275,458	122,566	398,024	44.5%
Cemetery	243,686	-	243,686	0.0%
Culture and Recreation CIP	7,993,155	7,693,716	15,686,871	96.3%
<b>Total Culture and Recreation</b>	<b>19,371,981</b>	<b>7,939,228</b>	<b>27,311,209</b>	<b>41.0%</b>

## Expenditure Changes by Program, continued

<i>Program:</i>	2023/24 Adopted	2022/23 Carryover	2023/24 Adjusted	Percentage Change from Adopted
<i>Community Development:</i>				
Planning Services	1,011,029	3,400	1,014,429	0.3%
Economic Development	2,387,948	-	2,387,948	0.0%
Sustainability	136,361	536,114	672,475	393.2%
Housing Services	1,078,925	-	1,078,925	0.0%
Human Services	1,863,014	-	1,863,014	0.0%
FEMA/Disaster Relief	-	-	-	
Community Development CIP	175,000	138,001	313,001	
<i>Total Community Development</i>	<u>6,652,277</u>	<u>677,515</u>	<u>7,329,792</u>	10.2%
 <i>General Government:</i>				
City Council	555,393	324,872	880,265	58.5%
City Clerk	454,417	8,500	462,917	1.9%
City Manager	994,186	100,000	1,094,186	10.1%
Public Relations	258,254	-	258,254	0.0%
Media Production Services	224,023	-	224,023	0.0%
Financial Services	2,213,419	9,725	2,223,144	0.4%
Legal Services	941,759	-	941,759	0.0%
Human Resources	727,929	102,515	830,444	14.1%
Facilities	496,801	257,650	754,451	51.9%
General Government CIP	75,000	1,574,384	1,649,384	2099.2%
<i>Total General Government</i>	<u>6,941,181</u>	<u>2,377,646</u>	<u>9,318,827</u>	34.3%
 <i>Debt Service:</i>				
General Obligation Bonds	12,979,018	-	12,979,018	0.0%
Electric Revenue Bonds	964,807	-	964,807	0.0%
SRF Loan Payments	4,260,562	-	4,260,562	0.0%
<i>Total Debt Service</i>	<u>18,204,387</u>	<u>-</u>	<u>18,204,387</u>	0.0%
 <i>Internal Services:</i>				
Fleet Services	3,790,098	2,537,361	6,327,459	67.0%
Information Technology	2,875,940	173,547	3,049,487	6.0%
Printing Services	127,410		127,410	
Messenger Service	114,849		114,849	
Risk Management	3,294,695	-	3,294,695	0.0%
Health Insurance	11,538,867	8,192	11,547,059	0.1%
Internal Services CIP	-	-	-	
<i>Total Internal Services</i>	<u>21,741,859</u>	<u>2,719,100</u>	<u>24,460,959</u>	12.5%
 <i>Total Expenditures Before Transfers</i>				
	258,898,205	113,200,264	372,098,469	43.7%
 <i>Transfers</i>				
	<u>24,999,327</u>	<u>-</u>	<u>24,999,327</u>	0.0%
 <i>Total Expenditures</i>				
	<u>283,897,532</u>	<u>113,200,264</u>	<u>397,097,796</u>	39.9%

## 2023/24 Amendments by Program

### Public Safety Program \$935,298

Public Safety operating expenses are being increased by \$394,954 for delayed equipment and capital purchases for the Police Department (\$263,574), the Fire Department (\$120,198), and Animal Control (\$11,182).

Funding of \$540,344 is being carried over in the Public Safety CIP for the following projects:



### Utilities Program \$57,791,530

Operating funding of \$3,711,799 is being carried over in the Utilities program. Of this amount, \$2,366,505 in funding is being added to the FY 2023/24 budget for the payment from Alliant for the service territory settlement. This funding will be earmarked for sustainability projects in the Electric Utility. The balance of the operating budget change is for delayed equipment purchases or projects for Electric Administration (\$44,444), Electric Production (\$770,000), Electric Distribution (\$325,000), and Electric Technical Services (\$31,653). Funding of \$174,197 is also being carried over to complete the geothermal pilot project at Baker Subdivision.

A total of \$56,079,731 of Utility CIP project funds are being carried over for the following projects:

## Transportation Program \$38,759,947

Operating funding of \$111,902 is being carried over in the Transportation program. The carryover amount includes funding to upgrade office spaces for Traffic Maintenance (\$5,500) and to continue the Emerald Ash Borer (EAB) program (\$106,402) in Right-of-Way Maintenance.

Transportation CIP funding carryovers total \$38,648,045 and consist of the following programs and projects:

- Street improvement projects (\$20,382,870):
  - *Concrete pavement improvements* \$6,782,718
  - *CyRide route improvements* 2,812,155
  - *Hyland Avenue improvements* 2,648,080
  - *Asphalt pavement improvements* 2,401,697
  - *Grand Avenue extension* 1,574,978
  - *Right-of-Way restoration* 1,271,136
  - *Other street improvement projects* 2,892,106
- Shared use path projects 3,289,276
- Traffic improvement projects 5,402,496
- Street rehabilitation projects 1,930,612
- Transit system improvements 6,268,824
- Airport improvements 1,373,967

## Culture and Recreation Program \$7,939,228

Culture and Recreation operating funding of \$245,512 is being carried forward. Of this amount, \$122,946 is for Parks and Recreation projects and equipment, primarily funded through donations. Funding of \$122,566 is also being carried forward in Art Services for Public Art (\$92,566) and the Small Art Grant Program (\$30,000).

Funding of \$7,693,716 is being carried over for the following Culture and Recreation CIP projects:

- Parks and Recreation CIP projects (\$7,450,034):
  - *Downtown plaza* \$3,237,739
  - *New park at 5658 Ontario* 1,146,474
  - *Splash pad* 587,837
  - *Park play equipment* 505,718
  - *Furman Aquatic Center improvements* 308,904
  - *Indoor Aquatic Center* 286,023
  - *Inis Grove Park improvements* 249,382
  - *River Valley Park improvements* 187,568
  - *Other park and facility improvements* 940,389
- Cemetery improvements 95,685
- Arts capital grant program 147,997



**Community Development Program \$677,515**

In Community Development, \$536,114 in funding is being carried over for Sustainability projects. This includes \$500,000 in the Council Priorities fund, \$27,207 for the Ames Pollinator Plan implementation, and \$8,907 for the Climate Action Plan. Funding of \$3,400 is also being carried over for Planning Services to purchase office furniture.

Funding of \$138,001 is also being carried over in Community Development CIP funding for the Downtown Façade grant program.

**General Government Program \$2,377,646**

Operating funding of \$803,262 is being carried forward in the General Government program. In the City Council budget, \$75,000 in funding has been carried over for the City’s website upgrade. Funding earmarked for the Ames History Museum (\$135,000) and Home Allies (\$25,000) is also being carried over. Unspent contingency funds of \$89,872 are also being carried forward. Of this amount, \$18,834 has been reserved by City Council for specific projects. The remaining \$71,038 of contingency funding carried over to FY 2023/24 remains unallocated.

Funding of \$102,515 has also been carried over in the Human Resources budget for the Excellence Through People (ETP) program and \$100,000 in the City Manager’s Office budget for the Community-Wide DEI Plan. The remaining balance of \$275,875 is funding being carried over for new software for the City Clerk’s Office (\$8,500), software and furniture for the Purchasing division in Finance (\$9,725), and funding being carried over in the Facilities program for space needs and remodeling projects in City Hall (\$257,650).

The General Government CIP carryover of \$1,574,384 is for the following projects:

- City Hall improvements (carpet and painting) \$874,922
- Auditorium HVAC system 699,462

**Internal Services Program: \$2,719,100**

In the Internal Services program, \$2,537,361 is being carried over in the Fleet Services budget for delayed vehicle and equipment purchases. Fleet purchases have been significantly delayed because of the difficulty in ordering vehicles and equipment and the long lead times for the equipment that is available. Funding of \$181,739 is also being carried over to purchase equipment in Information Technology (\$173,547) and the Health Promotion program (\$8,192).

**Total Carryovers: \$113,200,264**

## Expenditure Changes by Fund

Fund:	2023/24 Adopted	2022/23 Carryover	2023/24 Adjusted	Percentage Change from Adopted
<i>General Fund</i>	42,766,968	4,845,655	47,612,623	11.3%
<i>Special Revenue Funds:</i>				
Local Option Sales Tax	10,633,700	5,465,307	16,099,007	51.4%
Hotel/Motel Tax	2,231,408	225,388	2,456,796	10.1%
Road Use Tax	11,169,581	3,317,850	14,487,431	29.7%
Police Forfeiture	12,000		12,000	0.0%
Public Safety Donations/Grants	48,000	-	48,000	0.0%
Animal Shelter Donations	51,800	-	51,800	0.0%
City-Wide Housing Programs	24,227	-	24,227	0.0%
CDBG Program	649,187	-	649,187	0.0%
HOME Program	405,511	-	405,511	0.0%
Employee Benefit Property Tax	-	-	-	
Police/Fire Retirement	55,000	-	55,000	0.0%
Parks & Rec Grants/Donations	21,500	348,423	369,923	1620.6%
American Rescue Plan	4,971,981	3,328,869	8,300,850	
Library Grants/Donations	439,879	-	439,879	0.0%
Utility Assistance	15,500	-	15,500	0.0%
Miscellaneous Special Revenues	-	10,026	10,026	
Developer Projects	-	-	-	
Economic Development	28,031	-	28,031	
Tax Increment Financing (TIF)	815,838	-	815,838	0.0%
<i>Total Special Revenue Funds</i>	31,573,143	12,695,863	44,269,006	40.2%
<i>Capital Project Funds:</i>				
Special Assessments	322,553	-	322,553	0.0%
Street Construction	1,895,000	7,501,811	9,396,811	395.9%
Park Development	-	1,002,936	1,002,936	
Winakor Donation	1,950,000	-	1,950,000	
Indoor Aquatic Center Donations	3,475,527	286,023	3,761,550	
Council Priorities Fund	-	1,855,032	1,855,032	
General Obligation Bonds	12,671,897	17,010,104	29,682,001	134.2%
<i>Total Capital Project Funds</i>	20,314,977	27,655,906	47,970,883	136.1%
<i>Permanent Funds:</i>				
Cemetery Perpetual Care	-	-	-	
Furman Aquatic Center Trust	7,750	-	7,750	
<i>Total Permanent Funds</i>	7,750	-	7,750	

## Expenditure Changes by Fund, continued

<i>Fund:</i>	2023/24 Adopted	2022/23 Carryover	2023/24 Adjusted	Percentage Change from Adopted
<i>Enterprise Funds:</i>				
Airport Operations/Improvements	4,566,950	1,373,967	5,940,917	30.1%
Water Utility/Improvements	19,129,273	13,643,918	32,773,191	71.3%
Sewer Utility/Improvements	19,173,058	13,192,405	32,365,463	68.8%
Electric Utility/SunSmart	73,485,255	24,201,038	97,686,293	32.9%
Parking/Parking Reserve	1,144,177	-	1,144,177	0.0%
Transit/Transit Reserve	25,513,351	6,268,824	31,782,175	24.6%
Stormwater Utility/Improvements	5,172,079	6,103,036	11,275,115	118.0%
Ice Arena Operations/Reserve	597,534	91,046	688,580	15.2%
Homewood Golf Course	427,323	-	427,323	0.0%
Resource Recovery	5,304,817	409,506	5,714,323	7.7%
<i>Total Enterprise Funds</i>	<u>154,513,817</u>	<u>65,283,740</u>	<u>219,797,557</u>	<u>42.3%</u>
<i>Debt Service</i>	<u>12,979,018</u>	<u>-</u>	<u>12,979,018</u>	<u>0.0%</u>
<i>Internal Service Funds:</i>				
Fleet Services/Reserve	3,790,098	2,537,361	6,327,459	67.0%
Information Technology/Reserve	2,875,940	173,547	3,049,487	6.0%
Printing Services	127,410	-	127,410	
Messenger Services	114,849	-	114,849	
Risk Insurance	3,294,695	-	3,294,695	0.0%
Health Insurance	11,538,867	8,192	11,547,059	0.1%
<i>Total Internal Service Funds</i>	<u>21,741,859</u>	<u>2,719,100</u>	<u>24,460,959</u>	<u>12.5%</u>
<i>Total Expenditures</i>	<u><u>283,897,532</u></u>	<u><u>113,200,264</u></u>	<u><u>397,097,796</u></u>	<u><u>39.9%</u></u>

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

City of AMES  
Fiscal Year July 1, 2023 - June 30, 2024

The City of AMES will conduct a public hearing for the purpose of amending the current budget for fiscal year ending June 30, 2024

**Meeting Date/Time:** 9/26/2023 06:00 PM

**Contact:** Corey Goodenow

**Phone:** (515) 239-5113

**Meeting Location:** City Hall Council Chambers, 515 Clark Avenue, Ames, Iowa

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. Budget amendments are subject to protest. If protest petition requirements are met, the State Appeal Board will hold a local hearing. For more information, consult <https://dom.iowa.gov/local-gov-appeals>.

REVENUES & OTHER FINANCING SOURCES		Total Budget as Certified or Last Amended	Current Amendment	Total Budget After Current Amendment
Taxes Levied on Property	1	34,748,203	0	34,748,203
Less: Uncollected Delinquent Taxes - Levy Year	2	0	0	0
Net Current Property Tax	3	34,748,203	0	34,748,203
Delinquent Property Tax Revenue	4	0	0	0
TIF Revenues	5	386,876	0	386,876
Other City Taxes	6	12,801,747	0	12,801,747
Licenses & Permits	7	1,636,190	0	1,636,190
Use of Money & Property	8	13,252,288	0	13,252,288
Intergovernmental	9	43,702,621	0	43,702,621
Charges for Service	10	333,854,261	0	333,854,261
Special Assessments	11	227,104	0	227,104
Miscellaneous	12	4,594,166	0	4,594,166
Other Financing Sources	13	18,903,897	0	18,903,897
Transfers In	14	18,049,564	0	18,049,564
<b>Total Revenues &amp; Other Sources</b>	15	482,156,917	0	482,156,917
<b>EXPENDITURES &amp; OTHER FINANCING USES</b>				
Public Safety	16	22,512,142	394,954	22,907,096
Public Works	17	8,387,469	111,902	8,499,371
Health and Social Services	18	1,878,514	0	1,878,514
Culture and Recreation	19	10,478,969	245,512	10,724,481
Community and Economic Development	20	4,505,175	539,514	5,044,689
General Government	21	3,842,069	811,859	4,653,928
Debt Service	22	12,979,018	0	12,979,018
Capital Projects	23	30,462,733	43,093,683	73,556,416
Total Government Activities Expenditures	24	95,046,089	45,197,424	140,243,513
Business Type/Enterprise	25	362,826,390	65,283,740	428,110,130
<b>Total Gov Activities &amp; Business Expenditures</b>	26	457,872,479	110,481,164	568,353,643
Transfers Out	27	18,049,564	0	18,049,564
<b>Total Expenditures/Transfers Out</b>	28	475,922,043	110,481,164	586,403,207
<b>Excess Revenues &amp; Other Sources Over (Under) Expenditures/Transfers Out</b>	29	6,234,874	-110,481,164	-104,246,290
Beginning Fund Balance July 1, 2023	30	910,668,885	0	910,668,885
<b>Ending Fund Balance June 30, 2024</b>	31	916,903,759	-110,481,164	806,422,595

**Explanation of Changes:** Increases to the budget primarily include fiscal year 2023 carryovers. The majority of the carryovers are delayed capital projects.