

December 20, 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 Clint Anderson
Councilmember Christine Castoe
Councilmember Allison Howe
Councilmember Dan Marler
Councilmember Lisa Northrup

Absent: Councilmember Kevin Lindell (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, Community Services/Economic Development Director Josh Miller, City Attorney Jason Meyers, Human Resources/Risk Management Director Michael Boyer, Economic Development Specialist Chelsea Gondeck, Chief Building Official Mike Kirkendall, Gas Superintendent Tony Behrends, Streets Superintendent Jim Willis, Fire Marshal John Zink and City Clerk/PIO John Brennan.

PRESENTATION ON CITY PAVEMENT ANALYSIS

Streets Superintendent Jim Willis said the city had retained a consulting firm to do an analysis of the city's streets network, and they had driven all 54 miles of city streets with special high-tech sensing equipment to assess the condition of the roads and help the city develop a plan to keep up with street maintenance.

Zac Thomason of Infrastructure Management Services reviewed a PowerPoint presentation that showed the streets network was the city's most valuable asset, with an estimated value of more than \$63 million. He said the city's overall Pavement Condition Index was 55, placing it in the fair category and below the national average. He showed various budgeting alternatives that the city could use to raise the PCI and catch up with the backlog of deferred street maintenance.

Mike Skinner of the Colorado Asphalt Pavement Association commended the city for undertaking this analysis and pointed out the critical importance of putting pavement management programs in place and how quickly street conditions can spiral downward without such a program. Discussion of the assessment as well as the budgeting options followed among council members, staff and the consultants, with several council members commending staff for doing the analysis and saying that the city needs to improve and maintain its streets.

City Manager Jeff Wells said city staff planned to present council with some options for securing the necessary funding to get the streets improvement and maintenance programs on track, and the council consensus was that staff was moving in the right direction on this initiative. No formal action was taken.

RESOLUTION ADJUSTING THE 2017 SCHEDULE OF FEES

Interim Police Chief Jared Crone told the council he was proposing a new fee of \$15 for vehicle identification number inspections, because the Fort Morgan Police Department as well as other area agencies were seeing an influx of people from neighboring counties asking for VIN inspections because their home towns or counties charged a fee and required appointments

with long waiting times. Crone said imposing the fee would cut down on this practice and cover the cost of the officers' time to do the inspections, and noted that other law enforcement agencies in the area had implemented or were planning to impose such fees.

Councilmember Lisa Northrup offered a resolution to approve the Resolution adjusting the 2017 Schedule of Fees, which was seconded by Councilmember Christine Castoe and approved unanimously (6-0, Councilmember Kevin Lindell absent).

RESOLUTION AUTHORIZING AN INCREASE TO THE AGGREGATE CREDIT LIMIT FOR CITY PURCHASING CARDS WITH BANK OF THE WEST

City Treasurer Jean Kinney said this measure would allow the city to use purchasing cards for more purchases and reduce the number of checks produced by the finance department. Mayor Ron Shaver asked whether the purchases paid in this way would still show as itemized purchases on the monthly report of bills paid, and Kinney said they would.

Castoe offered a resolution to approve the Resolution authorizing the city to seek an increase in the credit line limit established with Bank of the West, which was seconded by Councilmember Dan Marler and approved unanimously (6-0, Lindell absent).

BIDS FOR FIBER OPTIC CABLE

Water Resources/Utilities Director Brent Nation reviewed the bid process for this purchase, which was being done now for the 2017 budget because of the lead time required for obtaining the cable. Ten bids were received and staff was recommending acceptance of the low bid, Nation said. He said staff had verified with its fiber optic network consultant that this product was right for the city's needs, and in answer to a council question he added that it would be compatible with other products if another vendor was selected during the progress of the fiber project.

Northrup offered a resolution to accept the unit bid price of \$2.12 per foot for the fiber optic cable from Western United Electric in an amount not to exceed \$180,200. That resolution was seconded by Castoe and approved unanimously (6-0, Lindell absent).

SECOND READING AND PUBLIC HEARING ON ORDINANCE NO. 1187, AMENDING PORTIONS OF THE FORT MORGAN MUNICIPAL CODE TO THE 2015 INTERNATIONAL STANDARD

Mayor Shaver outlined the format to be followed during this public hearing, and City Clerk/PIO John Brennan confirmed that proper legal notice of the hearing had been published. Chief Building Official Mike Kirkendall said he had not received any further input on the ordinance and it was unchanged since the first reading. No public comments were received either during the hearing or in advance, and no council comments were offered. Castoe made a motion to close the public hearing, which was seconded by Marler and approved unanimously (6-0, Lindell absent).

City Attorney Jason Meyers advised the council of its options for action, and Northrup offered a resolution to approve the second and final reading of Ordinance No. 1187, amending portions of the Fort Morgan Municipal Code to the 2015 international standard, and authorize publication by title only. That resolution was seconded by Councilmember Allison Howe and approved unanimously (6-0, Lindell absent).

SECOND READING AND PUBLIC HEARING ON ORDINANCE NO. 1188, AMENDING THE SIGN CODE

Mayor Shaver said the same rules used in the preceding public hearing would apply here, and Brennan confirmed publication of proper legal notice. Kirkendall said this ordinance also was the same as approved on first reading with no changes. No public comments were received either during the hearing or in advance, and no council comments were offered. Castoe made a motion to close the public hearing, which was seconded by Marler and approved unanimously (6-0, Lindell absent).

Meyers advised the council of its options for action and Howe offered a resolution to approve the second and final reading of Ordinance No. 1188, amending Section 130 of Chapter 20 Article 3; adding Section 135 of Chapter 20 Article 3; repealing and replacing Chapter 20 Article 9 in its entirety; and amending Section 20 of Chapter 29 Article 10 of the Fort Morgan Municipal Code, and authorize publication by title only. That resolution was seconded by Northrup and approved unanimously (6-0, Lindell absent).

COUNCIL ACTING AS THE BOARD OF THE ELECTRIC DEPARTMENT AND SYSTEM ENTERPRISE OF THE CITY OF FORT MORGAN – FIRST READING AND PUBLIC HEARING OF AN ORDINANCE AMENDING THE ELECTRIC TARIFF

Mayor Shaver outlined the format for the hearing and Brennan confirmed proper legal notice. At that time Councilmember Northrup said she would recuse herself from this agenda item because of a conflict of interest, and left the meeting.

Wells said this ordinance would revise the city's electric tariff to include a new rate classification for customers that generate their own electricity but need the city's power supply as a backup. He noted that representatives of Leprino Foods were present to offer public comment on the proposed Co-Generation Standby (CGSB) rate.

Ron Cantwell, representing Leprino, said this rate was for companies that have co-generation capability but Leprino did not yet have that capability. He said the company had been working with the city on this issue and requested that this matter be deferred until at least April to give the company time to work through and explore the CGSB rate structure with city officials.

Wells said he was not opposed to putting off final approval in order to work with Leprino, and suggested approving this ordinance on first reading as presented, and putting off second reading and final approval until later, leaving open the possibility of amending the ordinance before second reading. Council and staff discussion followed about alternatives for handling this matter, including continuing this public hearing to the second reading of the ordinance at a future date.

No public comments were received in advance of the hearing, and in answer to a council request Wells provided a basic explanation of what the electric tariff was. Castoe made a motion to continue the public hearing on this ordinance to the May 2, 2017 city council meeting, which was seconded by Howe and approved unanimously (5-0, with Lindell absent and Northrup having stepped down).

Meyers advised the council that it could approve the first reading of the ordinance at this meeting and schedule the second reading for May, or not pass the ordinance. Marler offered a resolution to approve the first reading of an Ordinance amending the Fort Morgan electric tariff to include an additional rate classification, and set second reading and additional public hearing on May 2. That resolution was seconded by Castoe and approved unanimously (5-0, with Lindell absent and Northrup having stepped down).

Northrup then returned to the meeting.

COUNCIL ACTING AS THE BOARD OF THE ELECTRIC DEPARTMENT AND SYSTEM ENTERPRISE OF THE CITY OF FORT MORGAN – FIRST READING AND PUBLIC HEARING ON A RESOLUTION ADJUSTING ELECTRIC RATES

Mayor Shaver said the same format used in the preceding hearings would apply to this public hearing, and Brennan confirmed proper legal notice had been published. Wells said this resolution would adopt the new electric rates as proposed by the city's rate consultant, which were necessary to keep the electric utility financially solid. He said the impact on customers would be minimal, with an average increase of about \$2 a month for residential customers, and Fort Morgan's rates would continue to be among the very lowest in the state.

Meyers noted that, based on the discussion and action taken on the previous agenda item, the CGSB rate should be deleted from the resolution. Nation told the council that a typographical error had been discovered in the rate schedule that was an attachment to the resolution after the meeting packets were prepared, so a new rate sheet No. 15 was provided in the table files. The new rate sheet corrected the delivery rate under the "LC" rate classification from \$0.231 to \$0.0231, he said.

No public comments were received either during the hearing or in advance, and no council comments were offered. Castoe made a motion to close the public hearing, which was seconded by Howe and approved unanimously (6-0, Lindell absent).

Meyers advised the council on its options for action and said it should be made clear on the record that the council was removing the CGSB rate from this measure. Northrup offered a resolution to approve the Resolution adjusting the electric rates for the Electric Department and System Enterprise of the City of Fort Morgan with the exception of removing the co-generation rate classification. That resolution was seconded by Castoe and approved unanimously (6-0, Lindell absent).

DISCUSSION AND DIRECTION ON STORMWATER UTILITY DEVELOPMENT

Wells reminded the council that the effort to find a way to sustainably fund improvements to the city's storm drainage system had been going on for five years, with the ultimate decision to establish a stormwater utility in the sewer fund. After much work to determine the best way to do this, staff was finally at the point of proposing a fee structure for the stormwater utility, Wells said.

Nation described the philosophy behind the fee structure, which was designed to fit with the community and assess fees in the fairest way possible. The fees started with a base rate for residential property and scaled up from there for other classifications like commercial and industrial, and assessed half the base rate for undeveloped land. Meyers explained the process for residents to appeal the classification of their property, which would be reviewed by staff using county records and any other information residents could present to prove their property was inappropriately classified for the purpose of the stormwater fee.

Nation said staff had determined that the revenue to be generated from the fees should be about \$500,000 a year, which would allow the city to do projects each year or save for major projects. Based on that revenue projection, the basic residential rate was proposed at \$8.50 a month and the other proposed rates were scaled from that rate.

Council and staff discussion followed about the proposed rate structure, the need to continue to fund stormwater maintenance from the General Fund, and needed drainage projects. Wells said the ordinance passed in 2015 calling for the creation of the stormwater utility imposed a deadline of February 2017 for implementation, and he said staff would come back with a measure to extend that deadline because billing software issues would need to be resolved and

test billings would need to be done first. He said he hoped to have the first actual bills sent in late summer, but that would depend on a number of issues including software capabilities. The council consensus was that staff was on the right course in the development of this new utility and should move forward. No formal action was taken.

RESOLUTION AUTHORIZING THE MAYOR TO SIGN A CONTRACT TO PURCHASE PROPERTY FROM FORT MORGAN FARMS LLC

Wells said this potential purchase had been discussed with the council in an executive session, and some revisions had been made to the agreement, primarily pertaining to the number of water shares that would come with the property. Nation explained those elements of the contract, and Wells said the purchase of 100 acres of land east of the police station was a good deal for the city and he recommended approval.

Northrup offered a resolution to approve the Resolution authorizing the mayor to sign a contract for the purchase of 100 acres of property between Platte Avenue and Railroad Avenue, which was seconded by Howe and approved unanimously (6-0, Lindell absent).

CONSENT AGENDA BY RESOLUTION

Brennan presented the Consent Agenda for Council consideration as follows:

CONSENT AGENDA

- A. Second reading and final approval of Ordinance No. 1189, rezoning property known as the Old Middle School at 300 Deuel St. and amending the official zoning map of the city, and authorization to publish by title only
- B. Approval of the disbursements and payroll for November
- C. Approval of the minutes of the Dec. 6, 2016 City Council regular meeting

All matters listed under the Consent Agenda are considered to be routine business by the Council and will be enacted with a single motion and a single vote by roll call. There will be no separate discussion of these items. If discussion is deemed necessary, that item should be removed from the Consent Agenda and considered separately.

Castoe offered a resolution to approve the Consent Agenda as presented, which was seconded by Northrup and approved unanimously (6-0, Lindell absent).

PUBLIC COMMENT / AUDIENCE PARTICIPATION

None.

REPORTS BY OFFICIALS AND STAFF

Wells noted that his monthly written report was in the council meeting packets. He thanked the council for supporting Christmas Capital of the Plains events, which he said added to the sense of community in the city.

Nation said the city was doing backflow prevention surveys for businesses and any calls received by council members should be directed to him.

Wells noted that Economic Development Specialist Chelsea Gondeck had graduated with a master's degree the previous Saturday.

Mayor Shaver said a new committee was beginning work on a new master plan for the airport and would be looking for public participation soon.

BIDS, MEETINGS AND ANNOUNCEMENTS

Brennan announced current bids and upcoming meetings.

EXECUTIVE SESSION

The regular portion of the meeting ended at 8:10 p.m., and Mayor Shaver announced that the next item on the agenda was a scheduled executive session. Castoe made a motion to convene this executive session, which was seconded by Northrup and approved unanimously (6-0, Lindell absent).

This 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: Economic incentives.

The executive session began at 8:34 p.m. and concluded at 9:28 p.m. and was attended by the mayor and five council members (Lindell absent) along with Wells, Meyers, Nation, Community Services/Economic Development Director Josh Miller and Gondeck.

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

Mayor Shaver adjourned the Dec. 20, 2016 regular meeting at 9:30 p.m.

/s/ Ronald Shaver
Mayor

/s/ John Brennan
City Clerk