

MINUTES OF THE REGULAR MEETING OF THE AMES CITY COUNCIL

AMES, IOWA

DECEMBER 13, 2016

The Regular Meeting of the Ames City Council was called to order by Mayor Ann Campbell at 6:00 p.m. on the 13th day of November, 2016, in the City Council Chambers in City Hall, 515 Clark Avenue. Council Members Bronwyn Beatty-Hansen, Gloria Betcher, Amber Corrieri, Tim Gartin, and Peter Orazem were present. Council Member Chris Nelson arrived at 7:46 p.m.. *Ex Officio* Member Sam Schulte was also present.

GOVERNMENT FINANCE OFFICERS ASSOCIATION DISTINGUISHED BUDGET PRESENTATION AWARD: The Mayor presented the Award to Finance Director Duane Pitcher and Budget Officer Nancy Masteller. Mr. Pitcher reported that the City had received this Award for the past 32 years.

RECOGNITION OF AMES HIGH SCHOOL GIRLS STATE CHAMPION SWIM TEAM: Mayor Campbell recognized the 2016 State Champion Ames High School Girls Swim Team. She introduced Head Coach Dan Flannery. Mr. Flannery introduced the team members.

CONSENT AGENDA: Moved by Gartin, seconded by Betcher, to approve the following items on the Consent Agenda:

1. Motion approving payment of claims
2. Motion approving Minutes of Regular Meeting of November 22, 2016, and Special Meeting of November 29, 2016
3. Motion approving Report of Contract Change Orders for November 16-30, 2016
4. Motion setting January 24, 2017, and February 28, 2017, at 5:30 p.m. as Conference Board meeting dates
5. Motion directing Public Art Commission to purchase "Windswept" (to be placed at entry to Airport) using Neighborhood Sculpture funds
6. Motion approving renewal of the following Beer Permits, Wine Permits, and Liquor Licenses:
 - a. Class C Liquor & Outdoor Services - Aunt Maude's, 543-547 Main Street
 - b. Class C Liquor & Outdoor Services - Thumbs Bar, 2816 West Street
 - c. Class C Liquor & Outdoor Services - Tip Top Lounge, 201 East Lincoln Way
 - d. Class C Liquor - 1 Night Stand, 124 Welch Avenue
 - e. Class C Liquor- Cyclone Liquors, 626 Lincoln Way
 - f. Special Class C Liquor & Class B Wine - Salt and Pretzel, 2610 Northridge Parkway
 - g. Class C Beer & Class B Native Wine - Casey's General Store #2298, 428 Lincoln Way
 - h. Class B Beer - Pizza Pit, 207 Welch Avenue, Suite 201
7. RESOLUTION NO. 16-691 approving appointment of Council Member Gloria Betcher to Ames Convention & Visitors Bureau Board of Directors
8. RESOLUTION NO. 16-692 approving biannual Sustainability Report by Sustainability Coordinator
9. RESOLUTION NO. 16-693 approving Agreement with B&G Productions Authorizing Commercial Use of Small Unmanned Aircraft System (drone)
10. RESOLUTION NO. 16-694 approving renewal of administrative and claims processing services for flexible spending account benefit with Wellmark Blue Cross Blue Shield
11. RESOLUTION NO. 16-695 approving additional funding to outside counsel (Coppola Law Firm) for prosecution assistance
12. RESOLUTION NO. 16-696 approving request from Main Street Cultural District for waiver of parking meter fees and enforcement for January Dollar Days, January 26-28, 2017
13. RESOLUTION NO. 16-697 committing to 20-year maintenance of modifications to River Valley Park Low-Head Dam as a condition of grant application for Iowa Federal Recreational Trails Program

14. RESOLUTION NO. 16-698 approving preliminary plans and specifications for CyRide 2016 Security Entry System, Phase 1; setting January 12, 2017, as bid due date and January 24, 2017, as date of public hearing
 15. RESOLUTION NO. 16-699 approving contract and bond for CyRide Re-roofing 2016
 16. RESOLUTION NO. 16-700 awarding contract to Keck Energy of Des Moines, Iowa, in an amount not to exceed \$1,207,500 for purchase of fuel for CyRide for calendar year 2017
 17. RESOLUTION NO. 16-701 approving Change Order No. 13 with Knutson Construction in the amount of \$21,136 for New Water Treatment Plant Contract 2
 18. RESOLUTION NO. 16-702 accepting completion of 2016/17 Pavement Restoration Program - Contract 1: Concrete Joint Repair Program
 19. RESOLUTION NO. 16-703 accepting completion of 2016/17 Pavement Restoration Program - Contract 2: Slurry Seal Program
 20. Water Pollution Control Lift Station Improvement Project:
 - a. RESOLUTION NO. 16-704 accepting completion of Project
 - b. RESOLUTION NO. 16-705 authorizing staff to utilize same Purchase Order and sole source C. L. Carroll to repair the damaged Lift Station
 21. RESOLUTION NO. 16-706 accepting partial completion of public improvements and reducing security for Hayden's Crossing Subdivision, 2nd Addition
 22. RESOLUTION NO. 16-707 approving partial completion of public improvements and reducing amount of security held for Crane Farm Subdivision
 23. Plat of Survey and Acquisition Plat:
 - a. RESOLUTION NO. 16-708 approving Acquisition Plat for Woodland Street in front of 3621 and 3629 Woodland Street
 - b. RESOLUTION NO. 16-709 approving Plat of Survey for 3621 and 3629 Woodland Street
- Roll Call Vote: 5-0. Resolutions/Motions declared adopted/approved unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

PUBLIC FORUM: Mayor Campbell opened Public Forum. No one came forward to speak, and the Mayor closed Public Forum.

13TH STREET AND KELLOGG AVENUE TRAFFIC SIGNAL STUDY: Traffic Engineer Damion Pregitzer reminded the Council that he had presented a report on this item on October 11, 2016. On that date, the Council directed staff to conduct a study to determine if a permanent traffic signal at the 13th and Kellogg intersection was warranted and leave the temporary signal in place during that time. Mr. Pregitzer noted that the Warrant Study Findings were detailed and lengthy and had been included in the Council Action Form as Attachment 1. A table that summarized the Study Findings was explained.

Mr. Pregitzer summarized the comments received from neighborhood residents, Mary Greeley Medical Center, and McFarland Clinic. It was also noted that feedback had been received from the Fire Department. The Fire Department's main concern is that if the pedestrian signal in front of Station 1 was removed, it would make it unsafe for Fire Department staff and vehicles when returning to the Station after a call. Fire Department staff believes that, over time, motorists have lost compliance respect for the pedestrian signal due to its infrequent use. It had been suggested that perhaps a High-Intensity Activated Crosswalk beacon (HAWK) be considered by Public Works.

The four options available to the City Council were explained by Mr. Pregitzer, as follows:

1. Direct staff to convert the existing pedestrian signal at Fire Station 1 to a High-intensity Activated crossWalk beacon (HAWK), and once, operational, to remove the temporary traffic signal at 13th Street and Kellogg Avenue. The cost is estimated at \$5,000.

2. Direct staff to convert the existing pedestrian signal at Fire Station 1 to a HAWK and include a permanent traffic signal at 13th Street and Kellogg Avenue in the Capital Improvement Program. The cost is estimated \$375,000.

It was noted that to permanently install a traffic signal at the intersection would require funding to be identified and budgeted. Permanent installation of a signal at that location will also require additional right-of-way, most likely by easement, on each of the corner properties to meet clear zone safety requirements. Traffic Engineer Pregitzer emphasized that the City would be assuming the extra liability of installing an unwarranted traffic control device if a permanent signal were to be installed.

3. Direct staff to convert the existing pedestrian signal at Fire Station 1 to a HAWK and place a partial diverter at the west side of the 12th Street and Kellogg Avenue intersection. The diverter would inhibit traffic from traveling westbound into the neighborhood along 12th Street. That option would also include the removal of the temporary signal. The cost is estimated at \$12,500.

Council Member Gartin referenced an email that had been received from Trevan Ward. Mr. Gartin asked how the 13th and Kellogg intersection would correlate with the north south bicycle corridor. Traffic Engineer Pregitzer answered that staff had had conversations with the Ames Bicycle Coalition. He noted that it is difficult to determine the answer to that because Kellogg is not a continuous street.

Moved by Gartin, seconded by Corrieri, to direct staff to convert the existing pedestrian signal at Fire Station 1 to a HAWK, and once operational, remove the temporary traffic signal at 13th Street and Kellogg Avenue.

Council Member Beatty-Hansen suggested including a partial diverter at the west side of the 12th Street and Kellogg Avenue. This could be used as a “test case.” Mr. Pregitzer said the test could occur in the spring, if Council wanted to see how Alternative No. 1 works first.

Vote on Motion: 5-0. Motion declared carried unanimously.

Moved by Gartin, seconded by Beatty-Hansen, to direct staff to work up a proposal to try out the diverter for testing some time next spring.

Vote on Motion: 5-0. Motion declared carried unanimously.

2016/17 U. S. HIGHWAY 69 IMPROVEMENTS PROGRAM (SOUTH DUFF AVENUE TRAFFIC SIGNAL): Mayor Campbell said that Public Works staff and Legal Departments from the City and Walmart have been working to complete the funding agreement and a cross-access easement on Walmart’s property. More time is needed to finalize those items to get approval from Walmart’s corporate offices in Arkansas. In addition, staff is still evaluating what design alternatives might exist for the project.

Moved by Gartin, seconded by Corrieri, to table award of contract to December 20, 2016.

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

COMMUNITY SOLAR PROJECT: Electric Services Director Donald Kom gave background. On October 18, 2016, the Electric Utility Operations Review Advisory Board (EUORAB) and the City held a joint workshop regarding Community Solar. Tom Wind, Wind Consulting, LLC, had presented his report on three possible financial models. Subsequently, the City’s EUORAB held a meeting on

November 1, 2016, to discuss the report findings and to hear from staff and the public. Both the staff and public present at that meeting favored third-party ownership with customer participation.

According to Director Kom, City staff has been in contact with the City of Cedar Falls, which has a successful solar project. City staff is learning from Cedar Falls representatives what to do and what not to do and how to market the project. Council Member Betcher encouraged staff to conduct public outreach.

Moved by Beatty-Hansen, seconded by Betcher, to accept the recommendation of the EUORAB to pursue a Community Solar Model owned by a third party with voluntary retail customer contributions; and, direct staff to explore potential sites, engage a consultant, if necessary; develop a participation program; and develop a Request for Proposal.

Vote on Motion: 5-0. Motion declared carried unanimously.

AUBURN TRAIL SUBDIVISION: Planning and Housing Director Kelly Diekmann said that the City had received an Annexation Petition from Hunziker Land Development, LLC, representing a 69.9-acre parcel owned by Erben and Margaret Hunziker Apartments, LLC (addressed as 4605 Hyde Avenue). The parcel is located on the west side of Hyde Avenue immediately north of Bloomington Heights and south of Rose Prairie. The owners refers to it as the “Auburn Trail Site.” The applicant requests that the City Council authorize an annexation area that is 100% voluntary and allows for a 50-foot-wide strip of land to remain as County land along the south boundary of the site.

According to Mr. Diekmann, staff is also asking if additional properties should be added to the annexation request under the 80/20 rule to reduce or eliminate the enclave of county properties along Hyde Avenue. Council Member Gartin asked why the City is working so hard to bring in the eastern properties. Mr. Diekmann responded that the City prefers not to annexation properties “piece-meal.” It would not be simple to bring in those properties without the use of the 80/20 Rule.

Mayor Campbell referenced an email received by the Council that expressed concerns about the cost of having to connect to City utilities. Director Diekmann said that if a property were brought in to the City as part of an 80/20 Rule, the City does not require residents to hook up to City utilities. They would not have to get off of rural water or be forced not to use their well. They would only have to do that if their septic failed. He advised that if those owners would want to connect to City services, there would be a fee. Planner Kuester also stated that emergency services (police and fire) would be provided by the City if the properties were annexed. He noted that the area in question is part of the Allowable Northern Growth Area. Council Member Gartin noted that, because the properties are located in the Northern Growth Area, it is just a matter of time before the properties would be annexed.

At the inquiry of Council Member Beatty-Hansen, Mr. Kuester advised that the properties would be brought in as Agricultural. Asking about a comparison of property taxes between the City and the Council, Planner Kuester said there is a tool that is on the Planning’s Web page that could be used to determine the difference. City Manager Schainker pointed out there would be regulations, such as the no-burn, that would be in effect if the properties were in the city limits.

Mayor Campbell asked about an agreement already entered into between the City and the developer. Director Diekmann advised that the Hunziker property was the subject of a Pre-Annexation Agreement in 2013. The Agreement was, among other things, for cost-sharing of infrastructure and to seek annexation by July 2015. The Agreement also referenced that the property owner would try to complete a voluntary annexation application with the remaining property owners along Hyde Avenue to close the current gap. If the voluntary annexation was not possible, the owner Hunziker could propose annexation

with a 50-foot-wide remainder strip along the north boundary that would not be included in the annexation to allow for the majority of the property to be annexed and developed.

At the question of Council Member Betcher about Xenia Rural Water, City Manager Steve Schainker explained that a buy-out agreement would be entered into between Hunziker Land Development and XENIA.

Roger Hamblin, 4514 Hyde Avenue, Ames, said that property owners had been meeting with City of Ames staff and developers for three-plus years on the possibility of annexation. Mr. Hamblin said that they had already made the choice to stay in the County because, even with incentives offered by the City, it would not be advantageous to them to annex to the City of Ames. He is aware that they would not have to connect to City sewer unless their septic fails; however, if it were to fail, they would not be able to repair their septic and would be forced to connect. According to Mr. Hamblin, connecting to City utilities would cost much more than repairing their septic. It would cost thousands and thousands of dollars because the lines are so far away from the existing homes. He does not see what the big push is at this time to annex them.

Margot Eness, 3903 Stone Brooke Circle, Ames, stated that she and her husband Paul own two parcels of undeveloped farmland located to the east of the 68 acres of land proposed to be developed. Ms. Eness stated that their property is part of the farm that was originally owned by her father. The homes are self-sufficient rural homes and don't require City services. Financial obligations to be imposed by City taxes and assessment for services would make the four homes unaffordable to many of the present and future owners. Ms. Eness believes that the financial benefit to be derived from annexing the 68 acres would be substantial enough. She noted that they had been told that they would be allowed to continue their farming operation. It was emphasized by Ms. Eness how important it is to keep the farmland - to never annex it - for the benefit of Ada Hayden Park. The farmland would serve as a buffer for Ada Hayden.

Clayton Gregg, 4604 Hyde Avenue, Ames, stated that the sanitary sewer and water lines would be so far from his property, they would not be required to connect. He noted that he would like to delay annexation to the City as long as possible and appreciated the option suggested by Hunziker Land Development to only annex the 68 acres voluntarily. Mr. Gregg asked the City to accept the option put forth by Hunziker and allow the property owners to remain in the County.

Chuck Winkleblack, 105 South 16th Street, Ames, explained how the annexation of the property now known as Rose Prairie affected the adjacent properties. He said Hunziker Land Development has been contemplating how they could develop the 68 acres that it has owned for over 15 years. Mr. Winkleblack said they now have a project, and there is a sense of urgency to annex that land.

Council Member Gartin asked if Mr. Winkleblack had any idea how to deal with the Borgmeyer property. Mr. Winkleblack replied that he had not had a conversation with the Borgmeyers for quite some time; however, the last time he did, they had indicated that they were not interested in annexing. Director Diekmann explained how the Ames Golf and Country Club and the Borgmeyer property could be annexed in the future. He advised that if the Council approved Option 2, it would be put the control in the City's hands as far as completing the annexation within the next year to close the gap along Hyde. Planner Kuester explained why the Gregg, Hamblin, and Eness properties would have to be included.

Director Diekmann explained the Options, as follows:

1. "Auburn Trail" Property Only. This option would not include any non-consenting owners; it would be 100% voluntary. It would also include an amendment to the Pre-Annexation Agreement where

the 50-foot strip of land to the County may be located.

2. “Auburn Trail” and Partial 80/20 of Properties Along Hyde. This Option is consistent with the 2013 Pre-annexation Agreement with Hunziker and includes a 50-foot strip of land along the north edge of Auburn Trail. It would use the 80/20 Rule to include most of the properties along Hyde and allow the City to include the Hamblin, Gregg/Schwery, Taylor/Eness, and the south Eness properties as part of this annexation. The other Eness property, as well as the Sturges and Rose Prairie properties, would remain unincorporated at this time. The properties owned by Sturges, Rose Prairie, and one by Eness would be connected to the remainder of unincorporated Story County to a 50-foot strip on the north side of the “Auburn Trail.” The future annexation of those three properties would require the consenting annexation of Ames Golf and Country Club and The Irons, Rose Prairie, and Northridge Heights Homeowners Association storm water detention outlot that abuts the “Auburn Trail” to the west. The Borgmeyer farm would not need to consent to annexation in order to make the future annexation happen. The City Development Board would need to approve the annexation if this Option were chosen.

Roger Hamblin spoke again, stating that they had gone through over three years of “what ifs.” He reiterated that they had made the decision not to annex, and now, such a short time later, they are back to dealing with more “what ifs.” According to Mr. Hamblin, many of the property owners would have to sell their properties if they were forced to annex because they wouldn’t be able to afford it. He also believes that no one is going to want to buy their properties, except a developer, because they would be faced with all of those costs. Mr. Hamblin pointed out that there is a viable project for using the 68 acres that can be brought in voluntarily. He suggested that the City do that now and not deal with future “what ifs.” If needed in the future, the City can deal with it at that time.

Mayor Campbell noted that one of the burdens faced the Council is that they must plan for the future, not just think about the here-and-now.

Moved by Gartin, seconded by Corrieri, to go with Alternative 1, which is Option 2: Auburn Trail and Partial 80/20 of Properties Along Hyde.

Council Member Gartin commented that this is a very difficult decision for the City to make; it is not meant to cause pain to anyone. Council Member Beatty-Hansen agreed, noting that an island would be created if the additional properties were not brought in.

Margot Eness told the Council that the Borgmeyers do not want to sell their farm, so the City should not count on that land being brought into the City.

Vote on Motion: 4-1. Voting aye: Beatty-Hansen, Betcher, Corrieri, Gartin. Voting nay: Orazem. Motion declared carried.

Moved by Gartin, seconded by Beatty-Hansen, to direct staff to come back to the City Council with a staff report about the cost of going with a type of proposal that was previously offered and any factors that would make this a unique situation that would warrant that type of proposal (e.g., distances to hook up to City services from their homes).

Vote on Motion: 4-1. Voting aye: Beatty-Hansen, Betcher, Corrieri, Gartin. Voting nay: Orazem. Motion declared carried.

Council Member Chris Nelson arrived at 7:46 p.m.

AIRPORT HANGAR AT 2511 AIRPORT ROAD: City Manager Schainker provided the background on this improvement, which was built by the private sector, and via an agreement, was donated to the City. He thanked the investors for their very generous donation.

Mr. Schainker emphasized that the City staff does not have the necessary equipment, knowledge, or staff time to provide the leasing service at the new hangar. Since the new Fixed Base Operation (FBO) does not begin operations at the Airport until April 2017, the City is inquiring if the current FBO (Hap's Air Service) would be willing to assume that service responsibility in the interim.

Fleet Services Manager Corey Mellies advised that the main punch list item remaining is due to the fire alarm. The building cannot be occupied until that item is complete.

At the inquiry of City Manager Schainker, Dan Culhane, Executive Director of the Ames Economic Development Commission, stated that 20 investors, included Story County, Story City, and Nevada, contributed to the hangar.

Moved by Orazem, seconded by Betcher, to adopt RESOLUTION NO. 16-710 accepting the Airport Hangar at 2511 Airport Road as substantially complete and delegating to staff the responsibility to certify completion of punch-list items prior to its occupancy.

Roll Call Vote: 5-0-1. Voting aye: Voting nay: Abstaining due to conflict of interest: Nelson. Motion declared carried, signed by the Mayor, and hereby made a portion of these Minutes.

RESOLUTION AFFIRMING CITY'S COMMITMENT TO VALUES OF EQUITY, FAIRNESS, INCLUSION, AND JUSTICE: Council Member Tim Gartin stated that there have been things that have occurred on Iowa State University and City proper that have been embarrassing and hard to read in the papers and have lead some to question the City's commitment to equity, fairness, inclusion, and justice. The material contained in the Resolution and the purpose behind the subject Resolution came from the National League of Cities. Mr. Gartin read the Resolution being proposed, which replaces the one that had been included in the Council packet. He commented that he believes the revised one is actually more inclusive. Council Member Gartin emphasized that this in no way would take the place of the AHRC work that is being done; it is merely a statement of affirmation.

Moved by Gartin, seconded by Nelson, to adopt RESOLUTION NO. 16-717 reaffirming the City's commitment to the values of equity, fairness, inclusion, and justice.

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 8:00 p.m. and reconvened at 8:05 p.m.

PARKLAND LEASE AGREEMENTS WITH IOWA STATE UNIVERSITY: City Manager Steve Schainker recognized Iowa State University for leasing its land to the City for use as parkland. Five of those Leases expired on March 1, 2015: Brookside, Franklin, McDonald Woods, Stuart Smith, and Zumwalt Trail Railroad.

Mr. Schainker summarized the negotiations that had been occurring with University officials prior to March 1, 2015, when the Leases were to expire. The University had agreed to extend the Leases until March 1, 2016 to allow time to finalize mutually satisfactory extension proposals. Five Leases with the changes proposed by then-Senior Vice-President for Business and Finance were approved by the City Council on January 12, 2016. However, it became apparent that the Board of Regents would no longer support long-term leases of property with third parties and now expects Regent universities to manage

leases in accordance with long-range strategic land use intentions. At that point, the City and ISU staff re-engaged in discussions regarding the five park properties.

McDonald Woods. According to City Manager Schainker, no lease extension is being recommended for McDonald Woods. He said that it is the intention of Iowa State University to sell this property to the highest bidder. Parks and Recreation Director Keith Abraham noted that the land is natural area and does not contain any public paths. It is the staff's intent to contact the eventual owners of this property and determine if they would consider donating land adjacent to the north side of the river and south of the river to the City for use by the Parks and Recreation Department.

Zumwalt Trail Railroad. No lease extension is being recommended for this land. Iowa State University wants to retain this property as a buffer to its farming operations. No City improvements have existed on the property for many years, and there are not any planned. Mr. Schainker believes that the University would be willing to grant an easement to the City if a decision is made to extend a path through this area some time in the future. However, because of the extreme topography, the likelihood of this happening is remote.

Franklin Park. A 4.5-year extension with the requirement to purchase within lease term is being recommended. The University can no longer justify maintaining ownership; however, realizing how crucial this is to the City's park system and the fact that it directly serves the recreational needs of the surrounding neighborhoods, the University is willing to offer this land for sale first to the City. The proposed Lease grants the City up to 4.5 years to purchase this property. If the City were to fail to exercise that purchase option within the term of the Lease, it is the intent of the University to initiate a bid process to sell this property to another interested party. According to City Manager Schainker, realizing the importance of this Park to the surrounding neighborhoods, staff is recommending that the City move ahead quickly to purchase this property. In order to expedite the purchase, both parties have already completed appraisals for this parcel. If the Council chooses to purchase this purchase option, University administration has indicated that they can bring this sale to the Board of Regents at its February 2017 meeting.

Stuart Smith Park. A 20-year Lease with the ability to cancel with a 24-month notice is being recommended. The University has agreed to a 20-year Lease, but has retained the right to terminate it by giving a 24-month notice to the City if it determines that it needs the premises for operational or fiscal needs. The Lease further states that should the University terminates the Leases for all or some of the property, the parking area and the shared use path will be allowed to remain. ISU can choose to relocate those two improvements on the premises at its cost.

Brookside Park. A 20-year Lease with the ability of ISU to use the western portion of the Park is being recommended. Because this Park is an iconic park in the City's system, City staff felt that it was important that ISU not be granted a right to terminate this Lease within the 20-year term of the Agreement. However, the University wanted the ability to use the western portion of the Park (the parking area and baseball field) if they determine a program need for it. The Agreement requires the parties to "cooperate in good faith to develop mutually acceptable scheduling for use of the area should such a need arise.

Moved by Beatty-Hansen, seconded by Betcher, to adopt the following:

- a. RESOLUTION NO. 16-711 approving Lease for Brookside Park
- b. RESOLUTION NO. 16-712 approving Lease for Franklin Park
- c. RESOLUTION NO. 16-713 approving Lease for Stuart Smith Park

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

HEALTHY LIFE CENTER: City Manager Schainker referenced the Special Meeting held on November 1, 2016, when the planning group had presented a very basic concept plan to the Council, Heartland Board of Directors, Story County Board of Supervisors, and the Mary Greeley Medical Center Board of Trustees. The concept is for a one-of-a-kind center that makes the life-long goal of healthy living accessible and enjoyable to people of all ages and socio-economic status. In order to meet that vision, the group is asking that the City's proposed indoor aquatics center be located in that facility.

Mr. Schainker asked the Council for its direction regarding four issues:

1. Whether the Council wants to continue to devote staff time to work on finalizing the specific details for creating a Healthy Life Center
2. If the Council agrees with the recommendation that if the Healthy Life Center is built, it should be owned by the City
3. If the Council agrees with the recommendation that if the Healthy Life Center is built, it should be managed by the City
4. If the Council is willing to appropriate \$100,000 in the FY 2016/17 Budget from the General Fund Available Balance to pay for a feasibility study to determine if the City should proceed with the facility

Moved by Orazem, seconded by Betcher, to direct staff to continue working with Steering Committee to develop a proposal for the project.

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

Moved by Orazem, seconded by Betcher, to approve the concept for City to own the facility.

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

Moved by Orazem, seconded by Betcher, to approve the concept for City to manage the facility.

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

Moved by Orazem, seconded by Betcher, to adopt RESOLUTION NO. allocating \$100,000 in 2016/17 Adjusted Budget for feasibility study, subject to acceptable site being identified.

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

HEARING ON VACATING RIGHT-OF-WAY LOCATED SOUTH OF 2700 LINCOLN WAY AND EAST OF 115 SOUTH SHELDON AVENUE: Mayor Campbell announced that the correct amount to be paid for the vacated right-of-way is \$17,217.17, not \$20,660.61.

The Mayor opened the public hearing. No one came forward to speak, and the Mayor closed the hearing.

Moved by Gartin, seconded by Orazem, to pass on first reading an ordinance vacating the right-of-way located south of 2700 Lincoln Way and east of 115 South Sheldon Avenue.

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

Moved by Orazem, seconded by Gartin, to adopt RESOLUTION NO. 16-715 setting January 10, 2017, as date of public hearing for sale of vacated right-of-way to Ames Caddis, LLC, in the amount of \$17,217.17.

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

HEARING ON TRANSFER OF PROPERTY AND GRANTING OF EASEMENTS TO IOWA DEPARTMENT OF TRANSPORTATION FOR I-35 LANE WIDENING AND INTERCHANGE IMPROVEMENTS PROJECT: The public hearing was opened by the Mayor. She closed same after there was no one who wished to speak.

Council Member Gartin asked City Attorney Judy Parks to comment whether she believed there was a need to reserve some of the land in case there is a need for use of the right-of-way. City Attorney Parks answered that the more conservative approach would be to reserve the land at this time; however, given the past experience of the City with the Iowa Department of Transportation, she did not feel it was necessary to reserve land in case there would be a future need. The City would wait to address such a need until a specific location was identified,

Moved by Betcher, seconded by Nelson, to adopt RESOLUTION NO. 16-716 approving selling and conveying property and granting of Easements to Iowa Department of Transportation.

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

HEARING ON ZONING TEXT AMENDMENT TO ALLOW FOR SUPERVISED TRANSITIONAL HOMES IN RL, RM, RH, UCRM, RLP, FS-RL, FS-RM, F-PRD, S-SMD ZONING DISTRICTS: The Mayor opened the public hearing. After there was no one wishing to speak, the hearing was closed.

Moved by Corrieri, seconded by Nelson, to pass on first reading an ordinance to allow for Supervised Transitional Homes in RL, RM, RH, UCRM, RLP, FS-RL, FS-RM, F-PRD, S-SMD zoning districts.

Roll Call Vote: 5-0-1. Voting aye: Beatty-Hansen, Betcher, Gartin, Nelson, Orazem. Voting nay: None. Abstaining due to conflict of interest: Corrieri. Motion declared carried.

Mayor recorded the Agenda to discuss the Ordinances next and Budget Issues after those.

NET METERING ORDINANCES: Mayor Campbell asked if there was anyone wishing to speak on this Ordinance.

Mark Steffan, 2316 Aspen Road, Ames, reminded the City Council that professional studies are showing that the new rate being proposed will be too low. He advised that, based on existing information, the payback period for rooftop solar under the recommended tariff would be 23 years. He would like the Council to reevaluate the tariff.

Council Member Beatty-Hansen asked about the proposals for Net Metering, particularly changing from an annual to a monthly process. She did not recall that being discussed at the meeting. Director Kom explained the City's current process. He said that the proposals that were brought to Council on November 15 were all based on a monthly process.

Council Member Gartin shared that he felt the Ordinances as presented to the City Council captured the intent of the Council.

Council Member Betcher commented that it was her understanding that this would be somewhat temporary and that more discussions on Community Solar would be occurring; the tariff could change in the future.

Council Member Beatty-Hansen acknowledged that the City Council had provided direction to staff on this; however, she was having difficulty supporting the rates.

Moved by Orazem, seconded by Gartin, to pass on first reading an ordinance revising *Municipal Code* Chapter 28.

Roll Call Vote: 4-2. Voting aye: Betcher, Gartin, Nelson, Orazem. Voting nay: Beatty-Hansen, Corrieri. Motion declared carried.

Moved by Orazem, seconded by Gartin, to pass on first reading an ordinance revising *Municipal Code* Appendix H

Roll Call Vote: 4-2. Voting aye: Betcher, Gartin, Nelson, Orazem. Voting nay: Beatty-Hansen, Corrieri. Motion declared carried.

ORDINANCES ESTABLISHING PARKING REGULATIONS ON HYDE AVENUE: Moved by Gartin, seconded by Corrieri, to pass on third reading and adopt ORDINANCE NO. 4282 establishing parking regulations on Hyde Avenue.

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

ORDINANCE ESTABLISHING SPEED LIMIT ON HYDE AVENUE: Moved by Orazem, seconded by Corrieri, to pass on third reading and adopt ORDINANCE NO. 4283 establishing speed limit on Hyde Avenue.

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

ORDINANCE ESTABLISHING 2700, 2702, 2718, AND 2728 LINCOLN WAY; 112 AND 114 SOUTH HYLAND AVENUE; AND 115 SOUTH SHELDON AVENUE URBAN REVITALIZATION AREA: Moved by Orazem, seconded by Corrieri, to pass on third reading and adopt ORDINANCE NO. 4284 establishing 2700, 2702, 2718, and 2728 Lincoln Way; 112 and 114 South Hyland Avenue; and 115 South Sheldon Avenue Urban Revitalization Area.

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

ORDINANCE CHANGING BOUNDARIES BY REMOVING PROPERTIES ADDRESSED AS 2700, 2702, AND 2718 LINCOLN WAY: Moved by Orazem, seconded by Corrieri, to adopt ORDINANCE NO. 4285 changing boundaries by removing properties addressed as 2700, 2702, and 2718 Lincoln Way.

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

COUNCIL BUDGET ISSUES: CITY COUNCIL BUDGET GUIDELINES: City Manager Schainker said that, near the beginning of each year's budget preparation cycle, he and Finance staff present City Council with a budget overview. The presentation's purpose is to: present the "big picture" of the coming year's budget, including factors that might impact Council's later decisions on the budget.

Finance Director Duane Pitcher stated that the General Fund ended FY 2015/16 with a balance of \$11,968,935, which was \$2,938,894 higher than what was anticipated in the FY 2016/17 Adopted

Budget. Of the \$2,938,894 additional General Fund balance, \$1,986,870 has been earmarked for incomplete FY 2015/16 projects that have been carried over into the FY 2016/17 Adjusted Budget. Those projects include the City Hall roof replacement project, the City Hall parking lot reconstruction project, outside consulting for special projects for the Planning Department, body cameras for the Police Department, as well as a number of smaller expenditures. Staff is recommending that one-time available balance be used for one-time expenses.

Specific budget issues explained by City Manager Schainker were:

School District Charge for Use of Gyms: Currently, Ames Parks and Recreation utilizes School District gyms for conducting various programs. The City pays \$1.25/participant to do so, which equates to approximately \$2,000. The District had informed the City that it was contemplating establishing a new hourly fee for the use of its facilities. It now appears that the District is about to impose a new hourly facility fee; however, at this time, it is not clear what the fee might be.

Mr. Schainker noted that the philosophy of Parks and Recreation is to recover direct program costs through user fees. Therefore, any substantial increase in cost from the imposition of an hourly fee from the School District would have a significant impact to the City's recreation fees.

Reorganization: Parks & Recreation Department to Assume Greenscape and Cemetery Maintenance. Currently, the Public Works Department maintains the cemetery grounds and public street rights-of-way. The Parks and Recreation Department maintains the Park System and recreational facility grounds. With two departments handling greenspace maintenance, it is sometimes difficult to assure a consistent level of service for all City property. With the recent retirement of two supervisors in the Right-of-Way Maintenance Division, Department staff evaluated the process. It was decided to explore the possibility of the Parks and Recreation Department assuming total responsibility to maintain the public rights-of-way and the City's cemeteries along with the Park System. Mr. Schainker commented that that change seems logical since most of the work to be done at the cemeteries and along street rights-of-way involves turf/forest maintenance skills, which are the primary function of the Park Maintenance crews. The total number of FTEs will increase by one, but the impact on the overall budget is minimal.

CyRide Budget Challenges. CyRide's ridership has grown to a record number of over 6 million/year. The CyRide Board is concerned about the long-term financial viability of the system. While federal and state funding will remain the same or be slightly reduced, CyRide's budget in FY 2017/18 will be impacted by an increase of approximately \$350,000 related to health insurance issues. Most of the increase is attributable to the requirements of the Affordable Care Act, where many of the part-time drivers will be eligible to receive a health insurance benefit for the first time. Mr. Schainker noted that the CyRide Board will be working hard over the next few months to develop a budget that reflects an acceptable level of support from the three funding bodies.

Fire and Police Retirement and IPERS. Finance Director Pitcher stated that the City contribution rate to the Municipal Fire and Police Retirement System of Iowa will be slightly lower. The IPERS rate remains unchanged for the upcoming year.

Health Insurance. According to Mr. Pitcher, with more recent favorable claims experience and a strong self-insurance fund balance, a 4% rate increase is being projected for 2017/18. It is expected, with that increase in premiums charged under the self-insurance plan, a small draw down in the fund balance will occur, but the balance will still be above the requirements to maintain a self-insurance plan and provide an adequate balance to fund possible claims fluctuations.

Rollback and Valuation. Mr. Pitcher explained that commercial, industrial, and railway property now have their own rollback, which began at 95% for valuations established during the 2013 assessment year (affecting FY 2014/15) and 90% for the 2014 assessment year and thereafter. The rollback percentages were presented. A new property class was established for multi-residential property, which first took effect in FY 2016/17. There is no backfill provision for that class, and estimated valuation in Ames is \$124.7 million, or a reduction of property tax dollars of approximately \$48,500 in FY 2017/18.

Local Option Sales Tax. Local option sales tax receipts for FY 2016/17 are expected to be \$7,711,124, which is down \$88,876 or 1.1% from the Adopted Budget. Part of the reduction in local option tax revenue is expected to be offset by additional Hotel/Motel tax revenue, resulting in a reduction of revenue to the local option tax fund or a little less than one percent.

Capital Improvement Funding for Human Service Agencies. City Manager Schainker reminded the Council that on November 24, 2015, the Council had directed staff to look into developing a program in FY 2017/18 to fund capital projects for Human Service agencies. The impetus for that new program was the apparent substantial available balance that was reflected in the Local Option Sales Tax Fund. In August 2016, Brian Phillips had presented a report to the Council highlighting the agencies' wish list for projects, possible grant program criteria, and status of the Local Option Sales Tax Fund balance. After that presentation, the Council had passed a motion that this issue be placed on the Budget Guidelines meeting agenda. Mr. Schainker also recalled that an addition directive that had been given by the Council involves the commitment of \$1.2 million/year in the CIP for bike route/path-related improvements. He noted that that new initiative will greatly impact the available balance in the Local Option Sales Tax Fund. In order to identify sufficient Sales Tax funds for a new capital program for human service agencies as well as for the increased support for bike facilities, it might be necessary to delay certain projects reflected in prior CIPs, switch funding sources for some projects, or eliminate some projects from the CIP.

Mayor Campbell stated that the Council might want to rethink its former directive. She urged caution be exercised due to the information given by City Manager Schainker and information that she had heard today at a meeting of the Iowa League of Cities that allocations from the state and federal levels will be less. Council Member Beatty-Hansen shared that that will impact human services agencies as well. Council Member Corrieri said that she believes operational dollars for human services agencies will be far more critical than in the past. She does not believe that those agencies will be looking at expanding or building new facilities. Council Member Gartin said he preferred to table this for a year until more is known about the state and federal funding levels. Council Member Corrieri stated that if the City Council was going to do this program, she wants it to have an impact.

Assistant City Manager Brian Phillips noted that Sue Wuhs, Director of Ames Community Preschool Center, had called him today stating that she would not be able to be present at this meeting; however, wanted to indicate her support for this type of program.

ASSET Human Services Funding. According to Mr. Phillips, for FY 2017/18, City ASSET funds requested by agencies total \$1,418,203, up \$139,230 or 10.9% over the current FY 2016/17 contracted services of \$1,278,973. Since last year's budgeting process, the four-panel categorization system for services has been converted into three core areas: Education, Income, and Health. Overall, the service requests to the City are flat or slightly increased. Two major changes are: (1) MICA Dental Clinic. MICA is requesting \$70,905 in ASSET funds from the City for FY 2017/18, an 87% increase. (2) Heartland Senior Services and MGMC Home Health Services Meals on Wheels. Heartland will take over responsibility for the City Meals on Wheels Program from MGMC Home Health Services. This arrangement will result in \$13,500 in City ASSET funds dropping from MGMC Home Health Services' request and the same amount being added to Heartland's budget request.

Mr. Phillips noted that, in last year's budgeting cycle, the City Council requested information as to which services indicated they had turned away clients due to a lack of funding. Of the 17 services in which clients were turned away, 13 involved a service where there are capacity limitations due to licensure or the number of available beds. The four remaining services where individuals were turned away were:

1. MICA. MICA is not requesting an increase from the ASSET funders this year for its Family Development and Education service
2. Raising Readers Out-of-School Learning. Several families asked to register after the deadline. Extra volunteers were located for most, but not all, the children. More could have been served if there had been more volunteers. Raising Readers is asking for an increase from \$7,491 in FY 2016/17 to \$9,000 in FY 2017/18.
3. Salvation Army Representative Payee Services. There were 13 clients on its waiting list for this service, but none have been turned away. An increase from \$12,359 to \$12,500 has been requested.
4. Youth and Shelter Services Mentoring Program. Forty youth were on the waiting list at the end of the school year and will be matched at the beginning of the school year. Youth and Shelter Services is asking for an increase from FY 2016/17 of 2.4%.

According to Mr. Phillips, the City's estimated share for ASSET administrative expenses will increase \$3,571 (2.4%) in FY 2017/18.

COTA - Performing Arts Funding. A total of 17 organizations submitted applications for funding this year, including one new organization (KHOI Community Radio). For FY 2017/18, COTA organizations have requested funding in the amount of \$197,721, which is a 26% increase over the FY 2016/17 appropriation.

Outside Organizations Funding Requests. The total FY 2017/18 request is \$178,225, which is a 30.2% increase over the 2016/17 total.

Mr. Phillips reminded the Council that it had approved a separate allocation of \$20,000 in FY 2016/17 for the Main Street Cultural District (MSCD) to install the Downtown holiday lighting. That allocation was not reflected in the FY 2016/17 allocation because it was considered a one-time request. He also noted that MSCD's request for 2017/18 includes funds to expand the Downtown holiday lighting.

Public Art Commission. The Public Art Commission's request for funding for FY 2017/18 will be received in January. The funding level of \$41,000 adopted for FY 2016/17 is currently included as the FY 2017/18 allocation out of the Local Option Sales Tax Fund.

Historic Preservation Commission (HPC). The Historic Preservation Commission is allocated \$2,000 annually in the City's Planning Services budget for education and training. This year, a request was made by the HPC for additional funding for the Plaques on Historic Buildings Project. Staff feels that funding for this project would be better administered through the Ames Historical Society, but its request through the Council's outside organization funding program had already been submitted. To resolve this issue, the \$2,700 in additional funds requested by HPC for the plaque program have been added to the Ames Historical Society's funding request for FY 2017/18.

ASSET Allocation. Moved by Gartin, seconded by Beatty-Hansen, to allocate an 8% increase in funding for ASSET. Vote on Motion: 3-3. Voting aye: Beatty-Hansen, Corrieri, Gartin. Voting nay: Betcher, Nelson, Orazem. Mayor voted nay to break the tie. Motion failed.

Moved by Orazem, seconded by Nelson, to allocate a 6% increase in funding for ASSET. Vote on Motion: 6-0. Motion declared carried unanimously.

COTA Allocation. Regarding COTA, Council Member Gartin indicated that he would be abstaining due to a conflict of interest.

Moved by Orazem, seconded by Corrieri, to increase funding for COTA by 5%. Vote on Motion: 5-0-1. Voting aye: Beatty-Hansen, Betcher, Corrieri, Nelson, Orazem. Voting nay: None. Abstaining due to a conflict of interest: Gartin. Motion declared carried.

Outside Funding Requests. Council Member Gartin said he would like to delay the decision on this until more is known about the MSCD's request.

Moved by Gartin, seconded by Betcher, to table the outside funding request allocation until next meeting and direct staff to reach out to the Main Street Cultural District to clarify its request. Vote on Motion: 6-0. Motion declared carried unanimously.

Public Art Commission Allocation. Finance Director Pitcher reiterated that there is a placeholder of \$41,000 included in the FY 2017/18 Budget.

Road Conditions/Road Use Tax Fund. According to Director Pitcher, the Iowa Department of Transportation is forecasting the Road Use Tax Fund distributions will be slightly lower in 2017/18. Staff will be reviewing the impact of the slightly lower revenue as part of the Operating Budget and Capital Improvements Plan.

COUNCIL COMMENTS: Council Member Betcher stated that she realized the Council had not set a deadline for receiving a list of pending Legal projects.

Moved by Betcher, seconded by Nelson, to provide a list of pending Legal projects to the City Council by February 1, 2017. Vote on Motion: 6-0. Motion declared carried unanimously.

Moved by Betcher, seconded by Nelson, to direct that the City Manager provide a list of pending projects by February 1, 2017. Vote on Motion: 6-0. Motion declared carried unanimously.

Council Member Betcher asked for information regarding the four Ordinances that were provided today to the City Council. City Attorney Parks indicated that the Ordinance for Supervised Transitional Homes had last-minute changes from Planning as late as today. Regarding the Ordinance to vacate right-of-way for 115 South Sheldon Avenue, there was some confusion over who prepares those. The Net Metering Ordinances were still being reviewed late in the day yesterday by Electric.

Moved by Gartin, seconded by Corrieri, to refer to staff for a memo the letter pertaining to Iowa Ready Mix. Vote on Motion: 5-1. Voting aye: Betcher, Corrieri, Gartin, Nelson, Orazem. Voting nay: Beatty-Hansen. Motion declared carried.

ADJOURNMENT: Moved by Gartin, to adjourn the meeting at 10:54 p.m.

Diane R. Voss, City Clerk

Ann H. Campbell, Mayor