

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

AMES, IOWA

JANUARY 20, 2009

The Ames City Council met in special session at 5:15 p.m. on the 20th day of January, 2009, in the City Council Chambers in City Hall, 515 Clark Avenue, pursuant to law with Mayor Ann Campbell presiding and the following Council members present: Doll, Goodman, Larson, Popken, and Rice. *Ex officio* Member Tracy was also present. Council Member Mahayni arrived at 5:24 p.m.

WORKSHOP ON THE 2009-2014 CAPITAL IMPROVEMENTS PLAN (CIP): City Manager Steve Schainker explained that this workshop kicks off the budget process for fiscal year 2009/10, which begins July 1, 2009. He said that tonight's discussion will concentrate on the five-year Capital Improvements Plan, which reflects total expenditures of \$240,717,901. Mr. Schainker reported that this is an even more challenging year for the City in a unique respect. Staff must always hold costs down for the City's operating budget, and at the same time, meet the requirements and expectations of customers. An additional challenge will involve utilities – not only in ensuring quality of service, but also making sure that the services are available. Mr. Schainker emphasized that this CIP will show the City making substantial investments in utilities (electric, water, sewer, Resource Recovery) to ensure that happens; that will impact user fees in a variety of ways. He noted that, even with those demands, staff is being as prudent as possible. According to Mr. Schainker, the City is getting ready to implement its new Strategic Plan for the Electric Utility. That Plan indicates that the most-cost-effective method is to renovate/repair the existing Plant along with an aggressive demand-side management effort. This CIP will also evidence continuation of renovations/repairs to the present Water Plant and disinfection measures at the Water Pollution Control Plant. Mr. Schainker noted that public input on the CIP will be taken at the Council meeting on January 27, 2009, and again at the final budget public hearing to be held on March 3, 2009.

Police Department. Police Chief Chuck Cychosz explained new projects: (1) Communications Center - Computer-Aided-Dispatch (CAD) System, the expense of which will be shared by Iowa State University Department of Public Safety and Story County Sheriff's Office, and (2) improvements to be made at the Firearms Training Range located off of Dayton Road, which will allow for its reopening. Chief Cychosz noted that outside grant funding is being sought for the joint CAD System.

Council Member Popken asked Mr. Schainker what the philosophy was for selecting a funding source for new capital improvements projects. City Manager Schainker advised that he looks first to sources other than City funds and then attempts to assign capital improvement projects, if they fall into the community betterment category, to the Local Option Sales Tax Fund. He said that he has always advocated that the community betterment portion of the Local Option Fund can be used as a "pay-as-you-go" Capital Improvements Plan, so property taxes would not need to be raised. Mr. Schainker noted, however, if there is evidence that the General Fund may be drawn down to a certain point to fund capital improvements projects, he will recommend doing so. He reported that there is one project in this CIP, i.e., the Renovation of Space in City Hall, where the General Fund is listed as the funding source. Mr. Popken asked for a report to be given to the City Council showing five-year projections for the Local Option Sales Tax Fund.

Fire Department. Fire Chief Petersen explained the Department's planned purchase of Mobile Data Terminals. He added that grant funding is being sought for that project, which ultimately would result in it being removed from the CIP. Fire Apparatus Replacement would include replacing Engine 2. Engine 3 will be disposed of and Engine 2 will be refurbished to serve as a reserve engine. Both are planned to occur in FY 2010/11. A new project, the purchase of an Emergency Generator for Station #2, is planned for 2010/11. Renovation of the driveway at Fire Station #1 is planned for 2011/12.

Public Works. Public Works Director John Joiner explained the annual Traffic Signal Program, Shared Use Path System Expansion, planned Traffic Engineering Studies, and Railroad Crossing Safety Improvements. He also described U. S. 69 Intersection Improvements which are slated to begin in 2010/11 at 20th and Grand. Public meetings will be held to inform the public about planned improvements and time allowed for input. The West Lincoln Way Intersection Improvements Program was reviewed. It will occur in 2012/13 and consist of the construction of turn lanes and installation of traffic signals at the Franklin Avenue/Lincoln Way and Dotson Drive/Lincoln Way intersections.

The Resource Recovery System Improvements project, which will allow for the purchase of new and replacement components and equipment for Resource Recovery Plant, was explained by Director Joiner. He then detailed a new project: Recyclables Building and Staging Areas. The building will be for items currently stored in the Electric Department's coal yard storage buildings. The area immediate to the east of the area is planned to become a staging area for hauling equipment used for ferrous materials and rejects. The owners of the properties east of Borne Avenue between Lincoln Way and 2nd Street have indicated a willingness to sell their land to the City for this project.

Director Joiner said that water mains will be replaced in areas that are experiencing rusty water problems (Water System Improvements). Identified areas for 2009/10 are Duff Avenue, 5th Street to 6th Street, and Oakland Street. He also described the Storm Sewer Outlet Erosion Control and Storm Water Facility Rehabilitation Programs. The Low-Point Drainage Improvements, Storm Sewer Intake Rehabilitation Program, Southwest Ames Stormwater Management Improvements (near Greenbriar Park), Sanitary Sewer Rehabilitation, and Clear Water Diversion projects were summarized by Mr. Joiner. Council Member Larson asked if \$475,000 was just for the stormwater management portion of the Greenbriar Park improvements. Director Joiner confirmed that and stated that the Park improvement portion would fall in 2010/11 under the Parks & Recreation budget.

Director Joiner highlighted the annual Arterial Street Pavement Improvements Program, which will repair streets with asphalt or concrete; Collector Street Pavement Improvements, with the locations chosen in accordance with the most current street condition inventory; and the CyRide Route Pavement Improvements projects.

Council Member Larson asked if the Pavement Improvements Programs are modified based on the freeze-thaw that occurs and other situations that come up in the current year. He noted that he had heard complaints related to South Duff Avenue and asked if the fact that it is a U. S. Highway impacts the need for repairs. Mr. Larson advised that between Highway 30 and the Airport Road area, there are a lot of holes. He also pointed out that repairs to that pavement were

not included in this CIP. Director Joiner explained that the City's responsibilities for Highway 69 begin at Airport Road and go up to Bloomington. He said that the City's responsibilities as they pertain to Duff, Lincoln Way, and Grand Avenue are basically to patch the holes; any type of major reconstruction projects would be approved by the IDOT. Council Member Larson asked if that would be something that the City should be lobbying for and added that citizens think those are City streets that are not being taken care of properly. Director Joiner advised that City staff will raise those concerns with the IDOT District Engineer's Office.

Mr. Joiner detailed the Concrete Pavement Improvements projects, which includes both arterial and non-arterial concrete streets, and Asphalt Pavement Improvements, which is an annual program for reconstruction of full-depth asphalt streets typically located within residential neighborhoods. Downtown Street Pavement Improvements, which involve pavement reconstruction, rehabilitation of storm and sanitary sewers, and streetscapes, were outlined.

Asphalt Resurfacing & Seal Coat Removal and Asphalt Reconstruction is an annual program. Areas to be resurfaced are chosen each spring based on current street conditions. Mr. Joiner detailed the extension project for Grand Avenue from Lincoln Way to South 16th Street for years 2010/11 and 2011/12. South Dakota Avenue Widening (Lincoln Way to Mortensen Road) to a five-lane roadway south of Lincoln Way is slated for construction in 2013/14.

Pertaining to Street Maintenance, Director Joiner described annual projects: the Neighborhood Curb Replacement Program, Retaining Wall Reconstruction, Shared-Use Path Pavement Improvements, and the Sidewalk Safety Program. New projects, the Bridge Rehabilitation Program, to provide funding for necessary repairs recommended by the IDOT bridge inspections, and a Salt Storage Facility, for storage of salt for winter snow and ice operations, were also explained. The location for the salt storage dome will be determined in 2009/10.

Airport Improvements, which are dictated by the Airport Master Plan, were highlighted by Director Joiner. Those projects had previously been prioritized. It was noted that FAA funding provides for 95% of the cost of identified projects.

Water & Pollution Control. Christina Murphy, Assistant Director of Water and Pollution Control, described how aging infrastructure and aging components (some dating back to the 1920s and 1930s) are driving many of the projects contained in the 2009-2014 CIP. She highlighted anticipated projects related to Water Plant Expansion. She stated that demand projections will be discussed in more detail with the City Council tentatively in May. Upcoming discussions will include reserve capacity for industrial growth and demand-side management (conservation) goals. Ms. Murphy also detailed the Raw Water Loop Line, which will extend the existing raw well water line extending from the Water Plant to the Southeast Well Field and the Youth Sports Complex Well Field. This project is approximately 50% complete. The overall budget was reduced from last year's CIP by \$600,000 due, in part, to very competitive bids. City Manager Schinker explained why this project was being funded by G. O. Bonds and abated by Water Revenues (not by tax payers).

According to Ms. Murphy, the Bloomington Road Elevated Tank Improvements project, which provides for repainting of the Tank as well as a mixing system, will occur in 2009/10. Water Supply Expansion (new wells) has been delayed to 2010/11. Facility Improvements at the Water

Treatment Plan to occur in 2010/11 and 2012/13 were also detailed by Ms. Murphy. She also described a new project, the NADC Pump Station Improvements.

Water Pollution Control projects explained by Ms. Murphy included a Plant Disinfection System, which will become a mandatory requirement when a new National Pollutant Discharge Elimination System (NPDES) Permit for the Plant is issued by the Iowa Department of Natural Resources (IDNR). She also explained Residuals Handling Improvements and Facility Improvements for 2009/10 and extending through 2012/13. Phase II of the Plant Automation Upgrade was briefly described. Ms. Murphy explained that the WPC Plant Energy Management program had a substantial scope change since last year's CIP. When the project was originally conceived, a wind turbine was envisioned; however, the market for that equipment has shifted substantially, and \$3.6 million is no longer deemed practical for the wastewater utility. Lastly, Ms. Murphy described a new project, Plant Digester Cleaning and Painting, which includes cleaning the interior of the sludge digestion tanks and repairing the interior piping.

The meeting recessed at 6:48 p.m. and reconvened at 6:55 p.m.

Electric. Electric Services Director Don Kom advised that he will be describing capital projects that total \$110,000,000. The first project, Unit #7 Nitrogen Oxide Control, necessitated by EPA rules that might require lower nitrogen oxide emissions on Boiler #7, will cost \$2,000,000 in 2009/10. Unit #8 Boiler Tube Repair will equate to \$8,900,000 for materials and labor and will be done in 2009/10 and 2010/11. The Mid-American Energy Co. Interconnection project will construct a 161kV line from Ames to MED's 161kV switching station northwest of Ankeny and be completed in 2011/12. The cost of the line is projected to be \$10,621,396. The Ames Stange In-Town 161kV Line will be completed in 2009/10. A contract was awarded for that project at the Council's meeting of January 9.

Director Kom described a new project, Units #7 and #8 Oil Gun Upgrade, which will replace equipment that is 42 years old and 25 years old, respectively. He also explained the Downtown Network 4kV to 13.8kV Conversion project, which will replace failing transformers and cable in the Downtown network; the Gas Turbine #1 Inspection and Overhaul, which services three separate pieces of equipment that were originally put into service in 1972; and the Ames Plant 69kV Switchyard Relay and Control Replacement, which will install modern programmable relays and updated controls at the Power Plant.

Demand-Side Management Energy Conservation Programs were highlighted by Mr. Kom. He noted that substantial rebate checks will be issued in the near future to some of the City's larger commercial customers.

A new project, the Automated Metering Pilot Program, was explained by Director Kom. He added that a study and pilot program will be conducted to determine the costs and benefits, and if it is determined to be beneficial, Electric Services will begin a multi-year effort to change meters. Units #7 and #8 Distributive Control System (DCS), which includes software that transfers vital information from equipment in the field to the operators' control stations, will be upgraded in 2009/10 at a cost of \$450,000. Feedwater Heater Tube Replacement at the Power Plant will occur in 2009/10 and 2011/12. The Top-O-Hollow Substation Expansion and Breaker project will be completed in 2009/10. Property acquisition has already occurred to allow for the existing

substation to be expanded.

Assistant Director Brian Trower gave the specifics for Unit #8 Air Heater Element Replacement, which is a new project slated for 2009/10 and 2010/11.

Director Kom said that a portion of the engineering work for the Ames Plant Distribution Substation Expansion has been advanced to allow for coordination with another related project that shares common relay and control design (the 69kV Switchyard Relay/Control Replacement Project). This project will add a second distribution transformer and metal clad switchgear next to the existing Ames Plant distribution substation and provide additional system reliability and service to growing commercial areas near 13th and Dayton and South Duff Avenue. Power Plant Fire Protection System projects have been and will be done in phases, starting in FY 2004/05 and continuing until 2013/14. A Cyber Security Risk Assessment and Midwest Reliability Organization Audit Preparedness Study will be performed in 2009/10 at a cost of \$100,000. A project being coordinated with Public Works is the Street Light and Line Relocations program. It will require the relocation of various electric facilities, including street lights, services, and distribution lines over the next five years.

Future EPA rules will likely require lower nitrogen oxide emissions on Boiler #8. According to Mr. Kom and Mr. Trower, plans by the EPA to reduce nitrogen oxide emissions by 2009 are being finalized. Detailed equipment cost and specific design engineering work must be completed before the plan is begun for Unit #8. It is preliminarily estimated that \$3,400,000 will be spent for Unit #8 Nitrogen Oxide Control Capital. Additionally, EPA rules will most likely require mercury reduction. Unit #8 will require a mercury control (Mercury Capital) at a cost of approximately \$4,200,000 and be completed in 2011/12.

Director Kom described Unit #7 Boiler Tube Repair for the 40-year-old boiler. The project will begin with engineering work being done in 2010/11. Inlet Heating for Gas Turbine CT2 will occur in 2010/11 and involve the installation of a pre-heater to keep the unit from icing-up. Unit #7 Mercury Capital may be necessary. The actual project will be designed when the EPA rules are known; however, monitoring is currently underway. Repairs to the Refuse-Derived Fuel Bin components will occur in 2010/11.

A new project, the Vet Med Substation Expansion, was briefly described by Director Kom. It has not yet been determined whether ISU will take transmission service and expand this substation, continuing to be the distribution provider for the Vet Med Campus, or whether the City will serve this load at the distribution level. Unit #8 Turbine Generator 5-Year Overhaul was explained as being necessary to replace worn parts in the generator. It will cost \$1,000,000 and be accomplished in 2011/12. Mr. Kom described another new project, Cooling Tower Repairs, to occur in 2011/12 for Tower #8 and 2012/13 for Tower #7. These towers are outdoor evaporative cross-flow towers that are critical to the efficiency of the Power Plant.

New projects highlighted by Director Kom were: Unit #7 Closed Cooling Water System and Piping project at the Power Plant (2011/12), Diesel Building Demolition at the Power Plant (2011/12), Unit #7 Turbine Generator Overhaul (2012/13), Ontario Substation 69kV Breaker Addition (2012/13 and 2013/14), Removal of #5 and #6 Turbine Generators (2012/13), Capacity Generation for Future Years (2013/14), and Unit #8 Turbine Controls Upgrade (2013/14).

City Manager Schainker noted that a project that is not included in the CIP pertains to dust control measures for the coal pile. He advised that City staff has suggested less-costly efforts, and those will be included in the Operations budget. Mr. Schainker specified that a water truck will be purchased and water will continually be put on the pile and a monitoring system will be purchased and installed on the conveyor.

Transit. Transit Director Sheri Kyras reviewed the following projects: Vehicle Replacement, Building Expansion and Modernization, CyRide Shop and Office Equipment, Bus Stop Improvements, Automatic Vehicle Location (AVL) Technology, and Iowa State Center Commuter Lot Resurfacing. Ms. Kyras noted that two hybrid buses will be received by Ames through the Iowa Clean Air Attainment Program, which is a federal program administered through the IDOT.

Parks & Recreation. Director of Parks & Recreation Nancy Carroll distributed comments made by the Parks and Recreation Commission regarding the 2009/14 CIP.

Director Carroll said that the purchase of a new Ice Resurfer for the Ames/ISU Ice Arena is included in 2009/10.

Ms. Carroll described Facility Improvements, specifically noting that, following a lengthy discussion, the Parks and Recreation Commission voted that the basin and mechanical system at Carr Pool be demolished in FY 2010/11 (fall of 2010). Council Member Rice asked why there was urgency to do that since the cost of keeping it idle was fairly minimal. He raised the concern that, some years down the road, another community pool might be needed, and it would be more cost-effective to renovate, rather than build new. Possible renovations to the bath house, which is in good structural shape, were briefly explained by Ms. Carroll. No alternatives for use of the bathhouse have been developed. Council Member Goodman recalled that the City Council, by its vote, directed that Carr Pool be demolished after the construction of the new Furman Aquatic Center, and staff is acting in accordance with that direction. Council Member Rice indicated that, since that time, much public input has been received in support of retaining Carr Pool. Council Member Goodman added that the demolition of Carr's basin and mechanical system is not scheduled to occur until 2010/11, which allows time for the community to provide input.

Director Carroll described Municipal Pool Maintenance, noting the specific repairs to be made in 2009/10, 2010/11, and 2011/12. All costs are shared equally by the City and the Ames Community School District. Playground/Park Equipment Improvements and Tennis Court Improvements were also highlighted by Ms. Carroll.

A new project, Greenbriar Park Development, which includes moving the dirt BMX course to the center of the Park, fill dirt, seeding with native plant material, a six-stall parking lot, a mini-shelter, and the installation of a bike trail adjacent to South 16th Street, is planned for 2010/11. Ms. Carroll noted that Public Works included the stormwater management portion of this project in its CIP budget.

Ms. Carroll reported that a Bike Park remains in the CIP in 2012/13. Staff is recommending that grant options be researched to determine if additional funding resources could be obtained to assist with this project. At this point, no one has come forward to conduct fund-raising efforts.

Noting a recent letter received by the City Council from the Ames Foundation requesting that the Interactive Fountain project be expanded to include green open space and a community gathering space/pavilion in the Downtown area, Ms. Carroll indicated that the Ames Foundation has offered to privately raise \$700,000 during the next four years while a location is being determined. She stated that the Parks and Recreation Commission made no formal endorsement related to the request that the Council identify \$20,000 in the FY 2009/10 budget for a conceptual design and cost estimates for the expanded project. The Interactive Fountain/Community Gathering Venue is included in the CIP for FY 2013/14. Initially, only the Fountain was included for FY 2012/13 at a cost of \$300,000. Council Member Popken noted that there are plans to include a catalyst project in the Downtown and the Library is planning on expanding in the near future. He suggested that these projects be coordinated. Mr. Goodman expressed his dismay that the Interactive Fountain has now been paired with the Community Gathering Venue with a substantial cost increase. Council Member Doll noted that the Ames Foundation is offering to fund-raise \$700,000 towards this project. Mayor Campbell suggested that Ames Foundation be invited to attend the Council's CIP public hearing on January 27. Council Member Larson also recommended that the Ames Foundation be urged to communicate with the Main Street Cultural District about this project.

Regarding the Shared-Use Path system, Ms. Carroll stated that the Parks and Recreation Commission encouraged the City Council to significantly increase the amount of annual funding allocated for trails. Commission members also suggested that future efforts focus on trail connectivity, especially in the central part of the community adjacent to Squaw Creek.

Director Carroll advised that the Parks and Recreation Commission had also asked the City Council to support funding to monitor the water quality at Ada Hayden Heritage Park. Commission members had expressed concerns that surface water run-off is not being monitored, and they had requested the City Council to restore funding for that purpose.

Library. Director Art Weeks summarized projects slated for the Library, i.e., Exterior Building Repair (2009/10), Skylight Replacement (2010/11), Air Conditioning System Replacement (2011/12), and Floor Covering Replacement (2012/13). He noted that these projects may change based on the Library's planned expansion project. Public input sessions will be held in the near future regarding the Library's need for additional space.

Community Enrichment. City Manager Schainker described an ongoing project, the Downtown Facade Improvement Program, which has an annual allocation of \$50,000.

Facilities/Fleet Services. Fleet Services Director Paul Hinderaker highlighted a new project, City Facility Energy Improvements, which is in keeping with the Council's "Cool Cities" initiative. He also explained Mechanical and Structural Improvements planned for City Hall, which focus on major maintenance items for the building, including replacement of mechanical systems and the roof.

Assistant City Manager Bob Kindred reported on the City Hall Space Re-Use Project to remodel jail cells for new uses and renovate space in the basement to accommodate Information Technology staff. This will bring the Information Technology Division out of rented space. Mr. Kindred noted that this is one of a very few projects in the CIP that include General Fund

financing. Discussion ensued whether Story County could refuse to take the City's arrestees in the future. Mr. Kindred advised that the City had entered into an agreement with Story County that any Ames prisoners would be transported directly to the Story County Jail. It was noted that Story County is mandated to accept any arrestee charged with a state violation. Concern was then expressed by Council Member Popken that, in the future, Story County might not accept prisoners arrested on municipal charges. Mr. Kindred indicated that the number of persons arrested on municipal charges and actually needing incarceration is very minimal.

Council Member Popken asked for a summary of what the City is doing under its "Cool Cities" initiative. Council Member Larson asked that the report show how much of the carbon footprint is being reduced each year by the City's planned projects.

Debt capacity was explained by Finance Director Pitcher. Mr. Pitcher defined abated G. O. Bonds. He explained that all bonds issued for utility capital improvements are not abated because the City has a debt limit for essential corporate purpose bonds, and it does not want to use up all of its debt capacity on only utility bonds. He also stated that it is important for the City to retain its AAA bond rating; that yields the City a lower interest rate, which saves the taxpayers money. Mr. Pitcher indicated that the City has debt capacity available, if needed.

Council Member Rice noted that more than 60% of Local Option Sales Tax revenues are being used for property tax relief. He pointed out that some of the projects contained in this CIP are being funded by Local Option. City Manager Schainker indicated that it could be argued that more than 60% is being used to reduce property taxes; however, those are "community betterment" projects that would be difficult to bond for and are one-time costs.

ADJOURNMENT: Moved by Doll, seconded by Goodman, to adjourn the meeting at 9:13 p.m.

Diane Voss, City Clerk

Ann H. Campbell, Mayor