

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

AMES, IOWA

JANUARY 18, 2011

The Ames City Council met in special session at 5:15 p.m. on the 18th day of January, 2011, 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, and Orazem. Council Member Wacha arrived at 5:21 p.m. Council Member Mahayni was absent. *Ex officio* Member England was also present.

WORKSHOP ON THE 2011-2016 CAPITAL IMPROVEMENTS PLAN (CIP): Mayor Campbell explained that tonight's discussion would concentrate on the five-year Capital Improvements Plan. City Manager Schainker emphasized that the Plan outlines the City's funding strategy for major public improvement projects to be completed over the next five years (2011-2016). Projected expenditures in the Plan total \$217,913,013. Mr. Schainker advised that public input will be taken at the Council meeting scheduled for January 25, 2011, and again at the final budget public hearing to be held on February 8, 2011.

Fire Department. Assistant Fire Chief Paul Sandoval highlighted a cost change for the Mobile Data Terminals for Fire Apparatus. He also gave a summary of Fire Station Maintenance projects for Stations 1, 2, and 3. A new project: Inspections and Permitting Software, was explained.

Public Safety - Traffic. John Joiner, Public Works Director, explained the changes recommended for the Shared Use Path System Expansion. City Manager Schainker noted that more funding is being put into this program based on the Council's priorities (i.e., connecting community). The Traffic Signal Program and Traffic Engineering Studies remain in the Plan with no changes being recommended. Mr. Joiner described the West Lincoln Way Intersection Improvements for constructing turn lanes and installing traffic signals at the Franklin Avenue/Lincoln Way and the Dotson Drive/Lincoln Way intersections. A traffic impact report for South Fork Subdivision justified the improvements. Planning funds are included for 2013/14 for U. S. 69 Intersection Improvements (13th Street/Grand Avenue). The Long-Range Transportation Plan adopted in September 2010 included this project as a high priority. The North Dakota Avenue Railroad Overpass has been included in the Plan to be done in 2015/16; however, it is contingent on if and when the annexation and development of the northern growth area occurs. Mr. Schainker pointed out that this project, if it moves forward, would be partially funded through General Obligation Bonds. He emphasized that this project "bumped" other projects, and the Council may decide to eliminate it now and include other projects in its place. Council Member Larson noted that the project anticipates nearly \$5.3 million of federal funding; his decision on this project would depend on that funding being received.

Resource Recovery Plant (RRP). Mr. Joiner noted that the Resource Recovery Plant has one project included in the CIP. It is for System Improvements that will be done over the next five years.

Water and Pollution Control. Water and Pollution Control Director John Dunn gave an update on the New Water Treatment Plant project, which was initiated in FY 2008/09. Property acquisition issues have held up the project. Once the property is acquired, the new Plant will take approximately 15 months for design and 30 months for construction. Water Plant Facility

Improvements to be accomplished from 2011/12 to 2013/14 were highlighted. Water Supply Expansion to add capacity to the source water supply will occur in FY 2012/13; additional expansion will be needed in 2016/17, 2017/18, and possibly in 2020/21 and 2030/31. A cost change to the Automatic Meter Reading Conversion for the WTP was explained. WPC Plant Disinfection Project is being delayed due to prolonged discussions with the IDNR about the capacity of the proposed disinfection system. A new project: Long-Range WPC Facility Plan was described. A comprehensive evaluation of the current facility will be done. A second new project: WPC Electrical System Maintenance will be done in FY 2011/12, 2013/14, and 2015/16. Cost and scope changes were explained for WPC Plant Facility Improvements. The Plant Residuals Handling Improvements, which will provide for improvements to the solids handling component of the WPC Plant operation, shows an increased cost and a funding change. Digester Improvements will be delayed to afford for coordinating the scheduling of similar projects, which will minimize the downtime of the digesters. The Flow Equalization Expansion has been delayed, and it is possible that these funds could be diverted to a higher-priority mitigation activity, depending on the results of the Sanitary Sewer Evaluation Study and the Long-Range Facility Plan for WPC.

Utilities - Water Distribution. Director Joiner noted that there are no changes to the Water System Improvements, which provides for replacing water mains in areas that are experiencing rusty water. The specific areas will be determined in the future.

Utilities - Storm Sewer. Issues identified after the 2010 Flood affected several projects: Storm Sewer Outlet Erosion Control, Storm Sewer Improvement Program, and Low-Point Drainage Improvements. City Manager Schainker noted that several drainage projects have been identified as Flood Mitigation Grant-eligible, which have been included in the Storm Sewer Outlet Erosion Control project in FY 2011/12 and 2012/13. During 2011/12, staff will consider cost-effective options to mitigate concerns; implementation will occur in 2011/12. The Storm Water Facility Rehabilitation Program will occur in 2012/13 and 2013/14 in Somerset Subdivision, and Pete Cooper's Subdivision, respectively.

Utilities - Sanitary Sewer. Mr. Joiner noted that the Sanitary Sewer System Evaluation has been moved up. It will also have a cost change due to advancing the flow monitoring and video inspection in order to determine the most-cost-effective improvements to be made to the system. The Sanitary Sewer Rehabilitation Program will occur each year from 2011/12 to 2015/16. There is no change being recommended for the annual Clear Water Diversion program. The footing drain grant portion of that program has been suspended.

Electric. Donald Kom, Electric Services Director, stated that the capital projects for Electric over the next five years total slightly over \$47 million. A critical project, the Mid-American Energy Co., Interconnection (construction of a 161-kV line from Ames to Mid-American Energy Company's switching station northeast of Ankeny, is planned to be accomplished in 2011/12. This 161-kV Interconnection is essential to provide Ames with needed transmission capacity and to satisfy the current and future needs of the City's customers. No changes are planned for Unit #8 Boiler Tube Repair; \$2,500,000 will be expended in 2011/12 for materials and labor for superheater installation. Cooling Towers Repairs are being advanced to coincide with the longer plant outage needed for waterwall tube installation. Mr. Kom briefly described projects that had been included in the CIP previously: Feedwater Heater Tube Replacement, Unit #8 Air Heater

Basket Replacement, Unit #8 Nitrogen Oxide Control Capital, Unit #8 Turbine Generator Five-Year Overhaul, Turbine Controls Upgrade, Gas Turbine #1 Engine/Generator/Turbine Inspection and Overhaul, Power Plant Fire Protection System, Unit #7 Mercury Capital Engineering, and Unit #7 Nitrogen Oxide Control Capital. Mr. Kom emphasized that Demand-Side Management Energy Conservation Programs have been very successful; the funding will be increased to \$1,000,000 in 2011/12, 2012/13, and 2013/14. It will be further increased to \$1,200,000 in 2014/15 and 2015/16. The project on Page 63: Mary Greeley Medical Center (MGMC) Evaporation Replacement will be removed from the CIP based on a decision by MGMC not to replace the existing steam line. Comments were made about possible uses for the steam.. New projects: Unit #7 Mercury Continuous Emissions Monitor, Unit #7 Cooling Tower Piping System, Ash Pond Storage Area, Storage Building (four loafing sheds), Evaporator Cooler on Combustion Turbine #1, were explained. Projects that had appeared in past CIPs: Units #7 and #8 Oil Gun Upgrade, RDF Bin Work, Unit #7 Boiler Tube Repair, Ames Plant 69-kV Switchyard Relay and Control Replacement, Unit #7 Turbine Generator Five-Year Overhaul, Top-O-Hollow Substation Expansion and Breaker Addition, and Ontario Substation 69-kV Breaker Addition were summarized. Two additional projects: Unit #7 Closed Cooling Water System and Piping and Well Water Iron Removal System are planned for 2015/16.

Mr. Kom advised that the EUORAB voted, on January 13, 2011, to approve the projects listed in the CIP for the next five years.

Council Member Orazem voiced his concerns that the EPA may mandate certain improvements without much notice to the City. He wants to ensure that there is funding available to make the needed improvements when the ruling comes down. Assistant Electric Director Brian Trower advised that the City is awaiting finalization of three EPA Rules: Air Transport Rule, Coal Ash, and Boiler Hazardous Air Pollutants (HAP) Rule. He said that the City could guess on what type of improvements will be needed to meet EPA's compliance; however, they are costly and the City could guess wrong.

The meeting recessed at 6:40 p.m. and reconvened at 6:45 p.m.

Public Works Director John Joiner stated that 2011 is the second year of transportation modeling. Municipal Engineer Tracy Warner noted that, after the infusion of stimulus funding in 2010 and the projects planned for 2011, the Pavement Condition Index (PCI) will drop by 1.6%. That means that the City is not keeping up with the continuing deterioration of the streets. Mr. Joiner noted that the City only has two years' modeling data.

Transportation - Streets Engineering. City Manager Schainker advised that congressionally-directed funds are necessary for the Grand Avenue Extension project to move forward. Planning and land acquisition will occur in 2011/12 and South 5th Street segments of the project. Mr. Schainker expressed his concern that the federal "earmarks" are being eliminated, and if the City were to assume all the costs associated with this project, its budget would be greatly impacted. Annual programs:

Arterial Street Pavement Improvements, Collector Street Pavement Improvements, Asphalt Pavement Improvements, Downtown Street Pavement Improvements, Asphalt Resurfacing and Seal Coat Removal/ Asphalt Reconstruction, CyRide Route Pavement Improvements, and

Concrete Pavement Improvements were summarized by Public Works Director Joiner. Ms. Warner said they have identified nearly \$9 million worth of improvements needed to the seal-coated streets. Obviously, all of those streets will not be improved at once.

City Manager Schainker pointed out that due to a projected declining balance in the Road Use Tax Fund, staff is recommending the use of General Obligation Bonds to fund many of the transportation projects. Mr. Schainker advised that, currently, the City's debt service is \$3.57, or about one-third of the City's total tax-asking.

Council Member Wacha recalled that there had been a request by the public for paving a portion of Adams Street by Dawes Drive and asked if it was included in this CIP. City Manager Schainker advised that it was not included; a report on that request will be provided by staff in the near future. He stated that the type of improvement being requested is often done via special assessment.

Council Member Davis noted that reconstruction of Douglas Avenue (Main Street - 7th Street) is slated to occur in 2011/12. He is concerned that heavy equipment would be traversing that street if major library improvements are made or new construction occurs and could break up the new street. Ms. Warner said that staff will have to evaluate the time frame if that occurs; however, Douglas Avenue is deteriorating very rapidly.

Transportation - Street Maintenance. Mr. Joiner named the annual programs included in the Plan: Neighborhood Curb Replacement, Shared-Use Path Pavement Improvements, Sidewalk Safety Program, and Retaining Wall Reconstruction.

Transportation - Airport. Airport improvement projects to be included are: reconstruction of the internal vehicle circulation and parking lot in 2011/12 and replacement of the terminal building in 2012/13.

Community Enrichment - Public Works. A new program: Municipal Cemetery Improvements (an ornamental fence, double-drive gate, and a five-year program to restore and improve drive lanes) will begin in 2011/12.

Transportation - Transit. Transit Director Sheri Kyras highlighted the cost and revenue changes for the Vehicle Replacement Program. Under the Building Expansion and Modernization project, four priorities were explained: expansion (to increase the bus storage portion of the facility by approximately 25,000 square feet), flood protection, ceiling height (to raise the ductwork and replace doors above the height of the hybrid buses), and structural repairs.

At the request of Council Member Wacha, Ms. Kyras explained that the flood barriers of the Transit facility were successful during the Flood of 2010; however, flood waters from the north had not been anticipated. A flood control expert will be hired to direct CyRide on the efforts that must be taken to reduce the risk of future flooding to the building.

Ms. Kyras described a change to the CyRide Shop and Office Equipment. CyRide received a national transit grant in Fall 2010 to purchase transit-specific scheduling software. The funding has changed; the Plan now reflects 80% of this project being funded by the federal government.

There is no change to the Bus Stop Improvements. The Government of the Student Body (GSB) is providing \$200,000 to fund the first segment of the Automatic Vehicle Location Technology software; that cost change is now being reflected., and the project is being advanced.

Parks & Recreation. Nancy Carroll, Director of Parks and Recreation, described the maintenance projects at the Municipal Pool planned from 2010/11 through 2014/15. She also described Playground/Park Equipment Improvements. In 2011/12, the City will partner with the Ames School District to upgrade District facilities as part of the Council's goal to strengthen neighborhoods. Improvements to Parks and Recreation Facilities is a new project. Ms. Carroll specified the projects that will occur each year from 2011/12 to 2015/16. She further explained that the edges of the wetlands at Ada Hayden Heritage Park are becoming inundated with volunteer trees, and if not removed, will impact the long-term function of the wetland cells. The trees will be removed in 2011/12 - 2012/13. Once the trees have been removed, annual maintenance will be performed to restrict the regrowth of undesirable tree species.

Ms. Carroll said a new project is included in the Plan to replace the rubber flooring in the player boxes and the lobby and replace the water heaters at the Ice Arena. Tennis Court Improvements are being delayed. If an analysis, to be done in 2011, indicates the project is warranted, the Brookside courts will be totally reconstructed in 2012/13. In 2015/16, the courts at Emma McCarthy Lee and Inis Grove Parks will be resurfaced.

A new project, the Community Gathering Venue project was explained. Ms. Carroll said that Ames Foundation is supportive of raising significant private funds with the goal of constructing a community gathering place in the parking lot east of City Hall. The 2009 Citizen Satisfaction Survey showed that 64% of the respondents viewed this project as "somewhat" or "very" important. An interactive fountain, pavilion, and open space is planned for 2013/14. Ms. Carroll showed a conceptual plan of a civic plaza. Regarding parking demand in the Downtown, an informal parking survey was done for three weeks during November 2010. Currently, there are 80+ parking spaces contained in Parking Lot N, which is City property. The informal survey indicated that the average need was for 32 spots (14 rental/3 free/15 metered). If this project comes to fruition, Clark Avenue would need to transition to one-way, which would allow for parking. Ms. Carroll listed the next steps needed to be done if this project is to move forward. City Manager Schainker noted that the CIP indicates private contributions paying for the entire project.

Council Member Larson noted that there appeared to be strong support for a parking ramp in the Downtown. Although he likes the design for the civic plaza, he does not see it as meeting the needs of Main Street.

Council Member Orazem would like the farmer's market to be integrated into the civic plaza. Council Member Goodman disagreed, saying the he believed farmer's market vendors prefer to be on Main Street.

Several large projects that would need private funding to move forward were listed by Mr. Larson. He felt that if they were prioritized, they would rank higher than the civic plaza. Council Member Goodman thought that the civic plaza should be scaled-back; \$4 million is a large amount of

private funding. Director Carroll pointed out that there is a possibility for naming opportunities for this project.

Library. Art Weeks, Library Director, advised that 1.4 million items are loaned out by the Library each year. A new project, Radio Frequency Identification (RFID) Inventory Management System was explained. It will offer a more secure system to help deter theft and provide more efficient processing of library materials. The project will occur in two phases, the first to occur in 2011/12. Another new project: Bookmobile Replacement is planned to occur in 2013/14. Floor Covering Replacement and Skylight Replacement have been delayed until a decision is reached on the expansion and/or renovation plan to the existing library facility.

Community Enrichment. City Manager Steve Schainker said there were no changes proposed for the Neighborhood Improvement Program or the Downtown Facade Program.

Facilities/Fleet Services. Paul Hinderaker, Fleet Services Director, stated that the City Hall Mechanical and Structural Improvements remain as shown in previous CIPs. The Cool Cities Facility Energy Improvements were included in the 2009/10 Budget. There is remaining a balance of \$136,000, which will be used to hire design firms and contractors to install devices or systems requiring design and bid assistance. Also, maintenance at the City's Edison Facility will be delayed; roof replacement will occur in three phases over three fiscal years, starting in 2013/14.

Conclusion. City Manager Schainker presented a summary of the Capital Improvements Plan expenditure by program. Of the \$217,913,013, \$49,850,093 will be expended in 2011/12; \$48,917,650 in 2012/13; \$55,522,950 in 2013/14; \$34,174,120 in 2014/15, and \$29,448,200 in 2015/16. He then summarized revenues by type.

Finance Director Duane Pitcher brought the Council's attention to the Projection of Debt Capacity. He reminded the Council that the state places a debt limitation on all debt that is subject to property taxes; that limitation is 5% of total actual valuation. Mr. Pitcher advised that additional information on debt capacity will be presented at the Budget Overview on January 28, 2011.

Mayor Campbell announced that public input on the Capital Improvements Plan will occur on January 25, 2011.

COMMENTS: Moved by Larson, seconded by Davis, to refer to staff the letter from the Nyemaster Law Firm dated January 14, 2011, relating to expansion of the Green Hills Community.
Vote on Motion: 5-0. Motion declared carried unanimously.

ADJOURNMENT: Moved by Davis to adjourn the meeting at 8:37 p.m.

Diane Voss, City Clerk

Ann H. Campbell, Mayor