



January 2013

Mayor and Ames City Council:

I do not recall a time when the City has been engaged in so many important studies that will impact the Capital Improvements Plan (CIP). The studies include: the Long-Term Facilities Study for the Water Pollution Control Plant, the Power Resource Option Study for the Electric Utility, the Gasification Study for the Resource Recovery Plant, the Sanitary Sewer System Evaluation for the collection system, and the Flood Mitigation Study as it relates to river and overland flooding. Unfortunately, these studies will not be completed in time to incorporate the recommendations chosen by Council into the CIP. Therefore, you will notice that many of the projects that are included in the CIP represent prior Plans and may need to be modified in future years when the City Council makes decisions based on recommendations from the above mentioned studies.

The enclosed Capital Improvements Plan for fiscal years 2013/14 through 2017/18 reflects expenditures totaling \$253,106,184. While a failure to make the necessary decisions to maintain our country's financial stability is pushing us towards the fiscal cliff, this CIP is designed so that the City Council can make the tough decisions that will ensure the maintenance of the City's valuable infrastructure. It is this infrastructure that provides the quality of life that makes our community such a great place to live and work. I have attempted to provide highlights of the CIP below.

PUBLIC SAFETY		UTILITIES		TRANSPORTATION		COMMUNITY ENRICHMENT	
Fire	\$ 492,955	Resource Recovery	\$ 2,980,120	Streets Engineering	\$ 53,877,500	Parks & Recreation	\$ 4,072,000
Traffic	5,972,000	Water Treatment	72,758,000	Streets Maintenance	4,745,000	Library Services	14,300,000
		Water Distribution	4,875,000	Transit	9,434,609	City Hall Improvements	250,000
		Storm Sewers	6,463,000	Airport	3,470,000	Neighborhood Improvements	250,000
		Sanitary Sewers	17,475,000			Downtown Façade Improvements	250,000
		WPC Treatment	14,238,000			City Maintenance Facility Improvements	243,000
		Electric	36,695,000			Municipal Cemetery Improvements	265,000
TOTAL	\$ 6,464,955		\$ 155,484,120		\$ 71,527,109		\$ 19,630,000

PUBLIC SAFETY - \$6,464,955

In addition to continuing our commitment to the **Traffic Signal Program** (page 14) which allows us to replace older equipment and to add new devices, where warranted, to improve safety for motorists at our intersections, the CIP also includes projects that will protect pedestrians and bicyclists as they travel throughout the community. **The Multi-Modal Roadway Improvements** (page 18) will allow us to install on-street bike paths and sharrows along Duff Avenue, Clark Avenue, Hoover Avenue, and Lincoln Way. **The Shared Use Path System Expansion** (page 16) will facilitate the construction of off-street bike paths adjacent to streets and through our greenbelts. An exciting new initiative, the **Traffic Calming Program** (page 15), is reflected in this CIP. Based on the recent Council-approved Traffic Calming Handbook, this program calls for the installation of speed humps in the Ridgewood/Summit/Crescent neighborhood and dynamic feedback signs in the Jewel Drive and Hayes Avenue neighborhoods.

UTILITIES - \$155,484,120

Resource Recovery - \$2,980,120

Since 1977, the City has been an innovative leader in protecting our environment by recycling our garbage the “Ames way.” While we are currently exploring new methods for converting our garbage to electricity, there appears to be other projects needed in this utility regardless of which approach we choose. **The Resource Recovery System Improvements** (page 24) will ensure much needed preventive maintenance on the mechanical systems in the plant. **The Primary Shredder Replacement** (page 25) will upgrade our 37-year-old-unit with a system that will accept furniture, mattresses, and carpet which heretofore had to be diverted to the Boone County Landfill and will utilize more efficient motors that reduce electric consumption. Finally, in accordance with our property insurance carrier’s recommendation, the **Process Area Sprinkler System Replacement** (page 26) will result in an upgraded fire protection system in the plant.

Sanitary Sewer - \$31,713,000

Preliminary results from our Sanitary Sewer System Evaluation (SSSE) indicate that over \$17 million of improvements will be needed over the next five years in our collection system to repair the most serious structural defects. Rather than issuing revenue bonds to finance the **Sanitary Sewer Rehabilitation Program** (page 45), we are planning to take advantage of the low interest State Revolving Fund (SRF). As expected, this new obligation, which requires a \$3,470,000 annual commitment, is significantly greater than the \$300,000 we were devoting annually to this effort over the past years. These totals will need to be adjusted once the final recommendations are received for our SSSE.

In addition to taking care of our collection system, the Long-term Facilities Study for the WPC Plant indicates a \$14 million need for improvements at our twenty-two year old facility over the next five years. To satisfy these needs, **Clarifier Maintenance** (page 51), **Lift Station Improvements** (page 50), **Co-Generation System Maintenance** (page 49), **Bar Screen Improvements** (page 58), **Mechanical and HVAC Replacements** (page 55), **Secondary Treatment Improvements** (page 54), and **Structural Rehabilitation** (page 57) projects have been introduced into this CIP.

You will recall, the much anticipated NPDES discharge permit from the Iowa Department of Natural Resources required the City to perform a study to justify the scope of our future wet-weather flow mitigation project. The results of the study will allow us to determine how to most cost-effectively meet this obligation either in the collection system or at the WPC Plant. It should be emphasized that as a result of the recommendations from this study, our sanitary sewer rates will need to be increased more than we had originally planned.

Water - \$77,633,000

The **New Water Treatment Plant** (page 28) continues to represent the City's largest capital improvement to date, with construction costs alone totaling approximately \$61 million. In an effort to ensure quality water and appropriate pressure to our customers, the **Water System Improvements** (page 36) will allow us to focus on our distribution system as well. We also continue to plan for future water capacity as our city grows. The **Water Supply Expansion** project (page 32) will allow us to gain an additional three million gallons per day in well capacity.

Storm Sewer - \$6,463,000

One of the long-term goals of the City Council is to mitigate flooding throughout our community both from river flooding as well as overland flooding. Since our Flood Mitigation Study has not been completed, this CIP focuses attention first to the Teagarden Drainage Area. A study of this area, commissioned by the City Council, has now been completed with specific recommendations. Approximately \$836,937 will be needed in the **Flood Response and Mitigation Projects** (page 38) over the next five years to mitigate flooding in this area through a combination of the addition of detention ponds and channel improvements. However, once our comprehensive flood mitigation study is completed, the City Council will no doubt want to prioritize this work with other projects that are identified.

Regardless of what transpires with the Flood Mitigation Study, the CIP continues to support isolated storm water improvements through the **Low Point Drainage** (page 39), **Storm Sewer Improvement** (page 40), **Outlet Erosion Control** (page 41), and **Facility Rehabilitation** (page 42) programs.

As we begin to correct the infiltration caused by structural deficiencies in our Sanitary Sewer collection system, we should expect more water being passed through our storm sewer system. In order to better predict the impact from future projects, new hydraulic modeling should be performed for our storm sewer system. Therefore, a new project, **Storm Sewer System Analysis** (page 43), has been inserted into the CIP for the later years of the Plan.

Electric - \$36,695,000

Lacking the final report from our consultants regarding the Power Resource Option Study, this five-year plan basically reflects the list of projects included in the previous CIP, some of which are identified to meet EPA rules if implemented. However, realizing that adjustments will need to be made to the CIP once future direction is approved, the staff has attempted to reprioritize, delay, and eliminate some of the projects included in the previous CIP so that if additional projects are needed to accomplish the future direction approved by the City Council, any needed rate increase can be mitigated.

A reliable distribution system throughout our service territory and a robust transmission system connecting our distribution to the electric “grid” are imperative for our electric customers. To ensure the quality of both, the CIP includes \$9.8 million of projects to upgrade our transmission system and improve our distribution system.

Regardless of which power option is ultimately selected, it will take a number of years to accomplish this plan. In the meantime, \$7.7 million of projects are needed to maintain our existing Power Plant. However, it should be emphasized that major portions of these expenditures could be changed in future CIPs, depending on which power option is selected. In addition, this CIP reflects approximately \$14.2 million for a variety of projects over the next five years that assumes the status quo is maintained at our Power Plant.

TRANSPORTATION - \$71,527,109

In response to our Citizen Satisfaction Survey results, transportation needs receive a very high priority in the CIP.

Streets - \$58,622,500

One of our first priorities is to maintain the existing street system. Towards this end, the CIP calls for approximately \$33 million to be spent over the next five years to replace our worn out concrete and asphalt residential, collector, and arterial roadways. In addition to our street system, the **Bridge Rehabilitation Program** (page 105), **Shared Use Path Maintenance Program** (page 108), **Retaining Wall Reconstruction Program** (page 110), and **Lincoln Way Median Improvements** (page 111) receive attention in the CIP.

A second priority is to install roadway improvements that better accommodate our ever increasing traffic demand. Therefore, the **Mortensen Road Improvements** (page 99), **Grand Avenue Extension Project** (page 100), and **Cherry Avenue Extension** (page 102) have been included in the CIP.

CyRide - \$9,434,609

CyRide has always been one of our city services that is most impacted by the decisions made in Washington, D.C. Previously, we have relied heavily on federal dollars to help upgrade our aging bus fleet. Unfortunately, we have been notified that after 2014/15, there will be no available federal funding for bus purchases. As a result of this news, CyRide has scaled back the planned purchases to 10 buses over the next five years in the **Vehicle Replacement Project** (page 115), with local funding absorbing approximately \$3.6 million of this cost.

As ridership on CyRide continues to climb, it is important that our ever increasing fleet be stored inside away from the elements when not in operation. The **Building Expansion & Modernization** project (page 114) will ensure the readiness of our fleet with the anticipated \$3.2 million dollar improvements. The good news regarding this project is that federal funds will pay approximately 63% of this project.

Airport - \$3,470,000

The previous CIP included an airport terminal project. However, this project which reflected a \$2 million improvement was viewed as a place holder until more relevant data could be collected. During the past year airport user meetings were held to determine the desire for improvements and a consulting firm completed cost estimates for various approaches for meeting these expectations. As a result of this new information, the City Council chose to insert a new \$3.2 million airport terminal with an associated hangar in the **Airport Improvements Program** (page 119). The improvements are being projected in FY 2015/16 to allow time to determine if ISU and other major private users of the Airport would be willing to share equally in the local match for these improvements.

COMMUNITY ENRICHMENT – \$19,630,000

Parks - \$4,072,000

We continue our focus on replacing deteriorating equipment, paths, parking areas, restrooms, and tennis courts in our park system by investing in our **Playground/Park Equipment Improvements** program (page 127), **Ada Hayden Heritage Park** project (page 128), **Brookside Park Improvements** (page 133), and **Inis Grove Restroom Replacement** (page 135).

Our existing facilities receive attention in this CIP with yet-to-be-determined projects in the **Municipal Pool Maintenance** (page 125), various projects in the **Parks and Recreation Facility Improvements** (page 126), resurfacing of the Inis Grove and Emma McCarthy Lee tennis courts in **Tennis Court Improvements** (page 134), and replacement of dasher boards, rubber flooring, and water heaters in **Ames/ISU Ice Arena Improvements** (page 132).

Exciting new additions to the park system include a new **Sand Volleyball Complex** (page 129) at Emma McCarthy Lee Park, a new bridge and trail system to connect **Moore Memorial Park** (page 136) with the existing greenbelt, two new speed slides at **Furman Aquatic Center** (page 131), and a new **Ames/School Partnership** (page 130) where the City will provide competitive grade basketball and volleyball standards for the elementary school gyms that are constructed to meet the needs of the City's recreation programs.

Library - \$14,300,000

The recently approved **Library Renovation** project (page 138) is reflected in the CIP. This important quality of life project, which is projected to cost \$20,145,000, will be financed by \$18,000,000 of G.O. Bond debt along with private donations and grants. A new project reflected in the CIP, the **Integrated Library System** (page 139), will provide an upgraded comprehensive software to manage the Library.

Cemetery - \$265,000

Recent meetings with family members who frequently visit the City's cemetery have yielded input ranging from rather minor suggestions (replacing trash receptacles and benches) to more significant projects (improving the lane surfaces and water service to the graves). As a result of this input, funding for the **Ames Municipal Cemetery Improvements** (page 145) has been increased to accomplish the upgrading of the lanes and water service.

NEIGHBORHOOD IMPROVEMENTS - \$1,375,000

A continuing goal of the City Council is to strengthen our neighborhoods. Because of this emphasis, the CIP includes the following projects that are devoted to accomplishing this goal: the **Neighborhood Improvement Program** (page 141), the **Neighborhood Curb Replacement Program** (page 107), the **Sidewalk Safety Program** (page 109), and the **Downtown Façade Program** (page 143).

A document as important as the Capital Improvements Plan requires the vision of exceptional leaders to identify the projects that are needed, even when the citizens have not yet realized the importance for such expenditures. Fortunately, we have an excellent group of Department Heads who, along with their staff members, have brought forth their recommended projects. In addition, it is critical that the projects reflected in this document are based on a solid financial plan to ensure their implementation. Therefore, we also owe our thanks to Duane Pitcher, Director of Finance, Nancy Masteller, Budget Officer, Sharon Hjortshoj, Finance Department Secretary, Bob Kindred, Assistant City Manager, and Melissa Mundt, Assistant City Manager for their contribution to the CIP.

Sincerely,

Steven L. Schainker
City Manager