

October 4, 2016

The City Council of the City of Fort Morgan, Colorado, met this day in the Council Chambers of City Hall. The Honorable Mayor Ron Shaver called the regular meeting to order at 6:00 p.m.

The Pledge of Allegiance was given.

Roll Call: Present: Honorable Mayor Ron Shaver
Councilmember Allison Howe
Councilmember Kevin Lindell
Councilmember Dan Marler
Councilmember Lisa Northrup

Absent: Councilmember Christine Castoe (excused)
Councilmember Clint Anderson (late - excused)

The meeting was also attended by City Manager Jeff Wells, Interim Police Chief Jared Crone, City Treasurer Jean Kinney, Water Resources/Utilities Director Brent Nation, Engineering/Public Works Director Brad Curtis, Human Resources/Risk Management Director Michael Boyer, Economic Development Specialist Chelsea Gondeck, City Attorney Jason Meyers, FMPD Lt. Loren Sharp, FMPD Officers Cindy Brackett, Palmer Anguiano, Anthony Gagliano, Jonathan Renteria, Darron Dunson and Joey Montoya, Fire Marshal John Zink and City Clerk/PIO John Brennan.

APPROVAL OF MINUTES – SEPT. 20, 2016 CITY COUNCIL REGULAR MEETING

Councilmember Lisa Northrup offered a resolution to approve the minutes of the Sept. 20, 2016 regular meeting as presented, which was seconded by Councilmember Allison Howe and approved on a unanimous vote of 5-0, with Councilmember Christine Castoe absent and Councilmember Clint Anderson late.

PROCLAMATION DESIGNATING OCTOBER AS DOMESTIC VIOLENCE AWARENESS MONTH

Mayor Ron Shaver read the proclamation and presented a signed and sealed formal copy to Jan Schiller of SHARE Inc., which offers services and programs for victims of domestic violence. Schiller noted that it was the 35th anniversary for SHARE and spoke about the program's donors and activities planned during the month.

PROCLAMATION DESIGNATING OCT. 2-8 AS UTILITY WEEK

Mayor Shaver read this proclamation and presented a formal copy to Water Resources/Utilities Director Brent Nation, who thanked the council for its support of city-owned utilities and invited everyone to the annual Utility Week barbecue the following day.

SWEARING-IN OF NEW FORT MORGAN POLICE OFFICER NATHANIAL BAUMGARTNER

Mayor Shaver administered the oath of office to Baumgartner and Interim Police Chief Jared Crone pinned Baumgartner's badge on his uniform. Crone briefly described the new officer's background and welcomed him to the department.

FIBER NETWORK UPDATE

Nation described the progress on the preliminary design of the city project to provide fiber optic service to all Fort Morgan homes and businesses, and the plan for completing the first phase in 2017. The initial phase would build the “backbone” of the system, Nation said, with the network serving neighborhoods to be built in subsequent years. Nation outlined the estimated costs and projected timeline of the project, and noted that City Manager Jeff Wells had received council direction at the previous meeting to budget for the 2017 costs from reserves in the electric fund. No formal action was taken.

BIDS FOR THE GOLF COURSE SUPPLEMENTAL IRRIGATION PROJECT

Nation said the city had been planning for this project for several years, since obtaining shares of Riverside Irrigation Co. water. This project would create a conveyance that would allow this water to be used on the city golf course instead of relying on the current well that is located across the river in Log Lane Village. Wells noted that this would save on water costs at the golf course and the higher quality of the water would help the turf at the course.

Nation reviewed the bid process, in which three bids were received, and said staff was recommending acceptance of the bid from Jess Backhoe Service of Fort Morgan. He said that bid was slightly above the low bid but this was a local company with a work history with the city that would partner with another local firm and could complete the project sooner than the other bidders. Nation also explained that the well water would still have to be used early and late in the season when the Riverside ditch was not delivering water.

Northrup offered a resolution to accept the bid from Jess Backhoe Service LLC of Fort Morgan in an amount not to exceed \$507,000 to complete the Quail Dunes Supplemental Irrigation Project, and to allow staff to work with the bidder to choose the most appropriate pipe alternative. That resolution was seconded by Councilmember Dan Marler and approved unanimously (5-0, Castoe and Anderson absent).

BIDS FOR RETAIL ANALYTICS SERVICES

Economic Development Specialist Chelsea Gondeck reviewed the bid process for these services, which would be funded by \$60,000 from the Capital Improvement Fund and a \$30,000 grant from the state Department of Local Affairs. Gondeck said staff was recommending acceptance of the bid from The Retail Coach due to its experience and customized approach, and said staff would like to pay for the first two years of the agreement in advance to maximize the DOLA matching grant, with an option to renew for a third year.

Northrup offered a resolution to accept the bid from The Retail Coach to provide retail analytics services and to pay for the first two years of the agreement in advance at a cost of \$74,000, with the opportunity to renew for a third year at \$28,000. That resolution was seconded by Councilmember Kevin Lindell and approved unanimously (5-0, Castoe and Anderson absent).

RESOLUTION AUTHORIZING THE MAYOR TO SIGN A DEVELOPMENT AGREEMENT WITH EARLY MAN BREWING CO.

Gondeck said the city had been approached by a local business owner who wanted to establish a brewery and pizza restaurant on a vacant and blighted property in the city. The city’s Economic Development and Marketing Department had worked with owner Randy Bernhardt on a development improvement agreement and this resolution would authorize the mayor to sign the agreement.

Northrup offered a resolution to approve the Resolution authorizing the mayor to sign the development agreement between the city and Randy Bernhardt, which was seconded by Lindell and approved unanimously (5-0, Castoe and Anderson absent).

REQUEST FOR A PERMIT FOR A BULK PROPANE DISPENSING STATION

Engineering/Public Works Director Brad Curtis explained that Murdoch's Home & Ranch Supply wanted to install a 1,000-gallon dispensing station for propane, and city staff had worked with the company and its bulk propane supplier to find a location on the store site that would meet all applicable fire, fuel, building and other city codes. Curtis said staff recommended approval with conditions, which he reviewed for the council.

Wells asked about training requirements for the Murdoch's staff that would be dispensing propane, and Byron Smith of propane supplier AmeriGas Propane Co. said his company would train and certify Murdoch's personnel and offer additional training annually, and also train Murdoch's staff to train other workers.

Councilmember Howe offered a resolution to approve the permit for the proposed location and intended use of the 1,000-gallon propane dispensing tank for Murdoch's Home & Ranch Supply with the condition that final design, permitting, construction and inspections meet or exceed all applicable codes and staff comments as required for the safety, health and welfare of the public, and to waive the bond requirement and note that the permit is only for Murdoch's and is not transferable. That resolution was seconded by Northrup and approved unanimously (5-0, Castoe and Anderson absent).

RESOLUTION APPROVING A MAINTENANCE CONTRACT WITH THE COLORADO DEPARTMENT OF TRANSPORTATION

Curtis said this was an agreement that is scheduled to be renewed every five years, which pays the city for snow removal and maintenance of state highways within the city limits. He said he had worked with CDOT on the payment amounts and basis for calculating them and the city would now receive approximately \$11,000 per year instead of the \$7,000 it had been receiving under the previous agreement. Council and staff discussion followed about the costs, frequency of snow removal and other elements of the agreement.

Howe offered a resolution to approve the Resolution accepting the CDOT maintenance agreement as presented, which was seconded by Northrup and approved unanimously (5-0, Castoe and Anderson absent).

FIRST READING OF AN ORDINANCE MERGING THE FIBER NETWORK UTILITY AND THE ELECTRIC SYSTEM ENTERPRISE

Wells said this ordinance would merge the fiber network utility and the electric system into one enterprise, which he said made sense because the electric department would be doing much of the work related to the fiber system. Council and staff discussion followed about the need for additional employees for the electric department, the models being used by other municipalities to create fiber optic systems and other issues related to the development of the fiber network. Several council members commended the city staff for developing relationships with other municipalities and learning from their experiences.

Northrup offered a resolution to approve the first reading of an Ordinance combining the Electric Department and System Enterprise of the City of Fort Morgan and the Fort Morgan Fiber Utility, and to schedule a public hearing on the Ordinance for Oct. 18. That resolution was seconded by Marler and approved unanimously (5-0, Castoe and Anderson absent).

FIRST READING OF AN ORDINANCE AMENDING THE 2016 BUDGET FOR THE WATER FUND

City Treasurer Jean Kinney said this measure would amend the 2016 budget for the Water Fund to reflect the actual amount of money spent by the city for debt service, reflecting both interest and principal payments instead of only interest as previously done.

Northrup offered a resolution to approve the first reading of an Ordinance amending the appropriation of monies for the funds of the City of Fort Morgan for 2016, and to schedule a public hearing on the Ordinance for Oct. 18. That resolution was seconded by Howe and approved unanimously (5-0, Castoe and Anderson absent).

2017 BUDGET CALENDAR – OUTSTANDING BUDGET ISSUES FOR THE 2017 BUDGET

Wells said he wanted to explain to the council several final issues for the 2017 budget that had not been finalized yet. The first was an Americans with Disabilities Act settlement agreement with the U.S. Department of Justice stemming from an ADA audit of city facilities and programs. Human Resources/Risk Management Director and ADA Coordinator Michael Boyer said the city had made many improvements in the three years since the settlement agreement but still had more to do, and wanted to allocate funding in the 2017 budget for further ADA accessibility improvements to demonstrate to the DOJ that the city was working diligently on the improvements. Boyer asked that \$100,000 be used from the surplus in the Capital Improvement Fund for this purpose. He said this would be in addition to money already in the 2017 budget for streets and grant funds that would go to ADA improvements, but full completion would likely take many years. Council and staff discussion of these issues followed.

Wells said the second 2017 budget issue was how to fund a GIS technician, equipment and software. He said staff was still working to determine the best approach but would like to allocate \$100,000 in the Information Technology budget for 2017. This would cover the cost of an employee, a server and the necessary software, but the full amount would likely not be expended in 2017 because an employee would probably not be hired until at least the middle of the year.

The final item for Wells was a reminder that staff would like to budget approximately \$2.3 million from Electric Fund reserves for the first phase of construction of the fiber network, as discussed earlier in this meeting. He said staff would be looking at financing alternatives for the rest of the project, and Wells and Kinney estimated that the Electric Fund reserves currently totaled about \$10 million.

Wells asked the council if there was anything else that staff should address in the 2017 budget, and some discussion followed about issues such as street repairs. No formal action was taken but general council direction was given to Wells to include funding in the 2017 budget for the three items outlined during this discussion. Wells said the full budget for 2017 would be presented at the next council meeting for possible first reading of an ordinance to adopt the budget, which would not be final until second reading at the first council meeting in November.

CONSIDERATION OF THE MAYOR'S DAY OFF THE DAY AFTER THANKSGIVING

Wells said the council had traditionally granted city employees the day after Thanksgiving as an additional day off, because city offices saw little traffic and the additional holiday put the city in line with most other Colorado municipalities in terms of the number of annual paid holidays.

Northrup made a motion to approve the Mayor's Day Off on the day after Thanksgiving, which was seconded by Lindell and approved unanimously (5-0, Castoe and Anderson absent).

PUBLIC COMMENT / AUDIENCE PARTICIPATION

None.

REPORTS BY OFFICIALS AND STAFF

Wells told the council of an upcoming public meeting hosted by Morgan County regarding expansion of the Western Sugar plant in Fort Morgan, and said he planned to attend both as a city resident and as the city manager to voice concern about the impacts of the sugar factory on quality of life for city residents. Council and staff discussion of these issues ensued, and several council members also said they would try to attend the meeting.

Nation told the council about a water valve break that caused major damage to Vickie Street near Riverview Avenue over the weekend and caused the temporary shutoff of water to residents and businesses in the surrounding area. He said residents and business owners were very cooperative and understanding of this emergency situation.

BIDS, MEETINGS AND ANNOUNCEMENTS

Brennan announced current bids and upcoming meetings.

EXECUTIVE SESSION

The regular portion of the meeting ended at 7:47 p.m., and Mayor Shaver announced that the next item on the agenda was a scheduled executive session. Northrup made a motion to proceed to the scheduled executive session, which was seconded by Marler and approved unanimously (5-0, Castoe and Anderson absent).

The executive session had been published as follows:

EXECUTIVE SESSION for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and/or instructing negotiators, under C.R.S. Section 24-6-402(4)(e); AND THE FOLLOWING ADDITIONAL DETAILS ARE PROVIDED FOR IDENTIFICATION PURPOSES: Water purchase.

Councilmember Anderson then arrived at the meeting.

The executive session began at 8:17 p.m. and concluded at 8:44 p.m., and was attended by the mayor and five council members (Castoe absent) along with Wells, Nation, City Attorney Jason Meyers and Gondeck.

At the conclusion of the executive session the council returned to the regular open meeting, where Northrup reported that the council had met in executive session for the purpose stated on the agenda. Northrup made a motion directing staff to proceed with negotiations as discussed in executive session. That motion was seconded by Lindell and approved unanimously (6-0, Castoe absent).

Mayor Shaver adjourned the Oct. 4, 2016 regular meeting at 9:45 p.m.

/s/ Ronald Shaver
Mayor

/s/ John Brennan
City Clerk