

MINUTES OF THE SPECIAL MEETING OF THE AMES CITY COUNCIL

AMES, IOWA

MARCH 10, 2015

The Ames City Council met in special session at 7:00 p.m. on the 10th day of March, 2015, in the City Council Chambers in City Hall, 515 Clark Avenue, pursuant to law with Mayor Ann Campbell presiding. Council Members Gloria Betcher, Tim Gartin, Chris Nelson, and Peter Orazem were present. Council Member Matthew Goodman was brought into the meeting via *Facetime*. *Ex-Officio* Member Lissandra Villa arrived at 7:51 p.m. Council Member Amber Corrieri arrived at 7:54 p.m.

DISTRIBUTED CONTROL SYSTEM (DCS) FOR POWER PLANT: Electric Services Director Donald Kom explained that the DCS is a dedicated control system made up of hardware and software used for boiler controls and power plant systems; it is a crucial coordinating and communication system needed to operate the Plant. In November 2013, the City Council voted to convert the City's Power Plant from coal to natural gas. The DCS is a needed element to that conversion. On November 25, 2015, the City Council approved preliminary plans and specifications for the DCS. Three bids were received for this project: ABB, Emerson, and Schneider. Staff worked with Sargent & Lundy to perform an extensive evaluation of the bids. The bid from ABB was significantly higher than the other two, and staff advised Sargent & Lundy not to continue with the detailed technical evaluation of it. Based on the technical evaluation performed, it was concluded that the proposal of Emerson Process Management Power & Water Solutions was technically superior.

It was brought to Director Kom's attention that Schneider Electric had sent an e-mail to the City Council members just prior to tonight's meeting. Mr. Kom noted that staff was unaware of the e-mail in which Schneider was alleging that if the City went with its bid, it would save \$300,000 on Phase 2 of the Turbine Control System (TCS). A copy of the e-mail was provided to Mr. Kom and to the City Attorney, which they then reviewed. It was noted by Mr. Kom that the technical evaluation by Sargent & Lundy had recommended the selection of Emerson for the DCS. The price difference between Emerson's and Schneider's bids was approximately \$78,000. The Council was advised by Mr. Kom that the City currently has an Emerson system installed. Director Kom stated that, because the City already has an Emerson system, some of the existing hardware will already be in place, thus allowing for some credit (approximately \$51,000) during the installation phase; taking this into account, the cost difference between the two bids is insignificant. It was stated by Mr. Kom that, from a training and use standpoint, staff is familiar with the existing software and recommends Emerson's proposal. Responding to Schneider's e-mail, Mr. Kom said that the City purposely bid the DCS and TCS separately. Schneider's assertion that its combined bids for the DCS and TCS would result in a \$300,000 savings to the City is flawed. The two projects were bid separately and will be evaluated on a stand-alone basis, as dictated by the City's Purchasing Policies. Director Kom commented that it is highly likely that, once the TCS vendor is selected and approved by the City Council, the total cost of the DCS and the TCS will be lower than Schneider's combined proposals.

City Attorney Judy Parks said that, in most cases, the City attempts to award contracts to the lowest bidder; however, the *Iowa Code* states that a contract may be awarded, in the case of utilities, as is deemed to be in the best interest of the City. She believes that staff had gone above and beyond by having a third-party review the bids and an extensive review and analysis had been performed.

Moved by Gartin, seconded by Orazem, to adopt RESOLUTION NO. 15-135 awarding a contract for the DCS for the Power Plant to Emerson Process Management Power & Water Solutions, Inc., of Pittsburgh, PA, in the amount of \$1,595,000.

Council Member Goodman asked if there was any clarification that could come from further study of the letter that would result in the City making a different choice. Director Kom replied that City staff and Sargent & Lundy stand by their recommendation.

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

PLANNING DEPARTMENT PROGRAM OF WORK: Planning and Housing Director Kelly Diekmann referenced the lists of outstanding projects provided to the Council as part of the Staff Report for tonight's meeting. He pointed out that the Council recently approved an additional full-time planner position to increase the amount of time and resources available to work on policy planning issues. The Division's proposed split will be 35% for policy planning and 65% for current planning. It is hoped that the new planner will start work in May.

Mr. Diekmann pointed out that there are currently 30 projects listed for the Planning and Housing Department by Council referral from the past three years. He brought the Council's attention to the lists showing the description of each referral, its status, and estimated hours to complete each one. In order to help the Council sort and prioritize the large list of items, staff had categorized the referrals into four areas: Housing, Development Standards, Development Project Related, and Planning and Policy. In addition to that formal referral list, staff had included a list of additional projects based on Council comments from prior workshops and staff-identified interests for *Municipal Code* updates. It was reported by Mr. Diekmann that three additional requests have come in very recently, as follows: (1) Text amendment for mixed-use overlay, (2) Olde Main Brewery text amendment request, and (3) Definition of Floor Area Ratio relating to parking structures. Those have been added to the list of projects that have not been prioritized.

Mr. Diekmann provided a time line for 21 projects broken down from January to June 2015, July to December 2015, and January to June 2016. He also showed a list of 13 projects that had not been prioritized by staff. Director Diekmann stated that there was no open space for new referrals. He suggested that the Council recommend where to prioritize any new referrals. As an alternative, some space could be programmed in to accommodate new referrals; however, it is never known how many are going to come in and when.

The Council was told by Director Diekmann that there is one referral pertaining to lighting standards that staff believes could be removed. Mr. Diekmann said that, after consulting with staff, it is believed that it is no longer an issue. He also noted that there were a number of referrals that had been on the list for years. If they are clearly no longer a priority, staff would like to have those removed from the list.

Council Goodman commented that if staff thinks leveraging outside resources to deal with some of the projects would help the Planning staff to focus on priority projects, he would be in favor of doing so. Director Diekmann stated that City staff would still be involved in public outreach.

Council Member Gartin offered his opinion that the most focus should be on the review of the Land Use Policy Plan (LUPP).

Moved by Gartin, seconded by Nelson, to keep on the list of projects that are not prioritized the reevaluation of building and zoning codes to determine if changes should be made to improve the existing housing stock at a lower cost.

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

Discussion ensued about the referral of the Ames Urban Fringe Plan review with Story County and Gilbert on a potential update of land use classifications and future growth areas. Director Diekmann said that this request came in from the Story County Board of Supervisors. He discussed how this issue may relate to parts of the LUPP update and to the County writing a Comprehensive Plan.

Moved by Betcher, seconded by Goodman, to leave on the unprioritized list the Ames Urban Fringe Plan review with Story County and Gilbert on potential update land use classifications and future growth areas.

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

It was noted that the referral requesting a review of drive-through standards in commercial zones with high levels of pedestrian activity came from one resident of Ames. Council Member Gartin offered that he did not want staff to put in a lot of time on this referral; however, if there is a safety issue with this, staff should bring that to the Council's attention. Council Member Betcher said she was concerned about this one mostly because there will be increasing density in commercial areas where there will be a lot of pedestrian activity, and she is concerned about pedestrian safety. Also, she would not like to set a precedent that the City Council pays more attention to requests from developers than from individual residents. At the inquiry of Council Member Goodman, Mr. Diekmann advised that it would take approximately 15 hours of staff time. He also noted that the referral could be split into two: whether Council felt there were certain areas where drive-throughs should not be allowed; and then, in areas where drive-throughs could be allowed, whether they wanted to set certain standards for drive-throughs.

Ex officio Member Lissandra Villa arrived at 7:51 p.m.

Council Member Amber Corrieri arrived at 7:54 p.m.

Moved by Nelson, seconded by Orazem, to remove from the list a review of drive-through standards in commercial zones with high levels of pedestrian activity.

Council Member Goodman commented that he would like to keep it on the list because it would take a relatively short amount of staff time.

Vote on Motion: 3-3. Voting aye: Corrieri, Nelson, Orazem. Voting nay: Betcher, Gartin, Goodman. Mayor Campbell voted aye to break the tie. Motion declared carried.

Director Diekmann clarified that that referral would be removed from the list.

Council Member Gartin asked Director Diekmann to write a letter to the individual who requested the referral to give him some assurances that the City does look at safety. Mr.

Diekmann said that he would write the individual to indicate that the referral had been removed from the list. He noted that the City looks at the safety component on all projects.

Moved by Nelson, seconded by Orazem, to leave on the list of unprioritized projects the referral to expand airport protection area for land uses outside of the City.

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

Moved by Orazem, seconded by Gartin, to remove from the list the referral for a lighting standards text amendment to modernize down-lighting and glare standards.

Director Diekmann noted that this referral came as a result of the Deery Brothers car dealership. An ordinance addressing lighting for car dealerships had been adopted.

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

Moved by Betcher, seconded by Nelson, to remove from the list the referral pertaining to a hotel floor area ratio text amendment.

Council Member Orazem noted that one of the requests still to be discussed also deals with a floor area ratio text amendment. He would be in favor of removing this one from the list if he knew that it would not reappear due to the other outstanding request pertaining to floor area ratio in the HOC. Council Member Nelson pointed out that the two requests are similar, and he is in favor of placing them on one list or the other; they don't need to appear on both lists.

Motion withdrawn.

Moved by Orazem, seconded by Betcher, to leave on the list of unprioritized projects the referral requesting a hotel floor area ratio text amendment.

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

Moved by Corrieri, seconded by Orazem, to remove from the list the request to modify Campustown Service Center zoning standards for the 20-foot access corridor requirement for each block.

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

Moved by Orazem, seconded by Gartin, to leave on the list of unprioritized projects the request of Mr. Burgason for a Fringe Plan Amendment to the Urban Service Area pertaining to an annexation of nine acres.

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

Moved by Gartin, seconded by Corrieri, to prioritize the request from the Campustown Action Association for changes to Urban Revite criteria.

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

Moved by Betcher, seconded by Corrieri, to remove from the list the request for a lower apartment parking rate in the East University Impact Area.

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

Moved by Orazem, seconded by Corrieri, to leave on the list of unprioritized projects the review of Subdivision Code standards for consistency with the LUPP and Zoning Ordinance.

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

Director Diekmann noted that the last two on the list: the request from Olde Main Brewery for a text amendment and a request for a definition of floor area ratio related to parking structures came in last week and last night, respectively. He recommended that the Council give direction on these two requests now, rather than under Council Comments so as to avoid approving the work plan now and then amending it after Council Comments later on the Agenda.

Pertaining to the Olde Main Brewery request, Council Member Nelson asked if the craft-type use was allowed in any zone. Mr. Diekmann advised that it is allowed in the commercial zone under an ancillary use. That ancillary use allows for production up to a certain scale. Production of the product for major distribution across the state is not allowed in the commercial zone; that would be considered manufacturing.

Moved by Orazem, seconded by Corrieri, to refer to staff the Olde Main Brewery text amendment request.

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

Moved by Orazem, seconded by Corrieri, to make this a priority.

Council Member Corrieri said she would like staff to look at broader uses. Director Diekmann commented that it would probably mean inventing a process, probably a Special Use Permit.

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

Moved by Orazem, seconded by Goodman, to refer to staff to place on a future agenda a report on the floor area ratio related to parking structures in the HOC and possible strategies.

Council Member Gartin advised that he would be abstaining from voting on this item due to a conflict of interest.

Vote on Motion: 5-0-1. Voting aye: Betcher, Corrieri, Goodman, Nelson, Orazem. Voting nay: None. Abstaining due to a conflict of interest: Gartin. Motion declared carried.

Moved by Orazem, seconded by Goodman, to make this a priority.

Council Member Goodman stated that he wants information as to whether something similar has occurred in other areas. He doesn't want to spend valuable staff time if it is not even feasible.

Vote on Motion: 5-0-1. Voting aye: Betcher, Corrieri, Goodman, Nelson, Orazem. Voting nay: None. Abstaining due to a conflict of interest: Gartin. Motion declared carried.

Mayor Campbell updated the Council on the actions taken by the Legislature today pertaining to rental housing occupancy limits. Council Member Orazem said he would like to know if there was anything within the Rental Code that could tie the number of driving-age individuals residing in the rental property to the number of parking spaces. He would like to require that the number of parking spaces equal the number of driving-age individuals living there.

Moved by Goodman, seconded by Corrieri, to move this to the unprioritized list.
Vote on Motion: 4-2. Voting aye: Betcher, Corrieri, Goodman, Nelson. Voting nay: Gartin, Orazem. Motion declared carried.

Mr. Diekmann asked if there were any follow-up steps to the direction to use the RH Evaluation Tool. It was concurred by the Council that nothing else was needed on that.

Director Diekmann stated that the next task for the Council would be to determine where the three projects to be prioritized would fit into the work plan. He reported that those three projects combined would equate to approximately 150 hours. According to Mr. Diekmann, the Lincoln Way Corridor Plan will take approximately 370 hours. That is a large chunk of hours, and staff could be directed to not begin that yet and fit those three projects in there.

Council Member Goodman again asked if it would be advisable to see if staff could out-source some of its projects prior to determining what projects would have to wait in order to fit others in. According to Mr. Diekmann, nothing from the January to June could be out-sourced. Steve Schainker pointed out that funding for a consultant had already been programmed into the budget for the Land Use Policy Plan.

Council Member Gartin suggested to move two projects: Flood Plain and Environmental Sensitive Area Overlay standards for site disturbance and paving and the memorandum on inclusionary zoning overview to the unprioritized list to make room for the Campustown piece in from July to December 2015.

Council Member Nelson recommended that the Lincoln Way Corridor Plan be moved back three months and move the Flood Plain and Environmental Sensitive Area Overlay standards for site disturbance and paving and the memorandum on inclusionary zoning into the last half of this year.

Moved by Nelson, seconded by Orazem, to slide Campustown Urban Revite criteria to January to June 2015, move the FAR and artisan manufacturing zoning to the same time period, move the Flood Plain and Environmental Sensitive Area Overlay and the memorandum on inclusionary zoning to July to December 2015, and the Lincoln Way Corridor Plan starting in July to December, with the majority of hours moving to January to June 2016.
Vote on Motion: 6-0. Motion declared carried unanimously.

The meeting recessed at 9:15 p.m. and reconvened at 9:22 p.m.

WATER AND SEWER RATES: Water and Pollution Control Director John Dunn presented the staff recommendation of revenues necessary to support the planned operating and capital budgets for the Water and Sewer Funds. He noted the national and state trends in water and sewer rates.

Water Fund. Director Dunn reported on water and/or sewer rate adjustments in Ames from FY 2008/09 to FY 2014/15. He said that staff was recommending a rate increase of 4% across-the-board in water rates for bills mailed on or after July 1, 2015. According to Mr. Dunn, the three Water Revenue Categories are Metered Sales, which equated to \$8,915,000 in FY 2014/15; All Other Revenues, \$518,000 in FY 2014/15; and ISU Contract Sales, \$894,000 in FY 2014/15.

Mr. Dunn explained the Annual Fund Projections and Projected Water Fund Balance graphs. Based on prior direction given by the City Council, 10% is dedicated for operating reserve (approximately five weeks of expenses). For FY 2014/15, the Operating Reserve would be \$649,000 in the Water Fund and \$534,000 in the Sewer Fund. The purpose of an Operating Reserve is “to mitigate against current and future risks...and to ensure stable services and fees.” Mr. Dunn noted that the Government Finance Officers Association Best Practices recommends that the operating reserve equate to 45 days worth of annual operating expenses; the City has a little less than that. He noted the risk of unanticipated expenses and the approximate cost of those repairs. Council Member Orazem asked if the City should have more operating reserve. Mr. Dunn indicated that he was somewhat uncomfortable with only 10%. He noted that he surveyed nine other Iowa cities, and none of them had less than 25% in Operating Reserve. It was the recommendation of Director Dunn that the Operating Reserve remain at 10% of operating expenses through FY 2017/18 and begin to increase at 2% per year beginning in FY 2018/19 until it reaches 25%. He showed what impact that recommendation would have on water rates and the projection for the Water Fund balance.

The connection with Council Member Goodman was lost at 9:40 p.m.

Sewer Fund. The five categories for sewer revenue were shown as: Metered Sales, \$6,647,000; ISU Contract, \$1,132,000; NADC Contract, \$216,000; NVSL Contract, \$23,000; and All Other Revenues, \$384,000. It was noted that the minimum bill for sewer charges is \$10.20/month/customer. Staff is recommending a 5% across-the-board rate increase in sewer rates for bills mailed on or after July 1, 2015. The comparative impact on sewer rates was given. The Projected Sewer Fund Balance chart was explained. Mr. Dunn showed the combined pattern of water and sewer rate adjustments as it would impact customers. Again, staff is recommending that the Operating Reserve remain at 10% of operating expenses through FY 2017/18 and begin to increase at 2% per year beginning in FY 2018/19 until it reaches 25%.

Director Dunn explained the time line: the first reading of the ordinance would occur on April 14; the second, on April 28, and the third reading and adoption would occur on May 12, 2015. This would allow for the rates to be effective for the meter reads beginning in June 2015 for the utility bills mailed on or after July 1, 2015.

Moved by Orazem, seconded by Nelson, to set April 14, 2015, as the date of public hearing on the first reading of the Water and Sewer Rate Ordinance.

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

ONE COMMUNITY: As requested by the City Council at its 2014 Goal-Setting Session, Management Analyst Brian Phillips gave a summary of actions taken to date from the “One Community” report. According to Mr. Phillips, the summary fulfills the second task of the objective to review the report to identify action steps to improve community involvement and integration. The third and final task is for the City Council to hold a discussion to give direction if further actions are desired.

Mr. Phillips pointed out that several of the One Community Implementation Committee’s report elements were completed, although some were not pursued upon the report’s completion, but were instead independently accomplished at a later time.

Council Member Betcher said that she would like to explore the item that did not get considered

at all, which was creating a “One Community Commission.” That Commission would be comprised of a group chartered jointly by the City, University, and the Government of the Student Body (GSB). She felt this would provide for more consistent and sustainable effort. Ms. Betcher suggested that the City investigate what other communities are doing for a community relations board.

Ex officio Member Lissandra Villa expressed her hesitation with that recommendation. She noted the similarities to the Student Affairs Commission. According to Ms. Villa, the Student Affairs Commission is not working out well. Ms. Betcher stated her belief that the reason the Student Affairs Commission is not working out is because it is supposed to work in tandem with the One Community Commission. She has heard that there are a lot of individual “silos” in the community with concerns; however, there is no overarching monitoring body to keep the integration working. There is no committee working solely to improve relations. Ms. Villa said that she would like to try having task forces created first, rather than a One Community Commission. She said if the One Community Commission were to be formed, she would want to make sure that something gets done. Council Member Betcher said that she was not suggesting that the One Community Commission be created; she only wants to explore that possibility.

Mayor Campbell noted that the task force concept is in the hands of legal counsel at Iowa State right now. She agreed that she had had little success in keeping the Student Affairs Commission going.

Ms. Betcher said she just wants to explore what is being done in other communities. She believes the whole point of the One Community concept was to integrate the short- and long-term residents into the Larger Ames.

Council Member Gartin believes that it would be worth a little bit of staff time to see what is being done in other communities. Council Member Orazem said he is still not sure what the charge would be. Ms. Betcher said that is what would be determined by the information gleaned from other communities: what the models are, what would work in Ames, and if it would help to integrate the long- and short-term residents of the community.

Moved by Betcher, seconded by Gartin, to direct that staff prepare a report on models for community relations boards in similar-size college towns.

Council Member Orazem relayed his hesitancy to take up staff time to determine whether there should be a commission formed that has no defined mission. He referenced the Human Relations Commission that is already formed to accomplish some of the same things that Ms. Betcher was referencing.

Council Member Corrieri noted that she had served two terms on the Human Relations Commission. Without any goals or strategic plan for the Commission, she felt it was not effective.

Ms. Villa said that she was not opposed to the creation of a One Community Commission; however, she would like to try the task force concept first. Ms. Betcher noted that she was not against forming task forces; however, would like to explore the possibility of a One Community Commission as a monitoring body.

Vote on Motion: 3-2. Voting aye: Betcher, Gartin, Nelson. Voting nay: Corrieri, Orazem.
Motion declared carried.

ADJOURNMENT: Moved by Betcher to adjourn the meeting at 10:28 p.m.

Diane R. Voss, City Clerk

Ann H. Campbell, Mayor