

MINUTES OF THE JOINT MEETING OF THE AMES CITY COUNCIL, GILBERT CITY COUNCIL, STORY COUNTY BOARD OF SUPERVISORS, AND BOONE COUNTY BOARD OF SUPERVISORS; AND, REGULAR MEETING OF THE AMES CITY COUNCIL

AMES, IOWA

APRIL 22, 2008

JOINT MEETING OF AMES CITY COUNCIL, GILBERT CITY COUNCIL, STORY COUNTY BOARD OF SUPERVISORS, AND BOONE COUNTY BOARD OF SUPERVISORS

The joint meeting of the Ames City Council was called to order by Mayor Campbell at 6:00 p.m. on April 22, 2008, in the City Council Chambers in City Hall, 515 Clark Avenue. Present from the Ames City Council were Goodman, Larson, Popken, and Rice. Council Members Doll and Mahayni were absent. Members of the Gilbert City Council present were Mayor Jon Popp, Teri Gallihan, Lynn Henn, and Shaon Anderson. Gary Reiners, consultant to the City of Gilbert, was also present. Representing Story County Board of Supervisors were Wayne Clinton, Jane Halliburton, and James Strohman. Also present from Story County Planning & Zoning were Leanne Harter, Director; Ryan Newstrom, Planner; and Charlie Dissell, Planner. There were no representatives of Boone County in attendance.

Ames Planner Jeff Benson advised that staff members from Ames, Gilbert, and Story County had been working on implementation of the Ames Urban Fringe Plan. There are some issues that have not been resolved at the staff level; those issues deal with annexation, rezoning, and amending the Plan.

1. Annexation. The issue pertains to determining the process to be followed after the City of Ames denies a request for annexation.
2. Timing of rezoning. The County has adopted zoning for rural areas around Ames; however, the Plan for the fringe area does not contemplate changing the existing classifications. The County is proposing rezoning land only when it is subdivided or when a use otherwise allowed is proposed. At question is one area along Stagecoach Road where the City of Ames believes should be rezoned because the current zoning is so different from the land use shown on the Plan.
3. Amendments to the Plan. A process for changes to the Plan needs to be approved by the three entities. The question is whether all three jurisdictions must approve any change to the Plan.

Mr. Benson pointed out that the City of Ames has subdivision authority over its entire two-mile fringe. Story County Board of Supervisors has zoning authority and subdivision over that entire area. The City of Gilbert has subdivision authority over a portion of the north fringe area within two miles of Gilbert. The City of Gilbert has offered language to allow it to “opt out” on amendments to the Plan that do not affect Gilbert.

Leanne Harter pointed out that staffs from the involved jurisdictions had met numerous times to discuss the issues where disagreement had occurred, and it is now time for the elected bodies to provide direction.

Regarding annexation in the Urban Service Area, Supervisor Halliburton said she understood that it had always been the policy of the City of Ames to pursue voluntary annexation, not involuntary annexation. She asked Ames staff to help clarify why a request for annexation would not be approved. Ames Planner Benson explained that anyone with property contiguous to the City’s corporate limits could apply for annexation. However, the City might not approve of the annexation due to a lack of adequate infrastructure in place, the cost of providing that infrastructure or services being too great, or perhaps, the City had made substantial investment for that land use elsewhere. Timing could also be an issue; if an area has been designated for future growth over the next 30 years, but not in the immediate future, the City Council might deny the request. Mr. Benson could not recall the City ever denying a request for voluntary annexation.

Ames Council Member Popken pointed out that the issue was not so much a denial of voluntary annexation, but more denial of subdivisions within the two-mile fringe. He said that, even though an annexation request might be denied because the City is not particularly ready for that land to develop, it could be approved at a later date. Mr. Popken views the Plan as making a deal with Story County that there are certain areas where Ames expects to grow into and there are certain areas where there are low or no expectations of development occurring.

Ames Planner Benson further explained that the City has certain areas that it has established as the areas in which it is in the best interest of the City to grow, and it does not want to be forced into accepting an annexation of property that is not in the City's best interest.

Council Member Larson elaborated that it would not be in the best interest of the City to allow Story County to make the decision whether annexation to the City of Ames would be approved. He saw the proposal as allowing land to be developed under a different zone other than what was anticipated. Supervisor Halliburton added that she could not see a difference in what is being proposed and how the process currently works. It is her understanding that for development to be allowed in the two-mile zone, there must be approval consensus of all the affected entities. That development might be located in the unincorporated area, but be developed to City standards, so that at some point in the future, it may be annexed. Council Member Popken said that if the provision in question were allowed, it would put the City in a more difficult position to deny rural subdivisions. Ames City Attorney Marek further explained that if the three entities approve a 28-E Agreement, it would provide for the joint exercise of the governmental authority. The three bodies would act as one, exercising the authority that the City of Ames now has under its subdivision standards as well the County's zoning regulations. This, in effect, would mean that Ames would give up some of its subdivision authority and Story County would give up some of its zoning authority.

Planner Benson said that City staff believes developments in a rural setting, even up to Urban Standards, are an impediment to future annexation. They are an impediment partly because of the state laws pertaining to annexation, i.e., islands. A situation could exist where areas are built out and do not want to be annexed; they can prevent the City from annexing other areas that do want to be part of the city limits. Mr. Benson added that the Plan designation for Urban Service Area states that the area will not developed until its annexed. Ms. Halliburton said that predictability is important for all parties, and she would not want to approve a Plan that gave predictability to the City, but not to Story County, Boone County, or Gilbert. Supervisor Halliburton sees the goal as working together to develop a Plan that will work for all parties and be predictable.

Supervisor Strohman raised the issue of a rural subdivision, i.e., Rose Prairie, that Story County had been asked to approve. He said that Story County recently had rezoned the property. Under the current Plan, the City of Ames would be responsible for the subdivision. He asked staff to explain how Rose Prairie would be affected, assuming that the City of Ames did not annex it. Planner Benson explained that the proposed Subdivision is located in the Transitional Area, and it is contemplated that the affected jurisdictions will share subdivision authority over those lands. Ames probably has more involvement in the zoning at this time than it would under the Plan. The policies of the Urban Fringe Plan would need to be put in place through a Conditional Zoning; however, when those policies are part of the normal procedures and policies, the subdivision platting will be considered by both the City of Ames and Story County. Mr. Benson stated that the Plan also states that Transition Areas will not be annexed by the City of Ames.

Ames Council Member Goodman pointed out that the City would lose some subdivision authority over properties lying in the Rural area, but would have more authority in the Urban Service Area. Mr. Reiners advised that Counties would lose some authority over lands in the Urban Service Area that are close to each city's boundaries. He also pointed out that the Cities of Ames and Gilbert would give up their formerly unfettered control over areas in the Transitional Area.

Supervisor Halliburton said that the three Supervisors are elected at-large (county-wide). While their approval authority appears to lie in the unincorporated areas of Story County, their responsibilities extend county-wide (including cities and the unincorporated areas). The Supervisors' approach to this Plan, therefore, is different than each individual City's view. Ms. Halliburton said they do not

look at the Plan as to whom is giving up what, but rather, how the entities should work together towards what is best on a county-wide basis. Mayor Campbell explained that Ames is not only looking at the Urban Fringe Plan and its areas, but also at the City's targeted growth areas.

Supervisor Strohman pointed out that one area, i.e., along Stagecoach Road remains problematic. Ames Planner Benson advised that staffs from the affected entities have not been able to resolve that issue; they have looked at current zoning versus Plan designation. Staff members have become comfortable with the fact that there are going to be areas where the zoning is not consistent with the Plan; however, most are minor enough that they are not going to cause conflicts. With the Stagecoach Road area, there is an area from E. 13th Street to Riverside Road that is currently zoned R-1, which is a zoning designation that would allow development on large lots and development on smaller lots with rural systems. The Plan designation for that area is large-lot Rural Residential with one-acre minimum lot size. Currently, it would be difficult to deny a request for development of a rural subdivision at that location; however, the City of Ames does not want that type of development in that location.

Gilbert Mayor Popp advised that the City of Gilbert had turned down a request for voluntary annexation. It was not located in a primary area and would have involved the installation of septic tanks and rural water. In addition, if the development would have been allowed through the approval authority granted in the present Plan, it would have created an island and made it very difficult for Gilbert to work around in the future. Leanne Harter explained that such a request would have been put out there for discussion by all entities and it would have had to meet the density required by the Plan for the area in question. She again emphasized that the subdivision would need to meet the City's development standards. Mr. Popp said that it might just be a matter of timing, but after the development is established, it is difficult to change it. Ms. Harter said that the County staff wants to have a time line of when the requested annexation could occur to share with the developer proposing it; this would provide predictability in the Urban Service Area even if it is for an unspecified date in the future. Council Member Popken relayed that if the City were forced to accept an annexation, that could be a barrier to future development. He said that timing is very difficult to determine as it depends on a number of factors, including economics; however, the priority growth areas established by Ames could serve as a guideline. Ms. Harter said that any time frame given would not be legally binding; it would only serve as a guideline. She recognized that Ames has a Land Use Policy Plan that designates areas to be developed, but the time line is a missing segment. Mr. Benson said it would only be an estimate and would not be any more reliable than what can currently be given.

Ames Council Member Larson said that there are documents available or becoming available to provide the type of information that the County is looking for, e.g., the targeted growth strategy. Because of different opportunities that might arise, it will be difficult to pinpoint specific timing; it is market-place-driven to a large extent. He noted that one of the reasons for creating the Ames Urban Fringe Plan was to agree on zoning designations that would allow people to see areas for potential annexation in the near term. Story County Supervisor Halliburton also pointed out that this area of Story County includes a lot of state and federal property, which is not under the jurisdiction of any of the parties to the Urban Fringe Plan.

Story County Supervisor Clinton pointed out that both perspectives have now been expressed, and there do not appear to be a lot of major differences. He thought that it was a matter of Story County desiring to provide better customer service when a request for development is filed. He summarized the issue, which is that Ames does not want Story County to overrule its denial of an annexation request. Council Member Goodman added that should Ames deny a request for annexation in the Urban Service Area, Story County would like to have a time line as to when such annexation would be allowed to occur. Mr. Goodman pointed out that when Ames has established its targeted growth strategy, it will lead to more predictability.

Ames Mayor Campbell advised that staff members from the entities will continue to discuss the issue.

Regarding Issue No 3, Mr. Reiners advised that the City of Gilbert is asking to be allowed to waive its rights to participate in the amendment process in all the areas outside of its two-mile limit where its basic planning interests are not affected. Basically, it becomes a function of two things: geographic

distance and scope of proposed development.

Ames City Council Member Larson asked if Gilbert has a two-mile fringe area with specificity as to what will be allowed. Mr. Reiners advised that Gilbert has a Subdivision Ordinance and a Comprehensive Plan, which both address development beyond its territorial boundaries. Mr. Larson pointed out that the 28-E Agreements being referenced tonight do not extend into the Gilbert two-mile fringe. Mr. Reiners said that, within the overlapping area, a decision is made as to which jurisdiction the proposed development is closest to, and that is the entity that has jurisdiction over the development. Ames Council Member Popken clarified that the Urban Fringe Plan pertains only to the Ames two-mile fringe, not the Gilbert two-mile fringe; thus, Ames has no veto power when it comes to development of land north of Gilbert. Mr. Larson pointed out that Gilbert has veto power over Ames' fringe area, and he thinks that it should work the same way for Gilbert's two-mile fringe. Mr. Reiners advised that it probably will work that way; however, Gilbert does not have an Urban Fringe Plan of its own. Mr. Larson said that when it does, allowing Gilbert to opt out of involvement in amendments that are not important to it would make more sense. Ames Council Member Goodman said that he is not comfortable with the veto power. He hopes that the veto power is seen in the context of the other benefits and predictability that are being added through the cooperation among the entities. Mr. Reiners said that he does not believe "opting out" is synonymous with vetoing. He defined vetoing as something that is typically used to stop action. To Mr. Goodman, the key is that, in areas with overlapping jurisdictions, the cooperation takes place there, but in other areas, independence for each jurisdiction is maintained. It appears, however, that there is no trade-off for the City of Ames; Gilbert is adding input to a much wider area than it had ever had input in the past. In an effort to protect Ames' citizenry, it should maintain as much control as is realistically possible, so perhaps limiting the input on changes to the two-mile fringe area of Gilbert would be a good balance.

Ames Council Member Larson pointed out that it is still unknown whether Boone County will be a player to this Plan. At some point, Boone County might want to become part of it, and if so, as the Plan is now written, it would be possible for Boone County Supervisors to have input on an annexation in an industrial park east of Interstate 35. It is logical to Mr. Larson that input from other jurisdictions should be limited to only those areas that overlap with the City of Ames' jurisdiction, especially because it is Ames' Urban Fringe Plan.

Story County Supervisor Halliburton stated that, given the points that have been discussed, staffs from the jurisdictions should work to structure future conversations so that the implications for each entity pertaining to the above-stated Issues 1 through 3 are taken into account. She recommended that staff work through several different scenarios. Ames Planner Benson added that agreement on a very complex Plan had been reached on all but approximately three issues. He expressed optimism that those issues will be resolved.

ADJOURNMENT: The meeting adjourned at 7:12 p.m.

REGULAR MEETING OF THE AMES CITY COUNCIL

The regular meeting of the Ames City Council was called to order by Mayor Ann Campbell at 7:20 p.m. on April 22, 2008, in the City Council Chambers in City Hall, 515 Clark Avenue. Present from the Ames City Council were Goodman, Larson, Popken, and Rice. *Ex officio* Member Beals was also in attendance. Council Members Doll and Mahayni were absent.

PROCLAMATION FOR ARBOR DAY: Mayor Campbell proclaimed April 25, 2008, as Arbor Day. Accepting the Proclamation were Bob Schumer, Bill LaGrange, Ginny Huntington, and Dave Brotherson. Mr. LaGrange thanked the City of Ames and Alliant Energy for supporting Arbor Day activities and reviewed upcoming events that will be held to promote the planting of trees.

PROCLAMATION FOR BUILDING SAFETY WEEK: The week of May 5 - 11, 2008, was proclaimed by Mayor Campbell as Building Safety Week. David Brown, City Building Official, accepted the Proclamation. Mr. Brown recognized the efforts of engineers, architects, tradesmen,

and others committed to ensuring safe buildings.

PROCLAMATION FOR NATIONAL HISTORIC PRESERVATION MONTH: The Mayor proclaimed May 2008 as National Historic Preservation Month. Accepting on behalf of the Ames Historic Preservation Commission was Gloria Betcher, Chairperson. Ms. Betcher thanked the City for its support of the Historic Preservation Commission. She noted that the Commission had been successful in securing over \$150,000 in state and federal grants and encouraged citizens of Ames to get involved as volunteers in assisting with activities associated with the grants.

PROCLAMATION FOR BIKE TO WORK WEEK: Mayor Campbell proclaimed May 10 - 16, 2008, as Bike to Work Week. The Proclamation was accepted by Craig and Diane Corson, Jeri Neal, and Terese Peters. Diane Corson encouraged all persons to use a bike for transportation at least once during Bike to Work Week. She reviewed activities that will occur in association with promoting bicycling as a mode of transportation and asked for donations of bicycles.

Mayor Campbell pointed out that two City Council members were absent from this meeting. One Council member was out of town on a planned trip and one was absent due to illness. She reminded the Council that Resolutions and Ordinances require four affirmative votes to be adopted.

TARGETED GROWTH STRATEGY: Moved by Popken, seconded by Rice, to postpone Item #37: Discussion of Targeted Growth Strategy until all members of the Council were present. Vote on Motion: 4-0. Motion declared carried unanimously.

LAND USE POLICY PLAN (LUPP) MAP AMENDMENT AT THE INTERSECTION OF BLOOMINGTON ROAD AND STANGE ROAD: Moved by Larson, seconded by Goodman, to table Item #36: a LUPP Map amendment designating a Convenience Commercial Node at the intersection of Bloomington Road and Stange Road until the May 13, 2008, meeting.

Chuck Winkleblack, 105 S. 16th Street, Ames, representing the applicant, requested that the item be tabled until May 13, 2008.

Vote on Motion: 3-1. Voting aye: Goodman, Larson, Popken. Voting nay: Rice. Motion declared carried.

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

1. Motion approving payment of claims
2. Motion approving minutes of the regular meeting of April 8, 2008, and special meeting of April 15, 2008
3. Motion accepting Report of Contract Change Orders for April 1-15, 2008
4. Motion to change July 22, 2008, regular meeting date to July 15, 2008
5. Motion requesting City Attorney to draft ordinance establishing parking regulations on Timber Ridge Drive
6. RESOLUTION NO. 08-130 approving appointment of Michael Beals as the GSB *ex officio* representative to the City Council
7. RESOLUTION NO. 08-131 approving appointment of Council Member Jim Popken to Ames Transit Agency Board of Trustees
8. RESOLUTION NO. 08-132 approving the appointment of Elaine Phompheng to the Human Relations Commission—Investigative & Conciliation Officers
9. RESOLUTION NO. 08-133 approving Investment Report for quarter ending March 31, 2008
10. RESOLUTION NO. 08-134 accepting report from Utility Retirement Advisory Board
11. RESOLUTION NO. 08-135 setting rental housing inspection fees
12. RESOLUTION NO. 08-136 approving 2008/09 Commission on The Arts Annual Grants
13. RESOLUTION NO. 08-137 approving amendments to Engineering Services Agreement pertaining to U.S. 69 Intersection Improvements (traffic signal replacement at Grand Avenue and 13th Street)
14. RESOLUTION NO. 08-138 approving renewal option for FY 2009 for Hauling and Related

- Services for Resource Recovery Plant to Waste Management of Ames in the amount of \$.3519 per mile per ton
15. RESOLUTION NO. 08-139 approving contract for FY 2009 for Hauling of Ferrous Metals for Resource Recovery Plant to Waste Management of Ames, Iowa, in the amount of \$.1047 per mile per ton
 16. RESOLUTION NO. 08-140 approving preliminary plans and specifications for 2008/09 Neighborhood Curb Replacement Program; setting May 21, 2008, as bid due date and May 27, 2008, as date of public hearing
 17. RESOLUTION NO. 08-141 approving preliminary plans and specifications for Power Plant Boiler Maintenance and Repair Contract; setting May 15, 2008, as bid due date and May 27, 2008, as date of public hearing
 18. RESOLUTION NO. 08-142 awarding contract to Reaction Engineering International of Salt Lake City, Utah, in the amount of \$110,000 for Furnace Modeling for Power Plant
 19. RESOLUTION NO. 08-143 awarding contract renewal option for FY 2009 Custodial Services for City Hall and Community Center to QualityOne Commercial Cleaning in the amount of \$5,500/month, plus emergency call-back and additional work as authorized
 20. RESOLUTION NO. 08-144 approving contract and bond for Construction of Restroom at Ada Hayden Heritage Park
 21. RESOLUTION NO. 08-145 approving contract and bond for Charles Calhoun Memorial Park Parking Lot Project
 22. RESOLUTION NO. 08-146 approving Supplemental Engineering Services Agreement with Howard R. Green of Des Moines, Iowa, for Grand Avenue Extension (South 4th Street to Squaw Creek Drive) in an amount not to exceed \$16,850
 23. RESOLUTION NO. 08-147 approving Change Order Nos. 1 and 2 to Specialized Power Plant Boiler Cleaning Services Contract with Hydro-Klean, Inc., of Des Moines, Iowa, in the amount of \$45,000
 24. RESOLUTION NO. 08-148 accepting completion of Electric Services Power Line Relocation Project - Boone County Road E-26
 25. RESOLUTION NO. 08-149 accepting partial completion of public improvements and reducing security for Northridge Heights, 11th Addition
 26. Estates West Subdivision:
 - a. RESOLUTION NO. 08-150 approving partial completion of public improvements
 - b. RESOLUTION NO. 08-151 approving Major Final Plat
- Roll Call Vote: 4-0. Resolutions declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

PUBLIC FORUM: Joe Rippetoe, 419 Pearson Avenue, Ames, spoke about the relationship of Wolford Development to the City Council. He indicated that Wolford Development has failed to meet a key contract term. It has not met the conditions of a legally binding agreement with the City; it is late in its Developer's Agreement obligations by over 140 days. Mr. Rippetoe said that the City Council has taken no action, despite repeated advice by the City Attorney to do so; the topic is again not on the Agenda. He referenced a recent article in the Iowa State Daily wherein three Council members were quoted on this topic. Mr. Rippetoe added that it is difficult to understand why it is possible for Council members to comment on Wolford for the media, but not to discuss and debate the topic at a public meeting. According to Mr. Rippetoe, Dan Rice commented for the article that it would take a majority vote of the Council and he wasn't sure if there were enough votes for that. Council Member Rice advised that he had been misquoted in the article.

Mr. Rippetoe continued by stating that Jami Larson had said, "Since Wolford owns the land, even if the Council wanted to rezone it, not much would come out of that decision. In Mr. Rippetoe's opinion, that is "just plain wrong, as rezoning the land is the Council's main remedy for stopping this failed venture." Mr. Rippetoe also quoted Riad Mahayni stating that he was opposed to rezoning the land because he felt the land was best suited for Regional Commercial use. It was Mr. Rippetoe's opinion that Mr. Mahayni's viewpoint was one formed "when malls were in their heyday, gas was cheap, and nobody worried much about sprawl, but that is not where Ames is today." According to Mr. Rippetoe, a very troubling part of this problem is the fact that Wolford

continues to develop plans for infrastructure leading to the mall site, and City staff members are spending a lot of time and effort reviewing those plans. He asked why that is being done when Wofford's status is one of non-performance. Mr. Rippetoe believes that the City should not trust the construction of City infrastructure to a company that is chronically late, continually scales back its promises, breaks its agreement, fails to give timely reports on its progress, and does not honor its commitments. According to Mr. Rippetoe, there are no anchors, no known anchor prospects, and no known prospects of any kind. The developer has failed to meet important contractual obligations, and the City Council has failed to do anything about it. Mr. Rippetoe said that there is widespread speculation and distrust about private negotiations and other non-public activities going on behind closed doors. He believes that it is time for the Council to make a complete public report to the community on the status of the "horribly failed" Wofford project.

ELECTRIC UTILITY RATE ORDINANCE: Moved by Popken, seconded by Goodman, to pass on first reading an electric utility rate ordinance.
Roll Call Vote: 4-0. Motion declared carried unanimously.

SANITARY SEWER UTILITY RATE ORDINANCE: Moved by Popken, seconded by Goodman, to table this item until a meeting when a full Council is present.
Vote on Motion: 4-0. Motion declared carried unanimously.

ORDINANCE PERTAINING TO STREET LIGHT INSTALLATIONS OUTSIDE AMES ELECTRIC SERVICES TERRITORY: Moved by Goodman, seconded by Popken, to pass on first reading an ordinance pertaining to street light installations outside Ames Electric Services territory.
Roll Call Vote: 4-0. Motion declared carried unanimously.

WATER RATE STRUCTURE ORDINANCE: Mayor Campbell announced that staff and the City Council had received additional comments on the proposed water rate increase since the April 8 meeting, and for that reason, additional public input would be taken on this item at this meeting.

Water and Pollution Control Director John Dunn shared the nature of questions and concerns that he had heard over the past few weeks. He shared a chart indicating how Ames' rates compared to other Iowa cities' water rates. Mr. Dunn said that he had also heard complaints that the increase had surprised some residents. He listed dates for the many meetings when water rates had been discussed, and added that information had been posted on two locations on the City's website. There have also been articles in the local newspaper and information on the local radio station. Also, comments had been expressed that it would not be fair to people who irrigate large lots or to those with new lawns. He said that large lot and new lawn watering is significant and absolutely contributes to the peak, however, it doesn't matter how the water is being used; the rate structure is intended to address those whom are contributing significantly to the peak. Mr. Dunn said that the rate structure does not distinguish between "good" and "bad" uses of water, but is focused on the patterns of use. The rate structure is meant to address customers whose patterns of use are contributing to a summer peak. It was also pointed out by Mr. Dunn that there are other options available to developers to meet the requirements of soil erosion control while waiting to get past the summer peak period.

Concerns had also been expressed to Mr. Dunn by homeowner associations pertaining to having only one or two irrigation meters, but serving a series of condominium units. It is being alleged that if each unit had been built with its own irrigation meter, the Association would have a proportionately higher volume of water that was billed in the first block. Mr. Dunn advised that the City's billing system does not have the capability for giving customers a block based on the number of square feet that will be irrigated. If that were going to be an option, the bills would need to be manually calculated.

Lastly, Mr. Dunn said that concerns had been expressed about apartment buildings being considered commercial as opposed to residential. In particular, this applies to apartments that

have a single master meter serving multiple units. It is being suggested that the use of the water in those units is more residential in nature and they should be treated as a residential account. Mr. Dunn then presented two additional options regarding multi-unit residential for the Council's consideration:

1. Add a new customer block for multi-unit residential with a single master meter with a block structure that is scaled up based on the number of units.
2. Add a new customer block for multi-unit residential, and assign all multi-unit accounts to this block.

Mr. Dunn noted that if either of these options is approved, the ordinance would come back for first reading and additional input on May 13. In order to make the new rates effective by June 1, staff would then ask the Council to suspend rules and adopt the ordinance on May 27.

It was pointed out by Mr. Dunn that after staff's presentation of the proposed rate structure on March 25 and the Council's direction to move forward, staff had begun a public information campaign. He added, however, that the affected customers' rates would be lowered if either of the additional options were approved.

Dennis Vajgrt, 3033 Burnham Drive, Ames, expressed his concern over the proposed water rate increases that will significantly affect the Waters Edge Townhome Association, which is comprised of approximately 34 members. If passed as proposed, the Association would have to endure a 390.29% increase. He does not believe that such a small segment of the population should be penalized so substantially. Mr. Vajgrt asked for relief for the residents of Waters Edge Townhomes from the approximately 390% increase, as it is not fair or reasonable.

Chuck Winkleblack, Hunziker & Associates, 105 S. 16th Street, Ames, stated that Ames does not have any data that indicate a 12-unit apartment building that is individually metered uses less water than a 12-unit apartment building with one meter. He pointed out that energy efficiency results when a building has one water heater, one gas meter, and one water meter. If the City is really looking at "cool city saving," it needs to realize that it is not just the water consumption; it is purchasing 12 water heaters versus one and it is what it costs to use 12 water heaters.

Council Member Rice said that he believed apartments should be treated as residential. Council Member Goodman disagreed, stating that owning apartment buildings is a commercial endeavor and should be considered as such when establishing the rate structure. He believes that the commercial rate is fair and equitable; there is parity in it. Mr. Goodman advised that he would not support an exception for one group.

Council Member Larson expressed disagreement that a 12-plex is a commercial venture; the use of the structure is residential in nature, and the higher rates will be passed on to the tenants. He questioned why it was important for the new rates to be in effect by June 1 and suggested that the new rate structure be effective, instead, on July 1. Mr. Dunn advised that the reason for the timing was to include the entire summer peak season (June, July, August, and September). City Manager Schainker reminded the Council that this is the ideal time to make the adjustment because there is the likelihood that a water rate increase will occur by the 2009 summer season. He explained that not only will customers be affected by the shift in the structure, but there will also be the City's obligation to raise revenue by 5%; that will result in a double-hit for some people. Mr. Schainker reminded the Council that the proposed new rate structure is revenue-neutral to the City budget at this time. A 5% increase in revenue in 2009 will be necessary to start financing the expansion of the Water Plant.

Moved by Rice, seconded by Larson, to amend the proposed ordinance to add a new customer block for multi-unit residential with a single master meter with a block structure that is scaled up based on the number of units.

Mayor Campbell noted again that if that motion passes, the revised ordinance will be placed on

the next agenda for first reading and public input.

Council Member Goodman cited his disappointment with the unfairness of approving exceptions for certain classes of customers.

Voting aye: Rice, Larson. Voting nay: Goodman, Popken. Mayor Campbell voted nay to break the tie. Motion failed.

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

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

ORDINANCE PERTAINING TO RAGBRAI VENDING: Citing a conflict of interest, Council Member Goodman stated that he would be abstaining from voting on this issue.

City Attorney Marek cited the Iowa Code, which provides that, for an ordinance to pass, it takes a majority of the total members of the Council, not including members who are not voting due to a conflict of interest. Therefore, in this case, there are four members present with one citing a conflict of interest; the measure could pass with three votes.

Moved by Rice, seconded by Larson, to pass on second reading an ordinance pertaining to RAGBRAI vending.

Roll Call Vote: 3-0-1. Voting aye: Larson, Popken, Rice. Voting nay: None. Abstaining: Goodman. Motion declared carried unanimously.

CONTRACT FOR ECONOMIC DEVELOPMENT SERVICES WITH THE AMES ECONOMIC DEVELOPMENT COMMISSION: Moved by Goodman, seconded by Rice, to adopt RESOLUTION NO. 08-153 approving the Contract for Economic Development Services with the Ames Economic Development Commission.

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

CLASS B BEER PERMIT & OUTDOOR SERVICE PRIVILEGES FOR AMES JAYCEE'S EVENTS IN BANDSHELL PARK: Moved by Goodman, seconded by Popken, to approve the 6-month Class B Beer Permit & Outdoor Service Privileges for Ames Jaycee's events in Bandshell Park effective May 15, 2008.

Shannon Bardole, 1125 North Dakota, #8, Ames, spoke as the 2008 Ames on the Half Shell Committee Chairperson and thanked the Council for its past support. Ms. Bartolow said that the Jaycees will be using the proceeds from this event to help fund community betterment events, such as the 4th of July fireworks, and it is also hoped that some of the proceeds will be donated to the construction of an overlook at Ada Hayden Heritage Park.

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

CONSTRUCTION OF DONALD AND RUTH FURMAN AQUATIC CENTER: Parks & Recreation Director Nancy Carroll advised that if this contract is approved, staff will continue its discussions with the approved contractor as to why the bid came in substantially higher than the engineer's estimate. She pointed out that the bid had included three deducts. Deducts that staff is recommending be included are: (1) the parking lot will be asphalt and (2) ornamental fencing will be eliminated at the entrance to the Aquatic Center. It was noted that the entrance fencing would match that which will be installed around the entire site.

Council Member Larson pointed out that the ornamental fencing in question would cost an additional \$13,200. To him, in an \$8 or \$9 million project, that seemed relatively insignificant, percentage-wise. Mr. Larson asked if the ornamental fencing could be added back if the deduct were included now and it was determined partway through the project that the contingency was not going to be used. Attorney Marek advised that if the contract is awarded less the two deducts,

and funding is available near the end of the project, the City could request a Change Order for the ornamental fencing. The Council could not bind the contractor to guarantee that the ornamental fencing would be available and installed; renegotiation of pricing or design could not be done at that time.

Moved by Goodman, seconded by Rice, to adopt RESOLUTION NO. 08-154 awarding a contract to Sande Construction of Humboldt, Iowa, in the amount of \$8,824,708 for Construction of the Donald and Ruth Furman Aquatic Center.

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

WESSEX SUBDIVISION: Public Works Director John Joiner explained that, as part of the Development Agreement for Wessex Subdivision, the developers are responsible for the costs of widening Oakwood Road to three lanes along the frontage of the Subdivision. According to the Agreement, the responsibility to complete the street improvements is to be secured with cash placed in escrow by the developers. The developers have requested that they be allowed to convert the financial security from escrow to a Letter of Credit. The street improvements in question are not in the Capital Improvements Plan or Long-Range Transportation Plan, City staff believes that a Letter of Credit is an appropriate means of financial security for this Subdivision.

Mr. Joiner further advised that the Developer's Agreement and Final Plat for this Subdivision were approved under the City's former Subdivision Ordinance. Under the Subdivision Ordinance adopted in 2000, Letters of Credit, bonds, and cash escrows are allowed as acceptable means of financial security.

Moved by Larson, seconded by Popken, to adopt RESOLUTION NO. 08-156 authorizing a Letter of Credit for financial security for future improvements associated with Wessex Subdivision.

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

POWER PLANT LOW NITROGEN OXIDE BURNER PROJECT - EQUIPMENT: Moved by Goodman, seconded by Popken, to adopt RESOLUTION NO. 08-155 approving the preliminary plans and specifications for Power Plant Low Nitrogen Oxide Burner Project – Equipment; setting June 11, 2008, as the bid due date and June 24, 2008, as the date of public hearing.

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

EASEMENTS ON PROPOSED ROUTE OF 161-kV TRANSMISSION LINE: Director Kom advised that the properties in question are located in Polk County near the Polk/Story County line along Interstate 35 and are within the area that the Iowa Utilities Board Hearing Officer recommended to be double-circuited. He noted that no decision had been made as of this time by the Iowa Utilities Board as to the City's franchise application.

Moved by Goodman, seconded by Rice, to adopt RESOLUTION NO. 08-157 authorizing staff to exercise the options to acquire easements on proposed route of 161-kV Transmission Line due to expire on April 27 and April 28, 2008, in the total amount of \$15,500.

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

PHASE II ENGINEERING SERVICES FOR FINAL DESIGN AND CONSTRUCTION SERVICES FOR WATER PLANT RAW WELL WATER LOOP LINE PROJECT:

Moved by Popken, seconded by Goodman, to adopt RESOLUTION NO. 08-158 awarding a contract to FOX Engineering, Inc., of Ames, Iowa, for Phase II Engineering Services for Final Design and Construction Services for Water Plant Raw Well Water Loop Line Project in an amount not to exceed \$222,500.

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

HEARING ON RESOURCE RECOVERY REVENUE LOAN: Mayor Campbell opened the public hearing. There being no one wishing to speak, the Mayor closed the hearing.

Moved by Popken, seconded by Goodman, to adopt RESOLUTION NO. 08-159 approving entering into a loan agreement in the principal amount of \$825,000 for the purpose of paying the cost of implementing a non-ferrous metal recovery system at Ames Resource Recovery Plant. Roll Call Vote: 4-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

Moved by Popken, seconded by Goodman, to adopt RESOLUTION NO. 08-160 approving an Engineering Services Agreement for Non-Ferrous Recovery System. Roll Call Vote: 4-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion on these minutes.

HEARING ON 2007/08 CONCRETE PAVEMENT IMPROVEMENTS (GREEN HILLS DRIVE - RED OAK DRIVE TO UNIVERSITY BOULEVARD): The hearing was opened by the Mayor and closed after no one asked to speak.

Moved by Goodman, seconded by Larson, to adopt RESOLUTION NO. 08-161 approving final plans and specifications and awarding contract to Manatt's, Inc., of Ames, Iowa, in the amount of \$161,421.78. Roll Call Vote: 4-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion on these minutes.

HEARING ON 2007/08 SANITARY SEWER REHABILITATION CONTRACT NO. 1 (MEADOWLANE AVENUE- E. 13TH STREET TO CARR DRIVE): Moved by Rice, seconded by Goodman, to adopt RESOLUTION NO. 08-162 approving final plans and specifications and awarding a contract to Synergy Contracting, LLC, of Ankeny, Iowa, in the amount of \$81,886.43.

Noting that the bid being recommended for award was considerably lower than the other three bids, Council Member Larson asked staff to comment on the company's performance. Director Joiner advised that the City had entered into several contracts with Synergy throughout the past years, and the company had always performed well. He said that there have been no problems with Synergy Contracting in the past.

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

COMMENTS: Council Member Rice clarified the comment that he had made to the Iowa State Daily reporter concerning Woford Development. He had said that it would take a "super majority," not a majority, of the Council; he was misquoted in the publication.

Moved by Popken, seconded by Larson, directing staff to give an update, at the May 13, 2008, City Council meeting, on the status of installation of infrastructure per the Woford Development Agreement, particularly in relation to the industrial park area. Vote on Motion: 4-0. Motion declared carried unanimously.

ADJOURNMENT: Moved by Goodman, seconded by Larson, to adjourn the meeting at 8:52 p.m.

Diane R. Voss, City Clerk

Ann H. Campbell, Mayor