

MINUTES OF THE SPECIAL MEETING OF THE AMES CITY COUNCIL

AMES, IOWA

NOVEMBER 21, 2006

The Ames City Council met in special session at 5:30 p.m. on the 21st day of November, 2006, 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. Council Member Mahayni and *Ex Officio* Member Buske were absent.

PRESENTATION AND DISCUSSION ON CONSERVATION SUBDIVISIONS: Assistant City Manager Bob Kindred explained that the City Council, in January 2006, had directed staff to research low-impact development. He said that this meeting was to serve as a learning opportunity for the Council on that topic.

Mr. Kindred introduced Pat Sauer, Program Coordinator for the Iowa Association of Municipal Utilities and Iowa Stormwater Education Program (ISWEP), who has been working with City staff on conservation development and low-impact development techniques; Doug Adamson, landscape architect with ISWEP; and, Seana Perkins, City Planner.

Ms. Sauer outlined the goals for this workshop, as follows:

1. To understand the concepts behind low-impact development and conservation subdivisions so that the Council can make informed decisions on issues;
2. To learn how to apply the concept to development in Ames;
3. To look at a potential applied process; and,
4. To look at potential future direction.

Ms. Sauer informed the Council about watershed management and stormwater management, concentrating on Post-Construction Stormwater Management Requirements. She highlighted non-structural best management practices (BMPs) and structural BMPs. She pointed out that the City of Ames has adopted State-wide Urban Design and Specifications (SUDAS) guidelines for stormwater quality management. Public Works Director John Joiner advised that part of the NPDES Stormwater Permit requirement is that the City adopt an ordinance to address post-construction runoff.

Ms. Sauer defined low-impact development (LID) as a comprehensive land planning and engineering design approach with the goal of maintaining and enhancing the pre-development of hydrologic regime of urban and developing watersheds. There are three categories of development: (1) residential streets and parking lots, (2) lot development, and (3) conservation of natural areas. Ms. Sauer explained 22 low-impact development principles to reduce impervious surfaces and help manage rainfall after construction. She explained that conservation subdivisions are a type of low-impact development.

Doug Adamson, landscape architect with the ISWEP, reported on conservation subdivisions. The goal of conservation subdivisions is to return to native hydrology – how it was 150 years ago when there was virtually no runoff. Conservation subdivisions were defined as residential developments in which homes are arranged on shallow lots, allowing a significant amount of the landscape (typically 50% or more) to be permanently protected as common green space. Mr. Adamson described the four-step process to guide the design of conservation communities: (1) Identify primary conservation areas that must be protected and secondary conservation areas that potentially should be protected to the maximum extent possible. (2) Locate home sites to best take advantage of views of the conservation areas. (3) Align streets and nature trails to best serve home sites while minimizing impacts on the landscape. (4) Draw in the lot lines. Examples of conservation communities were shown. Conservation design principles were listed and explained by Mr. Adamson. Mr. Adamson compared conventional estate development to conservation estate development.

The meeting recessed at 7:07 p.m. and reconvened at 7:20 p.m.

Mr. Adamson explained the low-impact design approach used in the newly constructed Southeast Polk High School.

Economic advantages for municipalities and for developers were outlined by Mr. Adamson. He cited conservation subdivision design myths and truths.

Planner Seana Perkins explained how staff thought the conservation subdivision design would fit with existing City standards. She described current Code regulations pertaining to residential development, specifically the F-PRD (Planned Residence District Floating Zone). In summary, there would be some flexibility in the F-PRD regulations to allow for the conservation subdivision concept. Public Works Director John Joiner described current developments where some of the low-impact development design techniques are being used. Municipal Engineer Tracy Warner explained pending ordinance changes, to be effective by March 2007, that will integrate low-impact design techniques; these changes are federal mandates.

Ms. Sauer told the City Council that the County containing Hudson, Wisconsin, mandates that all new developments be conservation subdivisions. Mr. Kindred advised that City staff is very supportive of the concept of conservation subdivisions. They do not believe that they are appropriate in all areas, but do feel they are very appropriate in environmentally sensitive areas. Ms. Perkins pointed out that the Urban Fringe Plan did indicate watershed protection areas.

City Manager Schainker stated that, although the lots are not large, conservation subdivisions do give the illusion of larger lots; this may satisfy developers' desires for large-lot development.

Pat Sauer listed various approaches that could be taken if the City were to adopt the conservation subdivision process. She also detailed potential issues, as follows: (1) Management of and

maintaining open space, (2) Using SUDAS practices in Ames, (3) conflicts with “Smart-Growth” principles, (4) building developer support through education and inclusion, (5) applying conservation subdivision techniques to commercial and industrial land uses, and, (6) applying conservation subdivision techniques to the urban fringe area.

Council Member Popken asked staff to take a conventionally developed subdivision and reconfigure it as a conservation subdivision to ascertain what differences there would be. He said he was skeptical that the density would be equal.

Mr. Kindred said that a possible next step would include community education. That could entail seminar presentations with developers present, round-table discussions, and/or trips to communities where conservation subdivisions exist.

Council Member Doll said that he would like to know the answer to the density question posed by Council Member Popken. Council Member Goodman requested that developers be asked for their opinions. Council Member Larson concurred and asked that developers be e-mailed with information on the re-broadcast times of this workshop.

Council members collectively agreed to direct staff to schedule an educational session followed by an input session; these would occur on two separate nights. Developers, engineers, planners, lenders, and “smart growth” representatives would specifically be invited.

The meeting recessed at 8:38 p.m. and reconvened at 8:45 p.m.

BUDGET GUIDELINES: Mayor Campbell introduced Duane Pitcher, Finance Director, and Carol Collings, Budget Officer.

City Manager Schainker explained that staff will highlight budget issues that will be of concern during the next fiscal year.

Fund Balances. Mr. Pitcher said that the City of Ames continues to experience good economic conditions and its financial situation is strong. Increases in the cost of fuel are expected to have a negative impact on the City’s budget, both for motorized equipment and heating facilities. He advised that the balances for all major funds ended FY 2005/06 at or near budgeted amounts; however; Homewood Golf Course and Ames/ISU Ice Arena funds ended the year lower than expected, and it is probable that fee increases will be requested for both programs.

Parking Fund. Revenue from meter fees, parking space rentals, and parking fines has not been keeping pace with expenditures. Mr. Pitcher pointed out that this trend has been exacerbated by recent actions taken by the Council to waive parking fees for numerous Main Street Cultural District events; this is averaging \$25,000/year in lost revenue.

Council Member Popken asked how much time is spent enforcing meters versus other areas. Mr.

Schinker advised that staff would get that information to the Council.

Mr. Pitcher outlined changes that will be recommended in the FY 2007/08 budget, as follows:

1. Overtime fines will increase from \$3 to \$5; then increase from the current \$5 to \$10 if a ticket is not paid in seven days.
2. Illegal fines will remain at \$10, but after seven days, will increase to \$15. (These fines currently increase to \$15 after 30 days.)
3. Allow the collection agency to contact the credit agencies to report status of an individual's unpaid parking fines.
4. Along with these revenue increases, it is the City's intent to reduce a .75 FTE in FY 2008/09 to reduce expenditures in the Parking Fund.

Mr. Pitcher added that the Main Street Cultural District has requested that the City Council waive parking fees for all Saturdays throughout the year and decrease the hours of enforcement on weekdays. This additional lost revenue will require an increase in the meter rates of 50% for all other times of the week in the Downtown area. Council Member Goodman asked that City staff discuss the revenue issue with the Main Street Cultural District.

Police and Fire Retirement and IPERS. Notification has been received from the Municipal Fire and Police Retirement System of Iowa that the City contribution rate to that plan will decrease from 27.75% to 25.48%. This continues to be a major expense with a total budget cost of \$1,448,636 for FY 2007/08.

State Legislature passed a series of increases in the Iowa Public Employees Retirement System (IPERS) to raise the combined contribution rate from 9.45% to 11.45% over four years. The plan maintains the contribution split at 60% City and 40% employee with the City contribution rate increasing from 5.75% to 6.05% in FY 2007/08. The City's total contribution to IPERS is budgeted at approximately \$934,000 for FY 2007/08.

Health Insurance. Good news shared by Mr. Pitcher was that, for FY 2007/08, health insurance rates are budgeted to increase approximately 10% from the adjusted rate for FY 2006/07. This will result in costs to departments of approximately the same as the FY 2006/07 adopted budget. Mr. Schinker applauded the City's Health Insurance Team (comprised of employees) for coming up with recommendations and implementing health program changes. According to Mr. Pitcher, the Health Care Self-Insurance Fund balance maintains a strong balance, and the City is able to absorb fluctuations in future health care claims.

Rollback. For FY 2007/08, 45.5596% of assessed residential value will be taxed, down from

45.9960% in FY 2006/07. Commercial and industrial property will be taxed at 100% of assessed valuation. These changes will result in a slight net decrease in taxable valuation of existing property.

Local Option Sales Tax Revenues. Mr. Pitcher said that, for the current fiscal year, the City expects Local Option Sales Tax receipts to be \$559,278 higher than the adopted budget. For FY 2007/08, staff is predicting growth of 6.4% in Local Option Sales Tax revenue from the adopted budget.

ASSET Funding. Assistant City Manager Sheila Lundt stated that the current ASSET allocation is \$841,841. For FY 2007/08, 22 agencies have requested a total of \$911,676 (an increase of 8.3% over the FY 2006/07 adopted budget). She said that most of the organizations have requested increases in the 3 to 5% range; however, seven of the agencies have requested increases of 10% or more. Of those agencies requesting 10% or more, all are multi-county in terms of service area. The average requested increase to the City of Ames is 16.35% with individual requests ranging from 10 to 33.3% for the seven agencies; this indicates a continued shifting of agency funding to the City of Ames.

Ms. Lundt said that the ASSET volunteers will need to carefully review all of the requests for FY 2007/08, and particularly, those that seem higher than normal in order to determine the exact cost of service as well as the level of service that Ames residents are being asked to provide funding.

Staff is recommending a 5% increase in ASSET funding, for a total cost of \$833,933 (an increase of \$42,092).

Also, the Council was told by Ms. Lundt that a number of local agencies have expressed a need for additional or more usable space. A feasibility study may be needed to determine agency space needs, identify possible locations within existing structures, and available fund-raising potential. For many of the agencies, space needs are becoming critical; the City may be requested to participate in such a study.

Ms. Lundt advised that the Government of the Student Body (GSB) will be making available \$130,000. It is unknown at this time what amount of funding will be made available by the United Way and Story County.

COTA Arts Funding. Assistant City Manager Lundt advised that the current FY 2006/07 allocation is \$97,492 (3.5% above the FY 2005/06 level). She reminded the Council that the COTA allocation was frozen at \$91,451 for FYs 2003/04 and 2004/05 due to a shortfall of expected Local Option Tax revenues. For FY 2007/08, staff is recommending that the Council consider an 8% increase to restore frozen funding levels for a total allocation of \$105,291.

Ms. Lundt offered four options for funding Human Service Agencies and COTA:

1. Appropriate an increase to the agencies based on an anticipated inflationary increase of 3.0%. This option results in 44% of the budgeted local option sales tax available for Community Betterment activities in 2007/08 be allocated to arts and human services.
2. Appropriate a 5% increase to ASSET and 8% to COTA. This option results in 45% of budgeted local option sales tax available for Community Betterment activities in FY 2007/08 being allocated to arts and human services.
3. Allocate amounts equal to the requests from the ASSET agencies and COTA (\$911,676 and \$118,600, respectively). This option results in 47% of budgeted local option sales tax available for Community Betterment in FY 2007/08 being allocated to arts and human services.
4. Allocate some other percentage increase to the arts and human services.

Ms. Lundt advised that requests have been received for \$118,600 for annual COTA grants from 12 organizations. She also said that \$7,000 is normally set aside for mini-grants. A memo from Lu Kiser, Chair of the COTA, was distributed to the Council.

City Manager Schainker told the Council members that their direction on funding levels was not needed tonight; however, it will be required at their November 28, 2006, meeting.

Hotel/Motel Tax Revenues. Mr. Pitcher advised that Hotel/Motel Tax receipts were approximately 6.75% higher than the FY 2005/06 adopted budget. Mr. Schainker reminded the Council that the Hotel/Motel Tax rate was increased from 5 to 7% effective July 1, 2005, with the additional 2% going to the Ames Convention and Visitors Bureau (ACVB). The ACVB had indicated that they would use some of the additional funding for community events, and Council direction will be requested for several funding requests that would fall under that category.

Moved by Goodman, seconded by Rice, to allocate funding from the Hotel/Motel Tax Revenues for the "Welcome Back" event and the 4th of July Pancake Breakfast.

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

Council Member Goodman asked the City Manager to find out what criteria are used by the ACVB to determine funding allocations.

Council Member Rice asked that the Jaycees be asked why the 4th of July fireworks are so costly. It has come to his attention that fireworks displayed recently were about one-third of the cost requested to be reimbursed by the City for the 4th of July celebration. Council Member Doll will ascertain that information.

Utility Rates. Water, sanitary sewer, and electric utilities will require rate increases in the next five years. Adjustments will be made in the timing of public improvements to lessen the impact on

customers in any given year.

CyRide. There will be expense increases in the FY 2007/08 budget due to the cost of fuel and hiring/training bus drivers. Transit Board recommendations need to be received before the impact on property tax funding can be evaluated.

Other Funding Requests. Duane Pitcher advised that the following requests for funding have been received or are anticipated:

1. Hunziker Youth Sports Complex: \$25,000
2. Main Street Cultural District: \$81,000 (\$75,000 for administration; \$2,000 for flower pots, and \$2,000 for flowers)
3. Downtown Facade Improvement Program be changed from loans to grants
4. Story County Conservation Board: Addition of bicycle-pedestrian trail between South Duff and Dayton Road along South 16th Street
5. Ames Historical Society: \$10,000
6. Request from citizen to add total reconstruction of the Brookside Park tennis courts and basketball court to the Capital Improvements Plan (CIP)
7. Request from citizen to find ways to better promote the City and its most attractive attributes (e.g., Reiman Gardens, Main Street, Campustown, ISU)
8. Good Neighbor Emergency Assistance, Inc.: \$20,000
9. Sister Cities: Anticipated request for \$3,000
10. Public Art: Anticipated request of \$15,000 - \$25,000

Council Member Goodman asked for staff to look at including the Ames Historical Society in ASSET or COTA funding. He sees it as a very essential organization. Ms. Lundt explained that it had been discussed in the past; however, she will approach COTA to see if it is a possibility.

Service Level Improvements. Pertaining to Enhancing Core Neighborhoods, Mr. Schainker said that it is time for the City of Ames to become more proactive in enforcing the existing laws that impact the quality of neighborhoods. He advised that two new positions will be recommended to accomplish this new approach. Mr. Schainker also strongly suggested that the City Council give serious consideration to approving a Minimum Property Maintenance Code to be applied to owner-occupied as well as rental properties. He forewarned that some citizens will be highly

critical of the City for the aggressive approach.

City Manager Schainker said that one new position will be a front-line supervisor in the Inspection Division to be funded through building permit fees. The second position will be a Property Maintenance Code Inspector, who will be devoted full-time to the proactive enforcement of existing codes; that will be funded from the General Fund. In addition, funds will be needed in FY 2006/07 to renovate the Inspection office to accommodate the new positions. Regarding Electric Utility purchasing services, Mr. Schainker said that new legislature will create additional publishing and bidding procedures. With these new requirements, the Utility would be better served by utilizing Purchasing staff to manage the bid process and allow Electric Utility staff to concentrate on project management.

Also, The Clean Water Act requires cities over 50,000 in population to address six “best practices” in regards to protecting storm water. One area deals with construction site erosion, and to meet the objectives, the City will be establishing a grading and storm water permit. The permit will require a storm water prevention plan from the developer of each subdivision and from the building for each lot. This will necessitate City staff to perform at least two on-site inspections/year. It is anticipated that the new responsibilities will require approximately 2,000 hours or an equivalent of an additional position; a new Storm Water Specialist will be included in the budget.

City Manager Schainker said that this year’s budget will reflect an increase in the seasonal/temporary positions (interns/co-ops/etc.) in the Planning and Housing, Public Works, Fire/Inspections, Water and Pollution Control, and the City Manager departments.

Mr. Schainker told the Council that, with the replacement of two long-tenured department heads, the Electric Services and Water and Pollution Control Departments will perform an analysis to determine if the existing organizational structure is adequate to meet the needs of the City’s customers.

Mr. Pitcher advised the Council that the minutes of the Town Budget Meeting were included with the budget guidelines as were letters from agencies requesting funding.

COMMENTS: Moved by Popken, seconded by Rice, to forward to City staff the e-mails relating to the elimination of the tax abatement program for multi-family residential development.
Vote on Motion: 5-0. Motion declared carried unanimously.

Mayor Campbell advised that elimination of the tax abatement will be put on a subsequent agenda because the issue of the urban revitalization program was not listed on the November 14, 2006, agenda. It was listed as, “staff report on growth in apartment units...”. City Attorney Marek explained that, since the Council changed the eligibility criteria, it was his recommendation to put the issue on a subsequent agenda so notice can be given to those affected.

ADJOURNMENT: Moved by Goodman, seconded by Rice, to adjourn the meeting at 10:10 p.m.

Diane R. Voss, City Clerk

Ann H. Campbell, Mayor