

**MINUTES OF THE SPECIAL MEETING
OF THE AMES CITY COUNCIL**

AMES, IOWA

JANUARY 19, 2010

The Ames City Council met in special session at 5:15 p.m. on the 19th day of January, 2010, in the City Council Chambers in City Hall, 515 Clark Avenue, pursuant to law with Mayor Ann Campbell presiding and the following Council members present: Davis, Goodman, Larson, Mahayni, Orazem, and Wacha. *Ex officio* Member Keppy was also present.

UNIT NO. 8 STEAM GENERATOR WATERWALL PANELS: Moved by Mahayni, seconded by Davis, to adopt RESOLUTION NO. 10-018 approving Change Order No. 4 for Unit No. 8 Steam Generator Waterwall Panels.

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

WEBFILINGS, INC.: Moved by Goodman, seconded by Wacha, to adopt RESOLUTION NO. 10-019 approving submittal of an application to Iowa Department of Economic Development for economic development assistance on behalf of Webfilings, LLC, and directing staff to begin loan agreement negotiations.

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

WORKSHOP ON THE 2010-2015 CAPITAL IMPROVEMENTS PLAN (CIP): City Manager Steve Schainker explained that tonight's discussion would concentrate on the five-year Capital Improvements Plan, which is comprised of major public improvement projects. The 2010-2015 CIP has a total expenditure of \$223,269,246. Mr. Schainker emphasized that the document is a plan; some projects are added and some drop off throughout the five-year period. He stated that projects listed under the first year of the CIP (2010-11), when approved, will be programmed into the City's Operating Budget. According to City Manager Schainker, approval of the CIP is not being asked for at this meeting; public input will be taken at the Council meeting scheduled for January 26, 2010, and again at the final budget public hearing to be held on February 9, 2010.

Finance Director Duane Pitcher brought the Council's attention to two important summaries contained in the CIP: the Projection of Debt Capacity and Summary of Major Bond Issues. Mr. Pitcher advised that the state places a debt limitation on all debt that is subject to property taxes; that limitation is 5% of total actual valuation. He also reminded the Council of its policy to reserve 25% of that 5% General Obligation Bond debt limit for emergencies that might come up. City Manager Schainker said that, because of that policy, Ames is one of the few cities in the country that has a AAA bond rating; debt-per-capita is relatively low. It was clarified by Mr. Schainker that Revenue Bond Debt incurred by the Utilities (Water, Sewer, Electric, Resource Recovery) does not appear in those summary pages.

Police Department. Police Chief Chuck Cychosz explained one new project: (1) Communication Center Radio Consoles. The funding sources are the Story County E-9-1-1 Board and a state grant. Funding for the E-9-1-1 Board comes through a telephone surcharge.

Fire Department. City Manager Schainker explained that a new project: Mobile Data Terminals (MDTs) for Fire Apparatus, was programmed in for 2011/12. Out of the nine vehicles to be

equipped, four were completed last year with grant funding. This project will cover the other five. The City will continue to apply for grant funding. Two other new projects: Fire Station #1 Maintenance and Fire Station #3 Maintenance, will occur in FY 2012/13 and 2013/14, respectively. Station #1 Driveway Renovation will be delayed.

Public Safety - Traffic. Municipal Engineer Tracy Warner explained the cost change to the Shared-Use Path System Expansion. City Manager Schainker reported that this is one area where the recommended annual amount has increased. Public Works Director John Joiner said that in 2010/11 and 2011/12, the Skunk River Trail will be expanded.

Director Joiner described the site change for the Traffic Signal Program. In 2010/11, the locations have changed to 28th Street/Grand Avenue and South Dayton Avenue/S.E. 16th Street. There will be cost changes to U.S. 69 Intersection Improvements and Traffic Engineering Studies. New projects: Shared-Use Path Signage and Lighting Pilot Project, programmed for 2010/11, and North Dakota Avenue Railroad Overpass, programmed for 2012/13, were described. The latter is contingent on receipt of congressionally directed funds. West Lincoln Way Intersection Improvements, which is related to the further development of South Fork Subdivision, will be delayed to FY 2013/14.

Resource Recovery. Ongoing projects: System Improvements and Recyclables Building/Staging Area were described by Director Joiner. City Manager Schainker pointed out that this is an Enterprise Fund; user fees pay for the improvements. Mr. Joiner explained Pre-Process Material Handling Building and Truck Bay and a Fire System Upgrade, which is a new project that will span from 2010/11 to 2012/13.

Water and Pollution Control. Water and Pollution Control Director John Dunn introduced newly hired Assistant Director Steve Duvall.

Mr. Dunn described changes to three projects: New Water Treatment Plant, NADC Pump Station Improvements, and Water Plant Facility Improvements. Council Member Goodman asked to be reminded of the reason for the increase cost of the new Treatment Plant. Mr. Dunn advised that the original estimate was based on the possible renovation of the existing facility, but that is not feasible. He said that the design process of the new Plant is underway; construction of the Plant is anticipated to be finished in 2014.

Mr. Dunn reported that the cost and scope change of the NADC Pump Station Improvements reflects a request from the USDA that the wastewater metering from the National Veterinary Services Laboratory be evaluated as part of the project. The USDA will repay 100% of the project costs; an agreement will be negotiated to schedule repayment of the improvements.

Low-Head Dam Modifications, a new project to occur in 2010/11, was described. Mr. Dunn said that an IDNR grant in the amount of \$75,000 has already been received. Donations from Ames residents and groups are estimated at approximately \$25,000.

According to Mr. Dunn, the Water Supply Expansion has been delayed due to the anticipated timing for additional capacity contained in the study for the new Water Plant Project.

A new project, Automatic Meter Reading Conversion, was described as a multi-year plan to convert the meter reading system from the existing technology to automatic meter reading.

A revenue change has been made to Water Plant Disinfection. Mr. Dunn noted that disinfection will become a mandatory requirement when the new NPDES Permit for the Plant is issued by the Department of Natural Resources. An I-Jobs Grant has been applied for; any amount not received from that Grant is proposed to be funded from the Clean Water State Revolving Fund in the form of a low-interest loan.

Cost and scope changes to Plant Facility Improvements, which will include additional storage capacity and contracted land application, and Plant Residuals Handling Improvements were briefly described.

New projects: Disaster Improvements and Flow Equalization Expansion, to begin in FY 2012/13 and 2013/14, respectively, were explained.

Electric. Director Donald Kom reported that Electric Services is forecasting total capital expenditures over the next five years of \$50,431,396. That amount will encompass projects in four categories: Demand Side Management, Transmission, Distribution, and Power Plant.

Construction of the 161kV line from Ames to Mid-American Energy Company's switching station northwest of Ankeny remains a high priority. This multi-year project began in FY 2003/04 and is scheduled to be completed in FY 2011/12.

Vet Med Substation Expansion will see a cost increase. The project has been moved up to accommodate ISU's advanced schedule for the Vet Met Campus load additions and additional transformer.

The Council was briefed on the Unit #8 Boiler Tube Repair, Feedwater Heater Tube Replacement, and Unit #8 Air Heater Basket Replacement projects.

Director Kom reported that \$800,000 will be allocated in 2010/11 for Demand-Side Management. That amount will increase to \$1,000,000 for FY 2011/12 and 2012/13 and to \$1,200,000 in FY 2013/14 and 2014/15. As a result of this program to date, Mr. Kom noted that Electric's estimated peak had been decreased by approximately 5 megawatt.

New projects: Mary Greeley Medical Center Steam Line Evaporator Replacement and Phase III of the Power Plant Roof Replacement, were described.

The contract for Units #7 and #8 Distributive Control System (DCS) Upgrade will be brought to the Council for approval on January 26, 2010. This project is listed in the CIP to be accomplished in FY 2010/11.

Cost changes to the Gas Turbine #1 Engine/Generator Turbine Inspection and Overhaul and Top-O-Hollow Substation Expansion and Breaker Addition were described.

Mr. Kom advised that the City's insurance carrier had made several loss prevention

recommendations for the Power Plant. A Fire Protection System in the amount of \$550,000 has been programmed for FY 2010/11.

Unit #8 Nitrogen Oxide Control Capital has been delayed and will be completed after regulations from the Environmental Protection Agency (EPA) are known. Equipment procurement and installation are recommended in the second and third years of the CIP. The same is true for Unit #7 Nitrogen Oxide Control Capital.

Oil Guns and Igniter, previously split into two parts, will now be done at the same time as the boiler tube repair on Unit #8. It is programmed to occur in FY 2010/11. Also, in 2010/11, a pre-heater will be installed into Gas Turbine #2 (Inlet Heating for GT2), which will allow for more reliable reserve generating capacity.

A project that has been advanced to FY 2010/11 is Unit #7 Boiler Tube Repair. Refuse-Derived-Fuel (RDF) Bin Work has been delayed to 2011/12.

Cooling Tower Repairs are programmed to occur in 2011/12 and 2012/13 for Unit #8 and Unit #7, respectively.

It is anticipated that the cost for the Unit #8 Turbine Generator Five-Year Overhaul will increase to \$1,500,000; the project will be done in 2011/12.

According to Assistant Director Trower, future EPA regulations will require the reduction of mercury emissions. Staff believes, based on anticipated regulations, that Unit #8 will require a mercury control and Unit #7 may also require one. It is expected that regulations will be in place by 2011/12, which is the first year when funding has been allocated.

A new project, Turbine Control Upgrades, will convert the supervisory controls on Units #7 and #8 turbine generators from electric-mechanical to electronic. This is programmed to begin in FY 2011/12.

The Ames Plant 69kV Switchyard Relay and Control Replacement will be delayed, with engineering to occur in 2011/12 and construction in 2012/13. The Ontario Substation 69kV Breaker Addition remains in FY 2012/13 (engineering) and FY 2013/14 (construction). There is no change for Unit #7 Turbine Generator Five-Year Overhaul; disassembly and necessary repairs is still planned to occur in 2012/13.

Council Member Orazem asked if there was enough lead time to come up with a more-comprehensive system if EPA requirements dictate. Assistant Director Trower advised that the City has hired a consultant with expertise in that issue. He said that the City met with representatives of the Department of Natural Resources in November 2009. The City's strategy was revealed, and the EPA representatives indicated that it was appropriate and rational.

Asked about redundancy by Council Member Goodman, Director Kom advised that the City had finished the internal 161kV line. He further explained that there are two lines that feed into the City, a 69,000-volt line that goes to the John Deere Substation (in the Johnston area) and a 161-kV line that goes to the Boone Junction Substation. Mr. Kom said that with those two lines in

service and as long as the City has Unit #8 on-line, there is no problem. However, when Unit #8 is down and Unit #7 is not running, MidAmerican (who owns the grid around Ames) limits the City's import to no more than 37 megawatts; the City's load during hot-weather days is 126 megawatts, which does not include Iowa State. Even though the lines are capable of carrying more energy, the City still is limited to 37 megawatts. To remedy that issue, Electric Services would start up GT1, so instead of running \$35-40 generation, the City would run \$200-\$300 generation. Economically, GT1 cannot run for more than two days. Once the line to Ankeny is in place, the City will not need to run Unit #8 because there will be two very strong feeds into the City, and the 37-megawatt limitation ceases. Mr. Kom also gave the reasoning behind the imposition of the 37-megawatt limitation.

City Manager Schainker brought the Council's attention to Page 58 of the CIP and specifically to Electric Revenue Bonds being listed as a source of revenue. Those Bonds are necessary because the amount of cash needed to fund the many large projects would be cost-prohibitive to taxpayers. Mr. Schainker noted that the Electric Utility is now debt-free.

The meeting recessed at 7:05 p.m. and reconvened at 7:12 p.m.

Water Distribution/Storm Sewer. Annual programs: Water System Improvements, Storm Water Facility Rehabilitation, Low-Point Drainage, and Storm Sewer Intake Rehabilitation were explained by Director Joiner. Council Member Larson pointed out that South 2nd Street/Oak Avenue has been moved up to 2011/12.

Storm Sewer Outlet Erosion Control was described by Municipal Engineer Warner. It was noted that College Creek will be the site for 2010/11 and Stone Brooke Subdivision Creek will be stabilized in 2011/12.

Sanitary Sewer. Sanitary Sewer System Evaluation, a new project, will begin in FY 2010/11. Discussion ensued whether flow monitoring, programmed for 2011/12, should be moved up.

Director Joiner advised that after 2010/11 and continuing until the Sanitary Sewer System Evaluation is complete, the footing drain portion of the Clear Water Diversion program will be suspended and construction of a collector line to eliminate icing on streets will be reduced.

Transportation - Engineering. The following annual programs were summarized: CyRide Route Pavement Improvements, Arterial Street Pavement Improvements, Collector Street Pavement Improvements, Concrete Pavement Improvements, Asphalt Pavement Improvements, Downtown Street Pavement Improvements, Asphalt Resurfacing & Seal Coat Removal/Asphalt Reconstruction.

The Grand Avenue Extension was delayed due to the City not receiving congressionally directed funding for 2010/11. Also delayed was South Dakota Avenue Widening (Lincoln Way to Mortensen Road) in order to balance G. O. Bond funding in the 2010-2015 CIP.

Transportation - Street Maintenance. Annual programs: Neighborhood Curb Replacement, Shared-Use Path Pavement Improvements, Sidewalk Safety Program, and Retaining Wall

Reconstruction will continue. Repairs to the 6th Street Bridge over Squaw Creek (Bridge Rehabilitation Program) have been programmed for 2010/11.

Director Joiner noted that the City hopes to share a Salt Storage Facility with Story County, Ames Community School District, and Iowa State University. In 2011/12, \$350,000 has been allocated.

Transportation - Airport. West Apron Improvements, which will occur in 2010/11, were described. It was noted that the majority of the financing will come from FAA Grants.

Council Member Larson commented that the Airport is really an entrance to the City and should have a broader presence. He recommended that conversations occur with other partners, i.e., Iowa State University and the private sector, to start developing a revenue stream to allow improvements. Mr. Larson specifically would like to pursue improvements to the terminal.

Transportation - Transit. Director Sheri Kyras explained that CyRide depends heavily on federal grants. She stated that CyRide has the unenviable designation of being the 14th-oldest fleet in the nation. Another challenge is the size of the fleet in light of record ridership levels. The fleet size will be increased from a large bus fleet of 59 to 76 through 18 new and 30 used bus purchases over the next five years.

The need for Building Expansion and Modernization was described by Ms. Kyras. With limited space at its existing site, a satellite location has been identified as the best option to meet CyRide's future needs. CyRide's existing building will also need to be maintained and repaired.

Pertaining to CyRide Shop and Office Equipment, transit scheduling software to prepare passenger schedules, drivers' work assignments, and vehicle service will be procured. That scheduling is currently being done manually. Grants will be sought to pay for 80% of the project.

Bus Stop Improvements is budgeted in the amount of \$50,000 for each year from FY 2010/11 to FY 2014/15.

A new project, Alternative Analysis of the Bus Rapid Transit-type service, is programmed for 2011/12.

AVL Technology has moved up to 2012/13. This will enable CyRide to track the exact location of buses to give better service on both the Fixed Route and Moonlight Express.

Council Member Larson asked if bus service would be extended to the eastern portion of Ames. Ms. Kyras explained that the Transit Board recently approved a minimal level of service to be provided to that location.

Parks & Recreation. Director Nancy Carroll explained the Joint Use Agreement (with the Ames Community School District) for the Municipal Pool. Consultants have warned that after 2015, the cost of further repairs to that facility could be cost-prohibitive. Improvements to be made from 2010/11 through 2014/15 were summarized. Noting that the Joint Use Agreement expires in 2015, Council Member Davis strongly recommended that the City not replace the boiler/pumps in FY 2012/13 until agreement to share those costs with the School District has been reached.

In 2010/11, the tennis courts at Ames High School will be resurfaced at an estimated cost of \$40,000. Also, if an analysis conducted in 2010 indicates the need, the Brookside Courts will be totally reconstructed at a cost of \$300,000. Ms. Carroll advised that, in 2010, staff will host a public input session to gain insight on the role that the Brookside Courts play within the neighborhood and community.

Maintenance issues at various Parks and Recreation facilities were summarized; they will be addressed throughout the five years of this CIP. Regarding the Dog Park, Council Member Larson said that he had heard from several small dog owners that the area designated for small dogs was too large. He suggested that the area for small dogs be made smaller.

The Forest Management of Brookside Park was explained by Ms. Carroll. She stated that public education about this program is crucial to its success. Council Member Goodman suggested that a list serve be created to gain public input about this and other issues.

Replacement of Lighting and Fencing of South River Valley Park is programmed in the CIP for FY 2012/13. Ms. Carroll noted that staff will meet with sports participants and adjacent homeowners to glean information as to the impacts of the lighting.

Council Member Orazem asked if the City would be willing to entertain offers to either lease or purchase Carr Pool. City Manager Schainker presented the following options: (1) City can continue to subsidize the Pool. (2) The Pool could be leased to a private entity. (3) City would continue to operate the Pool, but an outside agency would provide funding to offset the City's costs. Mr. Schainker noted that demolition of the Pool was included in the CIP, but not until 2011.

Regarding the request for creation of list serves, Public Information Officer Susan Gwiasda added that list serves will be part of the new web Request For Proposal. Council Member Davis asked why the development of the City's website was not included in the CIP. City Manager Schainker advised that it is financed out of the Operations Budget.

Ms. Carroll continued, explaining that the next phase of the Playground/Park Equipment Improvement calls for the installation of unique pieces of play equipment (swings, boulders, large slides, etc.) in neighborhood and community parks.

Development of Greenbriar Park (located on South 16th Street) has been programmed for 2010/11 at a cost of \$138,100.

Improvements to Ada Hayden Heritage Park specifically to construct a parking lot in the northwest area and resurface the north and south loop trails will begin in 2012/13.

Ms. Carroll described an Interactive Fountain, pavilion, and green space for the Downtown that has been programmed in the CIP for 2013/14 at a cost of \$1,000,000. She added that the Ames Foundation offered to privately raise \$700,000. It was noted that this has been put on hold until the issue of the location of a new/renovated library has been resolved.

Council Member Larson noted that when the Interactive Fountain idea first surfaced, it related to a catalyst project and a parking structure in the Downtown. He asked for an update on the

proposal submitted by the McKel Group, which he believed was entitled, "The Livery." City Manager Schainker recalled that staff reported back to Council with several parking ramp options. Mr. Schainker said that he would check with the developers, but he does not have a recommendation for parking in the Downtown based on that not being directed by the Council. It was noted that a copy of the Downtown Parking Ramp Study had been provided to the new Council members.

Library. Director Art Weeks noted that construction of a new library is not included in this CIP. He summarized three projects that would proceed if construction of a new library does not move forward: Skylight Replacement (2010/11), Air Conditioning System Replacement (2011/12), and Floor Covering Replacement (2012/13). Mr. Weeks recalled that there is a joint meeting between the City Council and the Library Board scheduled for February 16, 2010.

Community Enrichment. City Manager Schainker described the ongoing Neighborhood Improvement Program. Planning & Housing Director Steve Osguthorpe explained the Downtown Facade Improvement Program. Both programs have annual allocations of \$50,000. Council Member Larson asked if there were any plans to expand the boundaries for the Facade Improvement Program. Mr. Osguthorpe advised that staff is exploring expanding the Program to include other Downtown areas.

Facilities/Fleet Services. City Manager Schainker advised that there is a need to replace heat pumps in the City Hall at a cost of \$880,000. He said that the City had been approved for EECDBG funding, and the City Council had formerly directed that staff explore energy-efficiency projects at the Animal Control Shelter, City Hall, and a pilot parking lot/street lighting project. Mr. Schainker suggested that energy-efficiency improvements to Animal Control could still be done with a portion of the grant funding. He asked, however, that some of the EECDBG funds be used to pay for the heat pumps. Council Member Larson agreed with that, but wanted to make sure that putting the funding into the heat pumps did not jeopardize the grant funding. It was noted by Council Member Goodman that Council had provided direction to staff for grant funding to go towards energy-efficiency projects at the Animal Control Shelter. He would prefer that this issue come before the Council members again to allow them to provide direction to staff. Assistant City Manager Bob Kindred noted that a consultant has been hired to come up with energy-efficiency projects at Animal Control. Those projects will have a number of funding options. The intent was for Animal Control to serve as a model. Mr. Schainker said that this issue will come back to the City Council in the near future.

Fleet Services Director Paul Hinderaker raised the Council's awareness that there are major maintenance items needed for the City Hall building. He also described building maintenance that is needed for the City Maintenance Facility on Edison Street.

A new project with an annual budget of \$200,000 is for City Facility Energy Improvements under the Cool Cities Program initiative. Mr. Hinderaker recalled that the intent of this Program is to meet the Council's goal to decrease carbon emissions by 15% by 2014.

Special City Council meetings pertaining to the budget were listed by Mr. Pitcher.

Discussion ensued concerning a date and time to finalize the tasks associated with the goals recently set by the City Council. It was concurred that the goal-setting session would continue on January 22, 2010, at 7:00 p.m.

COMMENTS: Moved by Goodman, seconded by Davis, to refer to staff the letter from FOX Engineering dated January 15, 2010, pertaining to parking requirements for grocery stores in the HOC Zone.

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

Moved by Orazem, seconded by Goodman, to refer to staff the request from Mark Goodale requesting a sidewalk be installed from his home to Ames High School.

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

ADJOURNMENT: Moved by Davis, seconded by Wacha, to adjourn the meeting at 10:15 p.m.

Diane Voss, City Clerk

Ann H. Campbell, Mayor