

MINUTES OF THE SPECIAL MEETING OF THE AMES CITY COUNCIL

AMES, IOWA

AUGUST 21, 2007

The Ames City Council met in special session at 7:00 p.m. on the 21st day of August, 2007, in the City Council Chambers in City Hall, 515 Clark Avenue, pursuant to law with Mayor Campbell presiding and the following Council members present: Doll, Goodman, Larson, Mahayni, Popken, and Rice. *Ex officio* Member Luttrell was absent.

WELCOME TO AMES EVENT TO AUGUST 24: Moved by Mahayni, seconded by Goodman, to adopt RESOLUTION NO. 07-385 approving closure of the street and metered parking spaces on Chamberlain Street between Welch and Stanton from Noon to 9 PM.
Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

Moved by Mahayni, seconded by Goodman, to adopt RESOLUTION NO. 07-386 approving waiver of fees for electricity.
Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

PRESENTATION ON WATER RATE STRUCTURES: City Manager Steve Schainker reminded the Council that the City does not have a rate increase programmed in the budget for the current year. The City Council, however, had asked the City staff to explore options to manage water demand through rate structures.

John Dunn, Director of Water and Pollution Control, stated that it is anticipated that a series of water increases will be needed beginning in Fiscal Year 2009/10 with a 10% adjustment in order to finance the renovations needed to the Water Plant. At this point, it is being assumed that a Plant expansion would begin in 2012/13. Mr. Dunn then explained water use patterns. He described the growth in peak demand, showing historically, an annual average day, peak month, peak three-day average, single-day peak, and a peak hour.

A rate structure was defined as “a fee or schedule of fees designed to recover a utility’s costs.” Mr. Dunn advised that a properly selected rate structure should support a blend of various utility objectives and work as a public information tool in communicating those objectives to customers. He said that rates alone cannot successfully build customer support for conservation. The Council was reminded about the City’s “Smart Water” campaign aimed at social consciousness.

Mr. Dunn reviewed the objectives of a rate structure and the City Council’s directives for water and sewer rate adjustments since 1992. Five types of rate structures: declining block rate, inclining block rate, flat rate, seasonal rate, and lifeline rate were also explained along with the pros and cons of each structure. He advised that there are two seasonal rate approaches: peak season and base/excess. Mr. Dunn then compared the two approaches.

Staff proposed that the City Council:

1. Implement a seasonal base/excess rate structure
2. Define “base use” to allow some additional summer use (maybe 130% of winter use)
3. Customize “excess use” definition by customer class and meter size
4. Keep winter rates the same as current rates, but increase summer rates above current rates

Mr. Dunn gave the reasons to support implementing a seasonal “base/excess” rate structure by customer class, as follows: (1) it clearly defines the period of time where usage is driving future costs; (2) it sends the strongest outdoor conservation price signal; (3) customers who use substantially more, pay more; and, (4) implementing by customer class can be handled by the existing utility billing software. The advantages and disadvantages of implementing such a structure were also listed. Noting that there are businesses such as landscaping nurseries, carwashes, etc., that would use a lot more water in the summer, Mr. Dunn stated that it would be a policy decision of the City Council to determine whether staff should create a mechanism to adjust customer-specific thresholds.

The “excess use” rate was explained in detail by Mr. Dunn. Staff would need to establish a summer vs. winter “excess use” ratio; that would be key. Mr. Dunn advised that the goal is to find the rate that sends the conservation message that the City wants to send, but makes the rate liveable and affordable. Council Member Goodman said that he was concerned that such a rate could force landscape nurseries and similar businesses out of the City limits.

A hypothetical customer bill was explained by Mr. Dunn, using the existing rate structure and the proposed “excess use” rate structure. Council Member Goodman suggested that total annual usage be used to establish the “excess use” structure instead of the winter usage average. He felt that the “excess use” structure would punish people for non-discretionary use. Council Member Larson asked if the “excess use” type of rate structure could be used for residential, but a different rate structure used for commercial and industrial classes; otherwise, some commercial and industrial businesses could pay three times as much for water usage in the summer. City Manager Schainker pointed out that if the rate is set too low, it will not impact citizens’ behavior; however, there would be wider acceptance.

Mr. Schainker advised that establishing the rate is not the only technique to be used to manage the demand for water; some customers are going to use the same amount of water and just be willing to pay for it. Other possibilities for managing water usage suggested by staff were: minimum bill charges for yard meters, irrigation/yard water rates, sewer rate exemptions, and even/odd date watering.

Moved by Popken, seconded by Mahayni, to direct staff to conduct further analysis on the “excess use” type of rate structure, exploring at basing it on annual average usage as well as winter average usage.

Council Member Rice advised that it would be very difficult for him to support a rate structure based on customer class.

Vote on Motion: 6-0. Motion declared carried unanimously.

The meeting recessed at 8:20 p.m. and reconvened at 8:25 p.m.

PRESENTATION ON DANGEROUS BUILDINGS ORDINANCE: Fire Chief Clint Petersen introduced newly hired Inspections staff members Cynthia Hoolahan and Randy Brekke.

According to Chief Petersen, the Dangerous Building Code was adopted on September 24, 1992. He stated that he would be giving examples of not only buildings that fit the definition of dangerous buildings, but also those that possess indicators of or precursors to becoming dangerous buildings. Dangerous buildings were defined as “any building or structure which has any condition or defect...that exists to the extent that the life, health, property or safety of the public or its occupants are endangered.” Chief Petersen gave the history of dangerous building enforcement from January 2004 to date, showing pictures of the properties falling within the definition.

The Chief informed the Mayor and City Council on the process for dangerous and nuisance enforcement. He said that, at this time, the City investigates complaints about such properties on a complaint-only basis. Voluntary compliance is always sought first, and that often takes up to two years. Involuntary compliance could take as long as seven years. According to Chief Petersen, there are three levels of appeal after involuntary compliance is initiated by the City: (1) The property owner may appeal the inspector’s ruling to the Building Official. (2) The property owner then may appeal the Building Official’s ruling to the Building Board of Appeals. (3) If compliance still does not occur, the City may file action against the property owner in District Court. If the District Court should rule in the City’s favor, the City may take action.

Chief Petersen outlined an improved process for dangerous and nuisance enforcement. Staff is suggesting that an ordinance be developed that will allow the City to proceed with involuntary compliance on a more timely basis. There would still be a level of appeal in that the property owner could seek relief from the Building Board of Appeals. If the Building Board of Appeals rules in the City’s favor, the City could then take action, and it would be up to the property owner to file action in District Court to stop the City from proceeding with correcting the violations.

Council Member Larson asked how the City would be reimbursed for taking corrective action. Chief Petersen advised that if the City Council directed staff to proceed with developing a revised ordinance, ways to receive reimbursement would be explored. It could be that funds would be allocated on an annual basis for this purpose. He suggested that staff contact other similar municipalities to find the best practices used in Iowa. City Attorney Doug Marek stated that the City would follow Iowa Code procedures for demolishing dangerous properties. In those cases, the Court would name a receiver, who would be responsible for fronting the costs; ultimately, a lien would then be placed against the property. For those properties where no owner can be found, the City would have to assume the costs, repair or demolish the properties, and then sell the property or lot.

Council Member Doll said that he is concerned about those who do not have the funds to file legal action, if necessary, to retain their property. Council Member Popken pointed out that those persons would need to determine if it is less expensive to make the needed repairs or to file legal action.

Council Member Larson stated that he was not pleased to learn that it can take up to seven years to get results even though the City has adopted ordinances to abate nuisances or address dangerous buildings. It was pointed out that owners of adjacent properties to those types of buildings are concerned about their property values and look to the City for a remedy.

Moved by Popken, seconded by Mahayni, to direct staff to explore the development of a dangerous buildings ordinance that would allow the City to proceed with involuntary compliance on a more timely basis.

Council Member Doll reiterated his concern that the proposed ordinance would make it more difficult for those without means to retain their property.

Council Member Rice asked if the increased number of vacant and dilapidated properties are former rentals. Chief Petersen stated that, at this point, that has not been the case.

Council Member Goodman said that he believes such a revised ordinance would not shorten the time frame for enforcement; it would only cut out a group of people who do not have the knowledge or resources to get involved in the process. For that reason, he would not be able to support the motion.

Vote on Motion: 5-1. Voting aye: Doll, Larson, Mahayni, Popken, Rice. Voting nay: Goodman. Motion declared carried.

ADJOURNMENT: Moved by Larson, seconded by Doll, to adjourn the meeting at 9:27 p.m.

Diane R. Voss, City Clerk

Ann H. Campbell, Mayor