

FISCAL YEAR 2020/21

CITY COUNCIL BUDGET ISSUES

Near the beginning of each year's budget preparation cycle, the City Manager and Finance staff presents City Council with a budget overview. This presentation has four main purposes:

1. Present the "big picture" of the coming year's budget, including factors that may later impact the Council's budget decisions
2. Share budget-related input and requests that have been received from local citizens and organizations
3. Seek Council direction on select components of the budget (e.g., overall funding levels for human services and arts)
4. Receive any general funding or service level direction that Council wishes to incorporate into the budget

OVERALL ECONOMIC CONDITION OF THE CITY

Overall economic conditions in the City of Ames remain strong. However, there is continued concern that state-level budget issues could lead to a reduction in property tax replacement to Cities associated with recent state-wide property tax reform.

Local Option Sales Tax receipts are now growing with the U.S. Supreme Court decision in the *Wayfair vs. South Dakota* case coupled with Iowa legislation related to online retail sales which required larger internet retailers to collect and remit sales tax regardless of location. This change went into effect beginning January 1, 2019 and the Iowa Department of Revenue began making distributions of internet sales tax collections in late spring of 2019. As a result, the City ended FY 2018/19 with sales tax revenue slightly over budget and we are recommending that sales tax revenue be adjusted upward for FY 2019/20. We are forecasting 5% growth in local option sales tax revenue for FY 2020/21.

We expect a continued modest increase in property valuation to have a positive financial impact on the City budget. Taxable valuation for residential property will decrease due to the residential rollback rate falling slightly from 56.92% to 55.07%. This small change in residential rollback will result in a small shift in taxes to the commercial and industrial classes of property from the residential class.

We are anticipating smaller than average increases in health care costs and a continued modest rate of inflation on goods and services. The unemployment in the Ames area remains one of the lowest in the nation, which is good news for job seekers but will continue to require reviewing pay levels to attract and retain staff to deliver City services.

Commercial and industrial property will continue to be taxed at 90% of value regardless of what may happen with replacement tax. A new property classification was implemented in

FY 2016/17; multi-residential property, formerly taxed at 90% of value, will take another step toward rollback to the residential rate and will be taxed at 71.25% of value, with no state replacement tax.

Interest revenues for the City investments grew modestly during FY 2018/19. However, interest rates fell sharply in spring of 2019 and have remained low. Though this will reduce interest revenue, rates for G.O. Bonds remain at very favorable levels.

GENERAL FUND

The General Fund ended FY 2018/19 with a balance of approximately \$12.7 million, creating a beginning balance for FY 2019/20 that is \$3.3 million higher than what was anticipated in the adopted budget. Revenues for FY 2018/19 were \$444,367 higher than what was budgeted, largely due to increased interest revenue (\$253,287) and a large adjustment of City investments to Fair Market Value (\$309,155). Building permit revenue was actually lower than what was budgeted by \$174,373. All other revenue in the General Fund netted to an additional \$56,298 over budgeted revenue. Expenditures for FY 2018/19 were approximately \$2.8 million lower than what was budgeted, largely due to incomplete CIP and other special projects, as well as salary and other savings in various City departments.

Of the \$3.3 million additional General Fund balance, \$1.9 million has been earmarked for incomplete FY 2018/19 projects that have been carried over into the FY 2019/20 adjusted budget. These projects include funding for Downtown or Campustown plazas (\$400,000), City Hall security (\$283,775), the new Homewood clubhouse (\$250,000), and the Comprehensive Plan update (\$138,647), as well as a number of smaller expenditures. Excluding the carryovers, a balance of approximately \$1.4 million remains, which is available for programming into the FY 2019/20 adjusted budget.

The Council could decide to use some amount of this additional balance to subsidize operating costs, thereby lowering property tax rates in FY 2020/21. This strategy, however, would only lead to a larger increase in the following year when this one-time balance would need to be replaced with a more permanent revenue source. Therefore, the staff recommends that the one-time available balance be used for one-time expenses. The City Manager will present a list of potential projects that could be funded using this balance during the budget review. Please note that in addition to the \$1.4 million noted above, there remains a fund balance in excess of the Council approved minimum balance that is adequate to mitigate contingencies such as the loss of state replacement tax per Council direction given during the FY 2019/20 budget process.

CYRIDE

The combination of lower ISU student enrollment, increase in student housing in close proximity to campus, and the implementation of CyRide 2.0 has resulted in lower ridership and a reduction in revenue. The transit board is expected to ask for modest increases in property tax funding, however new services to help improve ridership may increase the need for funding.

RESOURCE RECOVERY

After several years of flat fees, the Resource Recovery plant increased tipping fees from \$52.75 per ton to \$55.00 per ton on July 1, 2017 and to \$58.75 per ton on July 1, 2019. The per capita fee charged to participating communities was increased from \$9.10 to \$10.50 beginning January 1, 2018. These fee increases primarily offset the general increase in operating costs and the loss of revenue due to reduced capacity to burn RDF at the Power Plant.

The Resource Recovery plant was impacted by reduced capacity to burn refuse derived fuel (RDF) due to an excessive number of tube failures in the Electric Power Plant boilers. Though these two utilities operate as separate enterprises, they work closely together and have developed a new formula for RDF that will provide a more stable revenue source for Resource Recovery. To address the inconsistency in RDF revenue, staffs from Electric Services and Resource Recovery have developed a payment formula based on an operational average delivery of 2,500 tons of RDF per month to the power plant. This baseline of 2,500 tons per month equates to \$900,000 RDF revenue per year for budgeting purposes.

This adjustment in RDF payment still does not provide adequate funding for Resource Recovery operational and capital needs over our five year planning period. To better provide for these needs and to maintain an adequate on-going fund balance, the current tipping fee of \$58.75 per ton is expected to be increased by \$3.75 per ton to \$62.50 per ton in FY 2022/23. It is anticipated with the new census that per capita revenue will increase approximately \$250,000 to \$1,071,000 per year beginning in 2020/21. However as the proposed 2020/21 budget continues to be refined it may be necessary to move forward the proposed increase in the tipping fee from FY 2022/23 to FY 2021/22.

PARKING

Following the parking meter rate adjustments in 2018 and 2019, the net parking fund revenues in FY 2020/21 are expected to be around \$40,000 to \$50,000, which is less than what is needed to cover the capital cost for replacement of infrastructure. Therefore, staff began a Downtown Parking Study in the spring of 2019. Preliminary recommendations of the study are to evaluate rates on a bi-annual basis with adjustments made to parking rates such that revenues cover the actual operational and capital improvements cost.

FIRE AND POLICE RETIREMENT AND IPERS

-MFPRSI

The City contribution rate to the Municipal Fire and Police Retirement System of Iowa (MFPRSI) will be slightly higher. The current rate is 24.41% of covered wages and will be 25.31% for FY 2020/21. The rate remains well above the City's minimum contribution rate of 17% and is expected to remain so in the foreseeable future. The retirement system has made changes to reduce the volatility in contribution rates and systematically improve the funded status of the pension plan. This has resulted in City contribution rates of around 25% for the past four years. We expect City contribution rates to remain around 25% for the next several years. The employee contribution share remains fixed at 9.40%.

-IPERS

The City contribution rate to the Iowa Public Employee Retirement System (IPERS) will be unchanged. The current rate is 9.44% of covered wages and will remain at 9.44% for FY 2020/21. The employee contribution will also remain at 6.29% with the fixed 60/40 sharing of the pension cost.

HEALTH INSURANCE

For several years, the City of Ames experienced health insurance increases between 5% and 9% per year. With recent favorable claims experience and a strong self-insured fund balance, we were able reduce the rate of increase to 2% rate for FY 2019/20. For FY 20/21 we are planning to increase self-insured premium rates by 3.9%. Approximately 1% of the increase in rates is due to changes in the plan design which will result in loss of the plan's grandfathered status under the Affordable Care Act. Though these changes will increase the cost of the health insurance plan, it will provide the ability to continue to increase co-pays and deductibles for covered members. With the planned rate increase we expect a modest draw down in the health plan fund balance. Even with a planned draw-down the balance will remain well above the required levels to maintain a self-insured plan and provide an adequate balance to fund possible claims fluctuations.

INFORMATION TECHNOLOGY

The City Information Technology Division (IT) expenses are allocated out internally to City operations based on their technology needs to deliver public services. For several years the increases in these costs have been modest at around the 3% range. The FY 2020/21 IT budget reflects the industry trend of migration to cloud based IT services and infrastructure. This change causes an increase in operating costs and a reduction in capital costs. The increase in operating costs is immediate and has resulted in a budgeted increase for IT services of a little over 7% for FY 2020/21. The savings for capital will be reflected over time in reduced replacement cost for software and hardware. In addition to the reduction in capital costs for servers and software, migration to the cloud is expected to offer better security and redundancy for City systems. The Department of Homeland Security recently completed a cybersecurity assessment for the City of Ames. The increased IT costs also reflects the first phases of implementation of cybersecurity improvements.

ROLLBACK AND VALUATION

Since 1978, residential and agricultural property has been subject to an assessment limitation order, or "rollback," that limits annual growth of property values (all other classes of property were eventually added). Prior to the 2013 overhaul of the property tax system, property value growth was limited to 4% per year for agricultural, commercial, industrial and residential properties. If property values grew by more than 4%, the taxable value was rolled back to comply with the assessment limitation system.

In addition, the rollback included a formula that tied the growth of residential property to that of agricultural property. This connection is commonly referred to as "coupling" and

limits the valuation of either property class to the smaller of the two. Since the law's inception, residential property has always been subject to significant rollbacks, while the other property classes did not grow as much and were usually taxed at or near their full assessed value.

While the property tax rollback system remains in place, several major changes were made during the 2013 legislative session. For each assessment year beginning in 2013, residential and agricultural property value growth is now capped at 3%, or whichever is lowest between the two classes (the coupling provision remains).

Commercial, industrial and railway property now have their own rollback, which began at 95% for valuations established during the 2013 assessment year (affecting FY 2014/15) and 90% for the 2014 assessment year and thereafter. The rollback percentage for these properties will remain fixed at 90% regardless of how fast or slow valuations grow.

The legislature created a standing appropriation, beginning in FY 2014/15, to reimburse local governments for the property tax reductions resulting from the new rollback for commercial and industrial property (railroad not included). The "backfill" was funded by the legislature for the current fiscal year, future backfill appropriations are capped at the FY 2015/16 level. **Staff is concerned that continued funding of the State obligation to provide backfill for property tax relief may be at risk for FY 2020/21. The total amount of replacement tax backfill included in FY 2019/20 budget was \$973,210, representing 3.1% of levied taxes. If funding of the replacement tax is eliminated and City Council chooses to maintain current service levels, a property tax rate increase of approximately \$0.32 will be required.**

The Iowa Department of Management is recommending that City's consider reducing the budgeted amount of state replacement tax. Though the appropriation remains, backfill is being allocated to TIF districts and is being allocated to taxing bodies at different rates depending on growth in commercial and industrial valuation. For FY 2020/21 we will budget a 5% reduction in replacement tax across all funds.

A new property class was established for multi-residential property, which first took effect in FY 2016/17. For buildings that are not otherwise classified as residential property, the definition of multi-residential property is broad and includes:

- Mobile home parks
- Manufactured home communities
- Land-leased communities
- Assisted living facilities
- Property primarily used or intended for human habitation containing three or more separate living quarters

The following rollback percentages will be phased in over eight years, beginning in budget FY 2016/17. **There is no backfill provision for this class and with an estimated valuation of \$124.7 million in Ames the reduction of property tax dollars will be approximately \$48,500 in FY 2020/21.**

Multi-Residential Property Rollback Schedule	
January 1, 2015	86.25%
January 1, 2016	82.50%
January 1, 2017	78.75%
January 1, 2018	75.00%
January 1, 2019	71.25%
January 1, 2020	67.50%
January 1, 2021	63.75%
January 1, 2022 and thereafter	same as residential

The rollback for residential property will decrease from 56.92% of taxable value to 55.07% for FY 2020/21. This change in the rollback will result in a small shift of property taxes from the residential class to the commercial and industrial classifications.

Rollback Percentage Rates				
Property Class	FY 17-18	FY 18-19	FY 19-20	FY 20-21
Residential	56.9391	55.6209	56.9180	55.0743
Com. & Ind.	90.0000	90.0000	90.0000	90.0000

LOCAL OPTION SALES TAX

Estimated Revenue

For the current year, local option sales tax receipts are expected to be \$8,470,509. This is a 3.7% increase over the adopted budget and is likely due to collection and remittance of sales tax for online retail sales. **The staff forecast for local option sales tax revenue for FY 2020/21 is \$8,577,268 or a 5% increase from the FY 2019/20 adopted budget.** For several years staff expressed concern that a weakness in taxable retail sales was part of a fundamental shift in retail from local brick and mortar sales to online retail. This was beginning to have a long-term impact on capital improvement projects and services which are funded by local option revenues and the property tax relief provided. It appears that recent law changes that require collection and remittance of local sales tax by online retailers have helped to reverse this trend and place our local retailers on a more level playing field with their online competitors.

A summary of the Local Option Sales Tax Fund with some illustrative options for the FY 2020/21 budget is included in Attachment 1 to this document and is by no means a recommendation for the upcoming budget. Though we do not need specific budget decisions at this time, staff is requesting Council direction on funding levels for ASSET, COTA, and other outside organizations.

ASSET Human Services Funding

The City Council adopted the following priorities for human services funding in FY 2020/21 (*note: priority categories AND sub-bullets are in priority order*).

#1 Meet basic needs, with emphasis on low to moderate income:

- Quality childcare cost offset programs, including daycare and State of Iowa licensed in-home facilities
- Food cost offset programs to assist in providing nutritious perishables and staples
- Medical and dental services
- Housing cost offset programs, including utility assistance
- Sheltering
- Transportation cost offset programs
- Legal assistance
- Disaster response

#2 Meet mental health and chemical dependency needs:

- Ensure substance abuse prevention and treatment is available in the community
- Provide outpatient emergency access to services
- Provide crisis intervention services
- Provide access to non-emergency services

#3 Youth development services and activities:

- Skill development and enhancement
- Summer enrichment/prevention of loss of learning

The table below summarizes each year’s ASSET allocations by funder.

	Story County	CICS	United Way	ISU Student Gov’t.	City Budgeted Amount	City % Increase	Total
2014/15	1,082,602	--	955,145	152,605	1,139,226	-3.8%	3,329,578
2015/16	879,857	349,856	1,002,833	167,339	1,212,375	6.4%	3,612,260
2016/17	1,031,870	430,718	1,084,827	178,882	1,278,973	5.5%	4,005,270
2017/18	1,072,156	448,724	1,193,303	194,430	1,355,711	6.2%	4,264,324
2018/19	1,142,625	602,229	1,228,443	194,430	1,423,497	5.0%	4,591,224
2019/20	1,461,105	477,792	1,265,293	194,430	1,466,202	3.0%	4,864,822

The prior budget year is not the only way to evaluate the amount to budget for the next fiscal year. The amount budgeted at this time each year can vary if the volunteers do not recommend funding the entire amount authorized by the City Council. Additionally, the amount contracted with agencies is often not entirely drawn down each year. In FY 2018/19, \$39,041 (2.7%) of the City allocation was not drawn down by agencies.

FY 2018/19 City Funds			FY 2019/20 City Funds			FY 2020/21
Requested	Budgeted	Contracted	Requested	Budgeted	Contracted	Requested
\$1,578,788	\$1,423,497	\$1,423,497	\$1,667,899	\$1,466,202	\$1,466,202	\$1,625,097

For FY 2020/21, City ASSET funds requested by agencies total \$1,625,097 up \$158,895, or 10.83% over the current FY 2019/20 contracted services of \$1,466,202.

The following changes are noteworthy for the City Council:

- **Ames Community Preschool Center (Day Care – School Age)** – ACPC submitted a New/Expanded Service request to ASSET for expansion of their school age program. The request was approved and 20+ slots can be added to this area of programming. ACPC has requested a 43% increase in City funds for School Age Day Care (\$42,651 requested). The City allocated \$29,834 in FY 2019/20. While additional funding from ASSET increases the quantity of families served as well as the individual level of support provided to each child, an ongoing barrier to overall growth is hiring staff.
- **Emergency Residence Project (Emergency Shelter, Transitional Housing & Rapid Re-Housing Service Coordination)** – ERP has requested substantial increases for its Emergency Shelter, Transitional Housing, and Rapid Re-Housing Service Coordination programs. In FY 2019/20, the City allocated \$76,909 in funding for Emergency Shelter, \$14,723 for Transitional Housing and \$2,886 for Rapid Re-Housing Service Coordination. ERP is requesting \$100,000 (30% increase), \$31,375 (113% increase) and \$13,410 (364% increase) respectively for FY 2020/21. ERP's requests to United Way and to Story County also reflect substantial increases. In its outcome reporting, ERP stated that it is shifting its methodology from a percentage increase to a calculation based on the number of actual clientele being served. ERP's total request to the City is \$149,255 or an increase of \$47,209 (46% increase).
- **Good Neighbor (Emergency Assistance for Basic Material Needs)** – Good Neighbor has requested an increase for its Emergency Assistance for Basic Material Needs which is rent and utility assistance. In FY 2019/20, the City allocated \$16,259 for this program. Good Neighbor is requesting \$24,100 (48% increase). Issues that Good Neighbor encounters with the clients they are serving include the lack of a living wage and/or affordable childcare, poor physical health conditions, mental health and addiction problems. The organization coordinates services with local churches and other entities. They utilize 67% of their ASSET funds on basic needs for rent and utilities.
- **HIRTA (Transportation to University of Iowa Hospitals and Clinics)** – HIRTA has historically requested City funds for transporting individuals to Iowa City for medical care, but did not make such a request for FY 2019/20. They have incorporated a request in the amount of \$2,100 for FY 2020/21.
- **MICA (Family Development and Food Pantry)** – MICA will be discontinuing its Family Development program, Steps 2 Success, next FY due to re-focusing their efforts on services that have the greatest community impact. Therefore, no ASSET funds are being requested for this service. However, there are significant increases across all ASSET funders for the Food Pantry which resulted after internal re-

integration of services. The FY 2020/21 request of the City is \$27,796 (35% increase).

- **YSS (Transitional Living and Employment Assistance)** – YSS is again requesting a significant increase for the Transitional Living Program. In FY 2019/20, the City allocated \$3,148 for this service and the FY 2020/21 request is \$6,343 or 202%. There is also an \$8,400 increase (48% increase) in their request for Employment Assistance. Similar increases for both services are also being requested from Story County and United Way.

In previous budgeting cycles, the City Council has requested information as to which services indicated clients were turned away due to a lack of funding. For FY 2020/21, there are 70 individual services for which agencies have requested City funding. The table below shows the breakdown of whether clients were turned away in the last full fiscal year and for what reasons.

Agency response to whether clients were turned away	# of services
No clients turned away	42
Clients turned away	20
No information provided regarding clients turned away	1
Some clients turned away due to ineligibility under criteria or rules violations	4
No clients turned away, but other sources of funding used or services curtailed	3

The “Clients Turned Away” category includes services where there is a waiting list. Of the 20 services in which clients were turned away, 14 involved a service where there are capacity limitations due to licensure or the number of available beds. The remaining services where individuals were turned away are:

1. **Good Neighbor Emergency Assistance (rent/utilities)** — Good Neighbor reports not serving 57 clients due to previously assisting the client, eviction regardless of client’s ability to access funding, and inability to assist with an amount of funds that would render a positive housing outcome. The agency is requesting an increase from \$16,259 in FY 2019/20 to \$24,100 in FY 2020/21.
2. **The Salvation Army Homelessness Prevention Program (rent/utilities)** — The Salvation Army noted that 269 families/individuals were declined services due to no available appointment times, eviction regardless of assistance, failure to follow program guidelines, and a pattern of reliance on emergency assistance. The agency is requesting an increase from \$22,748 in FY 2019/20 to \$24,748 in FY 2020/21.
3. **The Salvation Army Representative Payee Program** — The Salvation Army indicated 13 clients were on the waiting list due to limited staffing availability to serve additional clients. Salvation Army is discontinuing the Bill Payer program and will assign staff from that program to the Representative Payee program to help

address the waiting list. The agency is requesting an increase from \$13,122 in FY 2019/20 to \$15,122 in FY 2020/21.

4. **Youth and Shelter Services Emergency Shelter (Rosedale)** – YSS noted that 15 youth were turned away. They are requesting \$33,338 from the City in FY 2020/21. This is a slight increase from the FY 2019/20 allocation of \$31,750.

In addition to the amount authorized for human services programs, the City will also budget its share of the ASSET administrative expenses. The City's estimated share for these expenses in FY 2020/21 is \$7,125. There is an additional \$500.00 included in the amount to be used towards offering equity, diversity, and inclusion training for agencies involved with the ASSET process.

Until the last budget cycle, the City Council chose to authorize an ASSET increase of a fixed percentage, plus the amount necessary to fully fund the requests where clients were turned away due to a lack of funding. Last year, the City Council authorized a 3% increase. The table below indicates allocation options based on the percentage increases from the FY 2019/20 contracted amount of \$1,466,202.

Increase From Current	Dollar Increase	Total City Funding Authorized
1.8% (amt. to fully fund turn-away svcs.)	\$ 26,432	\$ 1,492,634
1%	14,662	1,480,864
2%	29,324	1,495,524
4%	58,648	1,524,850
5%	73,310	1,539,512
10.8% (request)	158,895	1,625,097
+		
<i>ASSET Admin. Share</i>	\$ 7,125	<i>In addition to services</i>

The attached spreadsheet (Attachment 2) indicates the services requested from the City compared to the current year.

COTA – Performance Arts Funding

The Commission on the Arts (COTA) allocation for FY 2019/20 is \$168,898. For FY 2020/21, COTA organizations have requested funding in the amount of \$207,310 (excluding special spring and fall grants). This is a 23% (\$38,412) increase from the FY 2019/20 appropriation. This year, one organization requested funding (Central Iowa Touring Ensemble) that had not done so in the past. A total of 18 organizations submitted applications for funding this year, compared to 17 in FY 2019/20.

As always, a range of options is available for establishing an authorized allocation for FY 2020/21. It should be noted that the amount authorized by the City Council is used entirely by COTA. COTA sets aside a portion of the funds authorized by the Council for Special Project Grant funds to distribute later in the year.

Increase From Current	Dollar Increase	Amount Authorized
0%	\$ 0	\$ 168,898
1%	1,689	170,587
2%	3,378	172,276
5%	8,445	177,343
23% (request)	38,412	207,310

Funding Requests from Outside Organizations

City staff accepts applications from outside organizations wishing to receive Local Option Sales Tax funds for their organizations' operations. The City Council has exempted the Ames Economic Development Commission's business development partnership, the Ames/ISU Sustainability Coordinator and the Ames Human Relations Commission from this process, since those activities are conducted in an official capacity on behalf of the City government.

The total amount allocated for these operating fund requests in FY 2019/20 was \$197,474. The total FY 2020/21 request is \$222,000, which is a 12.4% increase over the FY 2019/20 operating request total.

Organization/Program	19/20 Operations Award	20/21 Operations Request	% Change
Ames Historical Society	\$ 45,512	\$ 49,500	8.8%
Ames Int'l Partner City Assoc.	6,000	7,000	16.7%
Campustown Action Assoc.	32,965	37,000	12.2%
Hunziker Youth Sports Complex	30,700	32,000	4.23%
Ames Main Street	47,297	60,000	26.9%
Story County Housing Trust Fund	35,000	36,500	4.3%
TOTAL	\$ 197,474	\$ 222,000	12.4%

Organization/Program	19/20 Operations Award	19/20 Operations Request	% Change
AEDC Workforce Solutions*	15,000	15,000	0%

***Funded from Hotel/Motel Tax Fund Balance**

The Ames Economic Development Commission's (AEDC) request for its Workforce Solutions program would be supported from Hotel/Motel Taxes, not the Local Option Sales Tax Fund. The pool of funding authorized by the Council only includes Local Option funds. Therefore, the review team will review the merits of this proposal and provide a separate recommendation regarding whether it should be funded. Funding this program will not count against the funds authorized for other programs in this report.

Highlights from the requests are summarized below.

- **Ames Main Street** – For FY 2020/21, Ames Main Street is requesting an additional \$12,703 (26.9% increase) in funding for beautification efforts. The organization plans to partner with a landscaping company to assist in the planting, replanting, and maintenance of Downtown Ames flower beds and planters. Funds will also be used to purchase and update informational signage.

The past practice has been to include the amount approved for the prior fiscal year in the recommended budget. **City staff is seeking direction from the City Council regarding a total amount of Local Option funds available to be allocated for the coming year.**

The applications will be reviewed by a committee of staff and residents with that budget authority in mind and recommendations will be made to the City Council. As with other funding processes, a variety of options are available to the City Council:

Increase From Current	Dollar Increase	Amount Authorized
2%	\$ 3,950	\$ 201,424
3%	5,924	203,398
4%	7,899	205,373
5%	9,874	207,348
12.4% (all requests)*	24,526	222,000

***excludes AEDC request, which would be funded from Hotel/Motel Tax Fund**

PUBLIC ART COMMISSION

City Council will receive the Public Art Commission’s request for funding for FY 2020/21 in January. The funding level of \$46,000 adopted for FY 2019/20 is currently included as the FY 2020/21 allocation for projecting the Local Option Sales Tax Fund balance.

ROAD CONDITIONS/ROAD USE TAX FUND

In our annual Resident Satisfaction Survey's ranking of capital improvement priorities, the reconstruction of existing streets is the top priority for our citizens. This represents a challenge, since the lane-miles of streets continue to expand, existing streets continue to age, and recent winters have been particularly hard on our roadways.

The Road Use Tax Fund (RUTF) is accumulated through motor vehicle registration fees, motor vehicle fuel taxes, an excise tax imposed on the rental of automobiles, and a use tax on trailers. The RUTF revenue is restricted in use and the City uses the funds for operations and maintenance of street right-of-ways as well as capital improvements. The DOT is currently forecasting that RUTF distributions will be higher in FY 2019/20. The adopted budget included \$7,164,247 in RUTF revenue; the adjusted budget will be \$7,429,590 a 3.7% increase. The DOT is forecasting a RUTF distribution of \$7,488,555 for FY 2020/21 for a 4.5% increase from our current adopted budget. Past experience has

indicated that actual receipts are impacted by fuel prices and general economic activity. Both factors have been favorable for strong RUT receipts and support our current forecast.

TOWN BUDGET MEETING

On October 29, 2019, the annual Town Budget Meeting was held. Minutes from the meeting are included as Attachment 3 to this document.

City Council's Input

(Given the information provided, Council's input is requested.)

Service Level Increases

Service Level Decreases

Other Issues

Attachment 1

LOCAL OPTION SALES TAX FUND SUMMARY

	FY 19/20 Adopted	FY 19/20 Adjusted	+5% ASSET/COTA FY 20/21 Estimated
Revenues			
Local Option Sales Tax	\$ 8,168,827	\$ 8,470,509	\$ 8,577,268
Transfer from Hotel/Motel	140,000	140,000	142,800
Grants	-	-	-
Other Revenue	-	-	-
Total Revenues	<u>8,308,827</u>	<u>8,610,509</u>	<u>8,720,068</u>
Transfers			
Ice Arena	20,000	20,000	20,000
Park Development	100,000	100,000	100,000
60% Property Tax Relief	4,901,296	5,082,305	5,146,361
Total Transfers	<u>5,021,296</u>	<u>5,202,305</u>	<u>5,266,361</u>
Expenses			
Human Service Agencies	1,466,202	1,466,202	1,539,512
Commission on the Arts	168,898	168,898	177,343
City Council Spec. Alloc.	200,474	240,119	200,000
Human Services Admin	24,032	23,776	24,727
Public Art	46,000	95,758	46,000
Municipal Band	30,140	30,344	31,882
	-	-	-
Total Expenses	<u>1,935,746</u>	<u>2,025,097</u>	<u>2,019,464</u>
Net Increase/(Decrease)	1,351,785	1,383,107	1,434,243
Beginning Balance	<u>2,096,915</u>	<u>7,106,583</u>	<u>1,578,763</u>
Available for CIP	3,448,700	8,489,690	3,013,006
CIP Projects	<u>2,100,000</u>	<u>6,910,927</u>	<u>1,905,750</u>
Ending Balance	1,348,700	1,578,763	1,107,256
Minimum Fund Bal. Rsv.	1,038,937	2,264,006	1,011,304
Avail Un-Resv Fund Bal.	<u>\$ 309,763</u>		<u>\$ 95,952</u>

ASSET Service Requests			City of Ames		Service Statistics			
Agency	Service	Index	Contracted 19/20	Request 20/21	20/21 Proposed Units of Service	Unit of Service	20/21 Proposed Cost per Unit	Clients Turned Away in 19/20
ACCESS	Emergency Shelter	2.08	\$ 53,409	\$ 56,080	1,985	24 Hr Period Food/Shelter	\$ 137.00	166 turned away due to service being at capacity.
ACCESS	Domestic Abuse Crisis and Support	3.07	\$ 28,385	\$ 29,804	1,816	Staff Hour	\$ 138.00	0
ACCESS	Sexual Abuse Crisis and Support	3.08	\$ 7,500	\$ 7,875	1,319	Staff Hour	\$ 133.00	0
ACCESS	Battering Courtwatch	3.10	\$ 5,576	\$ 5,855	384	Staff Hour	\$ 138.00	0
ACCESS	Public Education and Awareness	1.12	\$ 3,729	\$ 3,915	269	Staff Hour	\$ 127.00	0
			\$ 98,599	\$ 103,529				
Ames Comm. Preschool Center	Day Care - Infant	2.02	\$ 7,224	\$ 7,946	2,750	1 Full Day	\$ 78.46	Continues to have a long waiting list. There are 42 children under 24 months old on the list for one classroom. Newly enrolled families are placed on waiting list.
Ames Comm. Preschool Center	Day Care - Children	2.03	\$ 63,087	\$ 69,396	23,750	1 Full Day	\$ 57.89	2 and 3 year old classrooms continue with waiting lists. Six classrooms with 2 to 5 year olds have 39 children on the waiting list. Newly enrolled families are placed on waiting list.
Ames Comm. Preschool Center	Day Care - School Age	2.04	\$ 29,834	\$ 42,651	57,119	1 Partial Day (3 hrs)	\$ 12.44	100 on waiting lists at each school site. Newly enrolled families are placed on waiting list.
			\$ 100,145	\$ 119,993				
All Aboard for Kids	Out of School Program	1.09	\$ 1,881	\$ 2,750	400	1 Partial Day (3 hrs)	\$ 70.00	2 individuals turned away due to elopement issues.
			\$ 1,881	\$ 2,750				
American Red Cross	Disaster Services Program	2.12	\$ 9,933	\$ 10,000	60	Staff Hour	\$ 1,263.38	0
			\$ 9,933	\$ 10,000				
Boys and Girls Club	Youth Development and Social Adjustment - Daily Program	1.07	\$ 113,800	\$ 117,214	24,500	Client Contact/Day	\$ 29.07	0
			\$ 113,800	\$ 117,214				
Campfire	Day Care- School Age	2.04	\$ 2,328	\$ 2,444	4,925	1 Partial Day (3 hrs)	\$ 58.69	Had a waiting list of 15 youth each week. Did not accept additional youth when list reached capacity of 15.
Campfire	Day Care - School Age - Scholarships	2.04	\$ 5,191	\$ 5,451	550	1 Partial Day (3 hrs)	\$ 140.39	Had a waiting list of 15 youth each week. Did not accept additional youth when list reached capacity of 15.
			\$ 7,519	\$ 7,895				
Center for Creative Justice	Correctional Services - Probation Supervision	2.09	\$ 59,479	\$ 62,453	4,300	Client Hour	\$ 71.36	No clients were turned away even though City funds were exhausted in January 2019.
			\$ 59,479	\$ 62,453				
ChildServe	Day Care - Infant	2.02	\$ 7,658	\$ 6,000	8,160	1 Full Day	\$ 57.13	Had very few infant openings during the course of the year and the waiting list ranged from 6-22 children. Some families were turned away due to finding alternate care. City funds were exhausted in December 2018.
ChildServe	Day Care - Children	2.03	\$ 16,317	\$ 15,000	18,185	1 Full Day	\$ 44.80	Some families were turned away due to finding alternate care. City funds were exhausted in April 2019.
			\$ 23,975	\$ 21,000				
Emergency Residence Project	Rapid Re-Housing Emerg. Assistance for Basic Needs	2.01	\$ 7,528	\$ 4,470	360	Client Contact	\$ 359.83	0
Emergency Residence Project	Emergency Shelter	2.08	\$ 76,909	\$ 100,000	10,500	24 Hr Period Food/Shelter	\$ 32.47	226 households were turned away from shelter. 209 were due to unavailable shelter space; 3 maxed out length of stay at shelter; 14 were ineligible for services (ie, no trespass order).
Emergency Residence Project	Transitional Housing	2.07	\$ 14,723	\$ 31,375	7,700	1 Full Day	\$ 13.06	0; households were referred to another housing intervention program.
Emergency Residence Project	Rapid Re-Housing Service Coordination	3.13	\$ 2,886	\$ 13,410	6,000	Client Hour	\$ 7.20	0
			\$ 102,046	\$ 149,255				
Good Neighbor	Emergency Assistance for Basic Material Needs	2.01	\$ 16,259	\$ 24,100	1,040	Client Contact	\$ 179.28	57 applicants were not served for a variety of reasons such as applicants had already used Good Neighbor assistance, landlord was evicting regardless of ability to access funds, agency could not assist with an amount that would render a positive outcome, etc.
Good Neighbor	Healthy Food Vouchers	2.01	\$ 5,613	\$ 5,500	575	Client Contact	\$ 87.28	0, however the service was suspended for one week in Oct. due to budgetary reasons. Clients turned away in October returned in November and December.
			\$ 21,872	\$ 29,600				
Heartland Senior Services	Day Care - Adults , Adult Day Center	3.02	\$ 60,506	\$ 62,320	3,900	Client Day	\$ 82.62	0
Heartland Senior Services	Congregate Meals	3.06	\$ 24,500	\$ 25,235	3,800	Meals	\$ 20.86	0
Heartland Senior Services	Home Delivered Meals	3.05	\$ 15,288	\$ 15,750	25,400	Meals	\$ 8.29	0
Heartland Senior Services	Home Delivered Meals Under 60 Program	3.05	\$ 2,000	\$ 2,060	830	Meals	\$ 8.74	Capacity met; no new participants accepted.
Heartland Senior Services	Senior Food Program	2.01	\$ 4,271	\$ 4,400	1,390	Client Contact	\$ 10.10	0
Heartland Senior Services	Service Coordination - Outreach	3.13	\$ 44,683	\$ 46,025	2,100	Client Hour	\$ 81.39	0

Attachment 2

ASSET Service Requests			City of Ames		Service Statistics			
Agency	Service	Index	Contracted 19/20	Request 20/21	20/21 Proposed Units of Service	Unit of Service	20/21 Proposed Cost per Unit	Clients Turned Away in 19/20
Heartland Senior Services	Activity and Resource Center	3.14	\$ 39,114	\$ 40,300	9,500	Client Contact	\$ 8.68	0
			\$ 190,362	\$ 196,090				
HIRTA	Transportation - City	2.13	\$ 39,988	\$ 41,987	31,500	One-Way Trip	\$ 17.27	Average 6 riders per month due to budget cuts.
HIRTA	Transportation - Iowa City	2.13	\$ -	\$ 2,100	16	One-Way Trip	\$ 888.56	Agency did not request funds from the City for this service in FY20
			\$ 39,988	\$ 44,087				
Legal Aid	Legal Aid - Society , Legal Aid - Civil	2.10	\$ 98,888	\$ 105,000	3,750	Staff Hour	\$ 86.93	None, except in conflicts of interest or ineligibility under income guidelines
			\$ 98,888	\$ 105,000				
Lutheran Services in Iowa	Crisis Intervention , Crisis Child Care	3.09	\$ 5,700	\$ 5,700	70	Contacts	\$ 765.83	19 families due to not having space in provider's homes.
			\$ 5,700	\$ 5,700				
Mary Greeley Home Health Services	Community Clinics and Health Education	3.01	\$ 17,000	\$ 18,000	4,545	Clinic Hour	\$ 99.03	0
Mary Greeley Home Health Services	In-Home Health Assistance	3.04	\$ 15,500	\$ 16,300	7,600	Hours	\$ 60.89	0
			\$ 32,500	\$ 34,300				
MICA	Community Clinics - Child Dental	3.01	\$ 1,650	\$ 1,650	44	Clinic Hour	\$ 503.82	0
MICA	Dental Clinics	3.01	\$ 90,000	\$ 95,500	1,970	Clinic Hour	\$ 392.55	0
MICA	Community Clinics - Fluoride Varnish	3.01	\$ 825	\$ 825	784	Clinic Hour	\$ 73.06	0
MICA	Food Pantry	2.01	\$ 20,517	\$ 27,796	7,375	Client Contact	\$ 19.66	0
MICA	Family Development/ Education	1.10	\$ 7,279	\$ -	-	NA	\$ -	Agency is discontinuing program in FY21
			\$ 120,271	\$ 125,771				
NAMI	Public Education and Awareness	1.12	\$ 7,163	\$ 7,200	1,646	Staff Hour	\$ 48.06	0
			\$ 7,163	\$ 7,200				
Raising Readers	Thrive by Five	1.10	\$ 9,598	\$ 12,000	7,684	Client Hour	\$ 10.39	0
Raising Readers	Out-of-School Time Learning	1.10	\$ 13,739	\$ 14,739	787	Client Hour	\$ 107.88	0
			\$ 23,337	\$ 26,739				
RSVP	Disaster Services - Volunteer Management for Emergencies	2.12	\$ 6,722	\$ 8,300	420	Staff Hour	\$ 37.65	0
RSVP	Transportation	2.13	\$ 1,238	\$ 1,400	1,900	One-Way Trip	\$ 14.28	Declined one applicant due to complicated physical limitations
RSVP	Volunteer Management	1.11	\$ 22,633	\$ 23,300	40,500	Volunteer Hour	\$ 3.61	0
			\$ 30,593	\$ 33,000				
The Arc of Story County	Special Recreation - Active Lifestyles	3.19	\$ 5,000	\$ 5,500	8,350	Participant Hour	\$ 8.47	0
The Arc of Story County	Respite Care	3.11	\$ 4,000	\$ 4,000	800	Client Hour	\$ 15.00	0
The Arc of Story County	Service Coordination	3.13	\$ 1,400	\$ 1,400	430	Client Hour	\$ 13.14	0
			\$ 10,400	\$ 10,900				
The Salvation Army	Emergency Asst. for Basic Material Needs (Food Pantry)	2.01	\$ 8,003	\$ 10,003	2,544	Client Contact	\$ 210.54	0
								431 applicants for rent assistance and 269 applicants were declined due to no available appointment times, households who received help within the past year, reside outside of Story County, eviction in spite of assistance, failure to follow program requirements, and a pattern of reliance on emergency assistance.
The Salvation Army	Emergency Asst. for Basic Material Needs (Homeless Prev)	2.01	\$ 22,748	\$ 24,748	155	Client Contact	\$ 620.56	0
The Salvation Army	Disaster Services	2.12	\$ 911	\$ 911	28	Staff Hour	\$ 174.73	0
The Salvation Army	Representative Payee Services	2.14	\$ 13,122	\$ 15,122	2,220	Client Contact	\$ 23.17	13 clients are on the waiting list; unable to serve additional clients at this time due to limited staffing.
The Salvation Army	Bill Payer	2.14	\$ 4,020	\$ -	-	NA	\$ -	Agency is discontinuing program.
			\$ 48,804	\$ 50,784				
University Community Childcare	Child Care - Infant	2.02	\$ 28,317	\$ 31,149	3,120	Full Day	\$ 76.11	Waiting list for services, but remains fluid due to some families no longer being interested in services when contacted. Occupancy was 97% for the year, based on licensed capacity. Let families know wait might be 1 to 1.5 years or longer.
University Community Childcare	Child Care - Children	2.03	\$ 33,799	\$ 37,179	8,320	Full Day	\$ 61.91	Wait list for services, but remains fluid due to some families no longer being interested in services when contacted. Occupancy was 97% for the year, based on licensed capacity.
University Community Childcare	Comfort Zone	2.05	\$ 1,079	\$ 1,187	125	Partial Day	\$ 492.98	Children are only turned away if they do not have current immunization information or if they are not "mildly ill"
			\$ 63,195	\$ 69,515				
Volunteer Center of Story County	Volunteer Management	1.11	\$ 9,073	\$ 10,000	32	Staff Hour	\$ 2,701.56	0
Volunteer Center of Story County	Advocacy for Social Development	1.02	\$ 2,100	\$ 3,000	32	Staff Hour	\$ 718.75	0

ASSET Service Requests			City of Ames		Service Statistics			
Agency	Service	Index	Contracted 19/20	Request 20/21	20/21 Proposed Units of Service	Unit of Service	20/21 Proposed Cost per Unit	Clients Turned Away in 19/20
			\$ 11,173	\$ 13,000				
Youth and Shelter Services	Substance Abuse Treatment - Outpatient	3.16	\$ 8,800	\$ 9,240	650	Client Hour	\$ 132.00	0
Youth and Shelter Services	Primary Treatment /Health Maintenance Family Counseling	3.17	\$ 55,270	\$ 66,835	6,700	Client Hour	\$ 174.90	0
Youth and Shelter Services	Emergency Assistance for Basic Needs - TLP	2.01	\$ 3,148	\$ 9,491	6,400	Client Contact	\$ 25.22	Clients were turned away due to nto being appropriate level of care or did not meet eligibility guidelines.
Youth and Shelter Services	Emergency Shelter - Rosedale	2.08	\$ 31,750	\$ 33,338	465	24 Hr Period Food/Shelter	\$ 505.34	17 Story County youth clients were turned away.
Youth and Shelter Services	Rosedale Crisis	3.09	\$ 5,000	\$ 5,250	80	Contact	\$ 67.48	0
Youth and Shelter Services	Storks Nest	2.11	\$ 6,729	\$ 7,065	540	Client Contact	\$ 150.76	0
								50 youth on a waiting list at the end of the school year due to a variety of reasons such as referral for mentor occurs too late within the year, student with special needs and need to find mentor with certain skill set, no available mentors (scheduling conflicts, not completing screening process)
Youth and Shelter Services	Youth Dev and Social Adjustment - Mentoring	1.07	\$ 28,239	\$ 29,651	3,000	Client Contact/Day	\$ 55.77	0
Youth and Shelter Services	Youth Dev and Social Adjustment - Community Youth Dev	1.07	\$ 28,736	\$ 30,086	1,952	Client Contact/Day	\$ 54.75	0
Youth and Shelter Services	Employment Assistance for Youth - Skills	1.08	\$ 17,334	\$ 25,734	1,000	Staff Hour	\$ 48.53	0
Youth and Shelter Services	Out of School Program - Summer Enrichment	1.09	\$ 10,014	\$ 10,529	11,000	Partial Day	\$ 8.27	0
Youth and Shelter Services	Family Development/Education - Pathways, FADSS	1.10	\$ 10,576	\$ 11,171	2,600	Client Hour	\$ 42.72	0
Youth and Shelter Services	Public Education/ Awareness	1.12	\$ 31,097	\$ 32,652	2,200	Staff Hour	\$ 69.42	0
Youth and Shelter Services	Public Education/ Awareness - Child Safety	1.12	\$ 7,886	\$ 8,280	375	Staff Hour	\$ 71.26	0
			\$ 244,579	\$ 279,322				
TOTAL			\$ 1,466,202	\$ 1,625,097				

MINUTES OF THE TOWN BUDGET MEETING

AMES, IOWA

OCTOBER 29, 2019

The Town Budget Meeting was called to order by City Manager Steve Schainker at 7:00 p.m. on the 29TH day of October, 2019, in the Council Chambers of Ames City Hall, 515 Clark Avenue. He introduced Mayor John Haila, City Council Members Tim Gartin and David Martin, Finance Director Duane Pitcher, Budget Officer Nancy Masteller, Public Relations Officer Susan Gwiasda, Assistant City Manager Deb Schildroth, and Media Production Services Coordinator Joe Sines.

Others Present:

Lori Sulzberger, 905 Douglas Avenue, Ames
Mike Sulzberger, 905 Douglas Avenue, Ames
Dan Culhane, 3115 Aspen Road, Ames
Stan Rabe, 219 Wildflower Drive, Ames
Lynn Lloyd, 3818 Phoenix Street, Ames
Jen Brockpacher, 3817 Westlawn Drive, Ames
Elizabeth Erbes, 2119 Audubon Drive, Ames
Catherine Scott, 1510 Roosevelt Avenue, Ames
Sue Ann Peters, 632 Onyx Street, Ames
James Baker, 3503 Valley View Road, Ames
Karin Chitty, 119 Stanton Avenue, Ames
Heather Johnson, 427 Douglas Avenue, Ames
Mary Sand, 245 Todd Circle, Ames
Lyndsay Nissen, 3122 Ross Road, Ames
Elizabeth Wilbur, 1404 Carroll Avenue, Ames
Sam Schill, 2502 Ridgetop Road, Ames
Sharon Stewart, 437 Hilltop Road, Ames

City Manager Schainker welcomed the audience and informed them that this meeting was the beginning of the process to prepare the 2020/21 City Budget, which is a financial and service level document. He said City Council receives feedback many ways, including the Resident Satisfaction Survey and the Town Budget Meeting. Feedback received will be given to the City Council and will be considered. He invited the audience watching on television to call in or provide written comments and suggestions via email to the City Council.

The 2020/21 budget calendar and budget adoption process were explained by Finance Director Duane Pitcher. He made the public aware of important dates for upcoming meetings concerning the 2020/21 City Budget.

Mr. Pitcher said the City received approximately one-third (31.80%) of the property taxes that were paid in Ames for 2019/20. The School District received 45.5%; Story County, 20.63%; and DMACC, 2.07%. Mr. Pitcher said the Total Tax Levy per \$1,000 valuation decreased from \$10.07 in FY 2018/19 to \$10.03 in FY 19/20.

Mr. Schainker said when that number grows it could be new growth or reassessments. He said the City Council reduces tax rates as property assessments go up to offset tax increases.

Mr. Pitcher provided a summary of the 2019/20 Adopted Revenues and Expenditures. He stated that charges for services equates to approximately 48% or nearly half of the Revenues. A summary of the expenditures was also given. Of the largest expenditures, Utilities equates to 33.7%; Capital Improvement Projects total 23.1%; Public Safety, 9.2%; and Transportation, 8.6%.

Director Pitcher showed how the 2019/20 Property Tax Levy, which is a compilation of the General Fund Levy, Trust and Agency Levy (partial Police/Fire benefits), and Transit Levy, was calculated. The cost of services per residence for FY 2019/20 is \$570.65 per \$100,000 of valuation. This was an increase from 2018/19, which was \$560.02. The cost of services per residence was detailed by service for the last three fiscal years. For 2019/20, the cost per service was as follows:

Streets/Traffic	\$149
Police Protection	135
Fire Protection	85
Library	70
Parks & Recreation	41
Transit	36
General Support Services	27
Planning Services	10
Resource Recovery	6
Storm Sewer System	5
Facilities/Cemetery/Airport	4
Animal Control	3
Building Safety	-

A comparison of the City’s property tax rate with other large communities in the state of Iowa was shown, of which Ames has the lowest total tax levy per \$1,000 valuation.

PUBLIC INPUT: City Manager Schainker opened public input for suggestions on the 2020/21 Budget. He reiterated that members of the public could also call in and provide input or make suggestions known by email.

Mike Sulzberger, 905 Douglas Avenue, Ames, asked if the Council or staff has any insight on what services are being provided by the larger cities in Iowa levying at \$8.10 per \$1,000. Mr. Schainker said City staff members are efficient; Ames has local option sales tax (not all large cities have that) of which 60% of proceeds go toward property tax relief; and the City manages a number of businesses like electric, water, and sewer, and the overhead is spread among them so the utilities share the cost. Mr. Sulzberger asked about the City Council workshops on topics. Mayor Haila said Council workshops are not budget-related, but have topics such as the Long-Range Plan to allow for more dialogue.

Mr. Sulzberger said he would like to see more spent on the arts in the next five to ten years. He said Commission on the Arts (COTA) grants totaled about \$240,000. He said the amount spent on arts has been about the same since he's lived here. Mr. Sulzberger also commented the business and employers are here, and now employers are having trouble filling the jobs and he is concerned that will eventually affect the businesses here. He said people won't move here unless there's a perception that there is something to do here after work. Attracting creative people is having creative outlets for attendance or participation. Mr. Sulzberger said 23,000 people a day are commuting into Ames, and if 10% of those could be attracted to live here, it would make a big difference. He said the perception here now is there's nothing to do after work, and that's why people live in Ankeny or Des Moines. Mayor Haila asked what would be good investment opportunities. Mr. Sulzberger said he would love the Council to hold an arts workshop. Mr. Schainker noted that the City Council had requested a workshop on the arts, and it will be scheduled soon. Mayor Haila said it would happen after the budget season.

Dan Culhane, 3115 Aspen Road, Ames, concurred with Mr. Sulzberger. He said the more outlets in the community, the better chance people will choose to live here. Mr. Culhane noted the beautification of the corridors is very important. He said adding plantings and burying utility lines would greatly enhance the look of the community. Mr. Culhane commented that the University Boulevard entrance is a good example of where more public art is needed.

Lyndsay Nissen, 3122 Ross Road, Ames, said she would like to see Ames City Auditorium used more. She said a marquee sign on the front of the building that says what's coming, along with a large neon sign with bulbs around it would be ideal. She said photo opportunities are very important to the younger generation. She said many people don't know the Auditorium is there, and it's a beautiful theater. Ms. Nissen stated that anything that brings attention to arts and Ames helps all arts organizations.

Heather Johnson, 427 Douglas Avenue, Ames, said the Octagon Center for the Arts is very fortunate to have support from the City of Ames; however, she believes Ames could do better in supporting arts. She noted that of Community Enrichment funds, 1.5% goes toward artist services. According to Ms. Johnson, COTA has 17 organizations taking part, so support went down slightly to organizations because of more groups participating. She said she would be supportive of opportunities for arts organizations to offer more services, as well as ways arts organizations could receive assistance for exterior maintenance as part of the Façade Grant Program.

Sue Ann Peters, 632 Onyx Street, Ames, stated that she is a Story Theater Company board member. She said they regularly use the Auditorium. Ms. Peters also shared that COTA funding is thinner for organizations because more organizations are requesting funds. In addition they are paying more for Auditorium use than in years past. She said other arts organizations will be leaving the Auditorium because of the price, even though they love the facility.

Sharon Stewart, 437 Hilltop Road, Ames, said three years ago she almost moved to experience the arts; there isn't much to do in Ames after hours. She said when they did the walk-thru on Reliable Street, they were thrilled with the physical space to explore creative ideas, so they

collectively built a space. Ms. Stewart said Lockwood Café has been open for a month, and the resounding feedback is that the community is so glad there's a place where things are "interesting and weird." According to Ms. Stewart many art projects are brought into Ames, and the City is paying outside artists. She said local artists should be paid to create art and beautify Ames. Iowa State University could be involved so students could do projects and donate art at the same time. She said there's a lack of community-centered arts in this town that provide activities outside of 8:00 to 5:00 Monday through Friday. Ms. Stewart believes there are ways to invest in the people already here to make Ames better without "blowing the budget."

Rachel Junck, 2118 Sunset Drive, Ames, said she's pleased about the funding set aside to complete the greenhouse gas inventory. She said the results of that will determine where the community is, and steps needed to improve. Ms. Junck suggested the City provide funds to do the Climate Action Plan in conjunction with the inventory to make the most impact.

Elizabeth Erbes, 2119 Audubon Drive, Ames, suggested increasing the Facade Grant Program to account for inflation for the last 20 years. She asked that grant limits be increased and the total budget be increased.

City Manager Schainker encouraged the public to stay involved in the budget process. He reviewed the dates when the Operating Budget and Capital Improvements Plan will be discussed before the City Council.

Catherine Scott, 1510 Roosevelt Avenue, Ames, said an indoor municipal pool is needed.

Jennie Brockpacher, 3817 Westlawn Drive, Ames, suggested mural funding.

Stan Rabe, 219 Wildflower Drive, Ames, said arts organizations are actively building community in Ames. He said anything that can be done to reinforce community is important, so supporting the arts is good for Ames.

Mr. Culhane said Downtown lacks a real gathering place. He said a splash pad or park was discussed across from City Hall. He said these things are more important now as people decide where they want to live.

Sam Schill, 2502 Ridgetop Road, Ames, said he desires to advocate for the arts. He said he co-founded "Start-up Ames," trying to get "weird" people together, including scientists and entrepreneurs to start businesses and initiatives, and he found many interesting people getting together who wouldn't have otherwise gathered. He said there are many interesting tech businesses, and there will be more. Mr. Schill commented that there are tremendous leaders in the arts community, so if money is found the leadership is there to make something big happen. Mr. Schainker asked if groups are already talking about ideas. He said there should be some one-mindedness around something.

Mr. Schainker said the City can explore ways to better spend the money to make a bigger impact. Mayor Haila asked for more detail. Mr. Schill said the leadership exists, but he's not yet

sure how something could be done.

Ms. Nissen asked if the City is allowed to take private donations for COTA, and if funds could be solicited. Mr. Schainker said that is possible if the funds are for a specific project.

Ms. Stewart said there are ways to spend money on arts, such as the marquee sign which would be a structural improvement. She suggested thinking creatively to include artists on regular projects to help solve a problem, and disrupting the process by including artistic minds to make the budget go farther would be ideal.

Ms. Johnson said the City could implement a percentage of each new build to public art and someone could be hired to create that piece.

Mr. Sulzberger said knowing what will be received for funding, some deficit spending may be needed to get people to move here and stay here.

City Manager Schainker said he appreciates the ideas and vision, and noted that the City Council has hard decisions to make.

Mayor Haila said a vision would help Council understand how to put money aside. Mr. Schainker said human services funding pays for services instead of paying agencies. He said in a similar way, the City would want to pay for services and not operations.

Mr. Schainker said members of the public can still email City Council members with ideas for budget consideration.

Mayor Haila said he appreciates the idea that, instead of new money, the City could rethink how art can be woven into other budgets.

It was discussed that Ames Community Arts Council Director Jen Brockpaher will help make connections to inform arts groups about a future City Council workshop regarding arts organizations.

The meeting concluded at 8:28 p.m.

Erin Thompson, Recording Secretary