

**MINUTES OF THE MEETING OF THE AMES AREA  
METROPOLITAN PLANNING ORGANIZATION  
TRANSPORTATION POLICY COMMITTEE  
AND REGULAR MEETING OF THE AMES CITY COUNCIL**

AMES, IOWA

MARCH 24, 2009

**AMES AREA METROPOLITAN PLANNING ORGANIZATION (AAMPO)  
TRANSPORTATION POLICY COMMITTEE MEETING**

The Ames Area Metropolitan Planning Organization (AAMPO) Transportation Policy Committee met at 7:00 p.m. on the 24<sup>th</sup> of March, 2009, in the City Council Chambers in City Hall, 515 Clark Avenue, pursuant to law with Ann Campbell as Administrator. Voting members present were Campbell, Goodman, Mahayni, Popken, and Rice, representing the City of Ames City Council, and Wayne Clinton, representing the Story County Board of Supervisors. City Council Members Doll and Larson, Robert Anders of the Ames Transit Agency, and Mike O'Brien, Boone County Supervisor, were absent.

**2010 PASSENGER TRANSPORTATION DEVELOPMENT PLAN (PTDP):** Sheri Kyras, Transit Director, described the PTDP as an annual document required by the federal government that must be submitted to the Iowa Department of Transportation. She stated that the draft of the document was submitted to the IDOT in February 2009, a few changes were made to that draft, and the document on the Agenda tonight is in final form. Ms. Kyras further advised that the federal government mandated annual coordinated planning efforts between human service agencies and transportation providers in order to improve transit for the disabled, low-income, and elderly persons, and the PTDP addresses those projects.

Shari Atwood, Transit Planner, advised that she would be presenting a summary of the PTDP; however, the document, in its entirety, is available at the City Clerk's Office. Ms. Atwood specifically reviewed the six major requirements of the Plan: (1) Involvement, (2) Inventory, (3) Needs/Gaps Analysis, (4) Strategies, (5) Financial Resources, and (6) Recommended Program and Prioritization.

According to Ms. Atwood, over the past year, CyRide worked with local human service agencies and transportation providers to identify service gaps, transit challenges, and priority projects. Those meetings primarily occurred through the Human Services Council and United Way's Transportation Collaboration Committee, which resulted in a coordinated plan for the Ames area. She highlighted the new regional HIRTA service, the Ames-Iowa City Transportation Service operated by Heartland Senior Services that began January 20, 2009, pointing out that staff spent considerable effort with other regional/community partners over the past year to create and coordinate that new service.

Moved by Popken, seconded by Rice, to approve the PTDP for submission to the IDOT and Federal Transit Administration.

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

**DRAFT 2010-2013 TRANSPORTATION IMPROVEMENT PROGRAM (TIP):** John Joiner, Public Works Director, explained that the draft TIP covers projects slated to occur over four years. He stated that the draft Program had been presented to the MPO Advisory Committee, and a public hearing on this Program is planned to occur before the MPO Policy Committee on May 26, 2009. After that hearing is held, any changes recommended will be made to the Program document, and it will be brought back to this Committee in final form for approval.

According to Mr. Joiner, one street project and one trail project will be accomplished per year. A

number of projects were evaluated as the Plan was developed. The FY 2010 street project is planned to be the Rehabilitation of Duff Avenue from Lincoln Way to 13<sup>th</sup> Street. The Skunk River Trail, from East Lincoln Way to South River Valley Park, is planned to be the FY 2010 trail project.

Transit Director Kyras pointed out that the last page of the document lists the Transit projects.

Moved by Clinton, seconded by Goodman, to approve the draft 2010-2013 TIP and set May 26, 2009, as the date of public hearing.

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

**DRAFT 2010 TRANSPORTATION PLANNING WORK PROGRAM (TPWP):** Director Joiner advised that this proposed Program covers only the planning activities for 2010. The main project on the Highway, as well as the Transit, side will be the update of the Long-Range Transportation Plan, which is due to be completed by September 30, 2010. There are several other planning activities that will occur throughout the year; when developments come forward, staff evaluates their impacts on the transportation network.

Mr. Joiner said that CyRide also has many studies planned for 2010. Transit Director Kyras stated that two of them are carry-overs from the current year: the Alternative Analysis and Ames-to-Des Moines Corridor Service.

Moved by Mahayni, seconded by Rice, to approve the draft 2010 TPWP and set May 26, 2009, as the date of public hearing.

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

**COMMENTS:** Supervisor Clinton acknowledged and praised the clarity and organization of the 2010 Passenger Transportation Development Plan.

**ADJOURNMENT:** Moved by Clinton, seconded by Popken, to adjourn the AAMPO Transportation Policy Committee Meeting at 7:16 p.m.

Vote on Motion: 9-0. Motion declared carried unanimously.

### **REGULAR MEETING OF THE AMES CITY COUNCIL**

The regular meeting of the Ames City Council was called to order by Mayor Campbell at 7:18 p.m. on March 24, 2009, in the City Council Chambers in City Hall, 515 Clark Avenue. Council Members present were Goodman, Mahayni, Popken, and Rice. Council Members Doll and Larson were absent. *Ex officio* Member Tracy was also present.

**PROCLAMATION FOR GOOD NEIGHBOR EMERGENCY ASSISTANCE MONTH:** Mayor Campbell proclaimed April 2009 as Good Neighbor Emergency Assistance Month. Accepting the Proclamation on behalf of the Good Neighbor organization were Mike Fritz, Director; Kathy Hanson, Board President; and Trish Hallihan, Board Member. Mr. Fritz advised that, last year, two-thirds of those served were residents of the City of Ames; however, the other third of those served are residents of communities throughout Story County. He noted that Ames was not only a community that takes care of its own, but also takes care of its neighbors across the County.

**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 the Regular Meeting of March 3, 2009, and Special Meeting of March

10, 2009

3. Motion setting March 30, 2009, at 7:00 p.m. as date of Special Council Workshop on proposed Property Maintenance Code
  4. Motion approving renewal of the following beer permits, wine permits and liquor licenses:
    - a. Class B Beer - Old George's Pizza & Steakhouse, 421 S. Duff Avenue
    - b. Class A Liquor & Outdoor Service Privilege - Elk's Lodge #1626, 522 Douglas Avenue
    - c. Class E Liquor, C Beer & B Wine - Sam's Club #6568, 305 Airport Road
    - d. Class C Liquor - Carlos O'Kelley's Mexican Café, 631 Lincoln Way
    - e. Class C Beer & B Wine - Swift Stop #5, 3218 Orion Street
    - f. Class C Beer - Swift Stop #4, 1118 S. Duff Avenue
    - g. Special Class C Liquor - Valentino's, 823 Wheeler Street
    - h. Special Class C Liquor - The Spice Thai Cuisine, 402 Main Street
    - i. Class C Liquor - Lucullan's, 500 Main Street
    - j. Class E Liquor, C Beer & B Wine - Cyclone Liquors, 626 Lincoln Way
    - k. Class C Beer & B Wine - Kum & Go #227, 2108 Isaac Newton Drive
    - l. Class C Beer & B Wine - Kum & Go #200, 4510 Mortensen Road
    - m. Class C Liquor - Café Northwest, 114 Des Moines Avenue
    - n. Class C Liquor - Ge'Angelo's, 823 Wheeler Street
    - o. Class E Liquor, C Beer & B Wine - Wal-Mart Store #749, 3015 Grand Avenue
  5. Motion accepting Report of Contract Change Orders for March 1-15, 2009
  6. Motion directing City Attorney to prepare ordinance establishing parking regulations on Wakefield Circle and Hiatt Circle
  7. RESOLUTION NO. 09-101 adopting Supplement No. 2009-2 to the Municipal Code
  8. RESOLUTION NO. 09-102 approving 36-month Data Line Agreement with Qwest
  9. RESOLUTION NO. 09-103 approving Agreement with Iowa Department of Transportation (IDOT) for Stimulus Program project: Skunk River Trail - South River Valley Park to Carr Pool
  10. RESOLUTION NO. 09-104 approving GIS data-sharing agreement between the City of Ames and Iowa Department of Transportation (IDOT)
  11. RESOLUTION NO. 09-105 approving amendment to Union Contract with IUOE Blue Collar Unit modifying pay rate structure for Parking Meter Repair Worker
  12. RESOLUTION NO. 09-123 approving additional yard waste "free day"
  13. RESOLUTION NO. 09-106 approving preliminary plans and specifications for Rehabilitation of Runway 13/31; setting April 22, 2009, as bid due date and April 28, 2009, as date of public hearing
  14. RESOLUTION NO. 09-107 approving preliminary plans and specifications for WPC Clarifier Painting Project; setting April 15, 2009, as bid due date and April 28, 2009, as date of public hearing
  15. RESOLUTION NO. 09-108 approving contract and bond for Southwest Ames Stormwater Management Improvements (Near Greenbriar Park)
  16. RESOLUTION NO. 09-109 approving contract and bond for Ames Community Development Park Subdivision, 4<sup>th</sup> Addition–Public Improvements
  17. RESOLUTION NO. 09-110 approving contract and bond for South Duff Avenue Improvement Project
  18. RESOLUTION NO. 09-111 approving contract and bond for Bloomington Road Widening (from Union Pacific Railroad Tracks to East of Hyde Avenue)
  19. RESOLUTION NO. 09-112 approving Change Order No. 3 and final payment for Site Preparation and Earthwork at Furman Aquatic Center
  20. RESOLUTION NO. 09-113 approving the Change Order with PB America's, Inc., in the amount of \$34,828.78 for the completion of CyRide's Facilities Study, with a final contract not-to-exceed \$79,671.20
  21. RESOLUTION NO. 09-114 approving Major Final Plat for Walnut Ridge Subdivision, 2<sup>nd</sup> Addition
  22. RESOLUTION NO. 09-115 approving Major Final Plat for Somerset Subdivision, 23<sup>rd</sup> Addition
- Roll Call Vote: 4-0. Resolutions declared adopted unanimously, signed by the Mayor, and hereby

made a portion of these minutes.

**PUBLIC FORUM:** Joe Rippetoe, 419 Pearson Avenue, Ames, spoke on the Wolford Mall, stating that there is nothing happening with it, and the project seems to be clearly “dead in the water.” Mr. Rippetoe said that even though it is “alive only on paper,” it surfaced again a month ago on the Council’s Agenda as an item that might be proposed for Federal Stimulus funding. He indicated his approval of the City Council’s decision not to relieve Mr. Wolford of any obligations through the use of Federal Stimulus funding. However, Mr. Rippetoe said he learned this morning via the on-line version of the Des Moines Register that a portion of the project is still on the Governor’s list for Iowa Stimulus funding. According to Mr. Rippetoe, Project 1639 is “East 1<sup>st</sup> Street Sanitary Sewer Extension. This project includes extension of sanitary sewer approximately 9,000 feet along East 13<sup>th</sup> Street from Dayton Avenue to 570<sup>th</sup> Avenue and along 570<sup>th</sup> Avenue north 2,700 feet. The sanitary sewer will cross under Interstate 35 to serve the Regional Commercial Area,” and Project 1640 “includes the reconstruction and widening of East 13<sup>th</sup> Street from Dayton Avenue to 570<sup>th</sup> Avenue. In addition, widening of ramps on Interstate 35 will be included as part of this project. This infrastructure project will serve a Regional Community...” Mr. Rippetoe told the Council that it was no more appropriate for those projects to be on the Governor’s Iowa Stimulus list than they were on the Federal Stimulus list. He referenced the needs of Cedar Rapids for rebuilding after the floods of 2008, which he believes desperately needs the funding. Mr. Rippetoe said that he views the two projects on the City’s list as an embarrassment. He requested that the City Council members make a motion directing City staff to write a letter to Governor Culver stating that the projects were mistakenly submitted and are not appropriate for the Iowa Stimulus list, and ask that they be removed.

**NEW CLASS C LIQUOR LICENSE FOR BALI SATAY HOUSE:** Moved by Goodman, seconded by Rice, to approve a new Class C Liquor License for Bali Satay House, 2424 Lincoln Way.  
Vote on Motion: 4-0. Motion declared carried unanimously.

**NEW CLASS C BEER PERMIT FOR THE SINGER STATION:** Moved by Mahayni, seconded by Popken, to approve a new Class C Beer Permit for The Singer Station, 118 Hayward Avenue.  
Vote on Motion: 4-0. Motion declared carried unanimously.

**NEW CLASS C LIQUOR LICENSE FOR TUTO BENE:** Moved by Goodman, seconded by Rice, to approve a new Class C Liquor License for Tuto Bene, 716 S. Duff Avenue.  
Vote on Motion: 4-0. Motion declared carried unanimously.

**NEW 6-MONTH CLASS C LIQUOR LICENSE FOR GATEWAY HOTEL & CONFERENCE CENTER - ISU ALUMNI CENTER:** Moved by Popken, seconded by Rice, to approve a new 6-month Class C Liquor License for Gateway Hotel & Conference Center - ISU Alumni Center, 420 Beach Avenue.  
Vote on Motion: 4-0. Motion declared carried unanimously.

**NEW 5-DAY CLASS C LIQUOR LICENSE FOR TASTE! TO GO AND CATERING:** Moved by Goodman, seconded by Popken, to approve a new 5-day Class C Liquor License for Taste! To Go and Catering to hold an event at Reiman Gardens.  
Vote on Motion: 4-0. Motion declared carried unanimously.

**NEW OUTDOOR SERVICE AREA PRIVILEGE (CLASS C LIQUOR) FOR CAFÉ SHI:** Moved by Rice, seconded by Goodman, to approve a new Outdoor Service Area Privilege (Class C Liquor) for Café Shi, 823 Wheeler, Suite #5.

Vote on Motion: 4-0. Motion declared carried unanimously.

**NEW CLASS C LIQUOR LICENSE FOR Q ROCK LOUNGE:** Moved by Goodman, seconded by Popken, to approve a Class C Liquor License for Q Rock Lounge, 2430 Lincoln Way.

Vote on Motion: 4-0. Motion declared carried unanimously.

**MARY GREELEY MEDICAL CENTER *FEST* AND HOPE RUN/WALK:** Moved by Popken, seconded by Rice, to approve RESOLUTION NO. 09-116 approving the following temporary street closures from 5:30 to 10:30 a.m. on June 13 for the Run/Walk: 5<sup>th</sup> Street west of Duff Avenue to Burnett Avenue; Burnett Avenue, 5<sup>th</sup> Street to 12<sup>th</sup> Street; 8<sup>th</sup> Street, Wilson Avenue to Kellogg Avenue; Kellogg Avenue, 5<sup>th</sup> Street to 12<sup>th</sup> Street; 12<sup>th</sup> Street, Wilson Avenue to Kellogg Avenue; and Wilson Avenue, 8<sup>th</sup> Street to 12<sup>th</sup> Street; and, 5<sup>th</sup> Street east of Duff Avenue to Carroll Avenue from 5:30 a.m. to 1:00 p.m. for exhibitors' use during the MGMC *Fest*.

Roll Call Vote: 4-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

Moved by Goodman, seconded by Mahayni, to adopt RESOLUTION NO. 09-117 approving a waiver of the Road Race Permit fee for the Hope Run/Walk.

Roll Call Vote: 4-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

**ENCROACHMENT PERMIT FOR GROUND SIGN AT BANKER'S TRUST, 1510 BUCKEYE AVENUE:** Moved by Goodman, seconded by Popken, to approve the Encroachment Permit for a ground sign at Banker's Trust, 1510 Buckeye Avenue.

Vote on Motion: 4-0. Motion declared carried unanimously.

**HEARING ON GENERAL OBLIGATION REFUNDING LOAN AGREEMENT:** City Treasurer Roger Wisecup advised that the City was very successful in this bond sale even in a very volatile market. He stated that bids were opened this morning on the Refunding Issue, Series 2009A. Mr. Wisecup was pleased to announce that the City was again awarded a AAA rating by Moody's. According to Mr. Wisecup, the City will realize savings of over \$440,000 by issuing the Refunding Bonds at this time. He introduced Tionna Pooler of the Public Financial Group.

Ms. Pooler stated that eight (8) bids representing 12 banks in seven (7) states were received, and it is being recommended that the bid be awarded to Piper Jaffray of Kansas City, Missouri. Ms. Pooler acknowledged that the City's AAA rating certainly aided in this very successful refunding.

The public hearing was opened by Mayor Campbell. No one asked to speak, and the Mayor closed the hearing.

Moved by Goodman, seconded by Rice, to adopt RESOLUTION NO. 09-118 approving entering into a Loan Agreement and awarding General Obligation Refunding Bonds, Series 2009A, in an amount not to exceed \$8,000,000.

Roll Call Vote: 4-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

**"MAIN STREET IOWA" APPLICATION:** Jayne McGuire, Director of the Main Street Cultural District (MSCD) was present. City Manager Schinker said that he initially had some concerns about the application and worked with Ms. McGuire on clarifying what commitments were expected on the City's part and those that were expected on the MSCD's part. Once submitted, the City is

going on record that it is supportive of the “Main Street Iowa” application.

Moved by Popken, seconded by Goodman, to adopt RESOLUTION NO 09-119 approving support of the “Main Street Iowa” application and authorizing the Mayor to sign a joint application with the Main Street Cultural District.

Roll Call Vote: 4-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

**DOWNTOWN FACADE GRANT - 101 MAIN STREET:** Planner Jeff Benson gave a chronological history of this project, reminding the Council members that they had referred the first application back to staff. They had directed staff to work with the applicant, Scott Richardson, on a facade design that better reflected and complimented the historic downtown architecture. Since that time, the Council revised the Downtown Facade Grant program to accommodate downtown buildings with designs and/or uses that do not reflect the commercial shop front prevalent on the east four blocks of Main Street.

Mr. Benson presented the proposed improvements. He said those improvements are only part of how the building will eventually be improved. As required by the Grant Guidelines, the applicant has submitted an image for the overall project. According to Planner Benson, staff has now determined that the proposed design conforms to those Guidelines.

Council Member Goodman asked if the applicant would be eligible to apply for another Facade Grant for a second phase of the renovation of the same building. Mr. Benson advised that it would be possible, as there is no policy prohibiting that. If another application is submitted, the City Council would have to decide at that time whether the improvements were substantial enough to warrant additional funding. Mr. Benson did clarify that no more than \$15,000 in funding may be requested in each application.

Moved by Mahayni, seconded by Rice, to adopt RESOLUTION NO. 09-120 approving a Downtown Facade Grant in the amount of \$15,000 for 101 Main Street.

Roll Call Vote: 4-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

**DEVELOPMENT AGREEMENT WITH UTHE DEVELOPMENT COMPANY:** City Manager Schainker reminded the City Council that Chuck Winkleblack (Hunziker & Associates) had submitted a letter requesting an amendment to the Development Agreement pertaining to Northridge Heights, 12<sup>th</sup> Addition, which specifically regarded occupancy of buildings prior to completion of the off-site improvements.

Mr. Schainker reported that the original Development Agreement with Uthe Development Company was approved in November 2000. He reminded the Council that, originally, Northridge Heights was planned to be totally a residential subdivision. After the Subdivision was rezoned to allow commercial uses, a new Agreement had to be finalized to include how off-street improvements would be handled. That Agreement required the developer to construct two street lanes on the north side of Bloomington Road from the east line of the Union Pacific Railroad tracks to George Washington Carver. Mr. Schainker advised that commitments are normally secured with bonds or Letters of Credit. In this case, the developer was required to provide financial security for the incomplete public improvements except for the work that needed to be done on the Union Pacific Railroad (UPRR) crossing; timing of that work was to be determined by the UPRR. It was clarified by City Manager Schainker that, according to the UPRR rules, only its employees may do the work

to extend a grade crossing.

Staff has now been informed that the new grocery store and car wash will be ready to open in the very near future. Mr. Schainker stated that the City has contracted with the UPRR for the work to be completed with the understanding that the developer will pay the bills directly; however, there is no indication that the Railroad will complete the work in advance of the planned openings of those two businesses.

Mr. Schainker told the Council that Letters of Credit for the other outstanding public improvements are on file with the City Clerk. In addition, staff has determined that the traffic from the two businesses can be accommodated by the existing two lanes of Bloomington Road. Even with this Amendment, the City will be able to withhold occupancy for the other developments in the Subdivision.

City Attorney Doug Marek clarified that the current Agreement specifies that the City may not issue Occupancy Permits until the off-site improvements are completed. The proposed Amendment to the Agreement would address only occupancy on Lots 2 and 4 of the Subdivision prior to the off-site improvements being completed.

Council Member Popken asked about the proposed walkway in front of the Fareway store. He noted that it appears there is a “chunk” missing on the side of the carwash and proposed convenience store. Director John Joiner advised that, per the contract already entered into by the City for the roadway, the sidewalk will be installed on the north side of Bloomington, from Hyde west to the water tower site; that will be up to the vacant site identified for the convenience store. According to Mr. Joiner, the developer has two years from the date of approval of the site plan to install the improvement. Council Member Popken asked if there was a possibility of the developer expediting sidewalk installation.

Chuck Winkleblack, 105 S. 16<sup>th</sup> Street, Ames, advised that the developer has sold the car wash site and the convenience store site to a third party. That third party then entered into an agreement with another party to build a convenience store on that site, and they are approximately two-thirds finished with their “due-diligence” process. Mr. Winkleblack anticipates that a site plan will be submitted to the City’s Development Review Committee within 30 days.

Mr. Winkleblack advised that the Bloomington railroad crossing was to be improved during Summer 2008; however, the floods occurred, and the Railroad needed to reallocate its resources to other areas in Iowa. He noted that the Railroad will absolutely not let anyone work in its right-of-way.

Moved by Mahayni, seconded by Goodman, to adopt RESOLUTION NO. 09-121 approving an amendment to the Development Agreement with Uthe Development Company, LLC, as it relates to Occupancy Permits for Northridge Heights, 12<sup>th</sup> Addition.

Roll Call Vote: 4-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

**CITY HALL DOORS:** Moved by Mahayni, seconded by Rice, to adopt RESOLUTION NO. 09-122 approving a Change Order for \$8,000 on the design contract with RDG; a Change Order for \$21,612 on the contract with R. H. Grabau; moving the completed date back 60 days for the City Hall Doors project; and, allocating \$5,000 from the 2009/10 City Hall Improvements CIP project to cover the additional costs that have been identified plus any additional contingency that might be needed for this project

Roll Call Vote: 4-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

**CITY HALL COURTYARD RENOVATIONS:** Fleet Services Director Paul Hinderaker introduced Lisa Harmison with the Story County Master Gardener's Association (SCMGA). It was reported by Mr. Hinderaker that the SCMGA has volunteered to renovate the entire Courtyard.

Mr. Hinderaker presented the conceptual plan created by the SCMGA. He said that it had been determined that the trees in the Courtyard were either infected by disease or insects or have matured to the point of no longer being appropriately sized or situated. The shrubs have also overgrown their sites. Most of the current landscaping will need to be removed.

Ms. Harmison advised that the Courtyard has its own micro-environment because it is protected by the building on all four sides. This creates some extreme temperature changes and protects it from the wind.

City Manager Schainker advised that no action by the City Council was being requested at this meeting; the presentation was for information purposes only and to allow an opportunity for input before any work commenced.

**2009/2010 WATER RATE INCREASE:** John Dunn, Director of Water and Pollution Control, told the Council members that they are not being asked to formally approve a rate increase at this meeting. They will be presented with options, and once direction is given, an ordinance will come back before the City Council for approval.

Director Dunn reminded the Council that staff had identified a need for multiple revenue increases over the next five years to fund both the ongoing operations and maintenance budget and to pay the debt service for an anticipated rehabilitation/replacement of the existing Water Treatment Plant. The first phase of those revenue increases occurred in the FY 2008/09 Budget with the implementation of a seasonal inclining block rate structure. Mr. Dunn noted that the FY 2009/10 Budget confirmed the need for a series of revenue increases over the next four years, with each increase being somewhere in the range of ten (10) to 15% each year.

Mr. Dunn summarized the previous budget adjustments to the water rate structure. He noted that the 1992 rate adjustment, at 33%, was a fairly large increase, even though it was the first water rate adjustment since 1978. According to Mr. Dunn, at the time of the 1992 rate adjustment, the Council established a philosophy that encouraged the use of more frequent rate adjustments that were of smaller percentages. Mr. Dunn reported that staff has continued to implement that philosophy.

The Council was advised by Director Dunn that rate ordinance revenues consist of four budget line items: metered sales (consumption), minimum charges, yard meter minimum charges, and multi-unit charges. He showed calculations of those revenues with the ten percent increase.

Three options were presented by Director Dunn:

1. Uniform Ten Percent Increase for All Blocks. This takes the existing ordinance rates and increases them by the desired percent increase in revenue. This method increases every water customer's bill by the same percentage.

Mr. Dunn emphasized that this is the most straightforward option. He noted that



predictability is an important issue for customers.

2. Uniform \$0.0017/Cubic Foot Increase for All Blocks. This option takes the existing ordinance rates and increases them all by the same dollar amount. The amount of the increase is determined by taking the designed revenue increase and dividing it by the total consumption.

According to Mr. Dunn, in comparison to Option 1, this option increases the Winter Rate, the Residential Block 1 Rate, and the Non-Peaking Industrial Rate.

3. Increase All Blocks Except Summer Blocks 2 and 3 by \$0.0018/Cubic Foot. This option would generate the desired ten percent revenue increase in Metered Sales in the Winter Rate, the Residential Block 1 Rate, the Irrigation Block 1 Rate, and both Summer Non-Commercial Rates. It does not make any adjustment to the Block 2 and Block 3 Summer Rates.

Mr. Dunn showed a graph comparing the three options and showed a typical bill (using 600 cf/mo) under all three options.

Director Dunn advised that every two years, the Water and Pollution Control Department conducts a rate survey of other Iowa communities. He presented the data from the 2007 Survey, which included rates from 21 communities with a population greater than 10,000 that use a similar treatment process as Ames. Mr. Dunn noted that, for high-consumption residential customers, the Survey results indicated that Ames charges the highest rate.

Mr. Dunn advised that staff is recommending that a uniform ten percent increase for all rate blocks.

Moved by Goodman, seconded by Rice, directing staff to develop an ordinance to implement a uniform ten percent increase in water rates for all blocks.

Vote on Motion: 4-0. Motion declared carried unanimously.

**COMMENTS:** Moved by Popken, seconded by Goodman, to refer to staff the letter from the Hunziker Youth Sports Complex regarding the placement of a sign denoting the entrance to the Complex.

Vote on Motion: 4-0. Motion declared carried unanimously.

**CLOSED SESSION:** Moved by Goodman, seconded by Rice, to hold a Closed Session as provided by Section 21.5(1)c, Code of Iowa, to discuss strategy with counsel on pending litigation.

Roll Call Vote: 4-0. Motion declared carried unanimously.

**REGULAR SESSION:** Moved by Goodman, seconded by Popken, to reconvene in Regular Session.

Vote on Motion: 4-0. Motion declared carried unanimously.

**ADJOURNMENT:** Moved by Goodman, seconded by Mahayni, to adjourn the meeting at 8:52 p.m.

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Diane R. Voss, City Clerk

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Ann H. Campbell, Mayor