

CALL TO ORDER Mayor Gutierrez called the regular meeting of the Loveland City Council to order on the above date at 6:30 PM.

PLEDGE OF ALLEGIANCE

ROLL CALL Roll was called and the following responded: Gutierrez, Farley, Klassen, Trenary, Fogle, McKean, Shaffer, Taylor and Clark.

PROCEDURAL INFORMATION

Mayor Gutierrez made the following procedural announcement: Anyone in the audience will be given time to speak to any item on the Consent Agenda. Please ask for that item to be removed from the Consent Agenda. Items pulled will be heard at the beginning of the Regular Agenda. You will be given an opportunity to speak to the item before the Council acts upon it. Public hearings remaining on the Consent Agenda are considered to have been opened and closed, with the information furnished in connection with these items considered as the only evidence presented. Adoption of the items remaining on the Consent Agenda is considered as adoption of the staff recommendation for those items. Anyone making a comment during any portion of tonight's meeting should come forward to a microphone and identify yourself before being recognized by the Mayor. Please do not interrupt other speakers. Side conversations should be moved outside the Council Chambers. Please limit your comments to no more than three minutes.

CONSENT AGENDA Mayor Gutierrez asked if anyone in the audience, Council or staff wished to remove any of the items or public hearings listed on the Consent Agenda. Sheila Carrasco removed Item 1. Councilor McKean removed Item 3. Councilor Clark removed Item 6. Councilor Shaffer moved to approve the Consent Agenda with the exceptions of Items 1,3 and 6. The motion was seconded by Councilor Trenary and a roll call vote was taken with all councilors present voting in favor thereof.

1. CITY MANAGER

Board & Commission Appointments

Motion This item was pulled from the Consent Agenda.

2. CITY CLERK

Establish the Location for Meeting Notices in 2013

Resolution #R-1-2013 Administrative Action: Resolution #R-1-2013 establishing the location for the posting of City of Loveland notices for 2013 was approved.

RESOLUTION #R-1-2013

A RESOLUTION ESTABLISHING THE LOCATION FOR THE POSTING OF CITY OF LOVELAND NOTICES FOR 2013

WHEREAS, City Charter Section 4-4(b) requires that the notice of each regular and special City Council meeting shall be posted at least twenty-four hours in advance of the meeting; and

WHEREAS, under C.R.S. Section 24-6-402(2)(c) a local public body is deemed to have given full and timely notice of its meetings if the meeting notice is posted in a designated public place within the local public body's boundaries no less than twenty-four hours prior to the holding of the meeting; and

WHEREAS, C.R.S. Section 24-6-402 (2)(c) further provides that the public place for posting such notice shall be designated annually by the local public body at its first regular meeting in each calendar year; and

WHEREAS, City Council meetings are held in the Council Chambers located at 500 E. 3rd St, immediately adjacent to the City Clerks Office.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO, AS FOLLOWS:

Section 1. The City Council hereby designates the place for the posting of all meeting notices for the Loveland City Council and Loveland's Boards and Commissions to be the bulletin board immediately adjacent to the Loveland City Council Chambers located at 500 East 3rd Street, City of Loveland, Colorado.

Section 2. In the event the designated posting location is not accessible or in existence due to natural disaster or other similar cause, the emergency posting location will be in the foyer at the City's Fire Administration Building located at 410 E. 5th Street, Loveland, Colorado.

Section 3. This Resolution shall go into effect on the date and time of its adoption.

ADOPTED this 15th day of January, 2013.

Cecil A. Gutierrez, Mayor

Attest: Teresa G. Andrews, City Clerk

3. ECONOMIC DEVELOPMENT

Downtown Loveland –Brinkman / North Catalyst Project

This item was pulled from the Consent Agenda.

4. DEVELOPMENT SERVICES

2013 Three Mile Plan

Resolution #R-2-2013 & P.H.

Legislative Action: A public hearing was held and Resolution #R-2-2013 adopting a Three Mile Plan for the City of Loveland, Colorado was approved.

RESOLUTION #R-2-2013

A RESOLUTION ADOPTING A THREE MILE PLAN FOR THE CITY OF LOVELAND, COLORADO

WHEREAS, pursuant to C.R.S. §31-12-105(1)(e)(I), as amended; prior to the completion of any annexation within a three mile area outside of the municipal boundaries of a municipality ("Three Mile Area"), a municipality is required to have in place a plan ("Three Mile Plan") which generally describes the proposed location, character and extent of certain public facilities to be provided within and the proposed land uses for the Three Mile Area; and

WHEREAS, pursuant to C.R.S. §31-12-105(1)(e)(I), as amended, the Three Mile Plan must be updated at least once annually; and

WHEREAS, the City of Loveland has enacted, adopted and approved the various plans, documents, ordinances and resolutions (collectively "Plans") listed on Exhibit A, attached hereto and incorporated herein; and

WHEREAS, the City Council has determined that the Plans, when considered together as a whole, adequately comply with the requirements of state law and shall constitute the annual updated Three Mile Plan for the City of Loveland; and

WHEREAS, to ensure that future annexations by the City of Loveland are completed in compliance with the provisions of state law, the City Council, by this Resolution, desires to formalize its understanding and intention that the Plans serve as the Three Mile Plan for the City of Loveland.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

Section 1. That the Plans, as described in Exhibit A, when considered together as a whole, shall constitute the Three Mile Plan for the City of Loveland required pursuant to C.R.S. §31-12-105(1)(e)(I), as amended.

Section 2. That the Three Mile Plan shall be reviewed and revised as may be necessary at least annually, and additional Plans may be added from time to time, as they are developed and adopted.

Section 3. That this Resolution shall be effective as of the date and time of its adoption.

Adopted this 15th day of January, 2013.

Cecil A. Gutierrez, Mayor

Attest: Teresa G. Andrews, City Clerk

Exhibit A is available in the City Clerk's Office.

5. CITY ATTORNEY

Third Amendment regarding Environmental Fees (High Plains Environmental Center)

Resolution #R-3-2013

Administrative Action: Resolution #R-3-2013 approving the Third Amendment to Agreement regarding Environmental Fees was approved.

RESOLUTION #R-3-2013

A RESOLUTION APPROVING THE THIRD AMENDMENT TO AGREEMENT REGARDING ENVIRONMENTAL FEES

WHEREAS, on June 13, 2006, City Council adopted Resolution #R-37-2006, which Resolution approved an Agreement Regarding Environmental Fees dated June 27, 2006, and recorded with the Larimer County Clerk and Recorder on July 11, 2006 at Reception No. 2006-0051710 ("Agreement") among the City of Loveland ("City"), McWhinney Real Estate Services, Inc., ("Developer") and the High Plains Foundation and the High Plains Environmental Center, Colorado non-profit corporations, collectively referred to as the "Environmental Entities"); and

WHEREAS, pursuant to Resolution #R-73-2008, the City, the Developer, and the Environmental Entities entered into the First Amendment to Agreement Regarding Environmental Fees dated June 24, 2008, and recorded with the Larimer County Clerk and Recorder on September 23, 2008 at Reception No. 2008-0060422 ("First Amendment"), for the purpose of subjecting property within the Grange Addition to Non-Residential Environmental Fees; and

WHEREAS, pursuant to Resolution #R-34-2009, the City, the Developer, and the Environmental Entities entered into the Second Amendment to Agreement Regarding Environmental Fees dated June 3, 2009, and recorded with the Larimer County Clerk and Recorder on June 8, 2009 at Reception No. 2009-0037286 ("Second Amendment"); and

WHEREAS, the Term of the Agreement, the First Amendment, and the Second Amendment continues through December 31, 2030, terminating on January 1, 2031; and

WHEREAS, the City, the Developer, and the Environmental Entities have agreed to extend the Term of the Agreement, the First Amendment, the Second Amendment through December 31, 2040 as more fully set forth in the Third Amendment to Agreement Regarding Environmental Fees attached hereto as Exhibit A and incorporated by reference (the "Third Amendment"); and

WHEREAS, the City, the Developer, and the Environmental Entities have further agreed to modify the provisions of the Agreement, the First Amendment, the Second Amendment to clarify the process for allocating, reporting, and accounting for monies for "Open Space Purposes" and for "HPEC Purposes" as set forth in the Third Amendment; and

WHEREAS, pursuant to Section 11 of the Agreement, the consent of McStain Enterprises, Inc. to this Third Amendment is not required.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

Section 1. That the Third Amendment is hereby approved.

Section 2. That the City Manager is authorized, following consultation with the City Attorney, to approve changes to the form of the Third Amendment in form or substance as deemed necessary to effectuate the purposes of this Resolution or to protect the interests of the City.

Section 3. That the City Manager and the City Clerk are hereby authorized and directed to execute the Intergovernmental Agreement on behalf of the City of Loveland.

Section 4. That this Resolution shall be effective as of the date and time of its adoption.

ADOPTED this 15th day of January, 2013.

Cecil A. Gutierrez, Mayor

Attest: Teresa G. Andrews, City Clerk

Exhibit A is available in the City Clerk's Office

6. FINANCE

Supplemental Appropriation to 2013 City of Loveland Budget (to increase 2013 Airport Budget)

1st Rdg Ord & P.H.

This item was pulled from the Consent Agenda.

7. FINANCE

Supplemental Appropriation – Loveland Fire Rescue Authority 2013 budget

1) 1st Rdg Ord & P.H.

Administrative Action: A public hearing was held and "AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2013 CITY OF LOVELAND BUDGET FOR THE CITY SHARE OF THE COSTS FOR AN ADDITIONAL POSITION IN THE LOVELAND FIRE RESCUE AUTHORITY" was approved and ordered published on first reading.

2) Resolution #R-4-2013

Administrative Action: Resolution #R-4-2013 approving a supplemental budget and appropriation to the Loveland Fire Rescue Authority 2013 budget was approved.

RESOLUTION #R-4-2013

A RESOLUTION APPROVING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE LOVELAND FIRE RESCUE AUTHORITY 2013 BUDGET

WHEREAS, the Loveland Fire Rescue Authority ("Fire Authority") is established pursuant to that certain Intergovernmental Agreement for the Establishment and Operation of the Loveland Fire Rescue Authority as a Separate Governmental Entity dated August 18, 2011 (the "Authority IGA") between the City of Loveland, a Colorado home rule municipality ("City") and the Loveland Rural Fire Protection District, a Colorado Special District ("District"); and

WHEREAS, the Fire Authority is authorized under Section 4.1 of the Authority IGA to adopt an annual budget and to supplement such budget from time to time, provided that the annual budget and any supplemental appropriations shall become effective upon the approval of the governing bodies of the City and the District; and

WHEREAS, the Fire Authority, by adoption of Resolution #R-013, approved a supplemental appropriation for its 2013 Budget; and

WHEREAS, the Fire Authority Board of Directors has also submitted the Fire Authority's Resolution enacting a supplemental budget and appropriation to the 2013 Budget, which is attached hereto as Exhibit A and incorporated herein by reference, to the City and the District for approval as required by Section 4.1 of the Authority IGA; and

WHEREAS, the City Council desires to approve the Fire Authority's 2013 Supplemental Budget and Appropriation as reflected on Exhibit A.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

Section 1. That the 2013 Loveland Fire Rescue Authority Supplemental Budget and Appropriation, attached hereto as Exhibit A and which has been filed with the Fire Authority Administrative Office in its entirety, for the fiscal year beginning January 1, 2013 and ending December 31, 2013, with revenues in the amount of \$71,000, and expenditures of \$71,000 for operations, is hereby approved.

Section 2. That this Resolution shall take effect as of the date of its adoption.

ADOPTED this 15th day of January, 2013.

Cecil A. Gutierrez, Mayor

Attest: Teresa G. Andrews, City Clerk

Exhibit A is available in the City Clerk's Office

8. PUBLIC WORKS

Contract Award – Design and Engineering of the Service Center Expansion / Remodel

Motion

Administrative Action: A motion to approve the contract for RNL Design to design and engineer the expansion and remodel of the Service Center for the total amount of \$975,000 and to authorize the City Manager to execute the contract on behalf of the City was approved.

CITY CLERK READ TITLES OF ORDINANCES ON THE CONSENT AGENDA.

CITY COUNCIL

a) Citizens' Reports

None

b) Business from Council

- Shaffer Councilor Shaffer announced the North Front Range Metropolitan Planning Organization (MPO) elected officers. She also attended the North Front Range Transit Vision Steering Committee meeting.
- Fogle Councilor Fogle highlighted news from the meeting of the Loveland Fire Rescue Authority about the Rural Fire Protection District regarding the purchase of a new Command Vehicle and, because of the mill levy approve, they will be able to fund their share of a new type 6 engine. City Council will send a letter of appreciation to the Rural Fire Protection District.
- Farley Councilor Farley mentioned a meeting today of the Thompson Education Foundation honoring six people for various "Employee of the Year" categories. King Buick is giving a free two month lease to all award recipients and a free two year lease to the Educator of the Year recipient.
- Klassen Councilor Klassen attended a meeting of the Northern Colorado Legislative Alliance, Speakers which included Eric Wilkinson from Northern Colorado Water Conservancy District and Attorney Jep Seman speaking on the topic of fracking.
- Clark Councilor Clark announced the annual Chamber of Commerce dinner is Friday, January 18, 2013, from 5:30 - 10:30 p.m. at the Embassy Suites Loveland. The theme is "Building Leaders Today & Making Stars Tomorrow".
- Trenary Councilor Trenary thanked the Chamber of Commerce and members for their work.
- Gutierrez Mayor Gutierrez mentioned Airport Manager Jason Licon will report later tonight on activities at the Fort Collins-Loveland Airport. The Highway 287 Coalition meeting was last week. The Metro Mayor Caucus is in discussion with the State on future legislation regarding the formation of districts.
- c) City Manager Report None
- d) City Attorney Report None

PROCEDURAL INFORMATION

Anyone who wishes to address the Council on any item on this part of the agenda may do so when the Mayor calls for public comment. All public hearings are conducted in accordance with Council Policy. When Council is considering adoption of an ordinance on first reading, Loveland's Charter only requires that a majority of the Council present vote in favor of the ordinance for it to be adopted on first reading. However, when an ordinance is being considered on second or final reading, at least five of the nine members of Council must vote in favor of the ordinance for it to become law.

REGULAR AGENDA

CONSIDERATION OF ITEMS REMOVED FROM CONSENT AGENDA

1. CITY MANAGER

Board & Commission Appointments

Motion

Administrative Action: City Manager Cahill introduced this item. This is an Administrative Item recommending appointment of the following members to the Citizens' Finance Advisory Commission, Creative Sector Development Advisory Commission, Cultural Services Board, Library Board, Open Lands Advisory Commission, Parks and Recreation Commission, and Visual Arts Commission. Sheila Carrasco, 1303 Harlow, spoke to Council about the Creative Sector Development Commission. Councilor Shaffer made a motion to appoint the following members:

- Richard Ball and Meg Corwin were appointed and Jodi Radke reappointed to the Citizens' Finance Advisory Commission, each for a three year term effective until December 31, 2015.
- Mary Bahus-Meyer and Aloria Weaver were appointed to the Creative Sector Development Advisory Commission each for a partial term effective until December 31, 2013 and Curtis Rowland was appointed as an Alternate member for a term effective until December 31, 2013.
- Teresa Mueller and Kris Ortmann were reappointed to the Cultural Services Board, each for a four year term effective until December 31, 2016.
- ShawnaLee Washam was reappointed to the Library Board for a five year term effective until December 31, 2017.
- Ross Livingston was appointed to the Open Lands Advisory Commission for a term effective until December 31, 2016 and Jim Roode was appointed as an Alternate member for a term effective until December 31, 2013.
- Deb Huffsmith was appointed to the Parks and Recreation Advisory Commission for a partial term effective until December 31, 2014 and Gene Alvine, Deborah Manderscheid, and Leighton Millar were reappointed each for a full term effective until December 31, 2015.
- Beverly Cardarelli and Dennis Soucek were reappointed and Tony Adams was appointed to the Police Citizen Advisory Board, each for a term effective until December 31, 2015 and Mark Kirkpatrick was appointed as an Alternate member for a one-year term effective until December 31, 2013.
- Kim Ferro representing the Aspen Club / Senior Services (University Colorado Health) and Doug East representing the Chilson Senior Advisory Board were appointed to the Senior Advisory Board for terms effective until January 15, 2015.
- Sherri Heckel-Kuhlman, Greg Hoff, and Margaret Rosborough were reappointed and Judy O'Gorman was appointed to the Visual Arts Commission, each for a three term effective until December 31, 2015.

Councilor Klassen seconded the motion and a roll call vote was taken with all Councilors present voting in favor thereof.

3. ECONOMIC DEVELOPMENT

Downtown Loveland –Brinkman / North Catalyst Project

This is an administrative action. Staff did not make a presentation. City Manager Bill Cahill stated he will be meeting with representatives of Larimer County to finalize the terms of an Intergovernmental Agreement which will be brought back to Council. The combined actions would provide the final approval of the Development and Disposition Agreement for the sale of the property located at 541 N. Lincoln Street and the appropriations necessary to facilitate the construction of a \$9.3 million, 69 unit market rate housing development in Downtown Loveland by the Brinkman Partners of Fort Collins acting through its investment entity 541 N. Lincoln L.L.C. The Brinkman/North Catalyst project is the result of both extensive planning by the City and two years of negotiations with the Brinkman Partners. (See the Staff Report for details) On December 18, 2012 City Council unanimously approved the first reading of the ordinances.

#1) Ordinance #5736

Administrative Action: Councilor Shaffer moved to approve and ordered published on second reading "AN ORDINANCE OF THE LOVELAND CITY COUNCIL AUTHORIZING A DISPOSITION AND DEVELOPMENT AGREEMENT AMONG THE CITY, THE LOVELAND URBAN RENEWAL AUTHORITY, AND 541 N. LINCOLN L.L.C. AND CONVEYANCE OF LOTS 1 THROUGH 8, BLOCK 12, ORIGINAL PLAT OF THE CITY

OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO FOR THE DEVELOPMENT OF THE NORTH CATALYST PROJECT AT 541 N. LINCOLN IN LOVELAND, COLORADO". Councilor Trenary seconded the motion and a roll call vote was held with all Councilors present voting in favor thereof.

#2) Ordinance #5737

Administrative Action: Councilor Shaffer moved to approve and ordered published on second reading "AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2013 CITY OF LOVELAND BUDGET FOR A LOAN TO THE LOVELAND URBAN RENEWAL AUTHORITY IN CONNECTION WITH THE NORTH CATALYST PROJECT LOCATED AT 541 N. LINCOLN IN LOVELAND, COLORADO" was approved and ordered published on second reading. Councilor Trenary seconded the motion and a roll call vote was held with all Councilors present voting in favor thereof.

At 7:17 p.m. City Council adjourned and convened as the Board of Commissioners for the Loveland Urban Renewal Authority (LURA)

#3) Ordinance #5738

Administrative Action: Councilor Shaffer moved to approve and ordered published on second reading "AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2013 LOVELAND URBAN RENEWAL AUTHORITY BUDGET TO FUND PAYMENTS TO THE DEVELOPER OF THE NORTH CATALYST PROJECT AT 541 N. LINCOLN, LOVELAND, COLORADO FOR PUBLIC IMPROVEMENTS" was approved and ordered published on second reading. Councilor Trenary seconded the motion and a roll call vote was held with all Councilors present voting in favor thereof.

At 7:18 p.m. the Board of Commissioners for the Loveland Urban Renewal Authority adjourned and reconvened as City Council.

11. AIRPORT

Consensus of Council was to consider Items 11 and 6 sequentially. One public hearing was held for both items.

Supplemental appropriation – 2013 Airport Budget Realignment

1st Rdg Ord & P.H.

Administrative Action: Airport Manager Jason Licon introduced this item. The ordinance reduces the revenue and expense budget for the Airport due to the loss of commercial service. Jason also provided an update to Council regarding a new commercial airline. The Mayor opened the public hearing at 7:34 p.m. and hearing no comments closed the hearing at 7:34 p.m. Councilor Shaffer moved to approve and ordered published on first reading "AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2013 FT. COLLINS-LOVELAND MUNICIPAL AIRPORT BUDGET TO REALIGN THE BUDGET DUE TO THE LOSS OF COMMERCIAL SERVICE". Councilor Klassen seconded the motion and a roll call vote was taken with all Councilors present voting in favor thereof.

6. FINANCE

Supplemental Appropriation to 2013 City of Loveland Budget (to increase 2013 Airport Budget)

1st Rdg Ord & P.H.

Administrative Action: The ordinance appropriates funding (\$92,500) to increase the City's contribution to the Airport to partially offset revenue reductions due to the loss of commercial service. The Mayor opened the public hearing at 7:34 pm and hearing no comments closed the hearing at 7:34 pm. Councilor Shaffer moved to approve and

ordered published on first reading "AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2013 CITY OF LOVELAND BUDGET TO INCREASE THE CITY'S CONTRIBUTION TO THE FT. COLLINS-LOVELAND MUNICIPAL AIRPORT DUE TO THE LOSS OF COMMERCIAL SERVICE" was approved and ordered published on first reading. Councilor Klassen seconded the motion and a roll call vote was taken with all Councilors present voting in favor thereof.

9. CITY CLERK

Approval of Council Minutes

Administrative Action: City Clerk Terry Andrews introduced this item, which approves minutes from December Council meetings.

a) Motion for December 11, 2012 Study Session

Councilor Shaffer moved to approve Council minutes from the December 11, 2012 study session. Councilor McKean seconded the motion and a roll call vote was taken with six Councilors present voting in favor thereof and Councilors Taylor, Farley and Clark abstaining. The motion passed

b) Motion for December 18, 2012 Regular Meeting

Councilor Shaffer moved to approve Council minutes from the December 18, 2012 regular meeting. Councilor McKean seconded the motion and a roll call vote was taken with eight Councilors present voting in favor thereof and Councilor Taylor abstaining. The motion passed.

10. ECONOMIC DEVELOPMENT

Supplemental Appropriation – Pro Cycle Challenge

1st Rdg Ord & P.H.

Administrative Action: Visitor Services Coordinator Cindy Mackin introduced this item. The ordinance appropriates funds of \$100,000 associated with hosting the US Pro Cycling Challenge event. The funding is from reserves in the Lodging Tax Fund, and reduces the flexibility for funding other future events or programs. The Mayor opened the public hearing at 8:15 pm and hearing no comments closed the hearing at 8:15 pm. Councilor Shaffer made a motion to approve and ordered published on first reading "AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2013 CITY OF LOVELAND BUDGET FOR COSTS ASSOCIATED WITH HOSTING THE US PRO CYCLING CHALLENGE EVENT". Councilor Clark seconded the motion and a roll call vote was held with all Councilors present voting in favor thereof.

12. CITY MANAGER

Council Procedural Change Resolution

Administrative Action: The City Manager and City Attorney introduced this item to Council. This is an administrative action as authorized in City Charter Section 4-1(a) to adopt by resolution rules of procedure for City Council meetings. Councilor McKean moved to table this item and bring it back at a future study session. Discussion ensued. Councilor Farley made a motion to the call the question and a roll call vote was taken with all Councilors present voting in favor thereof. Councilor Klassen seconded the original motion and a roll call vote was taken with all Councilors present voting in favor thereof.

Consensus of Council was to remove Items 13 and 14 from the agenda. Council was asked to direct any questions they may have to staff and cc to the rest of Council.

The Mayor requested the City Manager work with the Reporter Herald to publish a progress report on the Cumberland and Weston site activities.

13. FINANCE

**November 2012 Finance Report
Information Only**

Finance Director Brent Worthington introduced this item. The Snapshot Report includes the City's preliminary revenue and expenditures including detailed reports on tax revenue and health claims year to date, ending November 30, 2012.

14. ECONOMIC DEVELOPMENT

**Investment Report for November 2012
Information Only**

Executive Fiscal Advisor Alan Krmarik introduced this item to Council. The budget estimate for investment earnings for 2012 was \$2,729,560. Through November 2012, the amount posted to the investment account is \$2,334,153 including realized gains. Actual year-to-date earnings are lower than the year-to-date projection by \$159,945. Based on the monthly statement, the estimated annualized yield on the securities held by USBank was up from last month 1.24%, well under the annual target rate of 1.70% for 2012. Reinvestment rates are near record low levels, much lower than the budget projection.

15. CITY MANAGER

Executive Session concerning *Klen v. City of Loveland* lawsuit

At 8:38 p.m. Councilor Shaffer moved that the City Council go into executive session, as authorized in CRS Sections 24-6-402(4)(b), (4)(e) and (4)(g) and in City Charter Sections 4-4(c)(1), (c)(3) and (c)(6). This executive session will address a lawsuit currently pending in Colorado Federal District Court, *Klen v. City of Loveland*, together with such other matters as may relate to or affect this lawsuit. The purposes of the executive session will be to receive legal advice from the City's legal counsel, including from attorney Tom Lyons; and since this lawsuit is a matter that may become subject to negotiations: to receive reports concerning any negotiation discussions; to develop the City's negotiation positions and strategies; and to instruct the City's negotiators concerning those positions and strategies. In addition, documents and records related to this lawsuit may be considered protected by the mandatory non-disclosure provisions of the Colorado Open Records Act, including, without limitation, work product documents. Councilor Trenary seconded the motion and a roll call vote was held and all Councilors present voted in favor thereof. Council reconvened at 10:15 p.m.

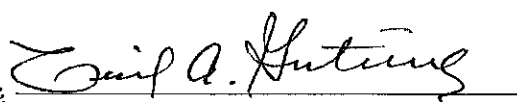
ADJOURNMENT

Having no further business to come before Council, the January 15, 2013 Regular Meeting was adjourned at 10:15 p.m.

Respectfully Submitted,


Teresa G. Andrews, City Clerk




Cecil A. Gutierrez, Mayor

