

COUNCIL ACTION FORM

SUBJECT: AMENDMENT TO FISCAL YEAR 2019/20 ADOPTED BUDGET FOR CARRYOVERS FROM FISCAL YEAR 2018/19

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 \$79,217,232.

Please note that all the projects and associated budgeted expenditures and funding sources were approved by City Council as part of the fiscal year 2018/19 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 2019/20.

Amending the budget for carryover amounts at this time 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 2019/20 budget upwards by \$79,217,232 for carryover amounts from fiscal year 2018/19.
2. Refer this item back to staff for additional information or other adjustments to the amendments.

CITY MANAGER'S RECOMMENDED ACTION:

Amending the FY 2019/20 budget for carryover amounts from the FY 2018/19 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 2019/20 budget upwards by \$79,217,232 for carryover amounts from fiscal year 2018/19.

CITY OF AMES, IOWA

2019/20

**FALL BUDGET AMENDMENT
SUMMARY**

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EXPENDITURE CHANGES BY PROGRAM

<i>Program:</i>	2019/20 Adopted	2019/20 Carryover	2019/20 Adjusted	Percentage Change from Adopted
<i>Public Safety:</i>				
Law Enforcement	10,218,431	99,238	10,317,669	1.0%
Fire Safety	7,565,200	30,450	7,595,650	0.4%
Building Safety	1,615,765	-	1,615,765	0.0%
Animal Control	490,899	56,106	547,005	11.4%
Other Public Safety	972,747	-	972,747	0.0%
Public Safety CIP	1,750,000	903,762	2,653,762	51.6%
<i>Total Public Safety</i>	22,613,042	1,089,556	23,702,598	4.8%
<i>Utilities:</i>				
Electric Services	58,824,151	387,913	59,212,064	0.7%
Water and Pollution Control	8,407,541	128,793	8,536,334	1.5%
Water Distribution System	1,497,450	-	1,497,450	0.0%
Sanitary Sewer System	901,631	-	901,631	0.0%
Storm Water Management	680,101	-	680,101	0.0%
Resource Recovery	4,446,952	-	4,446,952	0.0%
Utility Customer Service	1,695,458	-	1,695,458	0.0%
Utilities CIP	29,683,100	43,079,161	72,762,261	145.1%
<i>Total Utilities</i>	106,136,384	43,595,867	149,732,251	41.1%
<i>Transportation:</i>				
Streets/Traffic System	6,114,583	125,486	6,240,069	2.1%
Transit System	12,219,372	-	12,219,372	0.0%
Parking System	1,057,378	27,000	1,084,378	2.6%
Airport Operations	138,749	-	138,749	0.0%
Transportation CIP	19,815,169	27,525,302	47,340,471	138.9%
<i>Total Transportation</i>	39,345,251	27,677,788	67,023,039	70.4%
<i>Community Enrichment:</i>				
Parks and Recreation	4,774,523	162,647	4,937,170	3.4%
Library Services	4,891,104	-	4,891,104	0.0%
Human Services	1,490,234	-	1,490,234	0.0%
Art Services	214,898	49,758	264,656	23.2%
Cemetery	185,993	-	185,993	0.0%
Housing Programs	1,216,623	8,500	1,225,123	0.7%
Economic Development	2,300,472	-	2,300,472	0.0%
Community Enrichment CIP	933,000	3,714,008	4,647,008	398.1%
<i>Total Community Enrichment</i>	16,006,847	3,934,913	19,941,760	24.6%

EXPENDITURE CHANGES BY PROGRAM, continued

<i>Program:</i>	2019/20 Adopted	2019/20 Carryover	2019/20 Adjusted	Percentage Change from Adopted
General Government:				
City Council	457,893	168,447	626,340	36.8%
City Clerk	436,923	-	436,923	0.0%
City Manager	801,995	-	801,995	0.0%
Public Relations	217,556	15,693	233,249	7.2%
Media Production Services	163,473	-	163,473	0.0%
Planning Services	890,712	237,788	1,128,500	26.7%
Financial Services	1,990,079	29,820	2,019,899	1.5%
Legal Services	801,687	8,416	810,103	1.1%
Human Resources	586,703	4,564	591,267	0.8%
Facilities	459,595	46,522	506,117	10.1%
General Government CIP	50,000	451,586	501,586	903.2%
Total General Government	6,856,616	962,836	7,819,452	14.0%
Debt Service:				
General Obligation Bonds	12,055,352	-	12,055,352	0.0%
Electric Revenue Bonds	965,306	-	965,306	0.0%
SRF Loan Payments	5,044,439	-	5,044,439	0.0%
Total Debt Service	18,065,097	-	18,065,097	0.0%
Internal Services:				
Fleet Services	3,372,056	1,745,078	5,117,134	51.8%
Information Technology	2,625,976	169,235	2,795,211	6.4%
Risk Management	2,508,721	-	2,508,721	0.0%
Health Insurance	9,198,125	-	9,198,125	0.0%
Internal Services CIP	250,000	41,959	291,959	16.8%
Total Internal Services	17,954,878	1,956,272	19,911,150	10.9%
Total Expenditures Before Transfers	226,978,115	79,217,232	306,195,347	34.9%
Transfers	23,371,112	-	23,371,112	0.0%
Total Expenditures	250,349,227	79,217,232	329,566,459	31.6%

2019/20 AMENDMENTS BY PROGRAM

Public Safety Program \$1,089,556

Public Safety operating expenses are being increased by \$185,794 for delayed equipment and capital purchases for the Police Department (\$99,238), the Fire Department (\$30,450), and Animal Control (\$56,106).

A total of \$903,762 is being carried over in Public Safety CIP funds for the following projects:

- | | |
|--------------------------------|-----------|
| • Fire station improvements | \$194,615 |
| • City-Wide Radio System Study | 635,503 |
| • Outdoor Storm Warning System | 73,644 |

Utilities Program \$43,595,867

Operating expenses of \$516,706 are being carried over in the Utilities program. Of this amount, \$387,913 is for delayed equipment purchases or projects at the Power Plant, Electric Distribution, and Electric Technical Services. The \$128,793 balance in Utility operating carryovers is for delayed lime sludge disposal at the Water Treatment Plant.

A total of \$43,079,161 of Utility CIP project funds are being carried over for the following projects:

- | | |
|---|-------------|
| • Electric Utility CIP projects (\$12,874,282): | |
| ○ <i>Unit 8 superheat replacement</i> | \$4,531,037 |
| ○ <i>RDF bin renovations</i> | 2,725,730 |
| ○ <i>Unit 7 turbine/generator overhaul</i> | 2,491,130 |
| ○ <i>Top-O-Hollow substation</i> | 1,399,108 |
| ○ <i>Power Plant fire protection</i> | 707,045 |
| ○ <i>Other Electric CIP projects</i> | 1,020,232 |
| • Water Utility CIP projects (\$11,436,912): | |
| ○ <i>N River Valley well field</i> | 5,161,150 |
| ○ <i>Water distribution improvements</i> | 2,343,810 |
| ○ <i>East Ames water line extension</i> | 1,005,049 |
| ○ <i>NRV low head dam project</i> | 689,292 |
| ○ <i>Other Water Utility CIP projects</i> | 2,237,611 |
| • Sewer Utility CIP projects (\$12,151,051): | |
| ○ <i>Sanitary sewer system improvements</i> | 3,874,004 |
| ○ <i>East Ames sewer system extension</i> | 3,781,208 |
| ○ <i>WPC cogeneration system</i> | 1,679,000 |
| ○ <i>WPC digester improvements</i> | 1,473,000 |
| ○ <i>WPC residuals handling improvements</i> | 637,188 |
| ○ <i>WPC clarifier maintenance</i> | 350,049 |
| ○ <i>Other Sewer Utility CIP projects</i> | 356,602 |
| • Flood response/mitigation projects | 2,009,175 |
| • Teagarden area storm water improvements | 1,206,490 |

- Other Storm Water Utility CIP projects 3,201,702
- Resource Recovery improvements 199,549

Transportation Program \$27,677,788

Operating expenses of \$152,486 are being carried over in the Transportation program. The carryover amount includes funding to upgrade the Traffic Operations shop area (\$26,000), replace Parking Enforcement’s ticket writers (\$27,000), and for the Right-of-Way Maintenance Emerald Ash Borer (EAB) program (\$99,486).

Transportation CIP funding carryovers total \$27,525,302 and consist of the following programs and projects:

- Street construction projects (\$21,529,554):
 - *Grand Avenue extension* \$15,666,760
 - *Collector street improvements* 1,680,045
 - *Asphalt street improvements* 1,366,033
 - *Right-of-Way restoration* 811,121
 - *Seal Coat pavement improvements* 352,064
 - *Tripp Street extension* 307,144
 - *Other street improvement projects* 1,346,387
- Shared use path projects 2,943,751
- Traffic engineering projects 1,627,162
- Street maintenance projects 930,850
- Airport improvements 102,362
- Transit system improvements 391,623

Community Enrichment Program \$3,934,913

Community Enrichment operating expenses of \$220,905 are being carried forward. Of this amount, \$162,647 is for Parks and Recreation projects and equipment, primarily funded through donations (\$126,647). The remaining \$36,000 in Parks and Receptions carryovers includes a study of the City’s park system for ADA compliance (\$26,000), and funding for a community-wide survey (\$10,000). Funding of \$8,500 is also being carried forward in the City-Wide Housing program, and \$49,758 for the Public Art program.

A total of \$3,714,008 in funding is being carried over for the following Community Enrichment CIP projects:

- Parks and Recreation CIP projects (\$2,774,526):
 - *Homewood clubhouse* \$1,013,973
 - *Inis Grove Park restrooms/stairs* 400,000
 - *River Valley Park improvements* 297,568
 - *Brookside Park restrooms* 207,419
 - *Bandshell improvements* 196,538
 - *Municipal Pool improvements* 154,008

○ Ames/ISU Ice Arena improvements	123,642
○ Franklin Park improvements	80,000
○ Other park and facility improvements	301,378
● Cemetery improvements	78,500
● Downtown Façade program	105,962
● Campustown Façade program	105,020
● Downtown/Campustown plazas	400,000
● Human service agency capital grant program	250,000

General Government Program \$962,836

Operating expenses of \$511,250 are being carried forward in the General Government program. Of this amount, \$231,082 is funding to allow the Planning Department to hire outside professional assistance for projects such as the Comprehensive Plan update. In City Council funding, \$68,802 of unspent contingency funds are being carried forward, as well as unspent allocations to Ames Foundation (\$20,000) for an entryway sign along Interstate 35, Story County Housing Trust (\$34,870), Ames Partner Cities (\$4,775), AEDC (\$15,000), and funding for a greenhouse gas inventory (\$25,000). The Finance Department is carrying over salary savings of \$22,500 to cover additional personal service costs as part of their reorganization plan. The remaining balance of \$89,221 is for delayed equipment purchases and special projects for the Public Relations, Planning Services, Financial Services, Legal Services, Human Resources, and Facilities programs.

The General Government CIP carryover of \$451,586 is for the following projects:

● City Hall Security	\$283,775
● City Hall improvements	167,811

Internal Services: \$1,956,272

Internal Services has \$1,914,313 in operating carryovers consisting of the following:

● Fleet equipment purchases	\$1,745,078
● Information Technology equipment	169,235

There is also an Internal Services CIP carryover of \$41,959 for improvements at the Fleet Maintenance facility.

Total Carryovers \$79,217,232

2019/20 CARRYOVERS BY FUND

Fund:	2019/20 Adopted	2019/20 Carryover	2019/20 Adjusted	Percentage Change from Adopted
General Fund	38,689,394	1,879,386	40,568,780	4.9%
Special Revenue Funds:				
Local Option Sales Tax	9,057,042	4,900,330	13,957,372	54.1%
Hotel/Motel Tax	2,267,800	15,000	2,282,800	0.7%
Road Use Tax	7,689,738	3,295,915	10,985,653	42.9%
Public Safety Special Revenues	309,300	26,000	335,300	8.4%
City-Wide Housing Programs	43,265	8,500	51,765	19.7%
CDBG Program	572,094	-	572,094	0.0%
HOME Program	601,264	-	601,264	0.0%
Employee Benefit Property Tax	2,159,434	-	2,159,434	0.0%
Police/Fire Retirement	-	-	-	
Parks & Rec Grants/Donations	10,100	120,897	130,997	1197.0%
Library Friends Foundation	249,564	-	249,564	0.0%
Library Grants/Donations	51,065	-	51,065	0.0%
Utility Assistance	15,000	-	15,000	0.0%
Miscellaneous Donations	-	8,450	8,450	
Developer Projects	-	-	-	
Economic Development	-	-	-	
Tax Increment Financing (TIF)	772,002	-	772,002	0.0%
Total Special Revenue Funds	23,797,668	8,375,092	32,172,760	35.2%
Capital Project Funds:				
Special Assessments	321,415	-	321,415	0.0%
Street Construction	4,096,912	9,662,402	13,759,314	235.9%
Airport Construction	-	102,362	102,362	
Park Development	80,000	163,147	243,147	203.9%
General Obligation Bonds	11,161,865	14,618,343	25,780,208	131.0%
Total Capital Project Funds	15,660,192	24,546,254	40,206,446	156.7%
Permanent Funds:				
Cemetery Perpetual Care	-	-	-	
Furman Aquatic Center Trust	6,450	5,750	12,200	89.2%
Total Permanent Funds	6,450	5,750	12,200	89.2%

2018/19 CARRYOVERS BY FUND, continued

<i>Fund:</i>	2019/20 Adopted	2019/20 Carryover	2019/20 Adjusted	Percentage Change from Adopted
<i>Enterprise Funds:</i>				
Water Utility/Construction	20,115,166	11,703,414	31,818,580	58.2%
Sewer Utility/Construction	12,393,982	12,331,551	24,725,533	99.5%
Electric Utility/Sinking	82,866,499	13,262,195	96,128,694	16.0%
Parking/Parking Reserve	1,131,787	27,000	1,158,787	2.4%
Transit	17,188,675	391,623	17,580,298	2.3%
Storm Water Utility/Construction	2,424,055	4,405,504	6,829,559	181.7%
Ames/ISU Ice Arena	565,649	-	565,649	0.0%
Ice Arena Capital Reserve	10,000	123,642	133,642	
Homewood Golf Course	270,439	10,000	280,439	3.7%
Resource Recovery	5,219,041	199,549	5,418,590	3.8%
<i>Total Enterprise Funds</i>	142,185,293	42,454,478	184,639,771	29.9%
<i>Debt Service</i>	12,055,352	-	12,055,352	0.0%
<i>Internal Service Funds:</i>				
Fleet Services	2,343,456	-	2,343,456	0.0%
Fleet Reserve	1,278,600	1,787,037	3,065,637	139.8%
Information Technology	1,912,531	-	1,912,531	0.0%
Technology Reserve	457,204	169,235	626,439	37.0%
Shared Communications	256,241	-	256,241	0.0%
Risk Insurance	2,508,721	-	2,508,721	0.0%
Health Insurance	9,198,125	-	9,198,125	0.0%
<i>Total Internal Service Funds</i>	17,954,878	1,956,272	19,911,150	10.9%
<i>Total Expenditures</i>	250,349,227	79,217,232	329,566,459	31.6%

**NOTICE OF PUBLIC HEARING
AMENDMENT OF FY2019-2020 CITY BUDGET**

Form 653.C1

The City Council of Ames in STORY County, Iowa
will meet at City Hall, 515 Clark Avenue, Ames, IA
at 6:00 PM on 9/24/2019
(hour) (Date)

,for the purpose of amending the current budget of the city for the fiscal year ending June 30, 2020
(year)

by changing estimates of revenue and expenditure appropriations in the following programs for the reasons given. Additional detail is available at the city clerk's office showing revenues and expenditures by fund type and by activity.

	Total Budget as certified or last amended	Current Amendment	Total Budget after Current Amendment
Revenues & Other Financing Sources			
Taxes Levied on Property	1 30,953,785	0	30,953,785
Less: Uncollected Property Taxes-Levy Year	2 0	0	0
Net Current Property Taxes	3 30,953,785	0	30,953,785
Delinquent Property Taxes	4 0	0	0
TIF Revenues	5 1,100,876	0	1,100,876
Other City Taxes	6 10,717,411	0	10,717,411
Licenses & Permits	7 1,652,904	0	1,652,904
Use of Money and Property	8 9,348,361	0	9,348,361
Intergovernmental	9 27,431,529	0	27,431,529
Charges for Services	10 305,867,540	0	305,867,540
Special Assessments	11 321,415	0	321,415
Miscellaneous	12 674,045	0	674,045
Other Financing Sources	13 16,792,954	0	16,792,954
Transfers In	14 16,561,343	0	16,561,343
Total Revenues and Other Sources	15 421,422,163	0	421,422,163
Expenditures & Other Financing Uses			
Public Safety	16 20,845,795	185,794	21,031,589
Public Works	17 6,285,579	125,486	6,411,065
Health and Social Services	18 1,490,234	0	1,490,234
Culture and Recreation	19 9,445,904	267,050	9,712,954
Community and Economic Development	20 4,571,280	246,288	4,817,568
General Government	21 2,905,299	218,817	3,124,116
Debt Service	22 12,055,352	0	12,055,352
Capital Projects	23 19,176,527	33,763,047	52,939,574
Total Government Activities Expenditures	24 76,775,970	34,806,482	111,582,452
Business Type / Enterprises	25 313,398,799	44,410,750	357,809,549
Total Gov Activities & Business Expenditures	26 390,174,769	79,217,232	469,392,001
Transfers Out	27 16,561,343	0	16,561,343
Total Expenditures/Transfers Out	28 406,736,112	79,217,232	485,953,344
Excess Revenues & Other Sources Over (Under) Expenditures/Transfers Out for Fiscal Year	29 14,686,051	-79,217,232	-64,531,181
Beginning Fund Balance July 1	30 704,228,677	0	704,228,677
Ending Fund Balance June 30	31 718,914,728	-79,217,232	639,697,496

Explanation of increases or decreases in revenue estimates, appropriations, or available cash:

This is the Council-approved amendment per the City Manager's recommendation.

There will be no increase in tax levies to be paid in the current fiscal year named above. Any increase in expenditures set out above will be met from the increased non-property tax revenues and cash balances not budgeted or considered in this current budget. This will provide for a balanced budget.


Diane R. Voss
City Clerk/Finance Officer