

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

AMES, IOWA

APRIL 8, 2008

The regular meeting of the Ames City Council was called to order by Mayor Campbell at 7:00 p.m. on April 8, 2008, in the City Council Chambers in City Hall, 515 Clark Avenue. Present from the Ames City Council were Doll, Goodman, Larson, Mahayni, Popken, and Rice. *Ex officio* Member Luttrell was also present.

PROCLAMATION FOR FAIR HOUSING MONTH: Mayor Campbell proclaimed April 2008 as Fair Housing Month. Accepting the Proclamation were Kris A. Brend and Tom Randall, representing the Central Iowa Board of Realtors, and Bronwyn Beatty-Hansen, Chairperson of the Ames Human Relations Commission.

Housing Coordinator Vanessa Baker-Latimer informed the community of an event being hosted by the City of Ames, Ames Board of Realtors, and the Ames Human Relations Commission in celebration of Fair Housing Month. Ms. Baker-Latimer advised that Jill Fenner, Director of the Fair Housing Center of Nebraska, will be speaking at the Ames Board of Realtors' luncheon and giving a presentation in the City Hall Council Chambers on April 24 at 7:00 p.m.

CONSENT AGENDA: Moved by Mahayni, seconded by Goodman, to approve the following items on the Consent Agenda:

1. Motion approving payment of claims
2. Motion approving minutes of the regular meeting of March 25, 2008, and special meetings of April 1, 2008, and April 3, 2008
3. Motion accepting Report of Contract Change Orders for March 16-31, 2008
4. Motion approving certification of civil service applicants
5. Motion approving renewal of the following liquor licenses & beer permits:
 - a. Class C Liquor - Dangerous Curves, 111 Fifth Street
 - b. Class C Liquor - Ge'Angelo's, 823 Wheeler Street, Suite 9
 - c. Special Class C Liquor - India Palace, 120 Hayward Avenue
6. Motion approving the following applications for new liquor licenses and beer permits:
 - a. Class E Liquor, Class B Wine and Class C Beer - Wal-Mart #749, 3015 Grand Avenue
 - b. Class B Beer and Outdoor Service Privilege - Ames Slowpitch Softball Association, 1015 East 13th Street (North River Valley Park)
 - c. Class B Beer and Outdoor Service Privilege - Ames Slowpitch Softball Association, 1200 East 13th Street (South River Valley Park)
7. Motion approving submittal of application to and participation in the Department of Justice Bulletproof Vest Partnership program
8. RESOLUTION NO. 08-114 approving allocations from Council Contingency to cover the costs associated with the demolition of the property located at 443 S. Maple Avenue in connection with the City's Flood Buy-Out Program
9. RESOLUTION NO. 08-115 setting April 22, 2008, as date of public hearing for loan agreement with the Iowa Department of Natural Resources to fund a non-ferrous metal recovery system
10. RESOLUTION NO. 08-116 approving Covenants for Assessment of Costs of Improvements and Pertaining to Water Service for Westwoods Subdivision, Plat 2, located in Boone County and

waiving subdivision requirements for property at 2228-229th Place

11. RESOLUTION NO. 08-117 approving preliminary plans and specifications for 2007/08 Water System Improvements (Water Main Replacement); setting May 21, 2008, as bid due date, and May 27, 2008, as date of public hearing
 12. RESOLUTION NO. 08-118 approving preliminary plans and specifications for Water Pollution Control Facility Clarifier Painting Project; setting April 28, 2008, as bid due date, and May 13, 2008, as date of public hearing
 13. RESOLUTION NO. 08-119 awarding contract to AM Conservation of Charleston, South Carolina, in the amount of \$59,150 and applicable sales taxes for Lighting Conservation Kits for the Electric Services Department
 14. RESOLUTION NO. 08-120 approving Change Order No. 2 for Water Treatment Plant Well Rehabilitation
 15. RESOLUTION NO. 08-121 approving Change Order No. 8 for CyRide Office Expansion Project
 16. RESOLUTION NO. 08-122 approving partial completion of public improvements and reducing security for Dayton Park Subdivision, 5th Addition
- Roll Call Vote: 6-0. Resolutions declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

PUBLIC FORUM: Joe Rippetoe, 419 Pearson Avenue, Ames, commented that Wolford Development is in default of its legally binding Development Agreement with the City by over 130 days. He noted that an update on the Wolford Development Agreement had been listed on the Draft Agenda previously posted on the City's web site, but has not been included on the Final Agenda. Mr. Rippetoe asked to know why it was not on tonight's meeting Agenda. According to Mr. Rippetoe, there is widespread speculation in the community of private negotiations and other non-public activities occurring related to the Agreement. Mr. Rippetoe stated that the City Council had been negligent in not taking action regarding this issue and it is "way past time for the Council to report to the community about the failed Wolford contract".

Rashah McChesney, 135 Dotson Drive, Ames, and James Hagen, 150 Campus Avenue, Ames, representing the Iowa State University (ISU) Student Chapter of the Society for Professional Journalists, spoke on events occurring Wednesday and Thursday of this week in celebration of First Amendment Day.

Ria Kinert, 3850 Hyde Avenue, Ames, spoke as President of the Ames Main Street Cultural District (MSCD), and thanked the City Council for its past support of the MSCD. She said that, because of its investment in the "heart of the City," the City deserves to have a good return from that investment. Ms. Kinert noted that it is difficult for visitors to find the MSCD if they are unfamiliar with the City as there are no signs on Hwy. 30, I-35, 13th, Grand, Duff, or Grand Avenue. She asked that directional signage be installed to indicate the location of the MSCD.

WATER RATE STRUCTURE ORDINANCE: Water and Pollution Control Director John Dunn advised that no changes were being proposed from the draft ordinance presented at the Council's March 25, 2008, meeting. Two typographical corrections were made to the proposed ordinance; however, the context of it remains the same as previously presented. Mr. Dunn summarized the conversations that he has had with concerned homeowners and business owners, most of whom have

a yard meter or an irrigation account.

Alan Essex, Iowa Irrigation Corp., 30287 - 560th Avenue, Cambridge, expressed his concern over the proposed pricing structure. It is his opinion that the proposed rate structure will work well for customers with small irrigation systems up to six (6) zones; however, will not be cost-effective for those who have nine (9) to 12 stations of irrigation, e.g., large town home complexes and commercial projects. He advised that some town home complexes will see increases possibly in excess of \$2,000/month if the proposed rate structure is approved. Mr. Essex said that his company promotes irrigation products that conserve water, and he believes incentives in the form of rebates should be provided to people who install those types of products. Mr. Essex is concerned about what will happen to properties located in the gateways to Ames as well as to trees and lawns if people are going to be penalized for irrigating.

Holly Fuchs, 806 Brookridge Avenue, Ames, voiced her three concerns:

1. The relative benefits of trees versus grass
2. Use of the yard meter to water trees, not grass
3. The standard yard meter fee, which is charged even if the meter is not used

Moved by Popken, seconded by Goodman, to pass on first reading the proposed water rate structure ordinance.

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

SANITARY SEWER RATE INCREASE: Finance Director Duane Pitcher advised that rate increases for all City utilities will be required within the next five years. The amount and timing of rate increases will depend on decisions made after review of studies related to future improvements for both the Electric and Water Plants. It is anticipated that electric and water rates will be increased in FY 2008/09; water, sanitary sewer, electric, and storm sewer, in 2009/10; water and electric, in 2010/11; water and sanitary sewer, in 2011/12; and water, in 2012/13. The timing of the rate changes will also vary based on the scheduling of Capital Improvements Plan (CIP) projects and implementation dates of rate increases.

According to Mr. Pitcher, implementing a rate increase prior to additional utility funding need can result in slightly lower percentage increases in the rates; e.g., the 10% increase planned for FY 2009/10 could be implemented as an 8% increase in 2008/09. He said that there are some “unknowns” that could impact sanitary sewer rates and would tend to favor waiting until FY 2009/10 to implement a sanitary sewer rate increase, as follows:

1. The new water rate structure will impact sanitary sewer revenues. If the new water rate structure is successful in reducing peak demand for water, sanitary sewer revenue will be reduced because it is based primarily on metered water sales. This will not be known until the rate structure has been in place for a peak season. The new water rate structure is also expected to mitigate future water rate increases to fund Plant improvements, which will reduce the collective impact of rate increases for multiple utilities in a single year.

2. The sanitary sewer rate increases will be driven primarily by the cost of disinfection capital improvement and operations. The Iowa DNR has taken no action on the City's NPDES Permit application, and rate increases for sanitary sewer utility will be highly dependent on those requirements.

City Manager Schainker explained that, with rate increases in electric, the expected increase in the energy cost adjustment, and changes in the water rate structure, several customers will experience over ten percent increases in their City utility bills for FY 2008/09. Implementing a sanitary sewer rate increase in FY 2008/09 would add an additional one to two percent to those bills.

Mr. Schainker said that the initial reason for considering an acceleration of the sewer rate adjustment at this time is because a major water rate adjustment was anticipated for Summer 2009, but with the planned water rate structure change taking place in 2008, the magnitude of the water rate adjustment needed in 2009 will be reduced. With a lower water rate adjustment, the combined water/sewer rate adjustments will not have as large of an impact on customers.

The Council was asked to provide direction to staff on implementing an 8% increase in sanitary sewer rates in FY 2008/09 or waiting until the FY 2009/10 budget process for further review of all utility rates. It was noted that the FY 2008/09 budget did not include an increase in sanitary sewer rates.

Council Member Goodman voiced his desire to accelerate the sanitary sewer rate to begin in FY 2008/09. Council Member Larson indicated that he did not feel that was fair to the City's customers as it was not discussed during the FY 2008/09 budget hearings. It is also unknown whether an 8% increase would be sufficient.

Moved by Popken, seconded by Mahayni, to direct staff to draft an ordinance implementing an 8% increase in the sanitary sewer rates for FY 2008/09 for the Council's review at its April 22, 2008, meeting.

Vote on Motion: 4-2. Voting aye: Goodman, Mahayni, Popken, Rice. Voting nay: Doll, Larson. Motion declared carried.

PLAN FOR PROCURING PROFESSIONAL SERVICES RELATED TO WATER TREATMENT PLANT EXPANSION PROJECT:

Water and Pollution Control Director John Dunn explained that the FY 2008/09 CIP includes the initial evaluation of the infrastructure and capacity needs for the Water Treatment Plant project, which is the concept development phase for its expansion, renovation, and/or replacement. He said that the first step of this project is to select the consulting firm that will assist the City in the evaluation process. The consultant will be asked to conduct an evaluation of the existing Plant infrastructure, evaluate different treatment methods and techniques that might be appropriate, and evaluate the demand projections being developed by staff. Following that, the consultant will be asked to assist staff in a quantitative assessment of whether the most appropriate cost-effective alternative is to rehabilitate or replace the existing Plant, and if replacement is necessary, whether it should remain at the current site. Lastly, the consultant will be asked to provide an updated planning-level budget for its recommendations. It is conceivable that the total engineering services contract for this project could exceed \$2 million, and staff anticipates considerable interest from at least 20 consulting engineering firms.

Mr. Dunn detailed the staff's recommended four-phase process for consultant selection: (1) Request for Statements of Interest, (2) Formal Statements of Qualifications, (3) Formal Interviews, and (4) Negotiation of final Scope of Services and Contract Price. It was stated that the first price to be requested from the consultants will be for the conceptual assessment phase. After the scope of work is identified for the next phase, negotiations will occur with the consultant. City Manager Schainker further explained that, even though the initial professional services agreement will include only the assessment phase, staff intends that a single firm be retained for the entire project; however, consulting firms will be cautioned that there is no guarantee that the successful firm in the assessment phase will be retained for subsequent phases. Mr. Dunn told the City Council that several contracts for services will be entered into, and each contract will be brought to the City Council for its review.

Council Member Goodman asked to know the downside of only contracting for the first phase and then going back to the initial four and asking for proposals. Mr. Dunn said that in the conceptual phase, a philosophy for what this project is going to be will be established, and if a new firm is brought in for the detail design phase, it would be like starting over. It was also thought that the conceptual phase is a such a small percentage of the project that the firms that are most qualified to do the work for the entire project might not be interested in bidding. An Assessment Team, comprised of the consultant and City staff, will be established as will a separate Concept Advisory Team. The Concept Advisory Team will consist of individuals from outside the Water and Pollution Control Department and from outside the City. This Team will meet with the consultant to review the Concept Phase and provide feedback to City staff.

Mr. Goodman also said that he felt there was no bid part to this process. Mr. Dunn said that it is part of engineering ethics that professional engineering services procurement will not be done based on price.

Moved by Rice, seconded by Mahayni, to approve the plan for procuring professional services related to the Water Treatment Plant Expansion Project.

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

ELECTRIC RATES ORDINANCE: Finance Director Duane Pitcher said that, after discussion at the City Council meeting of March 25, staff prepared an ordinance implementing an 8% across-the-board electric rate increase. He added that staff had also prepared a seasonal flat-rate residential rate ordinance for the Council's consideration. City Manager Schainker told the City Council that studies had not been done to justify any alternative rate structure, e.g., flat or inclining block, to indicate its impact on customers. If Council chooses an alternative rate structure, it will not be based on any costs of service. Mr. Schainker said it is important to know what the long-term costs of the total package would be; that analysis could take a year or two.

Council Member Popken said that he sees a distinction between a cost of service study and sending price signals for conservation to the public. A cost of service study would probably indicate that residential fixed rates need to go up. Also, he believes that there are price signals out there now that say it is better to consume more energy; the more consumed, the cheaper it gets, but those are not the signals that the City wants to send. If the rate structure were changed at a separate time, it could

be adjusted to be revenue-neutral. City Manager Schainker advised that staff had also prepared a draft ordinance implementing a flat rate structure, which would still generate an 8% increase. Mr. Pitcher concurred that, with similar demand, an 8% increase in revenue would still result. He said that, for the residential class, the rate structure can be redesigned without a cost-of-service study.

Brian Trower, Assistant Director of Electric Services, advised that there are three phases to this process and they should be performed in the following order:

1. The City needs to make decisions on alternate infrastructure.
2. A cost-of-service study needs to be performed.
3. A rate design study needs to be performed.

Mr. Pitcher advised that residential usage accounts for approximately 30% of the City's total summer energy consumption in the summer months (July through October); industrial accounts, approximately 20%, and commercial accounts, nearly 50%. He also said that out of the City's 24,000 meters, 21,000 are residential. Mr. Trower stated that Ames is a summer-peaking utility and air conditioning units drive that peak. It was noted by Mr. Pitcher that the issue is only with the summer rate structure; there would be no reason to go to a flat rate in the winter season. Staff recommends that the declining-block structure be used for all months besides the summer season.

The proposed residential declining block structure was presented by Mr. Pitcher. The summer rate for residential customers would be 8.61 cents/kilowatt hour for the first 400 hours; 8.16 cents/kilowatt hour for the next 600 hours; and 7.49/kilowatt hour for the next 1,000 hours. He pointed out that the flat rate proposed to be charged would be 8.25 cents/kilowatt hour, but the service charge would be increased from \$4 to \$5/customer. Sample summer bills comparing flat-rate versus declining-block increases for residential customers were given by Mr. Pitcher.

Council Member Rice indicated his preference for the flat rate structure. He said that, fundamentally, it did not make sense for the City to charge someone less for using more when it is promoting conservation. Mr. Rice asked why the City would not use a flat rate structure in the winter as well. Mr. Trower advised that generation costs are lower in the winter months because there is a lot less usage. He said that the larger issue is that, in order to do a properly balanced rate for all classes of customers, a cost-of-service study and rate design study are necessary. City Manager Schainker pointed out that in the winter months, usage is not driving the peak, which is the most costly. It is actually good for operations to generate consistent revenue during the off-peak. According to Mr. Trower, fundamentally, Electric Services staff does not have an issue with the flat rate structure.

Council Member Goodman said that it appears to him that a relatively small percentage of the users (30%) are being given an inequitable distribution because it is too complicated to create an equitable distribution. The end result is that residential customers will be charged a higher rate for electricity in the summer. He supports price signaling to make people consume less energy, but does not agree with the rate only affecting residential customers when other users account for 70% of the total summer energy consumption. Mr. Pitcher explained that industrial users generate over 20% of the demand in the summer; however, it is a constant demand, so they are not contributing to the peak.

Mr. Goodman asked when the cost-of-service and design rate studies would be performed. City Manager Schainker indicated that it would be at least two years.

Moved by Popken, seconded by Rice, to refer the Electric Utility Rate Ordinance back to staff with the direction to develop an alternative rate structure (summer flat rate for residential customers) that is expected to generate an 8.0% revenue increase.

It was noted that this alternative would likely delay implementation of a rate increase and could result in not achieving the electric utility fund balance target unless other changes are made to the budget to reduce expenditures.

Director Pitcher indicated that first reading on the new ordinance would need to occur on April 22 in order for it to be in effect prior to June 1.

Vote on Motion: 5-1. Voting aye: Doll, Larson, Mahayni, Popken, Rice. Voting nay: Goodman. Motion declared carried.

STREET LIGHTS IN NON-AMES MUNICIPAL ELECTRIC SERVICE TERRITORY: Council Member Popken asked who would be called when a street light does not work. Assistant City Manager Lundt advised that the appropriate utility, not the City of Ames, would be called. If the City is called, it will refer the customer to the correct utility company.

Ms. Lundt further explained that residential subdivisions had been constructed on the outer edges of Ames and the city limits had expanded to include those subdivisions. However, Ames Electric Services' boundaries are set by the Iowa Utilities Board and may not be expanded. Since the City is not authorized by the state to provide electric service outside its established boundaries, but it has to satisfy the Municipal Code requirements to install street lights, special agreements have been established to obtain electric service to City-owned street lights in those subdivisions. The adjacent electric utilities are Alliant Energy, Midland Power, and Consumers Energy. According to Ms. Lundt, the three adjacent utilities agreed that they would offer the same styles of poles and fixtures currently offered by Ames Electric Services. It was determined that the simplest solution would be to allow developers to obtain street lights from the serving utility.

Moved by Goodman, seconded by Doll, to direct the City Attorney to prepare an ordinance that would allow utilities other than Ames Electric Services to install street lights within the City limits in accordance with City of Ames' standards, but outside of Electric Services' territory.

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

TRANSFER OF GREENBRIAR PARK: Parks and Recreation Director Nancy Carroll reminded the City Council that Randall Corporation, owners of Coldwater Golf Links, had requested that the City transfer Greenbriar Park to them so that they could address the storm water management issues and overall appearance of the site, which they believe is negatively impacting their golf course. In exchange, Randall Corporation would grant the designated future right-of-way for the Grand Avenue Extension project to the City, install an adjacent shared-use path on South 16th Street, and correct the storm water problem on the site. Ms. Carroll acknowledged that there are storm water problems with the site and advised that the City has used the area in question to stockpile snow in the winter.

It was noted that the City Council had referred this request to the Parks and Recreation Commission for review and recommendation. At its meeting of February 21, the Commission had recommended that the City retain the site and address the necessary site improvements to make the site in question a viable green space. Those improvements are estimated at \$188,000 broken down as follows:

- | | |
|---|-----------|
| 1. Storm water run-off issue: | \$100,000 |
| 2. Make site a viable green space and retain the BMX dirt course on site: | 50,000 |
| 3. Install a shared-use path adjacent to South 16 th Street: | 38,000 |

Ms. Carroll advised that the Commission had based its recommendation on the following:

1. Increased growth in the area dictates the need for a park. Currently, a mobile home court and apartment complex are located south of this parcel, and townhomes are being constructed to the east.
2. Historically, residents have valued green open space. It would be inappropriate to transfer this parcel into private ownership whereby limiting the City's options to enhance residents' quality of life in this part of the community.

It was noted that the Commission's recommendation did not address the acquisition of land from the Randall Corporation that is needed for the right-of-way extension of Grand Avenue; that is estimated to cost approximately \$35,000.

According to Ms. Carroll, after the Commission's recommendation, Public Works staff removed some brush and branches in an attempt to alleviate some of the storm water run-off problems.

Ms. Carroll also stated that the Commission had identified a possible funding source for improvements to this site as the Park Development Fund, which will have an available balance on July 1, 2008, of \$640,000. Ms. Carroll shared that John Joiner, Public Works Director, had been asked about other funding; however, he had indicated that the storm water issues are site-specific, i.e., related to the park property, and the Storm Water Utility Fund should not be used.

Council Member Popken asked if the storm water run-off issues had gone unresolved for years or had just begun occurring. Tracy Warner, Municipal Engineer, indicated that the storm water problems have been ongoing for years. She advised that there is not adequate positive drainage to get the excess water off the site. According to Ms. Warner, additional trees need to be removed and vegetation needs to be altered; other possibilities are a bio-filtration system or a wetland area could be designed.

Matt Randall, 420 South 17th Street, Ames, stated that Randall Corporation was not interested in the land; however, they need to have the storm water run-off problem alleviated. It is imperative to the operations of the Coldwater Golf Links course that the site be cleaned up. He said that he has asked the City to clean up the site for years. These issues need to be resolved, and it was clear to him that the City was not going to spend money to do it. Mr. Randall indicated that Randall Corporation made the offer because the site is an eyesore and detrimental to the operations of the Golf Course.

Moved by Mahayni, seconded by Doll, to retain Greenbriar Park and direct staff to report back to the City Council with a recommended funding source and related time frame to ensure that the following improvements are addressed: storm water management, installation of a shared-use path along South 16th Street, and development of the property into a viable green space with the dirt BMX course.

Council Member Goodman asked if there was a way for the City to take advantage of the offer being made by Randall Corporation and yet serve the City's purpose of creating viable green space. City Manager Schainker acknowledged the generous proposal made by the Randall Corporation. He offered that if the focus is merely on the financial aspect of this issue, the Randall Corporation's offer would save the City significant expenses. However, given the limited amount of potential parkland to service Ames residents within the established areas of the City, it would be difficult to support any reduction in parkland without identifying a suitable replacement.

Council Member Larson asked if it were necessary to retain the dirt BMX track at this site. He does not see a way to include it as an attractive feature and suggested that it be moved to an area near the dog park. It was also his concern that this project would deplete a large sum from the Park Development Fund.

Council Member Popken pointed out that, for years, the City has not made this Park a priority. Council Member Goodman concurred, stating that, for 30 years, the City has ignored this site; however, now that a private landowner is willing to invest a substantial sum to clean it up, it has become a priority. City Manager Schainker told the City Council that it was its decision to decide what priority should be given to Greenbriar Park. Ms. Carroll added that the neighborhoods adjacent to this Park are growing. Council Member Larson pointed out that residents of those neighborhoods would have to cross a major street to access Greenbriar Park. He preferred to continue discussions with the Randall Corporation rather than the City spending nearly a quarter of million dollars on the site.

Mr. Randall added that there are serious drainage issues and those are on the City's property. He requested that the City at least install a new culvert under the bike path. He noted that his golf course has been flooded-out for the past four years.

Moved by Mahayni, seconded by Doll, to amend the motion to also request a report from staff on expediting the options for addressing the storm water run-off issues pertaining to the property in question.

Vote on Amendment: 5-1. Voting aye: Doll, Goodman, Mahayni, Popken, Rice. Voting nay: Larson. Motion declared carried.

Vote on Motion, as Amended: 5-1. Voting aye: Doll, Goodman, Mahayni, Popken, Rice. Voting nay: Larson. Motion declared carried.

CONSTRUCTION OF RESTROOM IN ADA HAYDEN HERITAGE PARK: Moved by Mahayni, seconded by Doll, to adopt RESOLUTION NO. 08-123 awarding a contract to R. H. Grabau Construction, Inc., of Boone, Iowa, in the amount of \$123,955, utilizing \$31,135 from the Park Development Fund.

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

2008/09 ART AROUND THE CORNER SELECTIONS: Steve Kawaler, Public Art Commission Art Around the Corner Committee Chairperson presented the selections made for 2008/09. Rotation and installation of the Exhibit will occur during late April and early May. Locations for the sculptures are being finalized, and they will remain on display for one year.

Moved by Goodman, seconded by Rice, to adopt RESOLUTION NO. 08-124 approving the following 2008/09 Art Around the Corner selections:

1. DNA Land by Tom Newport
2. Jester by Tom Newport
3. Night Blade by Robert Thorpe
4. Rules of Civility by Kristin Garnant
5. Slight of Hand by Robert Thorpe
6. Wild Flowers by Robert Lamberson

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

UPDATE ON IMPLEMENTATION OF AMES URBAN FRINGE PLAN: Director of Planning & Housing Steve Osguthorpe indicated that this update was being provided to the Council in preparation for its joint meeting with the City of Gilbert and Story County and Boone County Boards of Supervisors to be held on April 22. He provided responses to the Council's comments made December 11, 2007, after reviewing the draft Joint and Cooperative Agreement. Three major issues remain unresolved among the three parties to the Agreement:

1. When will amendments to the County zoning be required?
2. What happens if the City determines that an area is not "ripe" for annexation?
3. Will the LESA exception to the 35-acre minimum lot size be applied where future development is planned?

Planner Jeff Benson explained options developed by City staff to address the unresolved issues. He said that these options had been discussed with staff from the other entities. Mr. Benson pointed out that the main reason for entering into the Urban Fringe Plan was to create more predictability.

Stating that the Plan is the "Ames" Urban Fringe Plan, Council Member Larson said that it appeared to him that, by the suggested changes to the Plan, the City is giving up more authority than it is gaining. He also questioned whether Boone County will be a party to the Plan or if a separate agreement with Boone County would be needed in the future. Ms. Osguthorpe indicated that Boone County is not included as a party to the Ames Urban Fringe Plan at this time.

Mr. Benson also explained the LESA Exception. The City will request that Story County agree to adopt a zoning text amendment to limit the application of the LESA Exception within the Ames Urban Fringe to only land that the Plan designates within the Rural Service and Agricultural land use class.

It was again noted that a joint meeting among the entities involved in the Urban Fringe Plan will commence at 6:00 p.m. on April 22, 2008, in the Ames City Council Chambers. Council Member Larson requested that input from developers on the Plan also be received on April 22. He is not sure if adopting this Plan is beneficial to the City or if it would only create more complexity.

The meeting recessed at 9:27 p.m. and reconvened at 9:34 p.m.

PURCHASING POLICIES REVISIONS: Purchasing Agent Luana Stoneking recalled that, on November 7, 2007, the City Council identified six issues relating to purchasing activities as needing improvement in three categories: subcontractor issues, performance bond issues, and other insurance issues. The six improvements to be explored by staff were:

1. Require that, as change orders increase, the amount of the Performance Bond also increase.
2. Require contractors to identify all subcontractors.
3. Require subcontractors to show proof that their contracts contain the same requirements as those placed on the general contractor.
4. Require subcontractors to show proof of insurance in the amount required of the general contractor.
5. Require all Certificates of Insurance to name the City as an additional insured.
6. Determine whether it would be cost-effective for the City to require insurance to cover consequential damages from the subcontractor or for the City to carry it.

Ms. Stoneking gave a summary of the proposed improvements. It was proposed that the “Standard Terms, Conditions, and Definitions” state that an additional Performance Bond will be required in conjunction with change orders when the total of change orders exceeds the existing Performance Bond amount by more than \$100,000. It was noted that obtaining the additional bond might result in a work stoppage while the contractor secures the additional Bond. As a result, the engineer might need to authorize standby or demobilization/remobilization charges. These changes, if approved, would require amendments to the City’s Purchasing Policies.

Council Member Larson asked if City staff looked at ways to get larger bonding capacities without work stoppage, which is sometimes very costly. Ms. Stoneking explained that larger bonds, i.e., more than 100% of the cost of the project, may be required, which take some time to secure. She indicated that this had been done on two contracts in the recent past.

Council Member Larson suggested that the City request contractors to provide letters from their surety companies indicating their bonding capacity.

Ms. Stoneking shared input that had been received from contractors recently on large Electric Services projects; they were taking exceptions to certain City requirements. She said that, for large and complex projects, particularly for Electric Services, a project team including the engineer, Electric Services management, Risk Manager, Assistant City Manager, the buyer assigned from Purchasing, and others, as appropriate, will now meet during the planning phase of the project to begin an assessment of issues, including risk. This team will communicate throughout the project to ensure that risk issues are identified and minimized. Ms. Stoneking said that it was difficult to revise the Policies to still ensure that the City would get a pool of bidders, but protect the City against risk. Ms. Lundt advised that major subcontractors will be required to provide insurance and more information. City Attorney Doug Marek explained that, in the past, the City had run into difficulty requiring contractors to provide insurance regarding repairs and renovations as they were not considered public improvements. Brian Trower described the problems encountered with the Cotter Turbine Services contract. Ms. Lundt explained that a major issue with that contract was that the contractor did not have the same terms in its agreement with its subcontractor as were contained in the City's contract.

Moved by Goodman, seconded by Popken, to adopt RESOLUTION NO. 08-125 approving the proposed improvements related to bidding and changes to the Purchasing Policies relating to change orders.

Council Member Larson advised that he would like to have contractor input on the proposed Policies.

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

Moved by Larson, seconded by Goodman, to direct the Purchasing Department to hold a public meeting with contractors to receive input on the proposed policy changes.

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

CITY-WIDE MASS EMERGENCY COMMUNICATION SYSTEM: Chief Cychosz acknowledged Edie Schmidt, Procurement Specialist, and Doug Houghton, Police Support Services Manager, who worked with ISU on this project. He said that recent national events had prompted Iowa State University to install an outdoor voice-capable notification system on its campus. In addition, Ames residents rely on the outdoor storm warning sirens to notify them of imminent dangerous weather.

It was noted that the approved FY 2008/09 CIP includes \$215,000 for sirens, command software, training, one stand-alone computer, and siren installation by City staff. The upgrade of the City's system combined with ISU's need for a voice-capable system, with redundant command capabilities at both entities' dispatch centers, has upgraded the scope of this project from an Outdoor Storm Warning System to an integrated Mass Emergency Communications System.

Chief Cychosz advised that a Joint Request for Proposals was issued by the City and ISU with the goal of procuring a fully integrated system. Bids were received and reviewed by the City and ISU. Cost evaluation for the City was based on the actual cost of the proposed sirens; upgraded radio equipment, if needed; one set of command software; and training. A comparison of the bids received was presented. Even though the cost of the contract being proposed is slightly higher than anticipated, it is staff's feeling that Federal Signal provides the most compatible and complete system. The other vendor, RC System, was slightly less costly, but several areas in the City would no longer be covered by siren sound and its software would not fully integrate with the current system.

Moved by Rice, seconded by Doll, to adopt RESOLUTION 08-126 awarding a contract for a City-Wide Mass Emergency Communication System to Federal Signal Corporation of University Park, Illinois, in the amount of \$152,441.50.

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

HEARING ON CONSTRUCTION OF DONALD AND RUTH FURMAN AQUATIC CENTER:

Mayor Campbell opened the public hearing. No one wished to speak, and the hearing was closed.

Nancy Carroll advised that three bids were received for this project. They were opened on February 26, 2008, but the low bid exceeded the construction budget by over a million dollars. Staff then requested that RDG respond by April 18, 2007, to the following questions:

1. Assess why the low bid exceeded the estimated budget.
2. To bring the project into budget, what elements would have to be altered or eliminated?
3. If the project needs to be redesigned, what would be the revised timeline and related cost implementations.

RDG responded on April 1 stating that the bids did not appear to be out of line in terms of the work being expected. It was also indicated that significant features would need to be eliminated or modified to achieve the City's project budget, and to do that would substantially diminish the "fun factor" for the facility.

Ms. Carroll reminded the Council that since the bid information became public, the City had received the tremendously good news that an anonymous donor was willing to commit an additional \$1,000,000 to make sure that the Aquatic Center project is completed in accordance with the current plans and specifications. Given this development, staff is confident that the project can proceed as originally designed and be awarded at the April 22, 2008, City Council meeting. Ms. Carroll has been told that the check is literally in the mail; however, since it has not yet been received, it is being recommended that the City Council accept the report of bids at this time.

According to Ms. Carroll, in the interim, RDG will be asked to evaluate the ramifications of accepting some, or all, of the deduct alternates to better ensure that the contingency fund is adequate to award the contract.

Moved by Mahayni, seconded by Rice, to accept the report of bids.

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

HEARING ON CHARLES CALHOUN MEMORIAL PARK PARKING LOT PROJECT: The public hearing was opened by the Mayor. She closed same after no one wished to speak.

Moved by Goodman, seconded by Mahayni, to adopt RESOLUTION NO. 08-127 approving final plans and specifications and awarding a contract to Manatt's, Inc., of Ames, Iowa, in the amount of \$132,450, authorizing an allocation of \$21,450 from the Park Development Fund..

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

HEARING ON VACATION OF UTILITY EASEMENT ON LOTS 5, 6, AND 7 IN OAKWOOD SUBDIVISION, 2ND ADDITION: The Mayor opened the hearing. There being no one wishing to speak, the Mayor closed the public hearing.

Moved by Mahayni, seconded by Rice, to adopt RESOLUTION NO. 08-128 vacating a ten-foot public utility easement on Lots 5, 6, and 7 in Oakwood Subdivision, 2nd Addition.

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

ORDINANCE PERTAINING TO RAGBRAI VENDING: Assistant City Manager Sheila Lundt described the components of a proposed ordinance pertaining to RAGBRAI vending. Ms. Lundt advised that the purpose of the Ordinance was two-fold: (1) to allow the Convention & Visitors Bureau to raise monies to help defray the costs of this event, and (2) to allow the City to control the amount of vending allowed during the event. She said that the proposed Ordinance contains a sunset clause; it will only be in effect from July 22 to the early-morning hours of July 23, 2008.

According to Ms. Lundt, a person or entity would need to apply for a Vending Permit through the Ames Convention and Visitors Bureau if any of the following conditions apply:

1. A vendor with an existing City of Ames Vending License wishes to move to establish a new location.
2. An existing licensed establishment serving food on its premises wishes to vend food from another location.
3. An existing exempt non-profit organization wishes to vend food or other items from a location other than its premises.
4. An existing vendor of non-food items wishes to vend on premises other than its current location.
5. An entity wishes to vend just during the time period that RAGBRAI participants are in town.

Julie Weeks, representing the Ames Convention & Visitors Bureau, 1601 Golden Aspen Drive,

Ames, advised that official sponsors traveling with VEISHEA representatives would be exempt from the Ordinance.

Lauris Olson, 1705 Buchanan Street, Ames, RAGBRAI Project Coordinator for Ames Noon Kiwanis, pointed out that the proposed Ordinance did not allow any local organization to provide or sell food to the public without first obtaining the permit in question because it did not make a distinction between public and/or private property. She asked that a correction be made to the Ordinance to indicate that a permit would not be required for vending on private property. Ms. Olson also pointed out that the ACVB will control the location of the vendors on public property.

Ms. Weeks advised that if vendors wanted to be listed in the official publications for VEISHEA, they would need to purchase a permit.

City Manager Schainker pointed out that enforcement of the vending permits will not be provided by the City.

Moved by Doll, seconded by Rice, to pass on first reading an ordinance pertaining to RAGBRAI vending.

Roll Call Vote: 5-0-1. Voting aye: Doll, Larson, Mahayni, Popken, Rice. Voting nay: None. Abstaining: Goodman. Motion declared carried.

COMMENTS: Moved by Goodman, seconded by Popken, to refer to staff the request from the Ames Main Street Cultural District and direct staff to look at not only signage for the MSCD, but also for other City amenities.

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

Moved by Larson, seconded by Goodman, to direct that the Mayor and City Manager attend the first meeting of the “branding” initiative committee to be held on April 24, 2008. It was noted that its purpose is to improve and strengthen the community’s image.

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

Moved by Rice, seconded by Goodman, to request a response from staff regarding the inquiry from Brittany Strickler pertaining to parking in front of Meeker Elementary School.

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

CLOSED SESSION: Moved by Mahayni, seconded by Rice, to hold a closed session as provided by Section 21.5(1)(c), Code of Iowa, to discuss strategy with counsel on pending litigation.

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

REGULAR SESSION: Moved by Goodman, seconded by Doll, to reconvene in Regular Session.

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

CLAIMS FROM COTTER TURBINE SERVICES, LLC: Moved by Goodman, seconded by Doll, to adopt RESOLUTION NO. 08-129 authorizing engaging Dorsey & Whitney, LLP, for mediation services regarding outstanding claims from Cotter Turbine Services, LLC.

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

ADJOURNMENT: Moved by Doll, seconded by Goodman, to adjourn the meeting at 11:05 p.m.

Diane R. Voss, City Clerk

Ann H. Campbell, Mayor