

MINUTES OF THE REGULAR MEETING OF THE AMES CITY COUNCIL

AMES, IOWA

NOVEMBER 24, 2009

The Regular Meeting of the Ames City Council was called to order by Mayor Campbell at 7:00 p.m. on November 24, 2009, in the City Council Chambers in City Hall, 515 Clark Avenue. Council Members present were Doll, Goodman, Larson, Mahayni, Popken, and Rice. *Ex officio* Member Keppy was also present.

CONSENT AGENDA: Moved by Goodman, seconded by Mahayni, to approve the following items on the Consent Agenda:

1. Motion approving payment of claims
2. Motion approving minutes of Regular Meeting of November 10, 2009
3. Motion setting January 26 and February 23, 2010, at 6:30 p.m. as Conference Board meeting dates
4. Motion approving Report of Contract Change Orders for November 1-15, 2009
5. Motion approving renewal of the following beer permits, wine permits and liquor licenses:
 - a. Class C Liquor w/Outdoor Service Privilege - Outlaws, 2522 Chamberlain Street
 - b. Class C Beer - Kwik Shop #550, 715 24th Street
 - c. Class E Liquor, B Wine, and C Beer - Hy-Vee Wine & Spirits, 3615 Lincoln Way
 - d. Class C Beer and Class B Wine - Kum & Go #113, 2801 E. 13th Street
 - e. Class C Beer and Class B Wine - Kum & Go #214, 111 Duff Avenue
 - f. Class C Beer and Class B Wine - Kum & Go #215, 4506 Lincoln Way
 - g. Class C Beer and Class B Wine - Kum & Go #216, 203 Welch Avenue
6. RESOLUTION NO. 09-529 approving changes to Neighborhood Improvement Program grant for Old Town
7. RESOLUTION NO. 09-530 approving preliminary plans and specifications for 2008/09 and 2009/10 Collector Street Pavement Improvements Project (20th Street, Marshall Avenue, 16th Street, and Garfield Avenue); setting December 16, 2009, as bid due date and December 22, 2009, as date of public hearing
8. RESOLUTION NO. 09-531 approving preliminary plans and specifications for CyRide Building West Wall Siding Replacement Project; setting January 14, 2010, as bid due date and January 26, 2010, as date of public hearing
9. RESOLUTION NO. 09-532 awarding contract to Babcock & Wilcox of Barberton, Ohio, for Power Plant Mill Parts in the amount of \$58,373.82
10. RESOLUTION NO. 09-533 awarding contract to O'Halloran International of Altoona, Iowa, for Fleet Acquisition Program - Medium-Duty Truck Chassis and Cab in the amount of \$357,705.00
11. RESOLUTION NO. 09-534 approving contract and bond for Ames Police Shooting Range Project
12. RESOLUTION NO. 09-545 awarding contract to Ziegler, Inc., of Altoona, Iowa, for Fleet Acquisition Program Coal Dozer in the amount of \$621,502, with guaranteed buy-back of \$250,000 after five years
13. RESOLUTION NO. 09-535 accepting final completion of Bloomington Road Widening Project
14. RESOLUTION NO. 09-536 accepting final completion of South Duff Avenue Improvements Project
15. RESOLUTION NO. 09-537 accepting final completion of 2005/06 Arterial Street Rehabilitation Project (24th Street and Stange Road)
16. RESOLUTION NO. 09-538 approving Major Final Plat for Northwood Heights Subdivision, 4th Addition

Roll Call Vote: 6-0. Resolutions declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

PUBLIC FORUM: Richard Deyo, 505 Eighth Street, Apartment #2, Ames, commented on the Street Art Ordinance. Mayor Campbell noted that the Street Art Ordinance is an agenda item, and as such,

could not be discussed during Public Forum.

FIVE-DAY CLASS C LIQUOR LICENSE FOR OLDE MAIN BREWING CO.: Moved by Mahayni, seconded by Doll, to approve a new Five-Day (December 19 - 23, 2009) Class C Liquor License for Olde Main Brewing Co. at Reiman Gardens, 1407 University Boulevard.
Vote on Motion: 6-0. Motion declared carried unanimously.

ENCROACHMENT PERMIT FOR 426 - 5th STREET: Moved by Mahayni, seconded by Doll, to approve an Encroachment Permit for a mailbox infringing in right-of-way at 426-5th Street.

Council Member Larson said he was concerned that this would be setting a precedent for commercial properties. He asked why it was necessary for the mailbox to be located outside of the building. Chuck Winkleblack, 105 S. 16th Street, Ames, indicated that the proposed mailbox would be secured (all keyed). There is not enough room to locate the mailboxes inside, and the Post Office would then need a key to the building to deliver the mail. Mr. Larson indicated that he would support granting the Encroachment Permit, but is not in agreement that it should be done for every commercial property.

City Manager Steve Schainker advised that staff will be checking with the Post Office to see if this type of arrangement is required for similar buildings. Mr. Winkleblack said that he had met with Post Office representatives, who had told him that the arrangement he is requesting was preferred.

Council Member Goodman pointed out that aesthetics is important. He is not comfortable approving this Encroachment Permit without knowing what impacts it will have on future similar situations.

Moved by Rice, seconded by Larson, to table this request until staff has time to discuss the issue with the Post Office.
Vote on Motion: 6-0. Motion declared carried unanimously.

RAILROAD BRIDGE OVER SQUAW CREEK: Public Works Director John Joiner noted that the City Council had referred to staff a letter from the Union Pacific Railroad (UPRR) offering to donate an abandoned railroad bridge over Squaw Creek. The bridge has been an ongoing safety concern for both the UPRR and the City. Mr. Joiner clarified that the bridge in question was not part of the Dinkey rail.

City Council Popken raised concerns about safety when there is more than one bicyclist on the Sixth Street and asked to know the cost to add six feet to the Sixth Street Bridge to make the bicycle/pedestrian path wider. Mr. Joiner said that a study has been done on improvements to that Bridge; those options will be shared with the City Council in January. It is possible that the Sixth Street Bridge would be replaced. Mr. Joiner noted that if the City were to accept the UPRR's offer, there are existing trails on Sixth Street that would have to be accommodated, those do not lead to the bridge at this time.

City Manager Schainker stated that the UPRR had advised that if the City accepts the donation, an independent appraisal would need to be conducted at the City's cost in order to provide tax benefits to the UPRR. The UPRR stated that an initial response is required by November 25, 2009.

There are a number of unknowns, which include determining the structural condition of the bridge and verifying costs to install acceptable path and safety improvements across the bridge.

According to Mr. Joiner, if the bridge is to be considered as part of the City's trail system, a structural engineering firm would first have to be hired to conduct an assessment of the bridge. It is estimated that it will cost approximately \$4,000. The UPRR has stated that the City could accept the donation conditional upon a structural analysis being done.

Traffic Engineer Damion Pregitzer advised that if the Council chooses to accept this offer, substantial improvements must be made to the bridge so that it can be safely used by the public. Currently, the bridge consists of a steel structure with exposed wooden railroad ties. Only the iron tracks have been removed since it was decommissioned. Most of the ties are in good condition. Therefore, it appears that the bridge would need a surface and a railing to bring it up to the same standard seen on other pedestrian bridges throughout the City's shared use path system.

Director Joiner said that the bridge improvements could range from a wooden surface and railing with granular path on either approach to a fully paved trail with a steel railing similar to other trail bridges. Costs for these improvements are estimated to be between \$125,000 and \$275,000. In deciding whether or not to accept this structure, Council should also consider whether or not this bridge fits into the City's trail system. The immediate area is already served by east-west trails on both the north and south sides of Sixth Street, so the Council must decide whether additional investment in this area is warranted. Also, accepting ownership of this bridge would result in the City assuming all liability for future maintenance, safety, repair, and/or removal of this structure; this could be very costly.

It was reported by Mr. Joiner that the offer from UPRR deals with a trail extension that has not been anticipated as part of the City's trail network. Future trail system extensions are identified in the Long-Range Transportation Plan (LRTP), and a connection from Stuart Smith Park to North Fourth Street is not shown in the LRTP. No funding has currently been identified for the improvement of this bridge. In addition, because this bridge will not tie into a regional system, it would not qualify for state or federal grant funding.

City Manager Schainker advised that this proposed donation was discussed during review of upcoming Capital Improvement Plan projects with the Parks and Recreation Commission on November 19. While no motion was passed, the Commission expressed support for the City Council's considering acceptance of the bridge as long as the structural assessment reveals no significant structural issues or costs.

Moved by Rice, seconded by Popken, to conditionally accept the donation of the abandoned Squaw Creek Railroad Bridge and adjacent land for the UPRR, direct staff to hire an engineering firm to conduct the structural assessment at an estimated cost of \$4,000, and report back on the structural integrity of this bridge at the December 8 City Council meeting.

Council Member Mahayni said that the motion on the table obligates the City to accept the bridge if it is determined to be structurally sound.

Brenda Mainwaring, Civic Affairs Director for the Union Pacific Railroad, 1400 Douglas Street, Omaha, Nebraska, said that the best offer the Railroad can make to the City is to offer it and the adjacent land. She said that the Railroad is at the point where it needs to make a decision on the bridge and reiterated that the deadline for acceptance of the offer is November 25. If the City decides to accept the bridge, but wants to confirm the bridge's structural integrity, the Railroad would allow the City until December 11, 2009, to perform a structural assessment. Ms. Mainwaring advised that the bridge was a piece of the original Fort Dodge and Des Moines railroad line. If the

City decides not to accept the offer, the Railroad will dismantle the bridge as soon as possible. The adjacent land to the east would be cleared and sold.

Council Member Larson believed that it is unrealistic for the City Council to make a decision on this issue tonight. Council Member Mahayni confirmed that a letter making the offer was sent to the City Council on October 7, 2009. It was referred to staff on October 13, 2009.

Tom Leslie, 1207 Roosevelt Avenue, Ames, stated that he is a Professor of Architecture at Iowa State University and specializes in historic building technology. He asked the Council to consider acceptance of the bridge as it is historic. It might be possible to name it as an historic landmark, which would make it eligible for federal funding.

Richard Deyo, 505 Eighth Street, Apartment #2, Ames, stated his opinion that the bridge is dangerous, is a hazard, and should be torn down.

Gloria Betcher, 531 Hayward Avenue, Ames, Chair of the Historic Preservation, said that she just learned of this issue about five hours ago. Her research confirmed that the bridge is not the Dinkey bridge, but rather spur line that carried coal to Iowa State University and is the last remnant of the Fort Dodge/Des Moines line. Ms. Betcher agreed that the bridge has historic significance, and if confirmed, could be eligible for federal funding. She also offered other possibilities for grant funding.

Council Member Doll asked to know how much it will cost to connect the bridge to the existing trail system, when it can be added, what the cost of liability is to the City, and how the City can secure the bridge until that time as it is not safe in its present form. Council Member Larson would like staff to explore whether there are grant possibilities.

Council Member Larson emphasized that the Council needs at least one more meeting to consider this offer. Revenues are down and he does not believe it is prudent to add additional projects at this time.

Council Member Goodman asked staff what it would cost to secure the bridge so that it cannot be accessed by the public until it is safe. Director Joiner said that a significant physical barrier would need to be erected. The existing fencing and "No Trespassing" signs had been ineffective at keeping the public off the bridge.

Council Member Popken asked staff to provide estimates of what it would cost to significantly improve the Sixth Street bridge to allow for more than one pedestrian or bicyclist on the bridge.

Council Member Goodman requested to have recommendations by the Parks and Recreation Commission and the Historic Preservation Commission; without those, he feels it would be premature to accept the offer. City Manager Schainker reiterated that the Parks and Recreation Commission had recommended that the City Council consider accepting the bridge as long as the structural assessment reveals no significant structural issues or costs.

Council Member Rice asked how many trails moved forward with Federal Stimulus monies. Director Joiner stated that one trail project had been funded with Stimulus funding.

Moved by Popken, seconded by Goodman, to amend the motion to request an extension of time from the UPRR until December 22, 2009, to allow time for staff to answer questions about costs,

and if the time extension is granted, direct staff to hire an engineering firm to conduct a structural assessment of the bridge.

Council Member Mahayni noted that it is imperative that the answer from the UPRR be received quickly; otherwise, staff will not have time to gather the information requested prior to December 22. Director Joiner explained the timeline that could be needed to provide the necessary structural information and cost estimates.

Ms. Mainwaring said that the UPRR's desire for a prompt response had nothing to do with year-end taxes. She asked the Council for a firm date when they could provide a response to the offer. Ms. Mainwaring also asked that the City place real fencing around the bridge in the meantime due to liability concerns. Council Member Mahayni asked Ms. Mainwaring why the City should go to the expense to secure the bridge when the UPRR has not elected to do so for years and years. Council Member Larson concurred and stated that he did not want the City to assume the liability.

Mr. Goodman wanted to see a recommendation from the Parks and Recreation Commission, specifically, if it was willing to give up miles of new trails in order to have the bridge.

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

Vote on Motion, as amended: 6-0. Motion declared carried unanimously.

COMPREHENSIVE HISTORIC PRESERVATION PLAN AND PLAN REPORT: Planner Ray Anderson reminded the Council that the *Comprehensive Historic Preservation Plan* includes the goals, objectives, and action steps, as reviewed and recommended for approval by the Historic Preservation Commission, Planning and Zoning Commission, and the Steering Committee. He noted that the City Council had reviewed and accepted the Plan in draft form at its meeting on October 27, 2009. Mr. Anderson explained that the *Comprehensive Historic Preservation Plan Report* was a separate document that needed to be accepted by the City Council. Input on the Plan had been gathered from several community groups over the past two years.

Gloria Betcher noted that the report was supposed to work with the Plan. The report will be reviewed periodically as a reminder of what the consultant has recommended.

Moved by Goodman, seconded by Mahayni, to receive and file the Plan Report.

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

Moved by Goodman, seconded by Mahayni, to adopt RESOLUTION NO. 09-539 adopting the *Ames Comprehensive Historic Preservation Plan*.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

RINGGENBERG PARK SUBDIVISION, 2ND ADDITION: City Manager Schainker reported that the land in question (114 acres west of Cedar Lane and south of Oakwood Road) was originally platted in 2005. At that time, an agreement was finalized that prescribed the financial responsibilities of the developer for street, water, sanitary sewer, storm sewer, and sidewalk/bike path improvements on and off the site. That agreement also obligated the developer to pave both sides of Cedar Lane as the development progressed south from Oakwood.

The developers recently informed the City that they now intend to sell the southern 38 acres to Iowa State University. In order to accomplish that sale, the developers requested to further subdivide the

property into two outlots; one outlot would be sold to the University. A Supplemental Developers Agreement had been requested that would relieve the new owner of most of the requirements contained in the 2005 Agreement. The City had been informed by the University that it is its intention to use the property only for cropland to buffer the livestock farms to the west.

Mr. Schainker also advised that adjacent property owner Verle Burgason initially had expressed three concerns about the proposed transaction: (1) It is unfair for him to have to assume the entire cost of improving Cedar Lane if and when he develops his property. (2) The University might decide to use the property for something other than cropland. (3) Stormwater runoff from the west of Cedar Lane is causing problems for the ponds he constructed on his property. According to Mr. Schainker, Mr. Burgason had now indicated that he was satisfied with the proposed Supplemental Agreement pertaining to the improvements. The City has also been told that Mr. Burgason and the University had reached a verbal agreement regarding the future use of the land and the actions that would be taken to mitigate the stormwater issues.

City Manager Schainker pointed out that, if approved, the Supplemental Developer's Agreement would release the present and future owners of Outlot E from any obligations for public improvements. The proposed Agreement:

1. Requires the University to pay for one-half of the paving of Cedar Lane along with storm water improvements, sidewalks, bike path, street lights, and street trees when the City requires the improvements as a result of subdividing land to the east of Cedar Lane.
2. Requires the University to install water mains, sanitary sewers, and storm water management techniques if a building is constructed on Outlot E that requires such improvements.
3. If the University sells Outlot E to a third party, the owner must provide security to the City as its promise to pay for one-half of the improvements (water mains, sanitary sewers, storm water management).

Mr. Schainker also noted that the proposed Supplemental Agreement did not guarantee that two lanes along Cedar Lane would be built by some entity other than the City (currently provided for in the 2005 Agreement). Also the Agreement does not require the University to make the street improvements to Cedar Lane if the use of the 38 acres is changed from an agricultural use to a higher-intensity use. It also does not require the University to provide a Letter of Credit or Performance Bond to the City to secure its promise to construct the public improvements. Mr. Schainker pointed out that approval of the request will result in approximately 140 fewer homes in the City's growth priority area in the southwest. Also because the Agreement does not require the University to pay for street-related improvements until the land east of Cedar Lane is subdivided, traffic in the area could be adversely affected.

Vickie Feilmeyer, Nyemaster Law Firm, who represented the Ringgenberg developers, asked the Council to approve the Supplemental Agreement and the Final Plat. She noted that significant negotiations had occurred among City staff, the developers, and legal counsel.

Bob Friedrich, Jr., Friedrich Land Development, LLC, explained the project from a marketing perspective. He asked for Council's support of the proposed Agreement and Minor Final Plat.

Moved by Mahayni, seconded by Larson, to adopt RESOLUTION NO. 09-540 approving the Supplemental Agreement.

Council Member Popken expressed his disappointment that the development in the City's Priority Growth Area was not going to occur. He noted that the property was initially to be developed for residential lots that would add to the City's tax roles, but instead it is being sold to a non-taxable entity. Mr. Popken pointed out that the area in question was also within the Ames School District boundaries.

Council Member Rice said the inability to sell the lots in this Subdivision for residential development made him question the information provided to the Council concerning the alleged lack of buildable lots. Council Member Larson disagreed, stating that in his opinion, it pointed to the importance of picking a priority area that was a place where the market would support.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

RINGGENBERG PARK SUBDIVISION, 2ND ADDITION: Moved by Mahayni, seconded by Larson, to adopt RESOLUTION NO. 09-541 approving the Minor Final Plat for Ringgenberg Park Subdivision, 2nd Addition, subject to the terms of the Supplemental Agreement.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

The meeting recessed at 8:35 p.m. and reconvened at 8:42 p.m.

FUNDRAISING FEASIBILITY STUDY FOR PUBLIC LIBRARY: Art Weeks, Library Director, stated that the Library Board of Trustees was requesting that up to \$68,000 from unspent Library Capital Improvement Plan (CIP) funds from the FY 2009/10 budget and carry-over from the FY 2008/09 budget be assigned to the Library Fundraising Feasibility Study. If that is approved, the second component would be to approve the contract with The Hodge Group to prepare the Study.

Council Member Rice asked if the contract with The Hodge Group would include only the feasibility of fundraising, and if so, what location was being looked at. Mr. Weeks said that the Library Board needed to meet with the City Council to discuss the site. He believed that it would hurt the fundraising if a location was not determined.

Council Member Goodman took issue with the cost of the Study, noting that the consultant's fees were approaching \$400,000. He asked at what point the City and Library Board would walk away from the project. Mr. Weeks reported that there could be a point where the project would not be worth it.

Council Member Popken asked what was driving the need for a fundraising study. Mr. Weeks said that the cost of the proposed project was "pushing the envelope;" it is not known whether the community would support a \$35 - \$37 million project. Mr. Popken noted that if a new building was constructed, the City would still have the old one, and it would still require maintenance.

Council Member Larson expressed his concerns over continually reallocating monies from the CIP. He noted that if this expense is incurred, it would leave an unencumbered balance of \$12,977 for the balance of 2009/10 CIP to cover any maintenance work needed on the Library building and grounds. If a bond issue were not to pass, there would be immediate maintenance needs at the present site.

Judith Lemish, 327 South Maple, Ames, expressed her concern that the Library Board had not met

with the City Council prior to the Fundraising Feasibility Study being requested.

Susie Petra, 2011 Duff Avenue, Ames, expressed the following concerns about the Library proposal: (1) Where the suggested funding is proposed to come from; Local Option Sales Tax monies are to pay for improvements to the Library, not for consultants. Deferring building maintenance to fund the Study is neglectful. Ms. Petra asked that the City consider a different source of funding. (2) There are timing concerns. The Library Board of Trustees now wants to meet with the Chief of Police and Traffic Engineer, which should have been done much earlier in the process. (3) Of the seven feasibility proposals, the highest-cost proposal was the one that was being recommended. Ms. Petra felt that in these economic times, cost could have been negotiated because many companies are needing the work. She advised that a reasonable cost for such a Study would be around \$30,000 - \$35,000; \$68,000 seemed unreasonably high. Ms. Petra recommended that attempts to negotiate the costs should be done.

Sue Ravenscroft, 455 Westwood, Ames, said that she teaches Governmental Accounting and explained that deferring maintenance was always more expensive than performing regular maintenance. She took issue with Local Option Taxes being used for the Feasibility Study; that would not constitute community betterment in her opinion. Ms. Ravenscroft noted that the Library has \$1.4 million in bequest money and recommended that the cost of the Study be paid for with that source of funding.

Gloria Betcher, 531 Hayward Avenue, Ames, believed that if the Library Board feels that this Study is necessary, it should use its own money to pay for it. Also, Ms. Betcher asked that the Historic Preservation Commission be included in decisions.

Moved by Rice, seconded by Goodman, to postpone this issue until after the Council has met with the Library Board of Trustees.

Council Member Goodman asked Library Director Weeks if there was any urgency to entering into a contract with The Hodge Group. Mr. Weeks said that there was no immediate urgency; however, he would like the meeting between the Library Board and the Council to occur as soon as possible. It was noted that the first available Council workshop date would be February 16, 2010.

Council Member Larson cited his preference to deny the request and direct the Library to consider other funding accounts under its control, such as the Library's bequest account, to pay for the Fundraising Feasibility Study.

Council Member Mahayni listed issues that need to be resolved: (1) location, (2) what will be done with the existing building, and (3) specifics about what citizens will be asked to vote on, which is necessary before a Fundraising Feasibility Study can be deducted.

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

AMENDMENT TO CONTRACT WITH DGR FOR 161kV LINE DESIGN AND RIGHT-OF-WAY SERVICES: Lyndon Cook, Electrical Engineering Manager, advised that the proposed Change Order No. 6 provides for additional design and right-of-way services to complete the 161-kV interconnection to MEC at its NE Ankeny substation

Moved by Mahayni, seconded by Popken, to adopt RESOLUTION NO. 09-544 approving Change Order No. 6 and increasing the total amount of the Engineering Services Contract with DGR by

\$351,200.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

UNIT NOS. 7 & 8 NITROGEN OXIDE REDUCTION PROJECT: Moved by Mahayni, seconded by Popken, to reject all bids for Units 7 and 8 Nitrogen Oxide Reduction Project and direct staff to continue to purchase credits to offset the excess NO_x emissions.

Assistant Electric Director Brian Trower recalled that bids were received on July 29, 2009, and reported to the City Council on August 11, 2009. Because the NO_x reduction target is unknown and the current market for purchasing NO_x credits is favorable, staff believes that it is much more economical for the City to purchase credits than to spend \$4.8 million on NO_x reduction equipment and still not be certain that the installed equipment will meet the regulations' final reduction targets. It is estimated that the NO_x credits for 2009 and 2010 will cost approximately \$300,000/year. It is anticipated that the project will not be rebid until the reduction targets have been released by the EPA. The City could purchase equipment at this time, but it could turn out to be the wrong type when the regulations are released.

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

PALISADE SYSTEMS, INC.: Moved by Rice, seconded by Mahayni, to direct the Mayor to write a letter to the City of Des Moines and Iowa Department of Economic Development acknowledging and approving the company's relocation to Des Moines, Iowa, from Ames.

Finance Director Duane Pitcher gave the history behind the loan funding provided to Palisade Systems, Inc. None of the funding was drawn down by Palisade.

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

HOME SCHOOL, INC.: This item was pulled from the Agenda.

HEARING ON 2009/10 ARTERIAL STREET PAVEMENT IMPROVEMENTS PROJECT (13TH STREET FROM UPRR UNDERPASS TO STANGE ROAD): Mayor Campbell opened the public hearing. She closed the hearing after no one desired to speak.

Moved by Goodman, seconded by Mahayni, to adopt RESOLUTION NO. 09-546 approving the final plans and specifications and awarding a contract to Wicks Construction, Inc., of Deborah, Iowa, in the amount of \$1,016,590.76, contingent upon receipt of IDOT concurrence.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

HEARING ON 2008/09 ARTERIAL STREET PAVEMENT IMPROVEMENTS PROJECT (NORTH DAKOTA AVENUE): The hearing was opened by the Mayor. No one asked to speak, and the Mayor closed the hearing.

Moved by Mahayni, seconded by Goodman, to adopt RESOLUTION NO. 09-547 approving the final plans and specifications and awarding a contract to Wicks Construction, Inc., of Deborah, Iowa, in the amount of \$1,355,004.18, contingent upon receipt of IDOT concurrence.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

HEARING ON REVISION TO MAJOR SITE DEVELOPMENT PLAN (MSDP) FOR SOMERSET SUBDIVISION: The Mayor opened the hearing and closed same after no one came forward to speak.

Moved by Mahayni, seconded by Doll, to approve the Major Site Development Plan revision to allow the relocation of approximately 300 feet of sidewalk along George Washington Carver Avenue.

Planning and Housing Director Osguthorpe said that the sidewalk was requested to be moved due to topography issues. There is no intention to tie this in to a multi-use trail. Council Member Larson asked how much it would cost to provide a bike path along the resurfaced portion of George Washington Carver. Public Works Director Joiner reported that the bike path could not be added to this project because it would not be eligible for federal funding.

Council Member Goodman said that he had discussions with Mr. Joiner pertaining to the balance between certain areas where there is not enough space in the right-of-way. He noted that new federal regulations are forthcoming to address that issue.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

HEARING ON MAJOR SITE PLAN FOR 211 AND 213 MULBERRY BOULEVARD: Mayor Campbell opened the public hearing. There was no one who asked to speak, and the Mayor closed the hearing.

Moved by Goodman, seconded by Rice, to adopt RESOLUTION 09-549 approving a Major Site Plan to allow the construction of two storage buildings at Old Orchard Manufactured Home Park. Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

HEARING ON TEXT AMENDMENT PERTAINING TO LIMITATIONS ON DRIVEWAY WIDTHS AND DEFINING DRIVEWAYS AND DRIVE AISLES: The public hearing was opened by Mayor Campbell. She closed the hearing after no one came forward to speak.

Moved by Mahayni, seconded by Larson, to pass on first reading an ordinance amending limitations on driveway widths and defining driveways and drive aisles.

Director Osguthorpe noted that these limitations are contained in the Zoning Code. The proposed changes maximize the safety without adding a burden to the property owner.

Roll Call Vote: 6-0. Motion declared carried unanimously.

ORDINANCE ESTABLISHING SPEED LIMIT ON RENAMED PORTION OF SOUTH DAYTON AVENUE: Moved by Goodman, seconded by Mahayni, to pass on first reading an ordinance establishing the speed limit on the renamed portion of South Dayton Avenue (now known as South Dayton Place).

Roll Call Vote: 6-0. Motion declared carried unanimously.

ORDINANCE RENUMBERING DEFINITIONS RELATING TO SUBDIVISIONS: Moved by Mahayni, seconded by Goodman, to pass on second reading an ordinance renumbering definitions

relating to subdivision.

Roll Call Vote: 6-0. Motion declared carried unanimously.

ORDINANCE PROHIBITING PARKING ON BOTH SIDES OF SOUTH DAYTON PLACE:

Moved by Goodman, seconded by Mahayni, to pass on second reading an ordinance prohibiting parking on both sides of South Dayton Place from its intersection with South Dayton Avenue to its southern terminus.

Roll Call Vote: 6-0. Motion declared carried unanimously.

ORDINANCE REGARDING TO NEIGHBORHOOD STREET ART: Moved by Mahayni, seconded by Larson, to pass on third reading and adopt ORDINANCE NO. 4014 pertaining to Neighborhood Street Art.

Moved by Goodman, seconded by Doll, to accept public input on third reading.

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

Motion declared carried.

Richard Deyo, 505 Eighth Street, Apartment #2, Ames, noted that the Ordinance requires that 100% of the adjacent property owners needed to approve of the street art. He believed that it should also require approval of 100% of the City Council members.

Roll Call Vote: 6-0. Ordinance declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

ORDINANCE REVISING COMPOSTING REGULATIONS: Moved by Goodman, seconded by

Doll, to pass on third reading and adopt ORDINANCE NO. 4015 revising composting regulations.

Roll Call Vote: 6-0. Ordinance declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

CITY COUNCIL BUDGET GUIDELINES: Finance Director Duane Pitcher and Budget Officer

Carol Collings were present to highlight City budget issues that will be of concern during the next fiscal year. Mr. Pitcher pointed out that public input was received during the Town Budget Meeting held on October 6, 2009.

According to Mr. Pitcher, there has been a reduction in new construction and related fee and permit revenue. Additionally, property valuation increases have slowed considerably. Local Option Sales Tax revenues and Road Use Tax from fuel sales have both fallen and are not expected to recover to previous levels in the next budget year. The slowdown in economic activity had negatively impacted fee revenue for the Electric, Water, and Wastewater utilities and is expected to continue. The recession has resulted in a reduction in the cost of many commodities, including fuel, though the cost reductions will not make up for lost revenue. With most short-term interest rates under 0.50%, interest revenues for the City have fallen significantly and will remain low for FY 2010/11 even if a recovery begins. According to Mr. Pitcher, even doubling of the current interest rates would result in reduced interest revenue for the City during the upcoming year. Though the City's overall financial situation remains strong, increases in costs coupled with reduced revenue growth related to an overall economic slowdown are expected to have a negative impact on the City's budget.

Fund Balances. The General Fund ended FY 2008/09 with a higher-than-budgeted fund balance due primarily to open positions. Early projections are that at the close of FY 2009/10, the General Fund

balance will be slightly higher than the City's policy balance. Mr. Pitcher reminded that the Council policy has been to use one-time available balances to fund planned capital expenditures in the current year. This policy contributes toward keeping property taxes down for several years, rather than using the fund balance for operating expenses.

Fire and Police Retirement and IPERS. The City had received notification from the Municipal Fire and Police Retirement System of Iowa (MFPRSI) that the City contribution rate will increase from 17.00% to 19.90% for a total increase to the City of \$174,000 from the FY 2009/10 adopted budget. The City contribution rate to this retirement plan has varied dramatically over the past few years from 17% in 2003 to 28.21% in 2006 due to benefit increases passed by the State Legislature and market performance of pension investments. Though the increase in the cost for the upcoming budget year is fairly moderate, significant increases in the City contribution rates are expected in future years because recent market losses are averaged into the rate contribution calculation. Unlike IPERS, the employee contribution rate to this retirement plan is fixed, so the employer pays all additional costs of funding the plan. Since the employees do not share any additional cost of the retirement plan, it is expected that State Police and Fire Associations will continue to lobby the State Legislature to increase pension benefits. The State Legislature passed a series of increases in the Iowa Public Employees Retirement System (IPERS) to raise the combined contribution rate from 9.45% to 11.45% in FY 2010/11. The increases were approved to improve the funded status of the IPERS system, but recent investment losses have resulted in further deterioration in the funding status of IPERS. The plan maintains the contribution split at 60% City and 40% employee with the City contribution rate increasing from 6.65% to 6.95% in FY 10/11. The cost of the contribution rate increase will be approximately \$52,000 for the City.

Insurance - Health and Workers' Compensation. According to Mr. Pitcher, the City continues to benefit from implementation of health program changes recommended by the City Health Insurance Team, but is beginning to see expenses move up after several years of single-digit increases in health care costs. For the current year, it is expected to stay within the health insurance cost included in the adopted budget. For FY 2010/11, health insurance rates are budgeted to increase approximately 10% from FY 2009/10. Though an increase in the health insurance rates are expected, the Health Care Self Insurance Fund maintains a strong balance, and the City will be able to absorb fluctuations in health care claims.

For Workers' Compensation, the City experienced several large claims over the last two years that substantially reduced the self-insurance fund balance available to pay future claims. To fund this increased claim activity, contribution rates to Workers' Compensation were increased by 35% as an amendment to the FY 08/09 budget and were increased by 10% in FY 09/10. No additional increases are expected in FY 10/11. After the balance is restored, and if claim activity reverts to levels that are more reflective of historical experience, consideration will be given to reducing contribution rates.

CyRide Fare-Free Summer. Sheri Kyras, Transit Director, provided an analysis of the Summer Fare-Free experiment. She reported that ridership from May 15 through August 15 increased by 113,258 rides, or 26.7%, over the same period a year ago. The actual cost of that experiment totaled \$91,632. A ridership survey conducted over a two-day period indicated that 20.1% of all respondents were first-time riders, while 34.2% were current riders who increased their ridership as a result of the free fares.

Ms. Kyras offered four options should the Council decide to continue financing this fare-free approach:

1. Summer Fare-Free: \$77,250
2. Weekend Evening Fare-Free: \$65,200
3. K-12 Fare-Free: \$12,000
4. Year-Round Fare-Free: \$1,100,000 (\$710,000 operations and \$400,000 capital)

Option No. 4 is not being recommended by Director Kyras at this time due to a lack of buses and indoor storage space. She said that this could be an option to consider in the future after the Transit Board resolves those issues.

Rollback and Valuation. Finance Director Pitcher said that to set the taxable value, the State issues a rollback order each year that is applied to the assessed value of residential and commercial property. For FY 2010/11, 46.9094% of assessed residential value will be taxed, up from 45.5893% in FY 2009/10. Commercial and industrial property will be taxed at 100% of assessed valuation, the same as in FY 2009/10. The change in the residential rollback rate will result in a \$24,110,000 or a 1.2% increase in taxable valuation. Though property valuation information has not been received, the slowing of construction, tightened credit, and downward pressure in real estate values are likely to result in an increase of taxable valuation of not much beyond the increase due to the rollback change.

Local Option Sales Tax Revenues. For the current year, local option sales tax receipts are expected to be \$5,946,716, down \$103,284 or 1.7% from the adopted budget and \$294,984 or about 4.7% down from FY 2008/09 actual receipts. It is being predicted that the local option sales tax revenue for FY 2010/11 will be down about 1.65% from the FY 2009/10 adopted budget. This will reduce the local option sales tax applied to property tax reduction for the upcoming year by \$60,000 from the adopted budget.

ASSET Human Services Funding. For FY 2009/10, the City's allocation to ASSET was \$986,889. Current ASSET agency requests total a 13.5% increase in funding or \$1,120,500. The many options available for budget direction include funding the full request, a 5% increase (\$982,730 allocation), an increase reflecting the expected growth of local option sales tax (\$986,889 allocation), or some other amount. At this time, staff does not know the level of funding from other ASSET contributors.

Sheila Lundt, Assistant City Manager, advised that she had met with the ASSET volunteers before this meeting. Some of the agencies are justified in their requests for additional funding. The volunteers believe that the funding priorities should remain.

Ms. Lundt noted that the results of the Citizen Satisfaction Survey showed 18% of those survey wanted less funding for ASSET, 62% wanted the same amount spent, and 20% thought more funding should be allocated.

Ms. Lundt gave the history behind past year's funding, as follows: (1) 2008/09: 5%, and (2) 2009/10: 5.4%. For FY 2010/11, a 5% increase in City funding is being recommended by the volunteers; that would equate to \$1,036,233. Included in that total is an allocation of \$10,000 to a new service-provider.

According to Ms. Lundt, it is not anticipated that Story County will increase its allocation. Last year, the GSB contributed \$140,000, but it is unknown what its allocation will be for 2010/11. United Way has not indicated what its contribution will be; its fundraising campaign is just being completed.

Moved by Popken, seconded by Doll, to increase ASSET funding up to 13% depending on what is recommended by the ASSET volunteers.

Council Member Larson applauded the work of the ASSET volunteers. He also indicated his preference for the agencies to be challenged to work with less.

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

COTA Funding. Ms. Lundt advised that the COTA allocation for FY 2009/10 is \$120,480. The COTA groups have requested funding in the amount of \$147,529, or a 22.5% increase. Again, there are many options available including full funding, no increase, a 5% increase for a total of \$126,504, a 4% increase for a total of \$125,300, a 3% increase for a total of \$124,094, or some other amount.

According to Mr. Lundt, the Resident Satisfaction Survey indicated that 35% of those surveyed felt that less funding should go to the arts; 53% felt the same amount should be allowed; and, 12% felt more funding should go to the arts.

Council Member Rice expressed his opinion that the arts are short-funded.

Moved by Rice, seconded by Popken, to allocate an increase of 11.25% (\$134,034) to the COTA. Vote on Motion: 3-3. Voting aye: Doll, Popken, Rice. Voting nay: Goodman, Larson, Mahayni. Motion failed.

Moved by Goodman, seconded by Mahayni, to allocate an increase of 6% (\$127,709) to the COTA. Vote on Motion: 6-0. Motion declared carried unanimously.

Utility Rates. Finance Director Pitcher said that the Water, Sanitary Sewer, Storm Water, and Electric utilities will all require rate increases within the five-year term of the capital planning horizon to support increased operating costs and capital improvement plans. Water and Electric utilities are in the process of planning large-scale capital plant improvements that will require multiple rate increases in the coming years. The City is in the process of reviewing the five-year CIP and will make adjustments in the timing of improvements to coordinate water and electric rate increases to lessen the impact on customers in any given year. It was also noted that the reduced demand for service due to the recession and success of conservation efforts results in reduced revenue for these utilities. While these demand side activities may extend the time when an expansion of capacity is needed, in the short-term, the demand reductions will require increased rates to fund the fixed costs of the utilities. The Electric Utility will also add wind generation during the second half of the current fiscal year. As reported to Council, the cost of wind will be higher than the cost to produce electricity in most cases and will drive up electric utility rates to our customers. The level of rate increases will be dependent on the Capital Improvements Plan and the associated impact on the operating budget. Though it is too early in the budget process to determine the level of rate increases, it is expected that there will be increases in multiple utility rates during several of the years of the five-year capital planning horizon.

Resource Recovery. Finance Director Pitcher explained that the Resource Recovery Plant continues to have positive improvements in efficiency and the overall financial situation. Rate increases are not planned for the Resource Recovery Plant.

OTHER ISSUES:

Library Capital Improvement Plans. Mr. Pitcher pointed out that the Library is continuing an evaluation of alternatives for expansion of its facility. City staff will not budget for the cost of a referendum election prior to direction from the Council. The Library Director has stated that the Library Board is contemplating an FY 2010/11 special election for a library expansion project. However, since a final decision has not been made, Council will need to decide whether or not to appropriate the approximately \$25,000 needed to fund the election. Capital improvement plans for the current Library will be limited to improvements needed to keep the current facility operating in the short-term.

Rental Fees For Ames School District Facilities. After the budget was fixed for this fiscal year, the City was informed by the Ames Superintendent of Schools of her intent to initiate charges for the use of school facilities for the City's recreation programs. Based on the number of hours the City has programmed using school facilities over the years, the additional cost to the City is estimated to be approximately \$88,000/year due to this change in policy. The School Board has agreed not to initiate the new fees until the beginning of the City's next fiscal year. The Director of Parks and Recreation has indicated the addition of these rental fees will severely impact the City's recreation programs. Staff will be working with the School District staff to determine the incremental costs associated with the City's use of school facilities. Assuming the School Board will insist on charging the City, it will need to be determined how to finance the new costs. Options include increased property tax, user fee increases, or selection of lower-cost facilities to house City programs.

Section 8 Housing. According to Director Pitcher, due to a combination of factors, the cost for the City to administer the Section 8 Housing Assistance Program has exceeded the administrative funding provided by the Department of Housing and Urban Development (HUD) for several years. The shortfall has been covered by drawing down fund balances of other housing-related funding sources. It has become clear that this method of funding Section 8 housing assistance is not sustainable, and to continue City administration of the program, a permanent funding source such as property taxes will need to be identified to subsidize the costs. Other alternatives include discontinuing City administration of the Program and allowing HUD to assign another agency to administer the program in Ames. Mr. Pitcher emphasized that the process of discontinuing City administration of Section 8 would not eliminate the Program in Ames; it would continue as is with a different administrating agency. Prior to budgeting for administration of Section 8 or taking action to permanently fill positions currently open, staff would like Council input on how to proceed.

Downtown Parking. The Downtown Catalyst Study included options for the addition of a parking structure to accommodate parking for large events in the Main Street Cultural District. Options included the addition of 93 to 182 net additional parking stalls and an area to host activities. Costs ranged from \$4.575 to \$9.972 million. Council direction will be needed prior to including this project in the Capital Improvements Plan.

Council Contingency. For many years, the budget for City Council Contingency was set at \$100,000 per year. The budgeted amount was reduced to \$50,000 in FY 2002/2003 as part of budget reduction. For FY 2010/11, departments are being directed to further tighten their budgets, leaving little funding available for issues that arise during the year that are a Council priority. In years past, the City has generally been able to identify savings in areas in order to fund contingencies that may arise during the year; however, that will not likely be the case in FY 2010/11. Council was asked to consider increasing the City Council contingency budget to \$100,000, to be expended only if needed; any unexpended amounts would be carried forward in the fund balance for the following year's budget.

Building Inspections. For the past several years, the fee revenue from building inspections was closely matched to expenses related to the activity, and the budgeting property tax impact of the cost of building inspections was minimal. The slowdown in building activity has negatively impacted Inspections revenue to the point where expenditures will significantly exceed costs. City staff has taken action to mitigate the impact by holding an Inspector position open in the current year and will budget to do so in FY 2010/11.

According to Mr. Pitcher, staff is also looking for opportunities to redirect work activities to reduce the impact on the General Fund. There has been a substantial downturn in the federal economy, but Ames has not been impacted as much as other cities. Areas of the City budget that could potentially be impacted are: Local Option Sales Tax, as retail sales might be reduced; Road Use Tax, which is used for road maintenance and capital improvements; energy costs; and property valuations. Short-term interest rates had increased during the past two years, but those have recently fallen back to near some of the City's record lows, which will reduce the City's ability to see good investment earnings in 2009/10. Mr. Pitcher stated that, overall, the City's financial situation remains fairly strong; however, there are concerns of increased costs and reduced revenue growth.

Council Member Goodman pointed out that Section 8 Housing has had nothing to do with an increase in crime in this community. Cultural differences are occurring in the community that might result in tensions.

Moved by Goodman, seconded by Doll, to direct that the Police Chief explore a renewed commitment to community policing, aggressively pursuing a relationship-building objective, which could ultimately add FTEs to the Police Department.

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

Concerning CyRide funding, Council Member Goodman expressed that he would be interested in exploring the K-12 fare-free option, and he welcomed public input concerning that option.

COUNCIL COMMENTS: Moved by Larson, seconded by Goodman, to direct staff to prepare a short report on what the costs would be to add a shoulder that would accommodate bicycles on George Washington Carver Avenue.

Council Member Goodman asked to know the timeline for alternative markings for bicycles. Traffic Engineer Pregitzer said it would be Spring 2010.

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

CLOSED SESSION: Moved by Doll, seconded by Goodman, to hold a closed session as provided by Section 21.5(1)(a) and (c) *Code of Iowa*, to discuss pending litigation.

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

Moved by Doll, seconded by Goodman, to return to Regular Session.

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

Moved by Doll, seconded by Goodman, to adopt RESOLUTION NO. 09-550 approving the settlement in the amount of \$110,826.78 pertaining to the claim in question, which includes a Global release.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

ADJOURNMENT: Moved by Doll, seconded by Goodman, to adjourn the meeting at 10:51 p.m.

Diane R. Voss, City Clerk

Ann H. Campbell, Mayor