

AGENDA
REGULAR MEETING OF THE AMES CITY COUNCIL
COUNCIL CHAMBERS - CITY HALL
AUGUST 14, 2012

NOTICE TO THE PUBLIC: The Mayor and City Council welcome comments from the public during discussion. **If you wish to speak, please complete an orange card and hand it to the City Clerk. When your name is called, please step to the microphone, state your name for the record, and limit the time used to present your remarks in order that others may be given the opportunity to speak.** The normal process on any particular agenda item is that the motion is placed on the floor, input is received from the audience, the Council is given an opportunity to comment on the issue or respond to the audience concerns, and the vote is taken. On ordinances, there is time provided for public input at the time of the first reading. In consideration of all, if you have a cell phone, please turn it off or put it on silent ring.

CALL TO ORDER: 7:00 p.m.

CONSENT AGENDA: All items listed under the consent agenda will be enacted by one motion. There will be no separate discussion of these items unless a request is made prior to the time the Council members vote on the motion.

1. Motion approving payment of claims
2. Motion approving Minutes of Regular Meeting of July 24, 2012, and Special Meetings of July 30, 2012, and August 7, 2012
3. Motion approving Report of Change Orders for July 16-31, 2012
4. Motion approving renewal of the following beer permits, wine permits, and liquor licenses:
 - a. Class C Liquor – Es Tas Stanton, 216 Stanton Avenue
 - b. Class C Liquor – El Azteca, 1520 S. Dayton Avenue
 - c. Class C Liquor – Okobojo Grill, 118 S. Duff Avenue
 - d. Class C Liquor – Chicha Shack, 2418 Lincoln Way
 - e. Class B Beer – Little Taipei, 2514 Chamberlain
 - f. Class C Liquor – Deano’s, 119 Main Street
 - g. Class B Beer – Flame-N-Skewer, 2801 Grand Avenue
 - h. Class C Beer & B Wine – Hy-Vee Gas #5013, 4018 Lincoln Way
 - i. Class C Liquor & Outdoor Service Privilege – SMG Food & Beverage, CY Stephens Auditorium
 - j. Class C Liquor & Outdoor Service Privilege – SMG Food & Beverage, Scheman Building
 - k. Special Class C Liquor – SMG Food & Beverage, Fisher Theater
 - l. Class C Beer & B Native Wine – Char’s, 3100 South Duff Avenue
5. Resolution approving acceptance of 2012 Bureau of Justice Assistance Edward Byrne Memorial Justice Assistance Grant (JAG) Program
6. Resolution approving revisions to Records Retention Schedule
7. Resolution approving Neighborhood Improvement Project grant for Moore Park
8. Resolution approving GIS software Enterprise License Agreement
9. Resolution approving preliminary plans and specifications for Power Plant Unit No. 8 Steam Turbine Parts; setting September 26, 2012, as bid due date and October 9, 2012, as date of public hearing
10. Resolution approving preliminary plans and specifications for Maintenance Facility Energy Efficiency Projects; setting September 12, 2012, as bid due date and September 25, 2012, as date of public hearing
11. Resolution awarding contract for Protective Relay and Arc Flash Study for Power Plant to Utilities Plus Energy Services, Inc., of Eveleth, Minnesota, in an amount not to exceed \$48,440.00
12. Resolution awarding contract for Emissions Testing for Steam Electric Plant and Combustion Turbine Peaker to Air Hygiene, Inc., of Broken Arrow, Oklahoma, in an amount not to exceed \$45,000.00

13. Resolution awarding contract for Aluminum Cable for Electric Distribution to Wesco Distribution of Des Moines, Iowa, in the approximate amount of \$60,200 plus applicable sales taxes
14. Resolution approving renewal of contract for Distribution Class Wood Utility Poles to Baldwin Pole of Bay Minette, Alabama, in accordance with a 3% increase
15. Resolution approving contract and bond for 2011/12 Collector Street Paving Improvements Project (Ridgewood Avenue)
16. Resolution approving contract and bond for 2012/13 Collector Street Paving Improvements Project (Meadowlane Avenue)
17. Resolution approving contract and bond for the Water Treatment Plant Five-Year Well Rehabilitation Project (Year 1)
18. Resolution approving contract and bond for 2011/12 Storm Sewer System Improvements (Country Club Boulevard)
19. 2010/11 Downtown Street Pavement Improvements (Kellogg & Main):
 - a. Resolution approving Change Order
 - b. Resolution accepting completion
20. Resolution accepting completion of 2011/12 Power Plant Breaker and Relay Maintenance Project
21. Resolution accepting completion of Unit No. 8 Air Heater Baskets

PUBLIC FORUM: This is a time set aside for comments from the public on topics of City business other than those listed on this agenda. Please understand that the Council will not take any action on your comments at this meeting due to requirements of the Open Meetings Law, but may do so at a future meeting. The Mayor and City Council welcome comments from the public; however, at no time is it appropriate to use profane, obscene, or slanderous language. **The Mayor may limit each speaker to five minutes.**

PERMITS, PETITIONS, AND COMMUNICATIONS:

22. Renewal of Class C Liquor & Outdoor Service for Cy's Roost, 121 Welch Avenue
23. Requests from the Main Street Cultural District (MSCD) for MusicWalk on September 13, 2012:
 - a. Resolution approving waiver of fees for electricity usage in Tom Evans Plaza from 3:00 to 8:00 p.m., waiver of parking meter fees in the MSCD from 3:00 to 6:00 p.m., use of six parking spaces along Main Street for food vendors, and waiver of fee for Blanket Vending License
 - b. Motion approving Blanket Temporary Obstruction Permit and Blanket Vending License for MSCD from 3:00 p.m. to 8:00 p.m.
24. Main Street Cultural District request for Homecoming Breakfast on Main on Sunday, October 28:
 - a. Resolution approving closure of eight parking spaces from 6:00 a.m. to 12:00 p.m.
25. Main Street Cultural District requests for Holiday activities:
 - a. Resolution approving waiver of fees for electricity for holiday activities from November 16 through December 31
 - b. Resolution approving closure of four parking spaces on the south side of Main Street and one parking space on the west side of Douglas Avenue on Friday, November 16 from 4:00 to 7:00 p.m. and Sunday, November 18 from 1:00 to 4:00 p.m.
 - c. Resolution approving closure of Burnett Avenue, from Main Street to Fifth Street, from 2:00 to 8:00 p.m. on November 16 for planned activities
 - d. Resolution approving suspension of parking enforcement for Central Business District on Saturdays beginning November 17 through December 29
 - e. Motion approving blanket Temporary Obstruction Permit on November 16 and Blanket Vending License for November 16-18
 - f. Resolution approving waiver of fee for Vending License
26. Requests from the Ames Convention and Visitors Bureau for All-American Weekend on September 1, 2012:
 - a. Resolution approving closure of portions of Main Street and Kellogg Avenue from 7:00 a.m. to 4:00 p.m., waiver of fee for electricity costs, waiver of parking meter fees in the MSCD, and

waiver of fee for Blanket Vending License

b. Motion approving Blanket Temporary Obstruction Permit and Blanket Vending License

27. "Welcome to Ames" Event on August 24, 2012:

a. Resolution approving closure of street and metered parking spaces on Chamberlain Street between Welch and Stanton Avenues from Noon to 8:00 p.m.

b. Resolution approving closure of lot and parking spaces in Chamberlain Lot Y

c. Resolution approving waiver of fees for electricity usage

ELECTRIC:

28. Resolution waiving bidding requirements and awarding a contract to Alstom Power Inc., of Wellsville, NY, for the purchase of material for Unit No. 7 Rotary Air Preheater Partial Basket Replacement for Electric Services in the amount of \$75,067

FINANCE:

29. General Obligation Corporate Purpose Bonds, Series 2012, in a principal amount not to exceed \$13,215,000:

a. Resolution approving the Official Statement

b. Resolution setting date of sale for August 28, 2012

HOSPITAL:

30. Resolution setting date of public hearing for September 11, 2012, on the proposal to issue Hospital Revenue Bonds in a principal amount not to exceed \$26,000,000 for the purpose of financing and refinancing improvement projects for Mary Greeley Medical Center

PLANNING:

31. Staff report on exterior parking lot lighting requirements for auto and marine uses

32. Resolution approving Major Final Plat for Ringgenberg Park Subdivision, 3rd Addition

PUBLIC WORKS:

33. Staff report on yard waste service

34. Staff report on funding sources for the Ames Airport Terminal Building

35. Staff report regarding proposed change in Stormwater Fee Structure

WATER & POLLUTION CONTROL:

36. Resolution setting August 28, 2012, as date of public hearing on a proposal to enter into State Revolving Fund Sewer Revenue Loan and Disbursement Agreement in a principal amount not to exceed \$3,121,000

HEARINGS:

37. Hearing on Water Pollution Control Facility Ultraviolet Wastewater Disinfection Project:

a. Resolution approving final plans and specifications and awarding contract to Garney Companies, Inc., of Kansas City, Missouri, in the amount of \$1,984,600

38. Hearing on Water Pollution Control Facility Diesel Tank Replacement Project:

a. Motion accepting report of bids

ORDINANCES:

39. Second passage of Zoning Ordinance text amendment pertaining to requirements for Master Plans

COUNCIL COMMENTS:

ADJOURNMENT:

***Please note that this agenda may be changed up to 24 hours before the meeting time as provided**

by Section 21.4(2), *Code of Iowa*.

MINUTES OF THE REGULAR MEETING OF THE AMES CITY COUNCIL

AMES, IOWA

JULY 24, 2012

The regular meeting of the Ames City Council was called to order by Mayor Campbell at 7:00 p.m. on July 24, 2012, in the City Council Chambers in City Hall, 515 Clark Avenue. Present from the Ames City Council were Davis, Larson, Orazem, and Wacha. *Ex officio* Member Baker was also present. Council Members Goodman and Szopinski were absent.

PRESENTATION OF LIFE-SAVING AWARDS TO POLICE OFFICERS: Police Chief Chuck Cychosz introduced Police Officers Jamie Miller and Ed Morton, along with Lieutenant Jeff Brinkley, Commanders Geoff Huff and Jim Robinson, and Support Supervisor Doug Houghton. Chief Cychosz stated that the Police Department had received a call for a welfare check at a Beach Avenue residence. The caller had reported a smoke alarm going off in the house and the smell of smoke coming from this location. Officer Miller arrived at the scene and saw a man down in the kitchen. Officer Morton arrived about this time, and Officer Miller, disregarding his own safety, forced the door open and both officers entered the house and pulled the man outside. He had no pulse, and they quickly initiated CPR on the man and continued until EMS arrived. Chief Cychosz said that the officers' quick response and willingness to enter a house filled with smoke at a great personal hazard resulted in the man getting the immediate care he needed; this man is expected to make a full recovery.

Chief Cychosz acknowledged Officers Miller and Morton for their outstanding actions and presented them with Lifesaving Awards.

UPDATE ON COMMUNITY VISIONING PROJECT: Susan Gwiasda, Public Relations Officer, and Julie Weeks, Director of the Ames Convention & Visitors Bureau, gave an overview of the Community Visioning Project. Ms. Weeks reviewed the background of the project to date. She stated that the *Promise/Vision* that was created and accepted by the Council about a year ago has been revised from "*Ames, Iowa, is the heartland's leading edge,*" to "*Ames, Iowa, is a forward-thinking community.*"

Susan Gwiasda reported on what has transpired with that vision. The recommended tagline, which is a creative expression of the *Promise*, is "*Ames, Iowa, is the Smart Choice!*" She stated that Ames' identity is fragmented by the use of different logos by entities representing the city, and it has become best-practice for cities to unify under one logo. The communities' new logo has been created, and it should be used collectively to create a unified external identity for Ames. Ms. Gwiasda noted that the Ames Community School District has become a new player in the Community Visioning Project, but it needs the City's approval to do so.

Ms. Weeks stated that Ames received notice that the new Ames Logo had won a *From the Roots* Award of Excellence for identity mark through the ADAI Design Exhibition. She presented the plaque to the City.

Ms. Gwiasda reported that the new logo had a "soft opening" and had been introduced by using it on T-shirts and posters, and we are now gearing up to begin using it on mail correspondence, business cards, etc. She stressed the importance of message consistency to ensure that the vision idea and language is infused into city communications.

Sue Ravenscroft, 455 Westwood, Ames, said she is aware that many complex organizations have gone to the idea of using the same logo with multiple colors to represent different sub-units within the organization. She understands that concept, however, she does not understand why the City of Ames, a governmental unit, feels it is appropriate to share a logo with private organizations that are not part of a government. Ms. Ravenscroft referenced Dr. Milton Freedman's quotes that government and business should be separate. It is her belief that this should be maintained diligently, and, therefore, does not think the Ames Chamber of Commerce should be sharing the same logo as the City of Ames. She felt that the Chamber is a highly partisan group.

Council Member Orazem indicated that the City does sub-contract with the Ames Chamber, the Ames Economic Development Commission (AEDC), and the Ames Convention and Visitors Bureau, and felt, in that sense, they are an extension of our local government. He stated that he would encourage private organizations to join in on the usage of our logo, as long as they follow appropriate policies and guidelines.

Council Member Larson said that the sub-contracting we do with the AEDC is to provide a face for our own economic development, and part of that implied relationship is not to show partisanship. He indicated that the Ames Chamber and AEDC have not taken a partisan viewpoint on any local issue.

Moved by Davis, seconded by Wacha, to approve the revised Vision Statement of, *"Ames, Iowa, is a forward-thinking community. As a city, we are committed to fostering creativity and innovation at the forefront of the world's important issues that the Midwest is uniquely positioned to address, including agriculture, veterinary medicine, sustainability, development, diversity, education, and health care. For those who want the charms and convenience of a small town with the opportunities and amenities that come from a major university, Ames' position as an intelligent, progressive community creates a city and a region where everyone has opportunities to discover and thrive;"* and, to further approve the revised tagline of *"Ames, Iowa, is the Smart Choice!"*

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

Moved by Davis, seconded by Wacha, to approve the Ames Community School District's usage of the new Ames logo.

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

CONSENT AGENDA: Moved by Davis, seconded by Larson, to approve the following items on the Consent Agenda:

1. Motion approving payment of claims
2. Motion approving Minutes of Regular Meeting of July 10, 2012, and Special Meeting of July 13, 2012
3. Motion approving Report of Contract Change Orders for July 1-15, 2012
4. Motion approving renewal of the following beer permits, wine permits, and liquor licenses:
 - a. Class E Liquor, C Beer, & B Wine – AJ's Liquor II, 2515 Chamberlain Street
 - b. Class B Beer – Pizza Ranch of Ames, 1404 Boston Avenue
 - c. Class C Liquor & Outdoor Service – Olde Main Brewing Co., 316 Main Street
5. RESOLUTION NO. 12-388 approving Investment Report for Fiscal Year Ending June 30, 2012
6. RESOLUTION NO. 12-389 authorizing Finance Director, Assistant City Manager, and City

- Treasurer to conduct any and all banking business for the City of Ames
7. RESOLUTION NO. 12-390 approving Ames Intermodal Facility License Agreement for Incidental Use of Premises by Ames Police Department
 8. RESOLUTION NO. 12-391 approving Sanitary Sewer Agreement for property at 1215 Orchard Drive
 9. RESOLUTION NO. 12-392 approving contract with EMC Risk Services for Workers Compensation Administrative Services
 10. RESOLUTION NO. 12-393 approving waiver of formal bidding procedures and authorizing purchase of Shared Public Safety Software Maintenance from Sungard Public Sector
 11. RESOLUTION NO. 12-394 approving preliminary plans and specifications for 2011/12 Asphalt Improvement Program & 2011/12 Low Point Drainage Improvements - South Oak Avenue (South 4th Street - Lincoln Way); setting August 22, 2012, as bid due date and August 28, 2012, as date of public hearing
 12. RESOLUTION NO. 12-395 approving preliminary plans and specifications for 2012/13 CDBG Public Facilities Neighborhood Infrastructure Improvements Program (Beedle Drive and Aplin Road); setting August 22, 2012, as bid due date and August 28, 2012, as date of public hearing
 13. RESOLUTION NO. 12-396 approving preliminary plans and specifications for 2011/12 Downtown Pavement Improvements (Douglas Avenue); setting August 22, 2012, as bid due date and August 28, 2012, as date of public hearing
 14. RESOLUTION NO. 12-397 approving preliminary plans and specifications for Squaw Creek Pedestrian Bridge; setting August 22, 2012, as bid due date and August 28, 2012, as date of public hearing
 15. RESOLUTION NO. 12-398 approving preliminary plans and specifications for WPC Pipe Support Project; setting August 15, 2012, as bid due date and August 28, 2012, as date of public hearing
 16. RESOLUTION NO. 12-399 approving preliminary plans and specifications for Water Pollution Control Facility Equalization Basin and Sludge Basin Repairs; setting September 4, 2012, as bid due date and September 11, 2012, as date of public hearing
 17. RESOLUTION NO. 12-400 approving contract and bond for Unit No. 7 Stack Repair
 18. RESOLUTION NO. 12-401 approving Plat of Survey for 4314 Cochrane Parkway
- Roll Call Vote: 4-0. Resolutions declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

PUBLIC FORUM: No one spoke during Public Forum.

ENCROACHMENT PERMIT FOR 2428-2430 LINCOLN WAY: Moved by Davis, seconded by Wacha, to approve an Encroachment Permit for a new sign at Charlie Yoke's, 2428-2430 Lincoln Way.

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

NEW CLASS C LIQUOR LICENSE/OUTDOOR SERVICE FOR BAR, 823 WHEELER STREET, SUITE 4: Moved by Davis, seconded by Larson, to approve a new Class C Liquor License/Outdoor Service for Bar, 823 Wheeler Street, Suite 4.

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

NEW CLASS B NATIVE WINE PERMIT FOR ARTISAN PEACH STORES, 136 MAIN STREET: Moved by Davis, seconded by Larson, to approve a new Class B Native Wine Permit for Artisan Peace Stores, 136 Main Street.

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

5-DAY CLASS C LIQUOR LICENSES FOR CHRISTIANI'S: Moved by Davis, seconded by Larson, to approve two 5-day Class C Liquor Licenses (July 30-August 3 and August 11-15) for Christiani's Event Center at ISU Alumni Center, 420 Beach Avenue.

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

REQUESTS FROM MAIN STREET CULTURAL DISTRICT FOR OKTOBERFEST: Tom Drenthe, Director of the Main Street Cultural District, 312 Main Street, Suite 201, Ames, stated that this is the first annual event for Oktoberfest. He said that it is partnering with Olde Main to host the beer garden. The beer garden will extend from the pub door to Olde Main, and fencing will allow access to the sidewalk along the north side of Main Street, but will obstruct the sidewalk along the south. He reported that there will be a minimum of two entrances and three exits from the beer garden. Mr. Drenthe noted that volunteers will be checking IDs, and they will be trained through the police identification course. He further noted that stores will be closing, so the event will not be impacting any businesses in that immediate area.

Moved by Davis, seconded by Orazem, to adopt RESOLUTION NO. 12-402 approving closure of Main Street from Burnett Avenue to Kellogg Avenue from 4:00 p.m. to 1:00 a.m.; approving closure of 16 parking spaces from Noon to 1:00 a.m. and an additional 26 spaces from 4:00 p.m. until 1:00 a.m.; and, waiving fees for a Blanket Vending License, meter costs for parking space closures, and costs for use of electricity in the 300 block of Main Street, subject to the Main Street Cultural District hiring back at least one police officer for the duration of the event.

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

Moved by Davis, seconded by Orazem, to approve a Blanket Temporary Obstruction Permit and Blanket Vending License for the Oktoberfest event.

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

Moved by Davis, seconded by Orazem, to approve an Outdoor Service area for Olde Main Brewing Company, 316 Main Street, for the Oktoberfest event on October 6 - 7, 2012.

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

LAND USE POLICY PLAN/URBAN FRINGE AMENDMENT FOR OAKS GOLF COURSE:

City Planner Charlie Kuester stated that the City received a request from Chuck Winkleblack to develop the Oaks Public Golf Course. It is located at 630 West 190th Street, which is outside the city limits. Mr. Kuester described the site location, which is located just north of Ada Hayden Heritage Park. The bulk of it lies within the Urban Fringe Plan, and is identified as Parks and Recreation Area and a portion of it at the south end is designated as Natural Area. There is also a General Flood Plain Area at the northeast corner of the site. The developer is requesting that the entire Oaks site be designated as Rural Residential to allow residential uses on this site. Mr. Kuester explained that the Natural Area is not intended to be developed for residential purposes. The proposed change to Rural Residential would allow for residential development at one-acre minimum lot sizes, however, the applicant seeks to develop only four new lots. It is the intent to allow the existing clubhouse/apartment to remain on its own lot. He explained that portions of the site are also covered by the Gateway Protection and the Watershed Protection Area overlay designations, however, no changes to these overlays are sought.

Planner Kuester said that the original request was to change the entire area to Rural Residential, including the Natural Area. However, the Planning and Zoning Commission recommended that the land use designation be changed to Rural Residential. The recommendation included retaining no existing Natural Area on the southern two parcels, but to protect the environmentally sensitive area in the northeast corner of the site.

Staff has reviewed the application in accordance with the City's goals. Mr. Kuester said that, for the most part, it is in conformance. He reported that although the Planning and Zoning Commission's recommendation was different than what the applicant sought, Mr. Winkleblack is in agreement with that decision.

Mr. Kuester stated that there is a 28E Implementation Agreement with Story County and Gilbert that allows for Story County to retain full subdivision review authority. The agreement also allows for notification and participation by Ames in any development action proposed in the Urban Fringe. This Agreement also requires that all three bodies have to approve a proposed amendment in order for it to become effective. He reported that the City of Gilbert has already approved the Oaks application, with the stipulation that it complies with all conditions placed upon it by the City of Ames and Story County. The Story County Board of Supervisors will be taking action on this item on July 31.

Upon being questioned by Council Member Larson, Planner Kuester reported that the policy of the Natural Area designation is that no new residential development could occur. The club house/apartment are pre-existing. The Natural Area designation would have no practical impact.

Chuck Winkleblack, 105 South 16th Street, Ames, stated that the Planning and Zoning Commission's recommendation is a change from his original request, although he hadn't taken into consideration the Gateway Overlay designation. Since there is no Gateway Overlay District, it didn't hamper any development that he was attempting to do. Mr. Winkleblack stated that with regard to the Ada Hayden watershed, the developer's goal is to ensure the water quality for the future. He felt that the watershed quality will be enhanced by this development.

Council Member Wacha stated that the Natural Area at the southern tip is in close proximity to Ada Hayden Heritage Park. He asked what the visual impact would be as far as placement of the four new residential homes. He said it would make a difference to him if the developers were planning to put a house right next to Ada Hayden's property.

Mr. Winkleblack responded that there are already homes located 50 to 60 feet away on the southern edge of Ada Hayden. He displayed an aerial view of the Oaks Golf Course and described where the four homes would be built. The southern most residence would be located almost 800 feet away from the Natural Area. Mr. Winkleblack stated that access to the homes would be off of West 190th Street.

Fred Bradner, 1111 Stafford Avenue, Ames, came forward to ask why it is important to save the Natural Area and Flood Plain located in the northern portion of the proposed development, and do away with the Natural Area site in the southern part.

City Planner Kuester explained that the Natural Area designation has some very broad policies. The one policy issue in this area is that there is no prohibition against clear-cutting it or paving it over; the prohibition is about carving it off for residential development.

Council Member Wacha stated that the important point is that the Natural Area is an artificial designation, and there is nothing special about that area by Ada Hayden. However, the area to the north, because it's flood-prone, may be more special and more in need of a Natural Area designation.

Moved by Wacha, seconded by Davis, to adopt RESOLUTION NO. 12-403 approving the amendment to the land use designation of the Oaks Public Golf Course from Parks and Recreation Area to Rural Residential and the designation of the Flood Plain in the northeast as Natural Area, subject to the limitation on subdividing this area into no more than five lots.

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

UPDATE ON DEER TASK FORCE: Police Chief Chuck Cychosz stated that since the inception of the Special Urban Deer Task Force, an annual survey of the deer population has been done. An aerial count in January proved to be difficult this year due to the lack of snow coverage. There was a 37% decline from the previous survey, which was due, in large part, to the mild weather. Deer densities exceeded 30 deer per square mile in 5 of the 9 areas surveyed.

Chief Cychosz reported that, in 2011, there were 23 hunters registered with the program and 8 deer were harvested. The Task Force convened to consider this year's deer count, and discussions illustrated a broad range of public attitudes toward deer and deer hunting. Some supported bow hunting of deer, while others felt that deer hunting is unnecessary and fails to control the population of deer causing problems within the City. He stated that the Task Force met on uneasy middle ground; it is recommending that the City maintain the status quo for the coming year, and allow hunting within the park system, City property, and on private property or other non-City, public property.

Council Member Wacha asked if those in opposition to bow hunting had heard of any actual incidents or complaints. Chief Cychosz said that nothing had been reported in this past year, mostly because the hunting is pretty closely monitored on City property or in the parks. If hunting is done on private property, the property owners are encouraged to have neighborhood dialogue for local awareness.

Moved by Davis, seconded by Larson, to approve bow hunting of deer within the parks system, City property, and other eligible property as detailed in the Urban Deer Management ordinance and rules.

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

UPDATE ON 2012 BOND ISSUE: City Manager Steve Schainker indicated that on March 6, the Council met and authorized the issuance of bonds for the purpose of paying for improvements to streets, water and sanitary sewer lines, flood mitigation projects, etc. He stated that while staff has held off preparing the bond offering statement due to the uncertainty of some projects, it is time to ascertain a new debt issue amount.

City Manager Schainker explained that staff is now recommending the total debt issue be reduced to \$13,065,500, which still includes the Library referendum. This amount excludes the proposed \$4,300,000 investment in water and sewer extensions to 590th Street along Lincoln Way. Mr. Schainker further explained that Dan Culhane of the Ames Economic Development Commission (AEDC) wants to develop a report that explains the need for more developed industrial land, and this is slated for discussion at the August 28 Council meeting. He reported that the \$4,300,000 can be issued separately at a later date.

City Manager Schainker emphasized that the utilities extension north along Grant Avenue up to the Quarry Estate Subdivision in the amount of \$1,401,000 will accomplish the sewer and water lines, and is included in this bond issue. However, the sticking point is that development agreements still need to be negotiated regarding the cost-sharing for the pavement of Grant Avenue.

Mr. Schainker said that although FEMA has rejected all but two Flood Mitigation projects, the Council has indicated that it wishes to go head with the funding of \$820,000 to pay for a limited number of prioritized projects.

Duane Pitcher, Finance Director, stated that it is staff's intent to bring the official offering statement to Council at its August 14 meeting, and to set the date of sale of the bonds for August 28.

Moved by Orazem, seconded by Davis, to authorize issuance of bonds for certain streets, water and sewer lines, flood mitigation, bridge project, and the Library expansion/renovation referendum in the total amount of \$13,065,500.

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

2011 CARBON FOOTPRINT UPDATE: Management Analyst Brian Phillips presented the statistics for the City's Carbon Footprint for 2011. The Council's goal is to reduce the carbon footprint by 15% by 2014, and the City made that goal in calendar year 2011. Mr. Phillips stated that the report was focused on City operations, and the City utilities were excluded.

He reviewed the statistical results for the three energy sectors (building, fleet, and street light) involved in this initiative.

UPDATE ON "COOL CITIES" INITIATIVES: Management Analyst Brian Phillips briefed the Council on the CIP projects related to energy efficiency. He stated that energy audits have been performed on the City's facilities, except for the Library, Animal Shelter, and utilities plants. He informed the Council that there are 14 projects that have been completed, 7 are in progress, and 13 have not yet begun. Mr. Phillips reviewed each of the projects and their status.

Mr. Phillips explained that some funds have been spent to develop an energy development plan, which will focus on optimizing the use of the equipment in place by instilling energy-conscious habits, practices, and awareness among users. Implementation will begin next year.

STAFF REPORT ON ALTERNATIVES TO PAYDAY LENDING: Management Analyst Brian Phillips reported that last April, the City Council adopted an ordinance amendment that restricts the ability of new payday lenders to locate in Ames. At that time, Council asked for a report on

what agencies the City could partner with on an outreach program to help borrowers learn about lending alternatives.

Mr. Phillips stated that educational programs might be enhanced through the ASSET priorities. Mid-Iowa Community Action (MICA) provides financial information assistance to low-income individuals. He indicated that there are a few programs available through local financial institutions that provide short-term loans, and these are primarily locally-owned banks. Some local credit unions offer a low- or no-minimum balance account, in addition to educational programs on lending and credit.

Council Member Orazem asked if there was a sense that local banks might partner with the City in offering any type of outreach program. Mr. Phillips said that partnering might be more successful through MICA, but he wasn't sure it would have the resources to ramp up its program. He had not approached any of the local banks about the possibility of partnering.

Council Member Larson asked if the magnitude of payday lending was known, in terms of dollars, to which Mr. Phillips responded that he had no information on this.

CONTRACT FOR GASIFICATION SYSTEM FINANCIAL MODELING STUDY: John Joiner, Public Works Director, said that in December 2011, the URS Corporation completed a feasibility analysis of waste-to-energy conversion alternatives to the Refuse-Derived Fuel (RDF) that the City currently produces. The study was a higher-level study that looked at these different technologies. It showed that gasification is the most promising of the alternative technologies.

Public Works Director Joiner stated that, under Council direction, staff gathered more information concerning gasification technology, which is what the Gasification System Financial Modeling Study will do. It will look at the feasibility in financial modeling utilized in several different technologies, along with using mass-burn technology as a base line. Mr. Joiner explained that the study will also look at environmental impacts and regulations concerning various scenarios, such as gas clean-up, emission control technology, and more.

Mr. Joiner said that proposals were solicited from many waste-to-energy design and consulting construction firms. Three firms were asked to provide proposals and to interview. HDR Engineering of Omaha, Nebraska, is the firm that staff is recommending. The firm is very familiar with the Plant and process, as it did the original Plant design, as well as other project designs throughout the years. He further said that HDR is currently designing a mass-burn facility in Hawaii, as well as a gasification project in International Falls. HDR is providing the most cost-effective proposal of the three firms interviewed.

Moved by Davis, seconded by Wacha, to adopt RESOLUTION NO. 12-404 awarding a contract to HDR Engineering, Inc., of Omaha, Nebraska, in an amount not to exceed \$93,705.00 for professional services for the Financial Modeling Study for a Gasification System for the Resource Recovery Plant, and amending the FY 2012/13 budget to reflect the balance of funding coming from the Resource Recovery Fund balance.

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

HEARING ON LEASE WITH YOUTH & SHELTER SERVICES FOR PARKING LOT P:

Mayor Campbell opened the hearing. There being no one wishing to speak, the hearing was closed.

Moved by Davis, seconded by Orazem, to adopt RESOLUTION NO. 12-405 approving a new lease agreement with Youth and Shelter Services for exclusive use of Municipal Lot P expiring June 30, 2017, at a rate of \$20/space/month, and maintaining all other provisions of the current Agreement.

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

HEARING ON ZONING ORDINANCE TEXT AMENDMENT REGARDING REQUIREMENTS FOR MASTER PLANS (CONTINUED FROM JUNE 26, 2012, AND JULY 10, 2012): Mayor Campbell opened the public hearing.

City Planner Jeff Benson reported that after reviewing a report on the practicality of requiring that the Planning and Zoning Commission and the City Council review a Master Plan prior to submittal of a Preliminary Plat, the Council had directed staff to develop alternative zoning text amendments.

Mr. Benson stated that, currently, a Master Plan is required to be submitted with a Preliminary Plat when rezoning is requested to establish either a Suburban Residential Low Density (FS-RL) or Suburban Residential Medium Density (FS-MD) zoning district. However, if the Council has confidence that adopted standards and codes are adequate to address the impacts and design of development, a Master Plan for a particular project would not be needed to make a zoning decision. In situations where there are specific conditions where this type of planning could be helpful, then the Council would have the opportunity to request a Master Plan to go along with the rezoning request. He explained that the proposed text amendment requires the contents of a Master Plan to be less detailed than the Code currently requires. The proposed revisions would adopt a more generalized approach to a Master Plan.

Mr. Benson pointed out that this process will require a request for rezoning (for the FS-RL or FS-RM) to first come to City Council before it is considered as a rezoning; the Council will then determine if it wants a Master Plan. The request would go back to staff, then on to the Planning and Zoning Commission, and finally back to the City Council for a rezoning hearing. This will add a step in the rezoning process. He stated that many times, a Master Plan will not be required, and the rest of the rezoning process will be much simpler for both the developer and the Council.

City Planner Benson said that staff is recommending the zoning text amendment as written. He further said that for all other rezonings, it gives the Council authority to require a Master Plan before going any further into the development process.

Council Member Larson questioned whether this process would add a step to the Planning and Zoning Commission process as well, to which Mr. Benson responded that the additional step would be strictly between the developer and the City Council.

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

Moved by Larson, seconded by Davis, to pass on first reading an ordinance modifying the requirements for Master Plans.

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

HEARING ON MEC INTERCONNECTION 161-KV LINE CONSTRUCTION: The public hearing was opened by the Mayor.

Donald Kom, Electric Services Director, explained that on July 11, 2012, five bids were received. Staff reviewed the bids and determined that it needs additional time to evaluate each bid and to recommend an award that best meets the needs of the City of Ames.

Meanwhile, a final decision by the Iowa Utilities Board (IUB) is still pending. By reporting of bids and delaying award, staff affords the IUB more time to issue the necessary franchise prior to making the award of this contract. Mr. Kom indicated that all easements for the transmission line have been acquired, with the exception of two pieces of property in Polk County. The City's legal counsel is confident that an agreement will be reached, and that the franchise will be granted. Currently, the IUB is allowing additional briefs to be submitted for its consideration through August 10, 2012.

Upon questioning by Council Member Orazem, Mr. Kom responded that the current bids are good for 60 days. He stated that the lowest bid is slightly over the engineer's estimated amount for the project. While the bids are still being evaluated, it is possible that staff will consider going out for bids once more. This would delay the project again.

Mayor Campbell closed the hearing.

Moved by Wacha, seconded by Davis, to accept the report of bids and delay award of contract for the MEC Interconnection 161-kV Line Construction.

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

HEARING ON CITY MAINTENANCE FACILITY HVAC IMPROVEMENTS 2012: The Mayor opened the public hearing and closed same after no one came forward to speak.

Moved by Davis, seconded by Larson, to accept the report of no bids and direct staff to rebid the City Maintenance Facility HVAC Improvements 2012 Project.

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

HEARING ON WATER TREATMENT PLANT FIVE-YEAR WELL REHABILITATION PROJECT: The public hearing was opened by Mayor Campbell. No one asked to speak, and the hearing was closed.

Moved by Davis, seconded by Wacha, to adopt RESOLUTION NO. 12-406 approving final plans and specifications and awarding contract for the Water Treatment Plant Five-Year Well Rehabilitation Project to The Northway Corporation of Waukee, Iowa, in the annual amount of \$72,500.00.

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

HEARING ON 2011/12 COLLECTOR STREET PAVING IMPROVEMENTS (RIDGEWOOD AVENUE): Mayor Campbell opened the public hearing. Since no one wished to speak, she closed the hearing.

Moved by Larson, seconded by Davis, to adopt RESOLUTION NO. 12-407 approving final plans and specifications and awarding contract for the 2011/12 Collector Street Paving Improvements (Ridgewood Avenue) to Con-Struct, Inc., of Ames, Iowa, in the amount of \$495,400.00.

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

HEARING ON 2011/12 STORM SEWER SYSTEM IMPROVEMENTS (COUNTRY CLUB BOULEVARD): The public hearing was opened by the Mayor. There was no one wishing to speak, and the hearing was closed.

Moved by Davis, seconded by Wacha, to adopt RESOLUTION NO. 12-408 approving final plans and specifications and awarding contract for the 2011/12 Storm Sewer system Improvements (Country Club Boulevard) to Keller Excavating, Inc., of Boone, Iowa, in the amount of \$45,924.50.

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

HEARING ON 2012/13 COLLECTOR STREET PAVING IMPROVEMENTS (MEADOWLANE AVENUE): The Mayor opened the public hearing and closed same after no one came forward to speak.

Moved by Davis, seconded by Wacha, to adopt RESOLUTION NO. 12-409 approving final plans and specifications and awarding contract for the 2012/13 Collector Street Paving Improvements (Meadowlane Avenue) to Con-Struct, Inc., of Ames, Iowa, in the amount of \$698,559.80.

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

ORDINANCE ADOPTING NEW PARKING REQUIREMENT FOR ALL RETAIL SALES:

Moved by Davis, seconded by Larson, to pass on third reading and adopt ORDINANCE NO. 4120 repealing current parking requirements for general retail sales and services, retail and shopping centers of any size, major retail and shopping centers, and grocery stores of any size and adopt a new parking requirement of one space per 300 square feet of building floor area for all retail sales.

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

COUNCIL COMMENTS: Director of Water and Pollution Control John Dunn briefed the Council on the condition of the City's water supply. He indicated that the aquifers are very dry, and are down about 7½ inches. Signs of stress are being seen throughout the City, and the rivers are going dry. He reported that ground levels are dropping about 6 inches to one foot a week. He further reported that the City is pumping out about nine million gallons of water a day. Mr. Dunn indicated that staff has set the pump at Ada Hayden Heritage Park so that the City is

ready to maintain the pool of water above the low head dam in the South Skunk River. He further indicated that while we have not started to pump water into the river as yet, it will most likely occur within the next week. This will be the first time that the City has ever pumped water from the quarry.

Mr. Dunn reported that, at this time, there are no mandatory water restrictions in place. However, the City is asking for voluntary cut-backs in water usage. Mr. Dunn said that he will be providing a written status update to the Council.

Moved by Wacha, seconded by Orazem, to refer to staff the letter from Bill Talbot requesting a zoning text amendment.

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

Moved by Davis, seconded by Larson, requesting that staff provide a written response to Council regarding the letter from Dan Levi, on behalf of the Deery Brothers, regarding the City's current ordinance for exterior parking lot lighting requirements.

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

Ex officio Sawyer Baker reported on enrollment predictions at Iowa State University.

ADJOURNMENT: Moved by Davis to adjourn the meeting at 9:13 p.m.

Diane R. Voss, City Clerk

Ann H. Campbell, Mayor

Jill L. Ripperger, Recording Secretary

MINUTES OF THE SPECIAL MEETING OF THE AMES CITY COUNCIL

AMES, IOWA

JULY 30, 2012

The Ames City Council met in special session at 12:00 Noon on the 30th day of July, 2013, in the City Council Chambers in City Hall, 515 Clark Avenue, pursuant to law with Mayor Campbell presiding. Council Members Larson and Szopinski were present. Since it was impractical for all Council members to attend in person, Council Members Davis, Orazem, and Wacha were brought in telephonically. Council Member Goodman and *Ex officio* Member Baker were absent.

2012 CITY HALL RENOVATION PROJECT REDESIGN: Assistant City Manager Bob Kindred told the Council that bids for this project were rejected on July 10, 2012, because they were significantly over the available funding. He noted that the project is to be funded in part by a Homeland Security grant, which needs to be expended by May 31, 2013. The plans and specifications were then revised, but continued to include renovation of the Police Department and basement. Alternate bidding packages were specified for the basement, Police Administration, and Police locker room improvements.

According to Mr. Kindred, after the pre-bid meeting on July 26, 2012, where the project architect and three general contractors were in attendance, there was consensus that the entire project could not be bid within the available funding. The contractors also stated that the “alternate deduct” manner in which the project was to be re-bid would likely reduce the number of subcontractors who would bid the work. It became apparent that the City’s interests would be best served by modifying the project plans and specifications. It was recommended that the plans and specifications be modified to: drop the basement component completely, have the Police Department’s first floor renovations be the “base bid” for the project, combine the Police locker room alternate into the base bid, retain the alternate deduct package for the Police Administration offices, and specify that the May 31, 2013, completion date would only apply to the Emergency Operations Center (EOC) segment and the completion date for the remainder of the work would be August 31, 2013.

At the inquiry of Council Member Larson, Mr. Kindred advised that any savings realized could go towards the basement component. He also pointed out that replacing an air mechanical unit was not in the original architectural design, but needs to be done; that adds \$150,000 to the project cost.

Moved by Davis, seconded by Larson, to adopt RESOLUTION NO. 12-410 approving revised plans and specifications for 2012 City Hall Renovation Project Redesign.

Roll Call Vote: 5-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

CONTRACT AND BOND FOR VET MED SUBSTATION CAPACITOR BANK FOUNDATION INSTALLATION PROJECT: Moved by Larson, seconded by Szopinski, to adopt RESOLUTION NO. 12-411 approving contract and bond for Vet Med Substation Capacitor Bank Foundation Installation Project.

Roll Call Vote: 5-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

AMES INTERMODAL FACILITY STAIR MODIFICATION: Sheri Kyras, Transit Director, explained that, while walking through the punch list, Neumann Monson noticed cracks at the center span of the bottom of the elevated cast in place for the concrete stairs. Neumann Monson

then proceeded to have Terracon conduct a scan of the stairs with ground penetrating radar in order to determine if the concrete reinforcing was installed correctly. It was ultimately determined that the reinforcing sizing was correct; however, the bottom mat of steel had moved up vertically, particularly at the middle of the span. It had been inspected by Team Services prior and during the pour. After notification by Neumann Monson, Weitz engineered a temporary shoring detail for the stairs and conducted destructive testing. At that time Neumann Monson instructed Weitz to propose possible solutions, and five proposals were reviewed. The best solution arrived at was the use of fiber reinforced carbon at the bottom of the stairs. The fiber reinforcement is laminated with an epoxy coating to adhere it to the bottom of the stairs. This reinforcing is designed to provide the same structural design capacity as the bottom mat of reinforcing that moved up vertically in the concrete.

Ms. Kyras pointed out that the stairs on this project are a key design feature of the building and aesthetics are very important. Weitz is proposing that the repair work be covered by a mechanically attached furring, Dense Glass, and an EIFS system that would produce a sand type finish matching the exterior bulkhead adjacent to the Terminal Building.

It was noted that Weitz had notified Ms. Kyras on this date that the proposed fiber reinforcement is expected to be a permanent repair and will last for the life of the facility or a minimum of 40 years. Mark Stephenson, Iowa State University, clarified that the warranty is actually for 15 years; however, Weitz believes that it will last for the expected life of the facility, which is 40 years.

Upon being asked, Ms. Kyras advised that the structural portion of the work would be completed by August 17, 2012. Weitz would then have a maximum of two weeks of installation for the EIFS detail.

Moved by Davis, seconded by Szopinski, to adopt RESOLUTION NO. 12-412 approving the Ames Intermodal Facility Stair Modification.

Roll Call Vote: 5-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

ADJOURNMENT: Moved by Davis to adjourn the meeting at 12:22 p.m.

Diane R. Voss, City Clerk

Ann H. Campbell, Mayor

MINUTES OF THE SPECIAL MEETING OF THE AMES CITY COUNCIL

AMES, IOWA

AUGUST 7, 2012

The Ames City Council met in special session at 5:00 p.m. on the 7th day of August, 2012, in the City Council Chambers in City Hall, 515 Clark Avenue, pursuant to law with Mayor Campbell presiding. Council Members Larson, Szopinski, and Wacha were present. Since it was impractical for all Council members to attend in person, Council Members Davis and Orazem were brought in telephonically. Council Member Goodman and *Ex officio* Member Baker were absent.

2012 CITY HALL RENOVATION PROJECT REDESIGN: Assistant City Manager Bob Kindred explained that this was the second time the City Hall Renovation Project had been bid. On July 10, 2012, the bids that had been received were significantly over available funding and were subsequently rejected. Staff was then directed to work with the architect to rebid the project as quickly as possible. Revised plans and specifications were approved by Council, and a bid due date of August 2, 2012, was established. The bids received again far exceeded identified funding. The lowest and only responsive bid received was for slightly less than \$1.65 million, which was far beyond the available funding. Fewer bids were received on the revised plans and specifications. The first time, six contractors bid the project; however, the second time, only two contractors bid the project, and one did not provide the required submittals with their bid and it was declared nonconforming.

Council Member Larson asked if some of the costs were due to the requirement to provide Davis-Bacon wages. Mr. Kindred confirmed that that was one of the factors. Mr. Larson also asked if some of the grant funding could be used to pay for expenses already incurred for design costs. Mr. Kindred advised that paying design costs from the federal grant proceeds would have been possible if the project, as applied for, were completed. The Council was told that staff will request an extension of the grant deadline from FEMA in the hopes of preserving the grant for a future re-bid of the Emergency Operations Center (EOC) project. If the grant time can be extended, the architect has recommended that bids not be taken again until the more competitive December-to-January time frame. If the grant cannot be extended, staff will then seek to determine if the equipment portion of the grant (\$49,000) may be preserved even though the EOC would not be constructed.

Council Member Davis inquired as to why the engineer's estimate was so much lower than the bids that were received. Mr. Kindred said that the engineering firm only offered that there were variations in bidding over time and they could not predict how the bids would come in.

Mayor Campbell opened the public hearing. She closed same after no one came forward to speak.

Moved by Davis, seconded by Wacha, to reject bids.

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

ADJOURNMENT: Moved by Davis to adjourn the meeting at 5:10 p.m.

Diane R. Voss, City Clerk

Ann H. Campbell, Mayor



REPORT OF CONTRACT CHANGE ORDERS

Period:	<input type="checkbox"/>	1 st – 15 th
	<input checked="" type="checkbox"/>	16 th – end of month
Month and year:	July 2012	
For City Council date:	August 14, 2012	

Department	General Description of Contract	Contract Change No.	Original Contract Amount	Contractor/ Vendor	Total of Prior Change Orders	Amount this Change Order	Change Approved By	Purching Contact Person/Buyer
Public Works	Hauling Ferrous Metals	2	\$105,300.00	Waste Management of Ames	\$9,000.00	\$3,331.46	J. Joiner	MA
Transit	Complete Soil & Concrete Testing	2	\$60,177.95	Team Services Inc.	\$11,460.60	\$8,181.45	S. Kyras	MA
Transit	Ames Intermodal Facility	43	\$7,115,000.00	The Weitz Company, LLC	\$248,161.84	\$10,960.45	M. Mundt	MA
Electric Services	Engineering for Ames Plant Area Substations Improvements	1	\$322,700.00	Dewild Grant Reckert & Associates Company	\$	\$10,000.00	D. Kom	CB
			\$		\$	\$		
			\$		\$	\$		



Memo

Police Department

4 a-1

TO: Mayor Ann Campbell and Ames City Council Members

FROM: Commander Geoff Huff – Ames Police Department

DATE: July 23, 2012

SUBJECT: Beer Permits & Liquor License Renewal Reference City Council Agenda
August 14, 2012

The Council agenda for August 14, 2012, includes beer permits and liquor license renewals for:

- Class C Liquor – Es Tas Stanton, 216 Stanton Avenue
- Class C Liquor – El Azteca, 1520 S. Dayton Avenue
- Class C Liquor – Okoboji Grill, 118 S. Duff Avenue
- Class C Liquor – Chicha Shack, 2418 Lincoln Way
- Class B Beer – Little Taipei, 2514 Chamberlain
- Class C Liquor – Deano's, 119 Main Street
- Class B Beer – Flame-N-Skewer, 2801 Grand Avenue
- Class C Beer & B Wine – Hy-Vee Gas #5013, 4018 Lincoln Way
- Class C Liquor & Outdoor Service Privilege – SMG Food & Beverage, CY Stephens Auditorium
- Class C Liquor & Outdoor Service Privilege – SMG Food & Beverage, Scheman Building
- Special Class C Liquor – SMG Food & Beverage, Fisher Theater
- Class C Beer & B Native Wine – Char's, 3100 South Duff Avenue

A routine check of police records found no violations for Es Tas, El Azteca, Okoboji Grill, Chicha Shack, Little Taipei, Flame –N-Skewer, Hy-Vee Gas #5013, SMG Food & Beverage (CY Stephens, Scheman, and Fisher Theater), or Char's.

The same check found that two individuals were arrested in incidents at Deano's. In both cases, the employees of the establishment reported the problems and handled the situations appropriately.

The police department would recommend renewal of all twelve liquor licenses.

COUNCIL ACTION FORM

**SUBJECT: 2012 U.S. DEPARTMENT OF JUSTICE EDWARD BYRNE MEMORIAL
JUSTICE ASSISTANCE GRANT**

BACKGROUND:

On May 8, 2012, City Council authorized the Police Department to apply for the 2012 Department of Justice, Office of Justice Programs, Bureau of Justice Assistance Edward Byrne Memorial Justice Assistance Grant (JAG) Program. The grant conditions required that the application be filed jointly with the Story County and the Council approved entering into a Memorandum of Understanding with the County. The application and Memorandum of Understanding were completed and submitted; and in July, the Department of Justice notified the Police Department that the grant had been awarded in full.

These grant funds can be used for state and local initiatives, technical assistance, training, personnel, equipment, supplies, contractual support, and information systems for criminal justice, as well as research and evaluation activities that will improve or enhance law enforcement programs related to criminal justice.

Total funding available to the Ames Police Department through this grant offering is \$24,043. **The Police Department proposes to use the funds for specialized training and equipment purchases. Recently the department rebuilt the firing range used for firearms training and certification. Additional equipment, including a target system, a sound system, and a camera and range supplies will be purchased using grant funds. Funds will also be used to purchase replacement and upgraded tasers and to provide advanced training to a taser instructor. Finally, grant funds will be used to acquire ballistic helmets for the Emergency Response Team. There is no match requirement with this grant.**

ALTERNATIVES:

1. Accept the 2012 Department of Justice, Office of Justice Programs, and Bureau of Justice Assistance Edward Byrne Memorial Justice Assistance Grant Program and authorize the Police Department to participate in the program.
2. Do not authorize participation in this grant program.

MANAGER'S RECOMMENDED ACTION:

The Police Department has participated in the JAG grant program in the past and the program has proven to be a valuable source of funds for special purchases and programs. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.

COUNCIL ACTION FORM

SUBJECT: AMENDMENTS TO THE CITY'S RECORDS RETENTION SCHEDULE

BACKGROUND:

The Records Retention Schedule, originally adopted in 1998, was revised in its entirety and adopted by Resolution No. 11-347 on July 12, 2011. The purpose of mandatory compliance with the Records Retention Schedule is to enable Records Stewards to provide requested documents to the public and internal customers in the most accurate and cost-efficient manner. Therefore, it is crucial that the Schedule be revised whenever records are added or deleted from a department's or division's inventory.

The attached table lists the additions, deletions, and/or revisions that are being presented to the City Council for approval at this time.

ALTERNATIVES:

1. Adopt a resolution approving the amendments, as listed on the attached table, to the City of Ames Records Retention Schedule.
2. Do not approve the amendments listed on the attached table, to the City of Ames Records Retention Schedule.

MANAGER'S RECOMMENDED ACTION:

It is very important to keep the City's records retention schedule up to date.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby adopting a resolution approving the amendments listed on the attached table to the City of Ames Records Retention Schedule.

DEPARTMENT/DIVISION	ADDITION/DELETION/REVISION	CATEGORY/RECORD TITLE	CHANGE
Electric	Addition	Administration/Contracts - Transmission	Add CIPCO Interconnection Agreement
	Revision	Administration/NERC - MRO	Change Retention Period to 5 years for NERC Membership Form
	Deletion	Administration/Environmental Reports – State	Delete Annual CEM RATA tests
	Deletion	Administration/Environmental Reports – State	Delete DNR – Stack Tests
	Deletion	Administration/Environmental Reports – State	Delete State mandated mercury stack tests
	Addition	Administration/Environmental Reports – State	Add DNR – Ash system baghouse test
	Addition	Administration/Environmental Reports – State	Add DNR – Baseline boiler combustion tests
	Addition	Administration/Environmental Reports – State	Add DNR – Rata tests
	Addition	Administration/Environmental Reports – State	Add DNR – Stack tests, Unit 7 & Unit 8
	Addition	Administration/Environmental Reports – State	Add DNR – Stack tests, Mercury

DEPARTMENT/DIVISION	ADDITION/DELETION/ REVISION	CATEGORY/RECORD TITLE	CHANGE
Electric (Continued)	Addition	Administration/Environmental Reports – State	Add DNR – Stack tests, GT2
	Addition	Administration/Environmental Reports – State	Add DNR – Stack tests, Unit 8 Construction Permit
	Revision	Administration/Payroll Records	Payroll – time sheets, vacation slips/change electronic to yes
	Addition	Administration/Environmental Reports - Fed	Add Greenhouse Gas Reporting
	Revision	Administration/Contracts - Energy	Change Bi-Lateral Power Agreements to MEC Power Purchase and Sale Agreement

COUNCIL ACTION FORM

SUBJECT: 2012/13 NEIGHBORHOOD IMPROVEMENT PROJECT GRANT

BACKGROUND:

The City Council annually appropriates Local Option Sales Tax funds to finance the Neighborhood Improvement Program (NIP). As listed in the Capital Improvements Plan, \$50,000 is approved for neighborhood programs, with \$25,000 earmarked for the NIP and the remaining \$25,000 allocated for a broader array of neighborhood projects to be determined by the City Council.

The NIP has the following two main goals:

- To strengthen a neighborhood's appearance with the addition of permanent physical improvements, and
- To promote a greater sense of community through resident participation in a neighborhood project.

Each project application is rated on the following 100-point system, and a project must achieve at least 50 points to be considered for funding:

Resident Involvement (30 points maximum):*

...the number of residents donating their time and/or labor to accomplish the project

...the number of residents donating funds to the project

*10 points 1-25 people; 20 points 26-50 people; 30 points over 50 people

Project Impact (30 points maximum):**

...the number of residents who will be positively affected by the improvement

**10 points 1-25 people; 20 points 26-100 people; 30 points over 100 people

Safety (10 points maximum):

...enhancement of safety in the neighborhood

Public Space (10 points maximum):

...promotion of social interaction by utilizing public space

Improved Housing (10 points maximum)

Environment (10 points maximum):
...support for the environment

A grant application for FY 2012/13 has been received. It was scored by the review panel and received more than enough points to be recommended for approval by the City Council. This project is as follows:

Neighborhood residents living near Moore Park on Beach Avenue are proposing to improve the playground equipment at the Park. Part of the project will include a memorial to Eli Horn, a resident of the neighborhood who passed away at the age of seven earlier this year. The improvements will include repainting existing equipment and a new play structure. Thirty-seven neighborhood families will contribute to this project in the form of cash donations and/or volunteer work.

The Parks and Recreation Department had planned to make playground improvements to this Park and had allocated \$10,000 from its budget for that purpose. That funding will be added to the donations received to bring this project to fruition. Also, members of Iowa State University fraternities and sororities have committed to assisting the neighborhood residents with updating and installing the play equipment.

The requested City NIP funding for this project is \$5,000. The applicants will provide cash in the amount of \$6,180 and in-kind labor in the amount of \$2,250, which totals a neighborhood match valued at \$8,430.

ALTERNATIVES:

1. The City Council can approve the expenditure of \$5,000 to fund a NIP grant for the Moore Park Neighborhood to improve the playground equipment at Moore Park.
2. The City Council can decline to fund this project at this time.

MANAGER'S RECOMMENDED ACTION:

Supporting projects that strengthen neighborhoods is in keeping with one of the City Council's goals, and funding to accomplish this purpose is available in the 2012/13 NIP budget.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby approving a Neighborhood Improvement Program grant in the amount of \$5,000 for the Moore Park Neighborhood to be used along with budgeted monies from the Parks and Recreation Department to improve playground equipment at the Park.

COUNCIL ACTION FORM

SUBJECT: GIS SOFTWARE ENTERPRISE LICENSE AGREEMENT

BACKGROUND:

The City of Ames has made a considerable investment in Geographic Information Systems (GIS) technologies including the necessary software. The City uses ArcGIS as its primary GIS software platform and has numerous desktop installations, mobile applications, and web applications deployed throughout the organization. ArcGIS is developed and distributed by Environmental Systems Research Institute (ESRI) of Redlands, California.

During 2009/10, the City reached a point in individual ArcGIS software expenditures which justified switching from the standalone licensing model to the Enterprise (unlimited) Licensing Agreement (ELA). Since that time, the City's annual budget has included \$51,000 to cover this expense. The current contract expires on September 19, 2012, and thus requires reauthorization to continue licensing through 2015.

The total contract amount is \$153,000 over three years (\$51,000 per year). This amount is unchanged from the previous three-year contract amount. These ESRI software expenses are spread across numerous City departments according to use.

ALTERNATIVES:

1. Approve the Enterprise License Agreement with ESRI of Redlands, California, for a term of three years at a rate of \$51,000 per year.
2. Do not approve this renewal agreement.

MANAGER'S RECOMMENDED ACTION:

Approving the Enterprise License Agreement with ESRI will continue to allow the City to leverage existing GIS software expenditures and provide for unlimited licensing. Doing so provides a cost effective way to increase information management and sharing throughout the entire City organization.

Therefore, it is the recommendation of the City Manager that the City Council accept Alternative No. 1, thereby approving the Enterprise License Agreement with ESRI of Redlands, California, for a term of three years at a rate of \$51,000 per year.

COUNCIL ACTION FORM

SUBJECT: POWER PLANT UNIT 8 STEAM TURBINE PARTS

BACKGROUND:

This project is for the procurement of critical and miscellaneous parts for the Power Plant's Unit #8 turbine-generator. This unit is scheduled to be disassembled and inspected after over 27,000 hours of operation during the spring 2013 outage. This work is required to replace worn parts and inspect the turbine and generator for repairs that may be needed to avoid more serious damage. Repairs and replacement of worn parts will be completed as the inspection progresses. Experience has shown that certain parts require replacement every outage and some parts become unusable during the disassembly process.

This overhaul and parts replacement is required and recommended by boiler and machinery insurance carriers and follows accepted industry standards. During this turbine outage, parts suppliers will be invited in to inspect the steam path internals and take measurements so as to accurately bid parts in the future. It is anticipated that steam path components will require replacement during the next 5-year overhaul, but can be repaired one more time during this upcoming overhaul.

This portion of the project is for the purchase and delivery of miscellaneous turbine parts required to replenish used inventory items and expected to be used during the overhaul.

The engineer's estimate for anticipated parts is \$533,000 based on preliminary quotes received from General Electric, the turbine supplier. We may not need to replace all of the parts included in the engineer's estimate. However, these parts must be on site and available to prevent delays during the outage work. The parts list was developed from reviewing all past overhaul reports and recommendations from General Electric, as well as the judgment of the turbine/generator's current condition by plant management.

The inspection/repair portion of the project will have separate plans and specifications and will be bid separately at a later date. Lack of the required parts would result in claims for delay and extra work by the contractor performing the work.

The approved FY 2012/13 Budget and Capital Improvements Plan includes \$3,500,000 for the turbine generator overhaul including parts, professional technical assistance, and contractor services. This budget includes the cost of the inspection and normal repairs anticipated after 27,000 hours of operation. **The full extent of the repair work required will be unclear until after the turbine-generator is opened up and**

inspected. The turbine-generator inspection and repair project will be bid with optional pricing for work that may be necessary once the unit is opened up.

Upon City Council approval and receipt of favorable bids, the work would begin during the 2013 spring outage. These parts should be on hand no later than January 31, 2013.

ALTERNATIVES:

1. Approve the preliminary plans and specifications for the Unit 8 Steam Turbine Parts and set September 26, 2012, as the bid due date and October 9, 2012, as the date of hearing and award of contract.
2. Delay the purchase of the steam turbine parts.

MANAGER'S RECOMMENDED ACTION:

The Unit 8 Turbine-Generator is scheduled for a major overhaul starting in the spring of 2013. Turbine-generator overhauls are typically performed in the industry about every five years to restore unit efficiency and to maintain good unit life and reliability. These are parts that will most likely be needed for the overhaul and can also be placed in inventory. Without this overhaul, the Power Plant's performance would degrade considerably over time.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.

COUNCIL ACTION FORM

SUBJECT: MAINTENANCE FACILITY ENERGY EFFICIENCY PROJECTS

BACKGROUND:

This project is for energy efficiency projects at the City's Maintenance Facility on Edison Street. It consists of replacing the rooftop heating and cooling unit (RTU) for the Fleet Services offices, and installing a heating/ventilation/air conditioning (HVAC) system that replaces seven window air conditioners and numerous baseboard or portable electric heaters in the Public Works offices. These improvements were identified as a part of the Cool Cities Program in the Capital Improvements Plan. The new equipment will include three energy efficient natural gas fired furnaces and three energy star SEER rated cooling units. These units qualify for energy rebates from both Alliant Energy and the City's Electric Services.

To take advantage of economies of scale, these projects are combined into one project for better pricing. The project also combines the systems to gain better energy efficiency for the Maintenance Facility.

After receiving feedback during the design process, it was determined to also include an alternate to upgrade the exhaust system in the Public Works vehicle bay area to improve the discharge of exhaust fumes created by vehicles and equipment stored in that area. This will be pursued if funding allows.

The current budget for these projects includes \$75,800 in Cool Cities funding for the replacement of the rooftop unit for the Maintenance Facility. In addition, \$60,000 is budgeted from the Road Use Tax, Water, Sanitary Sewer and Fleet Maintenance funds for installation of the new HVAC system in the Public Works offices, for a total budget of \$135,800. The plans and specifications for this project were prepared by LMV Engineering, L.C. in the amount of \$4,900. The work for the Fleet Services area is estimated at \$49,800 and the work for the Public Works offices is estimated at \$60,400. The alternate for the exhaust units is estimated at \$56,200. However, this alternative would only be accepted if the other projects come in substantially lower than estimated and budgetary savings is available.

This project was previously bid on July 12, 2012, but no bids were received. The project's engineering consultant contacted ten of the potential bidders regarding why they did not bid on this project. From the feedback received, it appears most were too busy at the time, but still have a strong interest and would be willing to submit bids if the project is reissued.

That is the approach now being proposed by staff. This will be the same project scope, but the completion date will be changed to allow for more potential bidders.

ALTERNATIVES:

1. Approve preliminary plans and specifications for the Maintenance Facility Energy Efficiency Projects by establishing September 12, 2012, as the date of letting and September 25, 2012, as the date for report of bids.
2. Do not proceed with this project.

MANAGER'S RECOMMENDED ACTION:

These projects will provide more economical and efficient systems to heat, cool, and condition the air in these offices and will improve the air quality for a healthier work environment. Potential bidders have indicated strong interest in bidding on the reissue of the project. The completion date has been extended to March 30, 2013, to provide greater flexibility and encourage more bids.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving plans and specifications for the Maintenance Facility Energy Efficiency Projects by establishing September 12, 2012, as the date of letting and September 25, 2012, as the date for report of bids.

COUNCIL ACTION FORM

SUBJECT: PROTECTIVE RELAY AND ARC FLASH STUDY FOR POWER PLANT

BACKGROUND:

This project is to complete a through comprehensive power plant electrical distribution system study. It will address arc flash hazards and reviewing all protective relay settings and optimizing the relay settings to minimize hazards and maximize equipment and system protection. Personal protective equipment requirements for operating and maintenance personnel, equipment labeling review and updates and training for plant personnel is also part of this project. Review of all current practices will also be accomplished.

The work will involve hiring a professional electrical engineering firm to verify all current plant protective relay and fuse settings and schemes to insure protection of all plant equipment and optimize personnel protection, and to complete a comprehensive arc flash study and determine clearance requirements and personal protective equipment requirements for operation and maintenance personnel.

The basic scope of work is as follows:

This project will include analyzing the both the main plant and gas turbine facility internal electrical distribution and protection systems from the generators and alternate power supply through the high voltage step up transformers, auxiliary transformers and on through the plant load distribution system. The engineering firm will perform the necessary field verification, analysis, reports, labeling and training needed to meet all OSHA requirements, industry standards and comply with good engineering practices.

On May 8, 2012, a request for proposal (RFP) document was issued to thirty-one firms for the solicitation of proposals. The RFP was advertised on the Current Bid Opportunities section of the Purchasing webpage and was sent to two plan rooms. On June 11, 2012, staff received competitive proposals from twenty-one firms. These proposals were then sent to an evaluation committee consisting of two Power Plant Engineers, an Electrical Engineer, and an Instrument and Controls Technician.

The committee members independently evaluated and scored all of the proposals. Each proposal was evaluated based on: 1) knowledge, capabilities, skills, and abilities with equipment of the size and type used in the power plant based on information submitted; 2) ability and commitment to meet the required milestones and complete the work; 3) compliance with the RFP requirements and the proposer's implementation plan; 4) firm's experience with the facilities involved; and 5) rates.

Based on the matrix, the averaged scores are as follows:

Offerors	Averaged Scores	Not-to-Exceed Amount
UTILITIES PLUS ENERGY SERVICES, INC EVELETH, MN	776.50	\$48,440.00
BLACK & VEATCH CORPORATION KANSAS CITY, MO	726.25	\$157,250.00
BURNS & MCDONNELL KANSAS CITY, MO	725.00	\$87,580.00
ZACHRY ENGINEERING MINNEAPOLIS, MN	724.25	\$139,500.00
SEGA INC STILWELL , KS	708.00	\$65,000.00
PATRICK ENGINEERING, INC. LISLE, IL	701.00	\$30,820.00
STANLEY CONSULTANTS, INC. MUSCATINE, IA	699.75	\$151,268.00
NEI ELECTRIC POWER ENGINEERING, INC. WHEAT RIDGE, CO	687.50	\$20,685.00
EATON CORPORATION LINCOLN, NE	681.75	\$95,190.00
MIDWEST ENGINEERING CONSULTANTS, LTD MOLINE, IL	651.75	\$94,000.00
AVO TRAINING INSTITUTE, INC., DALLAS, TX	651.00	\$26,700.00
PERFORMANCE POWER SERVICES, P.C. NAPERVILLE, IL	648.00	\$39,620.00
BROWN ENGINEERING COMPANY DES MOINES, IA	622.25	\$86,500.00
KJWW ENGINEERING CONSULTANTS DES MOINES, IA	597.50	\$47,800.00
ELECTRICAL CONSULTANTS, INC BILLINGS, MT	592.00	\$74,364.00
RMF ENGINEERING, INC. COLUMBUS, OH	586.75	\$180,288.00
TECHNICAL POWER SERVICES TULSA, OK	583.25	\$187,130.00
SHERMCO INDUSTRIES DES MOINES, IA	531.00	\$46,800.00
LEWELLYN TECHNOLOGY INC. LINTIN, IN	530.75	\$65,359.00
ELECTRICAL TESTING SOLUTIONS OSHKOSH, WI	524.75	\$36,410.00
KINECTRIC NORTH AMERICA INC. TORONTO, ONTARIO	251.75	\$75,974.00

Overall, 1,000 possible points were available cumulatively for each firm's written proposal. The overall weighted score was a function of the aforementioned evaluation factors.

Based on the averaged weighted scores and a unanimous decision by the evaluation committee, staff recommends that a contract be awarded to Utilities Plus Energy Services, Inc., Eveleth, MN, in the not-to-exceed amount of \$48,440. Payments would be calculated based on unit prices (as proposed) for actual work performed.

There were very specific reasons why Utilities Plus Energy Services, Inc. stood out as the strongest firm to conduct this study for the City, even though their proposal was not the lowest price. These include the following:

1. Utilities Plus has extensive power plant experience with this type of study project. They proposed the lowest not-to exceed cost among those that had sufficient power plant background. Many of the offerors have completed mostly work on commercial facilities. Power plants present unique challenges due to the numerous crosstie electrical connections.
2. The City has had positive experiences working with Utilities Plus in the recent past including the turbine - generator vibration study and the preparation of a specification for the electrical maintenance service contract.
3. Utilities Plus demonstrated a clear understanding of the RFP and project scope.

The funding for this study will come from the approved FY 2012/13 operating budget for Electric Production, which includes \$60,000 for outside professional services.

ALTERNATIVES:

1. Award a contract to Utilities Plus Energy Services, Inc., Eveleth, MN, for the Protective Relay & Arc Flash Study for Power Plant in the not-to-exceed amount of \$48,440.
2. Award the contract for relay and arc flash study to one of the other companies who submitted a proposal.
2. Reject all proposals.

MANAGER'S RECOMMENDED ACTION:

This study is essential to comply with safety regulations and best industry practices. Staff believes that Utilities Plus Energy Services, Inc. has the best combination of power plant experience and familiarity with the Ames Power Plant.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.

COUNCIL ACTION FORM

**SUBJECT: EMISSIONS TESTING FOR STEAM ELECTRIC PLANT AND
COMBUSTION TURBINE PEAKING UNIT**

BACKGROUND:

This contract is for emissions testing services at the City's Power Plant. All emissions tests covered under this contract are mandated by the Iowa Department of Natural Resources (Iowa DNR) and the U.S. Environmental Protection Agency. The results are used to prove that the operated units are within compliance of regulated operating standards and to calculate the amount of money owed per annual amount of air pollutant set by the Iowa DNR. The basic scope of work for each test calls for the testing service to prepare test protocols, mobilize/demobilize their test equipment and test team, perform testing, and deliver test reports in a form acceptable to state and federal regulatory agencies.

The three emissions tests are as follows:

- 1) Relative Accuracy Test Audit (RATA) for both Unit's 7 and 8 coal-fired boilers at the Power Plant.
- 2) Mercury Stack Testing for both Unit's 7 and 8 coal-fired boilers at the Power Plant.
- 3) Combustion Turbine Formaldehyde Testing for GT2 at the Power Plant.

Council should note that this contract is to provide the aforementioned services before September 30th of the current year in order to comply with restrictions to perform testing by the end of the third quarter. The proposed contract also includes a provision that would allow the City to renew the contract for up to two additional one-year terms.

On June 14, 2012, the request for proposal (RFP) document was issued to thirty-three firms for the solicitation of proposals. The RFP was advertised on the Current Bid Opportunities section of the Purchasing webpage and was also sent to one plan room. On July 9, 2012, staff received competitive proposals from eleven firms. These proposals were then evaluated by a committee consisting of the Power Plant Operations Superintendent, a Power Plant Engineer, the Environmental Instrument & Control Technician, and a Power Plant Electrician.

The committee members independently evaluated and scored all eleven of the proposals. Each proposal was evaluated based on: 1) references; 2) stack testing knowledge & experience (including knowledge and experience with the test methods necessary to perform the required testing); 3) form of report (based on samples

provided with proposal); 4) knowledge & experience of the assigned field crew; and 5) price.

Based on the matrix, the averaged scores are as follows:

Offerors	Averaged Scores	Not-to-Exceed Amount
Air Hygiene, Broken Arrow, OK	899	\$45,000.00
Platt Environmental Services, Oak Brook, IL	840	\$34,149.00
Airtech Environmental Services, Inc., Denver, CO	812	\$31,100.00
Grace Consulting, Inc, Brownsburg, IN	803	\$37,758.00
Environmental Source Samplers, Inc., Wilmington, NC	770	\$44,303.00
METCO Environmental, Addison, TX	730	\$66,975.00
GE International, Inc., Burr Ridge, IL	719	\$66,100.00
Environmental Energy Services, Inc., Sandy Hook, CT	684	\$60,800.00
Shaw Environmental & Infrastructure, Cincinnati, OH	664	\$28,700.00
Clean Air Engineering, Palatine, IL	581	Unable to Determine
Comprehensive Emission Services, Waukee, IA	429	\$38,000.00

Overall, 1,000 possible points were available cumulatively for each firm’s written proposal. The overall weighted score was a function of the aforementioned evaluation factors.

Based on the averaged weighted scores and a unanimous decision by the evaluation committee, staff recommends that a contract be awarded to Air Hygiene, Broken Arrow, OK, in the not-to-exceed amount of \$45,000. Payments will be calculated based on the proposed unit prices for actual work performed.

There were very specific reasons why Air Hygiene stood out as the strongest firm to conduct this study for the City of Ames, even though their proposal was not the lowest price. These include the following:

1. Air Hygiene has extensive knowledge and experience. They are strictly an air emissions testing facility that has performed testing on over 500 power plants. They are very experienced with the City of Ames’ required test methods. They are equipped with mobile laboratories consisting of all equipment needed to perform all lab tests on site, removing the need to send samples elsewhere to be analyzed and providing the possibility for error.

2. Air Hygiene performed testing at the Power Plant in 2011 and staff was very pleased with their professionalism, their quality and accuracy of testing and reporting, and their attention to detail in order to provide the most accurate results.
3. Their reports are very detailed, showing all aspects of the testing performed such as equipment set up, all measurements taken, calculations, test methods used; and the format is easy to read and follow.
4. Air Hygiene's corporate headquarters includes a training facility to ensure their crews are fully qualified before performing any testing for clients. The testing personnel are rigorously trained on EPA reference test methods and must complete a "Demonstration of capability" test per Air Hygiene's Quality Assurance Manual and standard operating procedures. All testing teams are lead by an individual who has passed the Qualified Source Testing Individual (QSTI) program given by the Source Evaluation Society.
5. Their experience, state of the art equipment, and testing crew's knowledge assure accurate and reliable test results.

The FY 2012/13 operating budget contains \$39,000 for stack testing. The remaining \$6,000 will be transferred from the Boiler #8 Environmental Engineering Services account.

ALTERNATIVES:

1. Award a contract to Air Hygiene, Broken Arrow, OK, for the FY 2012-13 Emissions Testing for the Steam Electric Plant & the Combustion Turbine generator in the not-to-exceed amount of \$45,000. The contract includes a provision that would allow the City to renew the contract for up to two additional one-year terms at stated rates.
2. Award a contract for emissions testing to one of the other companies who submitted a proposal for these services.
3. Reject all proposals and delay the emission testing, putting pressure on the Power Plant's ability to perform required testing before September 30.

MANAGER'S RECOMMENDED ACTION:

The State of Iowa Administrative code required this testing to be performed on our operating boilers and gas turbine. Staff believes that Air Hygiene provides the best combination of technical expertise, experience, and on-site services. In addition, our previous experience with this company has been excellent.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.

COUNCIL ACTION FORM

SUBJECT: ELECTRIC SERVICES INVENTORY CABLE PURCHASE

BACKGROUND:

This bid is for the purchase of 20,000 feet of 1/0 stranded aluminum cable and 10,000 feet of 2/0 triplex aluminum cable to meet the annual construction needs of the Electric Services Department.

These cables are standard Electric Services Department inventory items. Inventory items are purchased from an Electric Department inventory asset account and charged to the appropriate operations expense/project accounts as the materials are taken out of inventory and put into the various work orders.

Bids for these materials were received on August 1, 2012, as shown on the attached report. All bids for cable are subject to reel length variances, usually 5% - 10%, to allow for factory over/under runs during production. Three bids were received as shown on the attached spreadsheet.

The Electric Engineering Manager has reviewed the bids and determined that the low bid from Wesco Distribution, Des Moines, Iowa, meets the needs of the Electrical Services Department. The low bid submitted is subject to a metals escalation/de-escalation factor that will be determined on the day of order placement.

ALTERNATIVES:

1. Award a contract for the purchase of 20,000 feet of 1/0 stranded aluminum cable and 10,000 feet of 2/0 triplex aluminum cable to the low bidder, Wesco Distribution, Des Moines, Iowa, subject to reel length variances, at an estimated total cost of \$60,200 plus applicable sales taxes.
2. Reject all bids and purchase cable on a spot basis.

MANAGER'S RECOMMENDED ACTION:

This purchase will provide for the annual construction needs of the Electric Services Department for aluminum cable. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the award of contract to Wesco Distribution, Des Moines, Iowa, in the amount of \$60,200, plus applicable sales taxes, subject to reel length variances for the purchase of 1/0 stranded aluminum cable and 2/0 triplex aluminum cable.

INVITATION TO BID 2013-013

BIDDERS	1/0 Stranded Aluminum Cable	Quantity 20,000 Feet	2/0 Triplex Aluminum Cable	Quantity 10,000 Feet	Total w/Tax	Notes
	Unit Cost	Total	Unit Cost	Total		
WESCO	\$2.4350	\$48,700.00	\$1.1500	\$11,500.00	\$64,414.00	Metal escalation/de-escalation at time of order placement
WESCO	\$2.6300	\$52,600.00	\$1.1500	\$11,500.00	\$68,587.00	Firm price bid, spec exceptions
RESCO	\$2.5437	\$50,874.00	\$1.4431	\$14,431.00	\$69,876.35	Metal escalation/de-escalation at time of order shipment

COUNCIL ACTION FORM

SUBJECT: RENEWAL OF CONTRACT FOR DISTRIBUTION CLASS WOOD UTILITY POLES

BACKGROUND:

This contract renewal is for the purchase of distribution class wood utility poles necessary to meet the anticipated needs of the Electric Services Department for new construction and maintenance. Distribution class wood utility poles are purchased out of an Electric Department inventory asset account and charged to the appropriate operations accounts as the poles are put into use. Generally, over a million dollars in assets are available in the Electric inventory at any given time for use in new service and maintenance activities.

Under the proposed contract renewal, these utility poles would be purchased as requested on a quarterly basis. This provides the City with flexible inventory management and helps to reduce the need for storage space. The proposed contract period would end August 31, 2013. Bid prices are exclusive of sales taxes, which are applicable to the purchase of these poles and are paid directly by the Utility. **No contract amount is being authorized at this time, since payments will be made as poles are purchased.**

On August 4, 2009, six bids for distribution class wood utility poles were received as shown on the attached report. The evaluation amount is based on unit prices and estimated quantities purchased in the past three years. The award amount is based on the estimated total evaluated cost. The lowest evaluated bid was found to be non-responsive and the second lowest bid was subject to monthly escalation/de-escalation based on several production factors.

The current vendor for distribution class poles has indicated willingness to renew the current contract with a 3% price increase for 2012. The Electric Engineering Manager has reviewed the bids and determined that the current contract pricing meets the needs of the Electric Services Department.

ALTERNATIVES:

1. Award a contract renewal to Baldwin Pole, Bay Minette, Alabama, for the purchase of distribution class wood utility poles in accordance with a 3% increase. Poles will be purchased and delivered as requested; and payments will be based on renewal pricing and actual quantities ordered.
2. Award a contract for purchase of wood utility poles to one of the other companies that submitted a responsive proposal.

3. Reject all bids and rebid the contract for the purchase of distribution class wood utility poles.
4. Reject all bids and attempt to purchase distribution class wood utility poles on an as-needed basis.

MANAGER'S RECOMMENDED ACTION:

Award of this contract will allow for a sure supply of distribution poles needed for new service and emergency replacements at a known cost. Distribution poles can be purchased as needed under this contract at the price quoted in this bid process.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby awarding a contract for the purchase of distribution class wood utility poles to Baldwin Pole, Bay Minette, Alabama.

August 4, 2009

**IFB 2009-248
Distribution Poles for Electric Services**

Bidder	Estimated Total	Notes
Koppers, Inc. Pittsburgh, PA	\$26,405.00	Non-responsive bid, offer form incomplete and unsigned
Thomasson Company Philadelphia, MS	\$26,800.00	Prices subject to monthly escalation/de-escalation
Baldwin Pole Bay Minette, Alabama	\$27,250.00	
Resco Ankeny, IA	\$28,014.80	Bid incomplete
McFarland Cascade Neosho, MS	\$28,355.00	
North Pacific Dierks, AR	\$29,067.35	Bid incomplete

Contract Pricing

Size/Class	2012/13 Pricing
30 Foot class 5	\$156.25
35 Foot class 5	\$201.65
40 Foot class 1	\$453.97
40 Foot class 3	\$358.96
45 Foot class 1	\$554.27
45 Foot class 3	\$411.74
50 Foot class 1	\$649.29
50 Foot class 3	\$490.92
55 Foot class 1	\$765.42
55 Foot class 3	\$570.11



Memo

City Clerk's Office

TO: Mayor and Members of the City Council

FROM: City Clerk's Office

DATE: August 3, 2012

SUBJECT: Contract and Bond Approval

There are no Council Action Forms for Item Nos. 15 through 18. Council approval of the contract and bond for these projects is simply fulfilling a *State Code* requirement.

/jlr

COUNCIL ACTION FORM

SUBJECT: COMPLETION OF 2010/11 DOWNTOWN STREET PAVEMENT IMPROVEMENTS PROJECT

BACKGROUND:

The annual Downtown Street Pavement Improvements program rehabilitates or reconstructs streets within the downtown area. The 2010/11 program locations were Kellogg Avenue (Main Street to 7th Street) and Main Street (Allan Drive to Clark Avenue). The Kellogg Avenue project included removal and replacement of the existing pavement, storm and sanitary sewer improvements, new angled parking at the United States Post Office to increase capacity from six spaces to nine spaces and included a dedicated handicap parking stall, a ribbon of colored sidewalk concrete to match the previously constructed area of Kellogg Avenue, and updated street lighting. The Main Street project included bulb-out areas to provide a pedestrian-friendly element similar to the other sections of Main Street, as well as updated street lighting.

The Main Street project also included a bid alternate to provide a three-tone colored concrete installation to delineate the walkway areas of the sidewalk and provide a similar feel to the other sections of Main Street. The Kellogg Avenue project had two bid alternates – one for intersection improvements at 5th Street that include replacement of the storm sewer and sanitary sewer due to the condition of the existing pipes, and the other for the replacement of the intersection at 7th Street. These bid alternates were approved after receiving favorable bids.

On April 12, 2011, City Council awarded a contract for this work to Con-Struct, Inc. of Ames, Iowa, in the amount of \$1,446,369.00 to include the base bid and all alternates. Four change orders were subsequently approved administratively by staff.

Change Order No. 1, in the amount of \$11,839.98, included additional pedestrian safety fence to comply with ADA work zone requirements near the post office and the relocation of the flag pole at the Post Office.

Change Order No. 2, in the amount of \$7,105.53, included additional work for unanticipated buried utility vault adjustments along Kellogg Avenue.

Change Order No. 3, in the amount of \$8,710.01, included work for an additional unanticipated buried utility vault along Kellogg Avenue and changes to comply with ADA requirements at the Post Office.

Change Order No. 4, in the amount of \$14,979.80, included additional water service transfer work along Main Street and storm sewer upgrades along Main Street near Pearle Avenue.

Change Order No. 5, the final change order for this project, is in the amount of \$51,239.73. This includes required over-excavation and replacement of unsuitable soils at the

intersection of Kellogg Avenue and 5th Street. The existing soils were too unstable for reconstruction and needed to be replaced to ensure the new pavement had adequate support. Also included in this change order is the replacement of storm sewer pipe under Main Street. Upon being uncovered during construction activities, the existing storm sewer was brittle and collapsed quite easily. Since it was impossible to tie the new storm sewer into the existing storm sewer, the existing storm sewer was replaced. The remainder of the change order is to balance actual field constructed quantities.

Construction has now been completed in the amount of \$1,538,244.05. Engineering and construction administration expenses were \$308,000, bringing the total project cost to \$1,846,244.05.

Project funding is summarized below:

General Obligation Bonds	
\$1,500,000.00	
2010/2011 Sanitary Sewer Rehabilitation Program Funds	\$ 115,000.00
2010/2011 Water System Improvements Program Funds	\$ 70,000.00
2011/2012 Sanitary Sewer Rehabilitation Program Funds	\$ 68,000.00
2011/2012 Storm Sewer Improvement Program Funds	\$
67,000.00	
Electric Fund (Street Lighting)	\$ <u>110,000.00</u>
Total Project Funding	\$1,930,000.00

ALTERNATIVES:

- 1a. Approve Change Order No. 5 in the amount of \$51,239.73.
- b. Accept the 2010/11 Downtown Street Pavement Improvements Project (Kellogg Avenue from Main Street to 7th Street and Main Street from Allan Drive to Clark Avenue) as completed by Con-Struct, Inc. of Ames, Iowa, in the amount of \$1,538,244.05.
2. Direct staff to pursue modifications to the project.

MANAGER'S RECOMMENDED ACTION:

This project has updated two key street sections in this area, thus strengthening the economic viability of the City's downtown area. The project has now been completed in accordance with approved plans and specifications, and is within the approved budget.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving Change Order No. 5 in the amount of \$51,239.73 and accepting the 2010/11 Downtown Street Pavement Improvements (Kellogg Avenue from Main Street to 7th Street and Main Street from Allan Drive to Clark Avenue) as completed by Con-Struct, Inc. of Ames, Iowa, in the amount of \$1,538,244.05.

COUNCIL ACTION FORM

SUBJECT: FY 2011/12 POWER PLANT BREAKER MAINTENANCE CONTRACT

BACKGROUND

On January 24, 2012, City Council awarded a contract with Tri-City Electric Company of Iowa to provide breaker maintenance for the Power Plant for the FY 2011/12. The amount budgeted for this contract was expenditures not to exceed \$127,500.

All of the work included in this contract has now been completed. The total contract amount for work performed was \$17,048.31. Less breaker maintenance work than anticipated was accomplished due to higher priority projects at the Plant.

ALTERNATIVES:

- 1) Accept completion of the contract for the FY 2011/12 Power Plant Breaker and Relay Maintenance with Tri-City Electric Company of Iowa at a total cost of \$17,048.31 and make final payment to the contractor.
- 2) Delay acceptance of this contract.

MANAGER'S RECOMMENDED ACTION:

The contractor for the Power Plant Breaker and Relay Maintenance services contract has completed all of the work for the FY2011/2012 period. A certificate of completion has been filled out for this work, and the City is legally required to make final payment to the contractor.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.

COUNCIL ACTION FORM

SUBJECT: COMPLETION OF POWER PLANT UNIT 8 AIR HEATER BASKET REPLACEMENTS

BACKGROUND

On September 13, 2011, City Council approved preliminary plans and specifications for Power Plant Unit 8 Air Heater Basket Replacement. This project involved the purchase and installation of basket and associated materials that need to be replaced in the regenerative air heaters on Unit 8. This portion was for the purchase of basket and associated materials.

On October 12, 2011, bids were received and evaluated by Electric Services staff, who determined that the bid submitted by Alstom Power, Inc. was acceptable. The amount of the contract as awarded on November 1, 2011, was \$95,962.

There was one City Council approved change order issued in the not to exceed amount of \$20,000. This brought the total contract amount with the one change order to \$115,962. The actual amount of work required to fulfill the change order was only \$12,527.15, resulting in a total cost of \$108,489.15 for this portion of the project.

The approved FY 2011/12 budget and Capital Improvements Plan included \$150,000 for this Unit #8 Air Heater Basket Replacement project. This included \$100,000 for the materials and \$50,000 for the installation. The Engineer's estimate of the total installed cost for this project was \$165,000.

The final cost of this project, which includes \$29,182 for installation by another contractor, \$95,962 for materials, and \$12,527.15 for the change order, brings the total project cost to \$137,671.15. This amount was significantly less than the Engineer's estimate (by \$27,329) and the 2011/12 CIP amount (by \$12,329).

All of the requirements of the contract have been met by Alstom Power, Inc., and the Power Plant Engineer has provided a certificate of completion.

ALTERNATIVES:

- 1) Accept completion of the contract for the Unit 8 Air Heater Baskets.
- 2) Delay acceptance of this project.

MANAGER'S RECOMMENDED ACTION:

This contractor has supplied the air heater baskets and associated materials to fulfill the terms of the contract. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.



Memo

Police Department

22

TO: Mayor Ann Campbell and Ames City Council Members

FROM: Commander Geoff Huff – Ames Police Department

DATE: June 28, 2012

SUBJECT: Beer Permits & Liquor License Renewal Reference City Council Agenda
August 14, 2012

The Council agenda for August 14, 2012, includes beer permits and liquor license renewals for:

- Class C Liquor & Outdoor Service – Cy’s Roost, 121 Welch Avenue
(See Liquor License Criteria Form)

Case #	Date	Incident
12-012731	6/22/2012	2 males cited for on premise
12-011367	5/25/2012	female arrested On Premise, Possession Fake ID and Public Intoxication
12-007382	4/7/2012	female cited for on premise
12-007300	4/6/2012	Melvin Evans, Manager of Cys Roost arrested for Disorderly Conduct Christopher Ekuban, employee of Cys Roost arrested for Disorderly Conduct Both charged in July from the incident in April.
12-007299	4/6/2012	Over occupancy, 280-290, limit is 224
12-000866	1/13/2012	Over Occupancy, 287, limit is 224
11-024247	10/22/2011	Over Occupancy, at least 100 over limit, forward to fire inspector
11-023045	10/07/2011	female cited for on premise
11-022020	9/25/2011	female cited for on premise, had fake id in possession
11-021836	9/23/2011	female cited for on premise, had fake id in possession
11-021351	9/17/2011	female cited for on premise, had fake id in possession
11-020765	9/10/2011	male arrested for public intoxication and disorderly conduct after starting fight with bar staff
11-019942	9/2/2011	cited bar for serving intoxicated individual (compliance check, charges dropped)
11-019856	9/2/2011	Over occupancy, 322, limit 224

Based on the above information, the Police Department would recommend a 6 month license for Cy’s Roost. See attached Liquor License Criteria Form for more information.

Occupancy

High

Medium

Low

High – 200-300 Fire Code Occupancy

Medium – 100 – 200 Fire Code Occupancy

Low – Under 100 Fire Code Occupancy

Fire Inspection Comments: _____

Health and Sanitation Comments: _____

Building Inspection Comments: _____

Additional Comments:

12-012731 6/22/2012 2 males cited for on premise
12-011367 5/25/2012 female arrested On Premise, Possession Fake ID and Public
Intoxication
12-007382 4/7/2012 female cited for on premise
12-007300 4/6/2012 Melvin Evans, Manager of Cys Roost arrested for Disorderly
Conduct

Disorderly Conduct

Christopher Ekuban, employee of Cys Roost arrested for
Both charged in July from the incident in April.
12-007299 4/6/2012 Over occupancy, 280-290, limit is 224
12-000866 1/13/2012 Over Occupancy, 287, limit is 224
11-024247 10/22/2011 Over Occupancy, at least 100 over limit, forward to fire inspector
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11-021351 9/17/2011 female cited for on premise, had fake id in possession
11-020765 9/10/2011 male arrested for public intoxication and disorderly conduct after
starting fight with bar staff
11-019942 9/2/2011 cited bar for serving intoxicated individual (compliance check,
charges dropped)
11-019856 9/2/2011 Over occupancy, 322, limit 224

Police Department's liquor license renewal recommendation: YES / NO

Underage patrons in the bar does not seem to be a significant problem. Eight individuals were charged with on premise during the renewal period. Of those eight, we were able to verify four of those used a fake ID to gain entry.

We do, however, have two concerns. First, we have documented four occasions when the bar was over occupied. They were cited for one of the instances. This is obviously unacceptable as it poses a significant risk to the patrons. The establishment must come up with a plan to ensure that they are not over occupied.

The second concern is the large fight that occurred in April of 2012 that involved some employees of the Cy's Roost. As the criminal case is pending, I cannot provide all of the details. I spoke to Andrew

White after the police department filed the criminal charges in this case. He immediately terminated the employees involved including the manager. The bar has a new manager and some new staff. While this is not unusual for any establishment, we would recommend a **6 month license** for Cy's Roost. I believe that a 6 month license will allow the police department to monitor improvements and report back to council. I would expect that there will be no further problems with over occupancy, continued vigilance in keeping minors out of the bar, and a successful transition to a new management team to address these issues.

Report Submitted by : Commander Geoff Huff

COUNCIL ACTION FORM

SUBJECT: MAIN STREET CULTURAL DISTRICT REQUESTS FOR “MUSICWALK”

BACKGROUND:

The Main Street Cultural District (MSCD) is planning to host a “MusicWalk” on Thursday, September 13, 2012, and makes the following requests of the City Council:

- a. Usage and waiver of electricity costs in Tom Evans Plaza from 3:00 to 8:00 p.m.
- b. Waiver of parking meter fees and enforcement in the MSCD from 3:00 to 6:00 p.m., with a loss of approximately \$300 to the Parking Fund
- c. Use of six parking spaces along Main Street for food vendors
- d. Blanket Temporary Obstruction Permit for MSCD sidewalks from 3:00 to 8:00 p.m.
- e. Blanket Vending License for MSCD from 3:00 to 8:00 p.m.
- f. Waiver of fee for Blanket Vending Permit

A noise permit will be obtained from the Police Department as needed for planned entertainment.

ALTERNATIVES:

1. The City Council may approve the “MusicWalk” requests as submitted by the Main Street Cultural District
2. The City Council may deny these requests.

MANAGER'S RECOMMENDED ACTION:

This event provides our citizens with another opportunity to enjoy family-oriented outdoor activities downtown. Because of the City Council’s goal of enhancing commercial development in the Downtown, this type of special event should be facilitated.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the “MusicWalk” requests as submitted by the MSCD.



July 19, 2012

Mayor and City Council
City of Ames
515 Clark Ave
Ames, IA 50010

Dear Honorable Mayor Campbell and City Council,

The Main Street Cultural District is planning to hold its annual MusicWalk celebration on Thursday, September 13th from 5pm to 8pm. The event will showcase more than 30 musicians playing at businesses throughout the district. At this time, MSCD requests the council to consider these specific requests:

1. The MSCD requests to use Tom Evans Plaza on September 13th between the hours of 3pm and 8pm for live entertainment. MSCD also requests the use of electricity in Tom Evans Plaza and requests a waiver for electricity costs for outlets in the Park.
2. The MSCD requests a district wide waiver of parking fees beginning from 3pm through 6pm on September 13th to help attract additional patrons' downtown.
3. The MSCD requests the use of six metered parking spaces along Main Street for food vendors.
4. The MSCD requests a temporary obstruction permit for the entire Central Business District (CBD) to allow businesses to use the sidewalk in front of their stores to allow musicians to play and display merchandise. MSCD requests the permit for September 13th between the hours of 3pm and 8pm.
5. The MSCD requests a Blanket Vending Permit for the entire CBD to allow musicians, businesses, and food vendors to sell products. MSCD requests the permit for September 13th between the hours of 3pm and 8pm and further request the vending permit the fee be waived.

Thank you for your consideration of these requests and continued support of the Main Street Cultural District. We look forward to seeing you on September 13th at the MusicWalk.

Sincerely,

A handwritten signature in blue ink that reads "Mandy McWherter". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mandy McWherter
Events Coordinator
Main Street Cultural District

COUNCIL ACTION FORM

SUBJECT: MAIN STREET CULTURAL DISTRICT HOMECOMING PANCAKE FEED REQUEST

BACKGROUND:

The Main Street Cultural District (MSCD) plans to hold a pancake feed downtown during Iowa State University's Homecoming weekend. The event is an all-you-can-eat pancake breakfast held at the American Legion from 8:00 a.m. to 11:00 a.m. on October 28th. To facilitate this event, MSCD requests the following:

- Closure of eight parking spaces on Main Street in front of the American Legion from 6 a.m. to noon on October 28, 2012.

Since October 28th is a Sunday, there is no potential loss of parking meter revenue.

ALTERNATIVES:

1. Approve the closure of parking spaces as requested.
2. Deny the request.

MANAGER'S RECOMMENDED ACTION:

Main Street Cultural District has had a history of putting on successful events in the downtown area. This activity has the potential to increase visibility of the downtown area to visitors in town for ISU's Homecoming activities.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the closure of parking spaces as requested.



July 26, 2012

Mayor and City Council
City of Ames
515 Clark Ave
Ames, IA 50010

Dear Honorable Mayor Campbell and City Council,

The Main Street Cultural District is happy to join Iowa State University in celebrating the 100th Anniversary of Homecoming, on October 28th from 8am to 11am with a public pancake breakfast event. This event will take place at the American Legion Post 37 and will offer an all-you-can-eat breakfast to the community for a nominal fee. At this time, MSCD requests the council to consider two specific requests:

1. The MSCD requests the closure of eight parking spaces on Sunday morning to set up an additional seating area outside to allow for more guests to enjoy breakfast.
2. The MSCD requests a temporary obstruction permit for the sidewalk directly in front of the American Legion to set up tables and chairs for seating area as well as some signage for the event. The area will be enclosed using caution tape or rope on stantion posts.

Thank you for your consideration of these requests and continued support of the Main Street Cultural District. We hope you will join us for breakfast and in celebrating ISU's 100th anniversary of Homecoming.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Drenthe".

Tom Drenthe
Executive Director
Main Street Cultural District

Cc: Jeff Benson

COUNCIL ACTION FORM

SUBJECT: MAIN STREET CULTURAL DISTRICT HOLIDAY ACTIVITY REQUESTS

BACKGROUND:

The Main Street Cultural District (MSCD) is again planning Holiday activities this year. The District requests the use of power to be donated from the Electric Services Department for the lighting on street poles, along the buildings on Main Street, on Burnett Avenue and in Tom Evans Plaza from November 16 through December 31. They are also requesting the closure of four parking spaces on the south side of Main Street, west of Burnett, and one parking space on the west side of Douglas Avenue, between Main Street and Fifth Street, for pick up and drop off locations for horse and buggy rides on Friday, November 16 from 4:00 to 7:00 p.m. and again on Sunday, November 18 from 1:00 to 4:00 p.m.

The District also requests the closure of Burnett Avenue, from Main Street to Fifth Street, from 2:00 to 8:00 p.m. on November 16 to facilitate planned activities in the area. In addition, suspension of parking enforcement for the Central Business District is requested for seven Saturdays, beginning November 17 and continuing through December 29, 2012.

MSCD also requests a Blanket Temporary Obstruction Permit be granted for the District on November 16, a Blanket Vending License for November 16-18, and that the fee for the Blanket Vending License be waived.

These requests are consistent with the City's Land Use Policy goal "to enhance the role of Downtown as a community focal point." However, it should be noted that lost parking revenue to the City would equate to approximately \$6,300 (seven Saturdays at \$900/day).

ALTERNATIVES:

1. The City Council can approve the requests submitted by the MSCD.
2. The City Council can approve the parking closures, the Blanket Temporary Obstruction Permit, and the Blanket Vending License, but require reimbursement for the cost of electricity, parking fees, and the Blanket Vending License fee.
3. The City Council can deny these requests.

MANAGER'S RECOMMENDED ACTION:

Granting these annual downtown Holiday requests will provide our citizens with an opportunity to enjoy family oriented holiday activities. Because of the City Council's goal of enhancing commercial development in the Downtown, this type of event should be supported.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the MSCD's holiday activity requests described above.



Mayor and City Council
City of Ames
515 Clark Ave
Ames, IA 50010

Dear Honorable Mayor Campbell and City Council Representatives,

The Main Street Cultural District is partnering with many sponsors to celebrate this year's annual Snow magic Celebration. MSCD would like to host a number of events during this annual celebration. A calendar of events is below:

- November 16th 4-7pm Tree Lighting and Holiday Kickoff in Central Business District (CBD) and Tom Evans Plaza
- November 18th 1-5pm Holiday Open House in CBD
- December 1st 1-2pm Snow Ball Drop in Tom Evans Plaza

At this time, MSCD requests the council consider the following specific requests:

1. The MSCD requests to use Tom Evans Plaza on November 16th between the hours of 4pm and 7pm for the downtown holiday tree lighting, live music, and carolers. MSCD also requests the use of electricity in and near Tom Evans Plaza and further requests the waiver of electricity costs for power to light the holiday trees and other holiday decorations during the duration of the holiday season.
2. The MSCD requests to use Tom Evans Plaza on December 1st from 1-2pm to host a Snow Ball Drop where we give out ping pong balls to attendees filled with downtown giveaways and specials.
3. MSCD requests the use of four parking spaces on the south side of Main Street just west of Burnett Avenue and for the use of one parking space on the west side of Douglas Avenue between Main and 5th as pickup and drop off locations for the free horse and buggy rides. MSCD requests the spaces for Friday, November 16th from 4-7pm and on Sunday, November 18th from 1-4pm.
4. MSCD requests to close Burnett Avenue between Main and 5th Street on Friday, November 16th from 2-8pm (activity hours are 4-7pm) to host a number of activities including providing free train rides for kids. In addition, this section of roadway will be a location for food vendors.
5. The MSCD requests a temporary obstruction permit for the entire CBD on November 16th to allow stores to display merchandise and for MSCD to place Snow Magic festivities on city sidewalks (includes face painters, Santa, popup tents, etc.). At least four feet of open sidewalk space will be available at every Snow Magic activity location to keep sidewalks open to pedestrian traffic.
6. The MSCD requests a Blanket Vending Permit for the entire Cultural District for November 16th through November 18th for businesses to sell on the sidewalk if they so choose. MSCD further requests the permit fee be waived as the businesses selling products will be members of the MSCD. We intend for regular street vendors that have permits through the city to continue their operations as usual in the Cultural District during this time.

Thank you for your consideration of these requests and we sincerely appreciate your continued support of the Main Street Cultural District. We look forward to seeing you throughout the holiday season for Snow Magic on Main.

Sincerely,

Tom Drenthe
Executive Director
Main Street Cultural District

COUNCIL ACTION FORM

SUBJECT: REQUESTS FROM AMES CONVENTION & VISITORS BUREAU FOR ALL-AMERICAN WEEKEND

BACKGROUND:

The Ames Convention and Visitors Bureau, along with the Iowa Street Rod Association and Main Street Cultural District (MSCD), plan to host the 11th Annual All-American Weekend (AAW) during Labor Day weekend this year. The weekend will feature the Iowa Street Rod Association Car Show on Saturday, September 1.

Several requests are being made of the City Council to help facilitate the AAW activities. These include the following:

1. Closure of Main Street from Burnett Avenue to Douglas Avenue, and of Kellogg Avenue from the Central Business District parking lot to the alley between Main Street and Fifth Street on Saturday, September 1st from 7:00 a.m. to 4:00 p.m.
2. Waiver of fee for electricity costs
3. Blanket Temporary Obstruction Permit for the Main Street Cultural District
4. Free parking for the entire Central Business District and waiver of meter fees
5. Blanket Vending License for the Main Street Cultural District
6. Waiver of fee for the Blanket Vending License

The loss to the Parking Fund for the waiver of meter fees for the Central Business District would amount to approximately \$400. This excludes the Farmers' Market meters and hours, which has already been approved by Council. Electricity costs would amount to approximately \$5 - \$10.

Event organizers and the MSCD have notified businesses in the area that will be affected by the closures. Volunteers will be stationed at barricades at all times to ensure that emergency vehicles can get into and out of closed areas.

ALTERNATIVES:

1. The City Council may approve the requests and fee waivers to facilitate the All-American Weekend activities as requested above.
2. The City Council may approve the requested closures and permits, but require reimbursement for lost parking, electricity, and permit revenue.
3. The City Council may deny these requests.

MANAGER'S RECOMMENDED ACTION:

The All-American Weekend will provide Ames citizens and visitors with an opportunity to enjoy family-oriented outdoor activities while celebrating the Labor Day holiday. The Main Street Cultural District has given its support of the event.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the various street closures, permits, and fee waivers described above.



August 10, 2012

Mayor and City Council
City of Ames
515 Clark Ave
Ames, IA 50010

Dear Mayor Campbell and City Council,

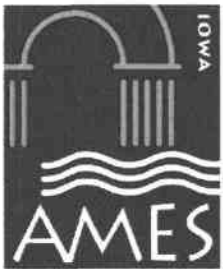
The Main Street Cultural District (MSCD) endorses and welcomes the All American Weekend Car Show on September 1, 2012. MSCD fully supports this event and recommends council approval be granted. Thank you for your continued support of downtown Ames.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Drenthe".

Tom Drenthe
Executive Director

Cc: Jeff Benson



Convention & Visitors Bureau

UNIVERSITY
COMMUNITY
OPPORTUNITY

August 8, 2012

Mayor Campbell and City Council
515 Clark Ave.
Ames, IA 50010

Honorable Mayor Campbell and City Council,

The Ames Convention & Visitors Bureau has been working with the Iowa Street Rod Association to plan for the 11th Annual All-American Weekend that will occur during Labor Day weekend. This event will give the residents of Ames a fun filled weekend as well as generate numerous visitors to Ames for the entire weekend.

This year's All-American Weekend will feature activities that will take place in the Main Street Cultural District. The downtown activities planned will be the Iowa Street Rod Association Car show and participating main street businesses.

Following is a list of specific All American Weekend requests for consideration by the Ames City Council for the All American Weekend

Closed Streets

- Main Street will be closed from Douglas Avenue to Burnett on Saturday, September 1st from 7 a.m. – 4 p.m.
- Kellogg Avenue will be closed from the CBD Lot to the Alley between Main St and 5th St on Saturday September 1st from 7am-4pm.
- A total of 8 barricades are requested for all intersections. Barricades will be staffed at all times after their placement by All American event volunteers (a minimum of two) in order to facilitate the flow of emergency vehicles.

Utilities

- Costs for electricity needed for the All American Weekend are requested to be waived. One sound system will be hooked up at the corner of Main St and Kellogg Avenue

Temporary Obstruction

- A temporary obstruction permit is requested for the Main Street Cultural District to allow businesses to be included in the festival atmosphere and display merchandise in front of their stores

Noise Permit

- We have obtained a noise permit for September 1st in the Main Street Cultural District.

Parking

- We are requesting a blanket free parking day for the downtown business district on September 1st from 7:00 a.m. to 4:00 p.m.

Vendors

- The All-American Weekend would like a blanket-vending permit for all vendors and asks that the fee for the permit be waived.

Thank you for your consideration.

John Vetter

COUNCIL ACTION FORM

SUBJECT: WELCOME TO AMES ACTIVITIES ON AUGUST 24, 2012

BACKGROUND:

In discussing the City Council's priority of "Connecting our Community," staff has once again explored ways to improve upon our last year's "Welcome to Ames" event for incoming and returning ISU students. For some students it will be the first time that they are away from home, and we want to make them feel like Ames is their new home. It is important to reinforce to returning students that Ames is their new home as well.

Based on a review of last year's event, staff is proposing that we plan for one evening of activities to occur this year on August 24, 2012, from 5 p.m. to 7 p.m. The proposed location will remain near Fire Station 2 in Campus Town. City representatives will provide information regarding the Ames community and services the City offers, as well as information on job opportunities for students within City government.

The following activities are planned to help attract passersby into this event:

- Free pizza by the slice and Ames water will be provided
- There will be a sound system playing music
- Fun activities are being planned by the Parks & Recreation staff
- Promotional items from City departments will be given away
- There will be games and prizes

City Council members and representatives from City staff will meet and greet students and answer questions. To the extent that their schedules allow, the Mayor and City Council members will play a prominent role in this relationship-building effort.

In order to facilitate this event, several items of approval are needed from the City Council.

1. Closure of the street and metered parking spaces on Chamberlain Avenue between Welch and Stanton from Noon to 8:00 p.m. on August 24, 2012, and closure of the lot and parking spaces of Chamberlain Lot Y for the same time period.
2. Donation of cost of electricity.

City staff has contacted all affected businesses along Chamberlain Avenue to notify them of the temporary street closings, and accommodation will be made for parking for those businesses. Lost revenue to the parking fund will be less than \$40.

ALTERNATIVES:

1. Approve the “Welcome to Ames” event for August 24, 2012, with the supporting actions outlined above.
2. Do not approve the “Welcome to Ames” event for August 24, 2012, and direct staff to find an alternate date.
3. Ask staff for additional information on this proposed event.

MANAGER'S RECOMMENDED ACTION:

Staff believes that the proposed Welcome to Ames event will enhance relationships between the City and Iowa State students, and will assist in furthering the goal of building a sense of “One Community”.

Therefore, it is the recommendation of the City Manager that the City Council adopt alternative number 1, approving the Welcome to Ames event with the supporting actions outlined above.

COUNCIL ACTION FORM

**SUBJECT: POWER PLANT UNIT 7 ROTARY AIR PREHEATER
PARTIAL BASKET REPLACEMENT**

BACKGROUND:

Unit 7 Boiler utilizes an air preheater to capture the heat in the exhaust gas from the boiler and transfers the heat energy to the incoming combustion air to warm it to the temperature needed for efficient combustion of the fuels in the boiler. The rotary air heater is made of multiple baskets filled with sandwiched layers of steel that rotate between the exhaust and inlet air ducts and in doing so transfers the heat energy from the exhaust to the incoming air needed for combustion of the fuel in the boiler. Over time the basket material corrodes, deteriorates, and loses thermal efficiency. The loss of thermal efficiency results in more fuel consumption and increased costs to the utility. The boiler is currently operating satisfactory, but at less than optimum thermal efficiency due to the deteriorated condition of the air heater. Previous inspections and temperature data indicates the preheater needs basket replacement.

During the plant's recent 2012 spring outage, debris was found in the exhaust duct. The hot side baskets of the air preheater had corroded to the point of becoming loose and falling out. This loose material could also cause the rotary air heater to bind or stall, making the Unit 7 boiler inoperable.

The plant maintenance staff removed all loose material and tightened up the remaining baskets by wedging, installing hold down bars, and expanded metal to prevent more thin steel sheets from falling out.

This maintenance modification stabilized the deterioration and loss of material. However, the work resulted in a higher pressure drop across the air heater, which affected the ability of the fan system to supply enough air to obtain full load output of Unit 7. Unit 7 is rated at 33MW and was regularly operated without problems up to 35MW. **Now, due to the deteriorated condition of the air heater and its impact on the fan system, Unit 7 is limited to just under 25MW. This load restriction also limits the unit's ability to burn refuse derived fuel.**

The deteriorated and damaged hot side air heater baskets must be replaced in order to restore the air heater to normal, thus allowing the fan system to operate so that Unit 7 can be operated up to full output.

The rotary air heater on both plant boilers are manufactured by Alstom Power, Inc. During the recent Unit 8 spring outage, one row of baskets was replaced on Unit 8. The material was formally bid and awarded to Alstom Power Inc. for the amount of \$78,500. (Alstom provided the only responsive bid out of a total of two received.)

Since Alstom was the only responsive bidder from the aforementioned project and they are also the Original Equipment Manufacturer (OEM), staff contacted them and inquired on cost and availability of the needed basket components for Unit 7. Alstom provided staff a price of \$75,067 with delivery three weeks after receipt of order. **Delivery is usually months, not weeks for this product. Alstom happens to currently have enough material in stock for this relatively small order. (They may not in the future.)**

This work is considered routine maintenance repair and replacement. The work will also reduce the amount of fuel required and associated air emissions at any given load point.

In FY 2012/13, \$555,000 is budgeted for Unit 7 boiler maintenance. The amount needed for procurement of these Unit 7 baskets will be taken from this account.

ALTERNATIVES:

1. Waive the purchasing policy requirement for competitive bidding and award a contract in the amount of \$75,067 to Alstom Power Inc., Wellsville, NY for the Unit 7 hot side basket material. Installation will be conducted by plant staff.
2. Operate Unit 7 with load limits this summer and secure competitive bids for the baskets with replacement at a future date.

MANAGER'S RECOMMENDED ACTION:

In order to meet customer demand, have full output available during the normal fall outage of Unit #8, and restore the unit's capability to normal output, it is in the City's best economic interest to immediately procure the needed hot side baskets and install them this year.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.

COUNCIL ACTION FORM

SUBJECT: RESOLUTION APPROVING OFFICIAL STATEMENT FOR GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2012 AND SETTING DATE OF SALE FOR AUGUST 28, 2012

BACKGROUND:

The 2012/13 budget included General Obligation (G.O.) Bond funded capital improvement projects in the amount of \$13,215,000. The City Council has held a public hearing on issuance of these bonds. Council action is now required to set the date of sale for August 28, 2012, and to approve the official statement. Council adjusted the bond issuance amount at the July 24th meeting to reflect a delay in the project to extend utilities to the east industrial area.

The Official Statement, or "Preliminary Official Statement", is the offering document for municipal securities, in preliminary form, which does not contain pricing information. The Statement provides several financial disclosures and information about the City. This "Preliminary Official Statement" is on file in the City Clerk's Office and can be viewed on the City's Website.

Projects to be funded by this issue include the following:

2012/2013 CIP G.O. Bond Issue as adjusted:

Woodview Drive Water & Sewer Project (Assessment Project)	\$ 357,000
Extension of Utilities North (Abated by Water and Sewer)	1,401,000
Flood Response & Mitigation Projects	820,000
Collector Street Pavement Improvements	850,000
Asphalt Street Reconstruction Program	928,000
CyRide Route Pavement Improvements	1,420,000
Arterial Street Pavement Improvements	219,000
Concrete Pavement Improvements	600,000
Downtown Street Improvements	950,000
Asphalt/Seal Coat Street Rehabilitation	620,500
Squaw Creek Bridge	400,000
	<hr/>
<i>Subtotal Debt Issue</i>	\$ 8,565,500
Library Expansion/Renovation (Referendum)	4,500,000
Subtotal	<hr/> \$ 13,065,500
Issuance Cost / Allowance for Sale at Premium	149,500
Total Debt Issue	<hr/> \$ 13,215,000

ALTERNATIVES:

1. Adopt a resolution approving the Official Statement for General Obligation Corporate Purpose Bonds, Series 2012 and setting the date of sale for August 28, 2012.
2. Refer the Official Statement back to City staff for modifications.

MANAGER'S RECOMMENDED ACTION:

Issuance of these bonds is necessary in order to accomplish the City's scheduled capital improvements during the upcoming year.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby adopting a resolution approving the Official Statement for General Obligation Corporate Purpose Bonds, Series 2012 and setting the date of sale for August 28, 2012.

New Issue

Moody's Investors Service Application Made

In the opinion of Dorsey & Whitney LLP, Bond Counsel, according to present laws, rulings and decisions and assuming compliance with certain covenants the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) will be excluded from gross income for federal income tax purposes and such interest on the Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations under the Internal Revenue Code of 1986, but will be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes). The City will NOT designate the Bonds as "qualified tax exempt obligations". See "TAX EXEMPTION AND RELATED CONSIDERATIONS" herein for more information.

CITY OF AMES, IOWA

\$13,215,000* General Obligation Corporate Purpose Bonds, Series 2012

BIDS RECEIVED: Tuesday, August 28, 2012, 11:00 o'clock A.M., Central Time

AWARD: Tuesday, August 28, 2012, 7:00 o'clock P.M., Central Time

Dated: Date of Delivery (October 1, 2012)

Minimum Bid: \$13,100,280

Principal Due: June 1, 2013-2032

Good Faith Deposit: Required of Purchaser Only

The \$13,215,000* General Obligation Corporate Purpose Bonds, Series 2012 (the "Bonds") are being issued pursuant to Division III of Chapter 384 of the Code of Iowa and a resolution to be adopted by the City Council of the City of Ames, Iowa (the "City"). The Bonds are being issued for the purpose of paying the cost of constructing improvements to streets, water and sanitary sewer lines; carrying out flood mitigation projects; rehabilitating city parks; and replacing a city park bicycle/pedestrian bridge that was damaged by flooding. In addition, the Bonds are being issued to pay cost to expand the Ames Public Library in accordance with a referendum passed by voters on November 8, 2011. The purchaser of the Bonds agrees to enter into a loan agreement (the "Loan Agreement") with the City pursuant to authority contained in Section 384.24A of the Code of Iowa. The Bonds are issued in evidence of the City's obligations under the Loan Agreement. The Bonds are general obligations of the City, for which the City will pledge to levy ad valorem taxes against all property within the City without limitation as to rate or amount.

The Bonds will be issued as fully registered Bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry-only form, in the principal amount of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. The City's Treasurer as Registrar/Paying Agent (the "Registrar") will pay principal on the Bonds, payable annually on June 1, beginning June 1, 2013, and interest on the Bonds payable initially on December 1, 2012 and thereafter on each June 1 and December 1 to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursements to the beneficial owners of the Bonds as described herein. Interest and principal shall be paid to the registered holder of a bond as shown on the records of ownership maintained by the Registrar as of the 15th day of the month next preceding the interest payment date (the "Record Date").

MATURITY: June 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2013	\$790,000	2023	\$1,060,000
2014	800,000	2024	1,095,000
2015	810,000	2025	240,000
2016	835,000	2026	250,000
2017	865,000	2027	255,000
2018	895,000	2028	265,000
2019	925,000	2029	275,000
2020	955,000	2030	285,000
2021	990,000	2031	295,000
2022	1,025,000	2032	305,000

***PRINCIPAL**

ADJUSTMENT:

The City reserves the right to increase or decrease the aggregate principal amount of the Bonds. Such change will be in increments of \$5,000 and may be made in any of the maturities. The purchase price will be adjusted proportionately to reflect any change in issue size.

REDEMPTION:

Bonds due after June 1, 2020 will be subject to call prior to maturity in whole, or from time to time in part, in any order of maturity and within a maturity by lot on said date or on any date thereafter at the option of the City, upon terms of par plus accrued interest to date of call.

The Bonds are offered, subject to prior sale, withdrawal or modification, when, as and if issued and subject to the unqualified approving legal opinion of Dorsey & Whitney LLP, Bond Counsel, of Des Moines, Iowa, to be furnished upon delivery of the Bonds. It is expected that the Bonds will be available for delivery on or about October 1, 2012. This Preliminary Official Statement will be further supplemented by offering prices, interest rates, aggregate principal amount, principal amount per maturity, anticipated delivery date and underwriter, together with any other information required by law, and shall constitute a "Final Official Statement" of the City with respect to the Bonds, as defined in Rule 15c2-12.

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without notice. The Bonds may not be sold nor may offers to buy be accepted prior to the time the Preliminary Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the applicable securities laws of any such jurisdiction.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to General Rules and Regulations, Securities Exchange Act of 1934, Rule 15c2-12 Municipal Securities Disclosure.

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to prospective bidders. Its primary purpose is to disclose information regarding the Bonds to prospective bidders in the interest of receiving competitive bids in accordance with the TERMS OF OFFERING contained herein. Unless an addendum is received prior to the sale, this document shall be deemed the “Near Final Official Statement”.

Review Period: This Preliminary Official Statement has been distributed to City staff as well as to prospective bidders for an objective review of its disclosure. Comments, omissions or inaccuracies must be submitted to Public Financial Management, Inc. (the “Financial Advisor”) at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a bid received. If there are any changes, corrections or additions to the Preliminary Official Statement, prospective bidders will be informed by an addendum at least one business day prior to the sale.

Final Official Statement: Upon award of sale of the Bonds, the legislative body will authorize the preparation of a Final Official Statement that includes the offering prices, interest rates, aggregate principal amount, principal amount per maturity, anticipated delivery date and other information required by law and the identity of the underwriter (the “Syndicate Manager”) and syndicate members. Copies of the Final Official Statement will be delivered to the Syndicate Manager within seven business days following the bid acceptance.

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations, other than those contained in the Preliminary Official Statement. This Preliminary Official Statement does not constitute any offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information, estimates and expressions of opinion herein are subject to change without notice and neither the delivery of this Preliminary Official Statement nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. This Preliminary Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

This Preliminary Official Statement and any addenda thereto were prepared relying on information from the City and other sources, which are believed to be reliable.

Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein.

Compensation of the Financial Advisor, payable entirely by the City, is contingent upon the sale of the issue.

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City of Ames, Iowa

Mayor/City Council

<u>Member</u>	<u>Office</u>	<u>Initial Term Commenced</u>	<u>Term Expires</u>
Ann Campbell	Mayor	January 03, 2006	December 31, 2013
Peter Orazem	Council Member – At Large	January 04, 2010	December 31, 2013
Matthew Goodman	Council Member – At Large	January 01, 2004	December 31, 2015
Tom Wacha	Council Member – 1 st Ward	January 04, 2010	December 31, 2013
Jami Larson	Council Member – 2 nd Ward	November 14, 2006	December 31, 2015
Jeremy Davis	Council Member – 3 rd Ward	January 04, 2010	December 31, 2013
Victoria Szopinski	Council Member – 4 th Ward	January 01, 2012	December 31, 2015
Sawyer Baker	Ex-Officio		

Administration

Steven Schainker, City Manager
Duane Pitcher, Director of Finance
Diane Voss, City Clerk
Roger Wisecup II, City Treasurer
John Dunn, Director of Water and Pollution Control
John Joiner, Director of Public Works
Don Kom, Director of Electric Utility

City Attorney

Doug Marek
Ames, Iowa

Bond Counsel

Dorsey & Whitney LLP
Des Moines, Iowa

Financial Advisor

Public Financial Management, Inc.
Des Moines, Iowa

TERMS OF OFFERING

CITY OF AMES, IOWA

Bids for the purchase of the General Obligation Corporate Purpose Bonds, Series 2012 (the “Bonds”) will be received on Tuesday, August 28, 2012, before 11:00 o’clock A.M. Central Time after which time they will be tabulated. The City Council will consider award of the Bonds at 7:00 o’clock P.M. Central Time, on the same day. Questions regarding the sale of the Bonds should be directed to the City’s Financial Advisor at 515-243-2600. The following section sets forth the description of certain terms of the Bonds as well as the TERMS OF OFFERINGS with which all bidders and bid proposals are required to comply, as follows:

DETAILS OF THE BONDS

GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2012, in the principal amount of \$13,215,000* to be dated October 1, 2012, in the denomination of \$5,000 or multiples thereof, will mature on June 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2013	\$790,000	2023	\$1,060,000
2014	800,000	2024	1,095,000
2015	810,000	2025	240,000
2016	835,000	2026	250,000
2017	865,000	2027	255,000
2018	895,000	2028	265,000
2019	925,000	2029	275,000
2020	955,000	2030	285,000
2021	990,000	2031	295,000
2022	1,025,000	2032	305,000

*Preliminary; subject to change. The City reserves the right to increase or decrease the aggregate principal amount of the Bonds. Such change will be in increments of \$5,000 and may be made in any of the maturities. The purchase price will be adjusted proportionately to reflect any change in issue size.

OPTIONAL REDEMPTION

Bonds due after June 1, 2020 will be subject to call on said date or any date thereafter upon terms of par plus accrued interest to the date of call. Written notice of such call shall be given at least thirty (30) days prior to the date fixed for redemption to the registered owners of the Bonds to be redeemed at the address shown on the registration books.

INTEREST ON THE BONDS

Interest on the Bonds will be payable on December 1, 2012 and semiannually on the 1st day of June and December thereafter. Principal and interest shall be paid to the registered holder of a bond as shown on the records of ownership maintained by the Registrar as of the 15th day of the month next preceding the interest payment date (the “Record Date”). Interest will be computed on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board.

GOOD FAITH DEPOSIT

A good faith deposit (the “Deposit”) in the amount of \$132,150 is required of the lowest bidder only for the Bonds. The lowest bidder is required to submit such Deposit payable to the order of the City in the form of either (i) a cashier’s check provided to the City or its Financial Advisor prior to the opening of bids or (ii) a wire transfer as instructed by the City’s Financial Advisor not later than 1:00 P.M. Central Time on the day of sale of the Bonds. If not so received, the bid of that lowest bidder may be rejected and the City may direct the second lowest bidder for the Bonds to submit a Deposit and thereafter may award the sale of the Bonds to the same. No interest on a Deposit will accrue to a successful bidder (the “Purchaser”). The Deposit will be applied to the purchase price of the Bonds. In the event a Purchaser fails to honor its accepted bid proposal, the Deposit will be retained by the City.

BOOK-ENTRY-ONLY ISSUANCE

The Bonds will be issued by means of a book-entry-only system with no physical distribution of bond certificates made to the public. The Bonds will be issued in fully registered form and one bond certificate, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the Registrar to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners.

FORM OF BIDS AND AWARD

All bids shall be unconditional for the Bonds for a price not less than \$13,100,280, plus accrued interest, and shall specify the rate or rates of interest in conformity to the limitations set forth under the “RATES OF INTEREST” section. Bids must be submitted on or in substantial compliance with the OFFICIAL BID FORM provided by the City. The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a true interest cost (“TIC”) basis assuming compliance with the “GOOD FAITH DEPOSIT” section. The TIC shall be determined by the present value method, i.e., by ascertaining the semiannual rate, compounded semiannually, necessary to discount to present value as of the dated date of the Bonds, the amount payable on each interest payment date and on each stated maturity date or earlier mandatory redemption, so that the aggregate of such amounts will equal the aggregate purchase price offered therefore. The TIC shall be stated in terms of an annual percentage rate and shall be that rate of interest, which is twice the semiannual rate so ascertained (also known as the Canadian Method). The TIC shall be as determined by the Financial Advisor based on the TERMS OF OFFERING and all amendments, and on the bids as submitted. The Financial Advisor’s computation of the TIC of each bid shall be controlling. In the event of tie bids for the lowest TIC, the Bonds will be awarded by lot.

The City will reserve the right to: (i) waive non-substantive informalities of any bid or of matters relating to the receipt of bids and award of the Bonds, (ii) reject all bids without cause and (iii) reject any bid which the City determines to have failed to comply with the terms herein.

RATES OF INTEREST

The rates of interest specified in the bidder’s proposal must conform to the following limitations:

1. Each annual maturity must bear a single rate of interest from the dated date of the Bonds to the date of maturity.
2. Rates of interest bid must be in multiples of one-eighth or one-twentieth of one percent.
3. Each rate of interest specified for any annual maturity shall not be less than a rate of interest specified for any earlier maturity. Rates must be level or in ascending order.

RECEIPT OF BIDS

Forms of Bids: Bids must be submitted on or in substantial compliance with the TERMS OF OFFERING and OFFICIAL BID FORM provided by the City or through PARITY[®] competitive bidding system (the “Internet Bid System”). The City shall not be responsible for malfunction or mistake made by any person, or as a result of the use of the electronic bid or the means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

No bid will be accepted after the time specified in the OFFICIAL BID FORM. The time as maintained by the Internet Bid System shall constitute the official time with respect to all bids submitted. A bid may be withdrawn before the bid deadline using the same method used to submit the bid. If more than one bid is received from a bidder, the last bid received shall be considered.

Sealed Bidding: Sealed bids may be submitted and will be received at the office of the Director of Finance, City Hall, 515 Clark Avenue, Ames, Iowa 50010.

Electronic Internet Bidding: Electronic internet bids must be submitted through the Internet Bid System. Information about the Internet Bid System may be obtained by calling 212-404-8102.

Each bidder shall be solely responsible for making necessary arrangements to access the Internet Bid System for purposes of submitting its internet bid in a timely manner and in compliance with the requirements of the TERMS OF OFFERING and OFFICIAL BID FORM. The City is permitting bidders to use the services of the Internet Bid System solely as a communication mechanism to conduct the Internet bidding and the Internet Bid System is not an agent of the City. Provisions of the TERMS OF OFFERING and OFFICIAL BID FORM shall control in the event of conflict with information provided by the Internet Bid System.

Electronic Facsimile Bidding: Electronic facsimile bids will be received at the office of the City’s Financial Advisor, Public Financial Management, Inc. (facsimile number: 515-243-6994). Electronic facsimile bids will be sealed and treated as sealed bids.

Facsimile transmissions received after the deadline will be rejected. Bidders electing to submit bids via electronic facsimile transmission bear full responsibility for the transmission of such bid. Neither the City nor its agents shall be responsible for malfunction or mistake made by any person, or as a result of the use of the electronic facsimile facilities or any other means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of the bidder who shall be bound by the terms of the bid as received. Neither the City nor its agents will assume liability for the inability of the bidder to reach the above named facsimile number prior to the time of sale specified above. Time of receipt shall be the time recorded by the facsimile operator receiving the bids.

MUNICIPAL BOND INSURANCE AT PURCHASER’S OPTION

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefore at the option of the bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the Purchaser of the Bonds. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the Purchaser, except that, if the City has requested and received a rating on the Bonds from a rating agency, the City will pay that initial rating fee. Any other rating agency fees shall be the responsibility of the Purchaser. Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the Purchaser shall not constitute cause for failure or refusal by the Purchaser to accept delivery on the Bonds. The City reserves the right in its sole discretion to accept or deny changes to the financing documents requested by the insurer selected by the Purchaser.

DELIVERY

The Bonds will be delivered to the Purchaser through DTC in New York, New York, against full payment in immediately available cash or federal funds. The Bonds are expected to be delivered within forty-five days after the sale. Should delivery be delayed beyond sixty days from date of sale for any reason except failure of performance by the Purchaser, the Purchaser may withdraw his bid and thereafter his interest in and liability for the Bonds will cease. When the Bonds are ready for delivery, the City may give the successful bidder five working days notice of the delivery date and the City will expect payment in full on that date, otherwise reserving the right of its option to determine that the bidder has failed to comply with the offer of purchase.

INFORMATION FROM PURCHASER

The Purchaser will be required to certify to the City immediately after the opening of bids: (i) the initial public offering price of each maturity of the Bonds (not including bond houses and brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Bonds (not less than 10% of each maturity) were sold to the public; or (ii) if less than 10% of any maturity has been sold, the price for that maturity determined as of the time of the sale based upon the reasonably expected initial offering price to the public; and (iii) that the initial public offering price does not exceed their fair market value of the Bonds on the sale date. The Purchaser will also be required to provide a certificate at closing confirming the information required by this paragraph.

OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Bonds. The Preliminary Official Statement when further supplemented with maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the City, shall constitute a Final Official Statement of the City with respect to the Bonds, as that term is defined in Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). By awarding the Bonds to any underwriter or underwriting syndicate submitting an OFFICIAL BID FORM therefore, the City agrees that, no more than seven (7) business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded up to 20 copies of the Final Official Statement to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The City shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to the Participating Underwriter. Any underwriter executing and delivering an OFFICIAL BID FORM with respect to the Bonds agrees thereby that if its bid is accepted by the City, (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

CONTINUING DISCLOSURE

In order to assist bidders in complying with paragraph (b)(5) of the Rule, the City will undertake, pursuant to the resolution for the Bonds and the Continuing Disclosure Certificate for the Bonds, to provide certain annual financial information and notices of the occurrence of certain material events. A description of these undertakings is set forth in APPENDIX C of this Preliminary Official Statement. The City will deliver the Continuing Disclosure Certificate at closing, and any failure on the part of the City to deliver the same shall relieve the Purchaser of its obligation to purchase the Bonds. The City has complied in all material respects with its previous continuing disclosure undertakings.

CUSIP NUMBERS

It is anticipated that Committee on Uniform Security Identification Procedures (“CUSIP”) numbers will be printed on the Bonds and the Purchaser must agree in the bid proposal to pay the cost thereof. In no event will the City, Bond Counsel or Financial Advisor be responsible for the review or express any opinion that the CUSIP numbers are correct. Incorrect CUSIP numbers on said Bonds shall not be cause for the Purchaser to refuse to accept delivery of said Bonds.

BY ORDER OF THE CITY COUNCIL
Diane Voss, City Clerk
City of Ames
515 Clark Avenue
Ames, Iowa 50010

DRAFT

SCHEDULE OF BOND YEARS

\$13,215,000*

City of Ames, Iowa

General Obligation Corporate Purpose Bonds, Series 2012

Bonds Dated: October 1, 2012
Interest Due: December 1, 2012 and each June 1 and December 1 to maturity
Principal Due: June 1, 2013-2032

<u>Year</u>	<u>Principal</u> *	<u>Bond Years</u>	<u>Cumulative Bond Years</u>
2013	\$790,000	526.67	526.67
2014	800,000	1,333.33	1,860.00
2015	810,000	2,160.00	4,020.00
2016	835,000	3,061.67	7,081.67
2017	865,000	4,036.67	11,118.33
2018	895,000	5,071.67	16,190.00
2019	925,000	6,166.67	22,356.67
2020	955,000	7,321.67	29,678.33
2021	990,000	8,580.00	38,258.33
2022	1,025,000	9,908.33	48,166.67
2023	1,060,000	11,306.67	59,473.33
2024	1,095,000	12,775.00	72,248.33
2025	240,000	3,040.00	75,288.33
2026	250,000	3,416.67	78,705.00
2027	255,000	3,740.00	82,445.00
2028	265,000	4,151.67	86,596.67
2029	275,000	4,583.33	91,180.00
2030	285,000	5,035.00	96,215.00
2031	295,000	5,506.67	101,721.67
2032	305,000	5,998.33	107,720.00

Average Maturity (dated date): 8.151 Years

* Preliminary; subject to change.

OFFICIAL STATEMENT

CITY OF AMES, IOWA

\$13,215,000* General Obligation Corporate Purpose Bonds, Series 2012

INTRODUCTION

This Preliminary Official Statement contains information relating to the City of Ames, Iowa (the “City”) and its issuance of \$13,215,000* General Obligation Corporate Purpose Bonds, Series 2012 (the “Bonds”). This Preliminary Official Statement has been executed on behalf of the City and may be distributed in connection with the sale of the Bonds authorized therein. Inquiries may be made to Public Financial Management, Inc., 801 Grand Avenue, Suite 3300, Des Moines, Iowa 50309 or by telephoning 515-243-2600. Information can also be obtained from Mr. Duane Pitcher, Director of Finance, City of Ames, 515 Clark Avenue, Ames, Iowa 50010, or by telephoning 515-239-5114.

AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to Division III of Chapter 384 of the Code of Iowa and a resolution to be adopted by the City Council of the City of Ames, Iowa (the “City”). The Bonds are being issued for the purpose of paying the cost of constructing improvements to streets, water and sanitary sewer lines; carrying out flood mitigation projects; rehabilitating city parks; and replacing a city park bicycle/pedestrian bridge that was damaged by flooding. In addition, the Bonds are being issued to pay cost to expand the Ames Public Library in accordance with a referendum passed by voters on November 8, 2011. The Bonds are being issued for the purpose of paying the cost of constructing street improvements and making improvements to City Hall. The Purchaser of the Bonds agrees to enter into a loan agreement (the “Loan Agreement”) with the City pursuant to authority contained in Section 384.24A of the Code of Iowa. The Bonds are issued in evidence of the City’s obligations under the Loan Agreement.

The estimated Sources and Uses of the Bonds are as follows:

Sources of Funds

Par Amount of Bonds	\$13,215,000.00*
---------------------	------------------

Uses of Funds

Deposit to Project Fund	\$13,027,880.00
Underwriter’s Discount	114,720.00
Cost of Issuance	<u>72,400.00</u>
Total Uses	\$13,215,000.00

OPTIONAL REDEMPTION

Bonds due after June 1, 2020 will be subject to call on said date or any date thereafter upon terms of par plus accrued interest to the date of call. Written notice of such call shall be given at least thirty (30) days prior to the date fixed for redemption to the registered owners of the Bonds to be redeemed at the address shown on the registration books.

INTEREST ON THE BONDS

Interest on the Bonds will be payable on December 1, 2012 and semiannually on the 1st day of June and December thereafter. Principal and interest shall be paid to the registered holder of a bond as shown on the records of ownership maintained by the Registrar as of the 15th day of the month next preceding the interest payment date (the “Record Date”). Interest will be computed on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board.

* Preliminary; subject to change.

PAYMENT OF AND SECURITY FOR THE BONDS

The Bonds constitute valid and binding general obligations of the City, and all taxable property within the corporate boundaries of the City is subject to the levy of taxes to pay the principal of and interest on the Bonds. If the amount credited to the debt service fund for payment of the Bonds is insufficient to pay principal and interest, whether from transfers or from original levies, the City must use funds in its treasury and is required to levy ad valorem taxes upon all taxable property in the City sufficient to pay the debt service deficiency without limit as to rate or amount.

BOOK-ENTRY-ONLY ISSUANCE

The information contained in the following paragraphs of this subsection “Book-Entry-Only System” has been extracted from a schedule prepared by Depository Trust Company (“DTC”) entitled “SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE.” The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (the “Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the “Indirect Participants”). DTC has Standard & Poor’s rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (the “Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co., nor any other DTC nominee, will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date identified in a listing attached to the Omnibus Proxy.

Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC, is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to Remarketing Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

FUTURE FINANCING

The City does not anticipate any additional general obligation bonding needs within 90 days of the date of this Preliminary Official Statement. However, the City is participating in the State Revolving Loan Programs to fund improvements to its water and sewer plants. Repayment will be made solely from water and sewer revenues and no pledge of property tax revenue is made for participating in the programs.

LITIGATION

The City is not aware of any threatened or pending litigation affecting the validity of the Bonds or the City's ability to meet its financial obligations.

DEBT PAYMENT HISTORY

The City knows of no instance in which they have defaulted in the payment of principal and interest on its debt.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds and with regard to the tax-exempt or taxable status of the interest thereon (see "TAX EXEMPTION AND RELATED TAX CONSIDERATIONS" herein) are subject to the approving legal opinion of Dorsey & Whitney LLP, Des Moines, Iowa, Bond Counsel, a form of which is attached hereto as APPENDIX A. Signed copies of the opinion, dated and premised on law in effect as of the date of original delivery of the Bonds, will be delivered to the Purchaser at the time of such original delivery. The Bonds are offered subject to prior sale and to the approval of legality of the Bonds by Bond Counsel.

The legal opinion will express the professional judgment of Bond Counsel and by rendering a legal opinion, Bond Counsel does not become an insurer or guarantor of the result indicated by that expression of professional judgment or of the transaction or the future performance of the parties to the transaction.

Bond Counsel has not been engaged, nor has it undertaken, to prepare or to independently verify the accuracy of the Preliminary Official Statement, including but not limited to financial or statistical information of the City and risks associated with the purchase of the Bonds, except Bond Counsel has reviewed and/or prepared the information and statements contained in the Preliminary Official Statement under "AUTHORITY AND PURPOSE", "PAYMENT OF AND SECURITY FOR THE BONDS", "TAX EXEMPTION AND RELATED CONSIDERATIONS" and "CONTINUING DISCLOSURE" insofar as such statements contained under such captions purport to summarize certain provisions of the Internal Revenue Code of 1986, the Bonds and any opinions rendered by Bond Counsel. Bond Counsel has prepared the documents contained in APPENDIX A and APPENDIX C.

TAX EXEMPTION AND RELATED CONSIDERATIONS

Federal Income Tax Exemption: The opinion of Bond Counsel will state that under present laws and rulings, interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations under the Internal Revenue Code of 1986 (the "Code"), and such interest will be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes).

The opinion set forth in the preceding sentence will be subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. In the resolution for the Bonds, the City will covenant to comply with all such requirements.

There may be certain other federal tax consequences to the ownership of the Bonds by certain taxpayers, including without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security and Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Bond Counsel will express no opinion with respect to other federal tax consequences to owners of the Bonds. Prospective purchasers of such bonds should consult with their tax advisors as to such matters.

Not Qualified Tax-Exempt Obligations: The City will **NOT** designate the Bonds as qualified tax-exempt obligations under Section 265(b)(3) of the Code; therefore the Bonds will **NOT** be bank qualified.

Information Reporting and Back-up Withholding: In general, information reporting requirements will apply with respect to payments to an owner of principal and interest (and with respect to annual accruals of OID) on the Bonds and with respect to payments to an owner of any proceeds from a disposition of the Bonds. This information reporting obligation, however, does not apply with respect to certain owners including corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts. In the event that an owner subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or is notified by the Internal Revenue Service (the “Service”) that it has failed to properly report payments of interest and dividends, a backup withholding tax (currently at a rate of 28%) generally will be imposed on the amount of any interest and principal and the amount of any sales proceeds received by the owner on or with respect to the Bonds.

Any amounts withheld under the backup withholding provisions may be credited against the United States federal income tax liability of the beneficial owner, and may entitle the beneficial owner to a refund, provided that the required information is furnished to the Service.

Disclaimer Regarding Federal Tax Discussion: The federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a beneficial owner’s particular situation. Beneficial owners should consult their tax advisors with respect to the tax consequences to them of the purchase, ownership, and disposition of the Bonds, including the tax consequences under state, local, foreign, and other tax laws and the possible effects of changes in federal or other tax laws.

State Tax Considerations: In addition to the federal income tax consequences described above, potential investors should consider the state income tax consequences of the acquisition, ownership, and disposition of the Bonds. State income tax law may differ substantially from the corresponding federal law, and the foregoing is not intended to describe any aspect of the income tax laws of any state. Therefore, potential investors should consult their own tax advisors with respect to the various state tax consequences of an investment in Bonds.

RATING

The City has requested a rating on the Bonds from Moody’s Investors Service (“Moody’s”). Currently, Moody’s rates the City’s outstanding General Obligation long-term debt ‘Aaa’. The existing rating on long-term debt reflects only the view of the rating agency and with any explanation of the significance of such rating may only be obtained from Moody’s. There is no assurance that such rating will continue for any period of time or that it will not be revised or withdrawn. Any revision or withdrawal of the rating may have an effect on the market price of the Bonds.

FINANCIAL ADVISOR

The City has retained Public Financial Management, Inc., Des Moines, Iowa as financial advisor (the “Financial Advisor”) in connection with the preparation of the issuance of the Bonds. In preparing the Preliminary Official Statement, the Financial Advisor has relied on government officials, and other sources to provide accurate information for disclosure purposes. The Financial Advisor is not obligated to undertake, and has not undertaken, an independent verification of the accuracy, completeness, or fairness of the information contained in this Preliminary Official Statement. Public Financial Management, Inc. is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

CONTINUING DISCLOSURE

In order to permit bidders for the Bonds and other Participating Underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the City will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds, in the resolution for the Bonds and the Continuing Disclosure Certificate, to provide annual reports of specified information and notice of the occurrence of certain material events as hereinafter described (the "Disclosure Covenants"). The information to be provided on an annual basis, the events as to which notice is to be given, and a summary of other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth as APPENDIX C to this Preliminary Official Statement. The City has complied in all material respects with its previous continuing disclosure undertakings.

Breach of the Disclosure Covenants will not constitute a default or an "Event of Default" under the Bonds or the resolution for the Bonds. A broker or dealer is to consider a known breach of the Disclosure Covenants, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a failure on the part of the City to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the Bonds and their market price.

CERTIFICATION

The City has authorized the distribution of this Preliminary Official Statement for use in connection with the initial sale of the Bonds. I have reviewed the information contained within the Preliminary Official Statement prepared on behalf of the City of Ames, Iowa, by Public Financial Management, Inc., Des Moines, Iowa, and said Preliminary Official Statement does not contain any material misstatements of fact nor omission of any material fact regarding the issuance of \$13,215,000* General Obligation Corporate Purpose Bonds, Series 2012.

CITY OF AMES, IOWA
/s/ Duane Pitcher, Director of Finance

* Preliminary; subject to change.

CITY PROPERTY VALUATIONS

IOWA PROPERTY VALUATIONS

In compliance with Section 441.21 of the Code of Iowa, the State Director of Revenue annually directs the county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The 2011 final Actual Values were adjusted by the Story County Auditor. The reduced values, determined after the application of rollback percentages, are the Taxable Values subject to tax levy. For assessment year 2011, the Taxable Value rollback rate was 50.7518% of Actual Value for residential property; 57.5411% of Actual Value for agricultural property; and 100% of Actual Value for commercial, industrial, railroad and utility property.

The Legislature's intent has been to limit the growth of statewide taxable valuations for the specific classes of property to 4% annually. Political subdivisions whose taxable values are thus reduced or are unusually low in growth are allowed to appeal the valuations to the State Appeal Board, in order to continue to fund present services.

1/1/2011 VALUATIONS (Taxes Payable July 1, 2012 through June 30, 2013)

	<u>100% Actual Value</u>	<u>Taxable Value (With Rollback)</u>
Residential	\$2,510,877,896	\$1,274,315,462
Commercial	817,189,995	817,189,995
Industrial	132,577,960	132,577,960
Railroads	4,450,703	4,450,703
Utilities w/o Gas & Electric	<u>7,837,724</u>	<u>7,837,724</u>
Gross valuation	\$3,472,934,278	\$2,236,371,844
Less military exemption	<u>(2,727,070)</u>	<u>(2,727,070)</u>
Net valuation	\$3,470,207,208	\$2,233,644,774
Taxed separately		
Ag. Land & Building	\$2,723,800 ¹⁾	\$1,567,308 ¹⁾
Gas & Electric Utilities	\$15,328,954	\$6,202,160

¹⁾ Does not include \$7,370 of TIF in Ag Land.

2011 GROSS TAXABLE VALUATION BY CLASS OF PROPERTY ¹⁾

	<u>Taxable Valuation</u>	<u>Percent of Total</u>
Residential	\$1,274,315,462	56.82%
Gas & Electric Utilities	6,202,160	0.28%
Commercial, Industrial, Railroads and Utility	<u>962,056,382</u>	<u>42.90%</u>
Total Gross Taxable Valuation	\$2,242,574,004	100.00%

¹⁾ Excludes Taxable TIF Increment and Ag. Land & Buildings.

TREND OF VALUATIONS

<u>Assessment Year</u>	<u>Payable Fiscal Year</u>	<u>100% Actual Valuation</u>	<u>Taxable Valuation (With Rollback)</u>	<u>Taxable TIF Increment</u>
2007	2008-09	\$3,225,950,114	\$1,941,794,882	\$0
2008	2009-10	3,329,113,783	2,030,775,716	0
2009	2010-11	3,433,705,284	2,126,174,883	0
2010	2011-12	3,455,460,220	2,168,260,590	7,370
2011	2012-13	3,488,267,332	2,239,846,934	7,370

The 100% Actual Valuation, before rollback and after the reduction of military exemption, includes Ag. Land & Buildings, TIF Increment and Gas & Electric Utilities. The Taxable Valuation, with the rollback and after the reduction of military exemption, includes Gas & Electric Utilities and excludes Ag. Land & Buildings and Taxable TIF Increment. Iowa cities certify operating levies against Taxable Valuation excluding Taxable TIF Increment and debt service levies are certified against Taxable Valuation including the Taxable TIF Increment.

LARGER TAXPAYERS

<u>Taxpayer</u>	<u>Type of Property/Business</u>	<u>1/1/2011 Taxable Valuation</u>
Campus Investors IS LLC	Commercial	\$48,098,010
Barilla America Inc.	Industrial	41,429,000
Jensen Development Corporation	Residential	33,076,100
Iowa State University Research	Commercial	30,786,100
University West Property Owner	Residential	29,638,600
Campus Crest at Ames LLC	Residential	28,146,400
West Towne LC	Commercial	24,713,700
North Grand Mall Partners LLC	Commercial	24,535,400
Clinic Building Company, Inc.	Commercial	22,055,300
Wessex LLC	Residential	21,078,800

LEGISLATION

From time to time, legislative proposals are pending in Congress and the Iowa General Assembly that would, if enacted, alter or amend one or more of the property tax matters described herein. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted, and there can be no assurance that such proposals will not apply to valuation, assessment or levy procedures for taxes levied by the City or have an adverse impact on the future tax collections of the City. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed federal or state tax legislation. The opinions expressed by Bond Counsel are based upon existing legislation as of the date of issuance and delivery of the Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending federal or state tax legislation.

Iowa Code section 76.2 provides that when an Iowa political subdivision issues general obligation debt: "The governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding the applicable period of time specified in section 76.1. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full." Iowa Code section 76.1 provides that the annual levy shall be sufficient to pay the interest and approximately such portion of the principal of the bonds as will retire them in a period not exceeding twenty years from the date of issue, except for certain bonds issued for disaster purposes and bonds issued to refund or refinance bonds issued for such disaster purposes which may mature and be retired in a period not exceeding thirty years from date of issue.

CITY INDEBTEDNESS

DEBT LIMIT

Article XI, Section 3 of the State of Iowa Constitution limits the amount of debt outstanding at any time of any county, municipality or other political subdivision to no more than 5% of the Actual Value of all taxable property within the corporate limits, as taken from the last state and county tax list. The debt limit for the City, based on its 2011 Actual Valuation currently applicable to the fiscal year 2012-13, is as follows:

2011 Gross Actual Valuation of Property	\$3,490,994,402
Less: Military Exemption	<u>(2,727,070)</u>
Subtotal	\$3,488,267,332
Legal Debt Limit of 5%	<u>0.05</u>
Legal Debt Limit	\$174,413,367
Less: G.O. Debt Subject to Debt Limit	<u>(58,455,000)*</u>
Net Debt Limit	\$115,958,367

DIRECT DEBT

The City has general obligation debt payable from taxes, tax increment, water, sewer and other revenues as follows:
(Includes the Bonds)

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 10/1/12</u>
10/04	\$6,030,000	Capital Improvement Plan	6/14	\$1,355,000
9/05	5,495,000	Street Improvements, Fire Equipment and Refunding Series 1997A	6/17	1,765,000
10/06	5,285,000	Street and Storm Sewer Improvements	6/18	3,020,000
11/07A	9,630,000	Street Improvements & Aquatic Center	6/19	6,465,000
10/08A	8,355,000	Street Improvements & Aquatic Center	6/20	6,100,000
4/09A	6,995,000	Refunding Series 1998A, 1999, 2000, 2001A and 2001B	6/13	980,000
10/09B	11,165,000	Capital Improvement Projects	6/21	8,935,000
9/10A	6,690,000	Capital Improvement Projects	6/22	5,795,000
5/11A	5,980,000	Refunding Series 2002A, 2002B and 2003	6/21	4,720,000
11/11B	6,675,000	Corporate Purpose Improvements	6/23	6,105,000
10/12	13,215,000*	Corporate Purpose Improvements	6/32	<u>13,215,000 *</u>
Total				\$58,455,000

* Preliminary; subject to change.

Annual Fiscal Year Debt Service Payments (Includes the Bonds)

Fiscal Year	<u>Existing Debt</u>		<u>Bonds*</u>		<u>Total Outstanding</u>	
	<u>Principal</u>	<u>Principal and Interest</u>	<u>Principal</u>	<u>Principal and Interest</u>	<u>Principal</u>	<u>Principal and Interest</u>
2012-13	\$7,080,000	\$8,397,893	\$790,000	\$1,082,937	\$7,870,000	\$9,480,830
2013-14	6,265,000	7,388,630	800,000	1,219,655	7,065,000	8,608,285
2014-15	5,155,000	6,108,530	810,000	1,209,655	5,965,000	7,318,185
2015-16	4,800,000	5,607,345	835,000	1,214,405	5,635,000	6,821,750
2016-17	4,960,000	5,624,930	865,000	1,215,180	5,825,000	6,840,110
2017-18	4,735,000	5,248,888	895,000	1,214,905	5,630,000	6,463,793
2018-19	4,335,000	4,700,538	925,000	1,213,580	5,260,000	5,914,118
2019-20	3,400,000	3,629,518	955,000	1,211,205	4,355,000	4,840,723
2020-21	2,610,000	2,731,755	990,000	1,212,780	3,600,000	3,944,535
2021-22	1,270,000	1,315,650	1,025,000	1,213,130	2,295,000	2,528,780
2022-23	<u>630,000</u>	645,120	1,060,000	1,212,255	1,690,000	1,857,375
2023-24			1,095,000	1,210,155	1,095,000	1,210,155
2024-25			240,000	316,830	240,000	316,830
2025-26			250,000	318,430	250,000	318,430
2026-27			255,000	314,680	255,000	314,680
2027-28			265,000	315,755	265,000	315,755
2028-29			275,000	316,480	275,000	316,480
2029-30			285,000	316,718	285,000	316,718
2030-31			295,000	316,600	295,000	316,600
2031-32			<u>305,000</u>	315,980	<u>305,000</u>	315,980
Total	\$45,240,000		\$13,215,000		\$58,455,000	

* Preliminary; subject to change.

OTHER DEBT

The City has outstanding revenue debt payable from various revenue sources as follows:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 10/1/12</u>
6/03	\$29,385,000	Mary Greeley Medical Center	6/22	\$17,690,000
4/08	825,000	Iowa DNR Solid Waste Alternatives Program	7/15	452,279
3/11	87,500	Iowa Department of Transportation Loan	12/15	<u>70,000</u>
Total				\$18,212,279

Water Revenue Debt

The City has revenue debt payable solely from the net revenues of the water enterprise fund as follows:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 10/1/12</u>
3/12	\$11,425,000	Planning and Design SRF Loan	3/15	\$0 ¹⁾

¹⁾ As of the date of this preliminary official statement, the City hasn't drawn any funds on the planning and design loan.

OVERLAPPING DEBT

<u>Taxing District</u>	<u>1/1/2011 Taxable Valuation</u> ¹⁾	<u>Valuation Within the City</u>	<u>Percent Applicable</u>	<u>G.O. Debt</u>	<u>City's Proportionate Share</u>
Story County	\$3,702,940,861	\$2,241,421,612	60.53%	\$7,300,000	\$4,418,690
Ames CSD	2,106,559,692	2,063,992,286	97.98%	10,465,000	10,253,607
Gilbert CSD	361,187,314	174,672,108	48.36%	7,000,000	3,385,200
Nevada CSD	370,522,637	460,818	0.12%	3,090,000	3,708
United CSD	224,015,316	2,296,400	1.03%	25,018	258
DMACC	37,105,777,783	2,241,421,612	6.04%	74,630,000	<u>4,507,652</u>
City's share of total overlapping debt:					\$22,569,115

¹⁾ Taxable Valuation includes Ag. Land & Buildings, all Utilities and Taxable TIF Increment.

DEBT RATIOS

	<u>G.O. Debt</u>	<u>Debt/Actual Market Value (\$3,488,267,332)</u> ¹⁾	<u>Debt/58,965 Population</u> ²⁾
Total General Obligation Debt	\$58,455,000*	1.68%	\$991.35
City's Share of Overlapping Debt	\$22,569,115	0.65%	\$382.75

¹⁾ Based on the City's 2011 Actual Valuation; includes Ag. Land & Buildings, all Utilities and Taxable TIF Increment.

²⁾ Based on the City's 2010 U.S. Census.

* Preliminary; subject to change.

LEVIES AND TAX COLLECTIONS

<u>Fiscal Year</u>	<u>Levy</u>	<u>Collected During Collection Year</u>	<u>Percent Collected</u>
2007/08	\$20,175,738	\$20,147,655	99.86%
2008/09	21,480,892	21,317,823	99.24%
2009/10	21,960,516	21,780,828	99.18%
2010/11	23,000,700	22,837,227	99.29%
2011/12	23,453,005	--Information not available at this time--	
2012/13	23,952,198	-----In Process of Collection-----	

Collections include delinquent taxes from all prior years. Taxes in Iowa are delinquent each October 1 and April 1 and a late payment penalty of 1% per month of delinquency is enforced as of those dates. If delinquent taxes are not paid, the property may be offered at the regular tax sale on the third Monday of June following the delinquency date. Purchasers at the tax sale must pay an amount equal to the taxes, special assessments, interest and penalties due on the property and funds so received are applied to taxes. A property owner may redeem from the regular tax sale but, failing redemption within three years, the tax sale purchaser is entitled to a deed, which in general conveys the title free and clear of all liens except future tax installments.

TAX RATES

	FY 2008/09	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13
	<u>\$/1,000</u>	<u>\$/1,000</u>	<u>\$/1,000</u>	<u>\$/1,000</u>	<u>\$/1,000</u>
Story County	5.59701	5.81536	5.64515	5.49074	5.52837
Story County Hospital	0.42050	0.42050	0.42050	0.42050	0.57240
County Ag. Extension	0.08904	0.09053	0.08609	0.08340	0.08100
City of Ames	11.06239	10.85819	10.84579	10.84365	10.72125
City Assessor	0.41661	0.34391	0.41785	0.35075	0.39685
Ames Comm. School District	13.62557	13.58764	14.65339	14.51772	14.47262
Gilbert Comm. School District	19.79131	19.83048	19.99688	19.98282	17.98747
Nevada Comm. School District	16.43213	16.45943	17.03265	15.61389	15.61527
United Comm. School District	10.06277	9.68981	10.93599	11.72302	13.77425
Des Moines Area Comm. College	0.56386	0.56778	0.56008	0.59018	0.58466
State of Iowa	<u>0.00350</u>	<u>0.00300</u>	<u>0.00340</u>	<u>0.00320</u>	<u>0.00330</u>
Total Tax Rate:					
Ames CSD Resident	31.77848	31.68691	32.63225	32.30014	32.36045
Gilbert CSD Resident	37.94422	37.92975	37.97574	37.76524	35.87530
Nevada CSD Resident	34.58504	34.55870	35.01151	33.39631	33.50310
United CSD Resident	28.21568	27.78908	28.91485	29.50544	31.66208

LEVY LIMITS

A city's general fund tax levy is limited to \$8.10 per \$1,000 of taxable value, with provision for an additional \$0.27 per \$1,000 levy for an emergency fund which can be used for general fund purposes (Code of Iowa, Chapter 384, Division I). Cities may exceed the \$8.10 limitation upon authorization by a special levy election. Further, there are limited special purpose levies, which may be certified outside of the above-described levy limits (Code of Iowa, Section 384.12). The amount of the City's general fund levy subject to the \$8.10 limitation is \$5.83418 for FY 2012/13, and the City has levied no emergency levy. The City has certified special purpose levies outside of the above described levy limits as follows: \$0.70627 for police and fire retirement and \$0.65737 for the operation and maintenance of a public transit system. Debt service levies are not limited.

GENERAL FUND BUDGETS (ACCRUAL BASIS)

The table below represents a comparison between the final 2011/12 budget, the actual unaudited financial performance for 2011/12 and the adopted 2012/13 budget on an accrual basis.

	2011/12 <u>Final Budget</u>	2011/12 <u>Actual Unaudited</u>	2012/13 <u>Adopted Budget</u>
Revenues:			
Property taxes	\$14,361,388	\$14,265,845	\$14,504,525
Other City taxes	1,516,689	1,546,614	1,559,271
Licenses and permits	1,312,463	1,175,711	1,450,153
Use of money and property	409,404	406,477	521,768
Intergovernmental	319,797	296,424	320,405
Charges for fees and services	4,122,896	4,187,379	4,196,322
Miscellaneous	268,459	298,589	254,583
Transfers in	7,615,304	7,156,059	8,040,011
Total revenues	\$29,926,400	\$29,333,098	\$30,847,038
Expenditures:			
Public safety	\$15,045,953	\$14,749,649	\$15,670,810
Public works	1,902,874	1,638,486	1,604,435
Health and social services	-	-	-
Culture and recreation	6,748,437	6,454,091	6,777,690
Community & economic development	157,633	144,823	122,382
General government	3,123,449	3,015,143	3,174,725
Capital projects	800,000	42,964	-
Transfers out	3,496,777	3,526,776	3,487,996
Total expenditures	\$31,275,123	\$29,571,932	\$30,838,038
Excess (deficiency) of revenues over (under) expenditures	(\$1,348,723)	(\$238,834)	\$9,000
Fund balance at beginning of year	\$7,921,505	\$7,921,505	\$7,682,671
Fund balance at end of year	\$6,572,782	\$7,682,671	\$7,691,671

FUNDS ON HAND (CASH AND INVESTMENTS AS OF JUNE 30, 2012)

Governmental	
General Fund	\$7,166,691
Debt Service Fund	1,629,455
Capital Projects Fund	9,823,563
Other Governmental Funds	15,308,158
Business-type	
Mary Greeley Medical Center	\$218,116,018
Electric Utility	43,033,724
Sewer Utility	5,190,704
Water Utility	8,157,010
Other Enterprise Funds	8,605,675
Internal Service Funds	<u>14,401,735</u>
Total all funds	\$331,432,733

THE CITY

CITY GOVERNMENT

The City of Ames, Iowa (the “City”) is governed under and operates under a Mayor-Council form of government with a City Manager. The principle of this type of government is that the Council sets policy and the City Manager carries it out. The six members of the Council are elected for staggered four-year terms. One member is elected from each of the four wards and two are elected at large. The Council appoints the City Manager as well as the City Attorney. The City Manager is the chief administrative officer of the City. The Mayor is elected for a four-year term, presides at council meetings and appoints members of various City boards, commissions and committees with the approval of the Council.

EMPLOYEES AND PENSIONS

The City has 1,321 full-time employees of which 495 are governmental employees and 826 are employees of the Mary Greeley Medical Center and 979 part-time employees (including seasonal employees) of which 449 are governmental employees and 530 are employees of the Mary Greeley Medical Center. Included in the City’s full-time employees are 54 sworn police officers and 54 firefighters.

The City contributes to the Iowa Public Employees Retirement System (IPERS), a cost sharing multiple-employer public employees’ retirement system designed as a supplement to Social Security. The pension plan provides retirement and death benefits, which are established by State statute. The City is current in its obligation to IPERS, which has been as follows: \$4,965,440 in FY 2009-10, \$5,240,892 in FY 2010-11 and \$6,120,067 in FY 2011-12.

The City also contributes to the Municipal Fire and Police Retirement System of Iowa (MFPRSI), a benefit plan administered by a Board of Trustees. MFPRSI provides retirement, disability and death benefits that are established by State statute to plan members and beneficiaries. Plan members are required to contribute 9.4% of their earnable compensation and the City’s contribution rate is 17% of earnable compensation. The City is current in its obligation to MFPRSI, which has been as follows: \$1,024,282 in FY 2009-10, \$1,253,345 in FY 2010-11 and \$1,630,807 in FY 2011-12.

UNION CONTRACTS

City employees are represented by the following five bargaining units:

<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
International Association of Firefighters	June 30, 2014
Public, Professional and Maintenance Employees	June 30, 2013
International Brotherhood of Electrical Workers	June 30, 2013
International Union of Operating Engineers (Local 234C)	June 30, 2014
International Union of Operating Engineers (Local 234D)	June 30, 2014

OTHER POST EMPLOYMENT BENEFITS

Plan Descriptions and Funding Policy: The City and Mary Greeley Medical Center (the “Medical Center”) sponsor single-employer health care plans that provide self-insured medical and prescription drug coverage to all active and retired employees and their eligible dependents. The Medical Center also provides a life insurance benefit to retired employees. Employees must be a minimum of 55 years old, have been employed for the preceding four years, and currently be enrolled in a sponsored health insurance plan at the time of retirement. Benefits terminate upon attaining Medicare eligibility.

Eligible retirees receive health care coverage through the same plans that are available for active employees. The Medical Center also provides a flat \$2,500 life insurance benefit to eligible retired employees. Contributions are required for both retiree and dependent coverage. The retiree contributions are based on and equal to the historical full cost of active members. Retiree expenses are then offset by monthly contributions.

Funding Policy: The City and the Medical Center, with assistance from their third-party administrators, establish and amend contribution requirements for both active and retiree members on an annual basis. The current funding policy is to pay health claims as they occur. This arrangement does not qualify as OPEB plan assets under GASB for current GASB reporting.

The required contribution is based on pay-as-you-go financing. For fiscal years ending June 30, 2011 and 2010, the City contributed \$(25,579) and \$(13,872), respectively. Retirees receiving benefits contributed \$208,887 and \$214,440, respectively, through their required contributions. The Medical Center contributed approximately \$63,000 and \$172,000, respectively. Retirees receiving benefits contributed approximately \$181,000 and \$174,000, respectively, through their required contributions.

Annual OPEB Cost and Net OPEB Obligation: The City’s and the Medical Center’s annual other post-employment benefit (“OPEB”) cost (expense) is based on the annual required contribution of the employer (“ARC”), an amount actuarially determined in accordance with the parameters of GASB Statement 45. Fiscal year 2008 is the year of implementation for GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following schedule shows the components of the annual OPEB cost for the years ended June 30, 2011 and 2010, the amount actually contributed to the plans, and changes in the net OPEB obligation.

Funded Status and Funding Progress: As of July 1, 2010 and July 1, 2009, the most recent actuarial valuation dates, the actuarial accrued liability (“AAL”) and unfunded actuarial accrued liability (“UAAL”) for benefits was \$5,302,219. The City’s and Medical Center’s plans are considered to be unfunded since there are no assets and retiree benefits are paid annually on a cash basis. Because the plans are unfunded, the AAL and UAAL are equal. The covered payrolls (fiscal year payroll of active employees covered by the plans) were \$81,335,406, and the ratio of the UAAL to the covered payrolls was 6.52%.

	<u>City</u>	<u>Medical Center</u>	<u>Total</u>
Annual required contribution	\$172,000	\$344,595	\$516,595
Interest on net OPEB obligation	16,000	96,000	112,000
Adjustment to annual required contribution	<u>(14,000)</u>	-----	<u>(14,000)</u>
Annual OPEB cost/expense	174,000	440,595	614,595
Contributions and payments made	<u>(26,579)</u>	<u>63,194</u>	<u>36,615</u>
Increase in net OPEB obligation	200,579	377,401	577,980
Net OPEB obligation, July 1, 2010	<u>357,378</u>	<u>1,919,985</u>	<u>2,277,363</u>
Net OPEB obligation, June 30, 2011	<u>\$557,957</u>	<u>\$2,297,386</u>	<u>\$2,855,343</u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2011, 2010, & 2009:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2009	\$1,128,950	5.9%	\$1,824,717
June 30, 2010	\$610,831	25.9%	\$2,277,363
June 30, 2011	\$614,595	5.9%	\$2,855,343

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. A schedule of funding progress is required to be presented as supplementary information following the notes to the financial statements.

INSURANCE

The City's insurance coverage is as follows:

<u>Type of Insurance</u>	<u>All Limits</u>
General Liability	\$12,000,000
Auto Liability	\$12,000,000
Wrongful Acts	\$12,000,000
Excess (over all other coverage except Iowa liquor liability)	\$12,000,000
Law Enforcement	\$12,000,000
Public Official	\$12,000,000
Employee Benefit	\$1,000,000
Medical Malpractice	\$12,000,000
Underinsured Motorist	\$1,000,000
Uninsured Motorist	\$1,000,000
Commercial Property	
Commercial Property & Boiler and Machinery, Power Generation related	\$200,000,000
Municipal Properties & Boiler and Machinery, Non-Power Generation	\$144,698,842
Terrorism – TRIA (Federally defined terrorist acts)	Included in both of above
Airport Liability	\$3,000,000

GENERAL INFORMATION

LOCATION AND TRANSPORTATION

The City is located in Story County in central Iowa. It is approximately thirty miles north of Des Moines, Iowa, the State capital and largest city in the state. The City is located on Interstate Highways 35 and 30. The City was incorporated in 1869 under the laws of the State of Iowa, later amended in July, 1975 under the Home Rule City Act.

The City, with a United States Census Bureau 2010 population of 58,965, is known for its excellent quality of life which includes a relatively crime-free environment, an extensive park system, superior cultural/recreations facilities and a nationally recognized school system. The City is the home of Iowa State University ("ISU"). ISU was established in 1859 and is an integral part of the community.

The City operates a mass transit system to provide efficient and economical transportation to all members of the community. A fixed routing service is available on a daily basis to most residents and a Dial-A-Ride service is available for elderly or handicapped residents. The City operates a municipal airport, which handles primarily charter services. National air service is available at the Des Moines International Airport, approximately thirty miles south of the City. The City is also provided freight services through the Union Pacific Railroad line.

LARGER EMPLOYERS

A representative list of larger employers in the City is as follows:

<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u> ¹⁾
Iowa State University	Higher Education	14,427
Mary Greeley Medical Center	Health Care	1,356
Iowa Department of Transportation	Public Transportation	962
City of Ames	Municipal Government	944
McFarland Clinic, P.C.	Health Care	920
Hy-Vee Food Stores	Grocery	738
Sauer-Danfoss Company	Hydro-Transmissions	650
Ames Community School District	Education	650
Ames Laboratories	Research	472
Wal-Mart	Retail	440
3M Company	Manufacturing	400
AG. Research	Research	400
National Veterinary Service Lab	USDA Veterinary Research	387
Hach Company	Water Analysis Equipment	295
National Animal Disease Center	USDA Research	250
WebFilings	Software	200

¹⁾ Includes full-time, part-time and seasonal employees.

Source: The City and phone interviews conducted in August 2012.

BUILDING PERMITS

Permits for the City are reported on a calendar year basis. City officials reported most recently available construction activity for a portion of the current calendar year, as of June 30, 2012. The figures below include both new construction and remodeling.

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>Residential Construction:</u>					
Number of units:	462	466	487	451	232
Valuation:	\$25,656,078	\$20,084,857	\$22,855,260	\$19,710,497	\$10,078,419
<u>Commercial Construction:</u>					
Number of units:	175	173	175	224	112
Valuation:	\$61,157,671	\$24,655,737	\$32,918,202	\$59,896,534	\$51,090,094
Total Permits	637	639	662	675	344
Total Valuations	\$86,813,749	\$44,740,594	\$55,773,462	\$79,607,031	\$61,168,513

U.S. CENSUS DATA

Population Trend

1980 U.S. Census	43,775
1990 U.S. Census	47,198
2000 U.S. Census	50,731
2010 U.S. Census	58,965

Source: U.S. Census Bureau website.

UNEMPLOYMENT RATES

	<u>City of Ames</u>	<u>Story County</u>	<u>State of Iowa</u>
Annual Averages:			
2008	2.8%	3.1%	4.0%
2009	4.1%	4.6%	6.2%
2010	4.2%	4.8%	6.3%
2011	4.1%	4.5%	5.9%
2012(Jan-June)	3.6%	4.1%	5.2%

Source: Iowa Workforce Development Center website.

EDUCATION

Public education is provided by the Ames Community School District, with a certified enrollment for the 2010-11 school year of 4,280. The district, with approximately 650 employees, owns and operates one early childhood center, seven elementary schools, one middle school and one high school. Nevada Community School District, Gilbert Community School District and United Community School District all lie partially within the City and provide public education to portions of the City.

The Iowa State University ("ISU") 2011-2012 fall term enrollment was 30,893. ISU is the City's largest employer with faculty and staff totaling approximately 14,020, including teaching assistants and hourly part-time employees. ISU, in addition to its educational function, is a leading agricultural research and experimental institution.

The Iowa State Center, which is the cultural and athletic center of ISU and City, is a complex of five structures, all completed since 1969. It consists of two theaters, a football stadium, a coliseum and a continuing education building which attract major athletic, dramatic and musical events, as well as seminars and conferences to the City.

In addition to ISU located in the City, the following institutions provide higher education within 30 miles of the City: Des Moines Area Community College, Upper Iowa University, Simpson College, Hamilton College, Grand View College and Drake University.

FINANCIAL SERVICES

Financial services for the residents of the City are provided by First National Bank Ames, Iowa and Ames Community Bank, Ames, Iowa. In addition, the City is served by branch offices of Bank of the West, Bankers Trust Company, CoBank ACB, Exchange State Bank, Great Western, First American Bank, First Federal Savings Bank of Iowa, Midwest Heritage Bank, F.S.B., US Bank, N.A., Valley Bank and Wells Fargo Bank, N.A., as well as by several credit unions.

First National Bank reports the following deposits as of June 30th for each year:

<u>Year</u>	<u>First National Bank</u>	<u>Ames Community Bank¹⁾</u>
2007	\$349,319,000	\$136,487,000
2008	366,688,000	132,473,000
2009	365,058,000	279,468,000
2010	393,145,000	350,648,000
2011	427,328,000	356,457,000

¹⁾ Ames Community Bank was acquired by City State Bank in January 2009.

Source: Federal Deposit Insurance Corporation (FDIC) website.

FINANCIAL STATEMENTS

The City’s June 30, 2011 Comprehensive Annual Financial Report, as prepared by City management and audited by a certified public accountant, is reproduced as APPENDIX B. The City’s certified public accountant has not consented to distribution of the audited financial statements and has not undertaken added review of their presentation. Further information regarding financial performance and copies of the City’s prior Comprehensive Annual Financial Report may be obtained from Public Financial Management, Inc.

DRAFT

APPENDIX A

FORM OF LEGAL OPINION

APPENDIX B

JUNE 30, 2011 COMPREHENSIVE ANNUAL FINANCIAL REPORT

DRAFT

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

DRAFT

OFFICIAL BID FORM

To: City Council of
City of Ames, Iowa

Sale Date: August 28, 2012
11:00 AM, CT

RE: \$13,215,000* General Obligation Corporate Purpose Bonds, Series 2012 (the "Bonds")

For all or none of the above Bonds, in accordance with the TERMS OF OFFERING, we will pay you \$_____ (not less than \$13,100,280) plus accrued interest to date of delivery for fully registered bonds bearing interest rates and maturing in the stated years as follows:

<u>Coupon</u>	<u>Maturity</u>	<u>Coupon</u>	<u>Maturity</u>
_____	2013	_____	2023
_____	2014	_____	2024
_____	2015	_____	2025
_____	2016	_____	2026
_____	2017	_____	2027
_____	2018	_____	2028
_____	2019	_____	2029
_____	2020	_____	2030
_____	2021	_____	2031
_____	2022	_____	2032

*Preliminary; subject to change. The City reserves the right to increase or decrease the aggregate principal amount of the Bonds. Such change will be in increments of \$5,000 and may be made in any of the maturities. The purchase price will be adjusted proportionately to reflect any change in issue size.

In making this offer we accept all of the terms and conditions of the TERMS OF OFFERING published in the Preliminary Official Statement dated August 15, 2012. In the event of failure to deliver these Bonds in accordance with the TERMS OF OFFERING as printed in the Preliminary Official Statement and made a part hereof, we reserve the right to withdraw our offer. All blank spaces of this offer are intentional and are not to be construed as an omission.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: \$ _____

TRUE INTEREST COST: _____ % (Based on dated date of October 1, 2012)

Account Manager: _____ By: _____

Account Members: _____

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of Ames, Iowa this 28th day of August, 2012.

Attest: _____ By: _____

Title: _____ Title: _____

COUNCIL ACTION FORM

SUBJECT: SETTING SEPTEMBER 11, 2012, AS THE DATE OF PUBLIC HEARING FOR AUTHORIZATION TO ISSUE HOSPITAL REVENUE BONDS, MARY GREELEY MEDICAL CENTER SERIES 2012, IN AN AMOUNT NOT TO EXCEED \$26,000,000

BACKGROUND:

Mary Greeley Medical Center (MGMC) is in the process of implementing a major facility expansion to continue to provide quality regional medical services. The Medical Center also has an opportunity for savings by refunding outstanding Series 2003 bonds. The Municipal Code section that specifies duties and authorities of the Hospital Trustees does not delegate activities related to the issuance and sale of revenue bonds. Therefore, Council action is required to issue revenue bonds for the Hospital.

Since revenue bonds are being issued, only revenues from MGMC will be used to pay back the bonds. Even though the issuance of revenue bonds by MGMC does not create a financial obligation or pledge of credit or taxing authority for the City of Ames, failure to follow through with bond payments could have a negative impact on the future credit of the City. Therefore, when available, the City Council previously required MGMC to purchase insurance to protect the City in the unlikely event of default. Since this type of insurance is no longer available, this bond issue will not be insured. However, it should be remembered that because of the strong financial condition of the Hospital, the City Council supported the most recent issuance of hospital revenues bonds even without the insurance protection.

ALTERNATIVES:

1. Establish September 11, 2012, as the date to hold a public hearing and take action to authorize the issuance of Hospital Revenue Bonds, Mary Greeley Medical Center Series 2012, in an amount not to exceed \$26,000,000.
2. Delay the hearing on the issuance of Hospital Revenue Bonds.

MANAGER'S RECOMMENDED ACTION:

Mary Greeley Medical Center provides quality medical services to both Ames and a large surrounding area, and is a major economic contributor to the community. Issuance of these bonds is needed to provide funding for the Medical Center's planned facility expansion, and will also provide savings by refunding outstanding bonds. Issuance of these bonds involves no financial obligation on the part of Ames property taxpayers.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby establishing September 11, 2012, as the date to hold a public hearing and take action to authorize the issuance of Hospital Revenue Bonds, Mary Greeley Medical Center Series 2012, in an amount not to exceed \$26,000,000.

Staff Report

Outdoor Lighting Standards for Auto & Marine Craft Trade

August 14, 2012

Background:

On July 20, 2012 the City Council received a request from Dan Levi of Levi Architecture, to reevaluate lighting provisions in the recently adopted alternative landscape standards for auto dealers. The request expressed the concern that the standards have no provisions for the lighting of a “merchandise lot”, and stated that Deery Brothers may choose to reevaluate the project entirely without some constructive changes to the lighting level allowed for their dealership. In response, the City Council directed staff to provide a brief report on the lighting issue.

The lighting standards that are the subject of this request did not replace or amend existing outdoor lighting standards; they were included under one of two options in the recently adopted alternative landscape standards for auto and marine craft trade uses. In total, they provide three landscaping options for auto dealers. It is useful to summarize what these three alternative standards are:

Alternative 1 – Standard Landscaping Requirements. These are the current standards generally applicable to all development in most locations. They may be used if developers of auto and marine craft trade prefer not to select the alternative standards for these uses. Under this option, parking lots are landscaped with standard linear alignment of trees around the parking lot perimeter, and **there are no lighting restrictions beyond the City’s standard lighting regulations.**

The advantages of this option is that the standard linear arrangement of trees provides some softening of parking lot lights as seen from surrounding streets and development. No further lighting regulations are needed. However, the disadvantage to the auto dealer is that the linear alignment of trees along the site perimeter may obscure visibility of the site from abutting streets.

Alternative 2 - Eliminate interior parking lot landscaping requirements for auto-dealers in exchange for landscaped entrance and building perimeter features, and retain the standard linear alignment of trees and shrubs around the perimeter of the parking lot. Under this option, **there are no lighting restrictions beyond the City’s standard lighting regulations.**

As with Alternative 1, the standard linear arrangement of trees provides some softening of parking lot lights as seen from surrounding streets and development, so

no further lighting regulations are needed.. This alternative also enhances with landscaping both the entrance to the site and the area surrounding the building as compensation for the loss of landscaping in the middle of the parking lot. However, the linear alignment of trees along site perimeter may obscure visibility of site from abutting streets.

Alternative 3 - Eliminate interior landscaping requirements for auto-dealers, and allow clustering of trees and shrubs around the perimeter of the site.

The clustering of trees allowed under this option will facilitate increased visibility of the site from abutting streets, thereby increasing marketing opportunities. However, this clustering option would leave wide open expanses with no upright landscape features to provide visual relief from light and glare, and no shading (cooling) of pavement. To compensate for this impact, **this option requires on-site lighting to comply with the same lighting levels established for the Northeast Gateway Overlay district, (except for after-hour dimming requirements)**, and requires tree clusters to be within 8 feet of the parking lot pavement to provide some shading.

The lighting standards under Alternative 3 are the same lighting standards required in the Northeast Gateway Overlay district, except that they do not require that lights be dimmed after hours to security level lighting as otherwise required in that district. To date, staff is aware of only one development proposal that was designed to meet the standard, and that was the mall proposal on 13th Street by Bucky Wolford. Unfortunately, no development has actually been built under these standards, so there is no built example showing what the lighting would look like. Nonetheless, the applicant's lighting consultant has indicated that the lighting achievable under these standards would be similar to the light levels of City Hall parking lots – 2 foot candles average.

Issues For Consideration:

The Deerys wish to use Alternative 3, but are concerned that the mitigating lighting standard of that alternative do not reasonably provide the lighting levels that auto-dealers depend upon for marketing purposes. Deery Brother's lighting consultant Bob Brown, KJWW Engineering Consultants, provided information on what a typical lighting plan might entail today. It would include the following:

High Volume Retail – 3 to 5 foot candles average

Auto Dealers:

* *Standard lighting - 3 foot candles average.* These would provide standard lighting levels around customer and employee parking and storage areas.

* *Sales Display Lights - 15 foot candles average.* These are for the balance of the display lot not otherwise lighted with dazzle or highlight levels.

* *Highlight Display Lights - 150 foot candles at a point.* – These are higher lighting levels located along the perimeter to give added focus to cars viewed from the street.

* *Dazzle Display Lights - 300 foot candles at a point.* These are high intense lights in high accent areas, such as near dealership signs or over cars on elevated or rotating platforms.

The only requirement under the alternative standards that Mr. Brown has demonstrated the Deerys can comply with without affecting light levels is the requirement to shield the view of fixture lenses from public rights-of-way. This entails attaching what are called glare shields on the bottom side of the fixtures. These extend down approximately 6 to 8 inches below the fixture housing, and are located on the public right-of-way side of each fixture visible from the right-of-way. The view angles shown on cross sections submitted by Mr. Brown provide compelling evidence that this requirement can be met. **Staff believes that compliance with this standard will significantly mitigate one of the greater glare factors of outdoor lighting by shielding the visual “hot spots” of light around fixture lenses.**

Options for City Council Consideration:

The Council may wish to consider the following options in response to Mr. Levi’s request:

Option 1. Retain Status Quo – leave the standards as they are.

Option 2. Amend standards to:

- a. Allow typical sales display light levels (15-foot candles average) in all auto display areas. (no dazzle or highlight levels)
- b. Retain lower lighting levels of code in all non-display parking areas,
- c. Retain glare shield requirements for all lights.
- d. Require security lighting levels in all areas after 10:00 p.m. (2 foot candles average)

Option 3. Amend standards to:

- a. Allow full levels of auto dealers preferred lighting (e.g., standard, sales, highlight, and dazzle) in all auto display areas.
- b. Retain lower lighting levels in all non-display parking areas.
- c. Retain glare shield requirements for all lights.

Option 4. Any combination of the above.

STAFF COMMENTS

When considering these options, the Council may want to consider the impacts that high intensity lighting associated with auto dealer parking lots may have on the visual effectiveness of the light columns planned for installation along highway 30 just east of the Deery Brothers site. Without some means of mitigating or softening the light typically associated with auto dealer parking lots, the visual effectiveness of the light columns may be significantly diminished. With that in mind, the Council may wish to consider Option 2. While it would not allow for the most intense light auto dealers would choose if left unregulated, it would allow light commensurate with what dealers typically provide in their display sale areas while providing reasonable mitigation of lighting impacts on the community.

If the City Council wants to proceed with any changes to the lighting provisions under the existing alternate landscaping standards for auto and marine craft trade, then staff should be instructed to bring back through the Planning and Zoning Commission for approval an amended ordinance based on one of the options discussed above.

(Public Input: Please see attached e-mail from Joe Kollasch)



Deery Brothers car dealership request high Intensity lighting

Joseph Kollasch to: Diane R Voss, sosguthorpe,
bkindred, randerson

08/03/2012 02:44 PM

Please respond to kollasch

city of Ames

As a member of Ames Area Amature Astronomers (AAAA) I want to remind you that we fought long just to get some semblance of decent night skies here in Ames.

I hope you don't throw that all away for a few 'window watchers' when stores are closed and they should be watching the road any way. Certainly Not After 10 pm DST, and earlier in Winter.

Frankly I hope you don't change it at all. Just remind them that we are trying to preserving the Night Sky for our citizens, and if anything we should be more stringent.

Joe Kollasch member AAAA



Memo

City Manager's Office

32

TO: Mayor and Council

FROM: Bob Kindred, Assistant City Manager

DATE: August 10, 2012

SUBJECT: Ringgenberg Park Subdivision, 3rd Addition Major Final Plat

On Tuesday, August 7, Kurt Friedrich and Brian Torresi submitted an application for approval of the Final Plat for the Ringgenberg Park Subdivision's 3rd Addition. They also expressed an urgent desire that this item be placed on your August 14 agenda for approval.

The Municipal Code states that applications for final plat approval of a major subdivision must be submitted to the City at least 15 days prior to the regular City Council meeting at which approval is sought. The attached letter from Mr. Torresi asks you to waive that requirement.

One purpose for that timeframe is to allow staff adequate time to review the submission and to verify whether or not all of the developer's commitments have been fulfilled. Knowing of your desire that we do everything possible to facilitate development in the community, staff has devoted a substantial amount of time over the past three days to coordinate review of this submission with the other affected agencies and utilities. Since review of this final major plat is the last time Council approval is needed, there are several elements of the overall Ringgenberg Park Subdivision that staff wants to make sure are adequately addressed before approval is given.

Staff will do everything possible to pull together needed information and approvals by Tuesday, August 14. However, it is possible that the final plat review may not be completed until later in the week. In that event, the applicant may request that Council hold a special meeting to approve their final plat.

Enclosure



REPLY TO AMES OFFICE

August 8, 2012

The Honorable Ann H. Campbell, Mayor, and
Members of the Ames City Council
City of Ames, Iowa
515 Clark Avenue
Ames, IA 50010

ATTN: Department of Planning and Housing

Re: Requested Waiver of Section 23.302(8)(a) of the Municipal
Code, City of Ames, Iowa for Ringgenberg Park Subdivision
Third Addition, Ames, Story County, Iowa

Dear Mayor Campbell, Ms. Voss and
Members of the Ames City Council:

On behalf of Heartland Development, LLC (the "Applicant"), we are
seeking a waiver of the timing requirements set forth in Section 23.302(8)(a)
of the Municipal Code, City of Ames, Iowa (the "Code") related to the
approval of the Final Plat of Ringgenberg Park Subdivision Third Addition,
Ames, Story County, Iowa (the "Subdivision").

Section 23.302(8)(a) of the Code provides that applications for Final
Plat Approval of a Major Subdivision must be submitted to the Department of
Planning and Housing (the "Department") at least fifteen (15) days prior to the
regular City Council meeting at which approval is sought. Section 23.103(1)
of the Code provides that, for a particular subdivision, the City Council may
modify or waive strict compliance with the Code if strict compliance would
result in extraordinary hardship to the applicant, and that the ability of the City
Council to modify or waive requirements is available "so that substantial
justice may be done and the public interest secured".

On August 7, 2012, the Applicant submitted to the Department all of
the documents and materials required for consideration of the approval of the
Subdivision by the City Council. Upon submittal, the Applicant respectfully
requested that approval of the Subdivision be considered at the August 14,

- John D. Shors
Robert A. Gamble
Michael G. Kullk
Frank J. Carroll
Bruce I. Campbell
Jonathan C. Wilson
Steven L. Nelson
David B. VanSickel
Gene R. La Suer
Deborah M. Tharnish
Kent A. Herink
Robert J. Douglas, Jr.
Mark D. Walz
Gary M. Myers
Stanley J. Thompson
David M. Erickson
Lori Torgerson Chesser
Jo Ellen Whitney
Becky S. Knutson
Julie Johnson McLean
Beverly Evans
Margaret Van Houten
Thomas E. Stanberry
Christopher P. James
Sharon K. Malheiro
Kris Holub Tilley
William A. Boatwright
Thomas J. Houser
Kendall R. Watkins
Joseph A. Happe
Scott M. Brennan
William E. Hanigan
Debra Rectenbaugh Pettit
Matthew E. Laughlin
Judith R. Lynn B6es
William P. Kelly
Susan J. Freed
Jason M. Ross
Jason M. Stone
Amy M. Landwehr
John C. Pietila
Emily E. Harris
B. J. Miller
Jodie Clark McDougall
Jeffrey D. Ewoldt
Tara Z. Hall
Courtney Strutt Todd
Nichole Miras Mordini
Mark D. Wickham
Kelly A. Deters
Brian D. Torrosti
Krystle L. Campa
Sarah K. Franklin
Christopher E. James
Robert W. Dixon
Michael C. Richards
Christopher S. Talcott
Elizabeth R. Meyer
Michele L. Warnock
Sarah E. Crane
Jana M. Luttenegger
Ann E. Naffier
Matthew Warner-Blankenship
Intellectual Property
Kent A. Herink
Emily E. Harris
Sean D. Solberg
Matthew Warner-Blankenship
Of Counsel
Jeffrey A. Baker
Donald J. Brown
Denise R. Claton
C. Carleton Frederici
Robert F. Holz, Jr.
Dennis D. Jerde
William J. Koehn
Stephen M. Morain
Joseph M. Pavlosky
Richard E. Ramsay
Stephen W. Roberts
Thomas E. Salsbery
Neal Smith
Sean D. Solberg
A. Arthur Davis
1928-1997

DAVIS BROWN KOEHN SHORS & ROBERTS P.C.

August 8, 2012

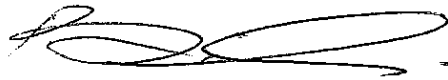
Page 2

2012, regular meeting of the City Council. Fortunately, the Applicant has already preliminarily sold about one-third (1/3) of the thirty-one (31) proposed residential lots within the Subdivision. Unfortunately, the closing dates set for most of those sales are on or about August 20, 2012. If the waiver requested herein is not granted by the City Council, these closing dates would have to be adjusted at considerable and extraordinary expense and hardship, not only to the Applicant, but to the purchasers of the lots and the builders of improvements on the lots.

While we appreciate and understand that the closing dates for the sales of lots in the Subdivision may have been set prematurely, we ask that the City Council nonetheless take the hardship of the multiple parties into consideration and grant the waiver requested herein in order to take action on the approval of the Subdivision on August 14, 2012.

We thank you in advance for your understanding and cooperation and for your assistance in expediting this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Brian D. Torresi", with a horizontal line extending to the right.

Brian D. Torresi

Cc: Kurt W. Friedrich
Scott Renaud

COUNCIL ACTION FORM
(Prepared 8/14/12)

**SUBJECT: MAJOR FINAL PLAT FOR RINGGENBERG PARK SUBDIVISION
THIRD ADDITION**

BACKGROUND:

On May 12, 2012, the City Council approved an amendment to the Preliminary Plat/Major Site Development Plan for the Ringgenberg Park Subdivision, Planned Residence Zoning District located south of Oakwood Road, west of Cedar Lane. The amendment removed the southern portion from the original Planned Residence District because that portion was sold to Iowa State University. That change left one final plat to complete the platting of the Ringgenberg Park development, which includes sites for 109 single-family detached residences and one large lot at the north end for single-family attached residences or small apartment residences.

On Tuesday, August 7, 2012 Kurt Friedrich, on behalf of Heartland Development LLC submitted an application for approval of a Final Plat for Ringgenberg Park, platting the remaining 31 lots in the project, and requested consideration by the City Council at its August 14 meeting. Along with the Final Plat, the following documents have been submitted:

- Request for a waiver of the 15-day minimum application submittal requirement for a final plat.
- Resolution Accepting the Plat of Northridge Heights, 14th Addition
- Consent to Platting
- Treasurer's Certificate
- Attorney's Title Opinion
- Agreement for Sidewalk and Street Trees
- Resolution Accepting Public Improvements (Completed)
- Agreement for Public Improvements (Remaining)
- Letter of Credit
- Easements (Public utilities, stormwater, walkway)

The proposed Final Plat complies with the approved Preliminary Plat and there were no conditions of approval of the Preliminary Plat.

Public improvements required with the Third Addition are completed except for some erosion control, grading and paving of Cedar Lane, surface paving of Coyote Drive and Red Fox Road and pedestrian ramp facilities. A **letter of credit for \$250,000 has been submitted to secure the completion of these public improvements.** Sidewalks and street trees on Coyote Drive and Red Fox Road are also yet to be

completed, lot-by-lot as homes are built, in accordance with the proposed Agreement for Sidewalk and Street Trees.

Public improvements outside of this Third Addition were addressed by the original Development Agreement for Ringgenberg Park, approved City Council on December 20, 2005. These have all been completed except for a bike path on the south side of Oakwood Road across the north boundary of this Subdivision, a bike path on the west side of Cedar Lane along the frontage of the large lot for attached residences or apartments, and various sidewalk segments where homes have not yet been built. The original Development Agreement specified that the bike paths were to be completed with the First Addition and the sidewalks were to be completed within two years of the platting of the lots. That deadline has not been met.

An Agreement for Sidewalk and Street Trees was also approved with the first final plat. This agreement provides for withdrawing building or occupancy permits if a residence is built without installing adjacent sidewalks within two years. With this approach, sidewalks will continue to be built on a lot-by-lot basis as homes are built, however long that takes.

This agreement also applies to the bike paths. If the bike paths are not completed within two years after any single-family attached or apartment residences are built, occupancy permits for those units can be revoked. However, the agreement does not specify whether this applies upon completion of the first residential unit built, the last residential unit built or upon completion of some portion of residential units on this large lot. Although no connecting bike paths exist on Oakwood Road, the City expects to complete the segment to the east within the next two years.

As the City Council is aware, this process for securing the construction of sidewalks in lieu of financial security has become the routine for residential subdivisions in Ames. However, this is the first request in over ten years for approval of the final plat in a larger subdivision developed over several years. **The City Council does have the opportunity to establish a deadline for completion of the sidewalks and bike path and require an Improvement Guarantee. After this Final Plat is approved, that opportunity will be gone.**

It could be determined that the proposed subdivision complies with all relevant and applicable design and improvement standards of the Subdivision Regulations, with the exception of the improvements listed in this report, to the City's Land Use Policy Plan, to other adopted City plans, ordinances and standards, and to the City's Zoning Ordinance. If the City Council prefers financial security for completion of walks and bike paths, it can require that an Improvement Guarantee be presented before release of the approved Final Plat documents for the Ringgenberg Park Subdivision Third Addition.

Waiver of Subdivision Standards. As is stated above, the application was submitted on Tuesday, August 7, 2012. However, Section 23.302(8)(a) of the Municipal Code states that, "The Applicant shall file an Application for Final Plat Approval with the Department of Planning and housing at least fifteen days prior to a regular meeting of the city Council . . ." That period of time provides staff opportunity to send copies of the

plat to internal departments as well as external parties that have interest in the plat, including the County Auditor, and all utility providers. In order to meet the applicant's requested deadline, it would be necessary for the Council to approve a waiver of the 15-day minimum deadline. Such a waiver may be considered by the Council under the provisions of Section 23.103(1), which states "that the Council may approve a waiver if it can be shown that strict compliance with the requirements of the Regulations would result in extraordinary hardship to the applicant or would prove inconsistent with the purpose of the Regulations so that substantial justice may be done and the public interest secured; provided, however, that such modification or waiver shall not have the effect of nullifying the intent and purpose of the Regulations."

The applicant's attorney, Brian Torresi, has submitted a waiver request, and in the request has provided a statement of hardship. The Council should determine if the applicant has met the criteria for hardship. If so, Council may approve the waiver. This would be a necessary first step in review of this application at this time. If the Council approves the waiver, it may then review and render a decision on the proposed final plat. If the Council denies the waiver, it must inform the applicant that the application will be considered no sooner than August 28, 2012.

ALTERNATIVES:

First, the City Council must decide whether or not it desires to approve a waiver of the 15-day application requirement for final plats. **If so**, then the Council could consider the following alternatives:

1. The City Council can approve a resolution approving the Final Plat for Ringgenberg Park Subdivision Third Addition by finding that all requirements of *Municipal Code* §23.302(10)(b) are met, **conditional upon receipt of an Improvement Guarantee** in the amount of \$150,000 to cover the cost for completion of sidewalks and bike paths required by the Development Agreement for Ringgenberg Park Subdivision approved on December 20, 2005.
2. The City Council can approve the Ringgenberg Park Subdivision Third Addition **without additional improvement guarantees** by finding that all requirements of *Municipal Code* §23.302(10) (b) are met.
3. The City Council can **deny** the Final Plat for Ringgenberg Park Subdivision Third Addition if it finds that the development creates a need for new public improvements that have not yet been installed per the approved Preliminary Plat and Development Agreement.
4. The City Council can refer this request back to staff or the applicant for additional information and or documents to be submitted to City Council by a date certain. That date, however, must be no later than the September 25, 2012 meeting.

MANAGER'S RECOMMENDED ACTION:

City staff has evaluated the proposed final subdivision plat and determined that the proposal is consistent with the Preliminary Plat approved by the City Council and that the plat conforms to the adopted ordinances and policies of the City of Ames as required by Code.

Certain public improvements have not yet been completed and an Improvement Agreement and Letter of Credit has been presented to secure completion, except for the remaining sidewalks and bike paths. Although it makes sense to avoid damage to sidewalks by waiting until homes are built before the sidewalk in front is installed, it also seems reasonable that up to six years after moving into a subdivision the current residents should be able to enjoy an unbroken sidewalk system. As to the remaining bike paths, which were to have been completed by 2008, there is no bike path system to connect to either east or west of the Ringgenberg Park Subdivision. Since the City's bike path network is expected to connect to this location within two years, it is reasonable to require the remaining bike paths in this development to be completed within that same time frame.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby approving a resolution approving the Final Plat for Ringgenberg Park Subdivision Third Addition by finding that all requirements of *Municipal Code* §23.302(10) (b) are met, **conditional upon receipt of an Improvement Guarantee** in the amount of \$150,000 to cover the cost for completion of sidewalks and bike paths required by the Development Agreement for Ringgenberg Park Subdivision approved on December 20, 2005.

Applicable Laws and Policies Pertaining to Final Plat Approval

Adopted laws and policies applicable to this case file include, but are not limited to, the following:

Ames Municipal Code Section 23.302

- (10) City Council Action on Final Plat for Major Subdivision:
- (a) All proposed subdivision plats shall be submitted to the City Council for review and approval. Upon receipt of any Final Plat forwarded to it for review and approval, the City Council shall examine the Application Form, the Final Plat, any comments, recommendations or reports examined or made by the Department of Planning and Housing, and such other information as it deems necessary or reasonable to consider.
- (b) Based upon such examination, the City Council shall ascertain whether the Final Plat conforms to relevant and applicable design and improvement standards in these Regulations, to other City ordinances and standards, to the City's Land Use Policy Plan and to the City's other duly adopted plans.
- (c) The City Council may:
- (i) deny any subdivision where the reasonably anticipated impact of such subdivision will create such a burden on existing public improvements or such a need for new public improvements that the area of the City affected by such impact will be unable to conform to level of service standards set forth in the Land Use Policy Plan or other capital project or growth management plan of the City until such time that the City upgrades such public improvements in accordance with schedules set forth in such plans; or,
- (ii) approve any subdivision subject to the condition that the Applicant contribute to so much of such upgrade of public improvements as the need for such upgrade is directly and proportionately attributable to such impact as determined at the sole discretion of the City. The terms, conditions and amortization schedule for such contribution may be incorporated within an Improvement Agreement as set forth in Section 23.304 of the Regulations.
- (d) Prior to granting approval of a major subdivision Final Plat, the City Council may permit the plat to be divided into two or more sections and may impose such conditions upon approval of each section as it deems necessary to assure orderly development of the subdivision.
- (e) Following such examination, and within 60 days of the Applicant's filing of the complete Application for Final Plat Approval of a Major Subdivision with the Department of Planning and Housing, the City Council shall approve, approve subject to conditions, or disapprove the Application for Final Plat Approval of a Major Subdivision. The City Council shall set forth its reasons for disapproving any Application or for conditioning its approval of any Application in its official records and shall provide a written copy of such reasons to the developer. The City Council shall pass a resolution accepting the Final Plat for any Application that it approves.
- (Ord. No. 3524, 5-25-99)*



STUMBO & ASSOCIATES
LAND SURVEYING, INC.
 510 S. 17th STREET, SUITE 102 AMES, IOWA 50010
 PHONE 515-239-3689 FAX 515-239-4403

FINAL PLAT
RINGGENBERG PARK SUBDIVISION,
THIRD ADDITION
 SUBDIVISION OF OUTLOT D, RINGGENBERG SUBDIVISION,
 SECOND ADDITION IN THE NE1/4, NW1/4 SEC. 21-83-24,
 AMES, STORY COUNTY, IOWA
 SURVEY PREPARED FOR: SCOTT RENAUD,
 FOX ENGINEERING
 JOB #15313FP3 DATE: 8/01/12 PAGE: 1 of 1

Certification: I hereby certify that this land surveying document was prepared and the related survey work was performed by me or under my direct personal supervision and that I am a duly licensed Land Surveyor in the State of Iowa.
R. B. Stumbo 8/1/12
 R. Bradley Stumbo License #17161 Date: 8/1/12
 My license renewal date is December 31, 2013

R. BRADLEY STUMBO
17161
 LAND SURVEYOR

Staff Report

YARD WASTE SERVICES

August 14, 2012

This report provides a brief history of how yard waste is handled for the City of Ames and Story County, as well as options for potential changes in the City's new contract for yard waste drop-off

BACKGROUND

Since January 1, 1991, the burial of yard waste in sanitary landfills has been prohibited in Iowa. As a part of the City of Ames Solid Waste Permit, we are required to have a yard waste management plan. As the City's first effort to manage yard waste in the spring of 1991, the City opened a yard waste drop-off site on South Riverside at the southwest corner of the airport property.

After operating this site for four years, the site was closed for a variety of reasons. One was the habitual violation of unauthorized dumping of debris and materials other than yard waste outside of posted hours. The amount of paper and plastic that was beginning to litter the airport area was also causing concerns to the operation of the airport. The availability and constraints of a different site was also a hurdle in seeking to relocate the operation. Lastly, it was recognized that the City's cost of labor to staff this function was significantly higher than the private sector's, resulting in higher cost to our citizens.

At that point the City entered into a contract with a private entity to provide yard waste drop-off service. This contract has been awarded through a bid process. Each contract lasts one year with the possibility of extensions. Since 1995 the contracts have included hosting several "free days" each year that allow yard waste drop off at no charge to citizens.

In the most recent contract, these five free days have consisted of one Saturday in April and the first Saturday in November (for brush, grass, and leaves at \$6,000 per event), and the last three Saturdays in November (for grass, leaves, and garden waste at \$3,000 per event). Standard hours of operation through the contract are April 1 through October 14 on Monday, Wednesday, and Friday from 12:00 PM to 5:00 PM and Saturday 8:00 AM to 12:00 PM for a total of 19 hours per week; and October 15 through December 15 for the same hours during the week as previously stated and on Saturday from 8:00 AM to 4:00 PM for a total of 23 hours per week.

For this provision of the contract, the City is billed a general fee of \$1.11/month. The contractor charges the customers a tipping fee for anyone utilizing the site for yard waste collected outside of these free days. The contractor has also been required to do specific advertising for each of the free days, and the collection site must be located in or within two miles of the city limits. **The current contract period runs from April 1st through December 15th. Therefore, staff would like to complete the next**

solicitation process by October 2012, so that whoever is awarded the contract has adequate time to prepare for the next season beginning on April 1, 2013.

It should also be noted that, as a part of the local Ames approach cited above, local private waste haulers also pick up and dispose of yard waste from their customers for a fee. Hence, the major portion of yard waste generated in our community throughout the year is handled by residents disposing of their yard waste themselves or by working directly with the private sector. The City's involvement in this process largely stemmed from a desire to help facilitate the disposal of residents' large quantities of leaves in the autumn, as well as to facilitate a community-wide clean-up in the spring.

Finally, it is important to note that the Ames Municipal Code prohibits the outdoor burning of leaves and other "landscape waste".

HOW DO OTHER COMMUNITIES HANDLE YARD WASTE?

Since all Iowa cities are prohibited from land-filling yard waste, a variety of different approaches have been developed to facilitate the disposal of yard waste. Several examples are provided below.

In **Des Moines**, yard waste can be picked up curbside using a \$1.55/preprinted bag, or stickers costing \$1.15/sticker can be used for bundled brush or with a generic bag. Brush bundles can be no larger than 18" in diameter and no more than four feet in length. Bundles cannot weigh more than 40 pounds and must have a City sticker attached. There is also a premium yard waste program where customers can utilize a 64 gallon cart at \$8.34/month/cart or a 96 gallon cart at \$10.42/month/cart. The program is partially paid through fees charged and is also subsidized with solid waste fees. Four full-time and part-time crews are used to collect the yard waste curbside. After storm events the City of Des Moines petitions Metro Waste Authority to stay open longer hours for more collections and for citizens to drop off tree damage for free.

Ankeny offers one Saturday and Sunday in May, along with one day in June and one day in October, for tree and branch drop-off only. In addition, leaves are accepted continually over a four week period starting in late October. The leaf drop off site is open 24 hours a day during that period with city crews also at the site on Saturdays and Sundays during those four weeks. The City also does one free cleanup day a year. The city incurred a cost of \$31,642 for these days in 2011. Through the city's recycling arrangement with Waste Management, \$2.95 a month is charged for recycling and \$.50 of that pays for leaves, tree and branch drop-off and the one day cleanup program.

Iowa City sells a special paper yard waste bag that is used for grass, leaves, and garden residue. These bags are priced at \$1.00/bag. A city crew of two full-time and two part-time employees using two trucks picks up filled bags along with woody yard waste of 18" in diameter and four foot in length. Their citizens also have the option of buying a sticker for \$20.00 that they can put on a 35 gallon container and have that dumped weekly. This collection program is run by the city at a net cost of \$265,079 per year, and is partially funded through refuse collection fees. Processing of the yard waste is handled separately at the Iowa City landfill.

Waterloo residents can enroll in a yard waste program using a 96 gallon yard waste bin that is collected the same day as their regular garbage. This is offered during a 16 week period at a cost of \$36.00/year. For an additional \$37.20/year, a resident can have an extra eight weeks of service. There is also a site for citizens to drop off tree and brush for free. Last year this site handled 20,000 tons and cost the City \$236,000 to process those tons. The yard waste program is managed by the city and is subsidized by fees collected through the solid waste service.

COMMENTS FROM THOSE IMPACTED BY THIS SERVICE

Comments received from Ames citizens indicate that they appreciate our “free days”, but that there are sometimes wait times before they can drop off their yard waste. Some would like to see more free days or make it free all year long.

Comments from the City’s contracted yard waste disposal business are that they would like to see equal monthly payment during the contract to allow for consistent cash flow and business planning. In addition, they emphasized that they do not have expertise or staff to write professional ads for the free days as is currently required in the contract. Finally, when the City of Ames opens up a free site for citizens to drop off branches after a severe storm, it negatively impacts their business.

POLICY ISSUES FOR CITY COUNCIL CONSIDERATION

a) Who Operates the Yard Waste Drop-off Facility?

- 1- Private business – The City of Ames could continue to contract with a private business to receive and handle yard waste for Story County residents. The current contract has an annual cost of \$21,010.
- 2- City of Ames – The City of Ames could run a nine month yard waste and tree and brush program with City of Ames equipment and employees at a City of Ames site. This would require additional full-time staff of two employees, processing equipment, and a location to perform the service. Minimum startup expense for equipment and employees not including property or grinding equipment would exceed \$250,000. The City would need to purchase a grinder or hire a contractor to process brush logs and trees. If composting of leaves was going to be done, additional land and equipment would be required along with permits for the composting facility. Alternately, the City could incur additional expense for transporting and drop-off of the yard waste at another site.

b) What is the Appropriate Length of Agreement?

- 1- Modify to a three year contract with the option for two individual renewable years and a non-appropriation clause. The three year base period could allow the contractor to develop a more predictable business plan.
- 2- Keep the current format of a single year contract with four individual renewable years.

c) What are the Minimum Site Hours (For Non-Free Days)?

- 1- The site would be in operation from April 1 through December 15 each contract year. Maintain a minimum of 19 hours per week of the site being open over a four day period each week during the spring and summer and 23 hours per week during the fall. (Same as in current contract.)
- 2- Modify the hours of operation available for citizen drop-off to be either more or less than the 23 hours per week currently required in the contract.

d) How Many Free Days?

- 1- Continue with the same number of free days with three free days for grass, leaves, and garden waste in the fall; and two free days for grass, leaves, and brush – one in the spring and one in the fall. (Same as in current contract.)
- 2- Identify other specific free days in addition to the ones noted above.
- 3- Establish a particular period where all days within that timeframe are free to Story County residents.
- 4- Make all days of operation from April 1 through December 15 free to Story County residents.
- 5- Eliminate free days and require yard waste customers to pay a per use fee.

e) Who is Responsible to Advertise for Free Days?

- 1- The City of Ames can do all of the advertising needed to inform the citizens of the free days, rather than requiring the contractor to provide the advertising. This would allow the message to be consistent and uniform with other City of Ames communications. This approach would also result in a cost savings over contractor based advertising.
- 2- Continue to require the contractor to arrange for free day advertising.

f) What Site Should be Designated for Storm Damaged Tree Debris?

Depending on the severity of the storm, the City has established a free drop off site at the Parks Maintenance Facility for citizens to take storm related tree debris. Depending on the severity of the storm, the expense to the City for operating this site can range from \$700 to \$1500 per day. The current yard waste contractor feels this policy takes away valuable customers.

You will recall that there are three levels of response from the Storm Damage Tree Cleanup Policy.

- A. Full collection city wide – 50% damage in four of the seven districts provides for full city wide collection by city crews and providing an area for free citizen drop off
 - B. Full collection limited area - 50% damage in a limited area and provides for full collection by city crews in that limited area
 - C. Intermediate City response – 25% damage in at least one district providing an area for free citizen drop off
- 1- Have the contractor be the designated site to handle tree debris from an Intermediate City Response level (“C”) of damage when the City institutes the Storm Damage Tree Cleanup Policy. The bidder would submit a proposed fee with the original bid that would be invoiced to the City for each day that is declared for free drop off. The drop off site would be open from 7:00 AM through 7:00 PM each day during the free drop off, and the bidder would handle the processing of the collected material. The City would maintain responsibility for the full collection city wide (“A”) and full collection limited area (“B”) levels.
 - 2- Continue with current operations utilizing City staff, Parks Maintenance Facility and hire a contractor to grind debris as required.

g) How Do We Pay For Free Days?

- 1- Continue to fund this activity through the Resource Recovery Fund. Because we manage the waste for all members of the county-wide system, and because county residents are eligible to utilize these free days, this would continue to provide the most equitable distribution of costs to the members across Story County.
- 2- Identify additional funding sources, such as from the City’s Local Option Sales Tax Fund or the General Fund. As noted above, this could shift a disproportionate share of the expenses to the City of Ames.

STAFF COMMENTS

The first option under each of the policy issues reflected above is staff’s preferred course of action. However, Council may wish to direct staff to incorporate different provisions into the Request for Proposals being prepared for yard waste disposal effective next year.



Yard Waste Services



Public Works – Resource Recovery

Background

- Since January 1, 1991 burial of yard waste at a sanitary landfill has been prohibited in Iowa. With the City of Ames Solid Waste Permit, we are required to have a yard waste management plan. The City of Ames has contracted with a private business to handle the yard waste generated in our service area.
- The current contract period runs from April 1st through December 15th. Therefore, the staff would like to complete the solicitation process by October 2012.



Highlights of Current Contract

- ❑ Five free days that allow drop off at no charge to the citizens. These five free days have consisted of one Saturday in April, the first Saturday in November, for brush, grass, and leaves at \$6,000/event, and the last three Saturdays in November for grass, leaves, and garden waste at \$3,000/event.
- ❑ Hours of operation are April 1 through October 14, 19 hours per week, M, W, F 12:00 PM–5:00 PM and Saturday 8:00 AM–12:00 PM, October 15 through December 15 same hours during the week and Saturday 8:00 AM–4:00 PM.
- ❑ Required to do specific advertising for each of the free days.
- ❑ The collection site will be located in or within two miles of the city limits.



Discussion Item 1

Who Operates the Yard Waste Facility?

1. Private business – The City of Ames could continue to contract with a private business to receive and handle yard waste for Story County residents. The current contract has an annual cost of \$21,009.99.
2. City of Ames – The City of Ames could run a nine month yard waste and tree and brush program with City of Ames equipment and employees at a City of Ames site.



Discussion Item 2

What is the Appropriate Length of Agreement?

1. Change to a three year contract with the option for two individual renewable years and a non-appropriation clause. The three year period could allow the contractor to develop a more predictable business plan.
2. Keep the current format of a single year contract with four individual renewable years.



Discussion Item 3

What are the *Minimum Site Hours (For Non-Free Days)*?

1. The site would be in operation from April 1 through December 15 each contract year. Maintain a minimum of 19 hours per week of the site being open over a four day period each week during the spring and summer and 23 hours per week during the fall. (Same as in current contract)
2. Specify an expansion to time period or minimum hours of basic operation available for citizen drop-off.

Discussion Item 4

How Many Free Days?

1. Continue with the same number of free days with one Saturday in April, the first Saturday in November, for brush, grass, and leaves, and the last three Saturdays in November for grass, leaves, and garden waste. (Same as in current contract)
2. Identify other specific free days in addition to the ones noted above.
3. Establish a particular period where all days within that timeframe are free to Story County residents.
4. Make all days of operation from April 1 through December 15 free to Story County residents.
5. Eliminate free days and require yard waste customers to pay a per use fee.



Discussion Item 5

Advertising

1. City of Ames can do all of the advertising needed to inform the citizens of the free days rather than the contractor providing the advertising. This will allow the message to be consistent and uniform with other City of Ames communications. This would also be a cost savings over contractor based advertising.
2. Continue to require the contractor to arrange for free day advertising.

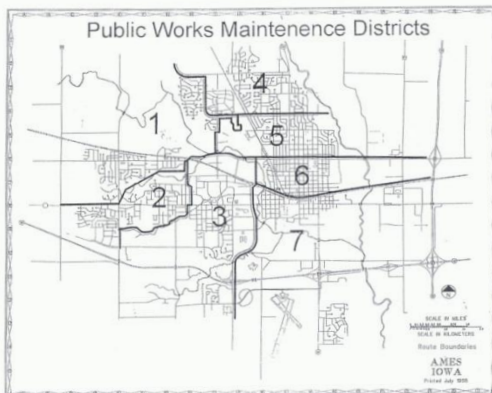


Discussion Item 6



Storm Damage Tree Cleanup

- A. Full collection city wide – 50% damage in four of the seven districts provides for full city wide collection by city crews and providing an area for free citizen drop off
- B. Full collection limited area - 50% damage in a limited area and provides for full collection by city crews in that limited area
- C. Intermediate City response – 25% damage in at least one district providing an area for free citizen drop off



Discussion Item 6

Storm Damage Tree Cleanup

1. Have the contractor be the designated site to handle tree debris from a C. Intermediate City Response level The City would be invoiced for each day that is declared for free drop off. The City of Ames would maintain responsibility for A. full collection city wide and B. full collection limited area.
2. Continue with current operations utilizing City staff, Parks Maintenance Facility and hire a contractor to grind debris as required.



Discussion Item 7

How Do We Pay For Free Days?

- A. Continue to fund this activity through the Resource Recovery Fund. Because we are required to manage the waste for all members of the county-wide system, this would continue to provide the most equitable distribution of costs to the members across Story County.
- B. Identify additional funding sources, such as Local Option Sales Tax or the General Fund. As noted above, this could shift a disproportionate share of the expenses to the City of Ames.



Discussion Item 8

Are There Other Options Council Wants to Explore?



Staff Contact Information

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Questions?

Thank You!



Staff Report

**SUMMARY OF AIRPORT FUNDING SOURCES –
AMES TERMINAL BUILDING PROJECT**

August 14, 2012

BACKGROUND

The Ames Municipal Airport terminal project is included in the airport's Master Plan as a \$1,045,000 project with \$993,020 identified from FAA and \$52,580 from local funds; and was carried forward into the City's Capital Improvements Plan (CIP). This funding scenario was reviewed by the FAA and Iowa DOT Office of Aviation. When preparing the CIP for 2012/13, City Council decided to increase the overall investment in the project to \$2,000,000. However, the same project funding split as described above was still maintained (\$1,800,000 FAA Grant and \$200,000 Local Option Sales Tax).

Jerry Searle, the lead engineer for Snyder and Associates who prepared the Master Plan, told staff that the FAA funding anticipated in the Master Plan was through an earmark, which was still in favor at that time (2007). Unfortunately, earmark funds are no longer available.

Until February 3, 2012 the status of aviation funding for the United States has been extremely uncertain, since the country's aviation funding legislation had been operating under 23 short-term continuing resolutions. Due to this on-again-off-again nature of aviation funding, the FAA Central Region staff in adopted the habit in working with the City of Ames and other municipalities to be very non-committal on the availability of funding until the monies were actually released by Congress.

As required each year, the City of Ames submits Airport Improvement Program (AIP) sheets to the Iowa DOT to be routed to FAA planning staff for review. These sheets officially enter airport projects from our Capital Improvements Plan into the federal system. **The terminal was annually shown in the AIP with 95% funding from FAA, with these sheets being approved by Regional FAA staff in Kansas City.** Even though these were approved annually, the FAA Planner reviewing this in Kansas City told staff he didn't pay any attention to how the project was programmed because it wasn't a "first year" project. The FAA never flagged the fact that the proposed funding was not feasible (see NPIAS below). **These AIP sheets were also approved by the Iowa DOT Office of Aviation without any issues being raised.**

The terminal project was also scored by FAA for funding in the National Plan of Integrated Airport Systems (NPIAS). The NPIAS is what determines which projects compete for discretionary funding. **The terminal/hangar project was scored and ranked by FAA for discretionary funding, even though staff has now found it is not eligible for this type of funding. FAA did not score this as "0" or remove it from**

the ranking list. With the consistent inclusion of the project for scoring, the idea of available discretionary funding was perpetuated by FAA.

A previously completed project to overlay primary runway 1-19 was only partially funded at the time by FAA, so the Regional FAA office decided to reduce the overlay thickness from 6 inches to 3 inches. Regional FAA recently conveyed to our airport consultant that a new project to add another 3-inch overlay could now be funded. This newly identified overlay project was shown in the AIP in FFY13 and the terminal project was moved back upon direct guidance from visiting FAA regional staff during an on-site review with our consultant. This situation has more recently been discussed with Regional FAA staff. Since City crews conducted crack sealing on all surfaces at the Ames Airport as preventative maintenance, Regional FAA staff concurred that there is no required airside surface (pavement) improvements, including the 3-inch RW 1-19 overlay, at this time. Therefore, a revised AIP was submitted and approved by FAA which shows the Terminal project as a FFY14 project. This coincides with the current City CIP programming of 2013/14.

POSSIBLE FUNDING SOURCES

FEDERAL FUNDING

There are now two main types of Federal assistance that can be used for funding projects at the Ames Municipal Airport: Non-Primary Entitlement Funds, and Discretionary Funds. Historically, Federal assistance required a local match of 10% (90% federal participation), though there was a brief period of time following September 11, 2001 in which Congress changed the federal participation level to 95% to support aviation growth. As of February 3, 2012, Congress approved a reauthorization bill that returned Federal participation to 90:10. The bill also provided guaranteed funding through 2015.

Federal Non-Primary Entitlement Funds (NPE) is funding authorized under the current transportation bill that is "guaranteed" annually for the duration of the bill. General Aviation (GA) Airports receive \$150,000 per year. These funds can be used for any project on either an airside or a landside improvement, including to perform routine and preventative maintenance of airport surfaces and navigational aids. An airport can bank up to four years of this type of funding before losing their entitlement. For the Ames Municipal Airport this would equate to a maximum of \$600,000 in FFY 2016.

The current transportation bill has a provision that will allow airports to request their entitlement funds in advance under a multi-year grant, thereby getting the funds in the first year of the program. This provision only applies through FFY 2015 (at the end of the bill), which equates to a maximum of \$450,000 in the first year.

NPE funds can also be used for landside improvements such as hangars, terminal buildings, fuel farms, or other projects seen as "revenue generating" insofar as the following conditions have been met. The FAA requires (1) that all airside needs have

been met for the next three years following use on a landside project (as an Airport will be ineligible for Discretionary funds in those three years), (2) that all runway approaches be free of obstructions, and (3) justification for the project. As noted above, the Kansas City Region of FAA has concurred that there are no current airside surface improvement needs at our airport.

It should be noted that not all uses within a Terminal Building are eligible for NPE funds. Public service areas such as Flight Instruction, Rental Car, and Weather/Flight Planning can use these funds. In contrast, board rooms, leased office space and other areas that could be used to generate revenue are not eligible. If there were to be an attached hangar to the Terminal Building for covered storage, it would be eligible for NPE funds, provided the City submits justification to the FAA prior to requesting the funds.

Federal Discretionary Funds are funds that are congressionally approved each year for all Airport Improvement Program (AIP) eligible projects. In general, eligible projects include runway/taxiway/apron construction or rehabilitation, lighting, navigational aids, drainage, land acquisition, planning/environmental studies, safety improvements and airport layout plans. **The Ames airport terminal is not eligible for Discretionary funds.**

When used on airside (pavement) improvements, NPE funds are typically combined with Discretionary funds under the same agreement for federal assistance. As part of a Federal Discretionary grant, an Airport's entitlement funds are automatically expended first, "off the top" of the total project cost.

STATE FUNDING

Iowa DOT Funding for airports is available from seven annual aviation funding programs. However, only one program is applicable to a Terminal Building and attached Hangar – the General Aviation Vertical Infrastructure (GAVI) program. Eligible projects include landside construction and major renovation of airport terminals, hangars, maintenance buildings, and fuel facilities. Section 8.57.6.c of the Iowa Code excludes routine maintenance.

The State's share is up to 85%, with a minimum grant of \$5,000. Additional local share increases the prioritization of the project. The maximum cap may vary depending on funding availability. In talking with staff from the Iowa DOT Office of Aviation, they indicated projects that have been successful in receiving this grant have offered between 40% to 60% local match. There is approximately \$750,000 available statewide each year for this program. Typical funding levels given to each project have ranged from \$50,000 to \$150,000 in State participation.

LOCAL FUNDING

Currently the City of Ames relies primarily on revenues generated from aviation related services at the airport to fund both operational costs and local matches for capital

projects. These revenue sources include hanger leases, land leases, fuel flowage fees, and office space rental, as well as from crop revenues generated from adjacent farm land. In those cases where sufficient revenue may not be available for the local match, other City funds could be earmarked to help finance the capital improvements. For example, \$200,000 in Local Option Sales Tax Fund monies has been appropriated as the local match for the proposed new Terminal/Hanger building.

Another viable option for local funding is to request financial participation in support of the capital improvement by some of the major users of the facility. For example, it would be advisable to approach Iowa State University to gauge their willingness to help fund this new facility since their employees, students, and visitors would benefit from an improved terminal.

Private funding is the least complicated funding source. There is no minimum or maximum participation by a private donor. Private funding also counts towards the calculation of local match for any applicable Federal or State funding programs. For private funds to be used, the project must be owned by the public entity and be open to the public following all appropriate non-discrimination laws. This source has been utilized for terminal/hangar projects at other airports.

NON-AERONAUTICAL DEVELOPMENT

The Airport Master Plan anticipates the future leasing of what is referred to as “non-aeronautical development”, which is any business use that is not aviation based but can be used to compliment airport activities.

According to the plan, the Ames Municipal Airport contains a minimal amount of land area that is currently not needed for aeronautical function. Typically, these areas are located beyond the runway visibility zones, runway protection zones, building restrictions lines and obstacle free areas associated with runways and taxiways. On most general aviation airports in rural areas, these areas are used for farming operations. On airports where water and sewer services can be provided, opportunities exist for land uses other than agriculture. Revenue from agricultural lease arrangements often represents a major source of income for rural general aviation airports.

Due to the proximity of the Ames Municipal Airport to major transportation corridors and water and sanitary sewer, there is an opportunity to accommodate non-aeronautical development on the airport property. Available land area on the airport represents small remnant tracts of ground. Currently, the Airport Master Plan has identified 1.0 acre and 1.3 acre parcels located between Airport Road and Airport Drive on the north central area of the airport property. (See maps on next page.) These small tracts function as part of the airport, even though there is no specific aeronautical purpose determined. Staff believes that these parcels should remain a part of the airport and be available for related airport uses.

GENERAL AVIATION (GA) VS. RELIEVER (R) AIRPORT DESIGNATION:

The Ames Municipal Airport main classification is General Aviation. However, it also has a role classification in the FAA NPIAS system as an “Enhanced Service” airport. The following is a definition and associated criteria for this designation:

*“**Enhanced Service** - Criteria for Enhanced Service airports reflect design elements and level of services typically offered to support the operations of business jet and twinengine aircraft. Airports in this role are able to meet the needs of most general aviation aircraft users. Airports must have the following criteria to be classified as an Enhanced Service airport:*

- *5,000 foot or longer paved runway.*
- *Airport Reference Code (ARC) of C-II or greater.*
- *Full-time staffing during regular business weekday and weekend hours.*
- *Availability of based services such as aircraft maintenance and repair, flight training, rental aircraft, and aircraft charter operations.*
- *Availability of airport or Fixed Base Operator (FBO) staffing 24 hours a day.*
- *Availability of jet fuel.*
- *Installation of on-airport automated surface observing systems (ASOS) or automated weather observing systems (AWOS) weather equipment.”*

General Aviation Reliever Airports - Due to different operating requirements between small general aviation aircraft and large commercial aircraft, general aviation pilots often find it difficult to use a congested commercial service airport. In recognition of this, FAA has encouraged the development of high-capacity general aviation airports in major metropolitan areas.

These specialized airports, called relievers, provide pilots with attractive alternatives to using congested hub airports. They also provide general aviation access to the surrounding area. To be eligible for reliever designation, airports must be **open to the public**, have **100 or more based aircraft**, or have **25,000 annual itinerant operations**. According to recent discussions with Central Region FAA Staff in the Federal Office in Kansas City, prior to securing the reliever designation an airport must be near a congested airport that has been identified by the FAA as being congested. Currently, Ames does not meet any of the previously stated criteria.

It is important to note that **being designated as a reliever would not provide a General Aviation Airport any more or different funding opportunities**. The major benefit to being a reliever is that the annual projects submitted for federal assistance would on average rank higher on the NPIAS scoring system than a standard GA airport. This is due to the consideration that the purpose is for the reliever to carry heavier number of operations which will equate to a higher national significance.

NEXT STEPS & PUBLIC INPUT APPROACH:

Before developing a funding strategy, it would be advisable to have the City staff meet with the Airport users to identify space needs. From these discussions, a concept plan can be developed along with the estimated cost of the proposed facility.

At this time, we do not know if the \$2,000,000 included in the CIP is too much or not enough to meet the needs of our community. Once the conceptual layout is determined, it will be possible to calculate the anticipated costs for this facility, and a funding strategy outlining potential sources of revenue can be identified.

Staff's recommendation would be to hold several meetings with current and potential Airport users. These meetings would gather information about their visions for an airport terminal project. This includes helping to define the uses and spaces within the Terminal Building to build an overall concept and layout for the facility. That can lead to development of a probable cost for construction, as well as identification of potential funding sources and amounts that would be applied to each piece of the new Terminal Building.

The Ames Airport currently sees the following general categories of users: 1) Iowa State University, 2) Private Hangar Owners, 3) Corporate Jets, 4) Business Charters, 5) Light Sport – Recreational, 6) Glider Club Members, 7) Frequent Itinerant/Visitor Flights, and 8) Ames Chamber and Visitor Convention Bureau. All of these users would be encouraged to provide input into the Airport Terminal project.

Once this information is completed, Staff would return to City Council with a report of the findings and would identify alternatives for the new Terminal Building. The outcome of this process would be to define a project, or phases of a project, that can be entered into the Airport Improvements Program of the Ames CIP.

Staff Report

**COMMUNICATION REGARDING PROPOSED CHANGE
TO STORMWATER FEE STRUCTURE**

August 14, 2012

BACKGROUND

In 2009 the City Council directed the Public Works Department to develop a more fair and equitable system for charging property owners for the City's management of stormwater originating on their properties. Several options were brought before the Council, and direction was provided to explore an "Estimated Residential Unit" (ERU) approach in place of the current flat monthly fee. The ERU is based on the amount of hard surface or impervious area on the average residential lot. Impervious area is directly related to the amount of stormwater runoff a property produces.

By moving to an ERU system, properties with a large amount of hard surface, such as parking lots or large roofs, will experience a significant increase in their monthly charge. In light of this change, the Public Works Department has worked in conjunction with the Public Relations Office to alert property owners of this new fee structure. The public outreach plan targeted two audiences. The first was to inform the community as a whole of these pending changes. The second was to directly connect with those property owners who will be most significantly affected by this change in rate structure.

To alert the community, notices of the change appeared in the May and August 2012 issues of City Side, and will appear again in the November and January 2013 newsletters. Corey Mellies has appeared as a guest on Channel 12 to discuss the stormwater fee changes, and the information has gone out on Facebook and Twitter several times a month beginning in April (See Appendix A). To be user friendly, a link on the City of Ames website allows anyone to access an estimate of the new stormwater fee on any piece of property in Ames, by going to www.cityofames.org/stormwaterfees.

For the average single family residential customer, the fee will change from the flat fee of \$3.45 per month to the estimated fee of \$4.64.

To alert specific property owners who will be most affected, emails, phone calls, and direct letters have been used. Those properties identified as the most affected include:

Ames Community School District
National Centers for Animal Health
Non-profit organizations and churches

In most cases, the Public Works Department sent an email to these organizations. (See Appendix B). This was followed by a letter in the U.S. Mail delivered in August that

targeted all exempt properties (properties exempt from paying property taxes) that will experience an increase, all commercial and industrial properties that will see an increase of 500% or more an account, and all properties that currently do not have a utility account but will be subject to the new fee (E.g., parking lots and homeowner association common areas). These letters also included a question and answer section and referred the recipients to the website to calculate estimated fees (See Appendix C).

As part of the last City Council direction, staff was to gain feedback on the proposed ordinance change. The general feedback to this ordinance received to date is summarized below:

- There seems to be confusion on the charge per account versus the total amount per parcel. The website was made to show per account, but if all accounts are held by the same owner the charge must be multiplied by accounts
- There has been feedback that the website is too complicated to find the proposed fee
- There was feedback on the fact that in some areas there are no stormwater facilities so they feel the charge is unfair
- Barilla representatives commented that they felt the increase is unreasonable and would like to be notified when the ordinance will be open for public comment. They were not against any increase, but felt the amounts proposed were unreasonable.
- A townhome association felt that being charged for the common area that included the private streets was not fair compared to areas where townhomes have public streets.
- There have been several inquiries regarding whether or not there would be credits or ways to reduce the charge such as rain gardens.
- Residential property owners have complained that the literature states that the new system is revenue neutral, but their monthly fees will increase. They have also stated that they do not understand why it must go up in the first year and then decrease over time.

STAFF COMMENTS

City staff has worked, and will continue to work, to notify the public of the proposed changes in storm sewer billing. Feedback received thus far shows that the proposed change is causing some confusion with customers as it relates to the new billing. Staff also anticipates receiving a high volume of calls once the actual bills are received by customers. If implemented in January, the new fee structure would be reflected in February bills.

Staff has the following comments regarding the storm sewer utility fee structure:

- The staff's major focus is on having a fee structure that generates adequate funding to cover the costs of the storm sewer utility. How that structure is designed, or from whom that amount is collected, is a policy decision for the City Council.
- The fee structure most recently supported by the City Council is a radical departure from the current fee structure. (See the most recent Council Action Form on this subject from December 2011.)
- The City Council should remember that the fee structure proposed for the five-year rate transition assumed no overall revenue increase to the Storm Sewer Fund. With the City just entering into the Comprehensive Flood Study, there is the possibility that additional stormwater management improvements will be identified that will necessitate a revenue increase. This could cause the impact to exempt, commercial, and industrial users to be even greater than what is shown in the current five-year transition plan.
- **Some on the Council might remember the magnitude of negative citizen reaction to the proactive sidewalk improvement program that was suggested for implementation several years ago. The backlash to the proposed "sidewalk matrix" was so intense that the Council ultimately decided not to implement the program. The Council should expect this same level of objections, especially from those property owners who have large impervious areas.**
- **While the shift to a new fee structure that reflects higher fees for larger impervious areas is justifiable, the impact on many of our customers might not be palatable.** Therefore, there is still time to develop a more simple three- or four-tier structure that recognizes differences in impervious areas.
- City properties would be billed and subject to the same increases proposed for private properties. This will need to be included in individual departments' budget proposals for the coming year.

NEXT STEPS

The City Council should now decide which of the following options to take.

1. The City Council can direct the City Attorney to draft an ordinance changing from a flat stormwater fee to a fee based on an "Estimated Residential Unit" (ERU). This is the fee structure previously approved by Council.

2. The City Council can to decide to continue the flat fee stormwater fee structure.
3. The City Council can direct staff to develop a simpler, three- or four-tier fee structure that does not use ERU units, but that still assigns fees according to the general degree of impervious area.

Unless Council has strong feelings that this type of radical change suggested under Option # 1 should be made, staff believes that the simpler fee structure under Option # 3 would be the wisest “next step” for our community.

APPENDIX A – SAMPLE FACEBOOK/TWITTER POSTS

New stormwater fee on all property in Ames begins 2013. Most homes go from \$3.45 to \$4.64. Find your monthly payment at ow.ly/akRWC

APPENDIX B – SAMPLE E-MAIL

Dear Property Owner,

I am writing to you on behalf of the City of Ames to alert you to changes in the way the City will charge its stormwater fee on utility bills. The change will result in a modest increase on the typical residential owner, but could have a big impact on utility bills for other properties. Although the new fee structure will not go effect until **Jan. 1, 2013**, I am contacting you early so you can prepare for the change. Also, I am available to speak to groups, answer questions, and provide information.

I'd like to provide some background on the change. Currently, the stormwater fee on your utility bill is a flat fee of \$3.45 charged to every account, regardless of contribution to the storm sewer system. In response to requests from the public, the Ames City Council directed City staff to develop alternatives for billing based on the amount of hard surface or impervious area contained on a property.

Impervious area is directly related to the amount of stormwater runoff a property produces. After many discussions, the City Council is moving forward with a system based on impervious area called an Estimated Residential Unit (ERU) system. This system uses an average for the amount of impervious area on a residential property as the calculation of an ERU. This change will reflect your contribution to the stormwater system and conforms with how other utilities are charged. The new fee structure is designed to be revenue neutral.

To access an estimate of the new stormwater fee on any piece of property in Ames, go to www.cityofames.org/stormwaterfees to access the database. For the average single family residential customer, the fee will change from the flat fee of \$3.45 to the estimated fee of \$4.64. If you want more information, I've included a Q & A section below.

Because this change will be significant for property owners, I hope you will help me get the word out to those who need to know.

Corey Mellies, P.E.
Public Works Operations Manager
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515 Clark Ave.
Ames, IA 50010
Phone: 515-239-5276
cmellies@city.ames.ia.us

Questions & Answers

Q: What activities does my storm water fee fund?

Stormwater utility fees cover costs of constructing, operating, repairing, and maintaining all kinds of conduits, drains, stormwater detention devices, ponds, ditches, streams, erosion control devices, and other stormwater control facilities. Capital Improvement Plan projects financed through the fee include storm sewer intakes rehabilitation, low point drainage, and improvements to specific parts of the community. The fee includes education, outreach, and other activities.

Q: What is the difference from my current billing?

The City charges a flat fee per utility account for stormwater. This charge is currently \$3.45. The new billing for will be based on impervious area. This will be accomplished using an Estimated Residential Unit (ERU) process. This process is accomplished using Geographic Information System (GIS) to estimate the average impervious area on residential lots. This number is then used to divide the impervious area of all properties to give each property an ERU value. It is estimated the new charge for the average residential customer will be \$4.64.

Q: How was the ERU calculated?

Staff used the City's GIS to calculate an average impervious area for residential property. The GIS showed an average residential parcel has 3,050 square feet of impervious area. After reviewing the data, Council determined that one ERU equals 4,000 square feet. This formula was then used for all analysis. For example, a parcel with 8,000 square feet of impervious area will have an ERU equal to two (8,000 sf/4,000 sf = 2 ERUs). Also, the minimum ERU was set at one. This means properties with less than 4,000 square feet of impervious area will be charged one ERU. For the purpose of billing, the calculated ERU will be rounded to the nearest half ERU.

Q: What is impervious area?

Impervious area means the total square feet of any hard surface area, including buildings, any attached or detached structures, paved or hard-scaped areas, and gravel, that either prevents or restricts the absorption of water into the soil and thereby causes water to run off the surface.

+++++

APPENDIX C – SAMPLE DIRECT MAIL

Dear Customer,

I am writing to you with important information regarding the stormwater utility fee that appears on your City of Ames utility bill. The City of Ames is preparing to make changes to the way it charges its stormwater utility fee. The change will result in a modest increase on the typical residential owner, but could have a very big affect on utility bills for non-residential properties, such as yours. I am contacting you to share this information early, so you may prepare for the change. Also, I am available to you by email, phone, or in person to provide information.

I'd like to provide some background on the change. Currently, the stormwater fee on your utility bill is a flat fee of \$3.45 charged to every account, regardless of contribution to the storm sewer system. In response to requests from the public, the Ames City Council directed City staff to develop alternatives for billing based on the amount of hard surface (or impervious area) contained on a property. Impervious area is directly related to the amount of stormwater runoff a property produces. After many discussions, the City Council is moving forward with a system based on impervious area called an Estimated Residential Unit (ERU) system. This system uses an average for the amount of impervious area within a residential property as the calculation for one ERU. This change will better reflect your contribution to the stormwater system. The new fee structure is designed to be revenue neutral.

After reviewing several alternatives, the Ames City Council directed staff to proceed with the proposed billing structure. The new ordinance is planned to be finalized by City Council this fall. The new billing would go into effect January 1, 2013. To access an estimate of the new stormwater fee on any piece of property in Ames, go to www.cityofames.org/stormwaterfees to access the database.

For more information, I've included a Q & A section on the back of this letter. Also, please feel free to contact me with questions or concerns. I can be reached at (515) 239-5160 or via email at cmellies@city.ames.ia.us.

City of Ames

New Stormwater Fees for Non-Residential Property

Questions & Answers

Q: What activities does my storm water fee fund?

Stormwater utility fees cover costs of constructing, operating, repairing, and maintaining all kinds of conduits, drains, stormwater detention devices, ponds, ditches, streams, erosion control devices, and other stormwater control facilities. Capital Improvement Plan projects financed through the fee include storm sewer intakes rehabilitation, low point drainage, and improvements to specific parts of the community. The fee includes education, outreach, and other activities.

Q: What is the difference from my current billing?

The City charges a flat fee per utility account for stormwater. This charge is currently \$3.45. The new billing for will be based on impervious area. This will be accomplished using an Estimated Residential Unit (ERU) process. This process is accomplished using Geographic Information System (GIS) to estimate the average impervious area on residential lots. This number is then used to divide the impervious area of all properties to give each property an ERU value. Non-residential properties will have a different charge per ERU than residential properties.

Q: How was the ERU calculated?

Staff used the City's GIS to calculate an average impervious area for residential property. The GIS showed an average residential parcel has 3,050 square feet of impervious area. After reviewing the data, Council determined that one ERU equals 4,000 square feet. This formula was then used for all analysis. For example, a parcel with 8,000 square feet of impervious area will have an ERU equal to two ($8,000 \text{ sf} / 4,000 \text{ sf} = 2 \text{ ERUs}$). Also, the minimum ERU was set at one. This means properties with less than 4,000 square feet of impervious area will be charged one ERU. For the purpose of billing, the calculated ERU will be rounded to the nearest half ERU.

Q: What is impervious area?

Impervious area means the total square feet of any hard surface area, including buildings, any attached or detached structures, paved or hard-scaped areas, and gravel that either prevents or restricts the absorption of water into the soil and thereby causes water to run off the surface.

Q: What is the ERU rate for non-residential property?

The ERU rate for non-residential property is \$1.37 during the first year. To see how this will be applied to your non-residential property, go to www.cityofames.org/stormwaterfees. The website will give you the estimated charge for the next five years.

Dear Non-Residential Property Owner,

I am writing to you with important information regarding the City of Ames stormwater utility fee. The City of Ames is preparing to make changes to the way it charges its stormwater utility fee. The change will result in a modest increase on the typical residential owner, but could have a very big affect on utility bills for non-residential properties such as yours listed on the enclosure to this letter. I am contacting you to share this information early, so you may prepare for the change. Also, I am available to you by email, phone, or in person to provide information.

I'd like to provide some background on the change. Currently, the stormwater fee is a flat fee of \$3.45 charged to every account, regardless of contribution to the storm sewer system. In response to requests from the public, the Ames City Council directed City staff to develop alternatives for billing based on the amount of hard surface (or impervious area) contained on a property. Impervious area is directly related to the amount of stormwater runoff a property produces. After many discussions, the City Council is moving forward with a system based on impervious area called an Estimated Residential Unit (ERU). This system uses an average for the amount of impervious area within a residential property as the calculation for one ERU. This change will better reflect your contribution to the stormwater system. The new fee structure is designed to be revenue neutral.

After reviewing several alternatives the Ames City Council directed staff to proceed with the proposed billing structure. The new ordinance is planned to be finalized by City Council this fall. The new billing would go into effect January 1, 2013. To access an estimate of the new stormwater fee on any piece of property in Ames, go to www.cityofames.org/stormwaterfees to access the database.

As part of the proposed billing structure, all properties with impervious area will be charged a fee. This will apply to parcels that currently have no utility accounts. If adopted, these properties will be required to register for a utility account so they can be billed for this stormwater fee.

For more information, I've enclosed a Q & A section with this letter. Also, please feel free to contact me with questions or concerns. I can be reached at (515) 239-5160 or via email at cmellies@city.ames.ia.us.

SUBJECT: STORMWATER UTILITY SYSTEM RATES

BACKGROUND:

Since its inception, the City's Storm Sewer Utility has generated revenue based on a uniform flat monthly fee per utility account. In response to requests from the public, the City Council directed City staff to develop alternatives for billing based on impervious area. At a November 17, 2009 workshop, the Council considered four alternatives that reflected this new billing philosophy. At that meeting the Council then directed staff to explore two additional alternatives for consideration. The City Council was subsequently presented with those six alternatives at a September 21, 2010 workshop. Staff was then directed to bring back those alternatives for a final decision. In a meeting held November 23, 2010, Council reviewed seven alternatives. **On March 15, 2011, City Council directed staff to implement an ERU based billing system, with a five year phase-in of the revenue share adjustment, beginning in July 2011.**

Storm Sewer Funding:

The money collected for and paid into the Storm Sewer Fund is expended for the purpose of constructing, operating, repairing, and maintaining all kinds of conduits, drains, stormwater detention devices, flow impediments, ponds, ditches, sloughs, streams, filter strips, rip-raps, erosion control devices, and other stormwater control facilities. Capital Improvement Plan projects financed from the Storm Sewer Fund include the Storm Sewer Intake Rehabilitation Program, the Storm Sewer Facility Rehabilitation Program, Low Point Drainage Improvements, Southwest Ames Stormwater Management Improvements (improvements to Greenbriar Park), and Storm Sewer Outlet Erosion Control (College Creek Restoration project as part of this program from 2008-2010). Funded activities in the City's operating budget include illicit discharge detection and elimination, storm sewer maintenance and cleaning, permit administration, public outreach/education, construction site erosion control inspection, pesticide and fertilizer management, Geographic Information System (GIS) mapping of the storm sewer network, the rain barrel grant program, the rain garden grant program, the stream bank stabilization grant program, and the annual Eco Fair.

Existing Billing:

At present, the City charges a flat fee per utility account for stormwater. This charge is currently \$3.45. There are approximately 25,432 utility accounts in the City. This generates approximately

\$87,740 a month in revenue for stormwater improvements, or \$1,053,000 annually. There are currently 18,276¹ residential utility accounts in the City, which account for 72 percent of the total utility accounts.

Impervious/Pervious Analysis:

The first step in looking at impervious fee scenarios is to analyze the data in our GIS. In 2008, Ames had planimetrics created in conjunction with aerial photography. This data included streets, sidewalks, driveways, and any structures over 150 square feet in size. Using the GIS, we were able to look at the City and generate the percentage of imperviousness per classification. The percentages are shown below and were derived from City Assessor classifications²:

- Residential 46.9%
- Commercial 32.9%
- Industrial 7.1%
- Tax Exempt 13.0%
- Agriculture 0.1%

Iowa State University is not included in these calculations, since the University has its own Municipal Separate Storm Sewer System (MS4). In discussions with the Iowa Department of Natural Resources (DNR), they clarified that Iowa State's permit covers all land owned and/or used by the University within the City's corporate limits. It is the opinion of both the City's legal staff and the DNR that this would prevent the University from being billed by the City based on impervious area³.

Billing for Impervious/Pervious:

In researching how other cities are billing for impervious area, it was found that many are using the Estimated Residential Unit (ERU) process (see Attachment 1). This process is accomplished using GIS to estimate the *average impervious area on residential lots*. This number is then used to divide the impervious area of all properties to give each property an ERU value.

Staff used the City's GIS to calculate an average impervious area for residential parcels within the City. The GIS showed that an average residential parcel in Ames has 3,050 square feet of impervious area. After reviewing staff's analysis of the data, Council determined that one ERU would equal 4,000 square feet. This seemed appropriate since our planimetrics do not capture

¹ This is the number of utility accounts on parcels with a residential Assessor designation and the estimate of residential accounts on mixed use property. It is not based on current residentially billed accounts.

² Does not include Iowa State University land or City of Ames properties; only billable parcels. Does not include any impervious area after the 2008 planimetrics

³ Iowa City does not charge the University of Iowa properties

all impervious area on a parcel. Things not captured would include patios and non-public sidewalks on residential parcels. This calculation did not include mixed use parcels which include residential units. The 4,000 square feet would also potentially reduce the number of appeals of ERU calculations.

This formula was then used for all analysis in the several reports on this subject. For example, a parcel with 8,000 square feet of impervious area will have an ERU equal to two ($8,000 \text{ sf} / 4,000 \text{ sf} = 2 \text{ ERUs}$). Properties having 4,000 square feet equal to one ERU comprise 87.2% of residential properties and 80.2% of all properties in the City being less than or equal to one ERU.

Assumptions:

Staff next needed to make some assumptions to analyze an ERU system for billing. First, the minimum ERU was set at one. This means properties with less than 4,000 square feet of impervious area will be charged one ERU. Second, for the purpose of billing, the calculated ERU will be rounded to the nearest half ERU. For example a property with a calculated ERU of 10.24 will be rounded to ten ERUs for the purpose of billing. The rounding calculation of ERUs results in 93.6 percent of residential properties and 86.6 percent of all properties being less than or equal to one ERU. All calculations in this report are done with these two assumptions for the purpose of billing.

Next, Assessor codes are being used when looking at residential versus other classifications. Currently, the City's utility billing system has different residential versus commercial classifications based on the type of utility. For example a commercially classed parcel which contains apartments may be billed in two different ways. For the Electric utility, the apartments are billed as residential while the common areas with Electric accounts are billed as commercial. For the purpose of this report, staff has assigned all accounts by their Assessor codes. In the example above, all accounts of the parcel would be assigned as commercial.

Finally, for the purposes of this study, staff assumed that mixed use development is residential. This is due to the fact that residential utility accounts are 99 percent of the accounts in the mixed use parcels.

Council Approved Alternative (ERU based billing per parcel w/ \$1 minimum charge per utility account)

The Council's approved fee structure uses a rounded ERU value, but adds a minimum charge of \$1.00 to each utility account with ERU valuation under the minimum. (E.g., for an ERU

Valuation which equals \$.92, the Stormwater bill amount would be \$1.00.) It is important to note that all of the City's other utilities currently have a service charge that is billed each month in addition to usage charges. To illustrate, a typical residential customer is billed the following service charges: Electric \$5.25, Water \$8.05, and Sewer \$6.55. This fee structure does not include a service charge.

This approved fee structure also has two billing classes. The first is for all parcels assessed as residential and the second billing class is for all other classes (Agriculture, Exempt, Commercial, and Industrial). This was done to achieve the approved revenue share adjustment over five years.

Table 1⁴: Approved Alternative - Illustrating Residential Phase-In.

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Minimum Charge	-	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Residential Charge per ERU	-	\$4.64	\$4.20	\$3.74	\$3.29	\$2.80
All Others Charge per ERU	-	\$1.37	\$1.84	\$2.32	\$2.77	\$3.24
Flat Fee	\$3.45	-	-	-	-	-
Total Revenue per Month	\$87,740	\$85,489.84	\$85,505.20	\$85,531.97	\$85,537.59	\$85,476.68
% Residential	72.0%	73.92%	67.04%	59.91%	53.10%	45.87%
% All Others	28.0%	26.08%	32.96%	40.09%	46.90%	54.13%

To remind Council of the impact of this method on different properties, aerial photographs for the following five examples are attached. At the bottom of each figure is a summary of the storm sewer fees to be charged under the adopted method.

- Figure 1 – 2500 Northwestern Avenue (Single Family Residential)
- Figure 2 – 2900 Hoover Avenue (St. Cecilia Church)
- Figure 3 – 1921 Ames High Drive (Ames High School)
- Figure 4 – 3311 E. Lincoln Way (Barilla)

⁴ Estimated revenue based on 2009 planimetric estimates. Actual revenue will likely increase with additional properties developed since 2009.

- Figure 5 – 2801 Grand Avenue (North Grand Mall)

Implementation Costs of ERU-Based Billing System:

Previous reports identified several steps to be completed and associated costs required to implement an ERU based system. These are as follows:

- Create utility accounts for parcels which currently do not receive utility bills (i.e. parking lots with no lights or water). As of the last report staff had identified approximately 350 such parcels. All of these parcels have now been added to the system.
- Using the GIS, staff identified approximately 100 parcels which were not captured in the 2008 planimetric development. Planimetric layers are now current to 2009, which is the most recent aerial photography.
- Staff time to verify calculated ERU values and contested valuations for a time period after implementation.

Ongoing Costs for ERU Based Billing System:

While minimal overall, some staff time and resources will be required to maintain the ERU based stormwater billing system. These considerations are outlined as follows:

- Ongoing staff time to value newly constructed properties.
 - New construction will be calculated by the Stormwater Specialist as permits are given.
 - ERU valuations for new accounts will be passed to Utility Billing staff for billing.
 - ERU updates for individual properties will be done as needed. (i.e., pavement additions or removal)
- Recurring updates and audits to ERU valuations.

- GIS Staff will carryout manual planimetric updates on an annual basis or as new aerial photography is acquired.
- Whole system ERU updates will be done on an annual basis or as warranted.

Additional Comments:

In order to keep the administration of this new approach as simple as possible to avoid further costs, the proposed ERU system will not offer credits for ERU reduction. The only way to change the ERU will be to reduce or increase impervious area (e.g., by reducing paved parking area or installing additional impervious surfaces).

Under the approved fee structure, every property with impervious surface over 150 ft.² will be charged a stormwater fee. Currently, only properties with a utility account are charged the monthly fee.

Iowa State University will not be charged stormwater fees, since the University is legally under its own Municipal Stormwater (MS4) permit.

COUNCIL ACTION FORM

SUBJECT: SETTING DATE OF PUBLIC HEARING TO ENTER INTO LOAN AGREEMENT WITH IOWA FINANCE AUTHORITY TO FUND CONSTRUCTION OF WATER POLLUTION CONTROL FACILITY DISINFECTION PROJECT

BACKGROUND:

On July 10, 2012, the City Council issued a notice to bidders for construction of a new ultraviolet light (UV) disinfection system for the Water Pollution Control Plant. Construction of the system is required under the terms of the discharge permit for the facility.

Staff has explored the most economical financing options and is recommending that the City utilize the Clean Water State Revolving Fund. The current terms for the SRF loan program include a 0.5% loan origination fee and an interest rate of 3% over a 20 year term. Repayment of the loan will come from the Sewer Fund, and has been accounted for in the current rates and fund balance projections.

The first step for a project to be eligible for the CWSRF loan is to have the project approved by the State and placed on the Intended Use Plan (IUP). This project has been included in the IUP since the first quarter of 2011 and is ready for financing. The WPC Disinfection Project is currently shown in the IUP with an anticipated cost of \$3,120,900. Based on the engineer's opinion of probable construction costs reported to Council on July 10, the projected cost of the project is as summarized below:

Engineering Cost	\$ 390,457
Construction Cost	2,010,000
<u>Construction Contingency</u>	<u>210,000</u>
Total Estimated Project Cost	\$ 2,601,457

A public hearing is required prior to the Council taking action to incur debt. Bids are due on the UV disinfection project on August 8, 2012. The bids will be reported to Council at the August 14, 2012 Council meeting. Once the contract amount has been determined, the final amount of the CWSRF loan can be determined.

Staff is now recommending that the City Council establish August 28, 2012 as the date for a public hearing on the loan agreement. The public notice will reflect the \$3,120,900 currently shown in the IUP, knowing that the actual loan amount will be adjusted following the bid opening and contract award.

It should be noted that the Iowa SRF program is recommending a reduction in interest rates. The matter will be considered by the Iowa Environmental Protection Commission at their September 18 meeting and, if adopted, will become effective for loans closed after October 1. Staff will take care to delay closing on this loan until after October 1 in order to benefit from any rate reduction adopted. Any construction costs incurred prior to closing on the loan will be minor and can be retroactively included in the SRF loan.

ALTERNATIVES:

1. Establish August 28, 2012, as the date to hold a public hearing for a loan agreement with the Iowa Finance Authority for construction of the Water Pollution Control Plant Ultraviolet Disinfection System in an estimated amount of \$3,120,900.
2. Do not hold a public hearing, and provide staff with direction on the desired financing method for the project.

MANAGER'S RECOMMENDED ACTION:

The Capital Improvements Plan and current sewer rate structure both anticipated the use of long-term financing for the new Water Pollution Control Plant Ultraviolet Disinfection System required by the facility's discharge permit. Moving forward utilizing a loan from the Clean Water State Revolving Fund is the most economical way to finance this project for our utility customers.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby establishing August 28, 2012, as the date to hold a public hearing for a loan agreement with the Iowa Finance Authority for construction of the Water Pollution Control Plant Ultraviolet Disinfection System in an estimated amount of \$3,120,900.

COUNCIL ACTION FORM

SUBJECT: CONSTRUCTION OF ULTRAVIOLET (UV) DISINFECTION SYSTEM AT WATER POLLUTION CONTROL FACILITY

BACKGROUND:

As part of the new National Pollution Discharge Elimination System (NPDES) permit for the Water Pollution Control (WPC) Facility, the effluent must now meet seasonal (March 15-November 15) in-stream water quality standards for *E. Coli*, a bacteria used as an indicator of human waste contamination. The new NPDES permit includes a compliance schedule to construct a disinfection system, with the system required to be operational by the Spring of 2014.

On July 10, 2012, Council approved specifications and issued a Notice to Bidders to construct an ultraviolet disinfection system for the WPC Facility. On August 8, 2012, project bids were opened. Three bids were received and are summarized below.

Bidders	Disinfection System Construction	UV Equipment Allowance	Total Project Bid Price
Garney Companies, Inc.	\$1,649,980.00	\$334,620.00	\$1,984,600.00
Woodruff Construction, LLC	\$1,989,580.00	\$334,620.00	\$2,324,200.00
Story Construction Co.	\$1,990,380.00	\$334,620.00	\$2,325,000.00

The engineer's estimate for construction is \$2,010,000.

Council already awarded a contract on January 10, 2012 to Trojan Technologies for purchase of the UV equipment in the amount of \$371,800.00. As part of that contract, the City will pay 10 percent of the contract price after approval of shop drawing submittals. Payment for the remaining 90 percent of the contract (the allowance amount provided on the proposal form and listed in the table above) will be assigned to the general contractor as part of this award.

Funding for this project will be through a low-interest loan from the Clean Water State Revolving Fund, with repayment of the loan coming from the Sanitary Sewer Fund. A hearing on the SRF loan will take place on September 11, 2012.

ALTERNATIVES:

1. Award a contract and the re-assignment of the UV equipment to the low bidder, Garney Companies, Inc. of Kansas City, Missouri, in the amount of \$1,984,600.00.
2. Award a contract and the re-assignment of the UV equipment to one of the other companies that submitted a bid.
3. Take no action on the bids at this time. This delay will most likely result in the City violating the terms of its NPDES permit upon the expiration of the compliance schedule.

MANAGER'S RECOMMENDED ACTION:

This disinfection system is a requirement of the WPC Facility's NPDES permit, and a binding compliance schedule has been established to install this system. The project is listed on the SRF intended-use plan which indicates the City's intention to use the loan program for construction costs.

After reviewing the bids and supplemental information as well as checking references, it is the recommendation of the City Manager that Council adopt Alternative No. 1, thereby approving award of the contract for construction of an ultraviolet disinfection system at the WPC Facility and re-assigning the UV equipment to Garney Companies, Inc. of Kansas City, Missouri in the amount of \$1,984,600.00.

COUNCIL ACTION FORM

SUBJECT: AWARD OF CONTRACT FOR WATER POLLUTION CONTROL FACILITY DIESEL TANK REPLACEMENT PROJECT

BACKGROUND:

The City's Water Pollution Control (WPC) Facility has a 4,000-gallon above-ground storage tank used for storage of diesel fuel. The tank supplies both a vehicle fueling station and a 1,750 KW Caterpillar diesel engine. The Caterpillar diesel engine is used to generate electricity for emergency power. The current tank was found to be leaking and can no longer be used for fuel storage.

This project is to close and remove the existing tank, and to install a replacement tank in the existing concrete vault. The replacement will also have a 4,000-gallon capacity, but will be dual-walled with interstitial monitoring for leak detection. Installing a tank of equal fuel capacity will ensure that the WPC Facility continues to be prepared for periods of prolonged power generation when necessary. The dual-wall and interstitial monitoring capabilities will detect small leaks earlier, thereby prolonging the life of the tank as well as preventing spills of diesel fuel into the vault.

On July 10, 2012, City Council granted approval to issue a Notice to Bidders for the WPC Facility Diesel Tank Replacement Project. On August 1, 2012, the City received bids to provide all labor, equipment, materials, insurance, and other components necessary to complete the tank replacement project according to the City's plans and specifications.

A single bid was received as follows:

	Lump Sum Bid
Acterra Group, Inc. - Marion, Iowa	\$ 188,000

The FY 2012/13 Water Pollution Control budget includes \$140,000 for diesel tank replacement. A total of \$21,500 has already been allocated for design and inspections, and the engineer's construction estimate is \$145,000. The lone bid received exceeds the engineer's construction estimate and the authorized budget for this project.

Staff needs additional time to review the bid with the design engineer to determine why there were not more bidders and why the single bid received was higher than expected, and to determine whether accepting this bid is in the best interest of the utility.

ALTERNATIVES:

1. Receive the report of bids but take no action to award a contract at this time.
2. Award a contract to Acterra Group, Inc. of Marion, Iowa for construction services related to the Water Pollution Control Facility Diesel Tank Replacement Project on a lump-sum basis, in an amount not to exceed \$188,000.
3. Reject the bid and direct staff to rebid the work.

MANAGER'S RECOMMENDED ACTION:

The storage of emergency diesel fuel is a vital component of the WPC Facility. The current tank has failed and needs to be replaced. Water and Pollution Control Department staff members have worked closely with Snyder and Associates during the conceptual and design phases to design a replacement tank that will meet all of the needs of the WPC Facility, reduce environmental and regulatory risks, and minimize costs.

Staff needs additional time to review the bid with the design engineer to determine why there were not more bidders, why the single bid received was higher than expected, and whether accepting the bid is in the best interest of the utility.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby receiving the report of bids but taking no action to award a contract at this time.