

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

AMES, IOWA

JANUARY 20, 2015

The Ames City Council met in special session at 5:15 p.m. on the 20th day of January, 2015, in the City Council Chambers in City Hall, 515 Clark Avenue, pursuant to law with Mayor Ann Campbell presiding and the following Council members present: Gloria Betcher, Amber Corrieri, Tim Gartin, Matthew Goodman, Chris Nelson, and Peter Orazem. *Ex officio* Member Lissandra Villa was absent.

Mayor Campbell announced that the primary purpose of this meeting was to hear presentations by the Departments on the projects comprising the City's five-year Capital Improvements Plan (CIP). She stated that public input on the Capital Improvements Plan will be taken on January 27, 2015.

WORKSHOP ON THE 2015-2020 CAPITAL IMPROVEMENTS PLAN (CIP): City Manager Steve Schainker emphasized that the Plan outlines the City's funding strategy for major public improvement projects to be completed over the next five fiscal years (2015 to 2020). Projected expenditures in the Plan total \$251,885,728. Mr. Schainker explained to the Council that the CIP is not a budget, but a plan; and as such, it is flexible depending on the Council's priorities for funding major projects. He explained that the projects in the first year of the CIP represent the highest priorities.

Mr. Schainker also announced that public input will be taken at the Council meeting scheduled for January 27, 2015, and again at the Final Budget Public Hearing to be held on March 3, 2015.

Public Safety - Fire. Fire Chief Shawn Bayouth described three projects that had been in past CIPs: (1) Forty-one Self-Contained Breathing Apparatus units to be purchased one-half in 2014/15 and the other half in 2015/16, (2) Fire Station #2 Restroom renovation to be delayed to 2016/17, and (3) Fire Station #1 Concrete Replacement (Driveway) to be delayed to 2017/18. One new project: Fire Station #2 Roof Replacement was explained.

City Manager Schainker stated that, at some point in the future, the City will need to build a new Fire Station somewhere in West Ames. The location has not been determined. A referendum will be necessary to gauge support for a new Station #2. According to Mr. Schainker, a higher priority for a referendum would be for the construction of a new indoor pool.

Public Safety - Traffic. John Joiner, Public Works Director, thanked Assistant Director Tracy Warner, Resource Recovery System Manager Gary Freel, Operations Manager Justin Clausen, Transportation Engineer Damion Pregitzer, and Civil Engineer Rudy Koester for their assistance in putting together this year's Public Works CIP. He also recognized Lynn Brennan, Administrative Assistant, who retired on January 9, 2015, for the work she had put in to many CIPs.

Director Joiner explained the eight projects under the Traffic program: West Lincoln Way Intersection Improvements, Accessibility Enhancements Program, Regional Transportation Count Program, Traffic Signal Program, Traffic Calming Program, Traffic Engineering Studies, Multi-Modal Roadway Improvements, and U. S. 69 Intersection Improvements.

Council Member Orazem asked if there would need to be any capital adjustments to the budget in light of the construction of the new church and assisted living facility; specifically, to the stretch

of Stange Road between Bloomington and 24th Street. Mr. Pregitzer explained that that was yet to be determined depending on the level of traffic being generated. He advised that a public meeting will be held on January 21 to answer questions and receive input from the community.

Utilities - Resource Recovery Plant (RRP). Director Joiner described the two projects being recommended for the RRP, as follows: Resource Recovery System Improvements and Resource Recovery Cold Storage Building. The latter project is shown in the fifth year of the CIP (2019/20) at an estimated cost of \$500,000.

Utilities - Water Distribution. Public Works Director Joiner explained two projects under this program: Water System Improvements and Campustown Public Improvements.

Utilities - Storm Sewer. Director Joiner described the Flood Mitigation - River Flooding project in detail. According to Mr. Joiner, previously issued General Obligation Bonds will pay for a portion of the Flood Mitigation - River Flooding project.

Council Member Goodman asked if staff had reached out to the existing business owners along the River about the Flood Mitigation project. Director Joiner indicated that the City had notified them at the flood study stage. Mr. Goodman noted that the existing business owners are made to carry flood insurance. He stated that he is not a “big fan” of this project unless the investors in the area who had developed there knowing that there was a flooding risk think that the project is valuable enough to share in the expense. Council Member Orazem questioned whether Mr. Goodman then felt that home owners near the area should also share in the cost of this project. He also asked if the same principle should apply to all public goods, e.g., only those who have children in school should pay for improvements to schools. Mr. Orazem said he understood the use of assessments for new construction, but not after the roads had become part of the City’s responsibility to maintain.

City Manager Schainker brought the Council’s attention to how storm sewer improvements are funded. He noted that the Storm Sewer User Fee had been set by Council and had remained static for several years. The Council will have to decide how much of the storm sewer projects should be generated by the fee versus paid for by property taxes.

Mr. Joiner highlighted the other projects planned for this program: Storm Sewer Improvement Program, Storm Sewer Erosion Control Program, Low-Point Drainage Improvements, Storm Water Facility Rehabilitation, Storm Sewer Water Quality Improvements, and Storm Sewer System Analysis.

Utilities - Sanitary Sewer. Three projects were highlighted by Mr. Joiner under this Program: Sanitary Sewer Rehabilitation, East Industrial Area Sewer Extension, and Clear Water Diversion.

Pertaining to the East Industrial Area Sewer Expansion project, Mr. Joiner reported that the City had not yet reached an agreement with Central Iowa Water Association on the buy-out of its water service territory. He noted that the sanitary sewer, however, would be wholly the City’s responsibility.

Council Member Corrieri left the meeting at 6:02 p.m.

City Manager Schainker told the Council that he would be making a recommendation, as part of the Operating Budget, to hire a consultant to create a Master Plan for the development of the larger industrial area. Mr. Schainker emphasized the importance of service levels and how other things are contingent upon that level of service. He cautioned that if Central Iowa Water Association states that it is going to service the area, it is hoped that it will agree to provide the same level of service (not only for water, but for fire protection) as the City of Ames provides.

Transportation - Street Engineering. According to Public Works Director Joiner, 12 projects are being recommended under this category.

Mr. Joiner advised that the ISU Research Park - Phase III is a new project slated to begin in 2015/16. The roadway will be mainly funded by a RISE Grant. Tax-Increment Financing funding will be used for the water and sewer infrastructure. Council Member Betcher shared that she had heard concerns from people who had attended a public meeting on this project about the way the bike paths were being integrated into the roundabout; specifically, at Airport Road and University. It was her understanding that representatives of Workiva would be making a presentation on this issue in the near future. Assistant Director Warner went into more detail on the proposed designs for the three roundabouts relative to ISU Research Park - Phase III. She reported on the public input received from the one public meeting that had been held thus far.

Other projects explained were Asphalt Street Pavement Improvements, Grand Avenue Extension, Shared Use Path System Expansion, Concrete Pavement Improvements, Arterial Street Pavement Improvements, Downtown Street Pavement Improvements, Seal Coat Pavement Improvements, Right-of-Way Restoration, CyRide Route Pavement Improvements, Collector Street Pavement Improvements, and Cherry Avenue Expansion.

Mr. Joiner described the phases of the Grand Avenue Extension project. He reported that that project is very dependent on the receipt of federal and state grants. Mr. Schainker reviewed some possible alternatives for layering on the improvements for the Grand Avenue Extension project. He also emphasized that, through those years of phasing, other projects would be coming on, and funding would need to be prioritized.

Transportation - Street Maintenance. Mr. Joiner explained the Bridge Rehabilitation Program, Neighborhood Curb Replacement Program, Pavement Restoration, Right-of-Way Appearance Enhancements, and Shared Use Path Maintenance.

Transportation - Airport. Director Joiner reviewed the Airport Terminal Building and Hangar project scheduled to occur in 2015/16 and the Airport Improvements scheduled from 2015/16 through 2018/19. City Manager Schainker summarized past financing discussions held among the City, Iowa State University, and the private sector. He also described the proposed financing arrangements cited in the CIP; G. O. Bond revenue in the amount of \$943,000 was being shown in FY 2015/16. Revenue-abated bonds would be repaid from user fees. Mr. Schainker noted that it was anticipated that the increased revenue would be made up from the Fixed Base Operator (FBO) contract. The project assumes that the private sector will construct the hangar and donate the structure to the City of Ames; the projected value is estimated to be \$960,000. Discussion ensued about the scope of services contained in the current Fixed Base Operator (FBO) contract. Mr. Schainker reported that the City nets between \$80,000 and \$90,000 from the FBO contract and fuel flowage fees.

Community Enrichment - Public Works. Municipal Cemetery Improvements were described by Mr. Joiner. Lane construction/maintenance will occur in 2014/15 and 2015/16, and water line replacement will occur in 2016/17.

The meeting recessed at 7:02 p.m. and reconvened at 7:11 p.m.

Water and Pollution Control. Water and Pollution Control Director John Dunn highlighted the New Water Treatment Plant (15-million-gallon/day facility) construction project. The “all in” cost estimate is \$71,145,000; the CIP shows \$74,034,000, which includes a 5% contingency. Council Member Betcher asked if the City would realize \$835,000 worth of benefit, which is the cost of LEED registration and commissioning, permits, special inspections, and equipment allowances. Mr. Dunn replied that the City would receive approximately \$6 million worth of benefit from LEED certification.

Council Member Corrieri returned to the meeting at 7:21 p.m.

Other CIP projects for 2015/16 to 2019/20 were described as: Water Supply Expansion, Advanced Metering Infrastructure, Water Plant Facility Improvements, Source Water Protection Plan, Well Field Standby Power, and Old Water Treatment Plant Demolition. Pertaining to the Advanced Metering Infrastructure, Mr. Dunn advised that the current meters are actually very efficient; however, the market is driving Ames to upgrade its meters; i.e., the City cannot purchase the type currently being used as they have become obsolete.

Utilities - Water Pollution Control. Director Dunn said 11 projects are being recommended for the Utilities Program. Descriptions were given for the following projects: Residuals Handling Improvements, Digester Improvements, Flow Equalization Expansion, Facility Improvements, Clarifier Maintenance, Mechanical & HVAC Replacements, Electrical System Maintenance, Structural Rehabilitation, Lift Station Improvements, Co-Generation System Maintenance, and Nutrient Reduction Modifications. Mr. Dunn told the Council that the Iowa Nutrient Reduction Strategy was released by the Iowa Department of Natural Resources in 2013. It requires the state’s 102 largest municipal wastewater facilities to install technically and economically feasible process changes for nutrient removal. The next NPDES Permit for Ames will be issued in 2015. Within two years of that Permit re-issuance, Ames must submit to IDNR a preliminary engineering report that evaluates the cost and feasibility of installing nutrient reduction at the facility. Mr. Dunn noted the cost of the project would be approximately \$35,000,000. Efforts are underway to come up with lesser-expensive alternatives to achieving compliance and to influence the direction the requirement is going to go. There is approximately \$8 million worth of maintenance that would need to be done anyway.

Electric Services. Donald Kom, Director of Electric Services advised that he would be presenting projects totaling \$55 million over the next five years. He reviewed capital projects broken down into three categories: Electric Services, Transmission/Distribution, and Power Plant. Mr. Kom advised that no changes are being recommended to the Demand-Side Management Energy Conservation Programs. There is \$1 million budgeted per year for each of the next five years; this amounts to 9.1% of Electric Services five-year budget.

Public Safety - Electric. Director Kom explained that the siren to provide coverage to the Northern Growth Area along Grant Avenue and near Ada Hayden Heritage Park will be added to the Outdoor Storm Warning System in 2015/16.

Electric - Transmission & Distribution. Four projects were highlighted in the Transmission category: 69kV Transmission Reconstruction, 161kV Line Relocation, Top-O-Hollow Substation Expansion, and Ontario Substation 69 kV Breaker Addition. Four projects were explained under the Distribution category: Mortensen Road Feeder Reconstruction, Dayton Avenue Substation Upgrade, Mortensen Road Transformer Protection, and Vet Med Substation Switchgear Upgrade. These projects represent approximately 16% of the overall budget.

Electric - Power Plant. Ten of Electric Service's CIP projects fall under the category of the Power Plant: Units #7 and #8 Fuel Conversion, Continuous Emissions Monitoring System Replacement, Relay/Control Replacement, New Electric Generation Capacity, Cooling Tower Repairs, Power Plant Roof Replacement, Unit #7 Boiler Tube Repair, Feedwater Heater Tube Replacement, Unit #7 Turbine Generator Five-Year Overhaul, and Unit #8 Turbine Generator Five-Year Overhaul. The Power Plant improvements represent 74.3% of the Five-Year Budget.

Transportation - Transit. Transit Director Sheri Kyras described five projects planned for the next five years, as follows: Vehicle Replacement, Building Expansion and Modernization, CyRide Shop/Office Equipment, Bus Stop Improvements, and Technology Improvements. The bus replacement schedule was reviewed by Director Kyras. She also stated that the bus stop improvements are funded with 80% federal dollars. Under the Technology Improvements program, the building security system will expand to the maintenance shop and bus storage.

Parks & Recreation. Keith Abraham, Director of Parks and Recreation, briefed the Council on ten projects, as follows: Park System Improvements, Recreation Facility Improvements, Playground Equipment Improvements, Municipal Pool, Ada Hayden Heritage Park, Furman Aquatic Center, Ames/ISU Ice Arena, Homewood Golf Course, Moore Memorial Park Pedestrian Bridge, and Rose Prairie Park. It was reported by Director Abraham that the Parks and Recreation Commission had made a recommendation to the City Council to approve the CIP projects, as presented.

At the inquiry of Council Member Betcher, Mr. Abraham updated the Council on the sand volleyball courts. After receiving a great deal of public input, mainly from people living close to Emma McCarthy Lee Park, the Commission had decided to locate the courts in Inis Grove Park near the tennis courts, not in Emma McCarthy Lee, as was originally planned. The cost of construction was estimated at \$150,000; however, City staff will be constructing the courts, which will result in thousands of dollars being saved. Noting the controversy surrounding the sand volleyball courts originally proposed to be located in Emma McCarthy Lee Park, Council Member Goodman suggested that it might be worth trying a pilot project in the future when there is anticipated objection to a project. He thought perhaps if people had experienced what it might be like, they might not have been so objectionable.

Pertaining to the Municipal Pool, Mr. Abraham noted that the Joint Use Agreement between the City and the Ames Community School District will expire on April 30, 2015. It has been proposed

that the Agreement be expanded until 2017 and will be coming to Council for approval in the next few weeks.

Council Member Gartin asked to know, if possible, attendance numbers at Ada Hayden Heritage Park.

Discussion ensued about the possibilities of additional programming that could come to fruition when the current clubhouse is replaced in 2018/19. Director Abraham named many suggestions that had already come up as desires and/or possibilities.

City Manager Schainker noted that Director Abraham had shifted some priorities due to unexpected expenses arising. He asked Mr. Abraham to provide that list as a report back to the City Council.

Facilities/Fleet Services. Facilities/Fleet Services Director Corey Mellies explained the City Hall Improvements and City Maintenance Facility Improvements projects. Funds in the amount of \$50,000 are allocated per year for equipment or system failures. Mr. Mellies provided an update pertaining to the City Hall renovations.

City Manager Schainker noted that, in closing out FY 2013/14 and 2014/15, there was an unusually high carry-over balance. Mr. Schainker reiterated his recommendation to the Council to use a larger-than-anticipated ending balance for one-time projects. He stated that one of those projects could be City Hall improvements. He reminded the Council that he does not recommend lowering property taxes with the carry-over balance because next year, when there is not a large carry-over balance, taxes would have to be raised.

Community Enrichment. City Manager Steve Schainker said there were no changes proposed for the Neighborhood Improvement Program or the Downtown Facade Program. Mr. Schainker noted that the Campustown Facade Program has been added to the CIP in the amount of \$50,000/year for five years.

Conclusion. City Manager Schainker noted that the CIP could change based on future Council decisions on pending issues. He reiterated that public input on the CIP will be accepted on January 27.

COUNCIL COMMENTS: Moved by Goodman, seconded by Nelson, to refer the request pertaining to the Jefferson Highway to City Manager Schainker for response.

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

Moved by Goodman, seconded by Gartin, to acknowledge the e-mail written by Mike Gude dated January 14, 2015, and direct staff to provide the report to the City Council that was formerly written pertaining to community internet.

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

CLOSED SESSION: Moved by Betcher, seconded by Gartin, to hold a Closed Session, as provided by Section 21.5(1)(a) Code of Iowa.

Council Member Gartin asked City Attorney Parks if there was a legal reason to go into Closed Session. Ms. Parks replied in the affirmative.

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

The meeting reconvened in Regular Session at 9:21 p.m.

ADJOURNMENT: Moved by Betcher to adjourn the meeting at 9:22 p.m.

Diane R. Voss, City Clerk

Ann H. Campbell, Mayor