

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, and Clark. Councilor Taylor was absent.

PROCLAMATION Mayor Gutierrez read the proclamation which was accepted by Marlee Rayome from the Daughters of the American Revolution, Namaqua Chapter.

PROCLAMATION

WHEREAS seventy-one years ago this week, on December 7, 1941, the surprise attack of the Imperial Japanese Naval Forces against the United States 7th Fleet at Pearl Harbor, Hawaii, occurred, marking the entry of America into World War II, altering the course of history forever and

WHEREAS the Congress of the United States has designated December 7 as National Pearl Harbor Remembrance Day (36 U.S. C. §129) to honor all who perished at Pearl Harbor; and

WHEREAS twenty three of Colorado's sons, including Loveland's own Harold Dwayne Webster, United States Navy Seaman Second Class, were killed in Action on December 7, 1941 while serving on the battleship USS Arizona at Pearl Harbor, Territory of Hawaii, and

WHEREAS Americans owe a debt of gratitude to all who died while courageously defending Pearl Harbor as well as to all who survived and fought with valor and spirited determination so that freedom would not fall to tyranny, ultimately achieving victory.

NOW, THEREFORE, we, the City Council of Loveland, do hereby proclaim the week of December 3 through December 8, 2012 as

LOVELAND REMEMBERS PEARL HARBOR WEEK

in Loveland, Colorado, and in so doing, urge all citizens to join together in remembering and honoring all who perished at Pearl Harbor that fateful day as well as all our World War II Veterans.

Signed this 4th day of December, 2012

Cecil A. Gutierrez
Mayor

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. Councilor McKean pulled Item 11. Councilor Shaffer moved to approve the Consent Agenda with the exception of

Item 11. The motion was seconded by Councilor Trenary and a roll call vote was taken with all councilors present voting in favor thereof.

1. CITY CLERK

Approval of Council Minutes

Motion

Administrative Action: The minutes from the Council meeting on November 20, 2012 were approved.

2. ECONOMIC DEVELOPMENT

Supplemental Appropriation – Fund Wayfinding Signs

Ordinance #5728

Administrative Action: "AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2012 CITY OF LOVELAND BUDGET TO FUND WAYFINDING SIGNS THROUGHOUT LOVELAND WITH LOVELAND LODGING TAX FUNDS" was approved and ordered published on second reading.

3. DEVELOPMENT SERVICES

Annexation & Zoning for MehaFFEY Park

b) Ordinance #5729

Legislative Action: "AN ORDINANCE APPROVING THE ANNEXATION OF CERTAIN TERRITORY TO THE CITY OF LOVELAND, COLORADO, TO BE KNOWN AND DESIGNATED AS "MEHAFFEY PARK FIRST ADDITION" TO THE CITY OF LOVELAND" was approved and ordered published on second reading.

c) Ordinance #5730

Quasi-judicial Action: "AN ORDINANCE AMENDING SECTION 18.04.040 OF THE LOVELAND MUNICIPAL CODE, THE SAME RELATING TO ZONING REGULATIONS FOR "MEHAFFEY PARK FIRST ADDITION" TO THE CITY OF LOVELAND" was approved and ordered published on second reading.

d) Ordinance #5731

Quasi-judicial Action: "AN ORDINANCE AMENDING SECTION 18.04.040 OF THE LOVELAND MUNICIPAL CODE, THE SAME RELATING TO ZONING REGULATIONS FOR CERTAIN PROPERTY LOCATED IN TRACT 'B' VANGUARD-FAMLECO FIRST ADDITION AND A PORTION OF TRACT "C", VANGUARD-FAMLECO SECOND ADDITION, CITY OF LOVELAND, LARIMER COUNTY, COLORADO" was approved and ordered published on second reading.

4. CULTURAL SERVICES

Supplemental Appropriation – Artwork at Hwy 34 & I-25 Interchange

Ordinance #5732

Administrative Action: "AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2012 CITY OF LOVELAND BUDGET FOR THE COMMISSION AND PLACEMENT OF ART WORK AT THE U.S. HIGHWAY 34 AND I-25 INTERCHANGE" was approved and ordered published on second reading.

5. POLICE

2013 Larimer Humane Society Contract

Motion

Administrative Action: A motion approving a contract with Larimer Humane Society for services in 2013 in the amount of \$395,849 was approved.

6. PUBLIC WORKS

Municipal Code Amendment – Signature Authority for real property leases

1st Rdg Ord & P.H.

Legislative Action: A public hearing was held and "AN ORDINANCE AMENDING THE LOVELAND MUNICIPAL CODE AT CHAPTER 2.24 CONCERNING THE CITY

MANAGER, AND CHAPTER 12.48 CONCERNING THE AIRPORT" was approved and ordered published on first reading.

7. FINANCE

Award Contract for Asphalt Products for Street Construction Projects

Motion

Administrative Action: A motion approving a contract with Coulson Excavating Company, Inc and authorizing the City Manager to sign the contract was approved.

8. FINANCE

Contract Award for Tree trimming and Removal Services

Motion

Administrative Action: A motion approving a contract with Asplundh Tree Experts Company for services in 2013 and authorizing the City Manager to execute the contract was approved.

9. HUMAN RESOURCES

Contract Award – Property & Liability Insurance - CIRSA

Motion

Administrative Action: A motion to award the City's property and liability insurance coverage to CIRSA and authorize the City to continue the Intergovernmental Agreement with CIRSA and establish a purchase order in the amount of \$861,978 was approved.

10. HUMAN RESOURCES

Contract Award – Medical Stop Loss Coverage – Sun Life of Canada

Motion

Administrative Action: A motion awarding the contract for City employee medical stop loss coverage to Sun Life of Canada in an amount not to exceed \$827,000 was approved.

11. DEVELOPMENT SERVICES

Oil and Gas Moratorium Extension

1st Rdg Ord & P.H.

This item was pulled from the consent agenda.

12. CITY CLERK

Cancel January 1, 2013 Council Meeting

Motion

Administrative Action: A motion cancelling the January 1, 2013 regular meeting of City Council, which falls on New Year's Day was approved.

CITY CLERK READ TITLES OF ORDINANCES ON THE CONSENT AGENDA.

CITY COUNCIL

a) Citizens' Reports

None

b) Business from Council

Trenary

Councilor Trenary mentioned there were three Loveland businesses nominated for the Northern Colorado Better Business Bureau Torch Awards for Ethics. He attended the annual Loveland Community Tree Lighting event. The Loveland Titans, a football team for 11-12 year olds, competed in the Pop Warner pee wee national tournament.

Shaffer

Councilor Shaffer attended the annual Loveland Community Tree Lighting event. She met with Senator Udall and others public officials last Saturday and mentioned the next meeting is in Loveland. The Council's Legislative Review Committee met and completed their work. She'll be attending the CML legislative policy committee in Denver this

Friday. The next meeting of the North Front Range Metropolitan Planning Organization is Thursday in Berthoud.

- Klassen Councilor Klassen mentioned the Loveland Chorale Society's "Sounds of Christmas" program is the weekend of December 14, 15&16, 2012 at the Rialto Theater Center.
- Farley Councilor Farley announced Collin Klein, a Loveland resident, is a finalist for the Heisman trophy.
- Gutierrez Mayor Gutierrez mentioned the Winter Walk event in downtown Loveland was this past Saturday. He attended the Friends of the Library gingerbread house event last Saturday. The annual Menorah Lighting at the Museum will be Tuesday, December 11th at 5:00 p.m. Council discussed the "Colorado Gives Day" which is December 4, 2012.
- c) City Manager Report City Manager Cahill highlighted the successful open house for the Loveland's Visitor Center.
- 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

11. DEVELOPMENT SERVICES

Oil and Gas Moratorium Extension

1st Rdg Ord & P.H.

Legislative Action: Greg George, Development Services Manager, introduced this item and indicated that Anadarko had requested they postpone consideration of rules, until State finalized the City regulations. Staff supported the reasoning. This is a legislative action to consider extending the City's moratorium on the acceptance and processing of land use applications, permits and other approvals concerning the conduct of oil and gas operations within the City. The Mayor opened the meeting at 7:04 p.m. and hearing no comments closed the meeting at 7:04 p.m. Councilor Shaffer moved to approve and ordered published on first reading "AN ORDINANCE AMENDING ORDINANCE NO. 5685 TO EXTEND THE CITY'S MORATORIUM ON THE ACCEPTANCE AND PROCESSING OF LAND USE APPLICATIONS, PERMITS AND OTHER APPROVALS CONCERNING THE CONDUCT OF OIL AND GAS OPERATIONS WITHIN THE CITY". Councilor Klassen seconded the motion and a roll call vote was taken with seven Councilors present voting in favor and Councilor McKean voting against.

13. CITY CLERK

Approval of Council Minutes

Motion

Administrative Action: This action approves Council minutes from the November 13, 2012 study session. Councilor Shaffer made a motion approving the Council minutes

from the November 13, 2012 meeting. Councilor McKean seconded the motion and a roll call vote was taken with all Councilors present voting in favor thereof and Councilor Clark abstaining, as he was not a Council member at that time.

14. ECONOMIC DEVELOPMENT

Contract for Small Business Counseling

Councilor Clark recused himself from hearing this item as he served as President of the Chamber of Commerce. Councilor Farley recused himself as he served on the Board of the Loveland Center for Business Development.

This is an administrative action. City Planner Mike Scholl introduced this item. Also present was Mindy McCloughan and Nathan Klein the Chamber Chair Elect. The first motion is to authorize the City Manager to sign the contract for small business counseling services with the Loveland Chamber of Commerce. The Chamber of Commerce will contract with the Loveland Center for Business Development (LCBD) to provide the services and will provide oversight and financial management in connection with the provision of those services. The second item appropriates funding for the contract. During the discussion it was stated that with the new contract staff will only hold a liaison role to the LCBD. The Mayor opened the public hearing at 7:16 p.m. Richard Fischer, owner of local company "My staffing solutions" told Council his company submitted a proposal for this project and was not interviewed. The Mayor closed the public hearing at 7:20 p.m.

a) Motion

Councilor Shaffer made a motion authorizing the City Manager to sign a services agreement with the Chamber of Commerce for \$130,000 for small business counseling services in 2013. Councilor Trenary seconded the motion and a roll call vote was held with all Councilors present voting in favor thereof with Councilor Clark and Farley recusing themselves from the vote.

b) 1st Rdg Ord & P.H.

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 A CONTRACT WITH THE LOVELAND CHAMBER OF COMMERCE FOR SMALL BUSINESS COUNSELING SERVICES". Councilor Klassen seconded the motion and a roll call vote was held with all Councilors present voting in favor thereof with Councilor Clark and Farley recusing themselves from the vote.

15. ECONOMIC DEVELOPMENT

Technology Transfer Services – Contract Approval and Update

Motion

Administrative Action: Economic Development Director Betsey Hale introduced this item to Council. This is an administrative action. In March of 2012 the City of Loveland developed the Technology Transfer Acceleration Initiative. This program has provided 26 Loveland companies assistance with technology searches and partnerships with federal research laboratories. This will be a report to City Council on activity and outcomes to date. It will include a presentation on the scope of work and contract for services for the program in 2013 for City Council to discuss and approve. The approved 2013 budget included a departmental supplemental appropriation of \$120,000.00 to continue the contract for services with DA2 Consulting. Councilor Shaffer moved to approve a contract for \$120,000 for technology transfer services with DA2 Consulting and to authorize the City Manager to execute the contract. Councilor Klassen seconded the motion and a roll call vote was held with all Councilors present voting in favor thereof.

16. DEVELOPMENT SERVICES

Tax-Exempt Financing by the Housing Authority of the City of Loveland (Big Thompson Manor II)

Resolution #R-83-2012 & P.H. Councilor Fogle recused himself from hearing this item as his wife works at the Housing Authority.

Administrative Action: Community Partnership Manager Alison Hade introduced this item. This is an administrative action approving a tax-exempt financing by the Housing Authority of the City of Loveland. Approval of the Resolution does not in any way make the City liable for the Authority's financial obligations under the promissory note. The Mayor opened the public hearing at 8:20 p.m. and hearing no comments closed the public hearing at 8:20 p.m. Councilor Shaffer move to approve Resolution #R-83-2012 approving the issuance of a promissory note by the Housing Authority of the City of Loveland to Home State Bank for the sole purpose of qualifying the interest payable on the note for exclusion from the gross income of the owner or owners of the note for federal income tax purposes under the applicable provisions of the Internal Revenue Code of 1986; and related matters. Councilor Klassen seconded the motion and a roll call vote was taken with all Councilors present voting in favor thereof except for Councilor Fogle who recused himself from the vote.

RESOLUTION #R-83-2012

A RESOLUTION APPROVING THE ISSUANCE OF A PROMISSORY NOTE BY THE HOUSING AUTHORITY OF THE CITY OF LOVELAND TO HOME STATE BANK FOR THE SOLE PURPOSE OF QUALIFYING THE INTEREST PAYABLE ON THE NOTE FOR EXCLUSION FROM THE GROSS INCOME OF THE OWNER OR OWNERS OF THE NOTE FOR FEDERAL INCOME TAX PURPOSES UNDER THE APPLICABLE PROVISIONS OF THE INTERNAL REVENUE CODE OF 1986; AND RELATED MATTERS

WHEREAS, the City Council for the City of Loveland, Colorado (the "City Council") has been advised by the Housing Authority of the City of Loveland (the "Authority") that the Authority proposes to issue its Promissory Note in the principal amount of not to exceed \$3,500,000 (the "Note") to Home State Bank, and to loan the proceeds therefrom to Big Thompson Manor II, Inc. (the "Corporation") to provide funds to: (i) refinance a 60-unit rental housing facility for seniors known as Big Thompson Manor II located at 230 N. Monroe Avenue, Loveland, Colorado, owned and operated by the Corporation, and (ii) make a loan to Legacy Center, Inc. to prepay a loan with respect to a rental housing facility for seniors known as Legacy Center located in Cañon City, Colorado, all in accordance with the Authority's powers as set forth in Part 2, Article 4, Title 29 of Colorado Revised Statutes, and contingent upon the adoption of this Resolution; and

WHEREAS, it is the intent of the Authority that interest on the Note qualify for exclusion from the gross income of the owners thereof for federal income tax purposes pursuant to the applicable provisions of the Internal Revenue Code of 1986, as amended (the "Tax Code"); and

WHEREAS, under the provisions of Section 147(f) of the Tax Code, interest on the Note would not be so excludable unless the issue is approved by the City Council after a public hearing to consider the Issuance of the Note following reasonable public notice; and

WHEREAS, the City Council has been advised that a public hearing was held by the Authority on November 12, 2012, after reasonable public notice; and

WHEREAS, the Authority's Report of the Public Hearing is attached to this resolution as Exhibit A and attached as Exhibit B is the affidavit of publication for the November 12, 2012 hearing.

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

Section 1. The City Council, for the sole purpose of qualifying the interest payable on the Note for exclusion from the gross income of the owners thereof for federal income tax purposes pursuant to the applicable provisions of the Tax Code, does hereby approve the issuance by the Authority of the Note, provided that: (i) the aggregate principal amount of the Note shall not exceed \$3,500,000, and (ii) in no event shall the City or any other political subdivision of the State of Colorado (other than the Authority) be liable for the Note nor shall the Note constitute a debt of the State of Colorado, the City of Loveland or any other such political subdivision (other than the Authority).

Section 2. All resolutions, orders or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby superseded.

Section 3. This Resolution shall be in full force and effect from and after its passage and approval, in accordance with law.

ADOPTED this 4th day of December, 2012.

Cecil A. Gutierrez, Mayor

Attest: Teresa G. Andrews, City Clerk

Exhibit A and B are available in the City Clerk's Office

17. DEVELOPMENT SERVICES

Tax-Exempt Financing by the Housing Authority of the City of Loveland (Mirasol Community Center)

Resolution #R-84-2012 & P.H. Councilor Fogle recused himself from hearing this item as his wife works at the Housing Authority.

Administrative Action: Community Partnership Manager Alison Hade introduced this item. This is an administrative action. This is an administrative action approving a tax-exempt financing by the Housing Authority of the City of Loveland. Approval of the Resolution does not in any way make the City liable for the Authority's financial obligations under the promissory note. The Mayor opened the public hearing at 8:29 p.m. and hearing no comments closed the public hearing at 8:29 p.m. Councilor Shaffer made a motion to approve Resolution #R-84-2012 approving the issuance of a promissory note by the Housing Authority of the City of Loveland to the First National Bank for the sole purpose of qualifying the interest payable on the note for exclusion from the gross income of the owner or owners of the note for federal income tax purposes under the applicable provisions of the Internal Revenue Code of 1986; and related matters. Councilor Klassen seconded the motion and a roll call vote was taken with all Councilors present voting in favor thereof except for Councilor Fogle who recused himself from the vote.

RESOLUTION NO. R-84-2012

A RESOLUTION APPROVING THE ISSUANCE OF A PROMISSORY NOTE BY THE HOUSING AUTHORITY OF THE CITY OF LOVELAND TO THE FIRST NATIONAL BANK FOR THE SOLE PURPOSE OF QUALIFYING THE INTEREST PAYABLE ON THE NOTE FOR EXCLUSION FROM THE GROSS INCOME OF OWNER OR OWNERS OF THE NOTE FOR FEDERAL INCOME TAX PURPOSES UNDER THE APPLICABLE PROVISIONS OF THE INTERNAL REVENUE CODE OF 1986; AND RELATED MATTERS

WHEREAS, the City Council for the City of Loveland, Colorado (the "City Council") has been advised by the Housing Authority of the City of Loveland (the "Authority") that the Authority proposes to issue its Promissory Note in the principal amount of not to exceed \$850,000 (the "Note") to First National Bank, and to loan the proceeds therefrom to the Loveland Housing Development Corporation (the "Corporation") to provide permanent refinancing for the community center at the Mirasol Senior Community located at 1153 Finch Place, in the City of Loveland, Colorado (the "Project"), all in accordance with the Authority's powers as set forth in Part 2, Article 4, Title 29 of Colorado Revised Statutes, and contingent upon the adoption of this Resolution; and

WHEREAS, it is the intent of the Authority that interest on the Note qualify for exclusion from the gross income of the owners thereof for federal income tax purposes pursuant to the applicable provisions of the Internal Revenue Code of 1986, as amended (the "Tax Code"); and

WHEREAS, under the provisions of Section 147(f) of the Tax Code, interest on the Note would not be so excludable unless the issue is approved by the City Council after a public hearing to consider the issuance of the Note following reasonable public notice; and

WHEREAS, the City Council has been advised that a public hearing was held by the Authority on November 16, 2012 after reasonable public notice; and

WHEREAS, the Authority's Report of the Public Hearing is attached to this resolution as Exhibit A and attached as Exhibit B is the affidavit of publication for the November 16, 2012 hearing.

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

Section 1. The City Council, for the sole purpose of qualifying the interest payable on the Note for exclusion from the gross income of the owners thereof for federal income tax purposes pursuant to the applicable provisions of the Tax Code, does hereby approve the issuance by the Authority of the Note, provided that: (i) the aggregate principal amount of the Note shall not exceed \$850,000, and (ii) in no event shall the City or any other political subdivision of the State of Colorado (other than the Authority) be liable for the Note nor shall the Note constitute a debt of the State of Colorado, the City of Loveland or any other such political subdivision (other than the Authority).

Section 2. All resolutions, orders or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby superseded.

Section 3. This Resolution shall be in full force and effect from and after its passage and approval, in accordance with law.

ADOPTED this 4th day of December, 2012.

Cecil A. Gutierrez, Mayor

Attest: Teresa G. Andrews, City Clerk

Exhibit A and B are available in the City Clerk's Office

18. FINANCE

October 2012 Finance Report Information Only

This item is 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 October 31, 2012.

19. FINANCE

Investment Report for October 2012 Information Only

This item is information only. Executive Fiscal Advisor Alan Krmarik introduced this item to Council. The budget estimate for investment earnings for 2012 is \$2,729,560. Through October 2012, the amount posted to the investment account is \$2,152,850 including realized gains. Actual year-to-date earnings are now lower than the year-to-date projection by \$115,850. Based on the monthly statement, the estimated annualized yield on the securities held by USBank was down to 1.14%, well under the annual target rate of 1.70% for 2012. Reinvestment rates are still near record low levels, much lower than the budget projection.

OTHER COUNCIL BUSINESS

- 1) Councilor Shaffer moved to appoint Daryle Klassen to serve as Council liaison on the Senior Advisory Board only for the purpose of conducting interviews during Council Taylor's absence. Councilor Clark seconded the motion and a roll call vote was held with all Councilors present voting in favor thereof.
- 2) Councilor Shaffer moved to authorize the Mayor to appoint substitutes for any of Councilor's Taylor's board and commission liaison role during his absence. Councilor Klassen seconded the motion and a roll call vote was held with all Councilors present voting in favor thereof.

20. CITY MANAGER

Executive Session to Consider a Personnel Matter

At 9:28 p.m. Councilor Shaffer moved that the City Council go into executive session as authorized in CRS Sections 24-6-402(4)(f), (4)(b) and (4)(g) and in Loveland Charter Sections 4-4(c)(3), (c)(5) and (c)(6) for the purpose of considering a personnel matter

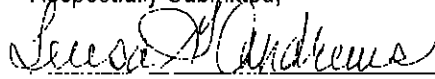
and concerning that matter to receive, consider and discuss documents not subject to public inspection under the Colorado Open Records Act, such as work-product documents, and to receive legal advice from the City Attorney. Councilor Farley seconded the motion and a roll call vote was taken with all Councilors present voting in favor thereof.

At 10:15 p.m. the Mayor reconvened the meeting.

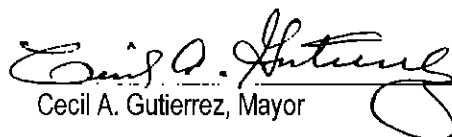
ADJOURNMENT

Having no further business to come before Council, the December 4, 2012 Regular Meeting was adjourned at 10:15 p.m.

Respectfully Submitted,



Teresa G. Andrews, City Clerk



Cecil A. Gutierrez, Mayor