

## MINUTES OF THE REGULAR MEETING OF THE AMES CITY COUNCIL

AMES, IOWA

JULY 27, 2023

The Regular Meeting of the Ames City Council was called to order by Mayor John Haila at 6:00 p.m. on the 27<sup>th</sup> day of July, 2023, in the City Council Chambers in City Hall, 515 Clark Avenue, pursuant to law. Present were Council Members Bronwyn Beatty-Hansen, Amber Corrieri, Tim Gartin, Rachel Junck, and Anita Rollins. Council Member Gloria Betcher joined the meeting telephonically. *Ex officio* Tabita Etten was absent.

**CONSENT AGENDA:** Council Member Junck requested to pull Item No. 6.

Moved by Corrieri, seconded by Beatty-Hansen, to approve the consent agenda less Item No. 6.

1. Motion approving payment of claims
2. Motion approving Summary of Minutes of Regular Meeting on July 11, 2023
3. Motion approving Report of Change Orders for period July 1-15, 2023
4. RESOLUTION NO. 23-428 approving contract renewal with EMC Risk Services, LLC, Des Moines, Iowa, to provide third-party administration of the City's Worker's Compensation and Municipal Fire and Police "411 System" claims for August 1, 2023, through July 31, 2024
5. RESOLUTION NO. 23-429 approving award of contract to RK Demolition, of Slater, Iowa, for demolition of City-owned property located at 621 Grand Avenue in conjunction with the City's Community Development Block Grant (CDBG) in the amount not to exceed \$77,380
6. ~~RESOLUTION NO. 23-430 approving award of contract for CyRide FY 2024 Fuel Purchase to Renewable Energy Group of Ames, Iowa, for fuel purchases from August 1, 2023, until June 30, 2024, at an amount not to exceed \$1,572,500~~
7. RESOLUTION NO. 23-431 approving preliminary plans and specifications for CyRide 2023 Shop Rehabilitation Project, setting August 23, 2023, as the bid due date and September 12, 2023, as the date of Public Hearing
8. RESOLUTION NO. 23-432 approving contract and bond for the Furman Aquatic Center Pool Basin Repainting project with Amusement Restoration Companies, of Burnet, Texas

Roll Call Vote: 6-0. Motions/Resolutions declared carried/adopted, signed by the Mayor, and hereby made a portion of these Minutes.

**CONTRACT FOR CYRIDE FY 2024 FUEL PURCHASE TO RENEWABLE ENERGY GROUP OF AMES, IOWA, FOR FUEL PURCHASES:** Council Member Junck noted that she requested to pull the aforementioned item due to conflict of interest.

Moved by Gartin, seconded by Corrieri, to adopt RESOLUTION NO. 23-430 approving award of contract for CyRide FY 2024 Fuel Purchase to Renewable Energy Group of Ames, Iowa, for fuel purchases from August 1, 2023, until June 30, 2024, at an amount not to exceed \$1,572,500.

Roll Call Vote: 5-0-1, Council Member Junck abstaining due to conflict of interest. Resolution declared adopted, signed by the Mayor, and hereby made a portion of these Minutes.

**PUBLIC FORUM:** Mayor Haila opened and closed the Public Forum when no one came forward to speak.

**FITCH FAMILY INDOOR AQUATIC CENTER UPDATE:** Parks and Recreation Director Keith Abraham reviewed the design development phase, highlighting that several steps have occurred to begin identifying equipment needs and material quantities. He reviewed floor plan options and presented building renderings before addressing the cost estimate. Mr. Abraham emphasized that this phase of the design development included reconciling differences between cost estimates and developing a second set of value engineering options. These value engineering options could be added after bids are received as an add alternate should the funding be available.

In further review of the project budget, Mr. Abraham explained that the original budget included an anticipated Community Attraction and Tourism (CAT) grant to support the project. Staff submitted an application for these funds but was recently notified that the City did not receive an award. He shared that staff had been encouraged to reapply in August 2023, although most recent cost estimates showed sufficient funding without the CAT grant to construct the project.

Director Abraham then discussed additional miscellaneous activities. He focused on the results of the geothermal wells, noting that the Iowa Department of Natural Resources (IDNR) had granted limited approval to proceed with a horizontal well field. Therefore, the geothermal wells were included in the project design.

The next steps were reviewed by Mr. Abraham. He shared that staff and the design team have planned to work on the following:

- Beginning the Construction Documents Phase.
- Seeking approval from Story County for the geothermal well field.
- Finalizing the stormwater management plan, with a preference for partial off-site management, if possible.
- Securing final Iowa Department of Public Health (IDPH) approval for the aquatics portion of the design.
- Submitting plans to the City's Development Review Committee (DRC) for approval.
- Providing the City Council with updated cost estimates at the end of the Construction Documents phase.

The Mayor and members of the City Council engaged in robust discussion concerning building materials, design considerations, mitigation efforts of the contaminated soil, and remote parking options. Questions were addressed by City staff as well as consultants Brad Rodenburg of RDG Planning and Design and Brant Carr of Story Construction. After discussion, the members of the City Council shared agreement that the facility design would provide usable space for programs and supported the work plan presented by staff. No formal action was taken.

**NATURAL GAS SUPPLY CONTRACT:** Electric Services Director Don Kom, Assistant Director of Electric Services Curtis Spence, and Director of Public Works John Joiner presented

the Council Action Form. Director Kom explained that Electric Services utilizes natural gas to consume the municipal solid waste (MSW) that is processed by the Resource Recovery Plant (RRP) in order to generate electricity. He reviewed that in 2015, when Electric Services converted the boilers from coal to natural gas, a 5-year fixed price contract was awarded to Macquarie Energy LLC for the purchase of 12,000 MMBtu/per day of natural gas. Subsequently, a 3-year extension was added which brought the contract period through December 31, 2023.

The challenge in arranging an extension or soliciting bids on a new gas contract is determining the price at which to commit, explained Director Kom. In the natural gas market, quoted prices expire within a 24-hour period. Director Kom reviewed the steps staff took in order to negotiate the original contract, noting that the City Manager is recommending authorizing the Director of Electric Services to commit the City to a one-, two-, or three-year extension of the contract with Macquarie Energy LLC. Director Kom noted that price estimates for one-to-two years out show natural gas futures in the \$3.50 - \$5.60 MMBtu range; however, staff has identified the goal to keep cost increases to electric customers to no more than 5%. To accomplish this goal, staff determined the best approach was to purchase 8,000 MMBtu/day for November through March, and 12,000 MMBtu/day for April through October at a cost not to exceed \$4/MMBtu, with slight variations due to market conditions, and continue to accept hauled waste at the RRP during the winter months but increase the volume of reject materials.

Director Kom discussed the other financial impacts of this approach to the RRP, haulers, and Boone County Landfill (BCL), highlighting that it would minimize impacts to haulers and BCL but increase hauling costs for the RRP. He noted that the recommendation from the City Manager includes a transfer of funds from the Electric Fund to the Resource Recovery Fund to offset the shortfall in net revenues. He explained that this approach was identified by staff to create the most manageable impact to the aforementioned stakeholders. He concluded that this issue is being discussed with the Electric Utilities Operations Review Advisory Board, which is supportive of the recommendation from the City Manager.

Staff and members of the City Council discussed the effect natural gas prices will have on future fiscal year budgets. Council Member Beatty-Hansen highlighted the other immediate action that would need to take place to reduce the volume of waste being received at the RRP, noting that there will need to be a difference in messaging to citizens that focuses on education. Council Member Gartin inquired about processing the MSW at the RRP, asking staff to expand upon how that would be accommodated by the proposed approach. Director Joiner noted that under the proposed approach, processing the MSW would be a planned activity in the operations of the RRP. He furthered that currently, disruptions in processing are intermittent and unpredictable, and it is more difficult to adjust the operations in order to accommodate the change in processing needs.

Mayor Haila opened and closed the Public Input when no one came forward to speak.

Moved by Corrieri, seconded by Gartin, to adopt RESOLUTION NO. 23-433 authorizing staff to approve amending the contract with Macquarie Energy LLC, Houston, Texas, to extend the

existing natural gas supply contract for a term of not less than one but not more than three years at a price of not more than \$4/MMBtu and a total cost of not more than \$14,900,000, and further authorizing a transfer of funds from the Electric Fund to Resource Recovery Fund to offset the shortfall in net revenues due to the reduction in natural gas purchased for the remainder of FY 2023/24.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

**HEARING ON A ZONING TEXT AMENDMENT TO ALLOW FOR A SPORTS PRACTICE FACILITY AS A USE WITHIN THE GENERAL INDUSTRIAL (GI) ZONING DISTRICT OF SECTION 29.901 OF THE AMES *MUNICIPAL CODE*:** Planner Benjamin Campbell shared that the applicant that introduced this issue is no longer planning to proceed with the proposed location for the sports practice facility; however, based on the review of peer cities, staff still supports the Zoning Text Amendment as future benefits would be realized.

The Public Hearing was opened and closed by the Mayor when no one came forward to speak.

Moved by Gartin, seconded by Corrieri, to pass on first reading an ordinance on a Zoning Text Amendment to allow for a sports practice facility as a use within the General Industrial (GI) Zoning District of Section 29.901 of the Ames *Municipal Code*.

Roll Call Vote: 6-0. Motion declared carried unanimously.

**SECOND READING OF AN ORDINANCE AMENDING AMES *MUNICIPAL CODE* SECTION 11.4 REGARDING URINATION AND DEFECATION:** Moved by Rollins, seconded by Corrieri, to pass on second reading an ordinance amending Ames *Municipal Code* Section 11.4 regarding Urination and Defecation.

Roll Call Vote: 6-0. Motion declared carried unanimously.

**THIRD READING AND ADOPTION OF ORDINANCE NO. 4506 ON REZONING OF 314 BORNE AVENUE FROM GENERAL INDUSTRIAL (GI) TO GOVERNMENT/AIRPORT DISTRICT (S-GA):** Moved by Corrieri, seconded by Rollins, to pass on third reading and adopt ORDINANCE NO. 4506.

Roll Call Vote: 6-0. Motion declared carried unanimously.

**DISPOSITION OF COMMUNICATIONS TO COUNCIL:** Mayor Haila stated that there was one item to consider from Casey and Nick Johnson of Ames Ford Lincoln regarding a request for a minor reduction in green space requirement to allow for 12 electric vehicle chargers.

Moved by Corrieri, seconded by Beatty-Hansen, to request a memo from staff.

Council Member Gartin suggested moving the request forward as an item on a future agenda. Council Member Corrieri noted that she was hesitant to consider Zoning Text Amendments for site specific locations and wondered if there was a larger discussion to be had about smaller

requests, like this one, that could be approved at a staff level. Council Member Gartin shared his agreement, noting that it would be his preference to expand on that conversation while moving forward with the current request.

Moved by Corrieri, seconded by Beatty-Hansen, to amend the previous motion and place the item on a future agenda.

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

**COUNCIL COMMENTS:** Council Member Gartin noted the success of hosting 25,000 riders overnight as part of the Register's Annual Great Bicycle Ride Across Iowa (RAGBRAI). He shared that there were less than three citations issued during the event and the parks that hosted campers were left in great condition with no damages. He also acknowledged that there was a tremendous amount of work on the part of the City to make everything possible, thanking staff and volunteers for all of their efforts. Lastly, Council Member Gartin pointed out that the only member of the audience present at the meeting besides City staff was Cleo Westin, Politics Reporter for the Iowa State Daily. He noted that Cleo Westin had been the only reporter covering the Ames City Council for a long time. He shared that there are many in the community, including members of the City Council, that appreciate Cleo Westin's writings, which are detailed and thoughtful.

Council Member Corrieri noted that she would be making a motion regarding earlier discussions around Zoning Text Amendments.

Moved by Corrieri, seconded by Beatty-Hansen, to request a memo from staff regarding suggestions on areas of the code as it relates to developments where it would be appropriate for staff-level approval of requests.

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

Mayor Haila echoed Council Member Gartin's words to Cleo Westin. He also shared his appreciation for staff and the hundreds of volunteers that stepped up to help during RAGBRAI. He thanked the community as well for accommodating all of the riders. He concluded by noting that he had called for a Special Meeting of the Ames City Council on August 3, 2023, to continue the discussion of the Fitch Family Indoor Aquatic Center; however, in lieu of the information presented at the meeting tonight, he would be cancelling that meeting.

**ADJOURNMENT:** Moved by Rollins, seconded by Corrieri, to adjourn the meeting at 8:29 p.m.

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

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Carly M. Watson, Deputy City Clerk

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John A. Haila, Mayor

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Renee Hall, City Clerk