

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

AMES, IOWA

NOVEMBER 25, 2014

**MINUTES OF THE AMES AREA METROPOLITAN PLANNING ORGANIZATION
TRANSPORTATION POLICY COMMITTEE**

The Ames Area Metropolitan Planning Organization (AAMPO) Transportation Policy Committee meeting was called to order by Ames Mayor Ann Campbell at 7:00 p.m. on the 25th day of November, 2014, in the City Council Chambers in City Hall, 515 Clark Avenue, pursuant to law with the following voting members present: Gloria Betcher, City of Ames; Amber Corrieri, City of Ames; Tim Gartin, City of Ames; Matthew Goodman, City of Ames; Chris Nelson, City of Ames; and Peter Orazem, City of Ames. AAMPO Administrator John Joiner and Transportation Planner Tony Filippini were also present.

HEARING ON AMENDED FY 2015-2018 TRANSPORTATION IMPROVEMENT PROGRAM (TIP): City of Ames Transportation Planner Tony Filippini stated that the FY 2015-18 TIP had been approved by the AAMPO Policy Committee on July 8, 2014. The project being proposed to be added to the 2015 TIP is to grade and pave a half-mile portion of the Skunk River Trail from Bloomington Road north to Ada Hayden Park. It was originally anticipated that the project would be let during FY 2014; therefore, it was not included in the FY 2015-18 TIP. However, because the project schedule was moved to a February 2015 letting date, the project must now be added to the FY 2015 program year. The total project funding from Local Option Sales Tax has also been changed from \$441,000 to \$473,660 based on project item costs for construction in 2015. The federal aid portion is \$250,000.

Moved by Goodman, seconded by Nelson, to approve the Amended FY 2015-2018 TIP.
Vote on Motion: 7-0. Motion declared carried unanimously.

ADJOURNMENT: Moved by Corrieri, seconded by Betcher, to adjourn the AAMPO Policy Committee meeting at 7:06 p.m.
Vote on Motion: 7-0. Motion declared carried unanimously.

REGULAR MEETING OF THE AMES CITY COUNCIL

The Regular Meeting of the Ames City Council was called to order by Mayor Campbell at 7:07 p.m. on the 25th day of November, 2014, in the City Council Chambers in City Hall, 515 Clark Avenue. Present from the Ames City Council were Gloria Betcher, Amber Corrieri, Tim Gartin, Matthew Goodman, Chris Nelson, and Peter Orazem. *Ex officio* Member Lissandra Villa was absent.

PRESENTATION OF GOVERNMENT FINANCE OFFICERS ASSOCIATION DISTINGUISHED BUDGET PRESENTATION AWARD: The Mayor presented the Award to Finance Director Duane Pitcher and Budget Officer Nancy Masteller. Mr. Pitcher reported that the City had received this Award for the past 30 years. Ms. Masteller stated that, out of a possible 1,400, only eight cities, two counties, and two school districts in Iowa received the Award.

CONSENT AGENDA: Council Member Betcher requested to pull Item No. 9 (Campustown Facade Program) and Council Member Goodman asked to pull Item No. 10 (Annual Urban Renewal Report) for separate discussion.

Moved by Nelson, seconded by Goodman, to approve the following items on the Consent Agenda:

1. Motion approving payment of claims
2. Motion approving minutes of Regular Meeting of November 10, 2014
3. Motion approving certification of civil service applicants
4. Motion approving Report of Contract Change Orders for November 1-15, 2014
5. Motion setting December 16, 2014, as Regular City Council Meeting date and canceling December 23, 2014
6. Motion approving renewal of the following beer permits, wine permits, and liquor licenses:
 - a. Class C Liquor & Outdoor Service – Outlaws, 2522 Chamberlain Street
 - b. Class B Native Wine – Chocolaterie Stam, 230 Main Street
 - c. Class C Beer – Swift Stop #8, 705 24th Street
7. Motion approving 5-day Class C Liquor license (December 1 - December 5) for Olde Main Brewing Company at the ISU Alumni Center, 420 Beach Avenue
8. RESOLUTION NO. 14-596 setting December 9, 2014, as date of public hearing on Agreement with Iowa Finance Authority for State Revolving Fund Loan for the new Water Treatment Plant project
9. RESOLUTION NO. 14-597 approving appointments of Lisa Ailshie and Julieanne Sthay to fill vacancies on Public Art Commission
10. RESOLUTION NO. 14-598 approving changes to the Health Care Flexible Spending Account Plan with Wellmark Blue Cross Blue Shield of Iowa
11. RESOLUTION NO. 14-599 approving Agreement with Wellmark for Flexible Benefits Administration
12. RESOLUTION NO. 14-600 approving contract for Special Inspections associated with new Water Treatment Plant with Terracon Consultants, Inc., of Ames, Iowa, on a time and materials basis, in an amount not to exceed \$199,782
13. RESOLUTION NO. 14-601 approving preliminary plans and specifications for Demolition of North Dakota Elevated Tank; setting January 14, 2015, as bid due date and January 27, 2015, as date of public hearing
14. RESOLUTION NO. 14-602 awarding contract to Altec Industries, Inc., of St. Joseph, Missouri, in the amount of \$120,048 for Utility Body and 55-foot Aerial Platform and installation onto truck chassis for Electric Services Department
15. RESOLUTION NO. 14-603 awarding contract to Altec Industries, Inc., of St. Joseph, Missouri, in the amount of \$126,462 for Flatbed Body and Digger Derrick and installation onto truck chassis for Electric Services Department
16. RESOLUTION NO. 14-604 awarding contract to ABM Equipment & Supply, LLC, of Hopkins, Minnesota, in the amount of \$85,552 for Utility Body and Lift Platform and installation onto truck chassis for Public Works Department
17. RESOLUTION NO. 14-605 approving contract and bond for Fire Station #3 HVAC Modifications
18. RESOLUTION NO. 14-606 approving contract and bond for 2014/15 Arterial Street Paving Improvements Program
19. RESOLUTION NO. 14-607 approving contract and bond for 2014/15 CyRide Route Paving Improvements Program #2
20. RESOLUTION NO. 14-608 accepting partial completion of public improvements required for Northridge Heights Subdivision, 16th Addition, and reducing security being held
21. RESOLUTION NO. 14-609 accepting completion of Control Panels for Ames Plant Switchyard
22. RESOLUTION NO. 14-610 accepting completion of 2012/13 Traffic Signal Program (Lincoln Way and Hayward Avenue)
23. RESOLUTION NO. 14-611 accepting completion of 2013/14 Traffic Signal Program (20th Street and Grand Avenue)

24. RESOLUTION NO. 14-612 accepting completion of Sunset Ridge Subdivision, 5th Addition, HMA Paving Project
25. RESOLUTION NO. 14-613 accepting completion of WPC Raw Water Pump Station Make-Up Air Unit
Roll Call Vote: 6-0. Resolution/Motions declared adopted/approved unanimously, signed by the Mayor, and hereby made a part of these Minutes.

CAMPUSTOWN FACADE PROGRAM: Council Member Betcher stated that she still had concerns about facades applied to the fronts of buildings that might actually damage the buildings. She explained that she did not want the City to incentivize bad design choices. Ms. Betcher said that she would like to see something added to the design concepts or the review process that the facades would be reversible, i.e., the future occupants of the buildings would be able to un-do what had been done without causing damage to the building or without great expense. She clarified that she would like that included in the pilot projects. Ms. Betcher referenced pictures that were included in the Design Ideas Book, specifically, one that had some wavy wood sticking out of the front of the building; that would be the sort of thing that she would like to see removable in the future. It was pointed out by Ms. Betcher that there are treatments that can be applied that are not just paint. Council Member Gartin stated his opinion that the decision on the facade design should be left to the building owner. He believes that the design choices would be significantly limited if they were made to be reversible. Ms. Betcher pointed out that the difference between Campustown and the Downtown is that the Downtown Facade Program has historic guidelines attached to it. She noted that owners may do whatever they want to their buildings, but she does not want the City to incentivize something that can't be un-done by a future owner. It was clarified by Ms. Betcher that she was talking about something that would be applied to the outside of the building, not windows. She would like the wording to state, "Additions to the facade of a building shall be undertaken in such a manner that if removed in the future the essential form and integrity of the property would be unimpaired."

Planning and Housing Director Kelly Diekmann noted that what was being recommended is only in the pilot project phase. Staff would welcome direction on the techniques that are a part of the pilot projects. Mr. Diekmann advised that the Council is not being asked to adopt any program at this meeting.

Moved by Betcher, seconded by Goodman, to direct staff to seek applications for pilot projects to be located in Campustown Service Center zoning district and Neighborhood Commercial zoning district on West Street and to direct staff to incorporate an understanding of how a facade change would affect the building.

Vote on Motion: 5-1. Voting aye: Betcher, Corrieri, Goodman, Nelson, Orazem. Voting nay: Gartin. Motion declared carried.

ANNUAL URBAN RENEWAL REPORT: Noting the complexity of the urban renewal program, Council Member Goodman asked for a summary of the Annual Report to be presented. City Manager Steve Schainker stated that, during FY 2013/14, there was one active Tax Increment Financing (TIF) District on South Bell. Bonds were issued in October 2009, with proceeds used for infrastructure improvements. The project expenses were lower than expected and excess proceeds were available in the TIF Fund to pay principal and interest payments in its early years. According to Mr. Schainker, the incremental property valuation in the District has not grown as fast as expected, and there is a negative balance of \$68,083. Total incremental tax revenue in the District for the reporting year was \$10,456 while debt service was \$117,055. That shortfall along with interest charged to the Fund due to a negative balance resulted in a FY 2013/14 ending balance of (\$175,731). Mr. Schainker stated that the

City does not expect to generate adequate incremental revenue to fund the debt service in FY 2014/15. However, with new projects in the District, incremental revenue will grow and eventually cover debt service as well as the accumulated negative Fund balance.

Council Member Goodman acknowledged that every TIF project is unique; however, he believed that one of the ways that the City could have been more aggressive was to require a higher minimum assessment. For investment, he sees that as reasonable. Also, Mr. Goodman felt it is good to know that the argument for establishing a TIF District is long-term tax base. In Mr. Goodman's opinion, when the TIF is paid-off, it is reasonable for a future Council to attempt to maximum the taxpayers' return and encourage five-year abatements only on areas of the community that have not been under a TIF District.

City Manager Schainker advised that the Department of Economic Development is now saying that if tax credits are received from the state, one of the required matches for the City is the value of a five-year tax abatement. This is not a problem unless the business locates in one of the TIF parks. Mr. Schainker cautioned that there will be conflicts once in a while.

Finance Director Pitcher explained the documents that are required to be filed related to the TIF Districts with the State Department of Management.

Moved by Gartin, seconded by Goodman, to direct that staff provide Council with a projection of the cash flow on the South Bell TIF project.

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

Moved by Betcher, seconded by Goodman, to adopt RESOLUTION NO. 14-595 approving the Annual Urban Renewal Report.

Roll Call Vote: 6-0. Resolution declared adopted unanimously.

PUBLIC FORUM: No one requested to speak, and the Mayor closed Public Forum.

HEARING ON REZONING PROPERTIES FOR ISU RESEARCH PARK PHASE III PROJECT FROM AGRICULTURAL (A) TO PLANNED INDUSTRIAL (PI): Mayor Campbell opened the public hearing. No one asked to speak, and the hearing was closed.

Moved by Corrieri, seconded by Nelson, to pass on first reading an ordinance rezoning properties for ISU Research Park Phase III Project from Agricultural (A) to Planned Industrial (PI).

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

HEARING ON ZONING ORDINANCE TEXT AMENDMENTS TO REDUCE ON-SITE PARKING REQUIRED FOR FRATERNITIES: The public hearing was opened by the Mayor.

Jeremy Davis, 711 Beach Avenue, Ames, said that he was representing the Greek Alumni Alliance. Mr. Davis advised that the Greek Alumni Alliance supported the staff's recommendation. Council Member Goodman said that he would prefer a ratio of 1:2 (one space per two beds) and asked Mr. Davis why the Greek Alumni Alliance felt a 1:3 (one space per three beds) ratio was necessary. Mr. Davis replied that the 1:3 ratio would allow the majority of the Greek facilities to come into compliance. Also, for the majority of the properties that want to make renovations, it would allow them to nearly maintain the existing parking without having to construct parking structures. Council Member Nelson noted that the majority of the properties are land-locked.

Khayree Fidten, 2120 Lincoln Way, Ames said that he was currently serving as the Intrafraternity Council Senator with the GSB. Mr. Fidten urged the City Council to pass the amendment as recommended by City staff and the City Manager. He said he was a member of Beta Theta Pi, and its Alumni Housing Board is currently looking to undertake specific renovations. Mr. Fidten stated that the difference between 1:2 and 1:3 would be potentially detrimental of the renovation project.

The Mayor closed the hearing after there was no one else wishing to speak.

Moved by Orazem, seconded by Nelson, to pass on first reading an ordinance making zoning text amendments to Table 29.406(2) reducing the on-site parking required for fraternity and sorority housing from one space per bed to one space per three beds and revise Section 29.406(2)(b) and 29.406(2)c for text clarification.

Council Member Goodman acknowledged the concerns expressed in a letter from a property owner in the area who owns apartments and believes that the Council would be setting a different standard for Greek Houses if it approved the above-listed action. Mr. Goodman stated his opinion that Greek housing is different than rental housing; the Greek Community is a very different product than apartment buildings.

Council Member Orazem said that he believes the Council should look at other possible options for enforcement of the existing parking regulations in the area in question.

Council Member Betcher shared that citizens in the affected neighborhood who have contacted her do not want to see any changes. She commented that she would be able to support a 2:3 ratio, but not a 1:3.

Roll Call Vote: 5-1. Voting aye: Corrieri, Gartin, Goodman, Nelson, Orazem. Voting nay:: Betcher. Motion declared carried.

HEARING ON PROPOSED AMENDMENTS TO CHAPTER 31 OF *MUNICIPAL CODE* PERTAINING TO DEFINITIONS AND RULES OF CONSTRUCTION, DESIGN GUIDELINES FOR ALTERATIONS, AND DESIGN GUIDELINES FOR NEW CONSTRUCTION SPECIFIC TO HISTORIC PRESERVATION DISTRICTS: Director Diekmann stated that, based on the work that is going into the revisions, staff had not yet prepared a final Ordinance. He advised that the hearing needed to be opened and closed; Public Notice of the hearing would need to be published.

The Mayor opened the public hearing and closed same; the process will start over.

HEARING ON NON-ASBESTOS INSULATION AND RELATED SERVICES AND SUPPLIES FOR POWER PLANT: The public hearing was opened by Mayor Campbell. She closed same after no one came forward to speak.

Moved by Nelson, seconded by Corrieri, to accept the report of bids and direct staff to rebid the project.

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

Moved by Nelson, seconded by Corrieri, to adopt RESOLUTION NO. 14-614 approving updated preliminary plans and specifications for re-issuance of the project; setting December 17, 2014, as bid due date and January 13, 2015, as the date of public hearing.

At the request of Council Member Orazem, Finance Director Donald Kom informed the Council that there are not a lot of bidders with the type of expertise needed. Mr. Kom explained why the one bid received was deemed non-responsive.

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

HEARING ON AMENDMENT TO LEASE AGREEMENT WITH SPRINT SPECTRUM FOR BLOOMINGTON ROAD (BRET) WATER TOWER: Mayor Campbell opened the public hearing. There being no one wishing to speak, the Mayor closed the hearing.

Moved by Goodman, seconded by Corrieri, to adopt RESOLUTION NO. 14-615 approving an amendment to the Lease Agreement with Sprint Spectrum Realty Company, LP, to allow the installation of additional antennae on the BRET water tower in exchange for doubling the rental payments to \$2,760/month.

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

SALE OF ALLEY BETWEEN 11TH AND 12TH STREETS FROM GRAND AVENUE TO THE ALLEY EAST OF GRAND AVENUE: Civil Engineer Eric Cowles explained that all of the property owners adjacent to the alley are interested in purchasing their respective portions.

Moved by Betcher, seconded by Goodman, to adopt RESOLUTION NO. 14-616 setting the date of hearing for December 9, 2014, on sale of alley between 11th and 12th Streets from Grand Avenue to the alley east of Grand Avenue and direct the City Clerk to publish notice.

Council Member Gartin recommended that the City contact each of the owners to ascertain how they want title.

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

REQUEST TO PURCHASE OLD AIRPORT ROAD RIGHT-OF-WAY: Civil Engineer Cowles recalled that the Council had directed staff, on October 14, 2014, to ask City Assessor Greg Lynch about the method of valuation for the subject piece of City-owned property. Mr. Lynch had determined that the appropriate valuation would be \$6.91/square foot if the land were combined with the Burgason parcel. Using that value and the standard policy of deductions for retaining easements and using a Quit Claim Deed, the subject property would be valued at \$85,853. Also at the Council's direction, staff again contacted the ISU Research Park and Steve Burgason to confirm interest in purchasing the parcel. The ISU Research Park indicated that it had no interest in the property. Mr. Burgason stated that he was still interested in purchasing the property. Under his most-recent proposal, Mr. Burgason asked to be granted a ten-year purchase option at a price of \$54,000. The price would be valid and not change during the ten-year period, and a \$2,000 deposit would be made to the City as earnest money. If Mr. Burgason were not to exercise that option prior to its expiration, he would forfeit the \$2,000.

Moved by Goodman to retain the land and deny Mr. Burgason's request to purchase the old Airport Road right-of-way adjacent to his business.

Mr. Goodman explained that he did not believe that the land should be held for ten years in case Mr. Burgason wanted to purchase it. Other people might want to purchase the land and improve it during that ten years.

Motion withdrawn.

Moved by Goodman, seconded by Nelson, to direct that staff advise Steve Burgason that the City would sell the subject land to him if he agreed to:

1. Pay for the land in the amount of \$52,389.
2. Execute an easement with the City that allows the existing public and private utilities in the area to remain in their current locations and includes a provision for the property owner to be responsible for any site restoration if maintenance is needed on the utilities.
3. Execute an access easement, as necessary, with the ISU Research Park to ensure continued street access to Biova and the Research Park.

Council Member Goodman noted that if Mr. Burgason is agreeable to that, the City Council would then set a date for public hearing on the sale. He saw no reason to set the date of hearing if Mr. Burgason was not agreeable to purchase the property under those conditions.

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

ENGINEERING SERVICES AGREEMENT FOR ISU RESEARCH PARK, PHASE III: Moved by Nelson, seconded by Corrieri, to adopt RESOLUTION NO. 14-617 approving the Engineering Services Agreement with Shive Hattery of West Des Moines, Iowa, in an amount not to exceed \$375,000.

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

DISTRIBUTED CONTROL SYSTEM FOR POWER PLANT: Electric Services Director Kom recalled that on May 27, 2014, the City Council awarded a contract to Sargent & Lundy, LLC, of Chicago, Illinois, for Engineering Services required to convert the Power Plant to natural gas in an amount not-to-exceed \$1,995,000. He told the Council that, as part of Sargent & Lundy's (S&L) original scope of work, they were tasked to review and evaluate the Power Plant's existing Emerson Ovation Distributed Control System (DCS). The DCS is the dedicated control system used for boiler controls and power plant systems. S&L's contract included an assessment of whether the current DCS could handle the conversion to natural gas. The contract also required S&L to develop plans and specifications for new DCS hardware and software. That task would occur whether the new hardware and software augmented or replaced the current DCS.

According to Director Kom, City staff received S&L's DCS report in September. The report confirmed that the pre-2000 Era Emerson Ovation System is no longer supported by the manufacturer. This includes both the hardware and software of the existing System. More recent equipment shipped to the Power Plant in 2007 for a previous upgrade project was also found to no longer be supported since it is based on a Windows XP operating system. Based on S&L's evaluation, staff has confirmed that it

is clearly in the City's best interest to incorporate replacement of the existing DCS into the larger gas conversion project.

Mr. Kom advised that, with the replacement of the DCS, two additional challenges are created: (1) Additional climate- and dust-controlled space is needed to house the additional equipment control cabinets required for the new DCS; (2) the DCS would need to be tied into the existing Main Control Board and the Auxiliary Control Board.

Council Member Goodman asked if this work was initially included as a bid alternate. Assistant Electric Services Director Brian Trower explained that the City had gone through a very thorough process in 2010 before a contract was awarded to Sargent & Lundy. It was very clear to staff at that time that this was the only firm that had the expertise and experience to do the work. He explained that the City could not have presented the type of information at that time to include it as a bid alternate.

Moved by Gartin, seconded by Corrieri, to adopt RESOLUTION NO. 14-618 approving Change Order No. 1 to Engineering Services Agreement with Sargent & Lundy of Chicago, Illinois, in an amount not to exceed \$2,395,000.

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

Moved by Gartin, seconded by Corrieri, to adopt RESOLUTION NO. 14-619 approving preliminary plans and specifications for Distributed Control System for the Power Plant; setting January 14, 2015, as bid due date and January 27, 2015, as date of public hearing

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

REPAIR OF GT1 COMBUSTION TURBINE: Moved by Nelson, seconded by Corrieri, to adopt RESOLUTION NO. 14-620 approving the contract with Black & Veatch for engineering services pertaining to repair of the GT1 Combustion Turbine.

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

It had been suggested to Mayor Campbell that the HIRTA discussion precede the Budget Guidelines. All Council members concurred.

HIRTA DEMAND RESPONSE FACILITATION: City Manager Schainker reported that the Transit Board requested Matthew Goodman and John Haila to set up a meeting with the ASSET Administrative Team, comprised of Jean Kresse of the United Way of Story County, Deb Schildroth of Story County, and Melissa Mundt, Assistant City Manager, to discuss issues pertaining to HIRTA Demand Response Services. The meeting was held between Transit Board representatives, the CyRide Director, and ASSET Administrative Team on September 12, 2014. The discussion resulted in an agreement to have the ASSET Administrative Team host a facilitated process between impacted agencies/organizations and HIRTA to address concerns around demand response services in Story County and Ames. Just prior to the first facilitation meeting, which was held on November 19, 2014, the Story County Board of Supervisors received a resident inquiry asking why the meetings would not open to the public. The Assistant City Manager also sought clarification as to why the meetings could not be open and recommended that they be open if at all possible. The other participants advised that there were concerns about medical privacy. Additionally, it was stated that personnel matters would

be discussed pertaining to HIRTA. Finally, it was noted that meetings were not required to be open, since the meetings were not established by executive order of either governing body.

Moved by Goodman, seconded by Gartin, to request that staff go back to the group and indicate the City's desire to have the meetings open to the public.

Council Member Gartin asked if there were legitimate concerns about privacy that would warrant closed sessions. City Manager Schainker advised that that was the reason given by some of the members of the group as to why the meetings should be closed. There were no specific names or issues discussed at the first meeting that would justify closed meetings. If those issues were to be raised, that would warrant closing the meeting to the public. Mr. Schainker said he did not believe that the discussions would get into that type of specificity. Council Member Corrieri concurred, stating that the organizations involved are very much aware of the HIPAA Laws.

Lauris Olson, 1705 Buchanan Drive, Ames, expounded on the HIPAA Law as it would pertain to the HIRTA discussions. She urged the Council to support open meetings.

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

Council Member Betcher added that the component about having public input after the sessions are over is important; it is different from being able to attend an open meeting.

Moved by Betcher, seconded by Gartin, to add a public input component to obtain feedback on the work of the agencies and HIRTA.

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

Council Member Corrieri asked what would happen if the other agencies will not agree to open the meetings. City Manager Schainker stated that staff would report that back to the City Council.

Council Member Goodman expressed his appreciation to the ASSET Administrative Team and organizations for agreeing to meet on the concerns around demand response services in Story County and Ames.

BUDGET GUIDELINES: City Manager Schainker said that, near the beginning of each year's budget preparation cycle, he and Finance staff present City Council with a budget overview. The presentation's purpose is to: present the "big picture" of the coming year's budget, including factors that might impact Council's later decisions on the budget, share budget-related input and requests that have been received from local citizens and organizations, seek Council direction on select components of the budget, such as overall funding levels for human services and arts, and to receive any general funding or service level direction Council wishes to incorporate into the budget.

Mr. Schainker summarized that the City's overall financial situation continues to remain relatively strong. For FY 15/16, improvement in retail sales and overall property valuation are expected to have a positive financial impact on the City budget. However, some of this positive impact will be offset by higher-than-average increases in health care, property and liability insurance costs, and the impact of the property tax reform.

Finance Director Pitcher advised that, overall, modest increases in assessed property valuations are expected. An increase in the rollback rate will increase taxable valuation for residential property, while

the second step of commercial and industrial property tax reform will reduce taxable value. Road Use Tax revenue from fuel sales is expected to equal the budgeted revenues for the current year, and the IDOT is forecasting a modest increase for FY 2015/16. Interest revenues for the City have improved slightly, but will very likely remain low for FY 15/16. That also means that the City will be able to continue to issue G.O. Bonds at low interest rates.

Mr. Pitcher shared that the General Fund balance ended FY 13/14 better than budgeted with the General Fund balance at 35% of expenditures, up from 23.3% in the adopted budget. Around \$1,600,000 of the approximately \$2,755,000 in excess balance is due to uncompleted projects, which will be carried forward into the adjusted budget. Major projects carried over include the second phase of City Hall improvements and the update to the Land Use Policy Plan. Two categories of revenue improvements – building permit revenue at \$538,445 and Hotel/Motel Tax revenue at \$182,470 – accounted for about two thirds of the net \$1,155,000 increase in the General Fund balance. The remaining third was distributed across various areas of revenue and expenditure in the fund. City Manager Schainker noted that the Council could decide to use some amount of the additional balance to subsidize operating costs and thereby reduce property tax levels in FY 15/16. He again warned, however, that that strategy would only lead to a larger increase the following year, since one-time monies would need to be replaced with a more permanent revenue source. He also stated that, in similar past situations, the Council had used those one-time increases in the available balance to fund one-time expenditures in the current year. That could include the possible purchase of capital items in FY 14/15 that would otherwise be budgeted in FY 15/16. The unexpected balance could also be used to address needed capital improvements at City Hall, e.g., replacement of the roof (\$700,000) or replacement of the west parking lot (\$350,000 to 500,000).

Mr. Schainker reported that, to continue with current service levels, modest fee increases will likely be needed for some fee-based services and will be a part of the budget process. Also, as in past years, modest increases in fees related to recreation activities are expected.

Finance Director Pitcher stated that improved investment returns and changes in funding plans for the Municipal Fire and Police Retirement System of Iowa (MFPRSI) have resulted in a decrease in the City's pension contribution rate from 30.41% of covered wages in FY 14/15 to 27.77% in FY 15/16. The rate remains well above the City's minimum contribution rate of 17% and is expected to remain so in the foreseeable future. As expected, FY 14/15 was the peak contribution year for the City, and it is expected that the City's contribution rate will slowly fall in the future.

Iowa Public Employees' Retirement System (IPERS). According to Director Pitcher, the City's contribution rate will not increase.

Health Insurance. The Council was told that, due to the recent less-favorable claims experience and additional costs related to the Patient Protection and Affordable Care Act (PPACA), an 8% increase in health rates for the FY 13/14 budget and a 6% increase for the current year are necessary. Based on recent claims experience, a 9% increase in health insurance rates for the FY 2015/16 will be in the recommended budget. Even with the 9% rate increase and projected expenses, a small draw down in the fund balance will be necessary. City Manager Schainker reminded the Council that the City is self-insurance and the balance will still be above those requirements and provide adequate reserves to fund possible claims fluctuations.

Rollback. Director Pitcher highlighted several major changes that were made during the 2013 Legislative Session. He stated that, for each assessment year beginning in 2013, residential and

agricultural property value growth will now be capped at 3 percent, or whichever is lowest between the two classes (the coupling provision remains). Commercial, industrial, and railroad property will now have their own rollback, which will be 95 percent for valuations established during the 2013 assessment year (affecting FY 2015/16) and 90 percent for the 2014 assessment year and thereafter. The rollback percentage for these properties will remain fixed at 90 percent regardless of how fast or slow valuations grow. The legislature created a standing appropriation, beginning in FY 2014/15, to reimburse local governments for the property tax reductions resulting from the new rollback for commercial and industrial property (railroad not included). The backfill was funded at 100 percent by the legislature for FY 2014/15, and cities receive the funds in a similar manner as property tax revenue. Future backfill appropriations will be capped at the FY 2016/17 level. A new property class was established for multi-residential property, which takes effect in FY 2016/17 and will likely have long-term impacts for many cities around the state. The definition of multi-residential property is broad and includes: mobile home parks, manufactured home communities, land-leased communities, assisted living facilities, property primarily used or intended for human habitation containing three or more separate living quarters. Also, rollback percentages will be phased-in over eight years for certain classes, beginning in budget year FY 16/17. There is no backfill provision for this class, and estimated valuation in Ames is \$124 million. This will lead to a reduction of property tax dollars of approximately \$185,000. Other changes include a new business property tax credit funded by the State that can be claimed by commercial, industrial and railroad property owners and an extension of the Property Assessment Appeal Board to 2018. City Manager Schainker cautioned that, with the sweeping changes to the property tax system, it will be challenging for the City to accurately forecast how the budget will be affected.

Airport Improvements. City Manager Schainker informed the Council that the Capital Improvements Plan included the construction of a new large hangar to temporarily house aircraft visiting Ames, as well as a new 6,500-square-foot terminal building. The Plan calls for those improvements to be built in FY 2015/16. A critical component of that \$3,300,000 project is the expectation that the City, ISU, and the private sector will share equally in the financing of these improvements, after taking into account the anticipated support from federal and state revenue sources (\$600,000). This obligation amounts to approximately \$867,000 from each of the funding partners. This cost sharing arrangement established by the City Council was influenced by user input regarding who would be using the new facilities the most. City staff has been working closely with representatives from the ISU administration and the private sector to determine if these funding expectations are achievable. It appears it may be difficult for the private sector and the University to contribute \$866,000 each to the City in cash. Mr. Schainker alerted the City Council that other funding strategies are being explored to facilitate the completion of these improvements. To accomplish that the three parties are working to develop alternative ways to finance the airport improvements. According to City Manager Schainker, staff intends to present a new financing strategy to the Council before final budget decisions are made in February 2015.

East Lincoln Way Industrial Development. City Manager Schainker noted that a major goal of the City Council is to Promote Economic Development. Towards this end, staff has an objective to pursue development of the industrial park opportunity east of Interstate 35 along Lincoln Way. In FY 2012/13, the previous City Council approved a 0.7% water rate increase and a 4.2% sanitary sewer rate increase to finance the extension of these City utilities east to 590th Street. However, actual construction was deferred, since the City Council had no specific economic development project against which to evaluate the benefits and costs of those investments. Those costs were \$800,000 for the water main extension (which is now estimated at \$900,000) and \$3,500,000 for the sanitary sewer extension (now estimated at \$3,800,000). The Council then took action to be in a position to respond more rapidly

should a specific economic development project be identified along East Lincoln Way in the near future. In the FY 2014/15 revised budget, Council approved funds to extend the City's existing sanitary sewer line to just east of the Interstate 35. However, that investment of approximately \$2,400,000 was not to take place until a service territory buy-out agreement was reached with the Central Iowa Water Association (CIWA). To accomplish that task, a proposed agreement is being finalized for transmittal to the CIWA. There is no way to predict how long it will take to reach a mutually acceptable buy-out agreement. Mr. Schainker noted that, at the October 7, 2014, Town Budget Meeting, the Director of the Ames Economic Development Commission requested that the City Council consider moving ahead with the design of the water and sanitary sewer extensions to 590th Street to avoid delays when a specific proposal brought forward.

Local Option Sales Tax. Finance Director Pitcher advised, that for the current year, local option sales tax receipts are expected to be \$7,996,943, up \$874,588 or 12.3% from the adopted budget. Last year's early numbers indicated a recovery in local option sales tax collections that has now materialized. All of the increased local option revenue for the current year is due to the adjustment payment received earlier this month. The adjustment payment reflects an underestimate of local option sales tax revenue by the Iowa Department of Revenue and Finance for FY 2013/14. Mr. Pitcher stated that had that amount been distributed in FY 2013/14, the City would have ended the year slightly above the adopted budget instead of well below. At this point, staff forecasts that local option sales tax revenue for FY 2015/16 will up five percent from the FY 2014/15 adopted budget, or \$7,484,605. A summary of the Local Option Sales Tax Fund with an illustrative option for the FY 2015/16 budget was given. Mr. Schainker cautioned that the summary was by no means a recommendation for the upcoming budget. Staff is requesting Council direction on total funding levels for COTA, as well as total funding direction for other outside organizations.

ASSET. City Manager Schainker noted that City staff typically requests ASSET funding as part of the November budget overview. However, the funding amount to be allocated to ASSET is not needed for the volunteers until later in December. By waiting until December, City staff will have time to get direction from the other funders, including Story County and United Way, regarding their funding considerations. Additionally, this year ASSET has two agencies that are making budget revisions for 2015/16 at the request of ASSET. Those requested changes are not due into ASSET until Friday, November 28. According to Mr. Schainker, staff had determined it would be best to wait to bring the City Council detailed information by funding priorities at the December 9 meeting.

COTA. City Manager Schainker stated that the Commission on the Arts (COTA) allocation for FY 14/15 is \$144,401, which was 2.5% higher than the \$140,879 allocated in FY 13/14. For FY 15/16 COTA organizations have requested funding in the amount of \$173,476 (excluding special Spring and Fall Grants). This is a 24% (\$33,246) increase over the FY 14/15 appropriation. Assistant City Manager Melissa Mundt told the Council that no new groups have applied for COTA funds for FY 15/16.

Council Member Gartin inquired about the justification for a 24% increase. Ms. Mundt explained how the COTA process works. She said that the 24% was a total of all of the agencies' requests.

Moved by Goodman, seconded by Betcher, to increase COTA's allocation by 3%.

Council Member Orazem noted that he had hoped for a larger increase this year since the General Fund balance was higher than anticipated. He had hoped for a 4% increase for the COTA.

Vote on Motion: 5-1. Voting aye: Betcher, Corrieri, Gartin, Goodman, Nelson. Voting nay: Orazem. Motion declared carried.

Road Conditions/Road Use Tax Fund. Director Pitcher reported that Road Use Tax (RUT) revenue is expected to be slightly higher than the budgeted amount for FY 14/15 and to increase by 1.0% for FY 15/16. He noted that those forecasts do not assume any changes in the fuel tax rate.

CyRide. City Manager Schainker noted that CyRide ridership is expected to continue to increase; however, federal funding is going down. The Transit Board of Trustees discussed the three-party funding agreement last fall and reconfirmed current shares, with the City providing 24% of the local dollars needed to fund CyRide. Over 92% of the ridership are ISU students; ISU pays approximately 66%. Council Member Goodman, who represents the City Council on the Transit Board, summarized discussions of the Transit Board concerning equitably sharing of the costs. Currently, the City's cost/ride is \$1.39. The cost per students is \$.60/ride. The fare for non-students is \$1.25/ride. Mr. Goodman asked the Council members if they wanted to have a discussion about the equality of the funding for fare-free CyRide. Mayor Campbell offered that a benefit of taking that number of vehicle off the road is an important factor to consider.

Moved by Corrieri, seconded by Betcher, to direct staff to place on a future agenda a discussion of CyRide funding for FY 2016/17.

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

Outside Funding Requests. City Manager Schainker referenced the Ames Fall Grant Program process. The total amount allocated for Outside Funding Requests in FY 2014/15 was \$147,000; however, those requests included \$11,500 in one-time funding for the Ames 150 Steering Committee and \$7,000 in one-time funding for MSCD's sesquicentennial activities. Additionally, the \$8,000 allocated to VEISHEA was not spent due to the cancellation of VEISHEA. The total 2015/16 request is \$154,100, which is a 4.8% increase over the 2014/15 total. It is a 27.9% increase over the 2014/15 amount when one-time activities and VEISHEA are excluded.

The Council's attention was brought to the table listing the requests. City Manager Schainker said that staff is not assuming that the City Council will approve these requests. However, the past practice has been to include the requests and amount approved for the prior fiscal year in the recommended budget; the amount would only be a placeholder.

Moved by Goodman to allocate \$120,500, excluding one-time requests.
Motion withdrawn.

Discussion ensued as to where the amount of \$120,500 had come from and what it included.

Moved by Corrieri, seconded by Goodman, to allocate \$120,500 towards Outside Funding Requests.
Vote on Motion: 5-1. Voting aye: Betcher, Corrieri, Gartin, Goodman, Nelson. Voting nay: Orazem.
Motion declared carried.

Other Budget-Related Items. Moved by Corrieri, seconded by Goodman, to direct staff to prepare a report regarding overtime and illegal parking fees and fines.
Vote on Motion: 6-0. Motion declared carried unanimously.

Moved by Corrieri, seconded by Goodman, what the cost impact in tax dollars would be for the Grand Avenue Extension.

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

Moved by Gartin, seconded by Goodman, to direct staff to provide a report on the current level of maintenance on all trails during the winter months.

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

Discussion ensued on requests made by citizens at the Town Budget Meeting. It was decided that Council members should bring those issues up during Council Comments.

ORDINANCE REZONING 601 STATE AVENUE: Moved by Goodman, seconded by Nelson, to pass on second reading an ordinance rezoning 601 State Avenue from Special Government/Airport (S-GA) to Residential Low-Density (RL).

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

FATS, OILS, AND GREASE CONTROL ORDINANCE: Moved by Goodman, seconded by Corrieri, to pass on third reading the Fats, Oils, and Grease Control ORDINANCE NO. 4199.

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

COUNCIL COMMENTS: Council Member Betcher referenced the request made by Kim Hanna, Campustown Action Association Director, at the Town Budget Meeting Held on October 7, 2014, for the creation of a safe pedestrian crossing at Stanton and Lincoln Way.

Moved by Betcher, seconded by Goodman, to request a report from staff on what it would take to create a safe pedestrian crossing at Stanton and Lincoln Way.

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

Moved by Betcher, seconded by Goodman, to request a report from staff on the process of changing the ACVB funding mechanism.

Vote on Motion: 5-1. Voting aye: Betcher, Corrieri, Gartin, Goodman, Nelson. Voting nay: Orazem. Motion declared carried.

At the request of Council Member Goodman, Planning and Housing Director Diekmann provided an explanation of the request made by William Ludwig on behalf of Rose Prairie Development, i.e., a residential and commercial LUPP Amendment for 5571 Grant Avenue.

Moved by Gartin, seconded by Nelson, to direct staff to initiate an Minor Amendment for Village/Suburban Residential and Neighborhood Commercial for 5571 Grant Avenue.

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

Moved by Gartin, seconded by Goodman, to refer to staff the letter from the Ames Foundation dated November 19, 2014, offering to partner with the City on replacing trees in accordance with the City's adopted Emerald Ash Borer Plan.

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

Moved by Goodman, seconded by Corrieri, referred to staff the letter from Steve Burgason dated June 25, 2014, asking to initiate an Amendment to the Ames Urban Fringe Plan for a 9.72-acre parcel owned by Burgason Enterprises to add to the list of Planning projects near the end of the list.
Vote on Motion: 6-0. Motion declared carried unanimously.

ADJOURNMENT: Moved by Gartin to adjourn the meeting at 10:02 p.m.

Diane R. Voss, City Clerk

Ann H. Campbell, Mayor