

MINUTES OF THE SPECIAL MEETING OF THE AMES CITY COUNCIL

AMES, IOWA

SEPTEMBER 21, 2010

The Ames City Council met in special session at 7:00 p.m. on the 21ST day of September, 2010, 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: Davis, Goodman, Mahayni, Orazem, and Wacha. *Ex officio* Member England was also present. Member Larson was absent.

MOTION APPROVING 5-DAY SPECIAL CLASS C LIQUOR LICENSE & OUTDOOR SERVICE FOR OLDE MAIN BREWING COMPANY: Moved by Davis, seconded by Mahayni, to approve a 5-Day (September 25-29) Special Class C Liquor License & Outdoor Service for Olde Main Brewing Company at Tent #27, between ISU Parking Lots B5 and C5.

Vote on Motion: 5-0. Motion carried unanimously.

RESOLUTION APPROVING WAIVER OF PARKING METER FEES AND ENFORCEMENT FOR PARKING LOT N ON MONDAY, SEPTEMBER 27, FROM 5:00 TO 6:00 P.M.: Motioned by Davis, seconded by Mahayni, to approve waiver of parking meter fees and enforcement for Parking Lot N on Monday, September 27, from 5:00 to 6:00 p.m., in connection with staging of the Ames High School Homecoming Parade.

Roll Call Vote: 5-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

RESOLUTION APPROVING REQUEST OF AMES CHAMBER OF COMMERCE FOR CITY TO PARTIALLY FUND A “STAFF APPRECIATION DAY” IN RECOGNITION OF FLOOD RESPONSE: Motioned by Mahayni, seconded by Davis, to approve the request of Ames Chamber of Commerce for City to partially fund, in the amount of \$2,100 from the Council Contingency Fund, a “Staff Appreciation Day” in recognition of flood response.

Roll Call Vote: 5-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

RESOLUTION APPROVING THE CONSENT AND AGREEMENT TO THE POWER PURCHASE AGREEMENT WITH GARDEN WIND: City Attorney Doug Marek summarized the request from Garden Wind, LLC. Moved by Mahayni, seconded by Goodman to approve the Consent and Agreement to the Power Purchase Agreement with Garden Wind.

Roll Call Vote: 5-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

WORKSHOP ON STORM SEWER FEES: Operations Superintendent Corey Mellies introduced GIS Coordinator Ben McConville, Municipal Engineer Tracy Warner, and Public Works Director John Joiner. Mr. Mellies stated that the first report regarding Storm Sewer Utility fees was presented to Council on November 17, 2009. He explained that at that time staff had given Council four alternatives that reflected a new billing philosophy based on impervious area. At that meeting, the City Council directed staff to explore two additional alternatives.

Mr. Mellies said there are currently approximately 25,000 utility accounts in the City, which generates almost \$75,000 per month in Storm Sewer Utility revenue. Each account is currently charged \$3.00. Mr. McConville said that the data in the GIS system was analyzed to look at scenarios for billing based on impervious area.

Mr. Mellies said staff researched how other cities are billing for impervious area, and many communities are using the Estimated Residential Unit (ERU) process which is accomplished by first using Geographic Information Systems (GIS) to estimate the average impervious area on residential lots. He said staff is recommending that one ERU in Ames would equal 4,000 square feet. Mr. Mellies said 4,000 square feet per ERU is being used for the analyses in the Staff Report.

Mr. Mellies reviewed the alternatives with the Council.

- Alternative 1: Leave existing flat fee per utility account in place;
- Alternative 2: Billing based on ERUs per parcel;
- Alternative 3: Billing residential at 1 ERU per utility account with all others based on ERUs;
- Alternative 4: Billing a minimum of 1 ERU per utility account on all parcels. Only use ERUs for properties with more ERUs than utility accounts;
- Alternative 5: Billing per parcel based on ERUs with a minimum per utility account; and
- Alternative 6: Billing per ERU with flat fee for four categories.

Mr. Mellies reviewed the impact of the alternatives on the different types of properties as shown in the Staff Report.

Council Member Orazem asked how this system would affect a resident that has implemented a ground water retention program. Mr. Mellies said that staff is recommending there would be no credits since the system is based on impervious/pervious only. He said a demand side management program may be used in the future where some of the revenue received would help customers with improving the system in ways such as removing paving or going to pervious pavers. Ms. Warner said a grant program similar to programs currently in place for purchasing rain barrels and installing a rain garden may be added. Ms. Warner said, as part of a site design, this could cause customers to think of ways to reduce pervious areas.

Mr. Schainker said any time a rate structure changes, some will come forward asking for exemptions such as schools and nonprofit organizations. Mr. Mellies said Iowa State University cannot be charged because it is its own system.

Member Wacha said if a change is made to purposefully shift some of the cost to the larger users, some increases would be very substantial. Mr. Schainker said a decision is not necessary tonight, but soon so that customers have several months notice. Discussion ensued on phasing a new rate structure in. Staff time to implement a new rate structure was also discussed.

Member Wacha suggested that a small increase overall may be appropriate. He said if the rate structure is changed, it would be a good time to increase fees, so that everyone has an increase in fees.

Mayor Campbell asked Mr. Schainker to address the billing challenges associated with changing the

structure. Mr. Schainker said the system being used now is the simplest system. He said this type of system has been challenged in court and was sustained. Mr. Schainker said a change in the rate structure will definitely take more staff time. He said Council would have to stick with its decision, and that the first year would consist of some protest, appeals, and confusion. Member Davis said he doesn't feel comfortable changing the structure to achieve the same revenue, and then have to add a staff member. He also said he is not sure if it is worth changing at this point. Mr. Schainker said the amount needed for storm sewer projects can be determined by staff, but that the Council must decide who to collect it from. He said many will argue that it should be calculated by impervious, as more and more cities move toward charging by ERU because of the more direct relationship between runoff and large impervious customers.

Member Goodman said the concept that brought the Council to this point is attributing the cost of a service to the user. He said changing the structure from what is clear and easy to something that is more fair is what needs to happen. He said he sees Alternative 5 as very reasonable since there is a minimum charge. He suggested that somehow the real cost of the bill should be reflected.

Member Orazem said he prefers Alternative 4 since it is simple, and maintains the notion that the stormwater system is still a public good because everyone benefits from having stormwater retention.

Member Wacha pointed out Alternative 5, and the change that would affect certain customers, such as the school district. Member Goodman said he would only be really disappointed if this was left totally alone and some change was not made. He gave the analogy of public roads, and the heavier licensing fees for the heavier users. Member Orazem said we cannot overlook a substantial change even if it is "fair".

Member Mahayni said he wants to be as equitable as possible, but also be sympathetic to "zooming" up the rates all at once. He said he would prefer phasing an increase over a few years. Mr. Mahayni said while being sympathetic, he also feels that a large commercial customer such as Lowe's paying the same amount as a resident is unfair. He said the City must be careful of giving exemptions, and that he could foresee the first year being difficult, but leveling out after that. Member Mahayni also said that the revenue collected now is not going to be enough to maintain the system in the future.

Mr. Schainker said with the two additional options, he hopes the City will receive feedback since the sooner this is decided, the sooner the public can be notified. Discussion again ensued regarding staff time. Mr. Mellies said that the number of appeals that will be received will depend on the alternative the Council chooses.

Member Orazem suggested a minimum fee for every account. Member Goodman said the City needs to be sure and recoup costs, and said at some level the \$3.00 charge is not enough. Discussion ensued on the minimum charge per utility account.

Chuck Winkleblack, 105 S. 16th Street, Ames, referenced page 2 of the staff report, which says that 80.2 % of all properties in Ames are less than or equal to 1 ERU. He asked when the system is full, who is using how much of the system. Mr. Mellies referenced the percentages on page 2 of the property types and their percentages of imperviousness. Mr. Winkleblack wondered if the City is suggesting that only the large customers pay for improvements to the system. Member Mahayni said that is not what is being suggested. Member Mahayni said that residential customers do not contribute

to storm sewers in an equal amount to a large commercial lot. Mr. Winkleblack said if someone puts a mitigating system in as an effort to store more water on the site, they should get a credit. Discussion ensued regarding what is “fair and “equitable.”

George Covert, 3000 Northridge Parkway, Ames, said he wanted to applaud the effort to make some changes, and that paying attention to how this is going to be funded is excellent. He said with more rain and more snow, there will be more storm sewer problems. He said that Council does not want to be in the position in the future to explain why it didn’t address this problem. Mr. Covert said a change that is simple and consistent with national practice is probably the best way to go. He said someone will complain, but more complaints will come if nothing is done.

Mr. Schainker said this topic could be brought back to Council in October for further discussion.

COMMENTS: Moved by Orazem, seconded by Mahayni, to refer the letter from Douglas Bowl about his brother’s flood damage to staff for suggested recourse, including possible FEMA money available for situations such as this.

Vote on Motion: 5-0. Motion carried unanimously.

Member Goodman thanked Mr. Winkleblack for his comments, and said he hopes the Council can make the best decision.

ADJOURNMENT: The Special Meeting adjourned at 8:13 p.m.

Diane R. Voss, City Clerk

Ann H. Campbell, Mayor

Erin Thompson, Recording Secretary