



January 15, 2019

Mayor and Members of the Ames City Council:

It is interesting to note that after many years of bickering at the federal level, there is talk that the members of both parties in Congress might be able to come together to agree on at least one initiative for their upcoming legislative session and that is a comprehensive infrastructure bill. Fortunately for the citizens of Ames, our City Council members have always understood the importance of maintaining, upgrading, and expanding our municipal infrastructure and, therefore, have continuously placed a high priority on this important responsibility.

In keeping with local priority, I am attaching the City Manager's Recommended Capital Improvements Plan (CIP) for FY 2019/20 through FY 2024/25. This plan calls for \$207,602,498 to be expended over the next five years with revenue support coming from General Obligation Bonds (\$54,202,000), Road Use Tax (\$7,798,650), Local Option Sales Tax (\$9,280,550), Water Utility Fund (\$14,846,500), Sewer Utility Fund (\$5,163,500), Storm Water Utility Fund (\$7,392,000), Electric Utility Fund (\$30,716,600), and Federal/State/other miscellaneous funds (\$78,202,698). **The following are highlights of the proposed CIP.**

PUBLIC SAFETY - \$3,202,000

The new **City-Wide Radio System** project (page 9) is progressing as scheduled. The estimated \$2,000,000 expenditure will assure 1) interoperability among the various city departments as well as with other Story County government agencies, 2) an upgrade in radio technology, and 3) an improved reliability to increase safety for our employees – both emergency and non-emergency. Discussions are underway with Story County, Iowa State University, and other communities in the county to finalize a partnership agreement to pay for the buildout and ongoing operations for a new

County-wide system. Once the partnership is finalized a consulting firm will review proposals submitted by interested parties and assist in negotiating a contract with a preferred service provider. I must stress that the amount shown in the CIP for this project may change based upon the best proposal that is submitted. In addition, the City Council should understand that the decision to purchase or lease individual radios will be left to each governmental entity and the amounts reflected in this CIP only represent the City's portion of this county-wide initiative.

Our goal is to keep front line fire apparatus for a minimum of fifteen years. Depending on the availability of replacement parts or condition of the vehicle, this timeframe can be extended. We have now reached the point where **Fire Apparatus Replacement** (page 11) is needed. In the next five years, a new \$1,250,000 ladder truck will be purchased, the existing truck will be renovated for \$125,000 and be available as a backup unit, and a \$747,000 pumper will replace an existing front line unit.

A recently completed coverage study has indicated the need to add two new outdoor warning devices: one to serve the newly annexed industrial area along East Lincoln Way and one to serve the newest phases of the Iowa State Research Park. Therefore, the **Outdoor Storm Warning System** project (page 14) allocates \$40,000 for a new siren in FY 2019/20. The second siren has been programmed into the FY 2018/19 adjusted budget, along with funding for updated software to control the automatic system.

UTILITIES - \$109,420,650

ELECTRIC SERVICES - \$ 31,325,000

In order to assure the continued reliability of our Power Plant operations and increase its output, a number of projects have been advanced to the first year of the CIP or the budget has been increased significantly to accomplish the project. For example, three projects that have been advanced to the first year include \$2,000,000 for the **Unit #8 Superheat Replacement** (page 44), \$1,000,000 for the **Unit #8 Precipitator Reconstruction** (page 45), and \$3,000,000 for the **Unit #8 Turbine Generator Overhaul** (page 46). In addition, the **Unit #7 Boiler Tube Repair** project (page 43) was increased to \$8,400,000 in FY 2019/20 to reflect the updated cost of the project.

In order to avoid a major rate increase caused by advancing these critical projects, you will note that the implementation of a number of transmission, distribution, and Power Plant maintenance projects in this utility are being delayed. After reviewing the previous CIP, we do not believe this switch in priorities will jeopardize our electric system.

While the projects reflected in this five-year plan are basically the same as those that were included in last year's document, there are \$1,650,000 of new improvements earmarked for the Power Plant (pages 29, 34, 38, 40, and 42).

We will continue to appropriate \$1,200,000 each year for various energy rebates as a cost effective strategy to reduce consumption and avoid a more costly expansion of our Power Plant to meet growing demand. However, you will note that our **Demand Side Management** program is no longer highlighted in the CIP. After a review of the program, Finance staff determined that this initiative should be transferred to the Electric Administration operating budget since this grant program does not meet the technical definition of a capital improvement.

WATER UTILITY - \$25,413,000

Now that our new Water Treatment Plant is operational, it is time to move ahead with the **Demolition Of The Old Water Treatment Plant** (page 52). This \$3,485,000 project will be accomplished over two years beginning in FY 2019/20. While the filter building, chemical feed building, external treatment basins, 750,000 gallon storage reserve, and administrative offices will be removed, the two-story Technical Services Complex that houses our Water Meter and Laboratory Divisions will remain.

With the expected completion of water and sanitary sewer extensions in the coming year to serve the newly annexed industrial area along Lincoln Way east of Highway 35, this Plan anticipates enough growth in the area to warrant the **East Industrial Elevated Tank** (page 58). This new \$4,610,000 water tank project will be delayed should the buildout in the area be slower than anticipated.

The **SAM Pump Station Improvements** project (page 59) will add a fourth pump and standby power to the facility at State Avenue and Mortensen Road. This new \$300,000 expenditure is designated in the last year of the Plan in recognition of anticipated growth in the area.

The CIP reflects our ongoing commitment to replace water distribution lines predominantly in the older neighborhoods in our community. The \$8,150,000 investment over the next five years in **Water System Improvements** (page 69) will reduce rusty water situations and improve fire-fighting capacity in the lines.

One project that deserves special attention from our citizens is the **Campustown Public Improvements** project (page 70). The importance of this project is not the amount of money that will be spent on it (\$2,750,000), but rather the extent of disruption that will be caused in this highly congested area commercial/residential district in FY 2019/20 as we replace water lines, storm sewer lines, sanitary sewer lines, streets, and sidewalks.

SANITARY SEWER UTILITY - \$38,249,000
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We anticipate spending \$21,206,000 over the life of the Plan for **Sanitary Sewer System Improvements** (page 72). The goal of this program is to identify and remove major sources of inflow/infiltration as a means to decrease wet weather flow of clean water through our WPC plant. This can be accomplished through the rehabilitation/reconstruction of deficient sanitary sewers and deteriorated manholes at various locations throughout the city.

The financial commitment to the **Clear Water Diversion** program (page 73) is being increased to \$300,000 in this CIP in response to a growing number of complaints about ice and algae blooms where footing drains are discharging directly to the streets. We currently have a waiting list from residents who have requested collector lines in the right-of-way in front of their homes.

With the assistance of our consulting team we appear to have settled on a strategy for meeting the Iowa Department of Natural Resources' nutrient removal requirements. This costly state mandate will be accomplished with approximately \$40,000,000 (\$5,650,000 in this CIP) earmarked for the **Nutrient Reduction Modifications** program (page 66). This implementation plan calls for a three phase approach over the next twenty years that will involve the removal of the existing trickling filters and conversion to an activated sludge/biological nutrient removal process. The first phase of this strategy does not occur until FY 2022/23.

In addition to mechanical changes planned at the WPC facility to meet State requirements, a new **Watershed-Based Nutrient Reduction** program (page 63) has been incorporated into the CIP. This \$1,000,000 program will provide

funding to implement best land management practices upstream that could yield the additional benefits of flood risk reduction, drinking water protection, increased wildlife habitat, and recreational opportunities.

A new project in the CIP is the **WPC Headworks Modifications project** (page 62). Scheduled for the last year of the Plan, this \$10,618,000 project calls for the complete replacement of the area where the first treatment steps take place.

STORM WATER UTILITY - \$12,862,000

As the City continues to expand and develop, more impervious surfaces are being constructed. Because of this trend, there is growing need to address storm water issues. In previous CIPs, there was a focus on protecting the City's infrastructure. This CIP includes projects that are more geared to protecting homes from erosion and overland flooding. The **Storm Water Erosion Control** (page 75), **Low Point Drainage Improvements** (page 76), **Storm Water Improvements** (page 77), and **Storm Water Facility Rehabilitation** (page 79) programs will help us address this need with an investment of \$7,722,000 over the next five years.

The **Storm Water Quality Improvements** program (page 80) will allow us to spend \$500,000 to install best management practices such as bioretention cells, vegetated swales, native landscape, rain gardens, and soil quality restoration in connection with public improvement projects.

The **Storm Water System Analysis** (page 78) will provide us with accurate GIS storm sewer system data and hydraulic modeling of the network. Ultimately, this data will allow us to identify deficiencies in the storm water system and future corrective projects for the CIP.

RESOURCE RECOVERY - \$1,571,650

Our Resource Recovery Plant continues to receive attention in the five year plan with \$1,571,650 being earmarked in the **Resource Recovery System Improvements** project (page 83) for preventive maintenance to replace rollers and chains,

conveyors, armored teeth/combs, pumps, air knives, belts, compressors, breakers, and motors in our waste processing system.

TRANSPORTATION - \$89,139,098

The **Grand Avenue Extension** project (page 89) continues to headline the Transportation section of the CIP. Due to construction cost increases related to materials and the bridges, this project is now estimated to cost \$20,153,000. In order to accommodate this additional \$1,400,000 you will note that some projects in **Arterial Street Pavement Improvements** (page 92), **CyRide Route Pavement Improvements** (page 97), and **Seal Coat Street Pavement Improvements** (page 98) are being delayed.

Once again the Citizen Satisfaction Survey indicated that the highest rated category for expending city funds for capital improvements is for street projects. Therefore, in addition to the Grand Avenue Extension project, the CIP earmarks an additional \$51,735,000 for improvements throughout our street system over the next five years.

With the recently completed agreement with Iowa State University, the **Research Park Phase IV** project (page 90) has been introduced in the CIP. This project calls for \$3,487,116 to be expended for street, utility, and electric extensions to serve this latest addition to the Park.

A review of bike facility projects in **Shared Use Path System Expansion** (page 102), **Multi-Modal Roadway Improvements** (page 103), and **Shared Use Path Maintenance** (page 104), as well as other specific segments incorporated into various street projects, will show that \$8,732,800 has been designated over the next five years for this City Council priority. This annual average of \$1,746,560 exceeds the City Council's goal of \$1,200,000 per year.

An allocation of \$1,889,250 to the **Traffic Signal** program (page 108) will allow us to replace outdated signals as well as install signals at new locations that warrant them. In addition, the **Bridge Rehabilitation** program (page 114) includes funding of \$1,555,000 for work that needs to be done on the 6th Street, East 13th, South 4th, and Lincoln Way bridges.

Even though ridership on CyRide has begun to stabilize and the introduction of CyRide 2.0 has reduced the number of buses needed to service the routes, the existence of an aging fleet necessitates a substantial investment in new buses. With the assistance of state and federal funding, our **CyRide Vehicle Replacement** program (page 121) will allow us to

replace seventeen buses. The **CyRide Building Expansion & Modernization** project (page 121) will result in the replacement of the bus wash system, air conditioning system, and concrete around the existing building, as well as begin the construction over time of a new facility to house our fleet. During the life of this Plan \$1,230,000 will be spent on **CyRide Technology Improvements** (page 122) to install a new automated annunciator system and upgrade our radios, WiFi system, automated passenger counters, and maintenance software. In response to customer demand, the **Bus Stop Improvements** program (page 123) will result in two to three shelters being built each year.

Airport Improvements will continue as reflected in the CIP (page 128). It is planned that \$1,597,300 will be directed to demolish the old terminal building, rehabilitate the South Apron, and repair the T hangars.

COMMUNITY ENRICHMENT - \$5,840,750

While many of our citizens will focus on the infrastructure improvements required in our various utilities to maintain the basic human needs, we must not neglect other projects that truly enrich our lives. The \$1,990,000 earmarked in the **Park System/Facility Improvements** (page 132) will assure that needed maintenance issues will be addressed in our park system. A more aggressive strategy to replace older equipment is highlighted in the **Playground Equipment Improvements** program (page 133) where \$795,750 has been allocated.

The development of two new parks in our system, **Edwards Park** (page 134) and **Rose Prairie Park** (page 142), is included in this CIP through the use of \$280,000 from our Park Development Fund. An on-going commitment is being made to our major facilities as well with \$760,000 in improvements planned for the **Municipal Pool** (page 136), **Ames/ISU Ice Arena** (page 138), **Homewood Golf Course** (page 139), and **Furman Aquatics Center** (page 141).

In anticipation of the completion of an assessment of our park system and facilities, \$125,000 in the **ADA Transition Plan Improvements** program (page 137) is being allocated for any recommended improvements identified in the assessment that are needed to bring our system in compliance with the Americans With Disabilities Act (ADA) standards.

Ames Municipal Cemetery (page 144) is scheduled to receive \$75,000 in the CIP to construct a funeral pavilion that will allow families to conduct a ceremony when weather conditions make it difficult to access the grave site.

NEIGHBORHOOD IMPROVEMENTS - \$2,575,000

For some time, the Ames City Council has placed a high priority on strengthening our neighborhoods, both commercial and residential. Towards this end, the CIP incorporates eight programs that help accomplish this goal. The **Downtown Façade** (page 148), **Campustown Façade** (page 149), and **Main Street Sidewalk Paver Replacement** programs (page 116) designate \$873,000 over the next five years to bolster our retail centers. In addition, \$1,702,000 has been devoted to the **Accessibility Enhancements** (page 109), **Traffic Calming** (page 111), **Right-of-Way Appearance Enhancements** (page 117), **Neighborhood Curb Replacement** (page 118), and **Neighborhood Improvement** (page 146) programs to enrich our residential neighborhoods.

I want to express my appreciation for our department heads and their staff members who have the vision to identify those projects that are needed to maintain our excellent quality of life in Ames; and to Duane Pitcher, Finance Director, Nancy Masteller, Budget Officer, Emily Johnson, Finance Department Secretary, Brian Phillips, Assistant City Manager, and Bob Kindred Assistant City Manager who helped guide the completion of this Plan.

Sincerely,



Steven L. Schainker
City Manager