

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

AMES, IOWA

JANUARY 17, 2012

The Ames City Council met in special session at 5:15 p.m. on the 17th day of January, 2012, 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: Goodman, Orazem, Szopinski, and Wacha. Council Member Davis arrived at 5:23 p.m., and Council Member Larson was absent. *Ex officio* Member Finseth was also present.

Mayor Campbell announced that the primary purpose of this meeting was to concentrate on the five-year Capital Improvements Plan. However, the Council firstly needed to take action on two items of business.

Moved by Orazem, seconded by Goodman, to approve the following two items:

1. RESOLUTION NO. 12-014 confirming appointment of Government of the Student Body Senator Rachel Gerdes to the Ames Transit Agency Board of Trustees
 2. RESOLUTION NO. 12-015 approving Human Services contract with Orchard Place for childcare provider support services from January 25, 2012, through June 30, 2012.
- Roll Call Vote: 4-0. Resolutions declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

WORKSHOP ON THE 2012-2017 CAPITAL IMPROVEMENTS PLAN (CIP): City Manager Steve Schainker emphasized that the Plan outlines the City's funding strategy for major public improvement projects to be completed over the next five fiscal years (2012/13-2016/17). Projected expenditures in the Plan total \$249,124,023. Mr. Schainker advised that public input will be taken at the Council meeting scheduled for January 24, 2012, and again at the final budget public hearing to be held on February 14, 2012.

Council Member Davis arrived.

Public Safety - Fire. City Manager Schainker described Fire Station Improvements that are planned for the three Fire Stations in FY 2013/14 and the driveway replacement for Station #1 in FY 2015/16. New Self-Contained Breathing Apparatuses will be purchased over two fiscal years (2014/15 and 2015/16).

Public Safety - Traffic. John Joiner, Public Works Director, explained West Lincoln Way Intersection Improvements with Dotson Drive/Lincoln Way (construction) occurring in FY 2012/13; and the Traffic Signal Program, with signal replacement at Lincoln Way/Hayward Avenue scheduled for FY 2012/13. Mr. Joiner explained the use of sharrows (bicycles and automobiles sharing the roadway), which will be a new project: Multi-Modal Roadway Improvements. Duff Avenue (6th Street to 13th Street) will be done in 2012/13. As part of the Traffic Engineering Studies program, the Transportation Funding Study, scheduled for 2012/13, will analyze potential funding sources for roadway improvements, including the Grand Avenue Extension project. It was pointed out that no project is planned under the Shared Use Path System Expansion program for 2012/13. City Manager Schainker noted that this program supports one of the City Council's priorities for the year, which is connecting the community. The Skunk River Trail Extension (East

Lincoln Way to South River Valley Park) will be accomplished in 2013/14. There will be no projects 2012/13 or 2014/15. Construction on the Skunk River Trail Extension will begin again in 2015/16 and carry into 2016/17 for SE 16th Street to East Lincoln Way, which will include bridge reconstruction and paving, respectively. Lastly, under Public Safety - Traffic, Mr. Joiner explained that the U. S. 69 Intersection Improvements, 13th Street/Grand Avenue, that is scheduled to occur in 2013/14 .

Resource Recovery Plant (RRP). Public Works Director Joiner informed the Council that there are cost changes to purchase new and replacement components and equipment at the RRP due to additional projects that were identified in the annual evaluation of the five-year maintenance needs of the Plant. Materials for two annual preventive maintenance projects had been included in the costs. Mr. Joiner said that RRP personnel perform the work to complete the preventive maintenance projects. A new project is proposed to replace the 36-year-old high-speed Primary Shredder. The new unit will process material that has previously been diverted to the landfill. The project will be done in two phases in 2013/14 and 2014/15. The estimated payback for the new equipment is 6.5 years.

Water and Pollution Control. Water and Pollution Control Director John Dunn gave an update on the New Water Treatment Plant project, which was initiated in FY 2008/09. Mr. Dunn advised that he learned this afternoon that the City was named a recipient of a \$5.88 million grant from the DNR to assist in the construction of the new water plant to LEED Certification standards. Ames will be the first LEED-certified Plant in Iowa and the second in the nation. The construction of the new Water Treatment Plant has been delayed due to the lengthy land acquisition process. Mr. Dunn noted that the proposed funding source for the majority of the approximately \$60 million project will be loans from the Iowa Drinking Water State Revolving Fund (SRF) and repaid over 20 years out of water revenues. Mr. Dunn also provided information on the City's wells. Development of the next well field is proposed to begin in 2016. Some land acquisition will be necessary; that process will begin in Fiscal Year 2012/13. Automatic Meter Reading Conversion was defined as a multi-year project to convert the water meter reading system from the existing generator/remote technology to the current industry standard of automatic meter reading. The implementation will be spread out over ten years, with new equipment being installed in discrete areas each year in coordination with the Utility Customer Service Division. Mr. Dunn reported that the WPC Plant Disinfection project will see a cost decrease of approximately \$377,000 from what was shown last year. The schedule reflects a shift of funds from the current year into the first year of the CIP (2012/13). Funding for the project will come from a SRF loan. Also in 2012/13, there will be an evaluation of the current Water Pollution Control facility to ascertain the condition of structural and mechanical elements and prioritize the major replacement needs. The Plant Facility Improvements from FY 2012/13 through 2016/17 were explained. There would be no change in the Digester Improvements program. The WPC Electrical System Maintenance will see a cost change. This activity is recommended every five years, with the next round planned for FY 2016/17. The WPC Plant Residuals Handling Improvements program is being delayed. There will be no change in the Flow Equalization Expansion project.

Utilities - Water Distribution. Director Joiner noted that there would be no changes to the Water System Improvements program, which provides for replacing water mains in areas that are experiencing rusty water problems. A new project, the Woodview Drive Water and Sewer Project, for design and construction of water and sanitary sewer mains along Woodview Drive, will be

accomplished in accordance with the property assessment agreements.

Utilities - Storm Sewer. Mr. Joiner noted a site change for the Low-Point Drainage Improvements. In 2012/13, the location will be Oliver Circle. A new project, Flood Response and Mitigation program, was explained in detail by Mr. Joiner. Two projects will be contained in the Operating Budget: Fourth Street Water Main and the bank erosion project in Stewart Smith Park. Mr. Joiner broke the projects into two categories: FEMA-funded and local-funded. City Manager Schainker emphasized that this program contains City funding in the form of \$2.6 million in G. O. Bonds (debt service). He reminded the Council that under the new rate philosophy, some customers' bills will be impacted. Mr. Schainker also noted that policy questions will need to be addressed for this now-consolidated program to deal with flooding issues. He reported that what has been included in the draft CIP is the best information available to the City at this time. An ongoing program, Storm Water Facility Rehabilitation Program, was explained by Director Joiner. Storm Sewer Outlet Erosion Control was also described. No projects are being recommended for 2012/13 for Storm Sewer Improvement Program, with those funds being applied to the Flood Response and Mitigation Project.

Utilities - Sanitary Sewer. Mr. Joiner noted that no changes were being recommended to the Sanitary Sewer System Evaluation program, which includes manhole inspection, smoke testing, manhole rehabilitation, flow monitoring, and sewer video inspection of areas with the greatest measured infiltration. No changes are contemplated for the annual Sanitary Sewer Rehabilitation program or the Clear Water Diversion program.

Council Member Goodman asked to revisit the Shared Use Path System Expansion. He is concerned what will happen if FEMA funding is not received. Mr. Goodman noted that he had received many inquiries about when the bridge over Squaw Creek would be reconstructed. Council Member Davis cited his preference that the monies be directed to the Flood Response

Moved by Goodman, seconded by Wacha, to direct staff to bring back to Council possible ways to fund the reconstruction of the bridge without taking from the Flood Response and Mitigation program.

City Manager Schainker reported that the bridge would have to be removed when the Grand Avenue Extension project is finished. The City had contemplated repairing the bridge even knowing that it would eventually be removed. Council Member Orazem recommended that staff look at the former bridge that was over the Skunk River at SE 16th Street to see if it could be used.

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

Electric. Donald Kom, Electric Services Director, stated that the capital projects for Electric over the next five years total slightly over \$51 million. The majority of those funds come from rate dollars. Iowa State University does provide approximately \$1.6 million towards transmission projects based on their load. Mr. Kom broke the projects into three categories: Electric Services, Transmission/Distribution, and the Power Plant. He advised that, for FY 2012/13, \$1 million (ten percent of the five-year budget) has been allocated to Energy-Reduction Programs. The FY 2012/13 budget for Substations and Power Lines equates to \$4,840,000 or 25% of the five-year budget. This amount includes transmission, feeder expansion, and reliability improvements. Electric

Production comprises 65% of the five-year budget at \$10,140,000. This includes Unit #8, Unit #7, Plant systems (fire protection, fuel storage tanks, oil guns and ignitors, and roof replacement), Gas Turbines, Environmental Protection Agency issues, and RDF Bin Work. In answer to Council Member Goodman's inquiry about staying the course with recommended improvements, Assistant Electric Services Director Brian Trower advised that the Burns & McDonald Study did not anticipate the environmental rules that were going to be imposed. Mr. Trower provided a status report to the Council on compliance with three environmental rules and their potential for impacting City Electric operations. Council Member Orazem voiced his concerns that the EPA may mandate certain improvements without much notice to the City. He wondered if the City should put some of the \$3.8 million into the current year in anticipation of having to make environmental improvements. Mr. Kom advised that if staff learns anything new, they will bring it to the Council's attention.

Transportation - Streets Engineering. According to Public Works Director Joiner, there will be cost and site changes in the annual Collector Street Pavement Improvements, Asphalt Street Reconstruction Program, CyRide Route Pavement Improvements, Arterial Street Pavement Improvements, and Concrete Pavement Improvements. Over \$2 million in Metropolitan Planning Organization funding will be used for Arterial Street Pavement Improvements. Downtown Street Pavement Improvements will also see a cost change and site change. City Manager Schainker advised that Road Use Tax funds will be used for the annual Asphalt/Seal Coat Street Rehabilitation program. Director Joiner noted that the Grand Avenue Extension, from Lincoln Way to South 16th Street, has been delayed in an attempt to receive federal funding. Council Member Goodman noted that the University had advised that it had not anticipated providing any funding for expansion of South 16th Street and had not anticipated additional traffic on that road, of which part is an institutional road. He asked if the project should be removed from this CIP. Director Joiner advised that the Grand Avenue Extension project is a critical link in the City's transportation network, and staff prefers to leave it in and continues to hope that federal funding will open up for this project.

Transportation - Street Maintenance. Mr. Joiner explained the Bridge Rehabilitation Program, which was based on Iowa Department of Transportation recommended maintenance/improvements to bridges in Ames. A new program, Lincoln Way Median Improvements, was highlighted. It will provide funding for the enhancement of the medians on Lincoln Way from Beach Avenue to Sheldon Avenue. Mr. Joiner also named the annual programs included in the Plan: Neighborhood Curb Replacement, Shared-Use Path Pavement Improvements, Sidewalk Safety Program, and Retaining Wall Reconstruction. He also noted that the Salt Storage Facility will be delayed until a location has been determined and grant opportunities identified.

Transportation - Airport. No Airport Improvements are planned for FY 2012/13 or 2014/15. The terminal building will be replaced in 2013/14. It has been delayed in order to hold public/user meetings to further define the scope of the building project.

Community Enrichment - Public Works. Drive lanes will be restored and improved at the Municipal Cemetery throughout the five years of the CIP.

Transportation - Transit. Transit Director Sheri Kyras advised that CyRide's capital budget for the next five years totals nearly \$11.3 million. She highlighted the cost changes and delays for the

Vehicle Replacement Program. Under the CyRide Shop and Office Equipment program, four to seven replacement computers will be funded each year, and approximately \$50,000/year will fund other shop and office items. Bus Stop Improvements have been delayed, pending a new bus shelter design that improves the image of the structures; that design will be completed in Spring 2012 with implementation beginning at that time. The Alternative Route Analysis has also been delayed. CyRide completed a Transit Feasibility Study in 2007, which identified a need to implement major service-level changes on its highest ridership route from Iowa State Center to Campus. That Study recommended a Bus Rapid Transit service on CyRide's Orange Route that would increase capacity and comfort on the route and reduce travel time for customers. A complete detailed analysis of the BRT-type service concept is necessary, and that study is anticipated to bid when the Intermodal Facility project is completed. The Building Expansion and Modernization project is also being delayed. Ms. Kyras described four projects that will consist of additional bus storage, flood protection, increased ceiling height, and structural repairs to CyRide facilities.

The meeting recessed at 7:10 p.m. and reconvened at 7:18 p.m.

Parks & Recreation. Nancy Carroll, Director of Parks and Recreation, described the planned maintenance projects at the Municipal Pool. Ms. Carroll noted that the Municipal Pool is soon-to-be 50 years old. The School District and City are in agreement that the wading pool will be demolished in Fall 2012, as renovations to it would equate to over \$100,000. Ms. Carroll detailed the Parks and Recreation Facility Improvements that will occur through 2016/17. In 2012/13, Carr Pool basin and mechanical system will be demolished to coincide with the reconstruction of Meadowlane Drive. South River Valley Softball Fields will see fencing replaced on two diamonds. Adjustable basketball standards will be replaced at the Community Center. According to Ms. Carroll, a park will be constructed in Northridge Heights beginning in Spring 2012. The anticipated opening will occur in Spring 2013.

Brookside Park Improvements, including the limestone steps and walls leading from Brookridge Avenue west into Brookside Park will be rebuilt in 2012/13. The existing gravel driveway/parking lot will be removed in 2014/15 and a hard-surfaced parking lot will be installed adjacent to 6th Street. Tennis Court Improvements at Brookside Park will be reconstructed in 2012/13, the courts at Inis Grove Park will be resurfaced in 2014/15, and the courts at Emma McCarthy Lee Park will be resurfaced in 2015/16. Ms. Carroll detailed the resident and park user input received in October 2011, which indicated the need to replace the existing four courts and lights at Brookside Park. Improvements to Ada Hayden Heritage Park would continue with erosion damage repairs in 2012/13, invasive plant species being removed in 2013/14, and two major projects: resurfacing the north loop trail adjacent to the lake at a cost of \$284,000 and resurfacing the south loop trail adjacent to the lake at a cost of \$200,000 are planned for 2014/15 and 2015/16, respectively. There are no changes planned for the Playground/Park Equipment Improvements.

Ms. Carroll reminded the Mayor and Council that each year, the City and Iowa State University each contribute \$20,000 to the Ames/ISU Ice Arena Fund to ensure that the facility is well-maintained. Projects are planned for 2012/13 to replace rubber flooring in the lobby, air condition four locker rooms, and study energy efficiency and equipment life expectancy and to replace the water heaters in 2013/14.

A new project, to construct four sand volleyball courts with lights east of Emma McCarthy Lee

Park tennis courts in 2013/14, was explained by Ms. Carroll. Another new project, the Inis Grove Park Restroom Replacement, is planned for 2015/16. Lastly, Ms. Carroll indicated that there was no change anticipated for the Community Gathering Venue. She recalled that in 2009 and 2010, conversations were held between City staff and members of the Ames Foundation and Main Street Cultural District. She indicated that should the City Council desire to move forward with this project, the Ames Foundation is supportive of raising significant funds to help construct a community gathering place in the parking lot east of City Hall. Discussion ensued as to whether the project should remain in the CIP. It was decided to leave it in.

Library. Art Weeks, Library Director, explained that there are no changes contemplated for the Radio Frequency Identification System project or the Bookmobile Replacement. He explained a new project, an Automated Materials Handling System, by which library materials returned to the book drop are automatically checked in from patron circulation and then automatically sorted into bins in preparation for shelving by staff.

Information was provided by Mr. Weeks regarding the Library Renovation. He referenced the ballot measure authorizing \$18,000,000 in bonds to expand and renovate the Public Library. He advised that the Friends Foundation is still very aggressively fund-raising; it is approximately 80% to its goal. It is anticipated that construction/renovation will begin in 2013/14 and be completed in 2014/15. According to Mr. Weeks, the CIP pertaining to the library's budget will change slightly as the cash flows only became available this week. He also noted that the existing Bookmobile will be sold after the new one has been purchased. The Bookmobile will be funded through the Fleet Replacement Program; depreciation monies exist to replace it.

Community Enrichment. City Manager Steve Schainker said there were no changes proposed for the Neighborhood Improvement Program or the Downtown Facade Program.

Facilities/Fleet Services. Fifty thousand dollars (\$50,000) is being allocated each year of the CIP for City Hall Mechanical/Structural Improvements. City Maintenance Facility Improvements are planned for 2014/15, 2015/16, and 2016/17.

Conclusion. City Manager Schainker presented a summary of the Capital Improvements Plan expenditure by program. He then summarized revenues by type. Mr. Schainker emphasized that he makes every attempt to avoid issuing revenue bonds to supplant Utility funds. He brought the Council's attention to the New Water Plant project, estimated at approximately \$60 million. to Mr. Schainker noted the importance of the City's receipt of a low-interest loan to help fund that project.

Mr. Schainker reported that the City has received the highest bond rating (Aaa). Finance Director Duane Pitcher brought the Council's attention to the Projection of Debt Capacity. He reminded the Council that the state places a debt limitation on all debt that is subject to property taxes; that limitation is 5% of total actual valuation. The City policy, historically, has been to reserve 25% of available debt capacity. In 2012/13, it is projected that the City will have approximately 62% unreserved debt capacity available. According to Mr. Pitcher, the City will have more debt going off than coming on by the end of the CIP. He advised that additional information on debt capacity will be presented at the Budget Overview on February 3, 2012. City Manager Schainker announced that public input on the Capital Improvements Plan will occur on January 24, 2011.

ADJOURNMENT: Moved by Davis to adjourn the meeting at 8:10 p.m.

Diane R. Voss, City Clerk

Ann H. Campbell, Mayor